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ANALYSIS OF COVID-19 PANDEMIC'S IMPACTS ON AZERBAIJAN'S OIL INDUSTRY: POLICY LESSONS IN HARD TIMES

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Azerbaijan Oil Industry

- 80% of country's total export revenues
- 50% of country's total GDP

Oil strategy is built upon three pillars:

- to involve the oil giants in country's oil industry, by this way, to recover, strengthen capacity and modernize its infrastructure, to increase the production capacity, to reach world energy markets;
- to diversify the transportation routes as well as to secure the accessibility both technically modernizing them and creating alternative pipelines;
- to use oil incomes for economic recovery and social development as well as non-oil sectors.



HARD TIMES FOR AZERBAIJAN

- Oil price fluctuations
- COVID-19 pandemic
- War with Armenia

Thus, the country is fighting on 3 different fronts:
health, military and economic.

THE AIM OF STUDY:

- Focusing on analytical reports and recent data, the central objective of this paper is to examine the impacts of COVID-19 outbreak on Azerbaijan's economy, exactly on its oil and gas sector in the light of current developments in the country.

FINDINGS:

- The research suggests that in near future the COVID- 19 outbreak will continue to affect negatively the oil and gas industry of Azerbaijan.
- However, in a long term it will push restructuring and transformation of the economy, enforcing the state to increase the contribution of non-oil sectors, as well as to open a more space for renewable energy sources, taking advantage of the incomes of The State Oil Fund.



Thank you for attention.