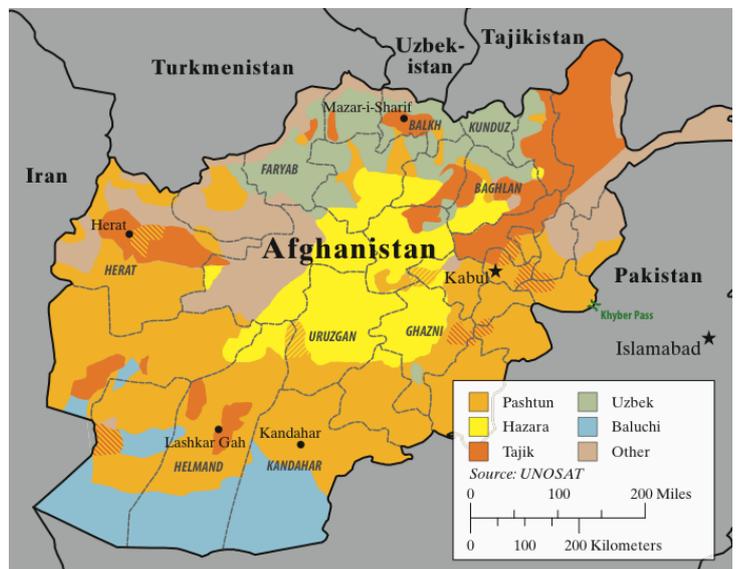


## Country Profile:

### Islamic Republic of Afghanistan



**Background:** Ahmad Shah DURRANI unified the Pashtun tribes and founded Afghanistan in 1747. The country served as a buffer between the British and Russian Empires until it won independence from notional British control in 1919. A brief experiment in democracy ended in a 1973 coup and a 1978 communist counter-coup. The Soviet Union invaded in 1979 to support the tottering Afghan communist regime, touching off a long and destructive war. The USSR withdrew in 1989 under relentless pressure by internationally supported anti-communist mujahidin rebels. A series of subsequent civil wars saw Kabul finally fall in 1996 to the



Taliban, a hardline Pakistani-sponsored movement that emerged in 1994 to end the country's civil war and anarchy. Following the 11 September 2001 terrorist attacks, a US, Allied, and anti-Taliban Northern Alliance military action toppled the Taliban for sheltering Usama BIN LADIN.

A UN-sponsored Bonn Conference in 2001 established a process for political reconstruction that included the adoption of a new constitution, a presidential election in 2004, and National Assembly elections in 2005. In December 2004, Hamid KARZAI became the first democratically elected president of Afghanistan, and the National Assembly was inaugurated the following December. KARZAI was reelected in August 2009 for a second term. The 2014 presidential election was the country's first to

include a runoff, which featured the top two vote-getters from the first round, Abdullah ABDULLAH and Ashraf GHANI. Throughout the summer of 2014, their campaigns disputed the results and traded accusations of fraud, leading to a US-led diplomatic intervention that included a full vote audit as well as political negotiations between the two camps. In September 2014, GHANI and ABDULLAH agreed to form the Government of National Unity, with GHANI inaugurated as president and ABDULLAH elevated to the newly-created position of chief executive officer. The day after the inauguration, the GHANI administration signed the US-Afghan Bilateral Security Agreement and NATO Status of Forces Agreement, which provide the legal basis for the post-2014 international military presence in Afghanistan.

Despite gains toward building a stable central government, the Taliban remains a serious challenge for the Afghan Government in almost every province. The Taliban still considers itself the rightful government of Afghanistan, and it remains a capable and confident insurgent force despite its last two spiritual leaders being killed; it continues to declare that it will pursue a peace deal with Kabul only after foreign military forces depart.

Capital:	Kabul
Official language:	Pashto- Dari
Population:	2016 estimate          34,656,032
Government:	Islamic Republic
Establishment	First Afghan State: October 1747
National or Regional Currency:	Afghani(AFN)
Area:	Total: 652,230 sq km Land: 652,230 sq km Water: 0 sq km

**Location:** Southern Asia, north and west of [Pakistan](#), east of [Iran](#)

**Geographic coordinates:** 33 00 N, 65 00 E

**Map references:** Asia

**Area:** total: 652,230 sq km land: 652,230 sq km water: 0 sq km

**Terrain:** mostly rugged mountains; plains in north and southwest

**Land boundaries:** total: 5,529 km border countries: China 76 km, Iran 936 km, Pakistan 2,430 km, Tajikistan 1,206 km, Turkmenistan 744 km, Uzbekistan 137 km

**Coastline:** 0 km (landlocked)

**Maritime claims:** none (landlocked)

**Geography - note:** landlocked; the Hindu Kush mountains that run northeast to southwest divide the northern provinces from the rest of the country; the highest peaks are in the northern Wakhan (Wakhan Corridor)<sup>1</sup>

## Government

Country name:	conventional long form: Transitional Islamic State of Afghanistan former: Republic of Afghanistan local long form: Dowlat-e Eslami-ye Afghanistan
Capital:	Kabul
Administrative divisions:	32 provinces (velayat, singular - velayat)
Independence:	19 August 1919 (from UK control over Afghan foreign affairs)
National holiday:	Independence Day, 19 August (1919)
Constitution:	new constitution drafted 14 December 2003 - 4 January 2004; signed 16 January 2004
Legal system:	according to the new constitution, no law is contrary to Islam; the state is obliged to create a prosperous and progressive society based on social justice, protection of human dignity, protection of human rights, realization of democracy, and to ensure national unity and equality among all ethnic groups and tribes; the state shall abide by the UN charter, international treaties, international conventions that Afghanistan signed, and the Universal Declaration of Human Rights
Executive branch:	chief of state: President of the Islamic Republic of Afghanistan  cabinet: 27 ministers; note - under the new constitution, ministers are appointed by the president and approved by the National Assembly elections: the president and two vice presidents are elected by direct vote for a five-year term (eligible for a second term)
Legislative branch:	the bicameral National Assembly consists of the Wolesi Jirga or House of People (no more than 249 seats), directly elected for five-year terms, and the Meshrano Jirga or House of Elders (102 seats, one-third elected from provincial councils for four-year terms, one-third elected from local district councils for three-year terms - provincial councils elected temporary members to fill these seats until district councils are formed, and one-third presidential appointees for five-year terms; the presidential

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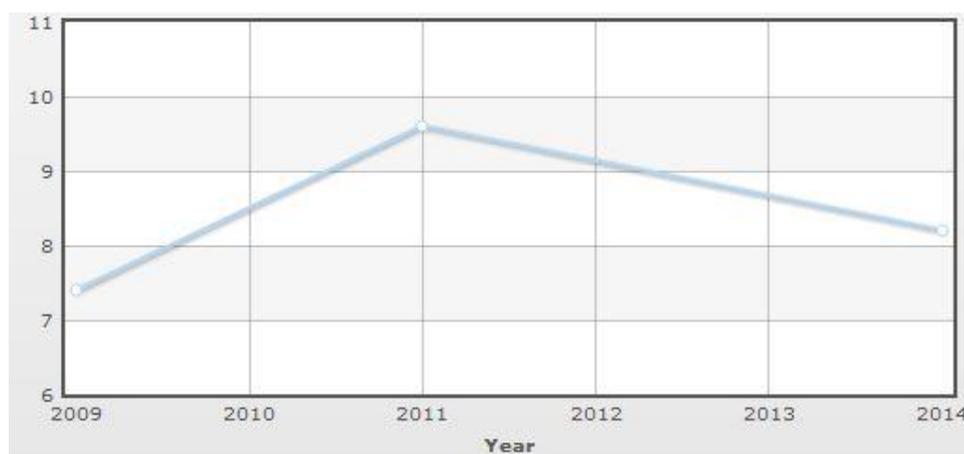
<sup>1</sup> - <http://www.economywatch.com/economic-statistics/Afghanistan/Geography/>

	appointees will include 2 representatives of Kuchis and 2 representatives of the disabled; half of the presidential appointees will be women)
Judicial branch:	the constitution establishes a nine-member Stera Mahkama or Supreme Court (its nine justices are appointed for 10-year terms by the president with approval of the Wolesi Jirga) and subordinate High Courts and Appeals Courts (note - nine supreme court justices were appointed in the interim in January 2005 pending National Assembly selection of the constitutionally mandated justices); there is also a minister of justice; a separate Afghan Independent Human Rights Commission established by the Bonn Agreement is charged with investigating human rights abuses and war crimes. <sup>2</sup>

**Health expenditures:** 8.2% of GDP (2014)

Country	2009	2011	2014
Afghanistan	7.4	9.6	8.2

Health expenditures (% of GDP)



**Literacy: definition:** age 15 and over can read and write  
**total population:** 38.2%

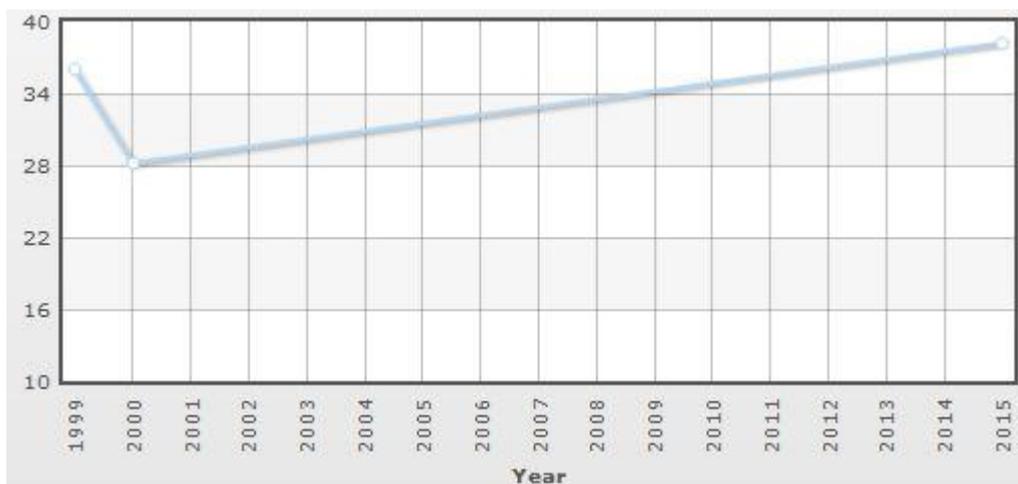
<sup>2</sup> - <http://worldfacts.us/Afghanistan.htm>

male: 52%

female: 24.2% (2015 est.)

Country	1999	2000	20015
Afghanistan	26	28.1	38

Literacy (%)



**Economy - overview:** Afghanistan is gradually recovering from decades of conflict. Before 2014, the economy had sustained nearly a decade of strong growth, largely because of international assistance. Since 2014, however, the economy has slowed, in large part because of the withdrawal of nearly 100,000 foreign troops that had artificially inflated the country's economic growth. Despite improvements in life expectancy, incomes, and literacy since 2001, Afghanistan is extremely poor, landlocked, and highly dependent on foreign aid. Much of the population continues to suffer from shortages of housing, clean water, electricity, medical care, and jobs. Corruption, insecurity, weak governance, lack of infrastructure, and the Afghan Government's difficulty in extending rule of law to all parts of the country pose challenges to future economic growth. Afghanistan's living standards are among the lowest in the world.

The international community remains committed to Afghanistan's development, pledging over \$83 billion at ten donors' conferences between 2003 and 2016. In October 2016, the donors at the Brussels conference pledged an additional \$3.8 billion in development aid annually from 2017 to 2020. Despite this help, the Government of Afghanistan will need to overcome a number of challenges, including low revenue collection, anemic job creation, high levels of corruption, weak government capacity, and poor public infrastructure.

In 2017 Afghanistan's growth rate was only marginally above that of the 2014-2016 average. The drawdown of international security forces that started in 2012 has negatively affected

economic growth, as a substantial portion of commerce, especially in the services sector, has catered to the ongoing international troop presence in the country. Afghan President Ashraf GHANI Ahmadzai is dedicated to instituting economic reforms to include improving revenue collection and fighting corruption. However, the reforms will take time to implement and Afghanistan will remain dependent on international donor support over the next several years.

## Afghanistan | Economic Indicators

<b>Markets</b>	Last	Reference	Previous	Range	Frequency
<u>CURRENCY</u>	75.1	Jan/19	75.15	27.47 : 76.96	Daily
<b>GDP</b>	Last	Reference	Previous	Range	Frequency
<u>GDP</u>	20.82	Dec/17	19.47	0.54 : 20.82	Yearly
<u>GDP ANNUAL GROWTH RATE</u>	7.2	Dec/17	3.5	-1.8 : 17.2	Yearly
<u>GDP PER CAPITA</u>	618	Dec/17	618	364 : 634	Yearly
<u>GDP PER CAPITA PPP</u>	1804	Dec/17	1803	1062 : 1849	Yearly
<b>Labor</b>	Last	Reference	Previous	Range	Frequency
<u>POPULATION</u>	29.7	Dec/17	28.6	8.77 : 29.7	Yearly
<u>UNEMPLOYMENT RATE</u>	8.8	Dec/17	8.8	6.7 : 12.4	Yearly
<b>Prices</b>	Last	Reference	Previous	Range	Frequency
<u>INFLATION RATE</u>	1.1	Nov/18	0.8	-18.39 : 13.97	Monthly
<b>Trade</b>	Last	Reference	Previous	Range	Frequency
<u>BALANCE OF TRADE</u>	-6961	Dec/17	-5938	-8518 : -1661	Yearly
<u>CURRENT ACCOUNT</u>	-595	Dec/16	-1097	-7558 : -595	Quarterly
<u>CURRENT ACCOUNT TO GDP</u>	-20	Dec/16	-22	-75.2 : -20	Yearly
<u>EXPORTS</u>	832	Dec/17	596	69.1 : 832	Yearly
<u>IMPORTS</u>	7793	Dec/17	6534	1966 : 8932	Yearly
<b>Government</b>	Last	Reference	Previous	Range	Frequency

<u>GOVERNMENT DEBT TO GDP</u>	7.6	Dec/17	8	7.6 : 23	Yearly
<u>GOVERNMENT BUDGET</u>	-0.7	Dec/17	-0.7	-26.8 : -0.7	Yearly

<https://tradingeconomics.com/afghanistan/indicators>

## GDP

### Afghanistan GDP Annual Growth Rate<sup>3</sup>

Afghanistan is one of the poorest and least developed countries in the world. Since the collapse of the Taliban government and the NATO led invasion in 2001, the economy has been steadily growing due to the influx of foreign aid and investments. However, security threats, the lack of infrastructure and endemic corruption have been hampering economic activity. Agriculture (23 percent of GDP) is the most important sector of the economy, as the majority of the population is dependent on crops. The industrial sector accounts for 21 percent of total GDP, mostly due to manufacturing (11 percent) and construction (9.2 percent). The resurgence of the public sector has led to growth in services, which now account for around 52 percent of GDP. The services sector main segments are transport, storage & communication (24 percent); government services (12.5 percent) and wholesale & retail trade (6.3 percent). This page provides - Afghanistan GDP Annual Growth Rate - actual values, historical data, forecast, chart, statistics, economic calendar and news. Afghanistan GDP Annual Growth Rate - actual data, historical chart and calendar of releases - was last updated on January of 2019.



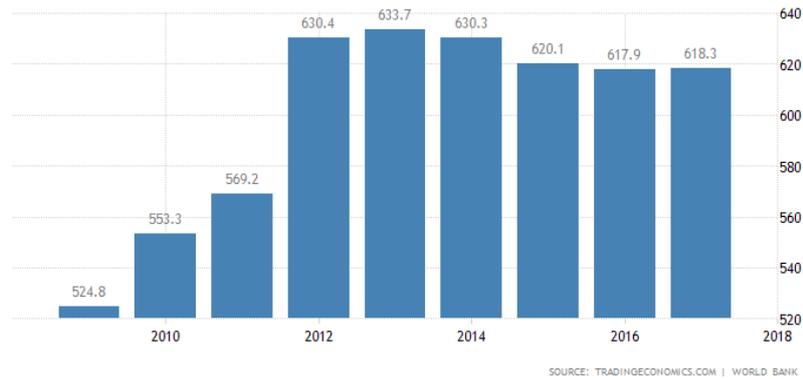
SOURCE: TRADINGECONOMICS.COM | CENTRAL STATISTICS ORGANIZATION OF AFGHANISTAN

### GDP per capita<sup>4</sup>

The Gross Domestic Product per capita in Afghanistan was last recorded at 618.30 US dollars in 2017. The GDP per Capita in Afghanistan is equivalent to 5 percent of the world's average. GDP per capita in Afghanistan averaged 511.02 USD from 2002 until 2017, reaching an all time high of 633.70 USD in 2013 and a record low of 364.10 USD in 2004.

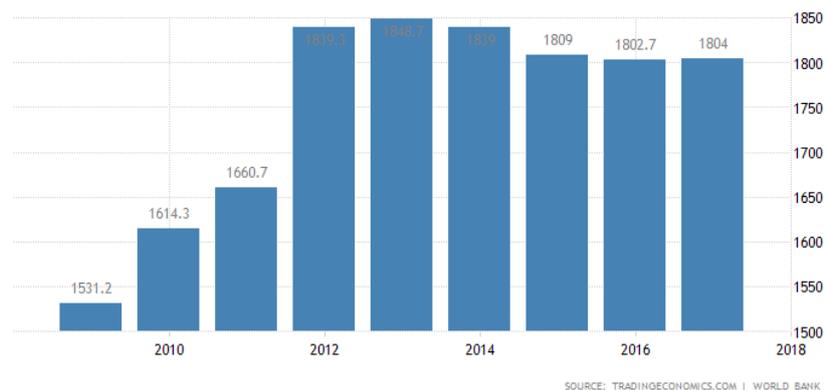
<sup>3</sup> . <https://tradingeconomics.com/afghanistan/gdp-growth-annual>

<sup>4</sup> . <https://tradingeconomics.com/afghanistan/gdp-per-capita>



### GDP per capita PPP<sup>5</sup>

The Gross Domestic Product per capita in Afghanistan was last recorded at 1804 US dollars in 2017, when adjusted by purchasing power parity (PPP). The GDP per Capita, in Afghanistan, when adjusted by Purchasing Power Parity is equivalent to 10 percent of the world's average. GDP per capita PPP in Afghanistan averaged 1490.88 USD from 2002 until 2017, reaching an all time high of 1848.70 USD in 2013 and a record low of 1062.20 USD in 2004.



### Government Debt to GDP<sup>6</sup>

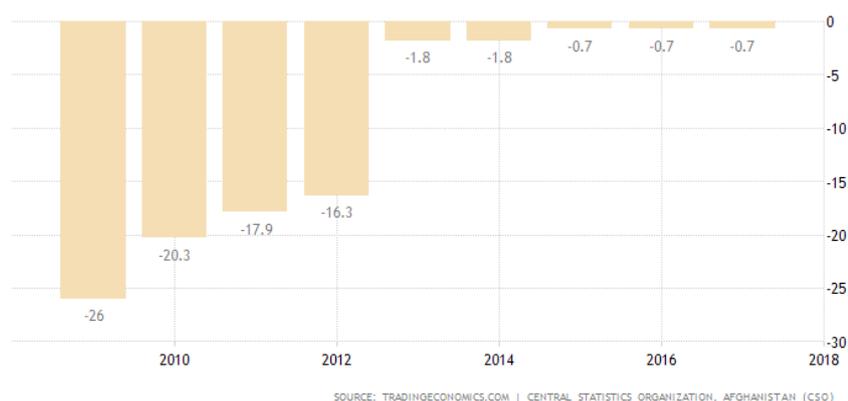
Afghanistan recorded a government debt equivalent to 7.60 percent of the country's Gross Domestic Product in 2017. Government Debt to GDP in Afghanistan averaged 12.53 percent from 2006 until 2017, reaching an all time high of 23 percent in 2006 and a record low of 7.60 percent in 2017.

<sup>5</sup> . <https://tradingeconomics.com/afghanistan/gdp-per-capita-ppp>

<sup>6</sup> . <https://tradingeconomics.com/afghanistan/government-debt-to-gdp>

## Government Budget<sup>7</sup>

Afghanistan recorded a Government Budget deficit equal to 0.70 percent of the country's Gross Domestic Product in 2017. Government Budget in Afghanistan averaged -12.53 percent of GDP from 2006 until 2017, reaching an all time high of -0.70 percent of GDP in 2015 and a record low of -26.80 percent of GDP in 2008.



## Foreign Trade Evaluation

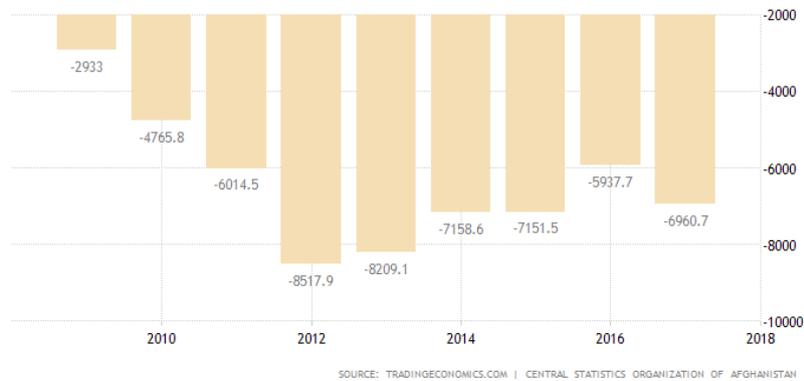
Trade	Last	Reference	Previous	Range	Frequency	Trend
<u>BALANCE OF TRADE</u> (USD Million)	- 6961	Dec/17	-5938	-8518 : -1661	Yearly	
<u>CURRENT ACCOUNT</u> (USD Million)	- 595	Dec/16	-1097	-7558 : -595	Quarterly	
<u>CURRENT ACCOUNT TO GDP</u> (%)	-20	Dec/16	- 22	-75.2 : -20	Yearly	
<u>EXPORTS</u> (USD Million)	832	Dec/17	596	69.1 : 832	Yearly	
<u>IMPORTS</u> (USD Million)	7793	Dec/17	6534	1966 : 8932	Yearly	

## Balance of Trade<sup>8</sup>

<sup>7</sup> <https://tradingeconomics.com/afghanistan/government-budget>

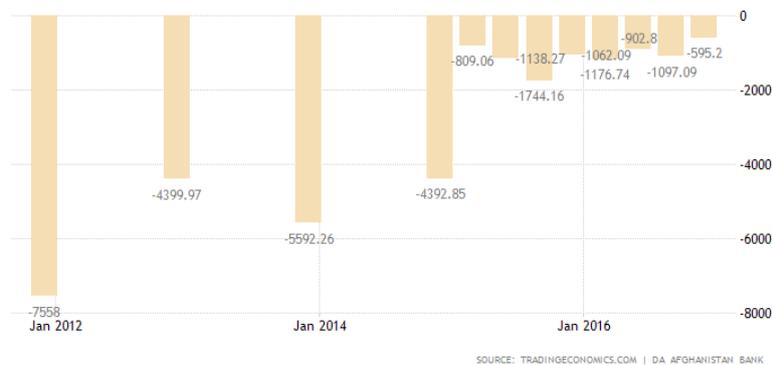
<sup>8</sup> . <https://tradingeconomics.com/afghanistan/balance-of-trade>

Afghanistan recorded a trade deficit of 6960.70 USD Million in 2017. Balance of Trade in Afghanistan averaged -4701.91 USD Million from 2003 until 2017, reaching an all time high of -1660.90 USD Million in 2005 and a record low of -8517.90 USD Million in 2012.



### Current Account<sup>9</sup>

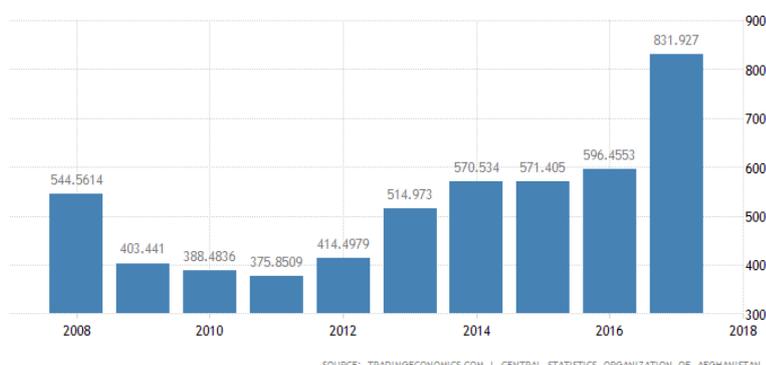
Afghanistan recorded a Current Account deficit of 595.20 USD Million in the fourth quarter of 2016. Current Account in Afghanistan averaged -3054.89 USD Million from 2003 until 2016, reaching an all time high of -595.20 USD Million in the fourth quarter of 2016 and a record low of -7558 USD Million in the fourth quarter of 2011.



<sup>9</sup> . <https://tradingeconomics.com/afghanistan/current-account>

## Exports<sup>10</sup>

Exports in Afghanistan increased to 831.93 USD Million in 2017 from 596.46 USD Million in 2016. Exports in Afghanistan averaged 385.21 USD Million from 2000 until 2017, reaching an all time high of 831.93 USD Million in 2017 and a record low of 69.10 USD Million in 2002.



## Imports<sup>11</sup>

Imports in Afghanistan increased to 7792.60 USD Million in 2017 from 6534.14 USD Million in 2016. Imports in Afghanistan averaged 5139.32 USD Million from 2003 until 2017, reaching an all time high of 8932.39 USD Million in 2012 and a record low of 1966.07 USD Million in 2005.

## Foreign direct investment<sup>12</sup>

### Foreign direct investment, net outflows (Bop, current US\$)

The latest value for Foreign direct investment, net outflows (Bop, current US\$) in Afghanistan was (\$769,844) as of 2016. Over the past 13 years, the value for this indicator has fluctuated between \$80,900,000 in 2009 and (\$769,844) in 2016.

Definition: Foreign direct investment refers to direct investment equity flows in an economy. It is the sum of equity capital, reinvestment of earnings, and other capital. Direct investment is a category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy. Ownership of 10 percent or more of the ordinary shares of voting stock is the criterion for determining the existence of a direct investment relationship. This series shows net outflows of investment from the reporting economy to the rest of the world. Data are in current U.S. dollars.

<sup>10</sup> . <https://tradingeconomics.com/afghanistan/exports>

<sup>11</sup> . <https://tradingeconomics.com/afghanistan/imports>

<sup>12</sup> . <https://www.indexmundi.com/facts/afghanistan/foreign-direct-investment>

## Foreign direct investment, net outflows (% of GDP)

Foreign direct investment, net outflows (% of GDP) in Afghanistan was -0.004 as of 2016. Its highest value over the past 13 years was 0.703 in 2008, while its lowest value was -0.013 in 2004.

Definition: Foreign direct investment refers to direct investment equity flows in an economy. It is the sum of equity capital, reinvestment of earnings, and other capital. Direct investment is a category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy. Ownership of 10 percent or more of the ordinary shares of voting stock is the criterion for determining the existence of a direct investment relationship. This series shows net outflows of investment from the reporting economy to the rest of the world, and is divided by GDP.

## Foreign direct investment, net (Bop, current US\$)

The latest value for Foreign direct investment, net (Bop, current US\$) in Afghanistan was (\$98,995,720.000) as of 2016. Over the past 37 years, the value for this indicator has fluctuated between \$0.000 in 1989 and (\$197,512,700.000) in 2009.

Definition: Foreign direct investment are the net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows total net FDI. In BPM6, financial account balances are calculated as the change in assets minus the change in liabilities. Net FDI outflows are assets and net FDI inflows are liabilities. Data are in current U.S. dollars.



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<http://www.acci.org.af/index.php>