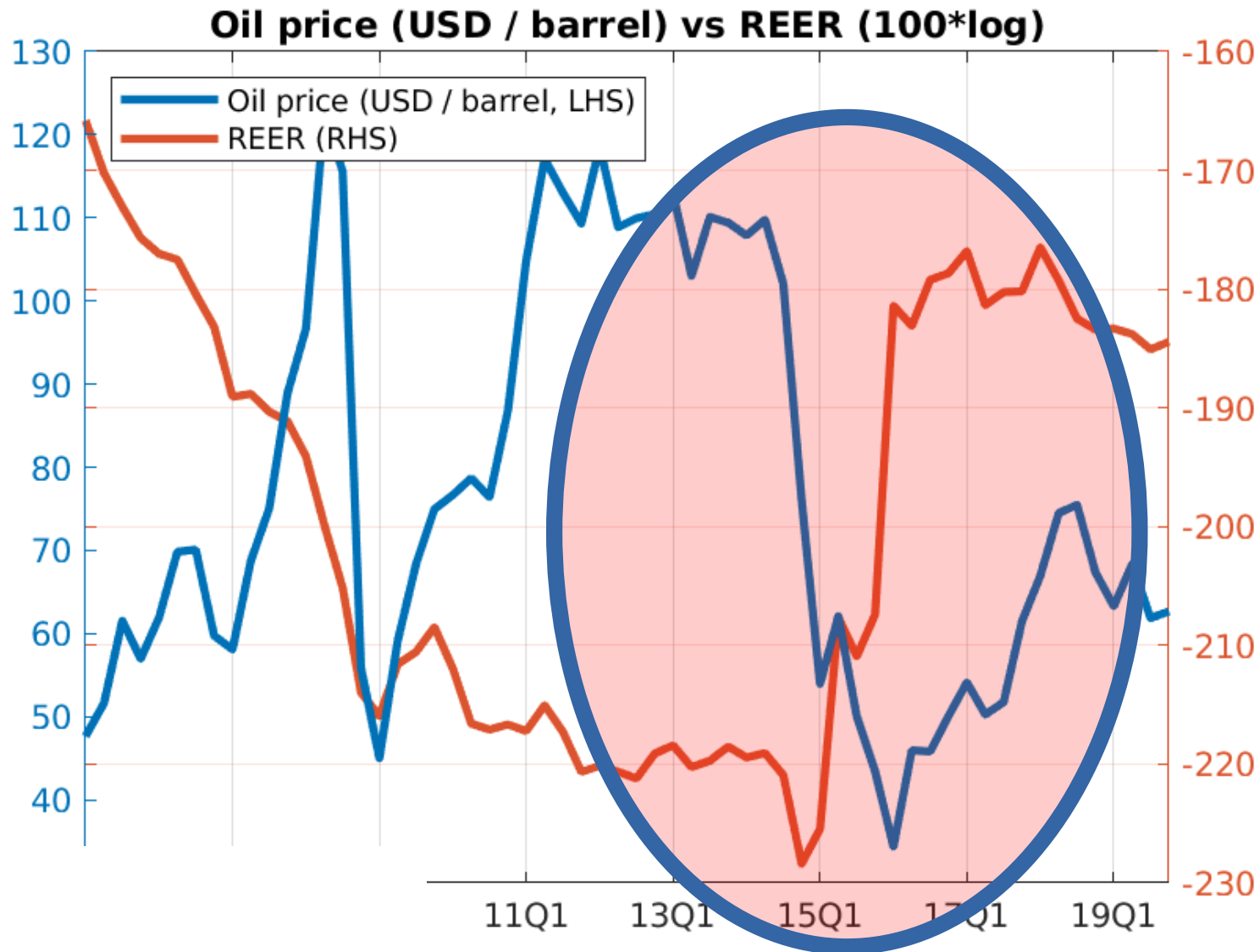


OGResearch

Azerbaijan 2014-2016

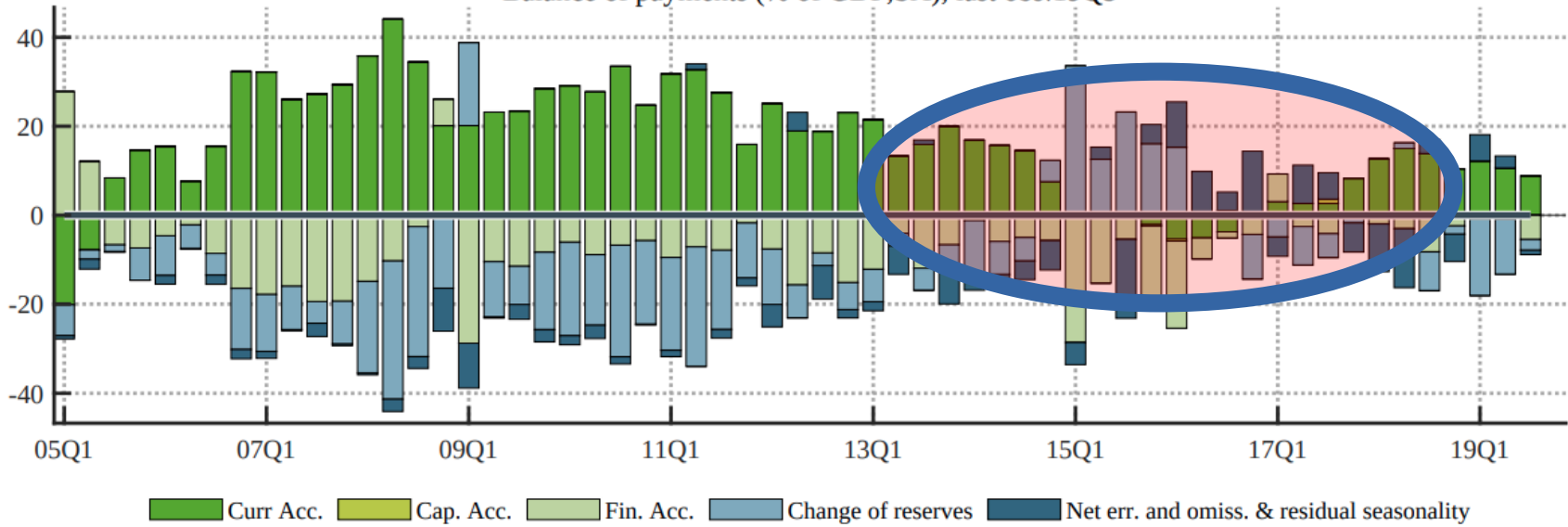
Tomáš Motl

Oil price drop lead to REER depreciation – but how exactly?

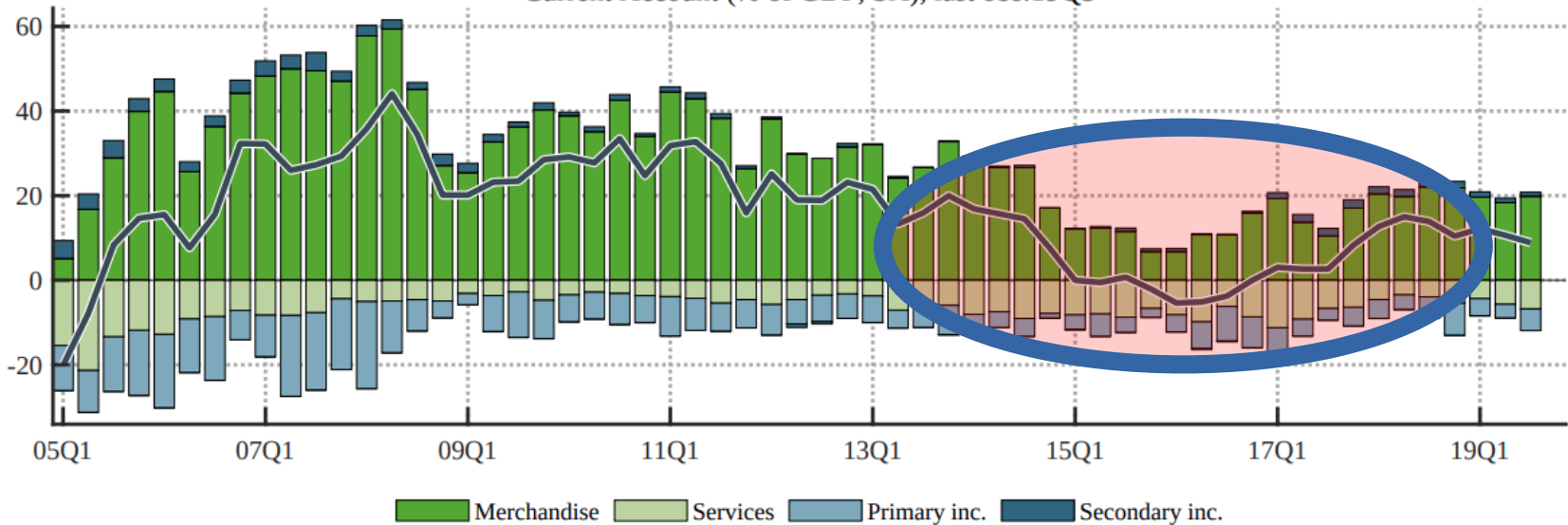


CA surpluses disappeared!

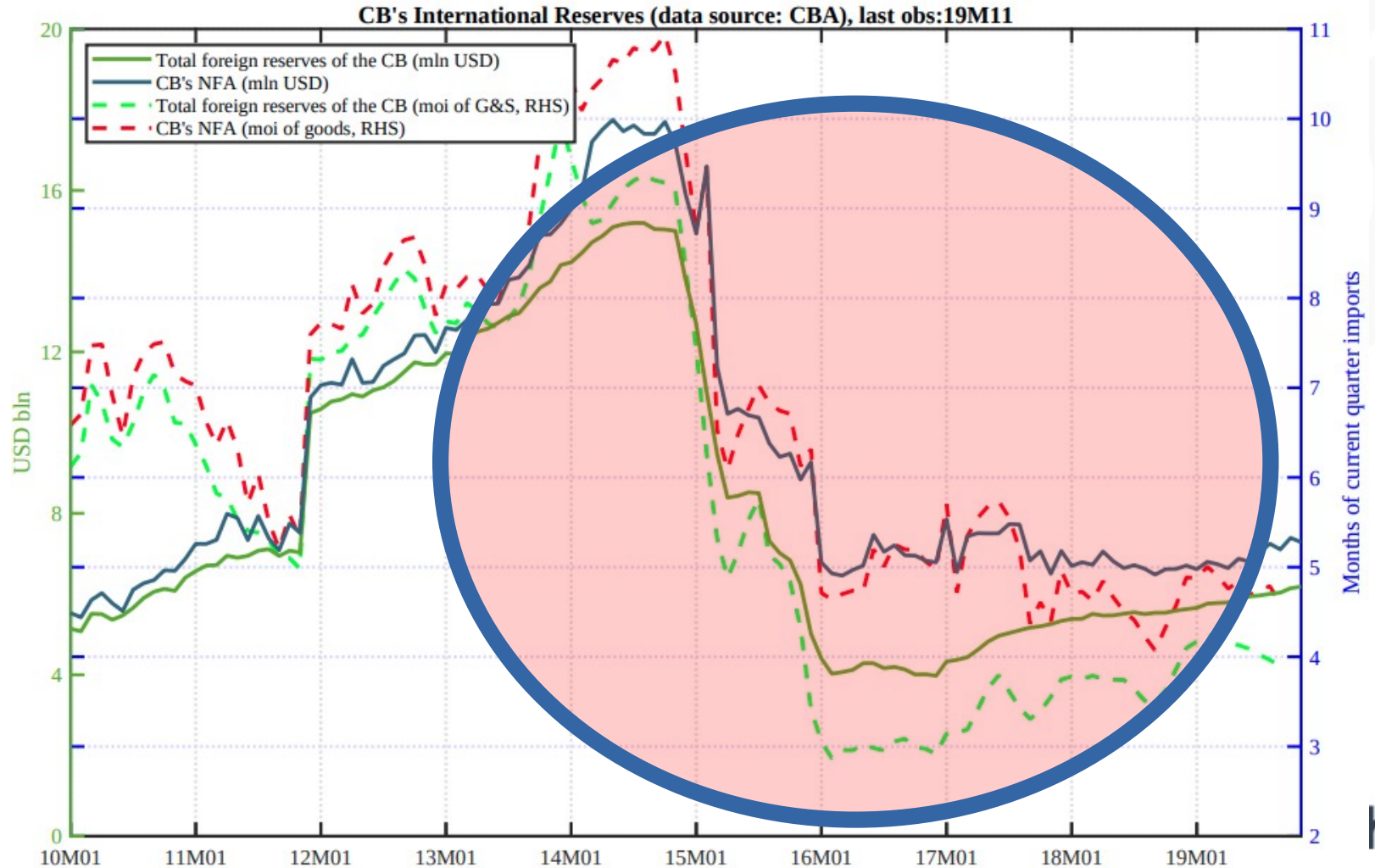
Balance of payments (% of GDP, SA), last obs:19Q3



Current Account (% of GDP, SA), last obs:19Q3

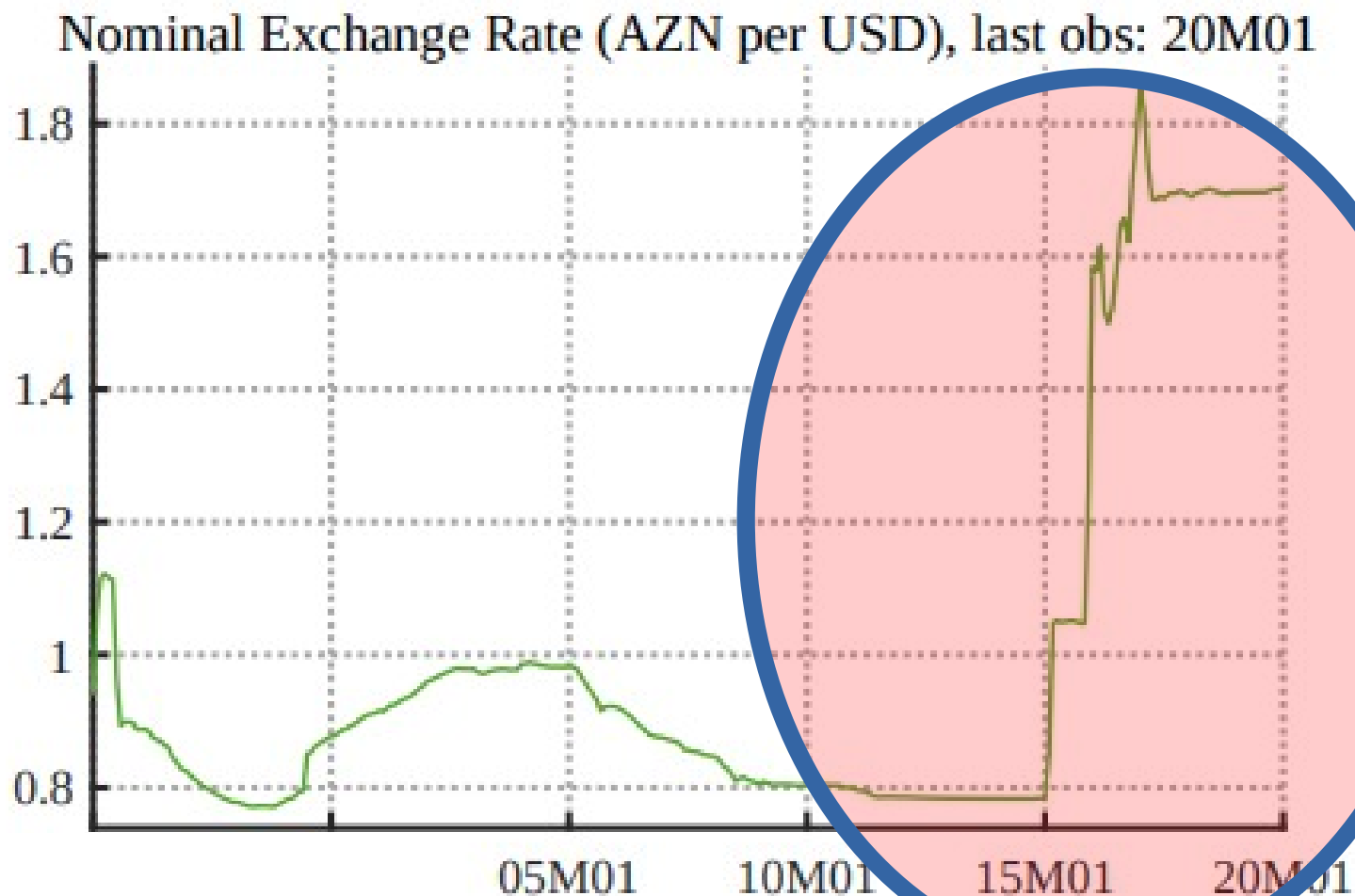


Foreign reserves rapidly declining

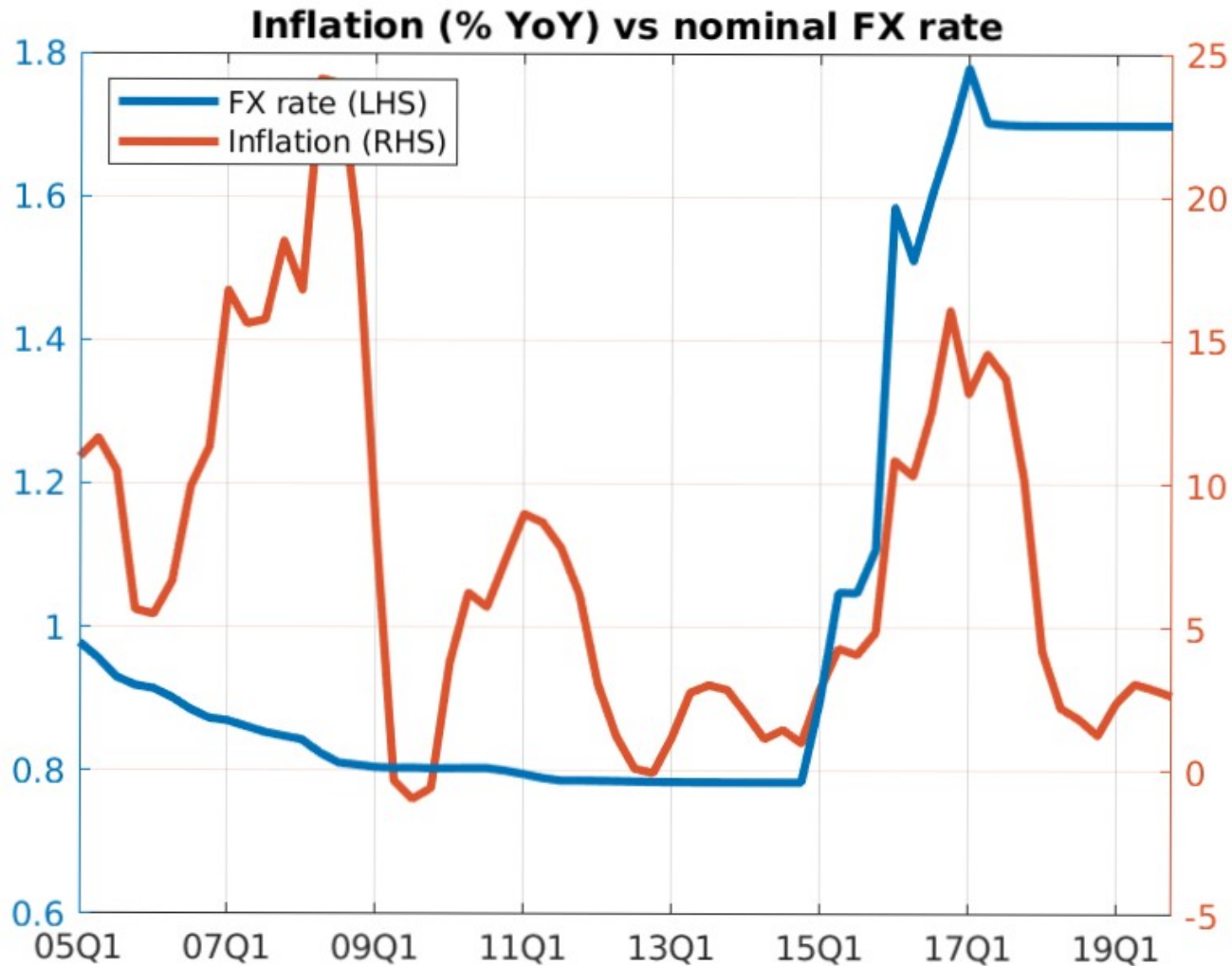


What choice did the CB have?

- What was the alternative to depreciation?

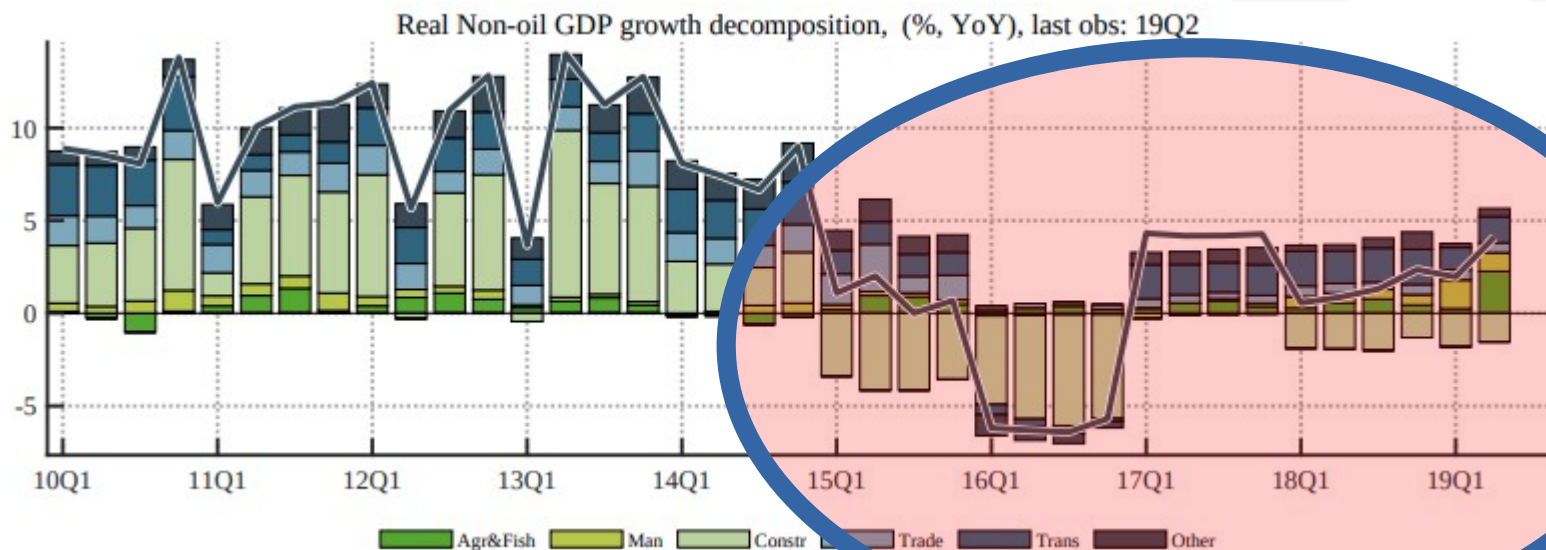


Why so low inflation?



Despite depreciation, growth suffered large slump

- Long-term growth potential also affected



Compare with Spain, Russia, Slovakia, Czech Republic

- Is there any lesson for other countries as well?
- How does this compare to Spain in 2009-2015?
- Russia in 2015?
- Czech Republic in 2020?