

## ISSUES OF THE IMPACT OF THE EXPORT PROCESS IN AZERBAIJAN ON THE AGRICULTURAL SUBSIDIZATION POLICY AND THE CURRENT REGULATION OF BUSINESS ENTITIES

*Daxil olub: 24 iyun 2025-ci il*  
*Qəbul olunub: 17 iyul 2025-ci il*

*Received: 24 June 2025*  
*Accepted: 17 July 2025*

**Vasif Asgarov**  
*Ph.D. candidate, UNEC*  
*vasif.askerlii@gmail.com*  
*<https://orcid.org/0009-0002-6673-7964>*

*<https://doi.org/10.30546/UNECSR.2025.15.3.018>*

### Abstract

The development of the oil sector in Azerbaijan leads to the dependence of the economy on a certain segment and fluctuations. For this reason, ensuring the development of entrepreneurial entities in our country is considered a relevant topic. The implementation of state programs and projects in this direction is considered a priority direction. This article analyzes the indicators of micro, small and medium-sized entrepreneurial entities in Azerbaijan with statistical data. Also, the total volume and market share of entrepreneurial entities not only in our country but also in other countries in general are noted. In addition, their benefits to the country's economy are emphasized. The main directions in the regulation of the export process are identified, research is conducted in this direction and the results are noted.

**Keywords:** *Export potential, regional development, modern economy, Republic of Azerbaijan, export regulation, agriculture.*

### AZƏRBAYCANDA İXRAC PROSESİNİN KƏND TƏSƏRRÜFATININ SUBSİDİYALAŞDIRILMASI SİYASƏTİNƏ VƏ SAHİBKARLIQ SUBYEKTLƏRİNİN FƏALİYYƏTİNİN MÖVCUD TƏNZİMLƏNMƏSİNƏ TƏSİRİ MƏSƏLƏLƏRİ

**Vasif Əsgərov**  
*doktorant, UNEC*

### Xülasə

Azərbaycanda neft sektorunun inkişafı iqtisadiyyatın müəyyən bir sahədən asılılığına və dalğalanmalara səbəb olur. Bu səbəbdən ölkəmizdə sahibkarlıq subyektləri inkişafının təmin edilməsi aktual mövzu hesab olunur. Bu istiqamətdə dövlət proqramları və layihələrinin həyata keçirilməsi prioritet istiqamət kimi qiymətləndirilir. Məqalədə Azərbaycan mikro, kiçik və orta sahibkarlıq subyektlərinin göstəriciləri statistik təhlil olunur. Eyni zamanda, təkcə ölkəmizdə deyil, digər

ölkələrdə də sahibkarlıq subyektlərinin bazarda ümumi və bazar payı qeyd olunur. Bundan əlavə, onların ölkə iqtisadiyyatına verdiyi töhfələr vurğulanır. İxrac prosesinin tənzimlənməsi üzrə əsas istiqamətlər müəyyənləşdirilir, bu sahədə tədqiqat aparılır və nəticələr qeyd olunur.

*Açar sözlər: ixrac potensialı, regional inkişaf, müasir iqtisadiyyat, Azərbaycan Respublikası, ixracın tənzimlənməsi, kənd təsərrüfatı.*

## **ВОПРОСЫ ВЛИЯНИЯ ЭКСПОРТНОГО ПРОЦЕССА В АЗЕРБАЙДЖАНЕ НА ПОЛИТИКУ СЕЛЬСКОХОЗЯЙСТВЕННОГО СУБСИДИРОВАНИЯ И ТЕКУЩЕЕ РЕГУЛИРОВАНИЕ СУБЪЕКТОВ ХОЗЯЙСТВОВАНИЯ**

*Васиф Аскеров  
докторант, UNEC*

### **Резюме**

Развитие нефтяного сектора в Азербайджане приводит к зависимости экономики от одной отрасли и к колебаниям. В связи с этим обеспечение развития предпринимательских субъектов в нашей стране считается актуальной темой. Реализация государственных программ и проектов в данном направлении рассматривается как приоритетное направление. В статье проводится статистический анализ показателей микропредприятий, малых и средних предпринимательских субъектов в Азербайджане. Также отмечаются общий объем и доля на рынке предпринимательских субъектов не только в нашей стране, но и в других странах. Кроме того, подчеркиваются их преимущества для экономики страны. Определены основные направления регулирования экспортного процесса, проведены исследования в этом направлении, представлены результаты.

*Ключевые слова: экспортный потенциал, региональное развитие, современная экономика, Азербайджанская Республика, регулирование экспорта, сельское хозяйство.*

### **Introduction**

Export marketing behavior is the most preferred investment type among international trade investments by businesses. The main reason for this is that it is less risky and requires less resource commitment compared to other international trade investments. Generally, many small and medium-sized enterprises in developed and developing countries prefer to engage in export marketing behavior as the most

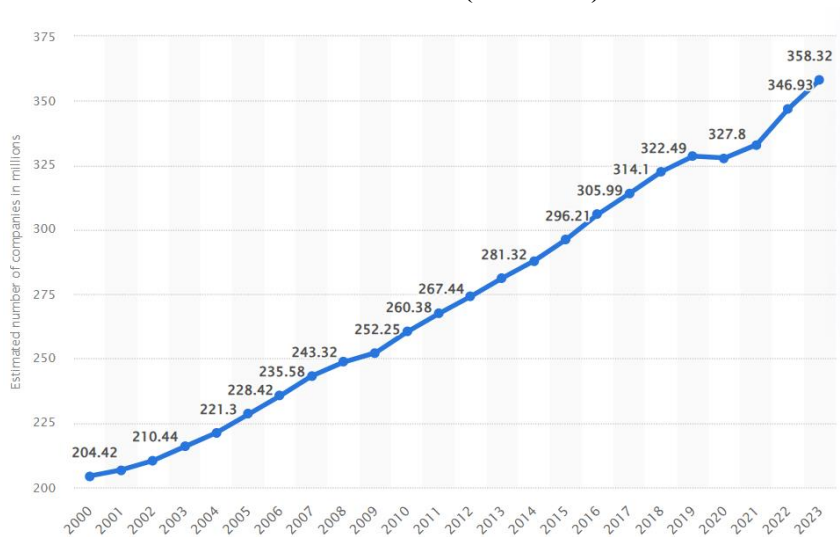
attractive way to seize opportunities in foreign markets. There is a large body of literature that includes studies on determining the factors that affect businesses' export marketing behavior. When studies on determining export marketing behavior are examined, it is revealed that the export marketing behavior of businesses also depends on their export marketing performance. Export marketing performance includes export effectiveness, export efficiency and continuity in export activities.

Today, many small and medium-sized enterprises in developed and developing countries prefer to engage in export marketing behavior as the most attractive way to seize opportunities in foreign markets. The export marketing behavior of small and medium-sized enterprises depends on the export marketing performance levels of the enterprises in international markets.

### Literature review

Internationalization-related processes have many different levels, directions, and broad potential. With the development of technologies, geographical boundaries no longer matter, a new direction of development has emerged for entrepreneurial entities in international markets (Narayanan, 2015).

**Fig 1. Estimated number of small and medium sized enterprises (SMEs) worldwide from 2000 to 2023(in millions)**



Source: Statista.2025

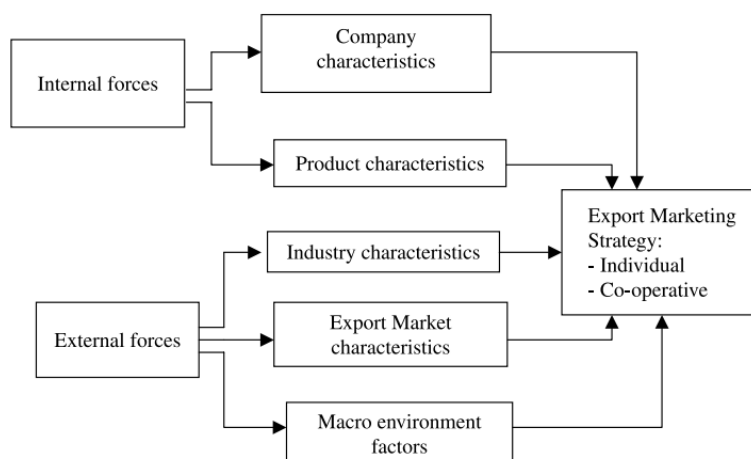
The figure shows the estimated number of small and medium-sized enterprises worldwide. The number of small and medium-sized enterprises (SMEs) is expected to increase from 204.42 million in 2000 to 358.32 million in 2023. This is mainly

due to technological advancements, automation of production activities, the development of e-commerce, and changing market dynamics.

Any small and medium-sized business entities have now easily gained the opportunity to sell on a global level. In any country, firms operate with a certain limit in the domestic market (Morkovina, Malitskaya, et.al.2018). The presence of competitors and the limited number of consumers in the market are becoming a significant problem for these enterprises. Enterprises are now trying to increase their export potential and thereby aim to increase their sales (Rahman, Akter,et.al.2020). Improving this export potential provides significant advantages in certain directions. For example, new jobs are created, money is attracted to the country, firms gain a say in the field of activity in a certain sense, and also indirectly create the basis for the development of various sectors. However, in international markets, firms must be supported by the state to protect their assets and compete with their competitors (Belas, et.al.2024). In this development environment, firms must implement strategies that adapt to both domestic and international requirements through innovation and other means.

With the current relevance of green economy concepts, an increase in sales of companies operating in existing fields is expected (Houf, et.al. 2024). As an example, we can cite the increase in sales of electric vehicles in China (Yang, et.al. 2024). Thus, the use of environmentally friendly products is ensured by both preferential tax and duty payments by states, as well as by the implementation of projects and programs in obtaining financial resources, and the accessibility of enterprises to resources.

**Fig 2. Factors determining the export strategy of small and medium-sized enterprises**



*Source: Tesfom T.G., Lutz, C., 2006*

The figure shows the factors that play a role in the export strategy of enterprises, classified into internal factors and external factors. For example, we can list product indicators as internal factors, and market dynamics as external factors. In order to improve the export potential of a firm, it is necessary to accurately assess the characteristics of the market, the level of product suitability, the customer segment and the export potential.

SMEs have advantages such as low installation and investment costs (Breckova, 2018), resistance to employment problems due to employing less qualified workers, the ability to quickly change production methods and diversity in order to meet customer demands and meet these demands thanks to their flexible structures, and the ability to adapt to developing technology more quickly (Thekkootte, 2024). However, SMEs also have disadvantages such as low productivity, lack of market information, administrative and organizational problems, difficulties in achieving product quality and standardization, lack of branding, financial inadequacies, marketing and promotion inadequacies. In addition to the general problems of SMEs, various studies have been conducted in different countries based on scientific data on the problems they encounter in export in particular. Leonidou grouped the problems encountered in export as internal and external factors in his study in 2004 and revealed the level of impact of this grouping on the business with his study (Ngo, et.al., 2024). According to Leonidou, the obstacles affecting the export of a company are as follows:

*Internal Obstacles:* These are obstacles originating from the business and operation of the company. o Information-oriented obstacles generally define the problems of companies regarding accessing information about foreign markets, compiling and analyzing this information, and communicating with foreign customers.

*Functional obstacles* refer to problems such as personnel, manufacturing, and finance. The effect of functional obstacles on companies remains at a medium and low level.

*Marketing-oriented obstacles* are the obstacles that exporting companies experience the most problems with. In his study, Leonidou grouped marketing obstacles as product, pricing, distribution, logistics, and overseas promotion activities. According to Leonidou, the effect of these obstacles, which cover all marketing activities, on companies varies (Alkhoraif, 2024). It has been revealed that distribution activities and pricing problems have a higher level of impact.

*External Obstacles:* They are defined as the obstacles that exporting companies encounter due to external factors during their export processes.

Procedural barriers focus on the business aspects of transactions with foreign customers and include issues such as unfamiliarity with procedures, communication errors, and slow collection of payments.

Government barriers relate to the actions or inaction of the national government in relation to domestic exporters. Task barriers focus on the firm's customers and competitors in foreign markets, which can immediately affect export operations (Ongbali, et.al.,2024).

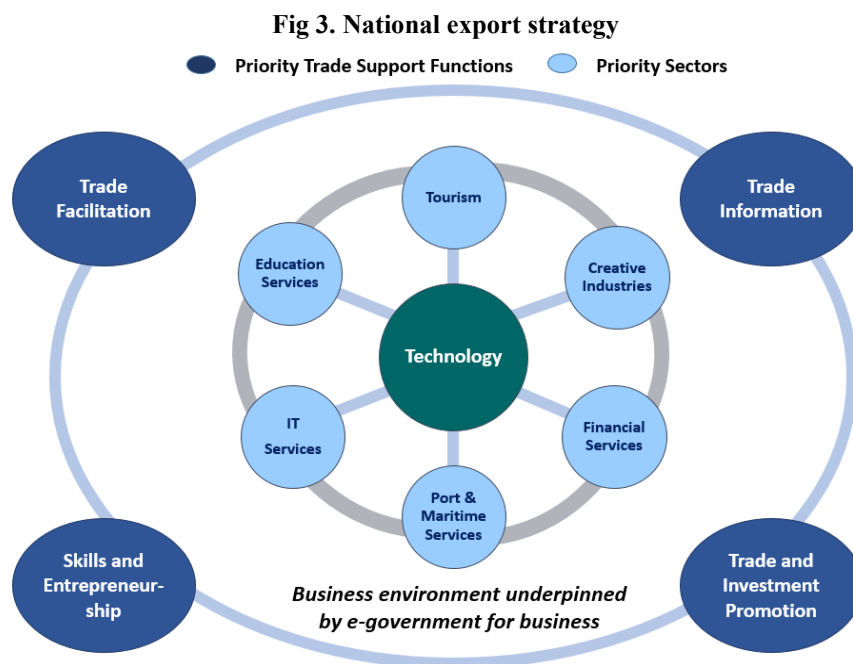
Environmental barriers are the adverse economic conditions, political conjuncture, and strict rules and regulations in the foreign markets to which the export will be made, which have negative effects on the firm's exports (Purwaningsih,et.al.2024).

Hamil and Gregory, in their 1997 study, examined the issue of digital marketing in the internationalization of UK SMEs and grouped the problems faced by SMEs in exporting under four headings.

- Psychological Barriers: Having a culture-centered and short-term perspective instead of a location-centered one, considering exports risky and problematic and not seeing them as suitable for themselves;
- Barriers Related to Transactions: Export transactions (documentation), foreign language and communication-related issues, postponement of payments and financial risks;
- Organizational Barriers: Inadequate management and financial resources, lack of information about foreign markets, lack of staff and foreign representatives with international experience;
- Product/Market-Focused Barriers: Products not being suitable for foreign markets, the need for costly product harmonization activities, inability to find resources for foreign market analysis and research, tariff and non-tariff trade barriers.

SMEs are very important due to their features such as being able to be established with less fixed capital investments, having flexible production opportunities, and being able to adapt to changes in demand in a shorter period of time, and their contributions to national income, employment, productivity and entrepreneurship training. Exports and SMEs are among the main elements that form the basis of a country's economy. The increasing foreign trade and the activities of SMEs in this

regard have also increased their importance due to the effect of globalization. Especially since the 2000s, it has become a generally accepted view that encouraging and developing exports is a leading factor in ensuring the rapid development and growth of a country. A rapidly growing export market stimulates all other sectors in the economy and supports the growth of GDP. Since the increase in exports and opening up to foreign markets provide positive externalities, it is expressed as the key to economic growth. Growth through exports is gaining importance as a source that increases specialization and therefore economic efficiency in almost every economy, especially in underdeveloped countries.



*Source: International Trade Centre. 2025*

Figure 3 shows that the provision of defined functions supports the facilitation of business entities' entry into foreign markets and the correct setting of strategic goals.

Michaely, Balassa, Edwards, and Wu have determined in their studies that the increase in exports accelerates economic growth. In general, the studies have determined a directly proportional relationship between export performance and economic growth, and it has been revealed that growth occurs faster in more open economies (Kinyua, et.al. 2024). Increasing production with exports leads to the emergence of external economies of scale in the economy, leading to lower costs and the discovery of new production methods. Businesses that produce effectively for

export encourage other businesses in the economy to produce in this way, thus increasing competition and increasing productivity. In addition, increasing exports increases the demand for factors used in the production of the exporting sector, thus increasing factor incomes. Exporting SMEs support these contributions. With the globalization experienced in the economy, the competition between exporting companies has increased, and they have had to pay attention to elements that will provide competitive advantage such as higher quality goods, lower prices and more variety. In this regard, governments have developed foreign trade policies, especially export incentive policies, for exporting companies. Export incentive policies are a very important tool for companies to work more efficiently, adapt to new technologies more quickly, and be more effective in the market (Narkhede, et.al.,2024). While increasing exports through export incentive policies directly positively affects development by increasing national income, it also supports economic development by widening the foreign exchange bottleneck. The main purpose of export incentive policies is to support exporting companies, especially SMEs, in their export-oriented activities in both production and marketing stages, to help eliminate the problems they encounter in international markets and to enable them to gain competitive power (Yang and Lu, 2024). Regional or sectoral regulations can be made to increase the effectiveness of incentives by taking into account the special conditions that SMEs are in. Although it is accepted that SMEs play a key role in reducing regional imbalances, there are views that this has not been fully achieved. According to Mahdi (2024), although five-year development plans always prioritize reducing regional imbalances, it has not been possible to fully achieve this goal and they have been formulated according to a sectoral logic rather than a spatial dimension. Organized Industrial Zones and Small Industrial Sites established for the development and support of SMEs have contributed to the activation of local potential (Angelakis and Manioudis,2024), localization of industry and development of the region in some regions, but this has not been a valid model for all regions (Ongbali,2024).

### **Research methodology**

This study aims to determine the regulation of the export potential of Small and Medium Enterprises in Azerbaijan with the help of statistical data. In recent years, special attention has been paid to the development of the non-oil sector in order to ensure the development of the business environment in Azerbaijan. In this direction, state support is provided to increase the activities of small and medium-sized enterprises. In this direction, factors that will affect the creation of entrepreneurial



entities, whether in terms of payments or training, are constantly analyzed. These incentive tools have had an impact on the annual growth rate of entrepreneurial entities, as well as the increase in the number of entities. The number of entities, which was 335,306 thousand in 2022, reached 353,355 thousand in 2023. With the decline in oil prices, countries whose main activity is the sale of oil and oil products are constantly operating under threat due to price fluctuations. For this reason, the development of the non-oil sector has been chosen as the main development direction not only in Azerbaijan but also in other countries. There are a number of problems in increasing the number of entrepreneurial entities. For example, we can mention the following:

- Unequal distribution of extra-budgetary funds;
- Difficult procedures for opening business entities;
- Financial and tax issues;
- Low market infrastructure;
- Problems related to financial issues;
- Lack of high level of laws and projects in regulating the competitive environment;
- High interest rates on business loans;
- Difficult procedures for granting subsidies and other payments;
- Incorrect assessment of regional potential, etc.

Solving such problems can be noted as reasons that hinder the development of Small and Medium-sized Enterprises.

The main direction of this section is the determination of statistical data and the use of data from the State Statistical Committee of Azerbaijan in this process. In addition, a mutual analysis will be carried out with the data of the World Bank and the International Trade Center. As a result of the mutual analysis of the example of developed countries and the example of Azerbaijan, the level of integration of export potential regulation priorities into the object of the study will be determined. In accordance with the research area, the following questions were identified in our study:

What is the current state of Small and Medium-sized Enterprises in Azerbaijan?

What is the role of entrepreneurship in developing export potential?

What are the modern tools used to increase the share of entrepreneurship in the country's economy?

What are the factors affecting the regulation of export potential, as well as increasing the export potential of SME entities?

The following limitations should be taken into account in the analysis of the collected data:

Although statistical data are obtained from official data of the Republic of Azerbaijan, there is a risk of not fully covering Small and Medium Enterprises across the country;

It should be noted that the results of the study depend on publicly available statistical data;

The statistical analysis was aimed at identifying relationships. Any other factors may affect export potential;

Export potential may vary due to regional differences and other regional characteristics.

## Research methods

**Table 1. Main macroeconomic indicators of micro, small and medium-sized enterprises in 2022**

Indicators	2022			
	Micro	Small	Medium	
Value added*, million manat	17,170.4	7,091.9	2,796.1	7,282.4
Number of employees, thsd. person	370.1	42.4	104.8	222.9
Average monthly nominal wages, manat	707.9	450.8	575.6	843.0
Investments directed to fixed capital, million manat	2,827.1	857.1	955.1	1,014.9
The number of active enterprises	377,842	366,944	7,760	3,138

*Source: State Statistics Committee of the Republic of Azerbaijan.*

The total value of micro, small and medium-sized enterprises in 2022 was 17,170.4 million manat, of which the largest part falls on medium and micro-enterprises. The total number of employees was 370.1 thousand people. Micro-enterprises had 42.4 thousand people, small enterprises had 104.8 thousand people, and medium-sized enterprises had 222.9 thousand people. The average salary was 707.9 manat. Directed capital was 2,827.1 million manat, and a large part of it fell on medium and small enterprises. The number of active enterprises in 2022 was 377,842, in addition, 366,944 fell on micro-enterprises.

**Table 2. Setting up variables for regression analysis**

X <sub>1</sub>	Y <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>	X <sub>4</sub>	X <sub>5</sub>
a	7091.9	42.4	450.8	857.1	366944
b	2796.1	104.8	575.6	955.1	7760
c	7282.4	222.9	843	1014.9	3138

*Source: Prepared by the author himself as a result of research.*

X-dependent variables

Y-independent variables

X<sub>1</sub>- Size of business

Y<sub>1</sub>- value added product, million manats

X<sub>2</sub>- Number of employees, thsd. person

X<sub>3</sub>- Average monthly nominal salary, manat

X<sub>4</sub>- Investments in fixed capital, million manats

X<sub>5</sub>- Number of active businesses

a-micro

b-small

c-medium

**Table 3. Results of regression analysis**

Coefficient	Estimate	Std. Error	t-Statistic	p-Value	
Intercept	4049.48	2641.69	1.53	0.365	
X1 (Value Added)	0.54	0.44	1.11	0.52	
X2 (Active Enterprises)	-0.54	0.34	-0.68	0.585	
X3	9.62	6.86	1.40	0.27	
X4	-4.92	3.73	-1.32	0.29	R-squared-0.999

*Source: Developed by the author himself based on Python.*

Based on the analysis, we can note that x<sub>1</sub>, x<sub>2</sub>, x<sub>3</sub> and x<sub>4</sub> were found to have a statistical relationship with y. In particular, the variables x<sub>1</sub> and x<sub>3</sub> affect the change in y. Also, the determination coefficient of 0.999 indicates that the relationship between the variables is high and that there is a correlation.

**Table 4. Main macroeconomic indicators of micro, small and medium-sized enterprises in 2023**

Indicators	2023			
		Micro	Small	Medium
Value added*, million manat	20,087.1	7,653.2	3,200.8	9,233.1
Number of employees, thsd. person	390.8	49.9	110.3	230.6
Average monthly nominal wages, manat	765.8	501.5	642.8	899.4
Investments directed to fixed capital, million manat	2,366.1	303.5	794.0	1,268.6
The number of active enterprises	401,149	389,133	8,610	3,406

*Source: State Statistics Committee of the Republic of Azerbaijan.*

In 2023, an increase was observed in the total value, number of employees, average salary level and number of directed assets. An increase of 24 thousand was recorded in the number of active subjects in 1 year. This means that the total increase in 2023 compared to 2022 is 6%.

**Table 5. Share of micro, small and medium-sized enterprises in the country's economy, in percent**

Indicators	2022	2023
	Total	Total
<i>In total value added by economy*</i>	13.9	18.0
<i>non oil-gas sector*</i>	27.2	27.2
<i>In total number of employees of businesses</i>	41.8	44.0
<i>non oil-gas sector</i>	43.1	45.3
<i>In total investments directed to fixed capital by enterprises</i>	29.1	19.0
<i>non oil-gas sector</i>	22.8	15.8
<i>In total number of active enterprises</i>	99.7	99.7

*Source: State Statistics Committee of the Republic of Azerbaijan*

Based on the data in Table 3, we can note that it increased by 13.9% in 2022 and 18% in 2023. The growth in the non-oil and gas sector remained stable and no changes were recorded. Compared to 2022, an increase of 3.2% was recorded in the number of employees in enterprises in 2023. The volume of investments directed in 2022 was 29.1%, and decreased by 19% in 2023.

Based on Table 3, we can note that the development of the non-oil and gas sector has been developing at a low rate in recent times.

**Table 6. Number of active micro, small and medium-sized enterprises**

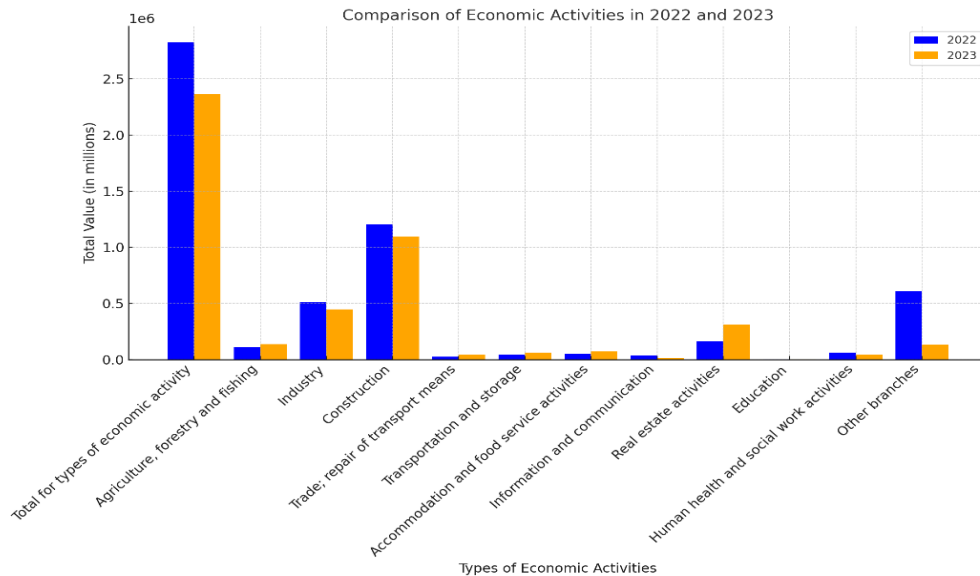
Indicators	2022,total	2023,total
Total number of enterprises	377,842	401,149
The number of micro enterprises	366,944	389,133
The number of small businesses	7,760	8,610
The number of medium businesses	3,138	3,406

*Source: State Statistics Committee of the Republic of Azerbaijan.*

Table 4 focuses on the number of business entities in Azerbaijan and analyzes them. It increased from 377,842 thousand in 2022 to 401,149 thousand in 2023. The main part is made up of micro enterprises. Thus, the number of micro enterprises was

366,944 thousand in 2022, and reached 389,133 thousand the following year. The growth rate of medium and small business entities is low. This gives the main advantage in the export process to micro enterprises.

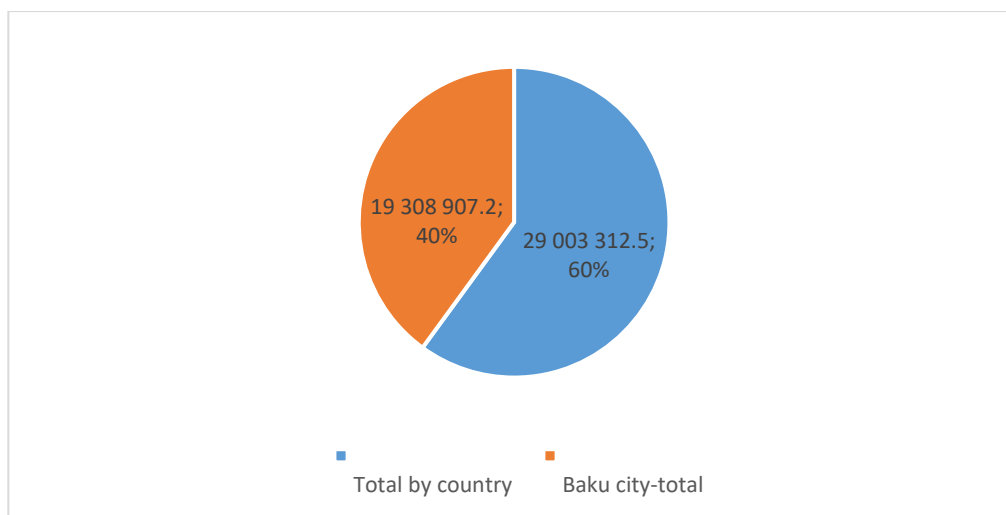
According to the table, we can note the large number of micro enterprises and their continuous growth rate.



**Graph 1. Value of funds invested in fixed capital by micro, small and medium-sized enterprises by type of economic activity, thousand manats**

*Source: State Statistics Committee of the Republic of Azerbaijan*

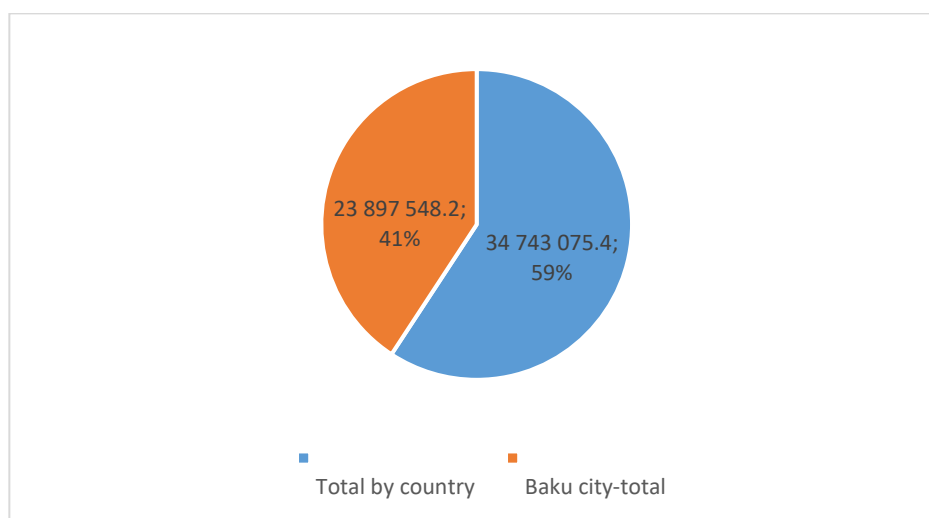
Chart 1 shows the value of funds invested in fixed capital by micro, small and medium-sized enterprises by type of economic activity. However, in 2022, the overall growth rate was higher, as well as the focus on industry, construction and other sectors. An increase was observed in funds directed to assets in 2023 compared to 2022.



**Graph 2. Product output of micro, small and medium-sized enterprises by economic regions, administrative territorial units and types of economic activity in 2022, thousand manats**

*Source: State Statistics Committee of the Republic of Azerbaijan*

In 2022, the output of micro, small and medium-sized enterprises by economic regions, administrative territorial units and types of economic activity was recorded. Output in the regions accounted for 40% of the total output, and in Baku city and surrounding areas for 60% of the total output. Based on the data, it can be noted that this may occur due to improper use of the potential of the regions or due to logistical and other problems.



**Graph 3. Product output of micro, small and medium-sized enterprises by economic regions, administrative territorial units and types of economic activity in 2023, thousand manats**

*Source: State Statistics Committee of the Republic of Azerbaijan*

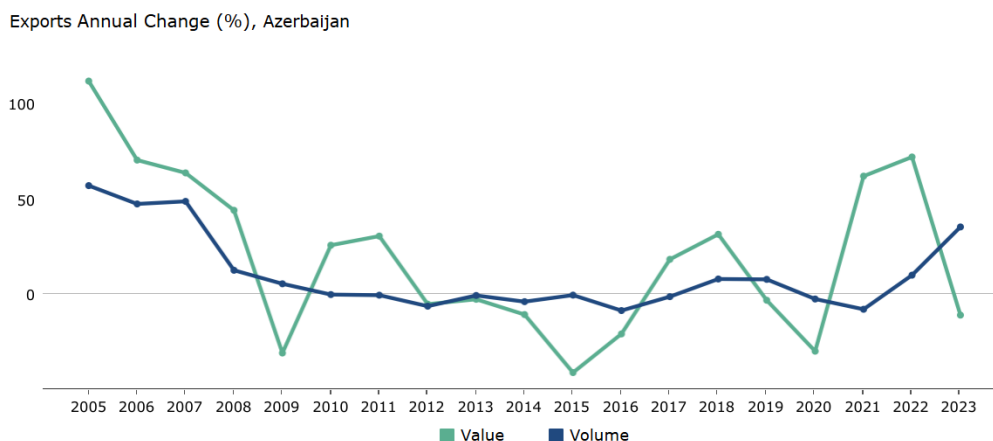
Looking at the comparison of Graphs 2 and 3, the share of regions in product output increased by 41% during the year, while the share of Baku city and the surrounding area decreased by 59%.

**Table 7. Value of funds invested in fixed capital by micro, small and medium-sized enterprises by type of economic activity, thousand manats**

Types of economic activities	Total, 2022	Total, 2023
<b>Total for types of economic activity</b>	<b>2,827,135.9</b>	<b>2,366,105.4</b>
Agriculture, forestry and fishing	110,636.5	135,758.1
Industry	511,702.5	447,572.8
Construction	1,203,724.0	1,094,350.8
Trade; repair of transport means	25,228.8	42,587.3
Transportation and storage	46,247.8	63,442.5
Accommodation and food service activities	52,746.8	76,434.6
Information and communication	35,135.4	17,560.8
Real estate activities	164,772.0	309,816.6
Education	3,484.8	1,986.6
Human health and social work activities	63,540.4	41,274.8
Other branches	609,916.9	135,320.5

*Source: State Statistics Committee of the Republic of Azerbaijan*

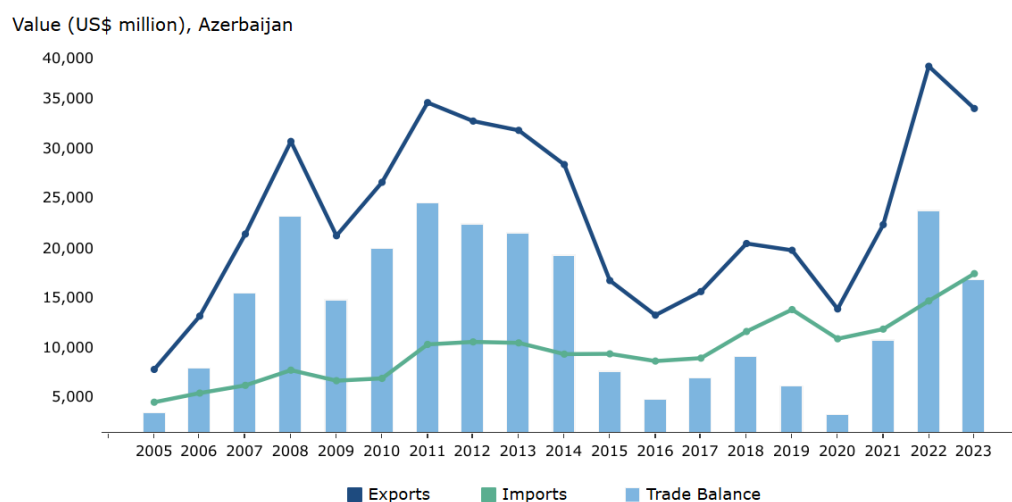
In the comparison of 2022 and 2023, various trends are visible in the economic activity data. Economic activity data for gross domestic product show fluctuations across different sectors. Gross domestic product production is expected to decrease from 2,827,135.9 thousand manats in 2022 to 2,366,105.4 thousand manats in 2023. Significant increases were recorded in construction, assets, industry, and agriculture. In particular, a value of 1,203,724.0 thousand manats was recorded in the construction sector. This results in a significant increase in the volume of activities in the construction sector in Azerbaijan. In 2023, this figure decreased to 1,094,350.8 thousand manats.



**Graph 4. Growth in merchandise trade value and volume**

*Source: World Trade Statistics, 2023*

The graph 4, a significant increase in the volume and value of exports was noted. Despite being high in 2005, it should be noted that during this period, an increase was recorded in terms of value and volume, mainly due to the sale of oil and oil products. The value of exports decreased since 2005, but increased in 2010 and 2011. In the following years, a decrease began and the growth rate increased again in 2018. An increase in value was observed in 2020-2022, thus, a decrease began again in 2023. The volume of exports, which decreased from 2005 to 0%, began to increase again in volume in 2016 and reached 40%.



**Graph 5. Total merchandise exports, imports and trade balance**

*Source: World Trade Statistics, 2023.*



Graph 5 shows data on total exports, imports and trade balance. Exports have increased since 2005, although they have decreased at certain times, but have not fallen below 10,000 million dollars. Between 2011 and 2013, they exceeded 30,000 million, and the maximum figure exceeded 35,000 million in 2022. Imports have shown a continuous increase since 2005, and the maximum figure exceeded 10,000 million in 2023.

## **Result and discussion**

In accordance with our research, the factors supporting the development of small and medium-sized enterprises not only in Azerbaijan but also in other countries were noted and the influencing factors were identified. Also, the number of micro, small and medium-sized enterprises in Azerbaijan, their volume in the general economy, number of employees, average salary, and the role of entrepreneurial entities operating in the regional potential in the fields of activity of production, export and import were analyzed with statistical figures. In this direction, the following results were obtained for the regulation of the export process of entrepreneurial entities in Azerbaijan:

- The number of entrepreneurial entities is increasing year by year
- The non-oil and gas sector has developed in recent years
- Projects and programs are being implemented to support the development of entrepreneurial entities.
- It has been determined that the economic potential of Baku, the region where entrepreneurial entities mainly operate in our republic, is greater than that of other regions.

## **Conclusion**

In the business classification made according to the number of countries to which exports are made, while the determining variables in the export marketing performances of enterprises with a high number of countries to which exports are made are product design and adaptation of physical properties, distribution and product competition level, respectively, while increasing the number of export markets has been determined as the more determining variable in the export marketing performances of enterprises with a low number of countries to which exports are made. In the business classification made according to relative export profitability, while the determining variables in the export marketing performances of enterprises with high relative export profitability are advertising, excess

production capacity, potential economies of scale and technological intensity level, respectively, it has been found that these variables, except for potential economies of scale, are less determining in the export performances of enterprises with low relative export profitability. In the business classification made according to the change in export intensity in the last three years, it has been determined that excess production capacity, cost and distribution contribute highly to the export marketing performances of enterprises with a high change in export intensity in the last three years, respectively, while the same variables contribute less to the export performances of enterprises with a low change in export intensity in the last three years. In the business classification made according to the growth in export sales volume in the last three years; It has been found that profit, excess production capacity, product competition level and risk contribute significantly to the export marketing performance of enterprises with high export sales volume growth in the last three years, respectively, while the same variables, except risk, contribute less to the export performance of enterprises with low export sales volume growth in the last three years.

## References

1. Alkhoraif, A. A. (2024). A Systematic Review of Financial Factors Affecting Implementation of Lean Principle in Small and Medium Enterprises of Saudi Arabia. *Management Systems in Production Engineering*, 32(2).
2. Angelakis, A., & Manioudis, M. (2024). The historical evolution of small and medium-sized enterprises (SMEs) in Greece: The exploration of growth policies aiming to accelerate innovation-based economic transformation and knowledge economy. *Journal of the Knowledge Economy*, 1-21.
3. Belas, J., Gavurova, B., Kubak, M., & Rowland, Z. (2024). Quantifying Export Potential and Barriers of SMEs in V4. *Acta Polytechnica Hungarica*, 21(2).
4. Breckova, P. (2018). Export patterns of small and medium sized enterprises.
5. Houf, L., Szymkowiak, A., & Shepherd, L. A. (2024). Promotion of sustainable products: can sustainability labels promote user selection of environmentally friendly products?. *Sustainability*, 16(13), 5390.
6. International Trade Centre. (2025, January 26). *Entering the plan of action stage: Curaçao's national export strategy*. International Trade Centre. <https://www.intracen.org/news-and-events/news/entering-the-plan-of-action-stage-curacaos-national-export-strategy>
7. Kinyua, K. M., Changwony, F. K., & Campbell, K. (2024). Government procurement contracts, external audit certification, and financing of small-and medium-sized enterprises. *Small Business Economics*, 1-69.
8. Mahdi, A. (2024). *Enhancing the Export Performance of Small and Medium-Sized Enterprises Through Entrepreneurial Marketing* (Doctoral dissertation, Université d'Ottawa/University of Ottawa).
9. Morkovina, S. S., Malitskaya, V., Panyavina, E. A., & Sibiryatkina, I. (2018). Export potential and measures to support small and medium-sized enterprises.

10. Narayanan, V. (2015). Export barriers for small and medium-sized enterprises: A literature review based on Leonidou's Model. *Entrepreneurial Business and Economics Review*, 3(2), 105-123.
11. Narkhede, G., Mahajan, S., Narkhede, R., & Chaudhari, T. (2024). Significance of Industry 4.0 technologies in major work functions of manufacturing for sustainable development of small and medium-sized enterprises. *Business Strategy & Development*, 7(1), e325.
12. Ngo, V. D., Leonidou, L. C., Janssen, F., & Christodoulides, P. (2024). Export-specific investments, competitive advantage, and performance in Vietnamese SMEs: The moderating role of domestic market conditions. *Journal of Business Research*, 170, 114315.
13. Nguyen, C. Q., Nguyen, A. M. T., & Tran, P. (2024). Assessing the critical determinants of cross-border E-commerce adoption intention in Vietnamese small and medium-sized enterprises: PLS-SEM algorithm approach. *Journal of Open Innovation: Technology, Market, and Complexity*, 10(1), 100257.
14. Ongbali, S. O., Omotehinse, S. A., Adams, C. O., Salawu, E. Y., & Afolalu, S. A. (2024). Analysis of the key factors for small and medium-sized enterprises growth using principal component analysis. *Heliyon*, 10(13).
15. Ongbali, S. O., Omotehinse, S. A., Adams, C. O., Salawu, E. Y., & Afolalu, S. A. (2024). Analysis of the key factors for small and medium-sized enterprises growth using principal component analysis. *Heliyon*, 10(13).
16. Purwaningsih, E., Muslikh, M., Suhaeri, S., & Basrowi, B. (2024). Utilizing blockchain technology in enhancing supply chain efficiency and export performance, and its implications on the financial performance of SMEs. *Uncertain Supply Chain Management*, 12(1), 449-460.
17. Rahman, M., Akter, M., & Radicic, D. (2020). Internationalization as a strategy for small and medium-sized enterprises and the impact of regulatory environment: An emerging country perspective. *Business Strategy & Development*, 3(2), 213-225.
18. State Statistics Committee of the Republic of Azerbaijan, (2025). Entrepreneurship in Azerbaijan, URL: <https://www.stat.gov.az/source/entrepreneurship/>
19. Statista. (2025). *Number of SMEs worldwide in 2023*. Statista. URL: <https://www.statista.com/statistics/1261592/global-smes/>
20. Tesfom T.G., & Lutz, C., (2006). A classification of export marketing problems of small and medium sized manufacturing firms in developing countries. *International Journal of Emerging Markets*. 1. 262-281. 10.1108/17468800610674480.
21. Thekkoote, R. (2024). Factors influencing small and medium-sized enterprise (SME) resilience during the COVID-19 outbreak. *The TQM Journal*, 36(2), 523-545.
22. World Trade Statistics, (2023). Key insights and trends, URL: [https://www.wto.org/english/res\\_e/statistics2023\\_e.htm](https://www.wto.org/english/res_e/statistics2023_e.htm)
23. Yang, X., Xu, H., Qiu, Z., Wang, J., & Liu, B. (2024). How exports affect green technology innovation in small-and medium-sized enterprises? Evidence from Chinese companies listed on the growth enterprise market. *Environmental Science and Pollution Research*, 31(25), 36384-36404.
24. Yang, W., & Lu, M. (2024). Impact on the survival and development of small and medium-sized enterprises in China. *Current Psychology*, 1-18.