

## BALANCE OF PAYMENTS<sup>1</sup> of the Republic of Azerbaijan for January – December, 2015

*In January - December, 2015 external economic operations had positive balance on the oil-and-gas sector and negative balance on the non-oil sector.*

*Total proceeds of the oil-and-gas sector chiefly stems from oil-and-gas export and foreign capital attracted to the sector. Payments on this sector reflect repatriation of profit and investments, and import of equipment and services. Total positive surplus on the oil-and-gas sector in January – December, 2015 amounted to USD10.1 B.*

### **Key indicators of the balance of payments for January –December, 2015**Mln. \$

<b>Current operations</b>	<b>-222.5</b>
Foreign trade balance	5812.4
Services balance	-4228.8
Primary income balance	-2027.8
- Investment income repatriation	-1781.6
Secondary income balance	221.7
<b>Capital account</b>	<b>-43.9</b>
<b>Financial account</b>	<b>-9025.2</b>
Net financial assets	13720.8
including:	
- direct investments abroad	3259.7
- portfolio investments	380.3
- other investments	10080.8
Net financial liabilities	4695.6
including:	
- direct investments attracted to Azerbaijan	7483.1
- attracted investment repatriation	-3437.4
- oil bonus	2.0
- portfolio investments	772.6
- other investments	-124.7
<b>Net errors and omissions</b>	<b>-2037.4</b>
<b>Total surplus of the BOP</b> (change in reserve assets of the country)	<b>-11329.0</b>

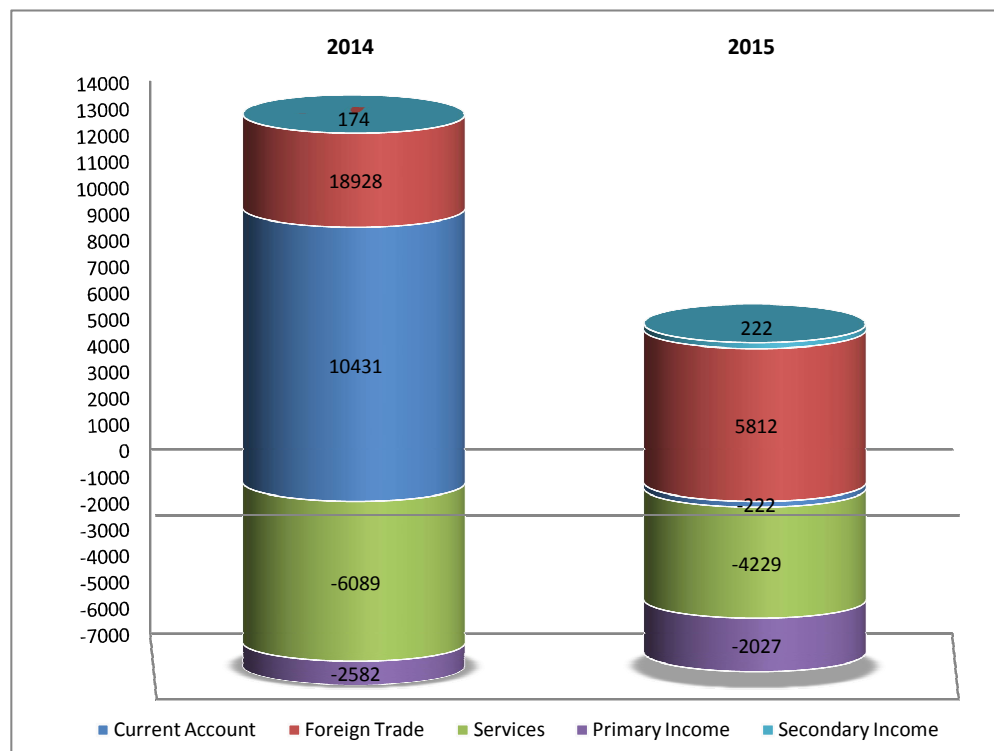
*Note: The BOP was calculated at the 48\$ (y.o.y. 95\$) average actual oil price.*

<sup>1</sup> Go to [http://cbar.az/assets/1186/final\\_metod.pdf](http://cbar.az/assets/1186/final_metod.pdf) for Methodological Guidelines on Compiling the Balance of Payments.

## Current operations account

In January – December, 2015 current accounts deficit amounted to USD 222.5M, including USD 6548.9M of current accounts surplus on the oil-and-gas sector. Surplus of the oil-and-gas sector covered 97% of the USD 6771.4 mlnworth of deficit on the non-oil sector.

Mln.\$



### *External trade balance*

External trade balance made USD 25.4 B, while *positive external trade surplus amounted to USD 5.8 B.*

In January – December, 2015 Azerbaijan traded with up to 172 countries across the world. 10.5% of external trade falls to the share of CIS countries and 89.5% – other countries. Our country had more vigorous trade ties with Turkey, Italy, Russia, the UK, Germany, the USA, Japan, Israel and China. (The share of these countries in overall trade was 67.1%).

**Commodity export.** Over the reported period commodity export amounted to USD 15.6 B. Oil-and-gas products account for 90.4% of export. USD 12.8 B worth oil products were exported to foreign countries, of which USD 975.7 M falls to the share of oil processing products, while USD 11.8 B to export of crude oil.

**Non-oil and gas** export amounted to USD 1498.2 M in January – December 2015.  
**Commodity import.** Over the reported period, commodity import constituted USD 9.8 B. Total value of imported consumer goods was USD 3850.8 M.  
 The share of vehicles, equipment and goods imported through investments comprised 22.6%.

***Services balance***

One of the major items in economic relations of Azerbaijan with other countries in January – December, 2015 was mutually provided services, the volume of which was USD 13.1 B. Out of which USD 8.7 B was rendered by non-residents for Azerbaijani residents, and USD 4.4 B –by Azerbaijani residents for residents of foreign countries. The share of transportation in total services turnover was 19.3%. Total size of transportation services made up USD 2.5 B, 60.1% of which relates to the utilization of transportation systems of Azerbaijan by non-residents. Total volume of transportation services provided by Azerbaijani residents to non-residents made up USD 1518.3 M., while the value of travelling services provided by non-residents to Azerbaijani residents made up 1009.6 M.

***Primary income balance***

Over the reported period total turnover of income receipts and payments reached USD4.5 B, 72.3% (USD 3.3 B) of which were payments from Azerbaijan. Its key portion (USD 2.0 B) fell to the share of income repatriation of foreign investors in oil-and-gas consortiums (mainly in terms of crude oil).

***Secondary income balance***

Total value of secondary income operations with foreign countries is estimated to equal USD 2.2 B. 55% of which was receipts by Azerbaijan. 96.4% of total receipts on secondary income are comprised of remittances of individuals from foreign countries, 2.2% – value of humanitarian import goods, and 1.4% – other receipts  
 In total, surplus of secondary income operations made up positive USD 221.7M.

**Financial account<sup>2</sup>**

In January – December 2015 net acquisition of financial assets increased USD13.7B, primarily comprised of FDIs (USD 3259.7 M), portfolio investments (USD 380.3 M) and other investments (USD10080.8 M). Net financial liabilities made up USD 4.7 B, primarily comprised of FDIs (USD 4045.7 M.), portfolio investments (USD772.6 M.), other investments (USD -124.7 M) and oil bonus (USD 2.0 M).

***Net financial assets and liabilities in January – December 2015***<sub>Mln.\$</sub>

	<b>Assets</b>	<b>Liabilities</b>

<b>Direct investments</b>	<b>3259.7</b>	<b>4045.7</b>
- oil and gas sector	1806.0	3227.5
- other sectors	1453.7	818.2
<b>Portfolio investments</b>	<b>380.3</b>	<b>772.6</b>
<b>Other investments</b>	<b>10080.8</b>	<b>-124.7</b>
-trade credits and advances	3699.6	118.0
-credits and loans	146.8	1346.8
-deposits and cash currency	6234.4	-1589.5
<b>Oil bonus</b>		<b>2.0</b>
<b>TOTAL</b>	<b>13720.8</b>	<b>4695.6</b>

*2 Under the IMF's Balance of Payments Manual (6th Edition), the capital and financial account in the BOP structure is classified under the Assets/Liabilities principle, due to which table indicators are designed under a new structure.*

### ***Direct investments***

Total amount of FDIs was USD 7.5 B, the oil-and-gas sector accounting for 88.5% of them.

Total amount of FDIs to the non-oil sector is estimated to equal USD 860.4M.

### ***Credits and other investments***

Over the reported period net financial assets on credits and loans increased by USD 146.8 M, while net financial liabilities increased by USD 1346.8 M.

Net financial assets on deposits and cash increased USD 6.2 B, while net financial liabilities decreased USD 1.6B.

### **Reserve assets**

Over the reported period country's reserve assets decreased USD 11329M.