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Abstract of Diploma Thesis

Foreign trade-case study of Azerbaijan

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Summary:

The aims of this master thesis at the revelation of the peculiarities of implementation of basic mechanisms of the Azerbaijan foreign trade.

In order to achieve this aim, the following study objectives were set and consequently solved. The role of Azerbaijan's economy in the world and its effect on development of foreign trade are revealed. The stages of reformation of the Azerbaijan system of foreign trade and their basic peculiarities are determined, the importance and peculiarities of Azerbaijan's integration in WTO and the main results of this event were studied. The interrelation of foreign trade development and its role with general purposes of Azerbaijan economic reformation was analyzed. The role of foreign trade in the process of modernization of innovation-based Azerbaijan's economy was revealed, the basic peculiarities of the state regulation of foreign trade of the Azerbaijan with Europe, Asia, and USA in the context of frontier regions were shown. The object of this study is defining dynamic and socio-economic development of Azerbaijan foreign trade by analyzing it. The following objectives were set for reaching the goal. The subject of this study is analyze of foreign trade features of Azerbaijan.

Keywords: Foreign trade, Economic growth, Analysis, Azerbaijan, Exports, Import

Introduction

Azerbaijan as a post-soviet country has faced many difficulties during the last two decades for the reason that it had to manage a number of negative effects due to its post-soviet heritage and for the first time in its history has had to build an economy as an independent country. A distinctive feature of the Azerbaijani economy is a high degree of involvement in international trade processes. The examination of the structure of the country's exports shows that natural resources (oil and petroleum products) compose over 90 per cent of exports. From the one hand, it seems logical that the presence of natural resources and successful management of exports may lead to a better economic performance; however, high reliance of the economy on resource trade may result in the absence of diversification of the economy, high volatility and dependence on external forces that determine commodity prices.

The research question of the current paper is aimed at investigating whether the opening up to trade has a positive effect on the economy; moreover, if there are any negative consequences of resource trade for the economy of the country. Through taking the case study of Azerbaijan the current work investigates whether the oil windfalls are a blessing or a curse, and what policies should be implemented in order to prevent negative outcomes in the future.

In order to see the change in economic performance of the country I analyze the trend of major economic indicators; these include GDP, GDP per capita and current account balance. The investigation of trade policies of the country and oil prices will show whether there is any positive correlation between economic performance of the country and the world energy prices.

Finally, the conclusions of the research are stated; and there is a discussion of the outcomes of the research and policy recommendations.

Objective and Methodology

Objectives

The main aim of the thesis is to conduct the analysis of foreign trade in Azerbaijan. The objective of thesis is analyzing the economic situation of Azerbaijan and also to examine how foreign trade influences the economy development and social life in this country.

- By gaining prepare information about theoretical conceptual basis of foreign trade
- Analyzing foreign trade strategy of Azerbaijan-determining perspectives by generalizing analysis conclusions and offer recommendations.

Methodology

Dissertation work is shared structure containing three chapter. At the first chapter, mostly theoretical conceptual articles are discussed. There is given information from simple to complex about foreign trade. At the second chapter is provided information just about foreign trade strategy and dynamic of Azerbaijan including tables and diagrams on the same article. Finally, the main part of the research third chapter is comprehensive with tables and diagrams expressing development points on socio-economic improvement and foreign trade, got the final conclusion by analyzing points and the recommendations offered at last.

Conclusion and Suggestions

As a result of this research is important to note that Azerbaijan's socio-economic development and foreign trade, reflecting the dynamics of the development of a number of indicators to form a positive correlation. Foreign trade, exports, imports, GDP and GDP per capita, population, income, employment, education, health, social security, environment, etc. As seen the socio-economic development indicators, the growth rate is developed with tables and diagrams.

Maintenance of macroeconomic stability, socio-economic development, improvement of the information provided in the study, depends on the dynamics of country's foreign trade as a result of tables and diagrams. Azerbaijan's foreign trade turnover, however, the economy is in large part dependent on the oil sector, ensuring long-term socio-economic development is a certain risk. Therefore, in the following period of socio-economic development strategy will be more dependent on foreign trade. "Azerbaijan 2020: Looking into the future" Development on the basis of the Concept of export-oriented economic model based on exports of non-oil products export in order to further simplify procedures and expand in the medium term, a foreign policy priority given to the results of the research that comes from a celebrated the following proposals were implemented in the country, as:

- the further liberalization of foreign trade and the export potential of the country's national economic interests to ensure the maximum level of utilization of ensuring the continuation of the accession process to the World Trade Organization;
- to improve the quality standards of the products are exported and export potential in this direction and to promote international standards and national brands supporting the creation of businesses that manufacture products;
- The role of the regions in the development and processing of agricultural products access to their target markets to investigate and take appropriate measures to improve;
- Unhindered export of Azerbaijani goods to foreign markets order for the continuation of the works in the direction of improvement of legislation;
- Generalized System of Preferences within the maximum level of benefits in order to provide appropriate measures;

- Trade facilitation, including trade during the clearance work and the related costs reduce the continuation of the work on reducing the time of;
- Foreign commerce for the development and further improve the work aimed at improving infrastructure provision;
- Tariffs, non-tariff barriers and increase domestic production will support the economic security of the country, reduction of import policy will ensure the application of optimization of the country;
- Anti-dumping legislation improvement and implementation of appropriate measures if necessary;
- Azerbaijani origin introduced discriminatory measures to investigate and if necessary, appropriate measures for the implementation of agricultural products in foreign markets;
- A comparative advantage having access to world markets to increase the opportunities for participation in international exhibitions and fairs to stimulate of Azerbaijani goods exporter enterprises;
- In accordance with the corresponding work directed to the continuation of bilateral and multilateral agreements in the field of trade connected to the national interests of Azerbaijan; Foreign trade and scientific methods to the study of international experience in the field of foreign trade policy, based on the national interests of our country, further improvement of methods of application of modern trade policy;
- The widespread use of e-commerce in the implementation of the relevant activities in the direction of the research and development of export opportunities;
- Study of the mechanism for the provision of financial support for the implementation of the relevant activities aimed at the development of export credit by banks for exporters, government support for exporters in order to expand exports.

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