



Overall performance

Azerbaijan has the most improved regulatory framework of any InfraCompass 2020 country. Azerbaijan's regulatory frameworks support the creation of businesses and this encourages new investment and promotes competition among suppliers. Despite increasing investment, Azerbaijan could improve project planning. The introduction of a project pipeline or national infrastructure plan could help focus investment and deliver better quality outcomes.

Drivers	Rank (1/6)	Rank change (2017-20)	Score (/100)	Emerging	Aspiring	Contender	Top performer	Global leader
Governance	54	↓ 3	47	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Regulatory frameworks	28	↑ 27	64	Green	Green	Green	Green	Green
Permits	9	↑ 9	88	Blue	Blue	Blue	Blue	Blue
Planning	75	—	7	Grey	Grey	Grey	Grey	Grey
Procurement	50	↑ 12	66	Light Green	Light Green	Light Green	Light Green	Light Green
Activity	20	↓ 2	45	Teal	Teal	Teal	Teal	Teal
Funding capacity	44	↓ 7	32	Orange	Orange	Orange	Orange	Orange
Financial markets	46	↑ 1	29	Yellow	Yellow	Yellow	Yellow	Yellow

Azerbaijan at a glance



\$4,689
GDP per capita
(USD, 2019)



10.1 million
Population
(2019)



5.6% of GDP
Infrastructure investment
(2019 estimate)



0.4% of GDP
Infrastructure gap
(2019 estimate)



77.4
Infrastructure quality
(0-100, 100 is best, 2019)



\$88 million
Private infrastructure investment
(5-year average, USD, 2019)

Top performing metrics



97.6/100

Cost to start a business

According to the World Bank, the average cost of starting a business is 1% of income per capita, which is lower than the average for Upper Middle Income Countries. This eases the entry of new firms.



97.5/100

Infrastructure investment

Investment in infrastructure is a priority for Azerbaijan, at 8% of GDP per annum, one of the highest investment rates in InfraCompass 2020. It is unclear if the COVID-19 pandemic will impact these efforts.



96/100

Registering property

According to the World Bank, it takes 4.5 days to register a property in Azerbaijan, shorter than the 20 day average for Upper Middle Income Countries. This is due to Azerbaijan increasing the coverage of its land and property register and digital plans.

Opportunities to grow



No

Published project pipeline

Azerbaijan does not currently have an infrastructure pipeline of projects. The addition of an infrastructure pipeline could help provide infrastructure participants with a clear indication of prospective and confirmed infrastructure activity.



No

Published infrastructure plan

Azerbaijan does not have a national or sub-national infrastructure plan. The addition of an infrastructure plan could highlight infrastructure challenges and opportunities for investment, as well as detail the government's planned responses.



No

Market sounding and/or assessment

According to the World Bank, there is no formal requirement for a market sounding process in Azerbaijan. Adding one could allow the government to determine if there is an interest from investors and lenders to provide commercial financing for projects.

For guidance on how to improve these metrics, please see the [Azerbaijan Country Page](#) on the InfraCompass website.



ECONOMY OVERVIEW

GDP (\$US billion, 2019)	47.2	Population (million, 2019)	10.1	Unemployment rate (2019)	5.4%
GDP per capita (\$US, 2019)	4,689	Urbanisation ratio (2018)	56.0%	Inflation rate (2019)	2.8%
GDP growth rate (annual, 2019)	2.7%	Gross Government Debt (% of GDP, 2019)	20.0%	Digital Adoption Index (0-1 best, 2016)	0.59
GDP per capita growth rate (annual, 2019)	-0.7%	Sovereign risk rating (2019)	50	Gini coefficient (0-100 worst, 2005)	26.6

METRIC SCORES

The below metrics are normalised so that they all range from 0 to 100. For original metrics and data sources, please see <https://infracompass.github.org/>

GOVERNANCE		REGULATORY FRAMEWORKS		PERMITS	
Post-completion reviews?	Yes -	Effect of taxation on incentives to invest	56.1 ↑	Cost to start a business	97.6 ↑
Infrastructure or PPP unit/agency?	Yes -	Prevalence of foreign ownership	63.9 ↑	Dealing with construction permits	63.2 ↑
Recovery rate	39.7 ↑	Product market regulation, network sectors	64.6 [^] -	Quality of land administration	75 ↑
Rule of law	38 ↓	Regulatory (including competition) quality	42.4 ↓	Registering property	96 ↑
Shareholder governance	0 -	Strength of insolvency framework	84.4 ↑	Time required to start a business	92.3 -
Political stability and absence of violence	38.4 ↑	Investment promotion agency?	Yes -		

PLANNING		PROCUREMENT		ACTIVITY	
Published project pipeline?	No -	Average procurement duration – transaction RFP	52.3 [^] ↓	Infrastructure investment	97.5 ↑
Published infrastructure plan?	No -	Degree of transparency in public procurement	50 ↑	Private infrastructure investment	20.9 ↓
Preparation of PPPs	16 -	Published procurement guidelines?	Yes -	Value of closed PPP infrastructure deals	33.2 [^] ↓
Economic analysis assessment?	Yes -	Procurement of PPPs	38 -	Value of closed infrastructure deals with foreign equity sponsorship	29.2 [^] ↓
Market sounding and/or assessment?	No -	PPP contract management	32 -		
Environmental impact analysis?	No -				

FUNDING CAPACITY		FINANCIAL MARKETS	
GDP per capita	6 ↑	Domestic credit to private sector	10 ↓
Gross government debt	84.6 ↑	Financing through local equity market	45.6 ↑
Long term GDP growth trend	21.4 ↓	Stocks traded	27.4 [^] ↑
Summary credit rating	50 -	Financial depth	28.6 ↓
		Financial stability	82.7 ↓

Drawing on data from: International Monetary Fund, Organisation for Economic Co-operation and Development, World Bank, World Economic Forum, IJ Global, CEPII, Oxford Economics, Trading Economics, and Deloitte.

Metric key:

↑ Increase from InfraCompass 2017 ↓ Decrease from InfraCompass 2017 - No change from InfraCompass 2017

Note:

'Top performing metrics' are the metrics with the highest score out of 100.

'Opportunities to grow' are the metrics with the lowest weighted score out of 100. These metrics would have the greatest impact on the overall score.

[^]Denotes interpolated metric data. See Technical Appendix for further explanation on the interpolation techniques.