



Research Series

Statistical Overview of the Labor Market in Azerbaijan

December 2025

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Introduction and Summary

Objective of the report:

- ✓ This study analyzes the current state of the labor market in Azerbaijan for the years 2024-2025, the impact of global trends on the local market, and key socio-economic indicators. The report is based on official data from the State Statistical Committee and forecasts by international organizations (International Labour Organization, Organisation for Economic Co-operation and Development).

Key Statistical Findings:

- ✓ **Positive Dynamics:** The employed population has reached 5.03 million, maintaining an upward trend. The unemployment rate stands at 5.3%, which is a competitive figure in regional comparison.
- ✓ **Income Growth:** The average monthly nominal wage across the country has risen to 1,009 manats. However, there is a sharp inter-sectoral disparity: wages in the oil and gas sector (3,700 AZN) are approximately four times higher than those in the non-oil sector (960 AZN).

Structural Challenges and Trends:

- ✓ **Inter-sectoral Imbalance:** The largest portion of the employed population (~36%) is concentrated in the low-income agriculture sector. Other major sectors driving employment are trade and education.
- ✓ **Regional Disparities:** The labor market is highly concentrated in Baku (1.2 million employed population). The average wage in the capital (1,269 AZN) differs significantly from that of the regions.
- ✓ **Demographic and Quality Indicators:** The core of the workforce consists of the "middle generation" aged 30-39. The relatively high unemployment rate among youth (22-25%) highlights the potential benefits of aligning the education system with market demands.
- ✓ **Productivity:** Working hours in Azerbaijan (~163.4 hours per month) exceed those in developed European countries, indicating the potential economic benefit of transitioning from an extensive ("working hard") model to an intensive ("working smart") model.

The Significance of Labor Market in Global Economy

The global labor market serves not only as an engine of economic growth but also as the key platform where human capital is transformed into productivity. In the current era, the labor market is characterized not merely by the number of jobs, but by technological transformation, demographic shifts, and new qualitative requirements for the workforce.

Statistical Indicators:

- ✓ **Global Employment Growth:** According to the International Labor Organization's (ILO) "World Employment and Social Outlook: May 2025 Update," the employment growth forecast for 2025 has dropped to **1.5%** (approximately **53 million new jobs**) due to the economic slowdown. Additionally, the labor income share in global GDP has decreased to 52.4%, which exacerbates inequality.
- ✓ **Unemployment and "Jobs Gap":** According to ILO projections, the global unemployment rate will be around **5.0%** in 2025. However, the "global jobs gap," covering those who want to work but cannot find employment, is expected to reach **407 million people**. This indicator demonstrates that workforce potential is not being fully realized, and structural problems persist.
- ✓ **Informal Employment:** Globally, **57.7%** of the employed population (**more than 2 billion people**) still work in the informal economy. According to World Bank analyses from 2024, this sector remains the biggest obstacle to the sustainability of social protection systems in developing countries.

Strategic Importance and Trends:

1. **Impact of Artificial Intelligence (AI):** According to the International Monetary Fund's (IMF) "Gen-AI: Future of Work 2024" report, **40%** of global employment will utilize artificial intelligence in their work. In advanced economies, this figure will reach **60%**. While this technology increases productivity, it may create risks for workers lacking digital skills.
2. **Job Risks and Demographic Pressure:** According to the Organisation for Economic Co-operation and Development's (OECD) "Employment Outlook 2025" report, **27%** of jobs in OECD countries are at high risk of automation. The report highlights that the workforce is shrinking due to a demographic crisis; therefore, the adoption of technology in existing jobs and retaining older workers in the labor market are of critical importance.
3. **Green Energy Employment:** Based on the 2024 joint report by the International Renewable Energy Agency (IRENA) and the ILO, global employment in the renewable energy sector has reached a record high of **16.2 million people**. It is projected that the energy transition will create a significant number of new "green jobs" by 2030.
4. **Demographic Traps:** The World Bank's "World Development Report 2024" indicates that many countries remain stuck in the "middle-income trap." According to the report, for global economic growth, developing countries must create **millions of higher-quality jobs** every year to maintain the balance between an aging population and a young workforce.

***Conclusion:** Global reports for 2024-2025 indicate that the labor market is undergoing a period of technological transformation and "green transition." While traditional forms of employment are declining, fields requiring high qualifications are expanding. For Azerbaijan, this makes enhancing the digital skills of the workforce employed in sectors such as agriculture and industry, and modernizing the vocational education system, a strategic necessity.*

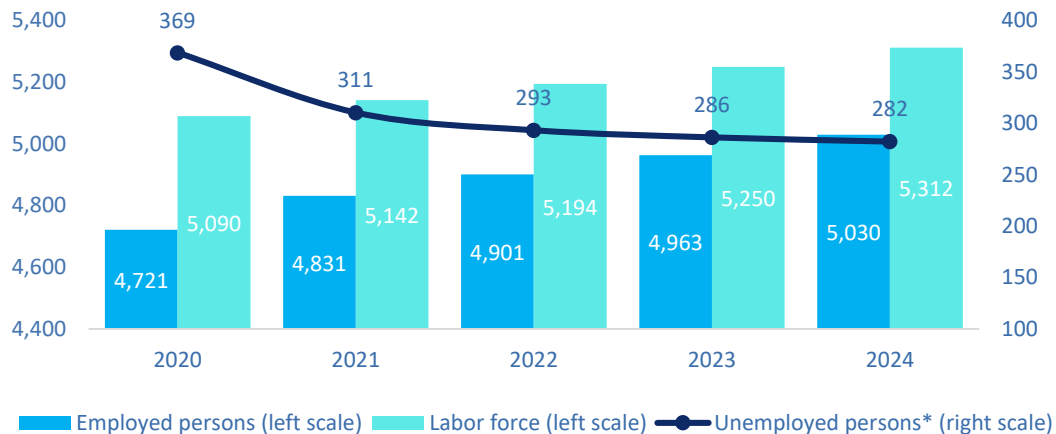
**The "jobs gap" is the difference indicating how many jobs are still missing in the economy to provide employment for everyone in the country who wants to work.*

Source: ILO (World Employment and Social Outlook: May 2025 Update), OECD (Employment Outlook 2025), IMF, IRENA (Renewable Energy and Jobs 2024), World Bank (World Development Report 2024), ILO Modelled Estimates (ILOEST) database, ILOSTAT

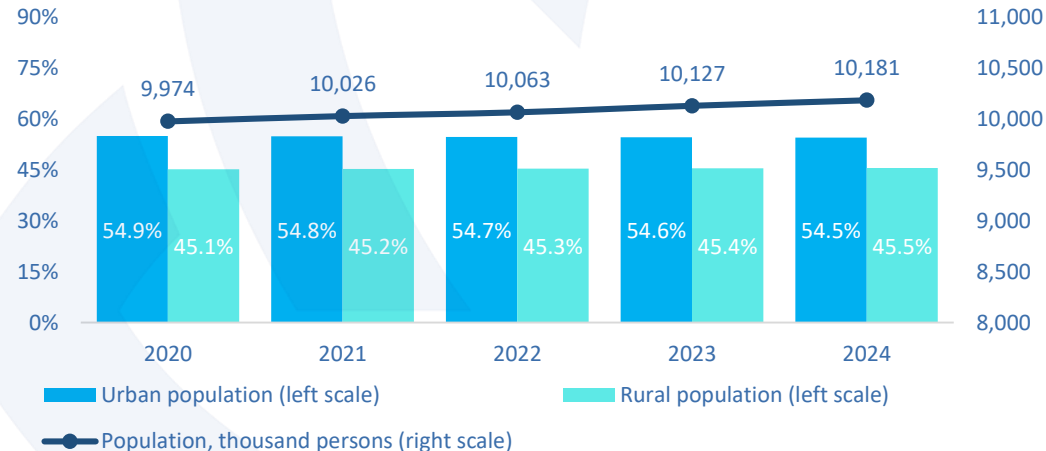


General Socio-Economic Indicators of the Labor Market

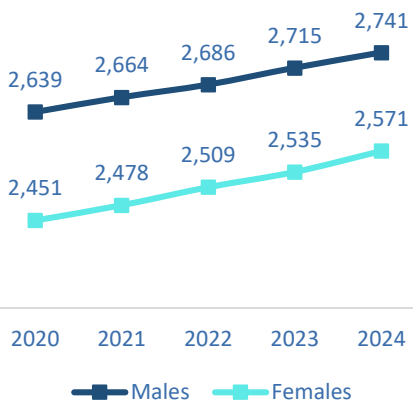
Main socio-economic indicators of labor market, thousand persons



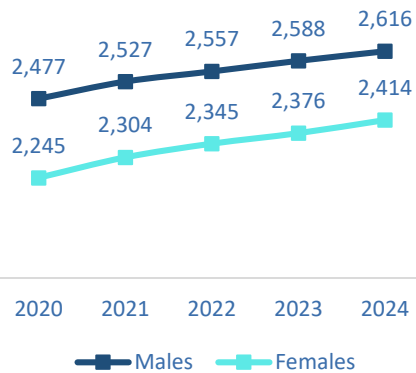
Population dynamics by year



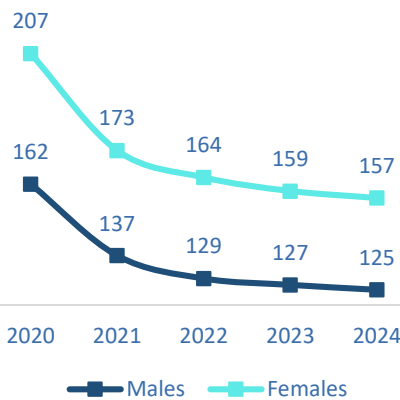
Gender distribution of the labor force, thousand persons



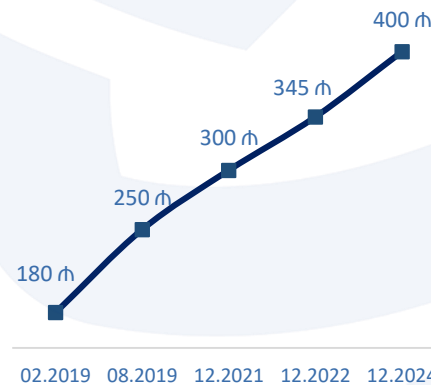
Employed persons by gender, thousand persons



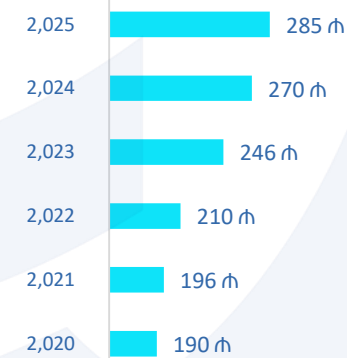
Unemployed persons by gender, thousand persons



Minimum monthly wage



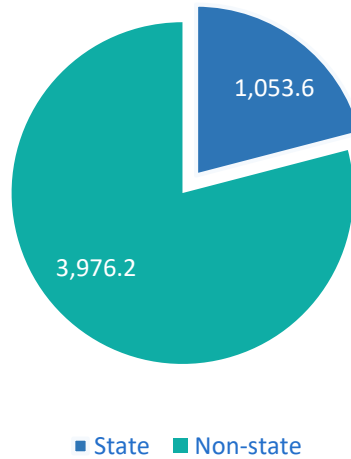
Subsistence minimum



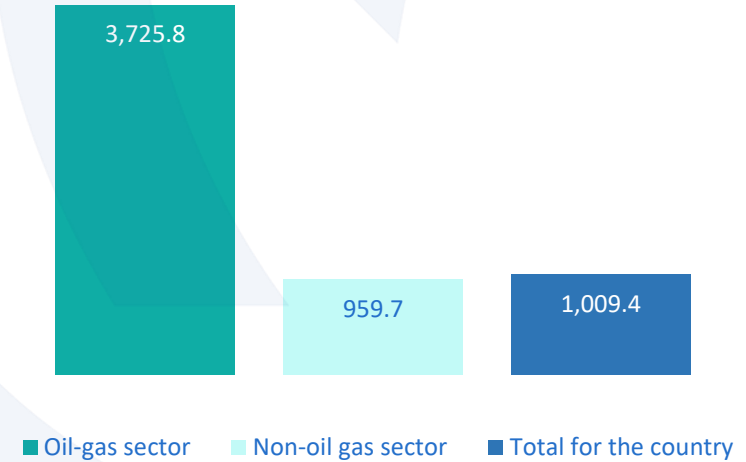
*Job seekers, those willing to work, those unable to find employment, those without an additional source of income, and those registered with employment agencies are considered unemployed. Adults capable of working who do not work or do not actively seek employment are not included in the unemployed group. They are classified as individuals avoiding work. Individuals who have a land share in their name are not considered unemployed.

General Socio-Economic Indicators of the Labor Market

Distribution of employed population by property forms in 2024, thousand persons



Average monthly nominal wage in 2024, manat



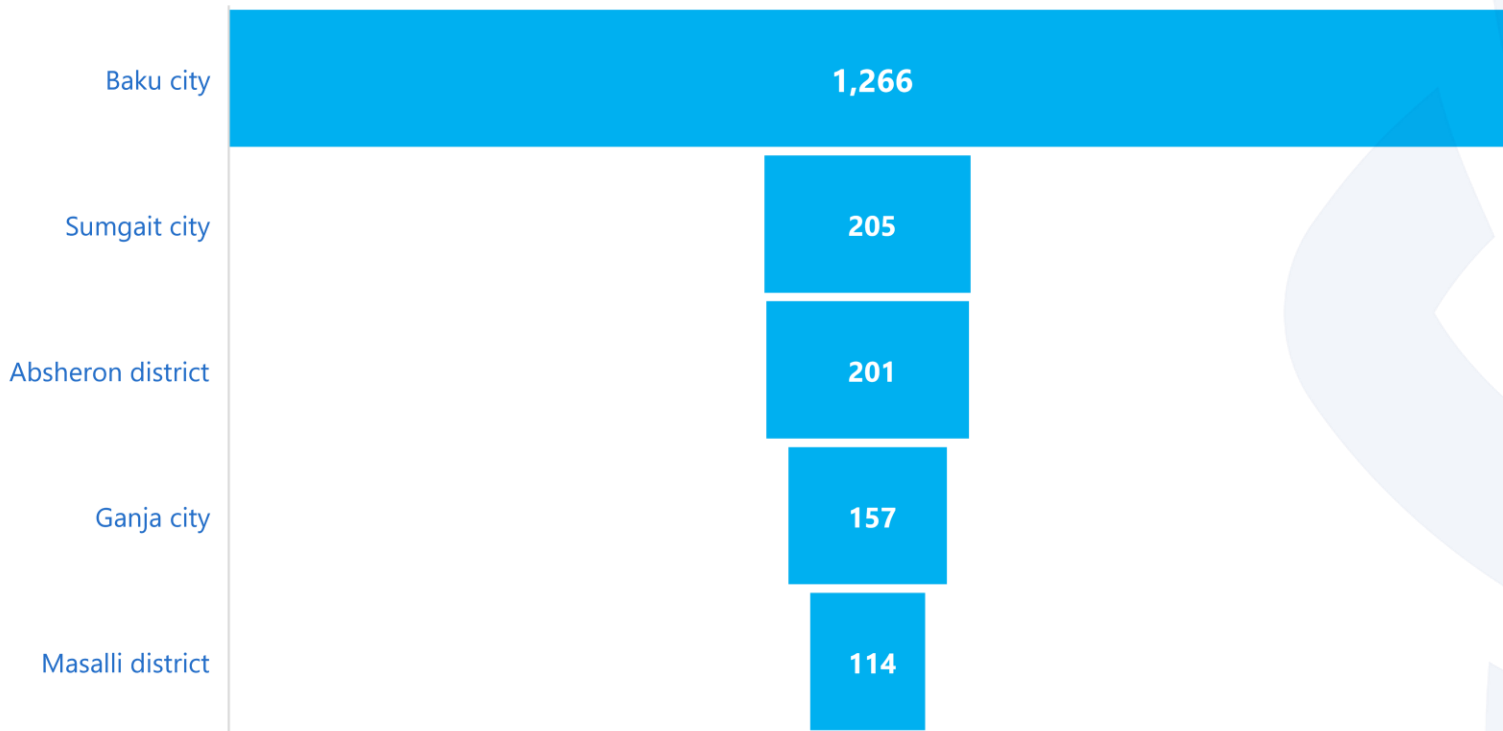
Number of employees by top 3 economic activities, 2024, thousand persons



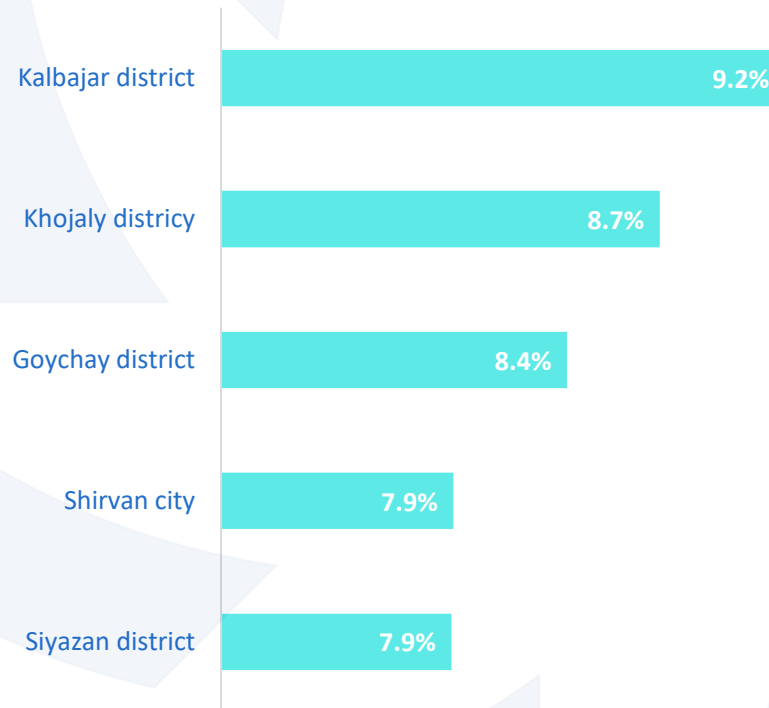
- ❖ Although the oil and gas sector leads with salaries exceeding **3,700 manat**, the average salary in the non-oil sector, where the vast majority (**98.2%**) of employees are concentrated, is **960 manat**.
- ❖ In terms of employment numbers, the **education** and **trade** sectors are the largest employers in the labor market, with approximately **330,000 people** each.

Labor Force by Region

Cities and administrative districts with the largest labor force in 2024, thousand persons



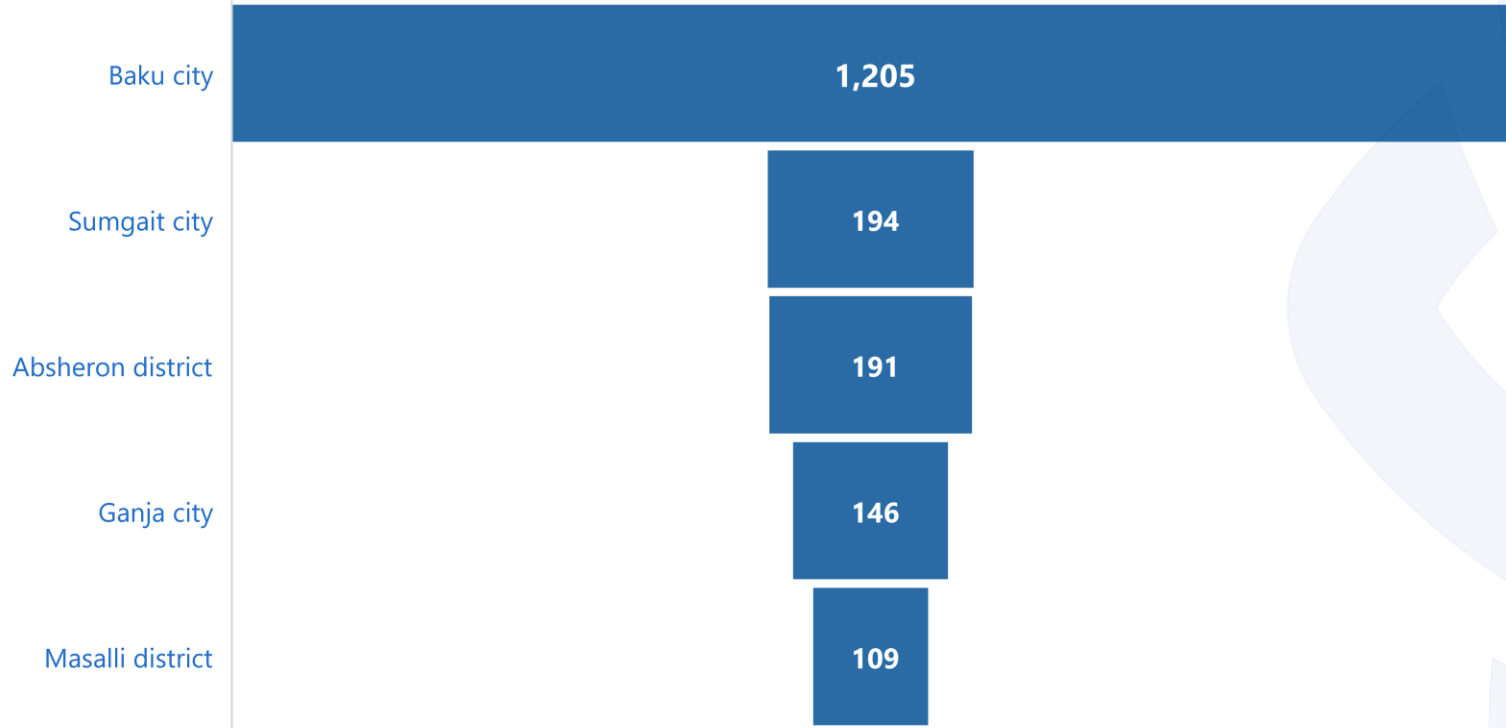
Regions with the highest unemployment in 2024



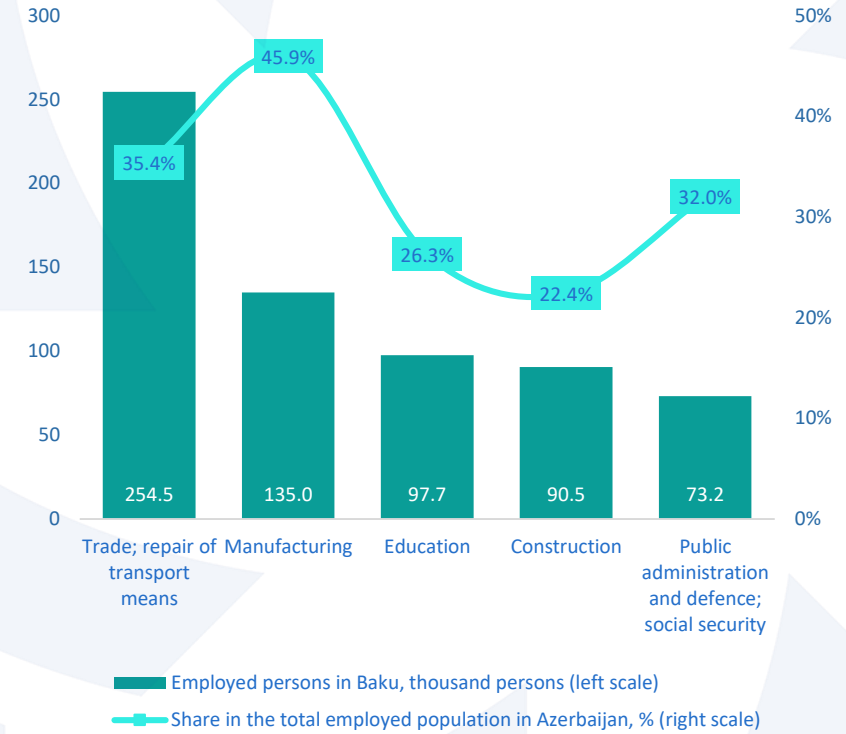
- ✓ The labor force in **Baku** has demonstrated stability over the past 5 years, accounting for **one-fourth** of the country's total labor force.
- ✓ In liberated districts such as **Kalbajar (9.2%)** and **Khojaly (8.7%)**, the ongoing process of population return and infrastructure development will contribute to the restoration of economic activity and the creation of new jobs in these areas.
- ✓ Optimizing the investment climate and implementing employment programs in the liberated territories and other regions with high unemployment levels will provide an impetus to the national economy, ensuring sustainable and balanced development in the future.

Employed Population by Regions

Cities and districts with the largest employed population in 2024, thousand persons



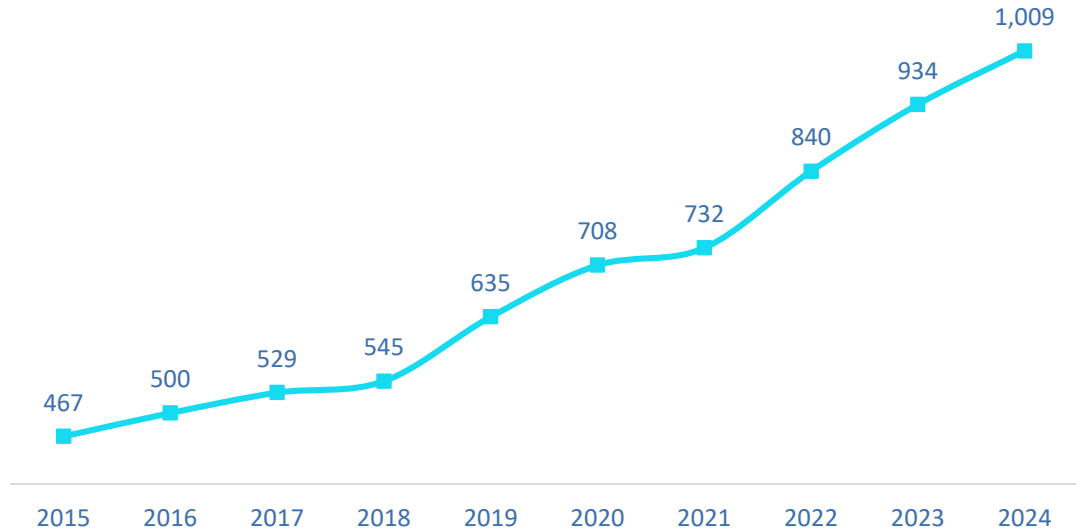
Distribution of employed persons in Baku by top 5 economic activities in 2024



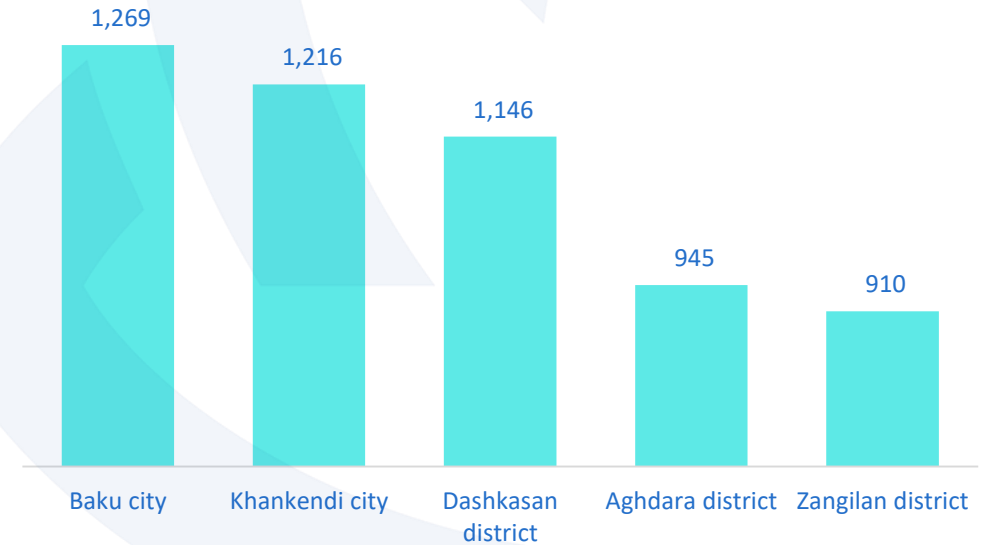
- ✓ According to 2024 statistics, Azerbaijan's labor force is unevenly distributed both geographically and sectorally. The high concentration of employment in Baku, exceeding **1.2 million people**, reaffirms the capital's role as **the country's main economic center**. While **agriculture** is the largest employer nationwide, the leading economic sectors in Baku are **trade** and the **manufacturing** industry, highlighting the structural economic disparity between the capital and the regions.
- ✓ In the future, an increase in projects stimulating the manufacturing and service sectors in the regions – particularly in cities with industrial potential like **Ganja** and **Sumgayit** – could both reduce pressure on the labor market in the capital and contribute to the country's balanced and sustainable development.

Salary Levels by Regions

Average monthly nominal salary in Azerbaijan, manat



Cities and administrative districts with the highest average monthly salary, manat



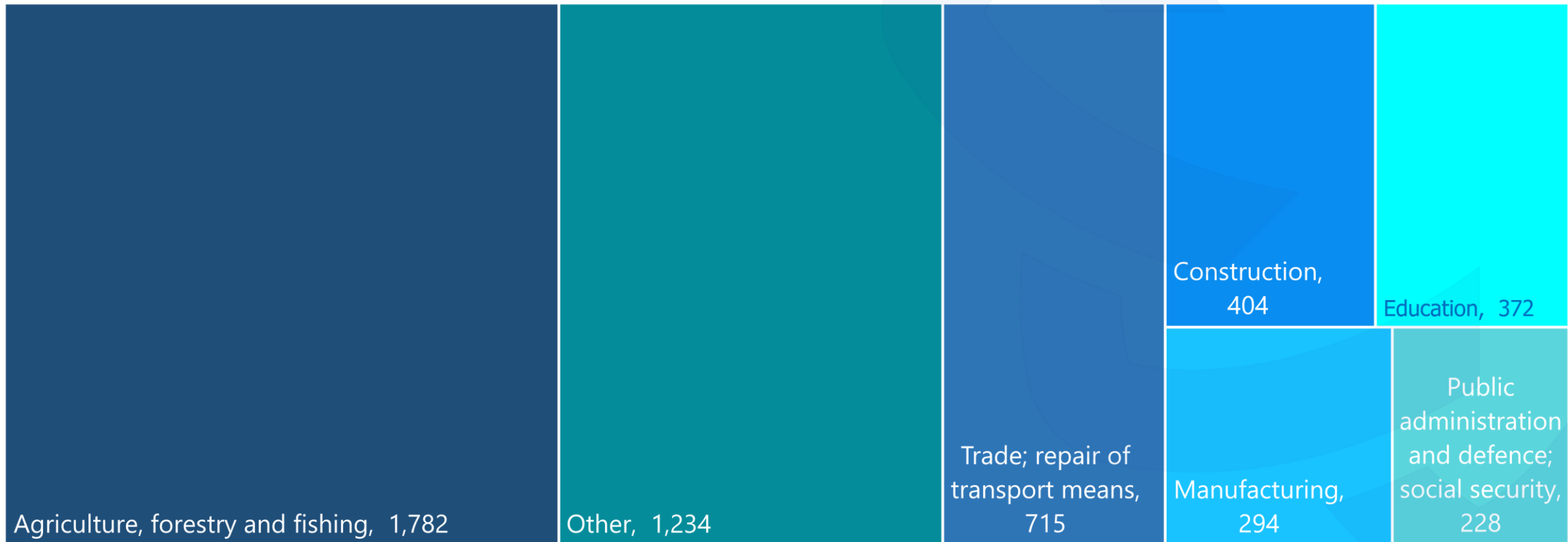
Average monthly nominal salary by economic regions in Azerbaijan, manat

Economic region	Average monthly nominal salary, manat	Economic region	Average monthly nominal salary, manat
Baku city	1269.3	Guba-Khachmaz	675.4
Absheron-Khizi	807.3	Mountainous Shirvan	647.6
Nakhchivan	782.4	Karabakh	645.3
Shirvan-Salyan	727.6	Lankaran-Astara	634.6
Ganja-Dashkasan	722.5	Mil-Mughan	634.5
East Zangezur	718.9	Shaki-Zagatala	622.1
Gazakh-Tovuz	686.2	Central Aran	621.2

- ✓ The main reason for the wage gap between the capital and other economic regions is that Baku is the **economic center** of the country and high-paying jobs are concentrated there.
- ✓ The high average salary observed in districts such as Khankendi, Dashkasan, Aghdara, and Zangilan is linked to the **large-scale reconstruction and development projects** carried out in these areas, as well as the special economic incentives applied there.
- ✓ The fact that the average salary in the Nakhchivan Autonomous Republic (**782.4 manats**) is higher than in many other regions, together with the opening of the Zangezur Corridor, has the **potential to transform the Autonomous Republic into a regional trade and logistics hub**. This creates a strong foundation for the emergence of higher-paying jobs and for further increases in wage levels in the future.

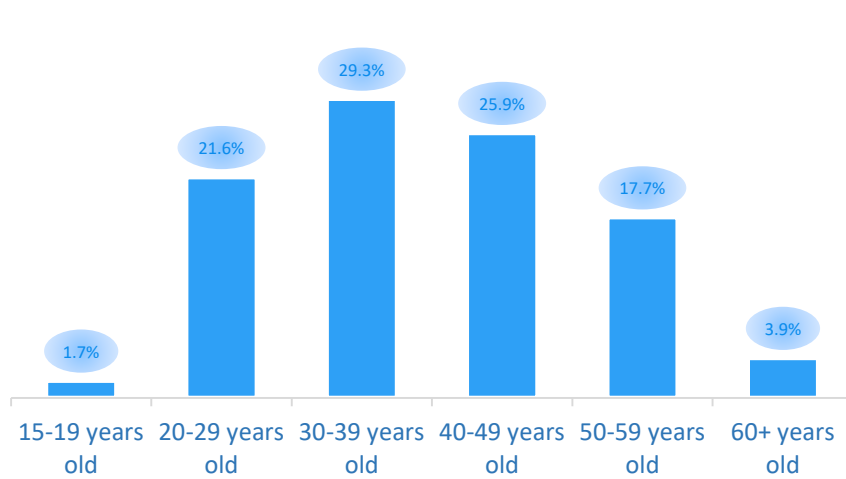
Classification of Employed Population by Types of Economic Activity (2024)

- ✓ Approximately half of the employed population is concentrated in the **agriculture (1,782.3 thousand people)** and **trade/repair (715.4 thousand people)** sectors. This indicates the decisive role these sectors play in ensuring employment and maintaining social stability.
- ✓ **The construction (403.8 thousand people)** and **education (371.8 thousand people)** sectors are among the fields that require the largest labor force.
- ✓ Current figures show that although sectors such as **information and communication technologies (60.2 thousand people)**, **tourism (103.6 thousand people)**, and **finance (39.6 thousand people)** currently hold a small share in overall employment, they may serve as strategic targets for **economic diversification** and **the development of a more highly qualified workforce**. Increasing investments in these sectors will stimulate the creation of new and high-quality jobs in the future.

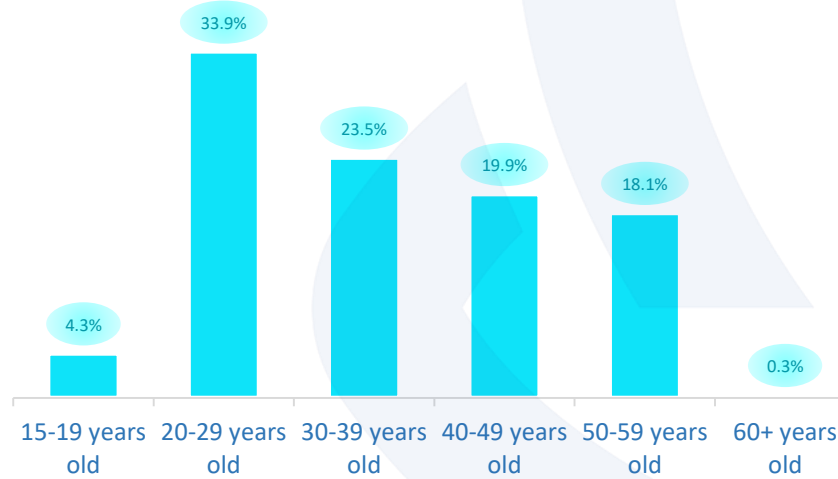


Employed and Unemployed Population by Gender and Age Groups in 2024

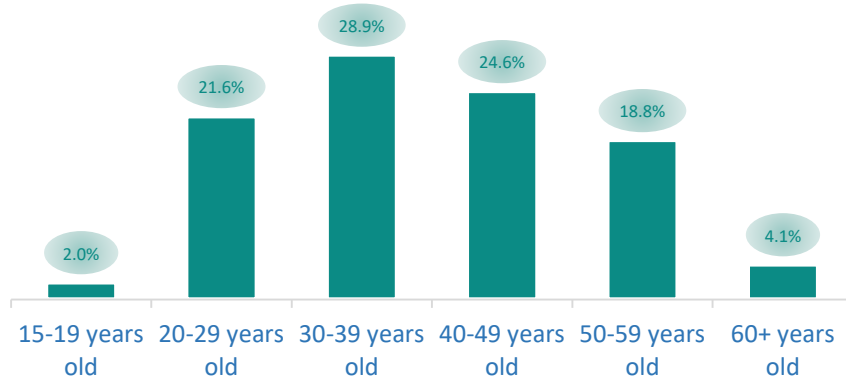
Employed females



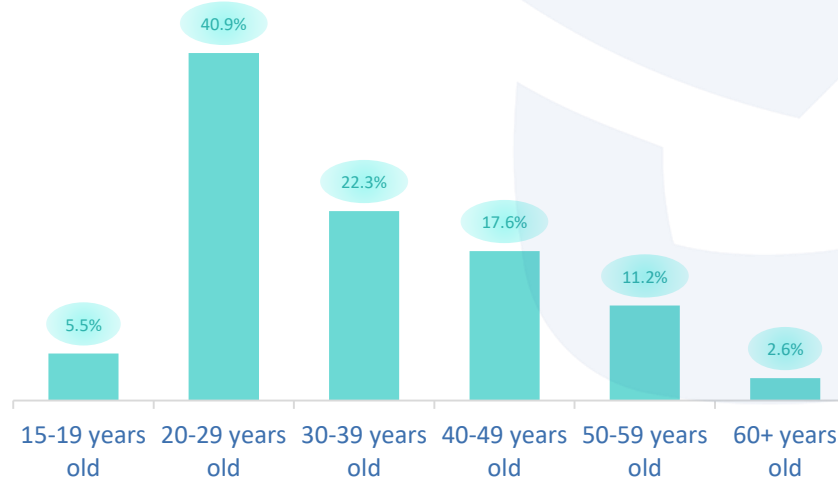
Unemployed females



Employed males



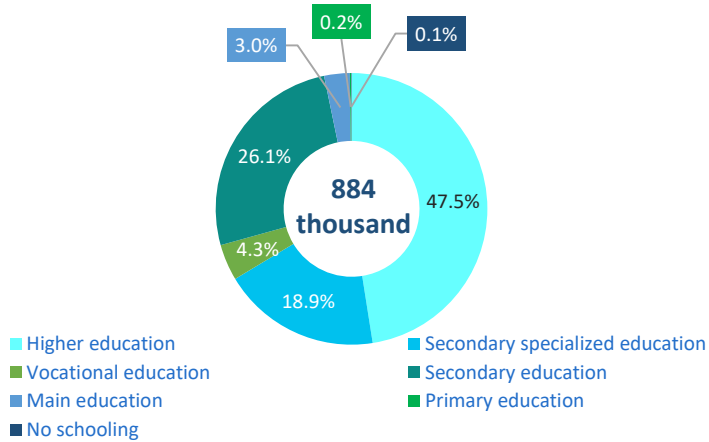
Unemployed males



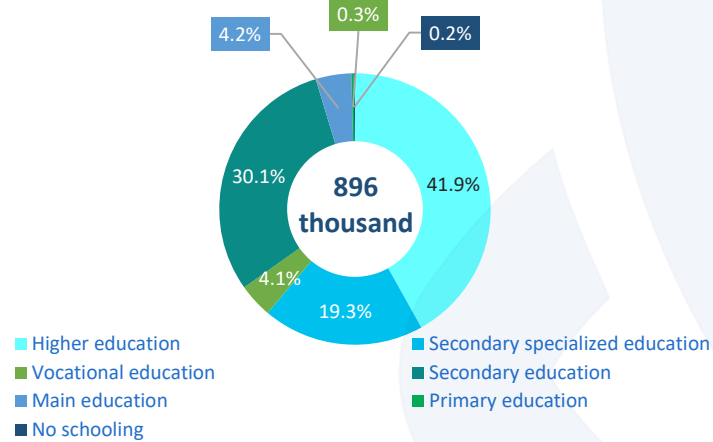
- ✓ The diagram shows that the core of the employed population consists of **middle-aged workers**; however, the labor market struggles to absorb newly entering workers.
- ✓ In particular, the high share of **20–24-year-olds** among the unemployed (**25.2%** for men and **22%** for women) highlights **the importance of aligning education with market demands**.
- ✓ If the vocational preparation of young people is more closely matched to labor-market needs, **the risk of structural unemployment in this age group is expected to decrease over the next five years**.

Employees in Labor Market by Education, Gender, and Age Group

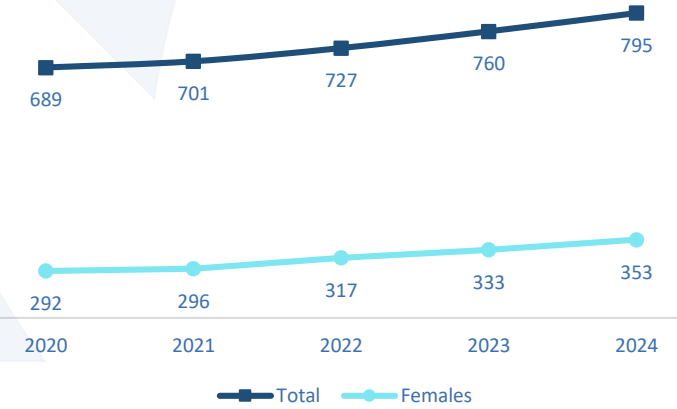
Number of employees in the state sector, 2024



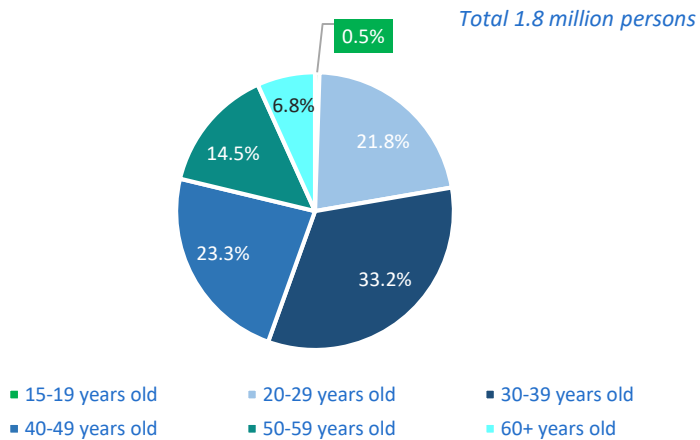
Number of employees in the non-state sector, 2024



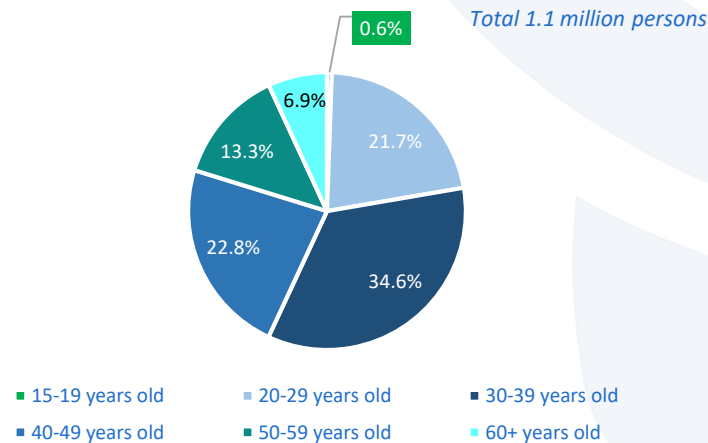
Number of higher educated employees by year, thousand persons



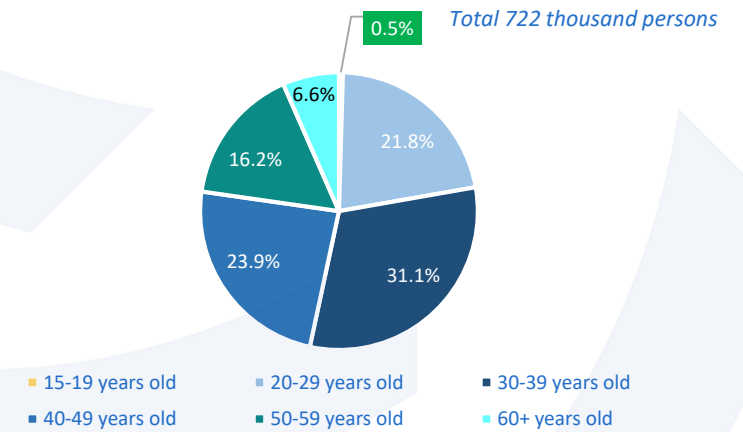
Distribution of employees by age groups, 2024



Distribution of male employees by age groups, 2024



Distribution of female employees by age groups, 2024



- ✓ The **30-39 age group** forms the backbone of Azerbaijan's labor market: one in every three employees (**33.2%**) represents this experienced generation.
- ✓ For men, the most active career period spans ages **30-39**; during this time, their share in the total workforce (**34.6%**) surpasses the corresponding figure for women (**31.1%**).
- ✓ New entrants to the labor market aged **20-29** account for **21.8%** of salaried employees, indicating the main influx of personnel transitioning from education to employment.
- ✓ As of January 1, 2025, employees in economic activities classified as **cultural** and **creative** industries constitute **3.7%** of the total salaried workforce.

Labor Turnover in the Economy

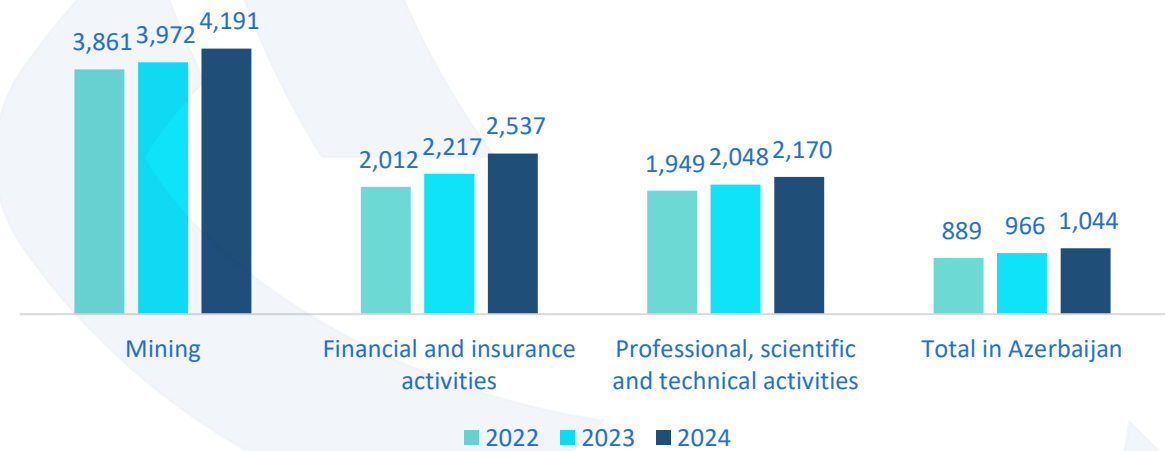
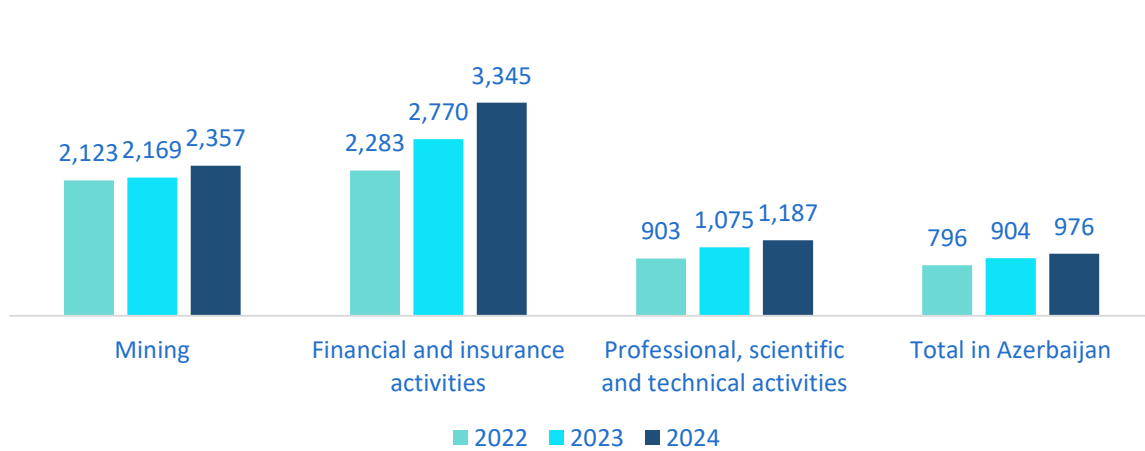
Economic activity	Employed population, thousand persons	Nominal salary, AZN	Labor turnover	Hired employees, thousand persons	Dismissed employees, thousand persons
Agriculture, forestry and fishing	🥇 1,782.3	611.7	43.8%	24.9	22.7
Mining	39.7	🥇 3,561.4	15.6%	4.8	5.2
Manufacturing	293.8	905.3	37.1%	🥇 55.3	🥇 49.3
Electricity, gas and steam production, distribution and supply	29.7	1,097.1	13.2%	4.4	3.9
Water supply; waste treatment and disposal	45.2	685.9	26.5%	7.3	10.6
Construction	🥇 403.8	1,087.1	🥇 87.8%	🥈 104.5	🥇 101.3
Trade; repair of transport means	🥈 715.4	691.7	27.7%	🥇 106.5	🥈 90.5
Transportation and storage	207.6	1,392.5	29.6%	22.6	22.4
Accommodation and food service activities	103.6	751.7	🥈 52.1%	31.9	27.7
Information and communication	60.2	1,672.1	25.8%	9.95	8.7
Financial and insurance activities	39.6	🥈 2,687.4	25.1%	12.9	9.6
Real estate activities	86.0	1,073.9	32.1%	7.4	6.1
Professional, scientific and technical activities	70.7	🥇 1,711.2	32.7%	25.02	21.7
Administrative and support service activities	94.7	621.9	🥈 55.5%	37.3	46.1
Public administration and defence; social security	228.4	1,419.3	7.0%	10.4	7.9
Education	371.8	754.2	8.8%	26.2	29.1
Human health and social work activities	190.3	847.3	16.6%	28.7	24.6
Art, entertainment and recreation	66.3	747.1	10.7%	6.05	5.8
Other service activities	200.7	1,301.4	36.4%	8.6	6.7

Average Monthly Nominal Salary of Employees by Sectors in Azerbaijan

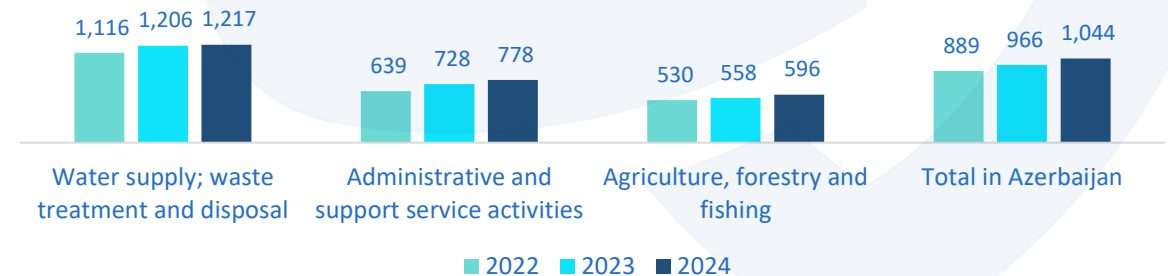
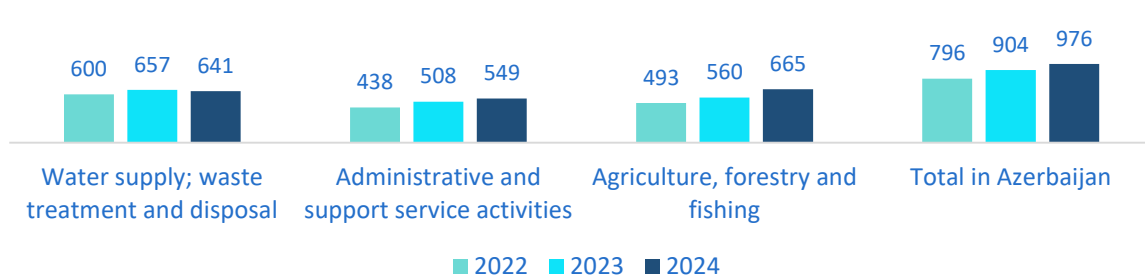
State sector

Non-state sector

- ✓ The **top 3** economic activities and property types for employees in Azerbaijan (**based on the total wage ranking in 2024**), as well as the total **average monthly nominal wages** across the country for the state and non-state sectors over the last three years, are presented.
- ✓ In **2024**, although the **mining industry** led in terms of average monthly nominal wages for the total and non-state sectors, **financial and insurance activities** were the leaders in the public sector.



- ✓ The **top 3** economic activities and property types for employees in Azerbaijan (**based on the total wage ranking in 2024**), as well as the total **average monthly nominal wages** across the country for the state and non-state sectors over the last three years, are presented.
- ✓ In **2024**, although the **mining industry** led in terms of average monthly nominal wages for the total and non-state sectors, **financial and insurance activities** were the leaders in the public sector.



Labor Market in the Industrial Sector

Leading regions by number of employees in the industrial sector, thousand persons

Baku city	122.9
Absheron-Khizi economic region	32.4
Shirvan-Salyan economic region	12.2
Ganja-Dashkasan economic region	11.7
Central Aran economic region	9.6
Total in Azerbaijan	243.9

Leading regions by number of female employees in the industrial sector, thousand persons

Baku city	31.3
Absheron-Khizi economic region	9.2
Ganja-Dashkasan economic region	2.3
Shaki-Zagatala economic region	2.1
Shirvan-Salyan economic region	1.9
Total in Azerbaijan	56.8

Leading regions by average monthly nominal wage of employees in the industrial sector, manat

Dashkasan district	2,590.8
Baku city	1,693.6
Shusha district	1,612.5
Aghdara district	1,559.8
Gadabay district	1,302.3
Total in Azerbaijan	1,259.7

Leading regions by average monthly nominal wage of female employees in the industrial sector, manat

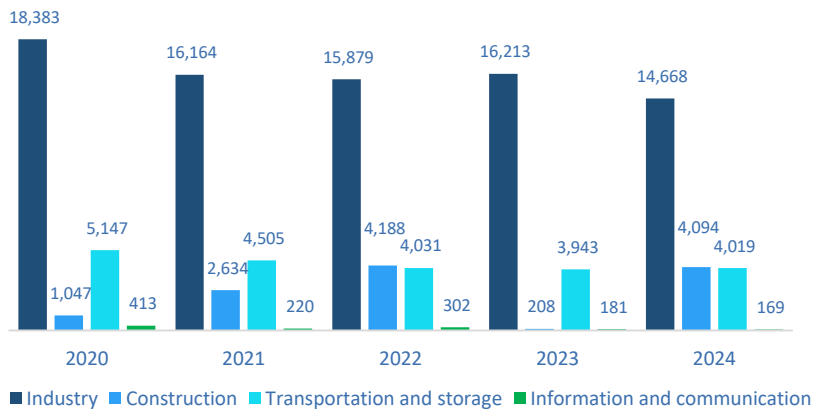
Dashkasan district	2,000.4
Shusha district	1,750.7
Gubadli district	1,005.3
Baku city	976.6
Gadabay district	933.7
Total in Azerbaijan	797.7

The data indicates a prominent gender gap in the industrial sector in terms of both **employment numbers** and **wage levels** (Country average: **1,259.7 AZN**, for women: **797.7 AZN**). Although Baku leads in employment figures, **Dashkasan** and **Shusha** surpass the capital in the list of regions where women earn the highest salaries.

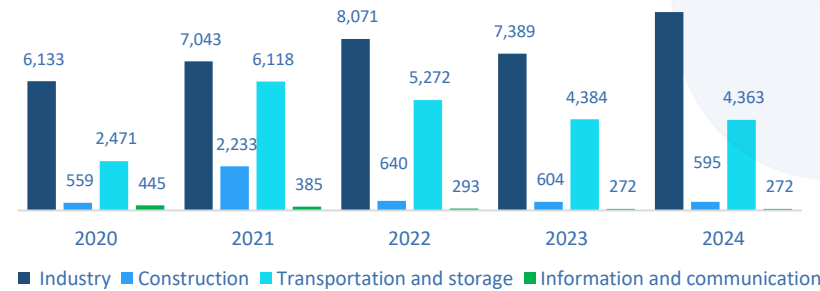
Unfavorable Working Conditions by Types of Economic Activity

- ✓ **Industry (production, mining, and manufacturing)** is the sector in Azerbaijan requiring the most attention and investment in terms of occupational health and safety. The problems are related not only to heavy labor but also to **fundamental working conditions** and **hygiene**.
- ✓ Companies and regulatory bodies must focus not only on faulty equipment creating accident risks but also on issues such as **sanitary conditions, ventilation, noise, and ergonomics** that gradually harm employee health. This indicates an increased risk of occupational diseases.
- ✓ In the transportation and storage sector, **heavy and hazardous working conditions** (4,363 persons) are more acute than **sanitary-hygiene problems** (4,019 persons). This is related to the physical strain and unfavorable climatic conditions faced by drivers, loaders, and warehouse workers.
- ✓ Compared to others, the information and communication sector is practically a **"safe haven,"** and physical labor risks in this field are minimal.

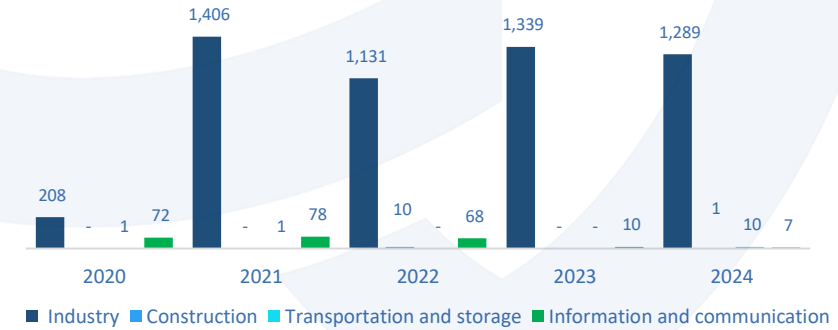
Working in conditions not meeting sanitary-hygiene norms, person



Working in hard and harmful work and unfavorable climate conditions, person

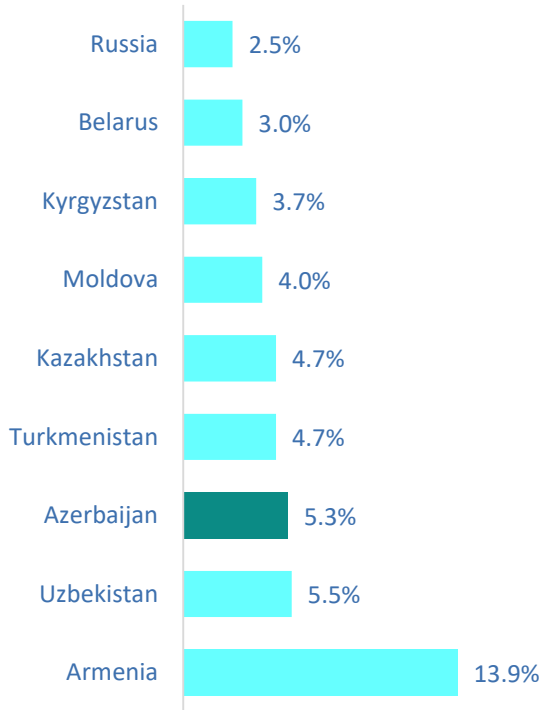


Working with equipment non-complying with safety requirements, person

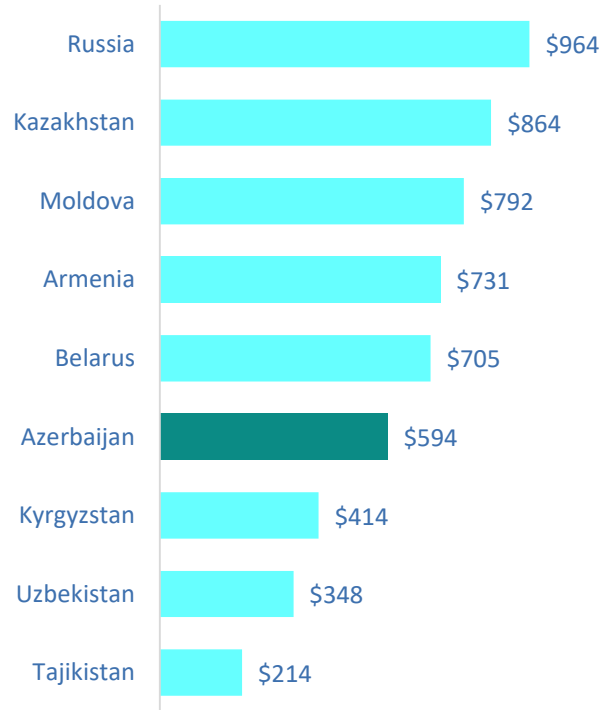


Comparison with Other Countries

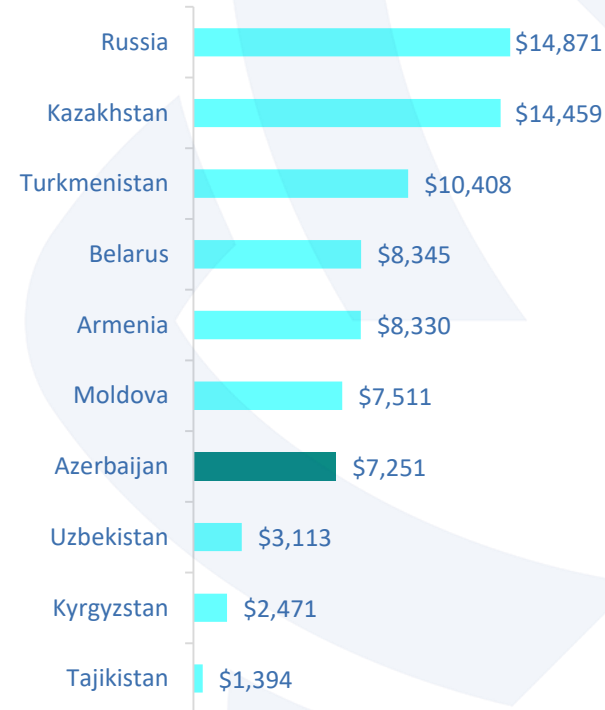
Unemployment rate*, 2024



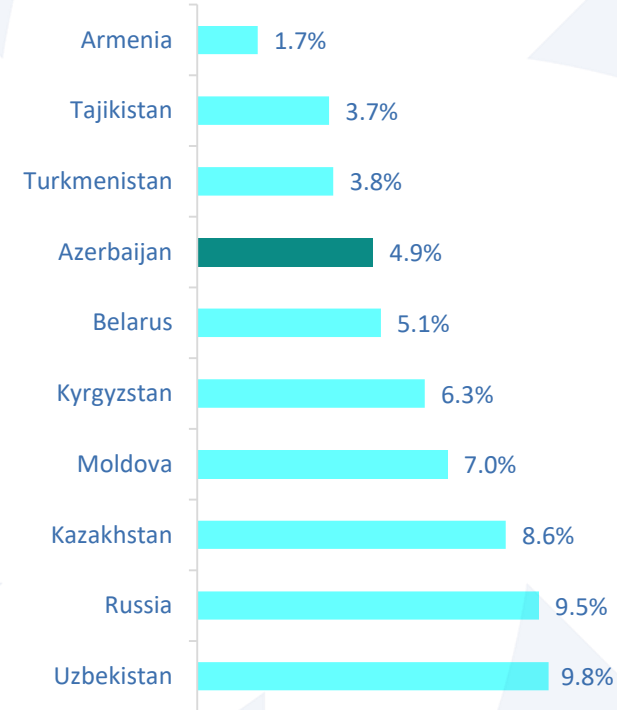
Monthly nominal wage, 2024



Gross Domestic Product per capita, 2024

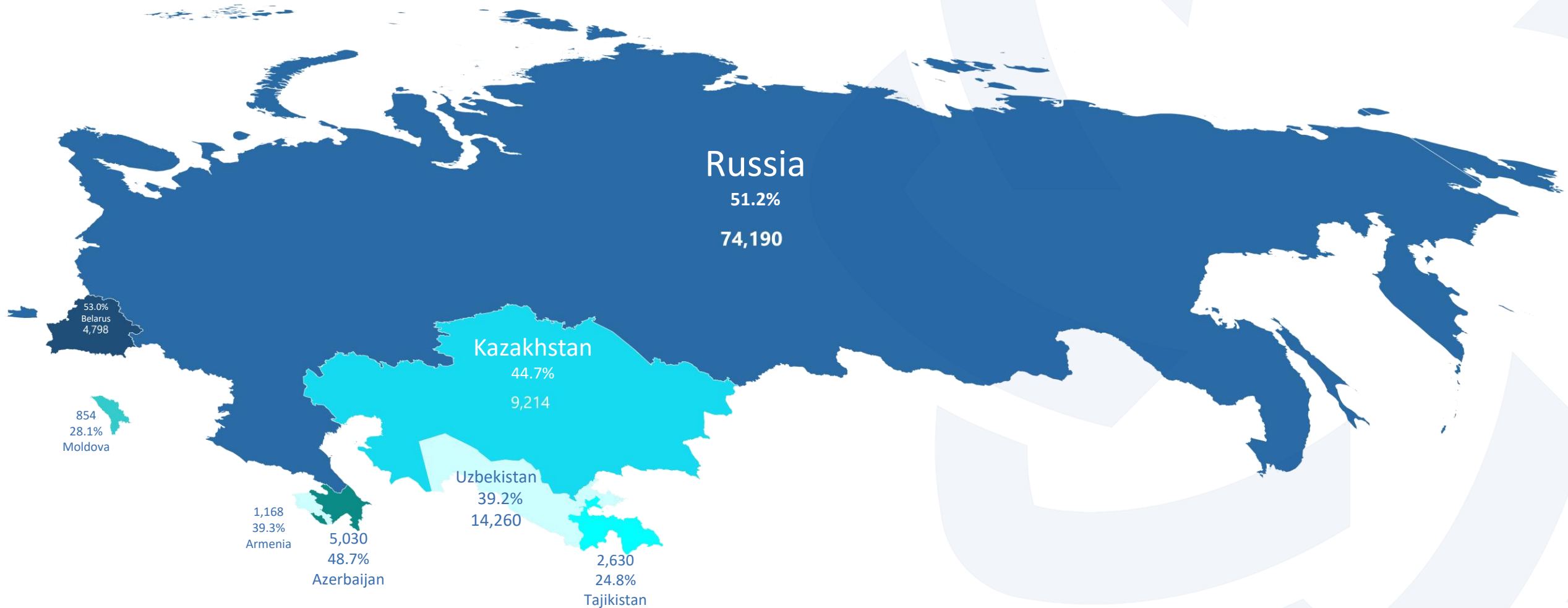


Inflation, 2024



- ✓ The comparative analysis of 2024 once again confirms our country's economic potential. Specifically, **GDP per capita stands at 7,251 USD**, while the **4.9% inflation rate** reflects macroeconomic stability, remaining lower than that of many regional partners (**Russia, Kazakhstan, Uzbekistan**).
- ✓ As for social indicators, the **unemployment rate** is maintained at a manageable level of **5.3%**. Meanwhile, the average monthly nominal wage stands at **594 USD**, holding a competitive position—especially compared to Central Asian countries—and demonstrating the balanced development of the population's welfare.

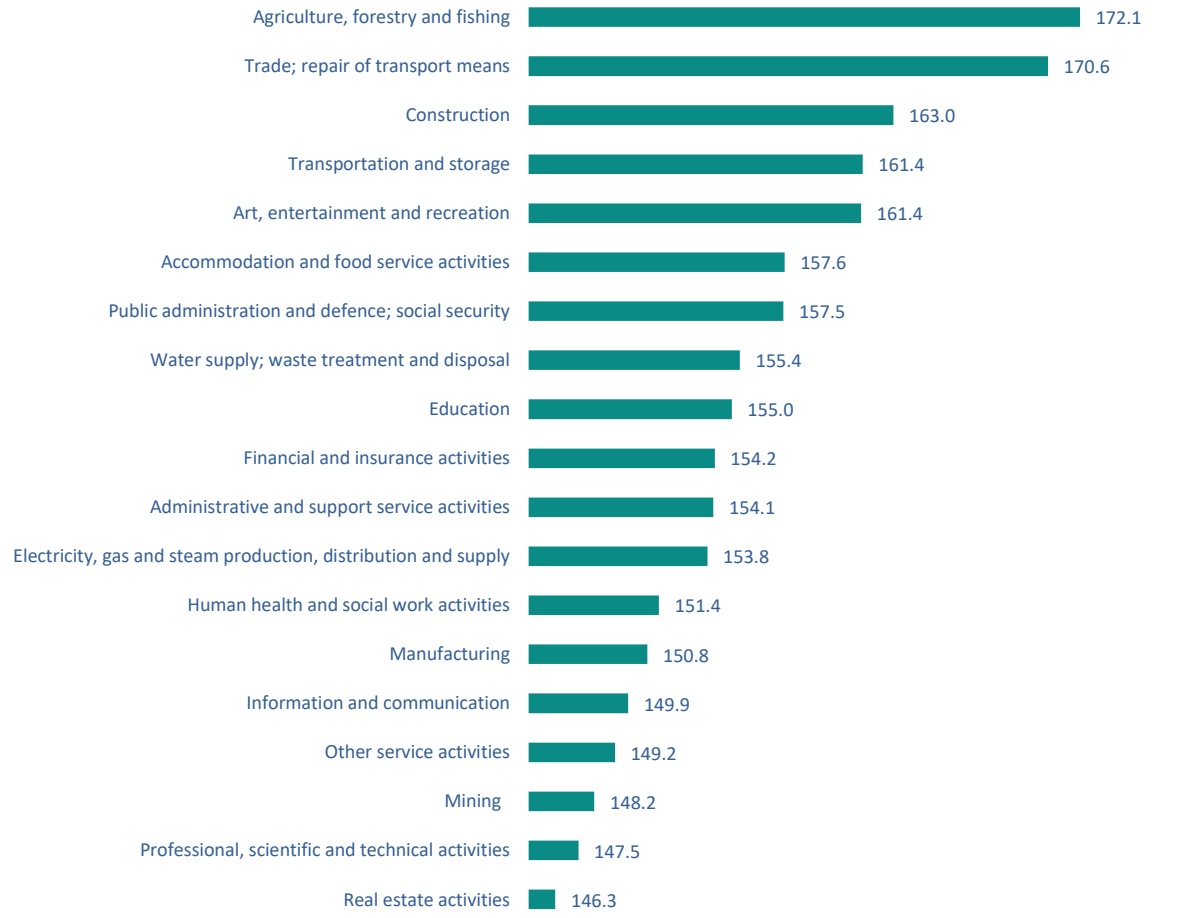
Employed Population in Azerbaijan and Other Compared Countries



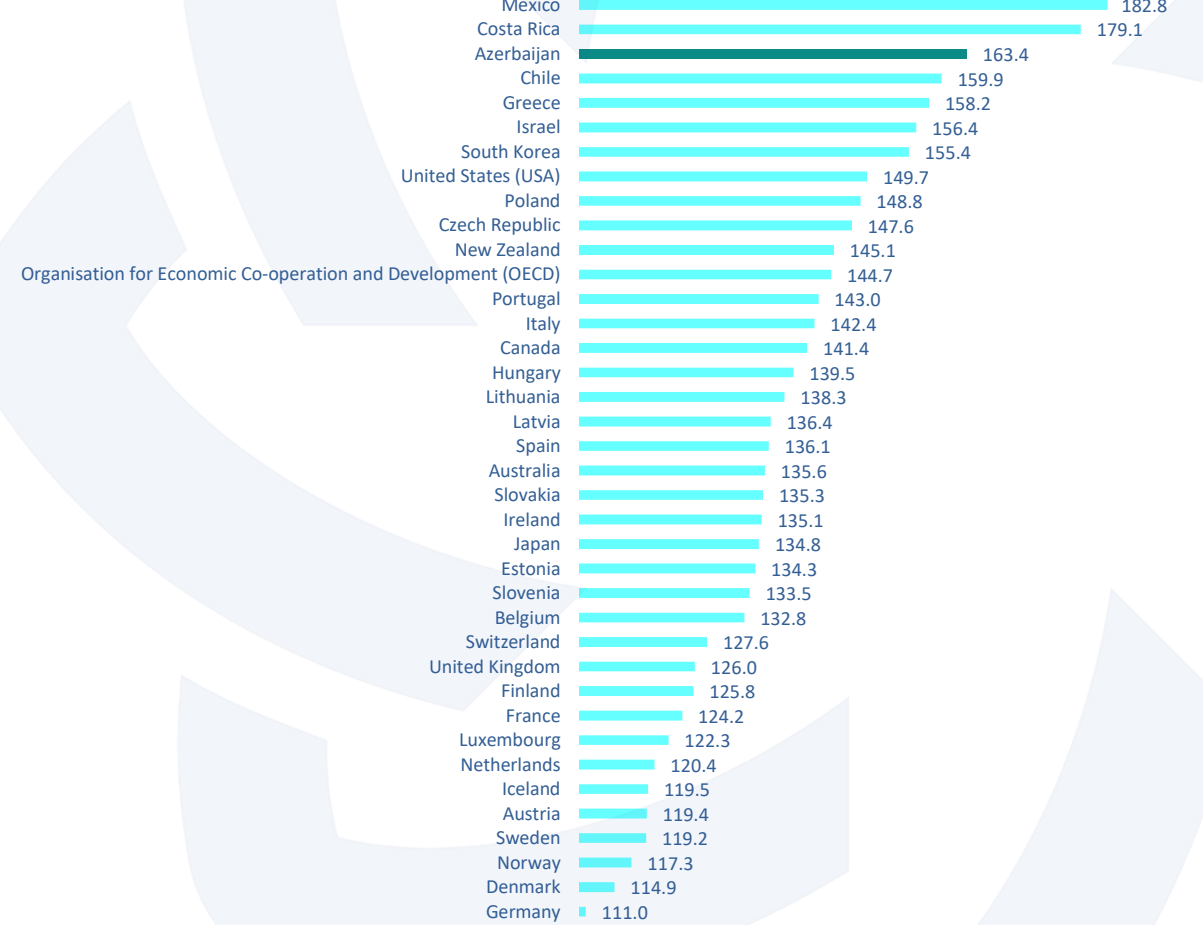
- ✓ According to 2024 indicators, **Belarus (53.0%), Russia (51.2%), and Azerbaijan (48.7%)** rank in the top three based on the ratio of the employed population to the total population.
- ✓ Moldova ranks last among the compared countries on the list with **28.1% (854 thousand employed persons)**.

Average Monthly Working Hours: Azerbaijan vs. International Comparison

Average monthly working hours of the employed population by economic activity in Azerbaijan, 2024



Average monthly hours worked per employee by country, 2024



- ✓ The high number of working hours (**163–173 hours**) in sectors such as **agriculture, forestry, and fishing**, as well as **trade** and **construction**, signals significant potential for technological and innovative automation and process optimization in these fields.
- ✓ Over the next 5–10 years, the structural transformation of Azerbaijan’s labor market – through the implementation of technological solutions – from a ‘working hard’ model (e.g., Mexico, Costa Rica) to a ‘working smart’ European model (130–140 hours range) could drive a major boost in national productivity.

Source: The State Statistical Committee of the Republic of Azerbaijan, Organization for Economic Cooperation and Development

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