

УДК 339.35

DOI: 10.18413/2409-1634-2022-9-2-0-2

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**ДОЛЯ ПРОМЫШЛЕННОЙ ПРОДУКЦИИ  
В ТОРГОВЛЕ МЕЖДУ АЗЕРБАЙДЖАНОМ И РОССИЕЙ**

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**Аннотация.**

Торговые отношения между Азербайджаном и Россией имеют давнюю историю, и обе страны являются важными торговыми партнерами друг для друга. Обе страны нужны друг другу с точки зрения рынка и логистики. Высокий уровень отношений между двумя странами во всех сферах приводит к росту экономических связей.

Среди причин, обуславливающих актуальность темы исследования, можно назвать сложившуюся ситуацию в регионе и симпатии и доверие населения к продукции наших стран, обусловленные историческими отношениями добрососедства и дружбы. Промышленная продукция является одной из важных составляющих товарооборота между двумя странами. Доля промышленной продукции в товарообороте между Азербайджаном и Россией является важным показателем экономических отношений между двумя странами.

В данной статье мы анализируем товарооборот между Азербайджаном и Россией, особенно долю промышленной продукции, и исследуем факторы, влияющие на него. В статье приведены цитаты из научных исследований, проведенных по данной теме. Используя официальные статистические данные за 2017-2021 годы, был проведен анализ методом статистических и сравнительных преимуществ и оценена текущая ситуация. Несмотря на усиление влияния глобализации, стало ясно, что Россия остается на первом месте по импорту и экспорту между двумя странами. Одной из основных причин высокого уровня экономических отношений между двумя странами является наличие транспортной инфраструктуры. Исследованы факторы, которые будут угрожать сложившейся ситуации в будущем.

**Ключевые слова:** Внешняя торговля, импорт, экспорт, промышленная продукция, экономический партнер, инновации.

**Информация для цитирования:** Валиев Д.А. Доля промышленной продукции в торговле между Азербайджаном и Россией // *Научный результат. Экономические исследования*. 2022. Т. 9. № 2. С. 16-26. DOI: 10.18413/2409-1634-2022-9-2-0-2

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## SHARE OF INDUSTRIAL PRODUCTS IN TRADE BETWEEN AZERBAIJAN AND RUSSIA

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### Abstract.

Trade relations between Azerbaijan and Russia have a long history, and both countries are important trade partners for each other. Both countries need each other in terms of market and logistics. The high level of relations between the two countries in all fields leads to an increase in economic relations.

Among the reasons determining the relevance of the research topic is the current situation in the region and the people's sympathy and trust in the products of our countries due to the historical neighborliness and friendly relationship. Industrial products are one of the important components of trade between the two countries. The share of industrial products in the trade turnover between Azerbaijan and Russia is an important indicator of economic relations between the two countries.

In this article, we analyze the trade turnover between Azerbaijan and Russia, especially the share of industrial products, and examine the factors affecting it. The article contains quotes from research studies conducted on this topic. Using the official statistical data covering the years 2017-2021, the analysis was carried out through the method of statistical and comparative advantages, and the current situation was evaluated. Despite the increase in the influence of globalization, it has become clear that Russia remains the first place in import and export between the two countries. One of the main reasons for the high level of economic relations between the two countries is the presence of transport infrastructure. The factors that will threaten the current situation in the future have been investigated.

**Key words:** Foreign trade; import; export; industrial products; economic partner; innovations

**Information for citation:** Valiyev J. A. "Share of industrial products in trade between Azerbaijan and Russia", *Research Result. Economic Research*, 9(2), 16-26, DOI: 10.18413/2409-1634-2022-9-2-0-2

### Introduction

Foreign trade or international trade refers to the exchange of goods and services between countries. The importance of foreign trade in a country's economy cannot be denied, as it has a significant impact on a country's economic growth, employment and standard of living. Increased economic growth, job creation, improved productivity, increased foreign investment, diversification of the economy and access to new technologies can be cited as the main factors that make

foreign trade important to a country's economy.

Sattarova, A. I. & Kuzmina, V. M. in the article "Trade and economic relations between Russia and Azerbaijan" and G.A. Jafarli in his article "Economic relations between Russia and Azerbaijan", talk about the formation and development of trade and economic relations between the two countries – Russia and Azerbaijan. It is noted that the long stay of the states in the USSR led to the formation of effective bilateral economic rela-

tions in the post-Soviet space. In modern economic conditions, it is justified that Russia is the leading strategic partner of Azerbaijan in the global space. It characterizes the current state of the foreign economic activity of the Russian Federation and Azerbaijan, examines the legal basis of cooperation, emphasizes that a number of agreements defining trade and economic relations have been signed and that today cooperation in this direction is developing effectively [Саттарова А.И., Кузьмина В.М., 2019].

In his article entitled "The most important factors in the development of trade and economic relations between Azerbaijan and Russia", Aliyev analyzes the trade and economic characteristics between Azerbaijan and Russia, the relations between the two countries and the main factors affecting these relations. He analyzed factors such as the evaluation of the possibilities of using the potential between the countries, the determination of the main trade-economic problems and the priority direction.

### **The main part**

The research work done by the authors is very important. Because every economic relationship must have a legal basis. At the same time, comprehensive relations between the countries should be normal. Today, we can say that the partnership between Russia and Azerbaijan is at a high level. Because international processes taking place in the world and historical neighborly relations make the development of regional relations imperative. The issue of using the potential in Aliyev's article is very relevant today. I think that the utilization of the potential in the current situation is not satisfactory. Increasing the export of products produced in the modern technology Industrial Parks created in Azerbaijan in recent years to Russia will be beneficial for both countries. In this direction, the potential of commercial and economic relations between Russia and Azerbaijan is revealed and justified in the scientific article "Russia and Azerbaijan: prospects for the development of

trade and economic relations" authored by Z. M. Aliyeva [Алиева, З. М., 2015].

By engaging in foreign trade, a country can increase its economic growth by expanding its markets and increasing its access to new sources of goods, services and capital, and create new jobs in the country as businesses try to expand their markets and increase their production to meet the demand of foreign customers. At the same time, foreign trade can lead to increased competition, which can stimulate innovation and productivity among local firms and attract foreign investment to the country as businesses seek to take advantage of new market opportunities. Also, engaging in foreign trade helps a country diversify its economy and can reduce its dependence on a single sector or market, providing a country with access to new technologies and production methods, which can help increase its competitiveness.

In summary, foreign trade is an important component of the country's economy. It creates opportunities for economic growth, job creation, increased productivity, foreign investment and technology transfer.

The authors of the article "Prospective directions of the development of the agro-food market in the system of bilateral foreign trade relations between Azerbaijan and Stavropol Territory" are N.V. Vorobyova, D.O. Gracheva, N.V. Bannikova, N.N. Telnova and M.B. Cheremnykh studied the development features of bilateral foreign trade relations in the agro-food markets between the Stavropol region of Russia and Azerbaijan. The export trends of agricultural and food products of the Stavropol region have been regulated taking into account the specialization of grain export of the region, as well as the representation of new directions of the agro-industrial complex at the international and regional level. The authors conclude that the region's export of wheat and oats to Azerbaijan will increase in the future. This forecast is based on the extrapolation methods developed by the authors and the SWOT-analysis of the export of agricultural raw materials of Stavropol Krai. The potential market situation for the region is

identified along with identified opportunities and threats for agri-oriented enterprises.

The opinions and scientific results of the authors conducting scientific research on this topic are considered satisfactory. Our article is entitled "The share of industrial products in the trade turnover between Azerbaijan and Russia", as the title suggests, mainly examines the import and export of industrial products because the role of industry and industrial products in modern economic development continues to grow.

### **Foreign trade turnover between Azerbaijan and Russia**

Historically, Azerbaijan and Russia have a tradition of close economic relations. Russia is one of the most important trade partners of Azerbaijan, and Azerbaijan is the largest trade partner of Russia in the South Caucasus region. Strategic partnership relations have been established between the two countries, and economic relations have been developing over the years. In 2022, trade turnover between Azerbaijan and Russia will increase by 23.9 % and will amount to \$3,710,239.41. Goods exported from Azerbaijan to Russia will amount to \$975,456.33 (an increase of 5.9 %), while goods imported from Russia to Azerbaijan will amount to \$2,734,783.08 (an increase of 31.8 %). In 2021, the trade turnover between Azerbaijan and Russia increased by 12.1 % compared to 2020 and amounted to \$2 billion 995 million 131 thousand dollars. During 2020-2022 most goods were imported to Azerbaijan from Russia.

Russia is an important economic partner not only for Azerbaijan, but also for other regional countries. Despite Georgia taking the European path, the role of Russia in the country's economy is huge. Thus, this is confirmed in the article authored by Tamaz Zubiashvili and Tamar Atanelishvili.

As of the 11th of 2018, the CIS countries Azerbaijan, Russia and Armenia are ranked 1-3 among the top 5 exporting countries of Georgia. In 2003-2017, Georgia's imports from the CIS countries increased 6.7 times; In 2017, Russia had the highest %age of total imports from CIS countries: Georgia –

23.3%, Azerbaijan – 16.2% and Ukraine – 13.5%. Despite the difficult political relations, trade between Georgia and Russia did not stop: both export and import indicators increased. In addition, the difference between them is 2 times greater for Russia; CIS countries are important partner countries for foreign trade, including the Russian Federation, which is a major partner. [Zubiashvili T., 2019]

The main export products of Azerbaijan to Russia include petroleum oils, petroleum gases, plastic products and fertilizers. In contrast, Russia exports machinery, vehicles, metals and chemical products to Azerbaijan. Industrial products are an important component of trade relations between the two countries, and their share in trade turnover is the main indicator of the level of industrial cooperation between them.

In Table 1, it is clear that the indicators of Azerbaijan's foreign trade turnover are significantly different from those of other countries, including Russia. Exports to Russia serve to increase the production of agricultural and industrial products in Azerbaijan and the dynamic development of the economy in general.

Along with the creation of a legal framework and adopted programs for the development of competitive industrial products based on innovative and high technologies in Azerbaijan, work has also been done to implement practical activities. "Azerbaijan Industry Corporation" Open Joint Stock Company was established by the Decree of the President of the Republic of Azerbaijan dated November 6, 2017. The main goal of the creation of the company is to increase the efficiency of state property management in connection with the implementation of the Decree "On the approval of strategic road maps for the main sectors of the national industry and economy", to increase the speed of development of the non-oil sector, to eliminate unemployment by opening new jobs in the regions and in the republic as a whole, it is to ensure the improvement of material well-being, to achieve the establishment of favorable cooperative relations between state-owned

enterprises and to increase the production potential along the links of the value chain, to ensure the balanced, competitive and sustainable development of the economy in the country. The increase in the number of enterprises also had an impact on the increase in the share of industry in the economy of the Republic of Azerbaijan. In 2020, there was a noticeable decrease related to the pandemic, and in 2021, there was an increase of 8.4 % compared to 2020. Despite the fact that the pandemic is

cyclical, investments in fixed capital in 2020 amounted to 52.6%. The value of the industrial product produced in Azerbaijan has also increased during the years we analyzed. Thus, in 2021, compared to 2018, 7,552.1 manats for all industries, 1,290.9 in the mining industry, 5,421.6 in the processing industry, 710.9 in the production, distribution and supply of electricity, gas and steam, and water supply, there was an increase of 128.7 in the area of waste treatment and processing [Amin, 2023].

**Таблица 1**

**Цикл внешней торговли по странам в 2017-2021 годах**

**Table 1**

**Foreign trade cycle by country in 2017-2021**

Countries	2017	2018	2019	2020	2021
Total	24 103 278,5	30 954 982,9	33 302 678,5	24 464 676,1	33 912 457,8
Commonwealth of Independent States -Total of which:					
Russia	2 141 121,1	2 550 162,7	3 022 045,4	2 671 527,1	2 995 131,3
Belarus	147 700,6	203 665,5	227 263,2	313 163,7	424 489,2
Kazakhstan	142 099,9	220 744,7	229 601,8	142 027,5	135 799,0
Moldova	6 993,8	6 688,8	7 880,3	7 821,8	6 286,9
Uzbekistan	30 000,6	43 948,4	81 962,8	82 292,4	111 903,5
Tajikistan	2 045,8	6 587,2	3 160,8	5 237,7	7 516,6
Turkmenistan	164 135,7	133 042,7	225 652,1	108 651,5	105 023,6
Ukraine	889 181,2	828 532,3	807 610,2	771 451,3	922 473,5
Other countries-Total	20 578 239,6	26 955 527,8	28 691 700,6	20 357 085,9	29 194 816,1

**Source:** Statistical Committee of Azerbaijan

Several factors affect the share of industrial products in the trade turnover between Azerbaijan and Russia. These include:

Economic structure:

The economic structure of two countries determines the type of goods they produce and trade. Russia is an industrialized country and has a more diversified industrial base than Azerbaijan. Azerbaijan's economy is mainly based on the oil and gas industry and mainly exports raw materials. Therefore, the share of industrial products in Azerbaijan's exports is relatively low compared to Russia.

Trade policy:

The trade policy between the two countries also affects the share of industrial prod-

ucts in the trade turnover. The high-level relationship between Azerbaijan and Russia has led to an increase in trade between the two countries. However, in the future, trade policies such as tariffs, quotas and non-tariff barriers may create some barriers to trade in industrial products between the two countries.

Transport infrastructure:

Transport infrastructure plays a crucial role in the trade of industrial products. In recent years, Azerbaijan has invested heavily in its transport infrastructure, including the development of the Baku-Tbilisi-Kars railway connecting Azerbaijan with Turkey and Georgia. Russia has an extensive transportation network, including railways, ports and

pipelines. The development of transport infrastructure is one of the factors that facilitate the trade of industrial products between the two countries.

Political Affiliation:

Political relations between the two

countries can also affect the share of industrial products in the trade turnover. The political environment can affect trade policies, regulations and agreements between two countries, which is reflected in the trade flow of industrial products.

Таблица 2

Импорт по странам в 2017-2021 гг.

Table 2

Import by country in 2017-2021

Countries	2017	2018	2019	2020	2021
Total	8 783 301,4	11 465 914,7	13 667 475,7	10 732 038,8	11 705 786,7
Commonwealth of Independent States -Total of which:	2 396 543,5	2 862 163,3	3 432 539,0	2 801 693,6	2 926 570,2
Russia	1 554 086,6	1 885 192,7	2 290 224,6	1 962 182,0	2 074 311,8
Belarus	130 214,3	180 762,7	206 159,3	148 248,2	128 987,0
Kazakhstan	107 827,4	174 145,0	205 579,1	116 107,8	95 905,0
Moldova	1 156,8	2 049,2	3 050,6	3 584,3	2 995,0
Uzbekistan	26 041,3	34 597,3	53 092,3	59 187,7	78 413,5
Tajikistan	47,4	53,4	10,3	66,4	185,2
Turkmenistan	110 024,1	109 352,3	202 585,6	89 865,2	70 747,6
Ukraine	460 393,3	469 793,9	467 057,6	418 410,4	470 024,2
Other countries-Total	6 386 757,9	8 603 751,4	10 234 936,7	7 930 345,2	8 779 216,5

Source: Statistical Committee of Azerbaijan

Таблица 3

Удельный вес основных партнеров в импорте

Table 3

Specific weight of the main partners in imports

Countries	Xüsusi çəkisi, faizlə Share, percent					Yeri Rank				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
Russia	17,7	16,4	16,8	18,3	17,7	1	1	1	1	1
Turkey	14,5	13,8	12,1	14,6	15,8	2	2	2	2	2
China	9,7	10,4	10,5	13,2	14,0	3	3	3	3	3
Germany	5,1	5,8	5,2	5,4	5,4	6	4	6	5	4
United States of America	8,2	4,6	5,6	5,9	3,8	4	5	5	4	6

Source: Statistical Committee of Azerbaijan

In the analyzed years, Russia ranks first in exports as well as in imports. Despite the high level of Azerbaijan-Turkey relations in recent years, the largest share of imports is

still from Russia. The indicators given in Table 2 and Table 3 suggest this.

Although trade with the Russian Federation is moderate, it has a positive effect on

economic growth in the countries; A 1% intensification of trade with the RF adds an average of 0.07% to the growth rate. Neither RF-free intra-regional trade nor extra-regional trade has a statistically significant effect on growth [Jenish, N., 2013].

#### **Analysis of the share of industrial products in trade turnover:**

In recent years, the share of industrial products in the trade turnover between Azerbaijan and Russia has been increasing. In 2019, the share of industrial products in Azerbaijan's exports to Russia was 49.7%, and 62.8% in Russia's exports to Azerbaijan. However, the COVID-19 pandemic has had a serious impact on trade between the two countries in 2020. Thus, in 2020, the share of industrial products in Azerbaijan's exports to Russia decreased to 35.9%, while in Russia's exports to Azerbaijan, it increased to 71.2%. This can be attributed to the decrease in oil and gas exports from Azerbaijan to Russia due to the impact of the pandemic on the oil and gas industry. On the other hand, Russia's export of machines and vehicles to Azerbaijan increased, which led to an increase in the share of industrial products.

According to the data of the Russian Federal Customs Service, the trade turnover between Russia and Azerbaijan in 2021 increased by 16.12% (465,587,568 US dollars) compared to 2020 and amounted to 3,354,720,792 dollars. In that year, Russia's exports to Azerbaijan increased by 11.93% (247,575,208 US dollars) compared to 2020 and reached 2,322,987,749 dollars. Russia's import from Azerbaijan increased by 26.79% (US\$ 218,012,360) compared to 2020 and reached US\$ 1,031,733,043. Russia's trade balance with Azerbaijan in 2021 was a positive indicator of 1,291,254,706 US dollars, the surplus increased by 2.34% (29,562,848 US dollars) compared to 2020.

Azerbaijan's share in Russia's foreign trade turnover was 0.4274 % in 2021, compared to 0.5088 % in 2020. Azerbaijan ranked 39th in 2021 according to the share of Russian trade turnover. Azerbaijan's share in Russia's exports was 0.4726% in 2021 compared

to 0.6170% in 2020. In 2021, Azerbaijan ranked 40th in terms of its share in Russian exports. Azerbaijan's share in Russian imports was 0.3516% in 2021 against 0.3516% in 2020. According to the share of Russian imports in 2021, Azerbaijan ranked 39th.

In the structure of imports from Russia to Azerbaijan in 2021 (and in 2020), the main share of supplies fell to the following types of goods:

Food products and agricultural raw materials (HS codes 01-24) – 61.14% of Russia's total imports from Azerbaijan (69.62% in 2020);

Chemical industry products (HS codes 28-40) – 22.14% of Russia's total imports from Azerbaijan (5.96% in 2020);

Mineral products (HS codes 25-27) – 9.61% of Russia's total import from Azerbaijan (6.90% in 2020);

Metals and their products (HS codes 72-83) – 2.97% of Russia's total import from Azerbaijan (3.49% in 2020);

Textiles and footwear (HS codes 50-67) – 2.61% of Russia's total imports from Azerbaijan (3.34% in 2020);

Machinery, equipment and vehicles (HS codes 84-90) – 1.05% of Russia's total imports from Azerbaijan (2.62% in 2020).

Compared to 2020, the largest increase in Russian imports from Azerbaijan in 2021 was recorded for the following product groups:

Plastics and articles made from them (HS code 39) – an increase of 162,680,886 US dollars;

edible fruits and nuts; citrus peel or melon peel (HS code 08) – an increase of USD 58,045,828;

Mineral fuel, oil and their distillation products; bituminous substances; mineral waxes (TN VED code 27) – an increase of USD 37,312,251;

Ferrous metal products (TN VED code 73) – an increase of 6,112,273 USD.

Compared to 2020, the largest decrease in Russian imports from Azerbaijan in 2021 was recorded for the following product groups:

Vegetables and some edible roots and tubers (HS code 07) – reduction of USD 30,441,104;

Ships, boats and floating structures (TN VED code 89) – reduction of 11,527,734 USD;

Aluminum and articles thereof (HS code 76) – reduction of 7,157,509 USD; dairy products; bird eggs; natural honey; edible products of animal origin not elsewhere specified or included (TN VED code 04) – a reduction of \$5,203,886. [Amin, 2023].

Таблица 4

Импорт важных видов продукции в 2017-2021 гг. (по России)

Table 4

Import of important types of products in 2017-2021 (Russia)

Commodities	Quantity					Value, <i>thsd. US dollar</i>				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
Poultry meat and its additional products, tons	4 548,4	4 868,8	3 157,2	3622,2	4181,8	6 433,0	6 221,9	5420,6	5419,0	6918,4
Potatoes, tons	43099,6	35110,8	124432,9	79469,7	26428,8	8 111,0	10311,6	33657,4	23515,9	8719,7
Wheat, <i>thsd. tons</i>	1194,9	809,0	1 310,6	1349,8	1094,2	210219,2	154257,7	279234,5	293234,9	315191,7
Vegetable oil, tons	59458,6	53477,4	62 552,3	53529,3	57020,0	47 742,6	43127,4	46069,3	46 162,5	78244,2
Natural sands, tons	22640,9	21627,4	22 990,4	29620,7	64753,4	1 402,1	1 450,5	1675,7	1594,4	3052,5
Medicaments, tons	3 656,1	4 265,4	3 599,9	6062,3	6535,2	16 391,0	15951,3	14630,8	27585,0	28200,5
Mineral fertilizers, tons	157 908,1	264890,1	290687,4	298461,6	103870,0	41 132,0	75910,8	93469,3	79 223,8	30795,5
Oil and smearing, tons	11478,8	12 461,4	13 966,0	17504,4	12517,0	12 619,1	14171,9	16129,6	15 068,2	18704,8
Electric energy, <i>mln. kWh</i>	64,3	68,1	97,9	84,1	103,7	2 930,3	3 438,4	3851,3	3 257,6	4180,7
Longitudinal sawn timber, <i>thsd. cubic metre</i>	764,7	954,0	876,1	862,9	888,1	81173,2	111583,8	111511,7	100 035,7	120569,4
Sanitary and hygienic articles of paper and paperboard, tons	4 272,5	4 984,4	7 434,6	8875,9	8655,4	5 696,7	7 039,9	10652,4	11311,2	11566,7
Special purpose motor vehicles, units	24	40	99	57	76	2 380,1	4 026,2	10762,7	3 849,1	8981,7

Source: Statistical Committee of Azerbaijan

Таблица 5

Экспорт важнейших видов продукции в 2017-2021 гг. (по России)

Table 5

Export of important types of products in 2017-2021 (Russia)

Commodities	Quantity					Value, <i>thsd. US dollar</i>				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
Fresh vegetables, tons	196278,8	195955,7	201058,7	199850,1	160924,5	177833,9	195290,2	208873,6	214066,4	175896,0
Potatoes, tons	57106,5	64425,4	55843,9	69290,0	85412,2	25 669,3	28864,4	25100,5	30817,9	38476,6
Canned fruits and vegetables, tons	3217,1	3 251,5	3 507,2	3 844,2	5 349,8	2494,9	4 130,0	4 361,6	4 599,6	5 465,8
Bentonite, tons	161771,2	130724,9	153741,7	141446,4	148469,0	9 613,0	7 266,5	8 593,7	7 956,4	8 395,7
Petroleum coke, tons	204750,1	204826,9	224432,4	151456,9	176328,3	12308,8	13 117,1	22 365,2	9 616,9	16 531,1
Cotton fabrics, tons	4397,6	5 381,1	4 211,8	2 790,7	1 959,8	9186,7	12 643,2	9 160,4	5 315,5	5 049,1

Source: Statistical Committee of Azerbaijan



### **The share of non-oil industrial products in the trade turnover between Azerbaijan and Russia:**

In recent years, the share of non-oil industrial products in the trade between the two countries has increased. According to the latest data of 2020, the share of non-oil industrial products in the total trade turnover between Azerbaijan and Russia was close to 20%. This indicates an energy trend of diversification away from two transfers and reducing dependence on oil exports. Some of the non-oil industry products that Azerbaijan exports to Russia are fruits and vegetables, tea, cotton, construction materials. It should be noted that Russia exports a number of products to Azerbaijan, including machinery, equipment, tools and food products. As a whole, the share of non-oil industrial products in the trade turnover between Azerbaijan and Russia continues to increase.

### **What is the harm of Azerbaijan for the Russian economy?**

Azerbaijan is an important economy for Russia in the energy sector. Azerbaijan is one of the main oil and gas producers. Historically, Russia has been the main transit route for the export of oil and gas to world markets, and this has further strengthened economic ties between the two countries. In accordance with global trends, Russia has been trying to move out of the economic energy sector with Azerbaijan in recent years. For this purpose, the trade between the two countries is continuously increasing. In addition, Azerbaijan poses a strategic threat to Russia in the South Caucasus region, which has a significant geopolitical threat. Its role as a major energy potential and its strategic location make it an important economic power for Russia.

### **How will the Middle Corridor affect Russian-Azerbaijani economic relations:**

The Middle Corridor is a transport route connecting Europe and Asia through the Caucasus region and Central Asia. This corridor has the potential to significantly improve trade and economic relations between Russia and Azerbaijan. On the one hand, the Middle Corridor will provide Russia with an alterna-

tive route for its goods to reach Europe, bypassing the traditional routes through Ukraine and Belarus. This would increase Russia's trade with Europe and reduce its dependence on transit countries, which are sometimes politically unstable. At the same time, Azerbaijan will benefit from increased transit trade and investment, as well as its strategic location as a bridge between Europe and Asia.

### **Conclusion**

In conclusion, let us note that the foreign trade circulation between Azerbaijan and Russia has a long history of close economic relations and strategic partnership. Despite the difficulties caused by the COVID-19 pandemic, trade turnover between the two countries has continued to grow over the years, and Russia is Azerbaijan's largest trade partner in the South Caucasus region. The main export products of Azerbaijan to Russia are petroleum oils, petroleum gases, plastic products and fertilizers, and Russia exports machinery, vehicles, metals and chemical products to Azerbaijan. Industrial products are an important component of trade relations between the two countries, their share in trade turnover is the main indicator of the level of industrial cooperation between them. Factors such as economic structure, trade policy, transport infrastructure, and political affiliation affect the share of industrial products in the trade cycle between Azerbaijan and Russia. In general, it is expected that the foreign trade turnover between Azerbaijan and Russia will continue to increase in the coming years, and both countries will benefit from close economic relations and strategic partnership.

On the other hand, the Middle Corridor may create certain problems for Russian-Azerbaijani economic relations. For example, while Russia is trying to diversify its trade routes, it can reduce its dependence on Azerbaijan as a transit country. This could lead to a decline in Azerbaijan's revenues and potentially strain bilateral economic relations. However, in general, the Middle Corridor can have a positive impact on Russian-Azerbaijani economic relations by creating

new opportunities for trade, investment and cooperation. It is important for both countries to continue to work together to maximize the potential benefits of this new transport route.

In general, the development of trade relations between Azerbaijan and Russia is promising, taking into account the geographical proximity, historical relations and complementary economic structures.

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**Информация о конфликте интересов:** авторы не имеют конфликта интересов для декларации.

**Conflicts of Interest:** the author has no conflict of interest to declare.

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