Introduction
Afghanistan is a landlocked country located in Southern Asia that borders China, Iran, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. The geography of Afghanistan is arid and mountainous; the Hindu Kush Mountains run northeast to southwest and divide the northern provinces from the rest of the country. The government system is an Islamic Republic; the chief of state and head of government is the president. Afghanistan has a controlled economic system in which the central government directs the economy regarding the production and distribution of goods. Afghanistan is a member of the South Asian Association for Regional Cooperation (SAARC).

Location: Southern Asia
Capital City: Kabul (+4.5 GMT)
Chief of State: Prime Minister Hibatullah Akhundzada
Head of Govt.: Prime Minister Hibatullah Akhundzada
Currency: Afghani (AFN)
Major Languages: Afghan Persian or Dari (official, lingua franca) 77%, Pashto (official) 48%, Uzbeki 11%, English 6%, Turkmani 3%, Urdu 3%, Pachaie 1%, Nuristani 1%, Arabic 1%, Balochi 1%, other &lt;1% (2020 est.)
Primary Religions: Muslim 99.7% (Sunni 84.7 - 89.7%, Shia 10 - 15%), other &lt;0.3% (2009 est.)
Calling Code: 93
Voltage: 220

Key Economic Facts

### Income Level (by per capita GNI):
**Level of Development:** Data Unavailable
**GDP, PPP (current international $):** $67.13 billion (2021)
**GDP growth (annual %):** -20.70% (2021)
**GDP per capita, PPP (current international $):** $1,673.96 (2021)
**External debt stocks, total (DOD, current US$):** $3,530,754,339.60 (2021)
**Manufacturing, value added (% of GDP):** 9.06% (2021)
**Current account balance (BoP, current US$):** -$3.14 billion (2020)
**Inflation, consumer prices (annual %):** 2.30% (2019)
**Labor force, total:*** 9,390,149 (2021)
**Unemployment, total (% of total labor force) (modeled ILO estimate):** 13.28% (2021)
**Imports of goods and services (current US$):** $9.15 billion (2017)
**Exports of goods and services (current US$):** $1.19 billion (2017)

### GDP Composition %

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<th>Services</th>
<th>Industry</th>
<th>Manufacturing</th>
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<td>33</td>
<td>47</td>
<td>16</td>
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*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

### Rankings

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Risk Assessment (Provided by Coface)

**Country rating:** E - The highest-risk political and economic situation and the most difficult business environment. Corporate default is likely.

**Business Climate rating:** E - The highest possible risk in terms of business climate. Due to a lack of available financial information and an unpredictable legal system, doing business in this country is extremely difficult.

**Strengths**
- Potential for exploitation of commodities (including gas, oil and minerals)
- Development of transit corridors (Lapis-Lazuli linking Afghanistan to Turkey), launch of negotiations in late 2020 to revise the transit agreement with Pakistan and conclude a preferential trade agreement
- Development of regional energy corridors (TAPI gas pipeline, Central Asia-South Asia power line (CASA-1000), TAP power line and power line with Uzbekistan)
- International humanitarian financial support, including through the United Nations Children's and Food programs

**Weaknesses**
- No longer has access to international development assistance, mostly in the form of grants, since the Taliban took power
- The Taliban-proclaimed Emirate is Sharia-based and since 2016 has been led by Mullah Haibatullah Akhundzada, originally from Kandahar
- Dependence on agriculture (22% of GDP, 40% of employment), vulnerable to weather conditions
- Low credit (4% of GDP), fragile banking system (60% of loans non-performing in 2021) and dollarised (48% of loans, 61% of deposits)
- Difficult geography (landlocked and 50% mountainous) and vulnerability to natural disasters
- Inadequate infrastructure (energy, water, transport, health)
- High poverty (70% of the population), against a backdrop of informal employment (90% of GDP), unemployment (40%) and food insecurity (the 2021 World Hunger Index ranks Afghanistan 103rd out of
116 countries)

- Poor governance (corruption, restrictive regulations, weak rule of law) and authoritarianism, lack of experience in the new regime with respect to administrative and economic management
- Ethnic fragmentation
- Presence of the Islamist terrorist movement

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