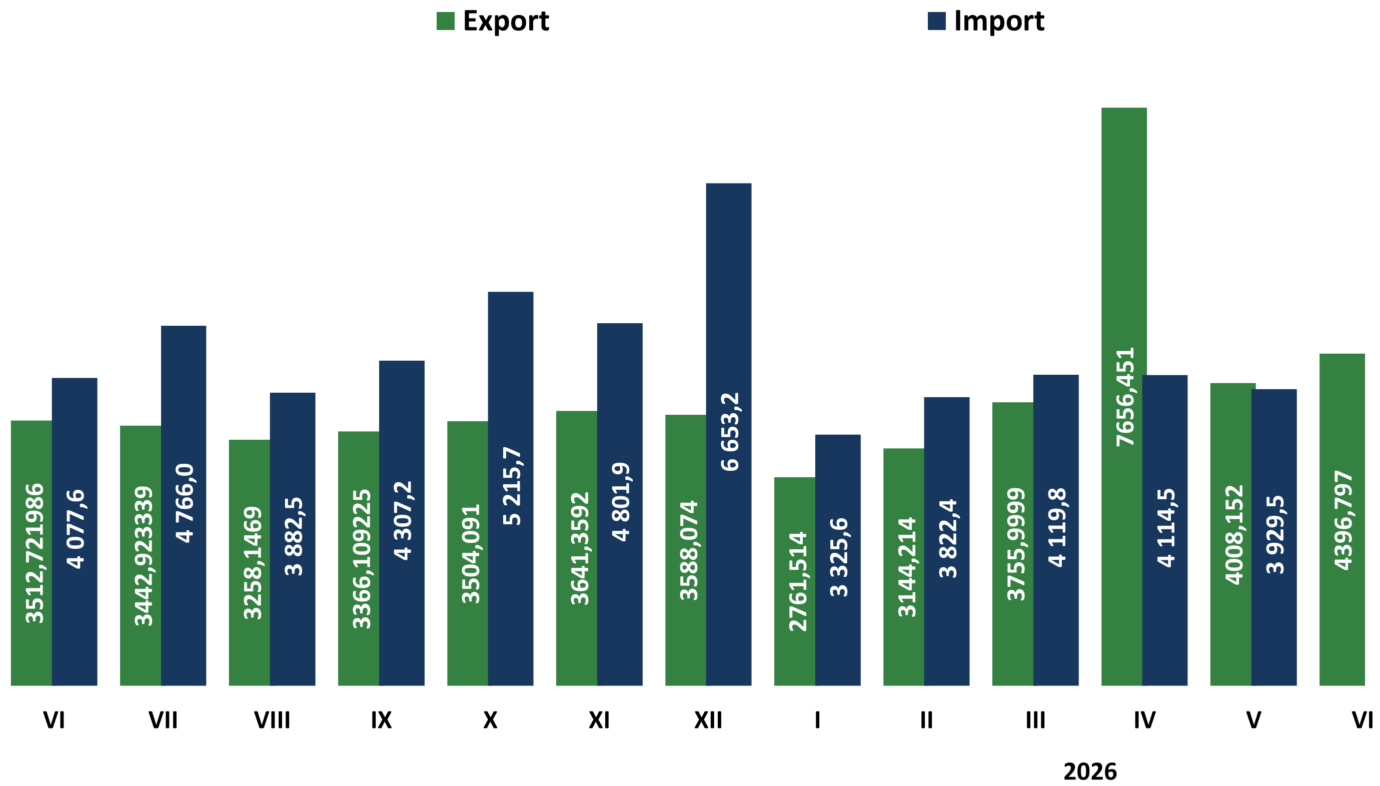
South Caucasus Trade Review

August, 2026

Summary

South Caucasus's monthly trade flows (million dollars)



The South Caucasus countries - Armenia, Georgia, and Azerbaijan - are small, open economies with high levels of integration into global markets. This economic openness means that international trade plays a vital role in their development. External trade is making an outstanding contribution to the region's economic growth (see Monthly Review of the Caucasus Economy).

According to our estimates, the South Caucasus region's trade turnover for first six months totaled $49,120.9 million, comprising exports valued at $25,723.1 million and imports at $23,397.7 million. In the same period of the previous year, external trade turnover amounted to $45,886.5 million. Consequently, the region's external trade extended by 7% during the January-June period. In June of this year, trade turnover was $8,482.7 million.

In first six months of this year, Azerbaijan's share in trade turnover was 54.1%, while Georgia's and Armenia's percentages were 26.4% and 19.5%, respectively.

In June of this year, trade turnover increased by 11.8% year-over-year compared to the same month in the previous year. Monthly exports and imports were valued at $4,396.8 million and $4,085.9 million, respectively.

Georgia

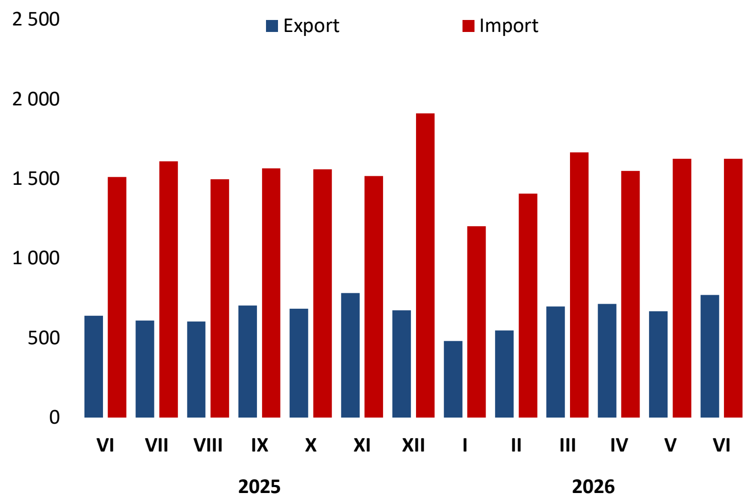
During the 2025, Georgia experienced shrinking external trade flows. Compared to the same period of the previous year, trade turnover declined by 17.7%. Export and import flows drove the reduction. In January-June, exports increased by 19.8%, while import expended only by 1.1%. Total exports for January-June reached $3,876.8 million, while imports stood at $9,076.0 million. Such trend was observed first five months of this year.

In June of this year, Georgia's exports were valued at $770.8 million, and imports accounted for $1,625.4 million. In June, exports increased by 20.4% year-over-year, and imports rose by 7.6%.

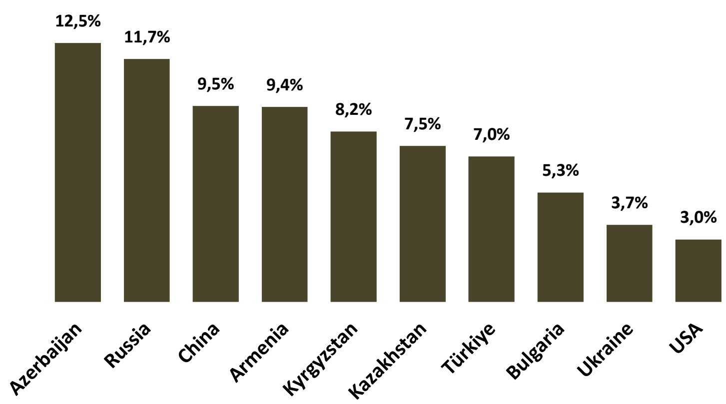
Georgia's main trading partners are neighboring countries, including Azerbaijan, Russia, and Türkiye. Türkiye serves as the primary import partner, with Georgian imports from Türkiye accounting for 17.1% of total imports. Russia is the second-largest import partner, representing 11.4% of total imports. For exports, Azerbaijan is Georgia's largest destination, contributing 12.5% of the total export value. The Russian market stands out as the second-largest export destination, particularly for agricultural products, accounting for 11.7% of total exports. China's share of Georgia's total exports reaches 9.5%.

Georgia's top exports include motor cars, copper ore, ferro-alloys, and wine. Motor vehicle trade represents a significant portion of Georgia's commerce, contributing 24.5% of total exports and 15.9% of total imports, underscoring the importance of this product category in trade flows. Other major export goods include copper ores and ferro-alloys, which contribute 12.4% and 6.5% of total exports, respectively. Natural wine accounts for 4.8% of total exports. Georgia's second-largest import category is refined petroleum, representing 8% of total imports.

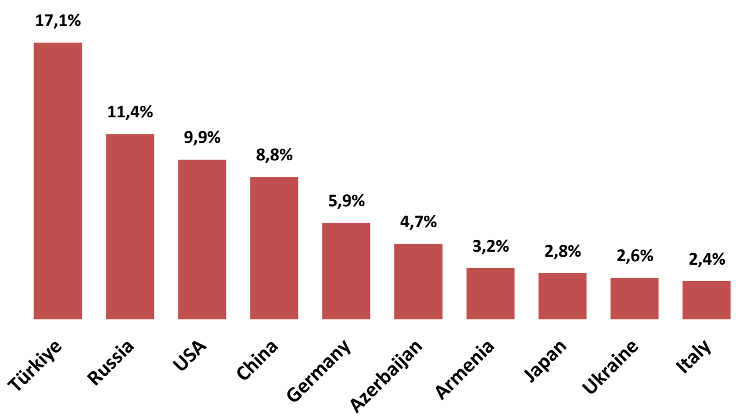
Georgia's monthly trade flows (million dollars)



Georgia’s export composition by country, 2020-24



Georgia’s import composition by country, 2020-24



Armenia

In the first six months of this year, Armenia's external trade turnover totaled $9,571.0 million, shortened by 1.4% compared to the corresponding period of the previous year. Decreased export values drove the decreasing trade turnover. In the first six months of this year, the country's exports shrank by 8.7%, and imports increased by 3.2%. For the January-June period, total exports accounted for $3,431.2 million and imports were valued at $6,139.8 million.

In June of this year, Armenia's export value was $556.7 million, and imports accounted for $1,096.9 million. Year-over-year decline of 24.2% and growth of 8.7% were observed, respectively.

Historically, Russia has been Armenia's leading trading partner. Russia's contribution to Armenian goods exports accounts for 32.8%, while its share of imports is 40.2%. It is noteworthy that Armenia is a member state of the Eurasian Economic Union alongside Russia. Other notable destinations for Armenian goods are the United Arab Emirates and China. Their contributions to total exports are 25.1% and 7.9%, respectively. China accounts for 13% of Armenia's total imports, while the Islamic Republic of Iran's share stands at 5.3%. Additionally, Hong Kong and Vietnam are Armenia's close trading partners.

Armenia's top export goods are precious stones, metals, and pearls. This group represents a 39.7% share of total exports. Specifically, the main export good is gold, accounting for 20.1% of the total. The second-largest group is ore and slag, contributing 13.2% of total exports. Armenia's largest import group is also precious stones, metals, and pearls (23.1%). Hence, some precious stones, metals, and pearls are re-exported. Following precious materials, the main imported goods are mineral fuels, which contribute 10.2% of total imports.

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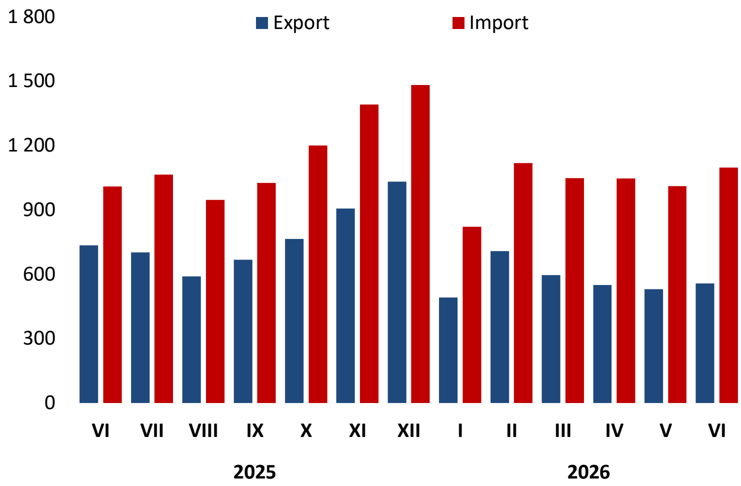

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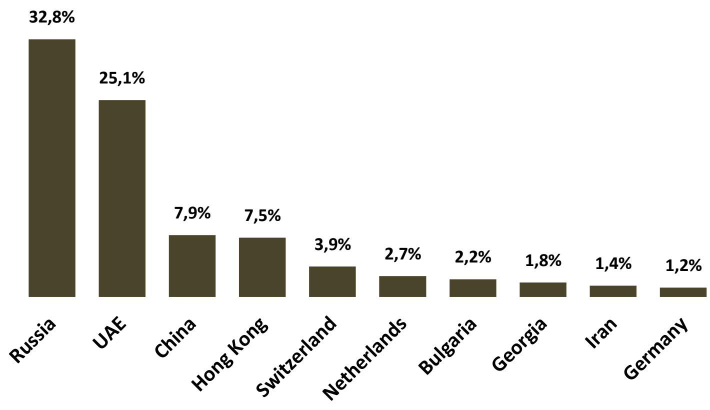
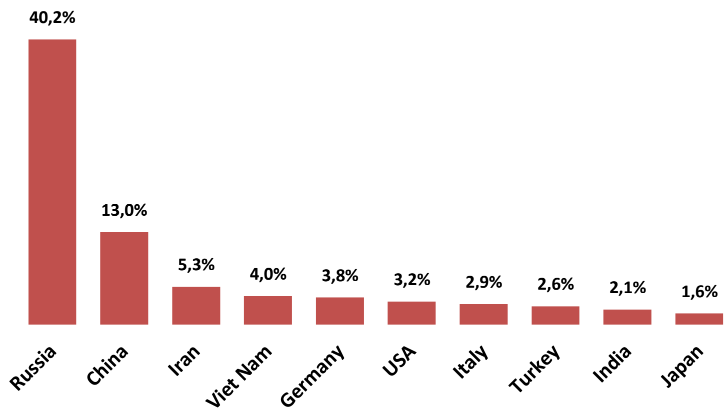


Armenia’s import composition by country, 2020-24



Azerbaijan

During 2025, Azerbaijan's external trade expanded. In the first five months of this year, Azerbaijan's external trade turnover totaled $22,164.6 million, increased by 9.4% compared to the corresponding period of the previous year. Exports recorded a high rate of growth, while imports showed a marked decline. During January-May, Azerbaijan's imports declined by 31.6%, accounting for $6,818.3 million. In this period, exports totaled $15,346.3 million, extended by 48.9%.

In May of this year, Azerbaijan's export value was $2,810.4 million, and imports were valued at $1,293.5 million. Year-over-year export growth of 39.3% and import decline of 29.4% were observed.

Azerbaijan's top export destinations are Italy and Türkiye - the former due to high demand for Azerbaijan's primary export product, and the latter due to geographic proximity. Italy is Azerbaijan's most important trading partner, accounting for 42.6% of total exports. Türkiye is the second-largest export destination, contributing 13.5% of Azerbaijan's total exports. Israel's share of Azerbaijan's total exports accounts for 3.8%. Regarding imports, China is Azerbaijan's biggest import partner, contributing 15.8% of total imports. Imports from Russia account for 14.5% of Azerbaijan's total imports, while Türkiye's contribution stands at 13.7%.

As an oil-rich country, Azerbaijan's economic structure is heavily based on the oil industry. Consequently, Azerbaijan's main export product is crude oil, with mineral fuels accounting for 90.2% of the total export value. Edible fruits and vegetables contribute 2.5% of Azerbaijan's total exports. Azerbaijan's top import products are mechanical appliances, which contribute 12.2% of total imports. The second largest import category consists of vehicles and their parts, accounting for 10.1% of the import value. Electronic machinery accounts for 8.4% of total imports.

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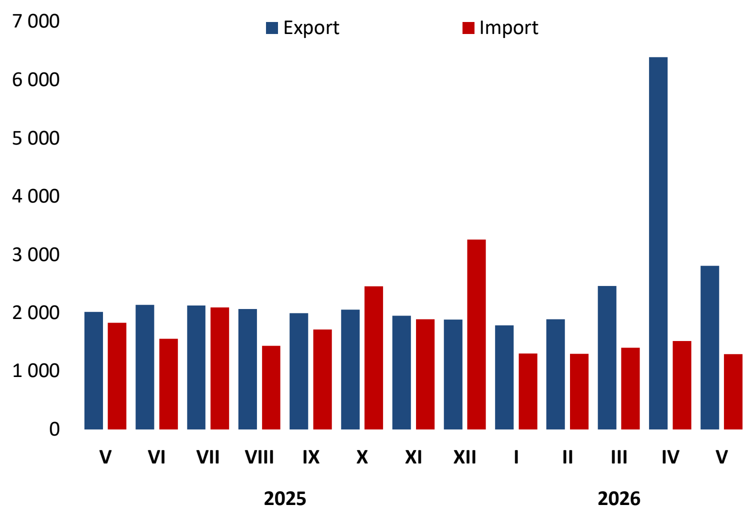

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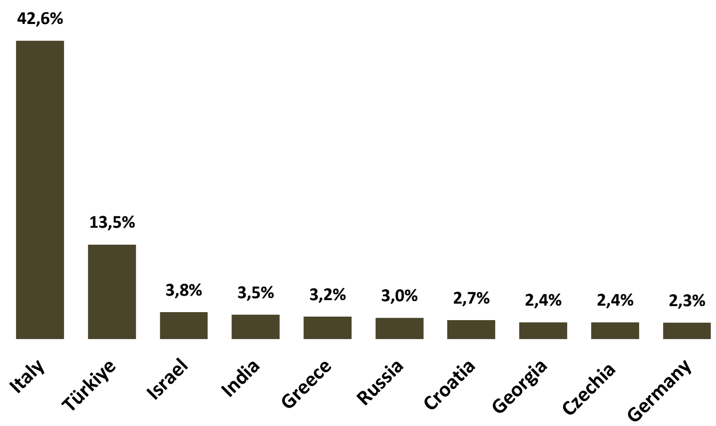

Azerbaijan’s import composition by country, 2020-24