

REPUBLIC OF AZERBAIJAN

On the rights of the manuscript

ABSTRACT

of the dissertation for the degree of Doctor of Philosophy

**DIRECTIONS FOR IMPROVING FOREIGN TRADE
RELATIONS IN ENSURING THE ECONOMIC SECURITY
OF THE REPUBLIC OF AZERBAIJAN**

Speciality: 5310.01 – “World economy”

Field of science: Economic sciences

Applicant: **Nigar Eldar Talibova**

Bakı – 2026

The work was performed at the Department of "World Economy" of Baku State University.

Scientific supervisor: Doctor of Philosophy in Economics,
Associate Professor
Farid Fikret Babayev

Official opponents: Doctor of Economic Sciences, Professor
Fuad Alinagi Ganbarov

Doctor of Philosophy in Economics,
Associate Professor
Emin Adil Garibli

Doctor of Philosophy in Economics,
Associate Professor
Arzu Ali Hajiyeva

One-time Dissertation council BFD 2.46 of Supreme Attestation Commission under the President of the Republic of Azerbaijan operating at Azerbaijan Cooperation University

Chairman of the One-Time
Dissertation Council

Active member of ANAS,
Doctor of Economic Sciences,
Professor

Ziyad Aliabbas Samadzada

Scientific Secretary of the
One-Time Dissertation Council:

Doctor of Philosophy in
Economics, Associate Professor

Samira Yashar Mammadova

Chairman of the scientific
seminar:

Doctor of Economic Sciences,
Professor

Irshad Abdul Karimov

GENERAL CHARACTERISTICS OF THE STUDY

Relevance and degree of development of the topic. The issues of ensuring and strengthening the economic security of each country are of strategic importance. Transformations, new trends and mechanisms of action taking place in the development processes of the world economy, processes in the international economic space are among the factors that necessarily affect economic security. Therefore, if we proceed from international experience, we can note that in most countries of the world, taking into account their national interests and issues of regional importance, economic security strategies have been formulated and the main priorities of state policy have been determined.

The formation and implementation of foreign trade policy should be viewed as an integral part of the country's economic security concept. It is precisely through the high-level organization of economic and political cooperation with other countries of the world and international organizations and the effective use of possible forms of economic diplomacy that the diversification of foreign trade relations is ultimately realized. We believe that in this case, the country's foreign trade policy will be more successfully implemented, and on the other hand, the efficiency of foreign trade relations will increase. Expanding cooperation with foreign companies and firms creates favorable conditions for the import of high technologies, machinery and equipment, goods and products that are important to the country. At the same time, thanks to the multifaceted nature of foreign trade relations, expanding relations with countries and regions of the world, international institutions and organizations, and holding various international events, including business forums and exhibitions, increases the country's prestige and image.

After Azerbaijan regained its independence in connection with the collapse of the former USSR, it began to form a state policy, create the main elements of the economic security concept, and an economic security policy was ensured based on national interests. Thanks to the development of the "Oil Strategy" architected by the Great Leader Heydar Aliyev and the signing of the "Contract of the Century", socio-

economic stability was ensured starting from 1995, including the restoration and expansion of foreign trade relations. Due to the implementation of transcontinental energy projects, our country has become a regional leader, has strengthened foreign trade activities by effectively using the currency reserves formed from petrodollars, and has achieved the efficiency of foreign trade relations as a whole.

In recent decades, our country has undergone multifaceted and effective economic reforms, the legislative framework has been improved to reduce the national economy's dependence on oil, the priority of the non-oil and gas sector has been maximized, and the development of export-oriented sectors has been brought to the fore. The country's foreign trade turnover has increased significantly, and the share of non-oil and gas export products in the structure of total exports has increased and their range has expanded. Azerbaijan currently has foreign trade relations with more than 165 countries, although most of these relations are related to oil and oil products, but as we mentioned earlier, the export of non-oil and gas products is gradually increasing.

The adopted concept and legislative acts on strengthening the country's economic security envisage the diversification of foreign trade relations and increasing its efficiency as one of the important areas of activity in this direction. On the other hand, in the context of the restoration and revival of our territories liberated from occupation after the Great Karabakh Victory and the acceleration of the Great Return, the formation of modern production infrastructure and the creation of processing industry enterprises based on high technologies, including "smart" technologies, have begun in the newly created Karabakh and East Zangezur economic regions. These, in turn, should be considered as new potential sources for the diversification of our country's foreign trade relations.

In addition, in the “Azerbaijan 2030: National Priorities for Socio-Economic Development” approved by the Decree of the President of the country dated February 2, 2021, and in the “Socio-Economic Development Strategy of the Republic of Azerbaijan for 2022-2026” approved by the Decree of the President of the Republic of Azerbaijan dated July 22, 2022, the optimization of the structure of foreign trade

turnover, primarily the diversification of export potential, and the improvement of the structure of the country's economy as a whole were considered as the main tasks among the priority areas of activity. In our opinion, these things play an important role in ensuring the economic security of our country.

Despite the establishment of Azerbaijani trading houses in several countries of the world, there is a need for more productive mechanisms in the joint activities of our country's firms and enterprises with these institutions. While there is a high potential for foreign trade relations with many countries, these opportunities are not being used sufficiently. In our opinion, more intensive development of foreign trade relations with Turkic-speaking states should be assessed as a new and effective direction of action in strengthening the economic security of our country and the Turkic-speaking states as a whole. Along with this, multifunctional economic activity mechanisms and spaces that have proven themselves in world experience are being created in our country, examples of which are technoparks, industrial parks, industrial districts, free economic zones, agroparks, etc. However, the number of foreign companies and firms among the residents registered in these institutions is small, and the volume of foreign investments attracted to non-oil and gas sectors is not at the desired level.

We believe that it is important to take these points into account and evaluate them in the economic policy of our state, in the concept of foreign trade and economic security, and in this regard, there is a need for more in-depth research and preparation of proposals. All this indicates the relevance of the research work and necessitates the conduct of fundamental research in this regard. In general, these factors and conditions are an expression of the relevance of the topic of the dissertation work.

Regarding the degree of development of the topic of the dissertation work, we can note that research has been conducted in the areas of solving the problems of ensuring economic security, effectively using the opportunities of foreign trade in these processes, and in the areas of diversification and improvement of foreign trade relations in this regard, fundamental scientific works have been written, theoretical and methodological approaches have been formulated, and action

mechanisms have been developed. These problems have been considered in the scientific works of Azerbaijani scientists - academician Z.A.Samadzadeh, A.J.Muradov, A.Sh.Shakeraliyev, A.B.Aliyev, I.A.Karimli, M.Y.Guliyev, F.A.Ganbarov, V.A.Gasimli, M.M.Mammadli, F.F.Babayev, H.H.Aslanov and others. Along with these, there are scientific works of foreign researchers-scientists on the development of the country's economy, ensuring economic growth and economic security, the role and importance, and efficiency of foreign trade relations in these areas. These are reflected in the scientific works of A. Smith, A. Marshall, D. Ricardo, C. S. Mill, J. B. Say, P. A. Samuelson, P. R. Krugman, J. E. Stiglitz, R. M. Solow, V. Leontiev, R. Vernon, S. B. Lindert, L. I. Abalkin, I. S. Alekseev, O. Y. Martynova, M. V. Safronchuk, R. I. Khasbulatov and others.

At the same time, we would like to note that in the context of global transformations, there is a need for more effective mechanisms to increase the country's economic security, and in this regard, it is necessary to eliminate the obstacles to the expansion of foreign trade relations, and to further promote and support export-oriented and import-substituting activities. Since it is necessary to improve foreign trade relations with different countries of the world, to reveal resources, to approach them from a regional and international perspective, and to develop and implement action mechanisms adequate to the requirements of the modern era, it is important to expand research in these areas.

Object and subject of the study. The object of the research is the entities, organizations and relevant structures that implement the processes of improving foreign trade relations in ensuring economic security. The subject of the research is the improvement of foreign trade relations and related action mechanisms in ensuring economic security in the Republic of Azerbaijan in the modern era.

The purpose and tasks of the study. In accordance with the structure of the research work, the main goal of the dissertation work is to improve foreign trade relations and develop appropriate mechanisms to ensure the economic security of the Republic of Azerbaijan in the context of global transformations.

In this regard, a number of tasks have been identified:

- research and generalization of theoretical aspects of foreign trade relations in ensuring economic security;
- identification of methodological approaches to increase the effectiveness of foreign trade relations in ensuring economic security;
- research of relevant experience in the effective use of foreign trade relations in strengthening economic security in countries around the world and consideration of application opportunities;
- analysis of the current state of foreign trade relations of Azerbaijan;
- assessment of the mutual influence of economic security and foreign trade relations based on the analyses;
- identification of the potential for expanding foreign trade relations based on the country's economic security indicators;
- identification of foreign trade relations of Azerbaijan with Turkic-speaking states and ways of their development in terms of economic security;
- consideration of issues of regulation of economic-organizational and legal mechanisms of foreign trade relations in ensuring economic security in Azerbaijan;
- preparation of a concept for increasing the role of foreign trade relations in increasing the economic security of our country in the global context;
- Determining the directions for improving foreign trade relations in the modeling of Azerbaijan's economic security in the modern era and preparing proposals and recommendations related to them, etc..

Research methods. During the research, mainly known scientific methods were used, including analysis, synthesis, generalization, comparison, etc. methods. In addition, scientific works and methodological approaches of researchers from various countries and the world on the formation and provision of economic security, increasing the role and efficiency of foreign trade relations in creating an economic security model in accordance with national interests were also taken into account.

At the same time, the main priorities of state policy, as well as laws and regulatory and legal documents, decrees and orders of the President of the country, methodological materials of specialized

scientific and research institutes were used in the direction of strengthening economic security and improving foreign trade relations in these processes.

The main provisions put forward for defense:

1. As global threats increase, it is necessary to strengthen the role of foreign trade relations in ensuring economic security within the framework of national interests and to improve the mechanisms related to this;

2. Taking into account the requirements of the time, it is important to update the existing methodological approaches to expanding foreign trade relations and increasing the efficiency of these relations in order to strengthen economic security, and to identify more advanced styles;

3. There is a need to research, study, generalize international experience in the productive use of the role of foreign trade relations in ensuring the country's economic security and draw appropriate conclusions;

4. In order to increase the efficiency of foreign trade relations in ensuring the economic security of Azerbaijan, a comprehensive analysis and assessment of the current situation is required;

5. It may be useful to investigate and assess the potential for diversifying foreign trade relations by approaching the relevant indicators that allow ensuring the economic security of our country;

6. Judging from modern realities, there is a serious need to develop mechanisms for expanding and more efficiently organizing foreign trade relations in order to increase the economic security of the Turkic-speaking states;

7. In order to ensure the economic security of Azerbaijan, it is an inevitable process to regulate the economic, organizational and legal mechanisms of foreign trade relations in accordance with the new conditions;

8. In the context of global influences, it is necessary to consider the development of a Concept on increasing the role of foreign trade relations in strengthening the economic security of Azerbaijan and to determine the directions for improving foreign trade relations in modeling the economic security of our country, and it is necessary to

prepare proposals and recommendations in this regard.

The scientific novelty of the research consists of:

– the characteristics of foreign trade relations in the processes of world economic development have been determined, approaching from the essence and content of methodological features, a block diagram of mechanisms for regulating and improving foreign trade relations and methodological principles in strengthening economic security in the modern era has been developed;

– the criteria for ensuring and strengthening economic security in the modern era have been determined, a block diagram of the main groups and indicators of the country's economic security indicators system in the context of global threats has been given;

– methodological approaches to assessing economic security indicators have been given, a block diagram of the main and additional indicators in the implementation of the national strategy for the country's economic security in the context of modern global economic transformations has been prepared;

– in accordance with the indicators of the country's economic security in the context of global problems and risks, ways to solve the problems of diversifying foreign trade relations have been determined and mechanisms for assessing their potential have been given;

– approaching from the essence and content of methodological features, directions for increasing the role of Azerbaijan's foreign trade relations with Turkic-speaking states in the country's economic security system have been determined;

– A block diagram of mechanisms, practical tools and basic principles for the regulation of foreign trade activities in the context of the economic security of the Republic of Azerbaijan has been developed;

– Taking into account global threats and objective realities of international trade, development trends, the strategic directions of the regulation of foreign trade relations of Azerbaijan have been substantiated and given;

– A block diagram of important elements of the Concept on the directions and priority targets of improving foreign trade relations in

strengthening the economic security of the Republic of Azerbaijan has been developed;

– Based on global challenges and modern realities, directions for maximum improvement and increasing the efficiency of foreign trade relations in terms of strengthening and more reliably ensuring the economic security of the Republic of Azerbaijan have been given.

Theoretical and practical significance of the research. The scientific provisions and proposals obtained as a result of the research can be used in the preparation of the country's economic security concept or strategy, in taking measures, in increasing the role of foreign trade relations in these processes, in expanding similar trade relations. At the same time, it is possible to use the materials included in the research in writing textbooks, teaching and methodological aids, and in preparing lectures.

Approval and application. The topic of the dissertation corresponds to the general direction of scientific research work of Baku State University, and was discussed and approved as a topical problem in seminars operating at the university.

The applicant has 10 scientific works on the topic of the dissertation, including 6 articles and 4 theses, of which 1 article and 3 theses were published abroad in reputable local and foreign scientific journals recommended by the Higher Attestation Commission.

The main provisions of the research were published in the theses “The most important aspects of foreign trade relations in modeling the economic security of Azerbaijan” (2023), “The role of foreign trade relations in ensuring economic security” (2024), “Perspectives for increasing the efficiency of foreign trade relations in strengthening the economic security of the country” (2024), “Ways of improving foreign trade relations in increasing the economic security of Azerbaijan in the context of new challenges” (Brussels, Belgium, 2024).

In addition, the applicant's articles entitled “Expansion of foreign trade relations and increasing the role of the country in the economic security system” (Audit Journal, 2023), “Theoretical aspects of foreign trade relations in ensuring economic security” (West Caspian Journal, 2023), “International experience in the effective organization of foreign trade relations in strengthening economic security”

(“Geostrategy” Journal, 2024), “Current state of foreign trade relations of Azerbaijan” (“Construction Economics and Management Journal”, 2024) and “Current issues of improving foreign trade relations in strengthening economic security of Azerbaijan” (Russia, Moscow, “Financial Economy” Journal, 2024) have been published.

Name of the organization where the dissertation was carried out. Baku State University.

Total volume of the dissertation with a mark indicating the volume of the structural sections separately. The total volume of the cover and table of contents (1946 characters), introduction (16874 characters), chapter I (64338 characters), chapter II (73261 characters), chapter III (63256 characters), conclusion (14550 characters) and list of used literature (23179 characters) is 266265 characters. The number of characters of the dissertation is 232279 characters, excluding tables, figures, list of used literature.

BASIC CONTENT OF THE DISSERTATION

The introductory part to the dissertation work presents the relevance and degree of development of the topic, the object and subject of the research, the goals and objectives, the methods, the main provisions put forward for defense, the scientific novelty of the research, the theoretical and practical significance, the approval and application, etc.

In the first chapter of the dissertation entitled “Theoretical and methodological foundations of improving foreign trade relations in ensuring economic security”, the role and theoretical aspects of foreign trade relations in the processes of ensuring economic security, methodological approaches to increasing the efficiency of foreign trade relations in strengthening economic security, and the experience of expanding foreign trade relations in ensuring economic security in countries around the world are examined.

In modern conditions, ensuring the country's economic security and taking necessary measures in this regard, improving state policy in this direction and developing and implementing the required mechanisms are important conditions. Thus, in the global context, economic security

issues have come to the fore, and due to global pressures, the economic security mechanism of each country, which has demonstrated stability for many years, may not meet the requirements of the current era. In this regard, it is important to use all its components efficiently and productively to strengthen economic security.

We believe that it is possible to distinguish foreign trade relations as one of the areas of activity of great importance in ensuring economic security: 1) expansion of foreign trade relations and their establishment at the level of the country's national interests; 2) establishment of the institution of economic diplomacy; 3) effective organization of foreign trade policy and taking continuous measures in this regard; 4) improvement of the legislative framework; 5) stimulation of foreign trade activity, and all these are factors that ultimately allow for the effective use of foreign trade relations. On the other hand, foreign trade relations allow for the enhancement of the country's image at the regional and international levels, increased competitiveness, and the import of technologies related to the country's needs on more favorable terms.

In terms of studying theoretical approaches to the organization and development of foreign trade, we can note that the problems related to the formation and development of foreign trade have been in the focus of attention of economists since the representatives of the classical economic school to the present day. If we look at A. Smith, he noted that the liberalization of foreign trade should occur gradually in order to prevent unemployment in the country. Taxation of foreign trade was viewed not as an instrument of the CST and a regulator of the national economy, but rather as a mechanism for replenishing the state treasury to cover the costs associated with the patronage of this sector of the economy. According to A. Smith: “*Countries are interested in the free development of foreign trade. Because they can benefit from it independently of the development of foreign trade.*”¹ At the same time, A. Smith notes that multilevel trade brings less benefit to the country, since such activities require significant time and are characterized by

¹ Smith, A. Research on the nature and causes of the wealth of nations. Издательская группа ЕКСМО, – 2019. – 1056 с. - p. 516.

the lowest capital turnover and the greatest risk when implementing trade transactions. It should be noted that the important methodological foundations of the theory of comparative advantage are the same as the theory of absolute advantage. However, in practice, trade relations exceed such strict boundaries. In particular, the theory of comparative advantage does not take into account the possibilities of diversifying exports and imports, and has numerous extensions that weaken some of its assumptions.² After D. Ricardo's theory, another main direction in the development of foreign trade was the theory of the relationship between production factors, the foundations of which were formulated by E. Heckscher and Nobel laureate B. Ohlin.^{3 4} This theory is based on the assumption that the price of production factors in a country is directly determined by their surplus and, as a result, goods in the production of which surplus and relatively cheap production factors prevail will be relatively cheap. In this case, countries export goods that use the factors of production that they have in abundance, and import those that are in short supply.

At the same time, the theory of factors of production has managed to overcome the shortcomings of the theory of comparative advantage. The views of Nobel laureate V. Leontiev on foreign trade are also of interest. In his 1953 study on the foreign trade of the United States, he showed that despite the relative cheapness of capital, the share of capital-intensive goods in their exports is decreasing, while labor-intensive goods, on the contrary, are increasing. The results of this study are called the "Leontiev paradox".⁵

The works of Azerbaijani research scientists also touch upon the problems of diversification of foreign trade relations, improvement and development of these relations in the processes of strengthening

² Ricardo, D. On the Principles of Political Economy and Taxation, 1817. Batoche Books, Kitchener, Ontario. –2001, – 333 p. - s. 142

³Heckscher, E. International Trade, and Economic History, Findlay, Ronald, Rolf G. H. Henriksson, Håkan Lindgren and Mats Lundahl, eds., The MIT Press, 2007. – 560 p. - s. 147-149.

⁴ Ohlin, B. Interregional and International Trade. Harvard EconomisStudies. 1967. – 324 p. - s. 98.

⁵ Leontief, W. Domestic production and foreign trade; the American capital position re-examined. *Economia internazionale*. - Genova: Inst., -Vol. 7.–1954, 1, p. 9-45. - s. 18.

economic security. In general, we can distinguish the idea that the main priority in Azerbaijan's foreign trade is to increase export potential and ensure intensive development of import-substituting sectors. Therefore, there is a serious need to effectively use the potential of individual economic sectors, taking into account the priority of the non-oil and gas sector. Academician Ziyad Samadzadeh notes that *"The measures taken to promote the export of non-oil products have increased the interest of entrepreneurs in exporting their products. The signed documents on expanding exports and increasing access of competitive products to traditional and new markets have created broad opportunities for businessmen"*⁶. We believe that these approaches are currently important components of our country's foreign trade policy and foreign trade relations. Professor A.Sh. Shekaraliyev attaches special importance to the expansion of foreign trade relations and states: *"Sequential work should be carried out in the areas of correct assessment of the country's export potential and determination of its development directions, finding the objective demand volume of imports, and preparing and implementing the concept of economic security"*⁷. In solidarity with the professor on this issue, we believe that, approaching the goals of revitalizing our liberated lands and building an economy in these territories, an improved economic security concept and foreign trade strategy of our country should be developed. Professor Sh.T.Aliyev attributed the most important functions of the state in regulating foreign trade relations to the preparation and implementation of the concept of foreign trade relations, which includes the protection of national interests and national economic interests, and the improvement of state policy on foreign trade and foreign economic relations⁸. We also believe that the implementation of these measures and the preparation

⁶ Samadzade, Z.A. The economy of Azerbaijan in 100 years: 4 volumes / Z. Samadzade; [ed. in chief A. Samadzade; ed. Y. Mammadova]. Baku: Kitab Chapi, 2022. - p. 323.

⁷ Shekaraliyev, A., Shekaraliyev, G. The economy of Azerbaijan: realities and prospects. – Baku: Turkhan, NPB, – 2016. - p. 191.

⁸ Aliyev, Sh.T. Azerbaijani economy. Sumgayit. Editorial and publishing department of SSU, – 2018. - p. 344

and application of the most effective regulatory mechanisms will lead to an increase in the role of foreign trade relations in ensuring the economic security of our country.

In the process of development of the world economy, foreign trade relations have become a complex system of relations of a legal, trade-economic, monetary-credit, financial-accounting and economic nature. Foreign trade relations have characteristic features, which are reflected in table 1.

Table 1

Characteristic features of foreign trade relations

Sign	Essence
International division of labor and exchange	<ul style="list-style-type: none"> - forms the basis of the FTR; - production and consumption of individual countries are to some extent interconnected. - is carried out in accordance with the laws of demand, supply and free prices; - mediates the movement of money and the settlement system.
High level of competition	<ul style="list-style-type: none"> - competition arises between goods, sellers and buyers in the world market; - competition becomes more intense due to the large volume and number of goods circulating in the market.
State intervention and regulation at the international, regional and national levels	<ul style="list-style-type: none"> - manifested in interstate, economic, trade and customs agreements.

Source: compiled by the author.

State regulation of foreign trade relations, as a rule, refers to the country's activities aimed at the formation and regulation of trade relations with other countries⁹.

Approaching from the essence and content of methodological features, we have given a block diagram of the mechanisms and methodological principles for the regulation and improvement of foreign trade relations in strengthening economic security in the modern era in Figure 1.

⁹ Gubkina, M.S. Foreign trade policy of the country and its regulation / M.S. Gubkina, V.V. Klimova // Science and education in transport. - 2020. No. 1. - p.231

Approaching from the essence and content of methodological features, the mechanisms and methodological principles for regulating and improving foreign trade relations in strengthening economic security in the modern era.

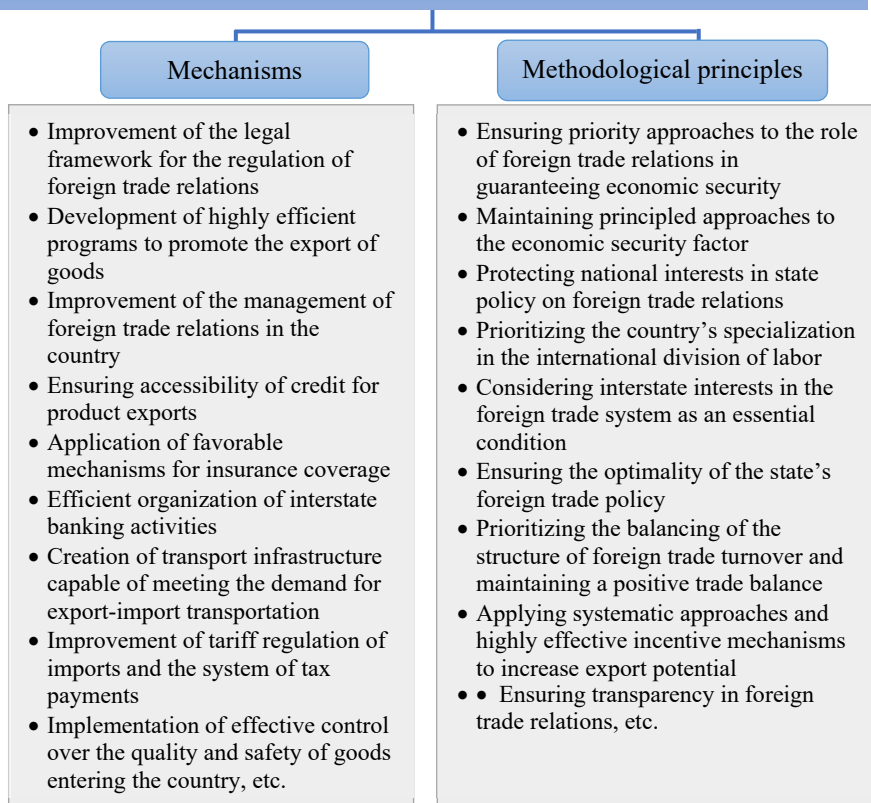


Figure 1. Block diagram of the mechanisms and methodological principles for regulating and improving foreign trade relations in strengthening economic security in the modern era, taking into account the essence and content of methodological features

Source: compiled by the author.

In addition, it is necessary to form a scientifically based system to ensure the safety of FTR. This system should be an integral fundamental basis for determining the state regulation policy of FTR and is more related to two factors: 1) The first factor is the growing trend of international conflicts, global protectionism and large-scale

trade conflicts. 2) The second factor is the increase in the orientation of exports to raw materials, and the increase in imports of machinery, equipment and vehicles¹⁰.

There is considerable experience in strengthening economic security in countries around the world, taking systematic measures in this regard, forming various indicators of economic security, preparing their criteria and regulating them at the state level. The role of foreign trade relations is widely used in ensuring economic security in countries around the world. For example, a very important trend can be seen in economically developed countries. Here, the export potential in foreign trade is not always of primary importance. The United States forms a raw material base for various sectors of its economy by importing a fairly large amount of resources from all countries of the world, especially from economically developing countries, and by producing export-oriented, science and technology-intensive products on the basis of high technologies from cheap raw materials, it forms and realizes a very strong export potential in the world market. As a result, it receives more income. In China, there are foreign trade institutions specializing in various sectors of the economy, and the practice of creating corporations and companies in these areas is also widespread. In the countries of the European Union, in the leading European countries of Germany and France, the expansion of exports is ensured by the development of high technologies, especially machines and mechanisms, more science and technologies, as well as cost-effective areas. The most common technical barriers in China in the FTR are the requirements for compliance with national standards, obtaining quality certificates for imported products, special packaging and labeling of goods, compliance with certain sanitary and hygienic standards, and the implementation of complex customs formalities. Quantitative methods include quotas, licensing, as well as a ban on the import and export of mainly raw materials and agricultural goods. Based on the above, and based on the experience of countries around the world, we propose the

¹⁰ Pak, A. Yu. Foreign trade security and the system of its provision as a special element of the economic security of the state / A. Yu. Pak // Bulletin of the Peoples' Friendship University of Russia. Series: Economics. - 2020. - Vol. 28, No. 3, - p. 601

importance of a group of measures and directions of action for the development of the FTR of Azerbaijan: 1) there is a need for measures to maximize the efficiency of the activities of export support institutions; 2) there is a need for the introduction of targeted subsidies or other financing methods for export-oriented companies using scientific research and modern technological production processes; 3) Projects should be implemented to effectively use the existing resource potential in post-conflict areas and create national brands, organize the production of competitive export-oriented and import-substituting products, etc.

In the second chapter of the work entitled “Analysis and assessment of foreign trade relations in the context of economic security in Azerbaijan”, the analysis of the current state of Azerbaijan’s foreign trade relations, assessment of the mutual influence of economic security and foreign trade relations, assessment of the potential for diversification of foreign trade relations in accordance with the country’s economic security indicators, and the study of Azerbaijan’s foreign trade relations with Turkic-speaking states and ways of their development in terms of economic security were conducted.

In the modern world, the rapid development of foreign trade relations in parallel with the globalization processes is one of the main conditions¹¹. We would like to draw attention to a number of points related to the analysis of the current state of our country’s foreign trade relations.

Table 2 analyzes the general dynamics of Azerbaijan’s foreign trade turnover and its specific share in the total foreign trade turnover of the CIS, as well as other countries.

Looking at Table 2, we can note that the share of CIS countries in total foreign trade turnover increased from 9.4% in 2014 to 14.5% in 2024, while the share of other countries decreased relatively. While the share of CIS countries in imports was 30.4% in 2022, it increased to 24.1% in 2024, and in exports from 4.3% to 8.3%.

¹¹ Rahimova, A. The current state of the country's foreign trade relations and prospective development directions. Silk Road, – 2018. No. 1, – pp. 119-128. - p. 119.

Table 2.

**General indicators of Azerbaijan's foreign trade turnover,
2014-2024**

Years	Turnover			Import			Export		
	Total, million US dollars	CIS share, %	Other countries, share, %	Total, million US dollars	CIS share, %	Other countries, share, %	Total, million US dollars	CIS share, %	Other countries, share, %
2014	31016,3	9,4	90,6	9187,7	22,7	77,3	21828,6	3,8	96,2
2015	21945,8	11,3	88,7	9216,7	21,3	78,7	12729,1	4,1	95,9
2016	21946,7	12,9	87,1	8489,1	25,4	74,6	13457,6	4,9	95,1
2017	24103,3	14,6	85,4	8783,3	27,3	72,7	15320,0	7,4	92,6
2018	30955,0	12,9	87,1	11465,9	25,0	75,0	19489,1	5,8	94,2
2019	33302,7	13,8	86,2	13667,5	25,1	74,9	19635,2	6,0	94,0
2020	24203,5	17,3	82,7	10732,0	26,1	73,9	13471,5	9,5	90,5
2021	35636,8	13,9	86,1	11703,2	25,0	75,0	23933,6	8,1	91,9
2022	56212,1	11,5	88,5	14539,9	30,4	69,6	41672,2	4,3	95,7
2023	51183,9	12,8	87,2	17285,3	24,8	75,2	33898,6	6,7	93,3
2024	47612,1	14,5	85,5	21058,0	24,1	75,9	26554,1	8,3	91,7

Source: <https://www.stat.gov.az/>

The doubling of export volumes in 2021–2022 was mainly due to the increase in the export of oil and gas products, as well as their prices on the world market.

Table 3 reflects the structure of Azerbaijan's exports according to the International Standard Trade Classification. It can be seen that in 2010–2024, the volume of exports increased by 24.3%. As in recent years, the main place in the structure of exports was occupied by mineral fuel products (88.5% in 2024). Unfortunately, the conclusion that the export potential of non-oil and gas sectors of the economy is not sufficiently used is more to the fore.

Table 4 shows the structure of imports according to the International Standard Trade Classification, and it should be noted that in 2010–2024, the volume of imports increased by 3.2 times, which means that the flow of currency from our country has increased by the same amount. We believe that there is a serious need to develop import substitution areas in a number of commodity nomenclatures. In particular, we can note the opportunities for expanding the production infrastructure of many food products and chemical goods in our country.

Table 3.
Structure of exports according to the Standard International Trade Classification, million US
dollars.

Product categories	2010	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total	21360,2	12729,1	13457,6	15320,0	19489,1	19635,2	13732,6	22208,0	38146,6	33898,6	26554,1
Including:											
Food products and live animals	415,1	625,1	478,2	601,4	650,4	709,6	704,2	744,0	812,2	876,5	920,0
Beverages and tobacco	22,0	35,2	27,6	37,2	29,8	39,0	26,7	30,6	56,2	61,3	58,7
Non-food raw materials (excluding fuels)	22,9	25,7	45,2	79,0	125,2	171,6	178,3	270,2	247,8	235,4	218,9
Mineral fuels, lubricants, and related materials	20110,1	11187,1	12270,2	13867,1	17878,6	17800,2	11981,3	19635,0	35300,2	30698,2	23491,0
Animal and vegetable oils, fats, and waxes	154,9	105,5	14,2	14,5	14,0	14,8	20,5	27,9	26,6	28,1	29,4
Chemical products and related products not classified elsewhere	130,2	190,2	153,2	178,8	194,7	279,5	246,2	682,0	767,0	745,8	698,3
Manufactured goods classified chiefly by material	170,8	179,8	273,7	323,4	338,2	324,7	283,7	517,5	554,2	532,6	501,4
Machinery and transport equipment	217,8	208,7	103,3	60,0	83,1	90,0	74,0	62,0	161,4	145,8	132,6
Miscellaneous manufactured articles	34,6	88,9	15,3	19,3	29,6	33,4	21,7	35,5	35,4	38,2	41,1
Goods not classified elsewhere	81,8	82,8	76,8	139,4	145,5	172,3	195,9	203,4	185,6	175,5	163,7

Source: prepared by the author.

Table 4.
Structure of imports according to the Standard International Trade Classification, million
US dollars

Product categories	2010	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total	6600,6	9216,7	8489,1	8783,3	11465,9	13667,5	10732,0	11703,2	14539,9	17285,3	21058,0
including:											
Food products and live animals	864,1	910,5	1189,8	1282,7	1 270,9	1 558,0	1 553,8	1 767,6	2 161,1	2398,4	2685,6
Beverages and tobacco	264,8	360,0	210,0	231,8	250,3	182,6	143,7	170,4	174,2	189,3	201,4
Non-food raw materials (excluding fuels)	178,2	211,9	187,4	231,1	313,6	362,1	271,9	324,9	401,5	425,7	448,2
Mineral fuels, lubricants, and related materials	73,6	150,1	282,7	378,8	723,7	827,3	280,3	533,2	1 375,2	1458,9	1523,6
Animal and vegetable oils, fats, and waxes	85,0	71,6	127,8	125,2	114,0	115,5	137,9	203,3	252,8	267,4	281,0
Chemical products and related products not classified elsewhere	586,4	838,3	895,5	1040,1	1 192,8	1 313,4	1 347,7	1 322,0	1 797,8	1945,6	2087,3
Manufactured goods classified chiefly by material	1425,1	2362,3	1864,2	1684,7	2 173,8	2 140,6	2 002,3	2 090,6	2 458,5	2612,4	2756,8
Machinery and transport equipment	2 680,5	3 677,6	2 805,3	2 933,3	3 481,5	3 876,2	4 034,0	3 738,8	4 490,3	5501,2	6824,5
Miscellaneous manufactured articles	434,0	631,3	909,8	860,0	1 124,7	1 161,7	959,6	1 391,7	1 391,9	1458,3	1524,6
Goods not classified elsewhere	8,8	3,0	16,8	15,5	820,6	2 130,0	0,9	160,8	36,6	28,1	24,1

Source: prepared by the author.

To strengthen the country's economic security, it is also important to ensure the development of industry and agriculture, which are of great importance, and in the development of both areas, it is very important to realize exports, effectively import, that is, to benefit foreign trade turnover and foreign trade relations as a whole, and in this regard, it is precisely relations with foreign countries that perform very important functions in solving numerous problems. According to Academician L.A. Abalkin: *"In a broad sense, the category of "economic security" is a set of conditions and factors that ensure the independence of the national economy, its stability, ability to self-improvement and constant renewal"*¹². We also believe that economic security is a state of protection of the national economy from threats, which ensures the economic sovereignty of the country, the unity of its economic space and the conditions for the realization of the national strategic priorities of the state.

In our opinion, in the processes of preparing the "National Strategy for Economic Security" to strengthen the country's economic security, the following should be given more priority as constituent elements and strategic tasks:

- 1) Protection of the economic interests of the state and society.
- 2) Creating conditions for the full realization of the economic potential of the state
- 3) Creating favorable conditions for the expansion of economic activities of business entities.
- 4) Ensuring stability in the economic life of society.
- 5) Protecting the rights of the state to make independent decisions in economic and other areas.
- 6) Developing a concept of public administration, modeling and strategic planning in the field of economy.
- 7) Ensuring stable growth in the real sector of the economy.
- 8) Organizing economic activity for the purpose of research and application of advanced technologies, stimulating innovative development, as well as improving the regulatory and legal

¹² Abalkin, L.I. Economic security of Russia: threats and their reflection // Questions of Economics. - 2014. No. 1, - p.60.

framework in this area.

9) Formulating a concept of sustainable economic development.

10) Ensuring balanced regional development.

11) Increasing the efficiency of foreign economic cooperation and realizing the positive aspects of competitiveness of export-oriented sectors of the economy.

12) Developing human potential, etc.

We would also like to touch on one issue. The comprehensive expansion of cooperation with Turkic-speaking states in terms of ensuring foreign economic relations and strengthening economic security has been in the spotlight in recent years. In general, after the Great Karabakh Victory, Azerbaijan has been in the spotlight as a country that has taken the main initiatives among the Turkic-speaking states. At the same time, the unification of the Turkic geography and the creation of a large economic space - a free economic zone here. Issues and goals have been put forward to ensure the acceleration of the integration of Turkic-speaking states. We believe that in the near future these processes will accelerate further, and given that the opening of the land road connecting Azerbaijan with its integral part, Nakhchivan, in the coming years and the creation of the Zangezur transport logistics corridor here will not only increase the regional and global importance of Azerbaijan, but will also unite the geography of the Turkic world, and here great opportunities and historical chances will be obtained for the expansion of FTR between Turkic-speaking states. At the same time, completely new realities and opportunities will be created in the intensification of trade turnover between the West and the East and the diversification of FTR. Because it is precisely through this transport-logistics corridor that cargo transportation can save 10-12 days compared to other routes, which means not only time, but also a reduction in transport-logistics and insurance costs. The reduction in costs creates additional opportunities for increasing competition in the world market, improving pricing policy and making it more dynamic.

In the **third chapter** of the dissertation entitled “**Directions for increasing the role of foreign trade relations in strengthening the economic security of Azerbaijan in the modern period**”, the issues

of economic-organizational and legal regulation of foreign trade relations in ensuring the country's economic security, the Concept of strengthening foreign trade relations in increasing the economic security of Azerbaijan in the global context, the directions of improving foreign trade relations in modeling the economic security of Azerbaijan in the modern period are determined and relevant proposals are prepared.

At present, the main priority task is to prepare the Concept of strengthening foreign trade relations in ensuring economic security in the country. This concept lays the foundation for the development of foreign trade relations. The concept includes directions and priority targets for improving foreign trade relations in strengthening the economic security of the country (Figure 2).

At present, the concept of the development of foreign trade relations of the country should be based on the creation of initial conditions for phased development based on export-oriented and import-substituting models. The result of this should be to increase the efficiency of foreign trade relations and achieve intensive economic growth in the country. Increasing the country's export potential is possible through increasing the efficiency of foreign economic cooperation and further intensification of export-oriented sectors of the economy based on the realization of competitive advantages.

Taking into account global challenges and modern realities, we have summarized the directions for maximum improvement and increasing the efficiency of foreign trade relations in terms of strengthening and more reliably ensuring the economic security of our country:

- First of all, we consider it important to improve and, preferably, update the Concept of Economic Security of our country, taking into account the prospects of restoring the liberated territories and ensuring economic construction;
- In the context of Azerbaijan's national economic interests and goals, the principles and criteria of economic security should be harmonized with the objective realities of the time;
- The role and functions of foreign trade relations in ensuring the country's economic security should be conceptually revised and maximally improved;

Main elements of the Concept on directions and priority targets for improving foreign trade relations in strengthening economic security

I. Directions for improving foreign trade relations and strengthening foreign trade activity in strengthening economic security

- Ensuring sustainable socio-economic development in the country
- Taking measures to increase competitiveness in the economy
- Developing foreign trade institutions
- Updating the technological structure of the economy
- Developing export-oriented production sectors
- Increasing the efficiency of the state's role in the economic sphere and improving state support mechanisms
- Motivating the development of import-substituting sectors and providing more active support to local producers
- Improving the state's foreign economic policy in accordance with global challenges, etc..

II. Priority goals of foreign trade relations in the context of economic security

- Confirmation of the country's competitiveness in the International Division of Labor system
- Formation of the country's international prestige and image
- Ensuring the priority of national geoeconomic interests and strategic goals
- Taking into account the specific characteristics of the country (internal factors), as well as the general laws and trends of the development of the world economy (external factors)
- Introducing more national brands to world markets and mastering commodity markets
- Attracting more foreign exchange resources
- Gaining access to high technologies at the global level and forming opportunities for the transfer of similar technologies
- Establishing and developing mutually economic relations with world states and associations of countries, etc.

Figure 2. Main elements of the Concept of the Republic of Azerbaijan on directions and priority targets for improving foreign trade relations in strengthening economic security

Source: prepared by the author.

– Rather than expanding the geography of foreign trade relations, it would be more correct to consider and evaluate its qualitative and quantitative indicators in the context of economic efficiency and economic security;

– Despite the fact that the dependence of the Azerbaijani

economy on the oil and gas factor continues to decrease year by year, the share of oil and gas raw materials in the volume of exports is not decreasing adequately, and we believe that this fact needs to be studied more fundamentally and adequate measures taken, taking into account the near and far perspectives;

- Azerbaijan has the potential to produce a wider range and larger volumes of competitive, as well as export-oriented industrial products (including innovative products) along the additional production chain of a number of non-oil and gas industry sectors, including chemistry and petrochemicals, metallurgy, etc., and there is a need to develop and implement targeted action programs and strategies in these areas;
- Taking into account the post-conflict territories, in order to strengthen the economic security of our country and to model it based on modern realities, measures should be taken to strengthen and intensify international cooperation with companies and firms from different countries of the world and potential investors in order to expand and improve foreign trade relations, create a network of competitive enterprises engaged in specialized, including regional-level foreign trade activities, expand the relevant infrastructure, take sustainable and effective measures to increase the efficiency of import-export operations, etc.

In the “**Conclusion**” section of the dissertation, proposals and recommendations of scientific and practical significance arising from the essence of the research are given:

1. In our opinion, the choice of theory when solving applied problems is also determined by the specific goals faced by the participants in foreign trade relations, in this case, the application of one or another theory, first of all, sets the task of optimizing the directions and mechanisms of the country's activities in the international arena, strengthening economic security, and one of the main priority tasks here is to increase the role of foreign trade relations in these processes.

2. In the current period, the issues of strengthening economic security are more relevant than in previous years. This approach is one of the strategic factors that ensure the preservation of state

independence. Ensuring economic security is of great importance in the realization of the country's socio-economic development and the improvement of the well-being of citizens. In view of the above, state policy and state support mechanisms in ensuring economic security, improving and expanding foreign trade relations should be of a complex and systematic nature.

3. In our opinion, based on objective realities, reducing the amount of import duties on products that are lacking in the country and are in demand, especially in the industrial sector, can be more effective. In addition, it is useful to apply not protective duties when importing certain categories of goods, but a list of approved standard requirements for access to the country's market. This, in turn, will provide more solid motivations for taking additional measures to increase the competitiveness of local manufacturers.

4. The development of Azerbaijan's foreign trade relations depends to a significant extent on the mechanisms for ensuring information security. Thus, economic methods for ensuring information security include the development of programs for this purpose and the determination of the procedure for their financing, the improvement of the financing system in connection with the implementation of legal and organizational-technical methods of information protection, the system of insurance of information risks of individuals and legal entities.

5. There are potential opportunities for Azerbaijan in the areas of expanding and deepening foreign trade relations with countries of the world. In our opinion, in order to realize these opportunities, it is advisable to take consistent measures in the following areas: 1) mechanisms for identifying the main factors affecting the level of foreign trade relations with foreign countries and improving their use should be implemented; 2) priority directions of foreign trade relations with foreign countries should be determined and the development of such relations in these areas should be ensured.

6. In terms of ensuring economic security, any aspect expressing the content and main directions of Azerbaijan's foreign trade relations should become an integral part of the action program in terms of the country's future development. At the same time, when establishing our

country's FTR, priority should be given to the formation of more efficient and beneficial economic relations and economic security criteria should be seriously taken into account.

7. In order to develop Azerbaijan's FTR in terms of economic security, the development of economic integration with Turkic-speaking states is a requirement of the time and is of strategic importance, for this purpose, it is necessary to implement a number of measures continuously and effectively: 1) taking into account the strategic goals for which the implementation of projects has now begun, transport and logistics communications between Turkic-speaking states should be developed; 2) it is advisable to establish an appropriate organization to coordinate transport problems of particular importance; 3) the creation of joint free trade zones, especially in border areas, can be effective for the development of FTR; 4) integration into the scientific and production sphere, joint research in all fields of science is important; 5) the definition and application of preferential conditions for investors from Turkic-speaking states should be resolved without delay; 6) The joint efforts of Turkic-speaking states should be further strengthened in opening the Zangezur global transport and logistics corridor that will connect the Turkish geography.

8. We have identified the directions for improving the FTR in modeling and ensuring the country's economic security: - the development of international business relations in accordance with the requirements of the time and the expansion of access of local products to foreign markets should be ensured; - support and development of exports should be accelerated by achieving global competitiveness of the processing industry and services; - it is important to stimulate the attraction of foreign technology and investments; - measures should be taken to rationalize the purchase of foreign goods, organize innovative products and services that have no analogues in the state itself; - the ongoing customs reforms should be further deepened and there is a need to improve economic customs regimes; - wider use of the transitivity factor in the country's transport sector should be ensured; - in order to expand FTR and increase their efficiency, it is necessary to stimulate the use of the cluster mechanism and gradually

eliminate the country's economy's dependence on technology imports; - it is necessary to intensify the use of digital technologies in FTR and expand the network of strategically important production enterprises in the country; – strengthening the competitive advantages of existing enterprises producing strategic export-oriented products should be given special attention; – in order to form new opportunities for strengthening the country's economic security, it may be useful to use the role of foreign trade relations in benefiting from the resources in the liberated territories productively.

9. Based on the negative effects of the Covid-19 pandemic and the new realities related to the liberation of our lands from occupation, we consider it important to prepare and implement the “State Program on Increasing the Role of Foreign Trade Relations in Ensuring the Economic Security of the Republic of Azerbaijan in 2026-2030”. As a result of the implementation of such a targeted state program, new potential will be formed to ensure the economic security of our country and further expansion of the current foreign trade relations, diversification of these relations, especially at the expense of the resources of the liberated territories, creation of new national brands and their introduction to world markets, as well as production of competitive products in many segments of domestic demand will be possible, and additional incentives will be created for the development of import-substituting sectors, etc.

The main content of the dissertation work has been published in the following scientific works:

1. The most important aspects of foreign trade relations in modeling the economic security of Azerbaijan // – Moscow: Materials of the International Scientific and Practical Conference “World Globalization: Fundamental and Applied Aspects”, – 2023, December 28, – p. 109-118.

2. Theoretical aspects of foreign trade relations in ensuring economic security. //–Baku: Western Caspian Journal, –2023, No. 04. – p.138-146.

3. Expansion of foreign trade relations and increasing the role of

the country in the economic security system // – Baku: “Audit” Journal, – 2023, No. 03(41). – p. 85-96.

4. Assessment of the role of customs authorities in the development of foreign trade relations of the country and ensuring its economic security // – Baku: Journal of Economic Growth and Public Welfare, 2023, No. 03. – p. 35-43.

5. The current state of Azerbaijan's foreign trade relations. // – Baku: Journal of construction economics and management, – 2024. No. 01, –p. 411-417.

6. Prospects for increasing the effectiveness of foreign trade ties in strengthening the country's economic security. // Materials II MHIK "Transformation of Russian science in the era of the Information Society", 2024 - ctr. 45-54.

7. International experience on effective organization of foreign trade relations in strengthening economic security // - Baku: "Geostrategiya" magazine, - 2024, No. 01. - p. 123-127.

8. Ways of improving foreign trade relations in the improvement of the economic security of Azerbaijan in the context of new challenges // – Brussels, Belgium: Materials of the IV International scientific-practical conference Science in the environment of rapid changes. 2024, April 6-8 (#195). - ctr. 74-81.

9. Actual issues on the improvement of foreign trade relations in the strengthening of the economic security of Azerbaijan // - Moscow: Journal "Financial economy", 2024. No. 01, - ctr. 251-256.

10. The role of foreign trade relations in ensuring economic security // – Baku: VII republican scientific conference of young researchers. Azerbaijan University, - 2024.



The defense will be held on 29 June 2026 at 14⁰⁰ at the meeting of the One-Time Dissertation council BFD 2.46 of Supreme Attestation Commission under the President of the Republic of Azerbaijan operating at Azerbaijan Cooperation University.

Address: AZ1106, Azerbaijan Republic, Baku city, Narimanov district, Najaf Narimanov street, 93.

Dissertation is accessible at the Azerbaijan Cooperation University Library.

Electronic version of the abstract is available on the official website of the www.aku.edu.az

Abstract was sent to the required addresses on 26 May 2026.

Signed for print: 25.05.2026

Paper format: 60 x 84 1/16

Volume: 46479 characters

Number of hard copies: 20 pcs