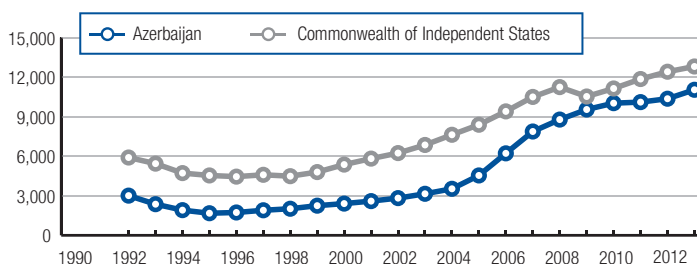


Azerbaijan

Key indicators, 2013

| | |
|--|-------|
| Population (millions)..... | 9.3 |
| GDP (US\$ billions)..... | 73.5 |
| GDP per capita (US\$)..... | 7,900 |
| GDP (PPP) as share (%) of world total..... | 0.12 |

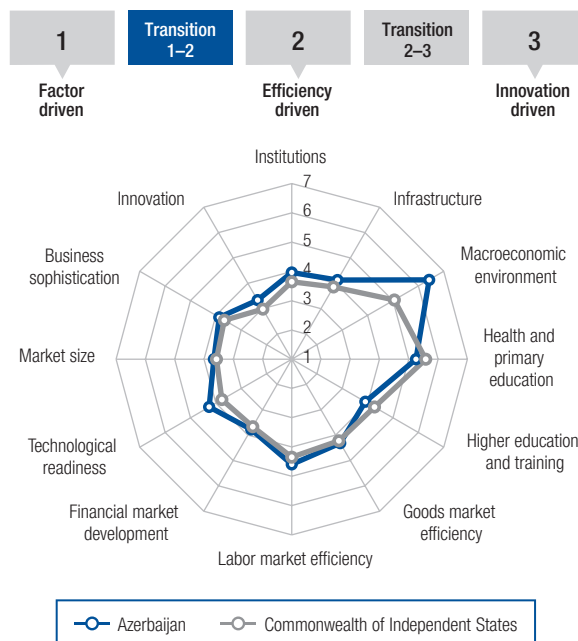
GDP (PPP) per capita (int'l \$), 1990–2013



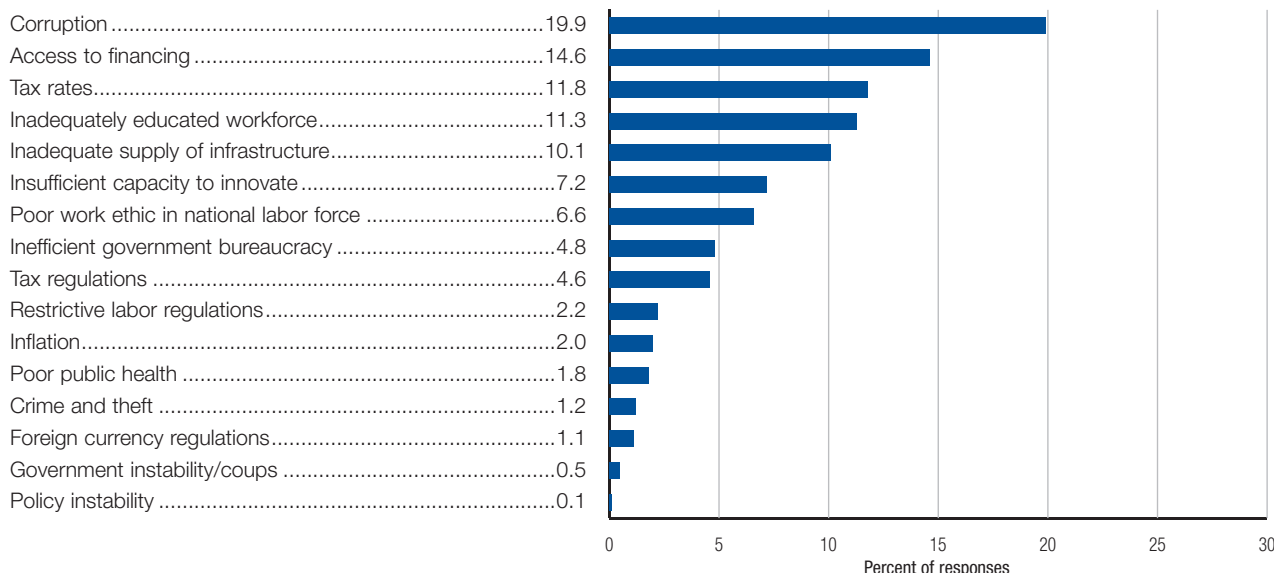
Global Competitiveness Index

| | Rank (out of 144) | Score (1–7) |
|---|----------------------|----------------|
| GCI 2014–2015 | 38 | 4.5 |
| GCI 2013–2014 (out of 148)..... | 39 | 4.5 |
| GCI 2012–2013 (out of 144)..... | 46 | 4.4 |
| GCI 2011–2012 (out of 142)..... | 55 | 4.3 |
| Basic requirements (56.3%) | 45 | 4.9 |
| Institutions..... | 60 | 4.0 |
| Infrastructure..... | 70 | 4.1 |
| Macroeconomic environment..... | 9 | 6.4 |
| Health and primary education..... | 104 | 5.2 |
| Efficiency enhancers (37.8%) | 71 | 4.1 |
| Higher education and training..... | 90 | 3.9 |
| Goods market efficiency..... | 72 | 4.3 |
| Labor market efficiency..... | 33 | 4.6 |
| Financial market development..... | 89 | 3.8 |
| Technological readiness..... | 56 | 4.3 |
| Market size..... | 72 | 3.7 |
| Innovation and sophistication factors (5.9%) | 72 | 3.6 |
| Business sophistication..... | 80 | 3.9 |
| Innovation..... | 59 | 3.3 |

Stage of development



The most problematic factors for doing business



Note: From the list of factors above, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

Azerbaijan

The Global Competitiveness Index in detail

| INDICATOR | VALUE | RANK/144 |
|---|-------|-----------|
| 1st pillar: Institutions | | |
| 1.01 Property rights | 3.8 | 91 |
| 1.02 Intellectual property protection | 3.5 | 80 |
| 1.03 Diversion of public funds | 3.1 | 77 |
| 1.04 Public trust in politicians | 3.4 | 46 |
| 1.05 Irregular payments and bribes | 3.6 | 85 |
| 1.06 Judicial independence | 3.2 | 99 |
| 1.07 Favoritism in decisions of government officials | 3.3 | 55 |
| 1.08 Wastefulness of government spending | 3.5 | 52 |
| 1.09 Burden of government regulation | 3.9 | 32 |
| 1.10 Efficiency of legal framework in settling disputes | 3.8 | 60 |
| 1.11 Efficiency of legal framework in challenging regs. | 3.5 | 51 |
| 1.12 Transparency of government policymaking | 4.3 | 48 |
| 1.13 Business costs of terrorism | 5.7 | 48 |
| 1.14 Business costs of crime and violence | 5.7 | 15 |
| 1.15 Organized crime | 5.5 | 40 |
| 1.16 Reliability of police services | 4.1 | 71 |
| 1.17 Ethical behavior of firms | 4.0 | 64 |
| 1.18 Strength of auditing and reporting standards | 4.2 | 95 |
| 1.19 Efficacy of corporate boards | 4.4 | 82 |
| 1.20 Protection of minority shareholders' interests | 3.9 | 88 |
| 1.21 Strength of investor protection, 0–10 (best)* | 6.7 | 22 |
| 2nd pillar: Infrastructure | | |
| 2.01 Quality of overall infrastructure | 4.8 | 47 |
| 2.02 Quality of roads | 4.0 | 69 |
| 2.03 Quality of railroad infrastructure | 3.8 | 37 |
| 2.04 Quality of port infrastructure | 4.3 | 63 |
| 2.05 Quality of air transport infrastructure | 5.0 | 44 |
| 2.06 Available airline seat km/week, millions* | 91.8 | 85 |
| 2.07 Quality of electricity supply | 4.9 | 70 |
| 2.08 Mobile telephone subscriptions/100 pop.* | 107.6 | 79 |
| 2.09 Fixed telephone lines/100 pop.* | 18.7 | 62 |
| 3rd pillar: Macroeconomic environment | | |
| 3.01 Government budget balance, % GDP* | 0.8 | 15 |
| 3.02 Gross national savings, % GDP* | 43.4 | 9 |
| 3.03 Inflation, annual % change* | 2.4 | 1 |
| 3.04 General government debt, % GDP* | 13.8 | 12 |
| 3.05 Country credit rating, 0–100 (best)* | 51.1 | 70 |
| 4th pillar: Health and primary education | | |
| 4.01 Malaria cases/100,000 pop.* | 0.0 | 8 |
| 4.02 Business impact of malaria | 5.8 | 14 |
| 4.03 Tuberculosis cases/100,000 pop.* | 95.0 | 92 |
| 4.04 Business impact of tuberculosis | 5.4 | 81 |
| 4.05 HIV prevalence, % adult pop.* | 0.2 | 1 |
| 4.06 Business impact of HIV/AIDS | 5.6 | 9 |
| 4.07 Infant mortality, deaths/1,000 live births* | 30.8 | 102 |
| 4.08 Life expectancy, years* | 70.6 | 93 |
| 4.09 Quality of primary education | 3.1 | 106 |
| 4.10 Primary education enrollment, net %* | 89.1 | 104 |
| 5th pillar: Higher education and training | | |
| 5.01 Secondary education enrollment, gross %* | 100.3 | 35 |
| 5.02 Tertiary education enrollment, gross %* | 20.4 | 91 |
| 5.03 Quality of the education system | 3.1 | 104 |
| 5.04 Quality of math and science education | 3.3 | 108 |
| 5.05 Quality of management schools | 3.3 | 124 |
| 5.06 Internet access in schools | 4.3 | 69 |
| 5.07 Availability of research and training services | 4.0 | 79 |
| 5.08 Extent of staff training | 3.7 | 94 |
| 6th pillar: Goods market efficiency | | |
| 6.01 Intensity of local competition | 4.3 | 121 |
| 6.02 Extent of market dominance | 3.5 | 91 |
| 6.03 Effectiveness of anti-monopoly policy | 3.2 | 130 |
| 6.04 Effect of taxation on incentives to invest | 3.6 | 82 |
| 6.05 Total tax rate, % profits* | 40.0 | 77 |

| INDICATOR | VALUE | RANK/144 |
|---|-------|-----------|
| 6th pillar: Goods market efficiency (cont'd.) | | |
| 6.06 No. procedures to start a business* | 3 | 10 |
| 6.07 No. days to start a business* | 7.0 | 36 |
| 6.08 Agricultural policy costs | 3.7 | 83 |
| 6.09 Prevalence of trade barriers | 4.4 | 68 |
| 6.10 Trade tariffs, % duty* | 7.5 | 87 |
| 6.11 Prevalence of foreign ownership | 3.8 | 115 |
| 6.12 Business impact of rules on FDI | 4.3 | 81 |
| 6.13 Burden of customs procedures | 3.2 | 122 |
| 6.14 Imports as a percentage of GDP* | 26.6 | 126 |
| 6.15 Degree of customer orientation | 4.6 | 69 |
| 6.16 Buyer sophistication | 4.0 | 30 |
| 7th pillar: Labor market efficiency | | |
| 7.01 Cooperation in labor-employer relations | 4.3 | 66 |
| 7.02 Flexibility of wage determination | 5.4 | 40 |
| 7.03 Hiring and firing practices | 4.4 | 25 |
| 7.04 Redundancy costs, weeks of salary* | 21.7 | 101 |
| 7.05 Effect of taxation on incentives to work | 3.4 | 87 |
| 7.06 Pay and productivity | 4.4 | 34 |
| 7.07 Reliance on professional management | 3.8 | 96 |
| 7.08 Country capacity to retain talent | 3.5 | 61 |
| 7.09 Country capacity to attract talent | 4.0 | 34 |
| 7.10 Women in labor force, ratio to men* | 0.93 | 20 |
| 8th pillar: Financial market development | | |
| 8.01 Availability of financial services | 4.1 | 92 |
| 8.02 Affordability of financial services | 4.1 | 77 |
| 8.03 Financing through local equity market | 3.1 | 90 |
| 8.04 Ease of access to loans | 2.7 | 79 |
| 8.05 Venture capital availability | 2.7 | 64 |
| 8.06 Soundness of banks | 4.3 | 100 |
| 8.07 Regulation of securities exchanges | 3.7 | 93 |
| 8.08 Legal rights index, 0–10 (best)* | 6 | 63 |
| 9th pillar: Technological readiness | | |
| 9.01 Availability of latest technologies | 5.0 | 63 |
| 9.02 Firm-level technology absorption | 4.7 | 64 |
| 9.03 FDI and technology transfer | 4.7 | 63 |
| 9.04 Individuals using Internet, %* | 58.7 | 55 |
| 9.05 Fixed broadband Internet subscriptions/100 pop.* | 17.0 | 42 |
| 9.06 Int'l Internet bandwidth, kb/s per user* | 45.2 | 58 |
| 9.07 Mobile broadband subscriptions/100 pop.* | 43.9 | 47 |
| 10th pillar: Market size | | |
| 10.01 Domestic market size index, 1–7 (best)* | 3.4 | 75 |
| 10.02 Foreign market size index, 1–7 (best)* | 4.6 | 70 |
| 10.03 GDP (PPP\$ billions)* | 102.8 | 70 |
| 10.04 Exports as a percentage of GDP* | 48.5 | 48 |
| 11th pillar: Business sophistication | | |
| 11.01 Local supplier quantity | 4.4 | 90 |
| 11.02 Local supplier quality | 4.1 | 87 |
| 11.03 State of cluster development | 3.4 | 99 |
| 11.04 Nature of competitive advantage | 3.1 | 105 |
| 11.05 Value chain breadth | 3.7 | 75 |
| 11.06 Control of international distribution | 4.1 | 65 |
| 11.07 Production process sophistication | 4.0 | 61 |
| 11.08 Extent of marketing | 4.3 | 66 |
| 11.09 Willingness to delegate authority | 3.6 | 79 |
| 12th pillar: Innovation | | |
| 12.01 Capacity for innovation | 4.1 | 43 |
| 12.02 Quality of scientific research institutions | 3.4 | 87 |
| 12.03 Company spending on R&D | 3.2 | 60 |
| 12.04 University-industry collaboration in R&D | 3.2 | 104 |
| 12.05 Gov't procurement of advanced tech products | 4.2 | 18 |
| 12.06 Availability of scientists and engineers | 4.2 | 63 |
| 12.07 PCT patents, applications/million pop.* | 0.6 | 75 |

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*). For further details and explanation, please refer to the section "How to Read the Country/Economy Profiles" on page 101.