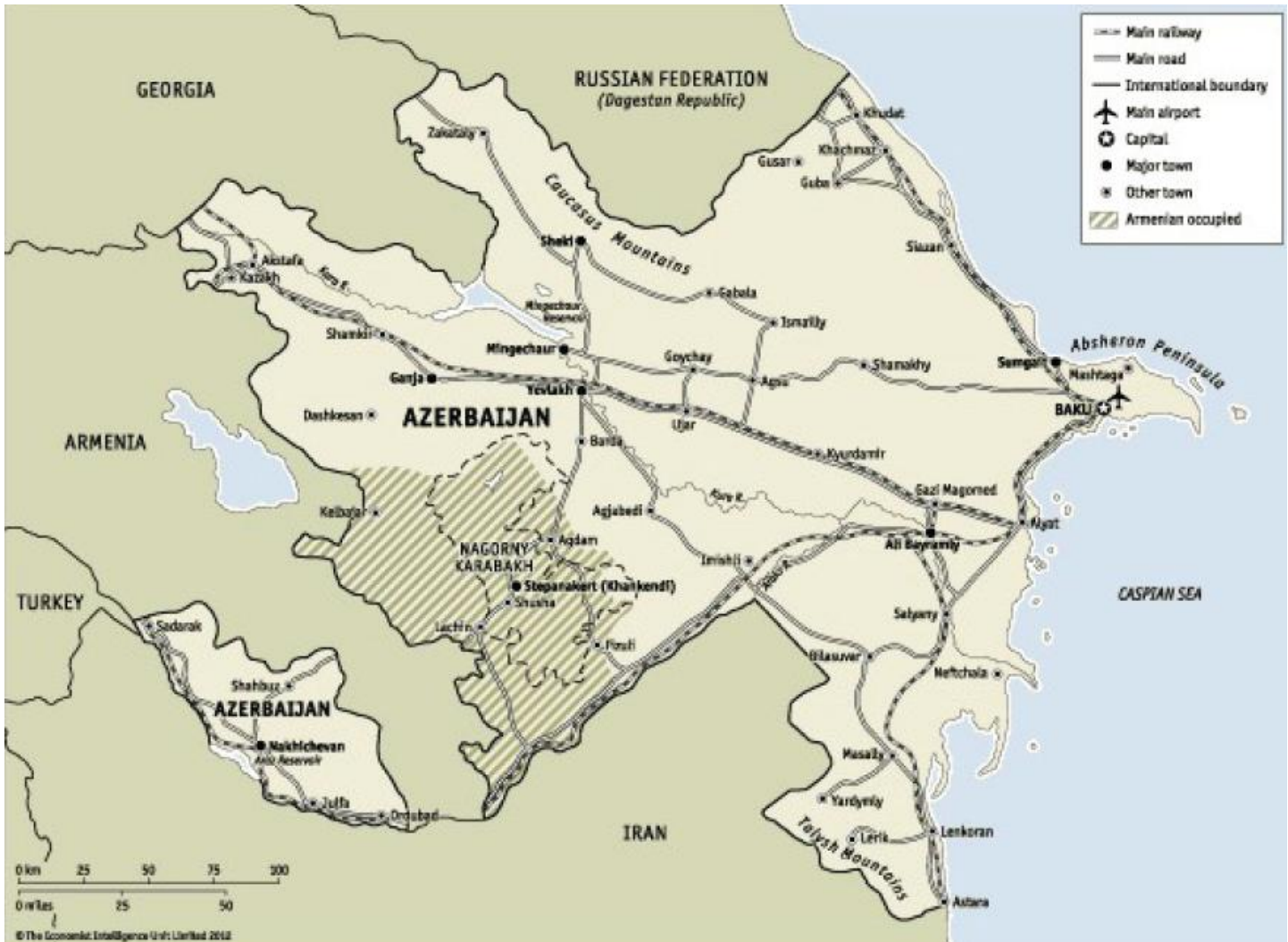


Brief: Azerbaijan

Feb 2013



Gert van Rensburg: D: ITR – DAFF

1. COUNTRY'S SNAPSHOT¹

Area: 86 600 km²

Population: 9.1 mil (Jan 2011)

Languages: Azeri is the state language. Russian is being phased out, but is still widely spoken.

Capital: Baku (2.065 mil Jan 2011)

Weights and Measure: Metric system

Currency: New Manat (Manat 0.8:US\$1 estimate 2012).

Time: Four hours ahead of GMT.

Head of State: The president, Ilham Aliyev, was elected for a second five-year term in October 2008

Prime Minister: Artur Rasizade

Council of Ministers - Agriculture: Ismed Abbasov

¹ Country Report Azerbaijan – Dec1 2012. Economist Intelligence Unit

2. AZERBAIJAN'S ECONOMY²

The estimated nominal GDP was US\$ 59 795 million, with a growth rate of 0.8% in 2012. Estimated average annual inflation was 2% in 2012. Current-account balance was an estimated US\$ 7.6bn in 2012. Table 1 indicates the major exports and imports of Azerbaijan in 2011.

Table 1: Major exports and imports in 2011

Exports (%)		Imports (%)	
Petroleum products	94.4	Machinery & equipment	32.9
Food products & animals	2.7	Transport equipment	18.3
		Food products	15.1

Azerbaijan has pursued energy and security ties with the West, but has also maintained military and economic links with Russia.

3. AGRICULTURAL AGREEMENTS³

Azerbaijan has no bilateral agricultural agreements with SA, but is a WTO member.

4. AZERBAIJAN'S IMPORTS FROM THE WORLD⁴

Table 2 indicates the top 20 imports of agricultural/forestry/fisheries products by Azerbaijan from the world.

Table 2: Top 20 imports of agricultural/forestry/fisheries products by Azerbaijan from the world (Array based on 2011 - R'000)

HS Code	Product description	2009	2010	2011
All	Agricultural/forestry/fisheries products	9,025,926	10,236,944	11,858,242
'240220	Cigarettes containing tobacco	1,804,902	1,612,395	1,733,819
'100190	Wheat nes and meslin	1,556,119	1,014,743	1,591,906
'170111	Raw sugar, cane	871,253	1,281,928	1,185,200
'440710	Lumber, coniferous (softwood) 6 mm and thicker	364,092	656,422	1,139,116
'100110	Durum wheat	59,243	1,065,140	435,943
'110100	Wheat or meslin flour	62,677	16,099	433,814
'151110	Palm oil, crude	269,957	257,623	226,251
'180690	Chocolate and other food preparations containing cocoa nes	128,986	137,073	208,598
'170490	Sugar confectionery nes (includg white chocolate),not containg cocoa	181,022	190,384	202,422
'481840	Sanitary articles of paper,incl sanit towels&napkin (diapers) f babies	224,125	201,046	200,042
'151211	Sunflower-seed or safflower oil, crude	150,542	226,824	171,251
'040700	Eggs, bird, in shell, fresh, preserved or cooked	35,000	45,594	170,007
'080300	Bananas including plantains, fresh or dried	81,238	145,760	169,381

² Country Report Azerbaijan – Decl 2012. Economist Intelligence Unit t

³ Directorate AAEMER - DAFF

⁴ Source: Trade Map

'040510	Butter	120,593	173,046	155,726
'441090	Particle board of other ligneous materials	85,510	106,478	142,244
'210690	Food preparations nes	138,201	140,578	135,506
'100590	Maize (corn) nes	90,461	104,787	133,565
'090240	Black tea (fermented) & partly fermented tea in packages exceedg 3 kg	128,364	122,868	130,983
'190110	Prep of cereals,flour,starch/milk f infant use,put up f retail sale	59,127	65,279	127,093
'151521	Maize (corn) oil crude	97,304	93,614	124,080

5. SA'S TRADE WITH AZERBAIJAN ⁵

5.1 Trade Balance for all products traded between SA and Azerbaijan

Table 3 indicates that for the period 2009 to 2011, SA had a trade surplus for trade in all products with Azerbaijan.

Table 3: Trade balance for all products between Azerbaijan and SA (R 'million)

Total Trade	2009	2010	2011
SA exports to Azerbaijan	114.5	95.2	42.5
SA imports from Azerbaijan	0.3	4.3	2.4
Trade surplus in SA favour	114.2	90.9	40.1

5.2 Trade Balance for agricultural/forestry/fisheries products traded between SA and Azerbaijan

Table 4 indicates that for the period 2009 to 2011, SA had a trade surplus in agricultural/forestry/fisheries products traded with Azerbaijan. During this period the imports of agricultural/forestry/fisheries products by SA from Azerbaijan were less than R6 000 a year.

Table 4: Agricultural/forestry/fisheries trade balance between Azerbaijan and SA (R 'million)

Agri/Fish/Forest Trade	2009	2010	2011
SA exports to Azerbaijan	29.301	27.019	19.503
SA imports from Azerbaijan	0.005	0.001	0.001
Trade surplus in favour of SA	29.296	27.018	19.501

Table 5 indicate the agricultural/fishery/forestry products that SA has exported to Azerbaijan. SA import of agricultural/forestry/fisheries products from Azerbaijan was less than R6 000 per year over the period.

Table 5: Export of Agricultural/Fisheries/Forestry Products from SA to Azerbaijan (R 'million – Array based on 2011)

HS Code	Product	2009	2010	2011
Total	Agri/Fish/Forest Products Exported	29.3	27.0	19.5
080820	Pears And Quinces, Fresh	5.7	11.7	10.2
080810	Apples, Fresh	7.5	4.0	3.7

⁵ Source: WTA Revised data

080610	Grapes, Fresh	3.4	3.2	2.0
080510	Oranges, Fresh	2.3	0.7	0.9
080540	Grapefruit, Fresh Or Dried	0.6	0.1	0.8
080550	Lemons And Limes, Fresh Or Dried	5.8	1.4	0.8
080520	Mandarins (Including Tangerines And Satsumas); Cle	1.7	1.8	0.7
080930	Peaches, Including Nectarines, Fresh	0.3	0.5	0.5
441520	Pallets, Box Pallets And Other Load Boards Of Wood	0.0	0.0	0.1

6. INDICATIVE TRADE POTENTIAL⁶ BETWEEN AZERBAIJAN AND SA⁷

Table 6 indicates the top products that can be traded between SA and Kazakhstan (based on the indicative trade potential).

Table 6: Indicative Trade Potential for the top 20 Agricultural/Forestry/Fisheries products traded between Azerbaijan and SA (R 000 – Array based on 2011)

HS Code	Product description	2009	2010	2011
Total	Agri/Forestry/Fish	7,943,511	8,918,678	9,940,560
'170111	Raw sugar, cane	871,253	851,959	693,696
'240220	Cigarettes containing tobacco	661,825	731,168	690,554
'110100	Wheat or meslin flour	62,677	16,099	327,681
'170490	Sugar confectionery nes (includg white chocolate),not containg cocoa	123,861	133,399	174,249
'180690	Chocolate and other food preparations containing cocoa nes	102,570	133,582	144,797
'481840	Sanitary articles of paper,incl sanit towels&napkin (diapers) f babies	92,161	93,673	135,650
'210690	Food preparations nes	138,126	140,578	135,463
'100590	Maize (corn) nes	90,461	104,787	133,565
'151211	Sunflower-seed or safflower oil, crude	2,895	6,530	123,369
'220210	Waters incl mineral&aeratd,containg sugar o sweeteng matter o flavourd	69,221	107,731	123,074
'190590	Communion wafers,empty cachets f pharm use&sim prod&bakers' wares nes	63,780	58,588	88,911
'090240	Black tea (fermented) & partly fermented tea in packages exceedg 3 kg	104,793	87,660	66,419
'100190	Wheat nes and meslin	227,202	45,251	63,637
'060290	Plants live, nes	26,781	29,997	57,072
'020714	Fowls (gallus domesticus), cuts & offal, frozen	3,011	48,961	56,223
'190110	Prep of cereals,flour,starch/milk f infant use,put up f retail sale	59,127	60,060	55,590
'040700	Eggs, bird, in shell, fresh, preserved or cooked	35,000	45,594	52,038

⁶ The indicative trade potential is defined as the lower of the value a selected country exports to the world or the value the partner country imports from the world minus the current trade between the two countries under review. The trade potential is indicative only and serves as a departure point for further research. It gives an overview of the complementarities of the two economies.

⁷ Source: Trade Map

'440710	Lumber, coniferous (softwood) 6 mm and thicker	44,273	53,392	45,941
'040690	Cheese nes	30,920	37,810	43,985
'220290	Non-alcoholic beverages nes,excludg fruit/veg juices of headg No 20.09	19,101	32,089	41,648