



CENTRAL BANK
OF THE REPUBLIC OF AZERBAIJAN

The Balance of Payments for 9 months of 2025

January - September 2025

Statistics Department

STRUCTURE

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1. GLOSSARY OF TERMS

<u>Current account balance</u>	The current account balance includes i) foreign trade balance, ii) services balance, iii) primary income balance and iv) secondary income balance.
<u>Foreign trade balance</u>	Foreign trade balance is the balance of import and export operations of goods.
<u>Services balance</u>	Services balance is calculated based upon the balance of export and import operations on i) processing and repair, ii) transportation, iii) tourism, iv) royalty and licensing, v) telecommunication and communication, vi) construction, vii) insurance, viii) financial, ix) government, x) other business, xi) personal, cultural and entertainment services.
<u>Primary income balance</u>	Primary income balance is generated based upon the balance of revenue and spending operations on earned and paid factor income, including salaries, direct investment income, dividends, interest, rent and other items.
<u>Secondary income balance</u>	Secondary income balance is generated based upon the balance of revenue and spending operations on current transfers, including money transfers, humanitarian aid, grants, and other items.
<u>Capital and financial flow account</u>	The capital and financial flow account indicates the in- and outflow of capital to/from the country. Capital in- and outflow may be as i) direct, ii) portfolio, iii) trade credits and advances, iv) loans, v) currency and deposits, and in other forms.
<u>Capital account</u>	The capital account shows transactions with the rest of the world on non-produced non-financial assets (e.g., transfers of sportsmen), as well as other capital-oriented transfers (e.g., humanitarian aid in the form of equipment).

<u>Financial account</u>	The financial account records net foreign financial assets and liabilities and includes various investment flows, acquisition of financial liabilities and claims (direct and portfolio investments, loans, currency and deposits and others).
<u>Direct investments</u>	A direct investment is an investment by a resident of a country that entitles to exercise control over the management of an enterprise owned by a resident of another country.
<u>Oil bonus</u>	Premiums paid to the Republic of Azerbaijan regarding the signing or implementation of Production Sharing Agreements in the oil and gas sector.
<u>Portfolio investments</u>	Portfolio investments are investments in securities made by a resident of a country without active participation in the management of an enterprise owned by a resident of another country to earn income. This item includes investments in securities not attributable to direct investments.
<u>Other investments</u>	Other Investments include i) trade credit and advances, ii) loans, iii) currency and deposits operations. Other investments not attributable to direct and portfolio investments and financial derivative instruments are included to this item.
<u>Trade credits</u>	Trade credits (debts) are amounts unpaid by residents in exchange for goods (or supplied services) provided by non-residents to residents or amounts unpaid by non-residents in exchange for goods (or supplied services) provided by residents to non-residents.
<u>Trade advances</u>	Trade advances are amounts paid in advance (in part or in full) by residents in exchange for goods to be delivered (or services to be supplied) by non-residents to residents or amounts paid in advance (in part or in full) by residents in exchange for goods to be delivered (or services to be supplied) by residents to non-residents.

<u>Loans</u>	Loans are money lent in a certain amount, with or without collateral, on the condition that it will be reimbursed in accordance with the concluded contract, for a certain period (with the right to extend the period) and on the condition that interest (commission fees) will be paid.
<u>Currency and deposits</u>	Currency and deposits are money deposited or transferred to current, savings (deposit), correspondent or other accounts, which are to be returned or transferred to another account at the request of investors (depositors) with or without payment of interest or commission fees under relevant contractual conditions, and cash foreign currency.
<u>Reserve assets</u>	Increase/decrease in country's strategic foreign reserves resulting from transactions in the current account and the capital and financial account. In practice, when the current account is in surplus, the surplus funds the capital and financial account deficit. If the current account surplus exceeds the capital and financial account deficit, the difference may increase reserve assets.
<u>Net errors and omissions</u>	Net errors and omissions may be generated as a result of operations not registered on corresponding items of the balance of payments. In practice, it is impossible to ensure that net errors and omissions are '0' in the preparation of the BoP. Experience shows that accurate registration of several transactions in liberal and open economies and on the backdrop of rapid expansion of foreign economic relations is a complicated process, due to incomplete information, time lag between information sources, deviations in assessments and other factors. In most cases, different sources of information are used to record credit and debit sides of a transaction. When one or more of these sources are incomplete, the credit and

<p>debit sides of the BoP are not equal, resulting in a certain gap. These gaps are summarized and recorded in the net errors and omissions section at the end. For example, if the surplus resulting from the gap between the balance of current account and the balance of capital and financial account flows in the BoP exceeds the increase in reserve assets, this gap should be recorded with a negative sign in the net errors and omissions section.</p>

2. EXECUTIVE SUMMARY

The balance of payments for 9 months of 2025¹ was driven by shifts in prices and indexes in global commodity, service, and financial markets. Current account surplus amounted to \$3.0B, net foreign assets increased by \$4.5B and net foreign liabilities increased by \$0.4B. Over the reporting period, the current account surplus to GDP ratio made up 5.4%, a positive indicator in terms of macroeconomic stability. The realized part of reserve assets decreased by about \$1.1B. However, the country's strategic foreign exchange reserves increased by \$10.5B as of end-period to \$81.5B, attributable to further strengthening of macroeconomic sustainability. The average price for crude oil amounted to 70.1\$/barrel.

TABLE 1. Main indicators of BOP for 9 months of 2025, mln.\$.

Indicators	9 months 2025
Current account balance	3 000.2
Foreign trade balance	5 599.0
Services balance	-1 363.1
Primary income balance	-1 704.0
- <i>Investment income repatriation</i>	-1 981.3
Secondary income balance	468.3
Capital account	-5.6
Financial account	-4 063.4
Net financial assets	4 479.3
- <i>direct investments abroad</i>	922.7
- <i>portfolio investments</i>	1 334.4
- <i>other investments</i>	2 222.2
Net financial liabilities	415.9
- <i>direct investments to Azerbaijan</i>	4 736.1
- <i>attracted investment repatriation</i>	-5 041.3
- <i>oil bonus</i>	450.2
- <i>portfolio investments</i>	-33.7
- <i>other investments</i>	304.6
Change in reserve assets	-1 125.4
Net errors and omissions	-56.6

¹ Go to <https://uploads.cbar.az/assets/4f9ced2ebffd8b2fb6149f920.pdf> for Methodological Guidelines on Compiling the Balance of Payments.

3. CURRENT ACCOUNT BALANCE (CAB)

Current account surplus amounted to \$3.0B or 5.4% of GDP (yoy \$4.0B). Oil and gas CAB surplus yoy shrank by 3.7% to \$10.7B, while non-oil-gas CAB deficit increased by 7.5% to \$7.7B.

TABLE 2. Main indicators of CAB for 9 months of 2025, mln.\$.

Indicators	9 months 2024	9 months 2025	Change, %
Current account balance	3 952.9	3 000.2	- 24.1
- Oil-gas sector	11 115.4	10 703.3	- 3.7
- Other sectors	-7 162.5	-7 703.1	7.5
Foreign trade balance	7 004.0	5 599.0	- 20.1
Services balance	-1 563.5	-1 363.1	- 12.8
Primary income balance	-1 978.5	-1 704.0	- 13.9
Secondary income balance	490.9	468.3	- 4.6

3.1. Foreign trade balance

Foreign trade turnover made up \$30.8B, \$14.0B worth oil-gas surplus covered \$8.4B non-oil-gas deficit, resulting in \$5.6B worth foreign trade surplus. Over 9 months of 2025, Azerbaijan traded with 179 countries – CIS countries account for 12.1%, while other countries for 87.9% of foreign trade.

TABLE 3. Foreign trade balance structure, mln.\$.

Indicators	9 months 2024	9 months 2025	Change, %
Foreign trade balance	7 004.0	5 599.0	- 20.1
- Total export	19 265.1	18 195.0	- 5.6
- Total import	-12 261.1	-12 596.0	2.7
Oil-gas sector	15 096.2	13 957.4	- 7.5
- Export	16 880.0	15 664.9	- 7.2
- Import	-1 783.8	-1 707.5	- 4.3
Non-oil-gas sector	-8 092.2	-8 358.4	3.3
- Export	2 385.1	2 530.1	6.1
- Import	-10 477.3	-10 888.5	3.9

Commodity export decreased by 5.6% to \$18.2B. Oil-gas export amounted to \$15.7B, due to favorable crude oil and natural gas prices in global markets during the period. Crude oil accounts for \$9.6B, natural gas for \$5.6B and oil processing products for \$0.5B of exported oil-gas products (\$15.7 B). Non-oil and gas exports performed well, increasing by 6.1% to \$2.5B.

Commodity import yoy increased by 2.7% to \$12.6B. Total value of imported consumer goods amounted to \$5.1B (including \$1.8B worth food products). Non-oil-gas import increased by 3.9% to \$10.9B: import of aircrafts (8.6 times); vegetables (46.3%); vehicles (29.5%); alcoholic and non-alcoholic beverages (21.9%); perfume and cosmetics (12.9%); electrical machines and apparatus (7.3%); tobacco and tobacco products (7.2%); vegetable oils (6.8%); boilers, equipment, mechanical devices (6.2%); tractors (4.2%); sugar (3.1%); paper products (2.2%) and cereals (1.6%) increased. Import of turbojet engines (96.4%); ships, boats, and floating structures (47.4%); mechanical shovels and excavators (47.3%); commutation devices (39.5%); railway vehicles (39.1%); trucks (30.9%); internal combustion engines (23.5%); computing machines (23.2%); stone and glass materials (6.9%); furniture (6.7%); woodware (6.5%); metals (5.3%); soaps and detergents (3.8%); faucets, valves, and pipeline fittings (3.4%) and pharmaceuticals (1.0%) decreased.

The share of machinery-equipment and goods imported via foreign investments was 3.7% (\$0.5B).

TABLE 4. Import structure, mln.\$.

Indicators	9 months 2024		9 months 2025	
	Amount	Weight, %	Amount	Weight, %
Import	12 261.1	100.0	12 596.0	100.0
<i>including:</i>				
1. Consumer goods	4 906.4	40.0	5 132.5	40.7
- <i>food products</i>	1 634.1	13.3	1 782.0	14.1
- <i>other</i>	3 272.3	26.7	3 350.5	26.6
2. Investment oriented goods	404.6	3.3	466.7	3.7
3. Other goods	6 950.1	56.7	6 996.8	55.6

3.2. Services balance

Total services in Azerbaijan's economic relations with foreign countries made up \$14.0B – non-residents rendered \$7.7B worth services to Azerbaijani residents and Azerbaijani residents rendered \$6.3B worth services to non-residents. In general, deficit in services balance decreased by 12.8% to \$1.4B, attributable to the services balance moving toward equilibrium. Oil-gas deficit was \$1.1B (mainly, in construction and other business services). Deficit in non-oil-gas services balance amounted to \$280.7M.

Transportation accounts for 28.2% of total mutual services turnover. Total amount of transportation services made up \$4.0B, 66.3% of which relates to the use of transportation systems of Azerbaijan by non-residents. Total value of transportation services provided by Azerbaijani residents to non-residents made up \$2.6B, while the value of transportation services provided by non-residents to Azerbaijani residents made up \$1.4B.

Non-oil-gas export of transportation services yoy increased by 22.9% and import decreased by 7.4%. As a result, surplus on transportation services increased by 50.2% to \$1.3B. Surplus on transportation services amounted to \$0.9B over nine months of 2024.

Mutual tourism services turnover slightly decreased (0.5%) to \$2.7B. Tourism export (\$1.5B) prevailed over tourism import (\$1.2B) during the reporting period, resulting in \$0.3B worth surplus. The number of Azerbaijani citizens visiting foreign countries decreased by 2.6%, and the number of foreign citizens visiting Azerbaijan decreased by 1.8%. Foreign countries supplied \$1.2B worth tourism services to Azerbaijani citizens, out of which personal expenditures of Azerbaijani citizens in foreign countries amounted to 75.1% (excluding funds for shuttle trade import).

Cost of construction services to non-residents on the non-oil-gas amounted to \$2.4M, while cost of other business services to non-residents on the non-oil-gas sector increased by 12.1% to \$1.6B.

3.3. Primary income balance

Oil-gas deficit made up \$2.2B, while non-oil-gas surplus amounted to \$0.5B, resulting in \$1.7B worth primary income balance deficit (down by 13.9%).

Total turnover of income receipts and payments was \$6.0B. 64.2% (\$3.9B) of which were payments from Azerbaijan to non-residents: repatriation of income attributable to foreign investors (\$2.7B) (including \$2.4B worth repatriation on foreign investors in oil-gas consortiums in the form of crude oil and natural gas), interest payments to non-residents on the securities portfolio (\$239.4M), interest paid on foreign loans (\$346.6M) and other payments (\$580.3M). Note that, the bulk of other payments (\$383.3M) was recorded under the foreign direct investment item, as it represents reinvestment of earnings (income generated in Azerbaijan and reinvested in the domestic economy).

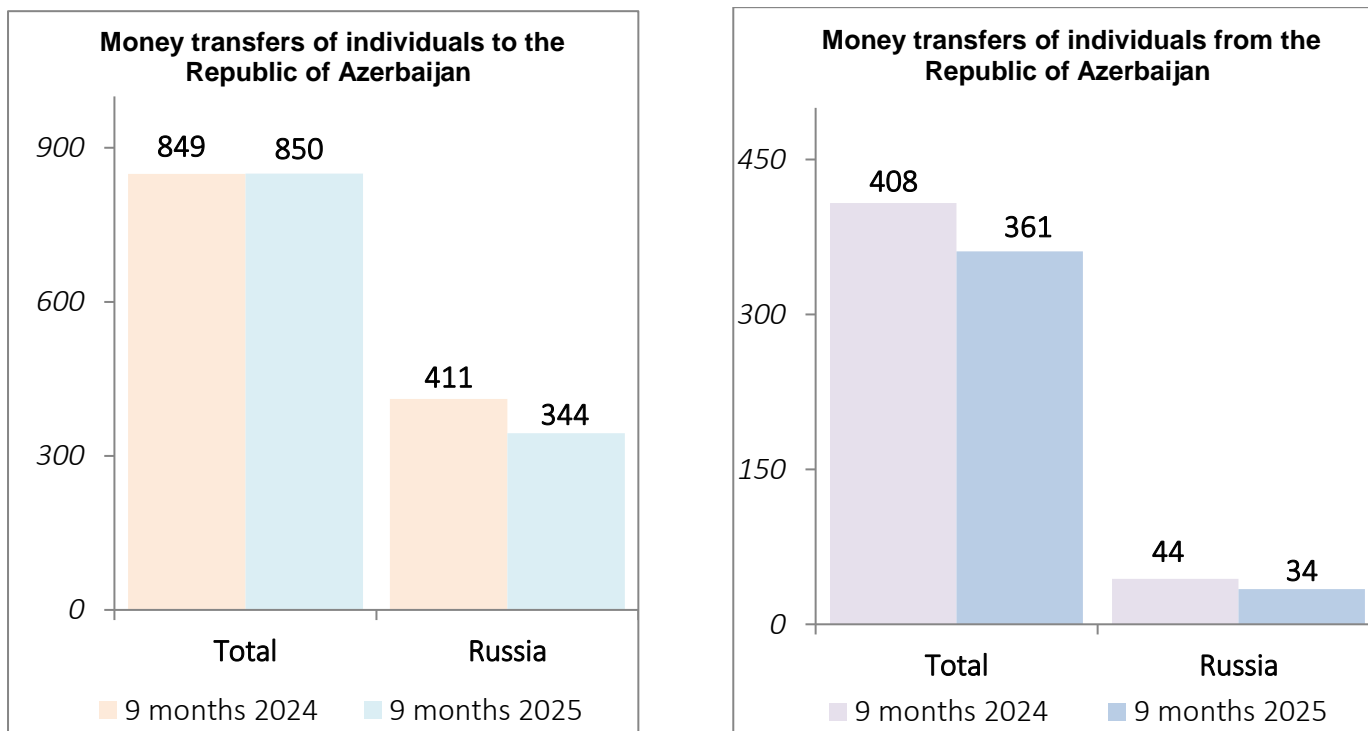
3.4. Secondary income balance

Total volume of secondary income operations with foreign countries was estimated to equal \$1.4B – receipts \$947.1M and payments \$478.8M.

89.7% of total receipts on secondary income includes money transfers of individuals from foreign countries, 4.0% humanitarian goods and other aids, and 6.3% other receipts.

Money transfers of individuals from foreign countries increased by 0.2% to \$849.9M and money transfers of individuals to foreign countries decreased by 11.5% to \$361.4M, resulting in \$488.5M worth surplus on money transfers of individuals.

CHART 1. Main indicators of money transfers for 9 months of 2025, mln.\$.



Overall, surplus of secondary income operations made up \$468.3M (down by 4.6%).

4. CAPITAL AND FINANCIAL ACCOUNT²

Net acquisition of financial assets increased by \$4.5B: direct investments abroad (\$1.0B), portfolio investments (\$1.3B) and other investments (\$2.2B).

Net incurrence of liabilities increased by \$415.9M: net FDIs (\$-305.2M), oil bonus (\$450.2M), portfolio investments (\$-33.7M) and other investments (\$304.6M).

TABLE 5. Net financial assets and liabilities for 9 months of 2025, mln.\$.

	Assets	Liabilities
Direct investments	922.7	-305.2
- <i>oil-gas sector</i>	139.4	-1 016.2
- <i>other sectors</i>	783.3	711.0
Oil bonus		450.2
Portfolio investment	1 334.4	-33.7
Other investment	2 222.2	304.6
- <i>Trade credits and advances</i>	-224.6	16.2
- <i>Loans</i>	-15.1	560.0
- <i>Currency and deposits</i>	2 461.9	-271.6
TOTAL	4 479.3	415.9

² Under the IMF's Balance of Payments Manual (sixth edition), the capital and financial account in the BOP structure is classified under the Assets/Liabilities principle.

4.1. *Direct investments*

Net FDI assets increased by \$922.7M, while net FDI liabilities decreased by \$305.2M.

Total FDI liabilities amounted to \$4.7B, total investments abroad amounted to \$2.0B. In general, there was \$1.2B worth deficit on FDIs.

The oil-gas sector accounted for 78.5% of FDIs. Drop in net incurrence of liabilities (\$-1 016.2M) on the oil-gas sector of the BoP's direct investment item stems from the difference between attracted investments (\$3 716.6M) and capital repatriation (\$4 732.8M) (in the form of crude oil and natural gas, which is the share of international oil and gas consortiums).

Total FDI liabilities to the non-oil-gas sector have been estimated to have increased by 9.0% to \$1 019.4M, a portion of which (\$304.9M) relates to the reinvestment of earnings to the country economy.

4.2. *Portfolio investments*

Net financial assets on portfolio investments increased by \$1.3B, while net financial liabilities decreased by \$33.7M.

Assets on portfolio investments mainly increased at the expense of banks (\$500.4M), public sector (\$34.1M) and other sectors (\$817.3M) and decreased at the expense of equity securities (\$17.4M). Liabilities increased at the expense of equity securities (\$0.2M) and other sectors (\$5.8M) and decreased at the expense of the public sector (\$39.7M).

4.3. *Oil bonus*

According to Article 29.2 of the 'Agreement on joint development and production sharing for the Azeri and Chirag fields and the Deep-Water Portion of the Gunashli field located in the Azerbaijani sector of the Caspian Sea' ("AÇG HPBS") dated 14 September 2017, total \$3,6B worth oil bonus is planned to be paid in 2018-2025. Annual payment of this amount is \$450M. Funds intended for the current year were paid to Azerbaijan in January 2025.

4.4. *Other investments*

Net acquisition of financial assets on other investments increased by \$2.2B, and net incurrence of liabilities increased by \$0.3M.

Net financial assets on loans decreased by \$15.1M, while net financial liabilities increased by \$560.0M. Net financial liabilities on loans increased at the expense of bank sector loans (\$354.2M), oil-and-gas sector loans (\$660.8M) and loans of enterprises (\$61.8M) and decreased at the expense of government loans (\$328.7M) and government guaranteed loans (\$188.1M).

Net financial assets on currency and deposits increased by \$2.5B, while net financial liabilities decreased by \$271.7M.

5. *RESERVE ASSETS*

The realized part of reserve assets of the balance of payments decreased by \$1.1B³. As of the end-period the country's strategic foreign exchange reserves increased by \$10.5B to \$81.5B.

6. *NET ERRORS AND OMISSIONS*

Net errors and omissions amounted to negative \$56.6M over the reporting period.

³ Without taking into account exchange rate changes, revaluation, and other changes.