

RAEX-Europe confirmed at 'BB+' the credit ratings of Azerbaijan. The rating outlook is stable. The ratings were withdrawn.

RAEX-Europe confirmed the sovereign government credit ratings (SGC) of Azerbaijan at 'BB+' (Sufficient level of creditworthiness of the government) in national currency and at 'BB+' (Sufficient level of creditworthiness of the government) in foreign currency. The rating outlook is stable, which means that in the mid-term perspective there is a high probability of maintaining the rating score. The ratings were withdrawn.

"We have confirmed Azerbaijan's ratings at BB+ with a stable outlook. This mainly reflects the effects of the economic recovery in 2021 and 1Q 2022 as a result to higher oil prices, which have also caused external buffers to increase and international accounts to strengthen. Moreover, public finances showed a surplus and are expected to strengthen in 2022 as so will the assets in the State Oil Fund of the Republic of Azerbaijan (SOFAZ). Nevertheless, the economy remains highly dependent in hydrocarbons production, which, combined with the aging of the fields, could cause a reduction in fiscal revenues and represent a problem for the government. Finally, the banking system, despite slowly recovering, remains weak",- clarified Hector Alvarez, Associate Director of RAEX-Europe.

Research report on Azerbaijan is available at:

https://raexpert.eu/reports/Research_report_Azerbaijan_06.05.2022.pdf

Next scheduled rating publication: N/A. The full sovereign rating calendar can be found at [Sovereign Rating Calendar 2022](#)

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