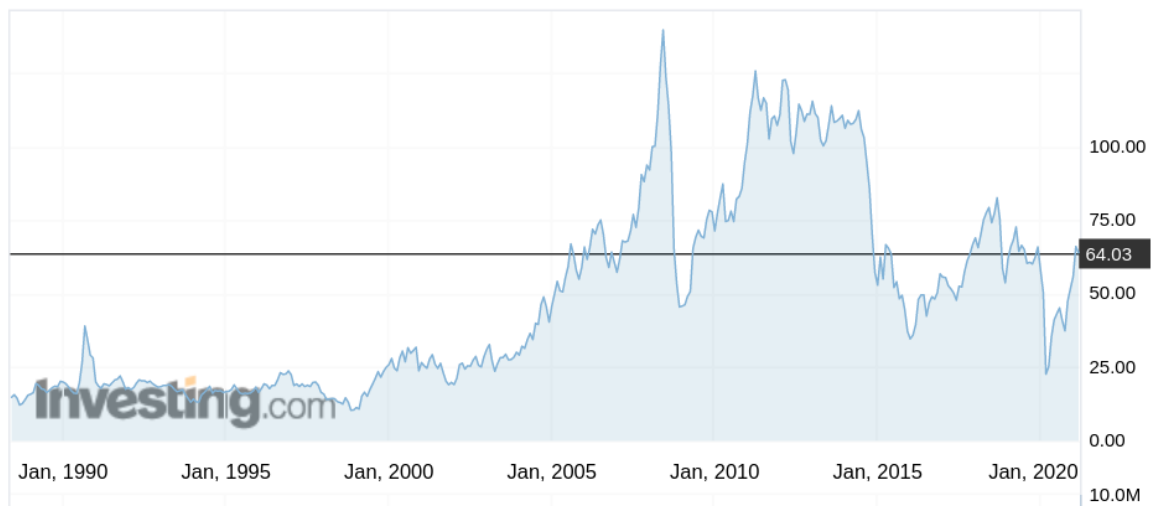# MPE_AMEM: Presentation 1

Tomas Motl, Course for Masaryk University, Spring 2022

What is this chart?

We will analyze the economy of Azerbaijan.

Why?

- unknown to you
- simple to analyze
- distinct features, enough difference from standard QPM (Czech economy fits QPM quite well)

Goal

Describe economy of Azerbaijan before the oil price shock in 2014 and determine in which ways the Azeri economy does not fit the simple QPM assumptions.

Do not analyze 2015 and further (yet).

Points to focus on:

- what was the main driver of macroeconomic variables (GDP, inflation, nominal exchange rate, real exchange rate)
  - what happened to real exchange rate in 2005-2014? Why?
- what was the key source of foreign income? Borrowing, exports (which commodity?), remittances? Look into balance of payments.
- what was the monetary policy regime? Exchange rate regime?

We want to find out which assumption of the QPM are wrong and what we need to change.

Study Materials - About Azerbaijan: potentially useful documents.

Format

Approximately 10-15 slides.

No need for too much text.

Use charts where appropriate.

Sources

Central Bank website: https://www.cbar.az/home?language=en. Do not trust everything they say, be critical. Thhigs have changed since 2014, but not too much.

Wiki: https://en.wikipedia.org/wiki/Economy_of_Azerbaijan

Study Materials -> About Azerbaijan:

- IMF Report from 2014 - helpful to read, but beware that the report is mainly concerned with issues as of 2014. The presentation is concerned with the way economy works (worked) over long period of time.
- Azerbaijan screening report - internal OGR material, lots of charts you can examine to help you understand the economy.

Google

Deadline

April 1, 8pm.

Send via email.

FEEL FREE TO ASK QUESTIONS!