



Since March 25, 2020

Confederation of International Contractors' Associations (CICA)

Strategic Watch: COVID-19 Overview by country and region (situation at March 17, 2021)

Based on FIEC's COVID-19 Construction Observatory, FIIC's, CIAN's and MEDEFI's and IFAWPCA's data

For more information go to the CICA Website: <http://www.cica.net/cica-covid-19-overview/> and Dropbox: <https://www.dropbox.com/home/Observatory%20COVID-19>

Azerbaijan

Country/Region	Measures for construction
AZERBAIJAN	
Economic outlook	<p>A report from research and analysis company GlobalData indicates that the construction industry in Azerbaijan will grow by 9.1% over the course of 2021. While the industry's output was said to have shrunk by 15.2% in real terms in 2020, GlobalData's report reveals that investments in the infrastructure and oil and gas sectors will drive a significant rebound.</p> <p>According to GlobalData, the country's government is expected to invest AZN24.7 billion (€12.1 billion) in its oil and gas industry over the next four years. While the Azerbaijani government is due to pump AZN6.7 billion (€3.2 billion) into the sector this year, it has also established plans to drive growth in other areas. GlobalData reports that the government's plan to strengthen its non-oil sectors through an increase in Foreign Direct Investment (FDI) should also attract investments in the infrastructure and industrial sectors in the short and medium term. The government plans to increase the share of non-oil FDI from 2.6% of GDP in 2017 to 4% by 2025.</p> <p>The country's construction industry was also declining by 6.1% and 8.8% in 2019 and 2018 respectively. In addition to the "dual shock" created by the Covid-19 pandemic and a collapse in oil prices, 2020 also saw the country suffer a violent conflict with Armenia. In September 2020, a longstanding dispute over the Nagorno-Karabakh enclave reignited, resulting an armed battle between the two ex-Soviet nations. While a truce was brokered by Russia after 44 days, the war is reported to have cost several thousand lives (cf. Construction Europe) (03 March 2021).</p>
Recovery	<p>Following the signing of the peace deal between Armenia and Azerbaijan over the disputed territory of Nagorno-Karabakh however, the government is targeting increased investments in the liberated region, according to GlobalData. The 2021 budget is reported to include an allocation of AZN2.2bn (€1.09 bn) for the restoration and reconstruction of the liberated territories. These funds will be used to restore infrastructure in the road, electricity, gas, water, communication, education and healthcare sectors, along with the restoration of cultural and historical monuments (cf. Construction Europe) (03 March 2021).</p>



Since March 25, 2020

Other Overviews

- Download the report from the International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA): [IFAWPCA COVID-19 Pandemic | Construction Industry Country Reports \(April 2020\)](#)