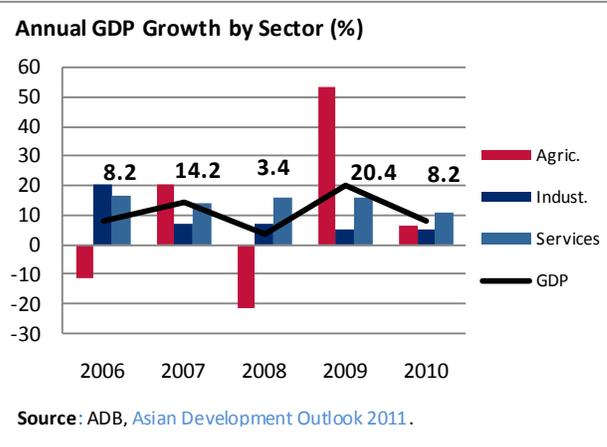
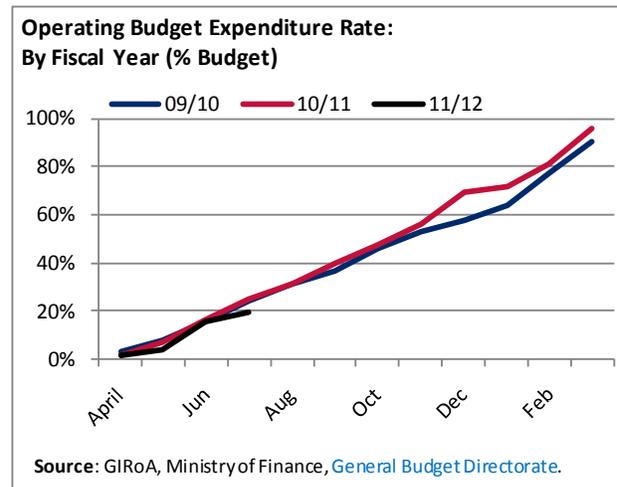
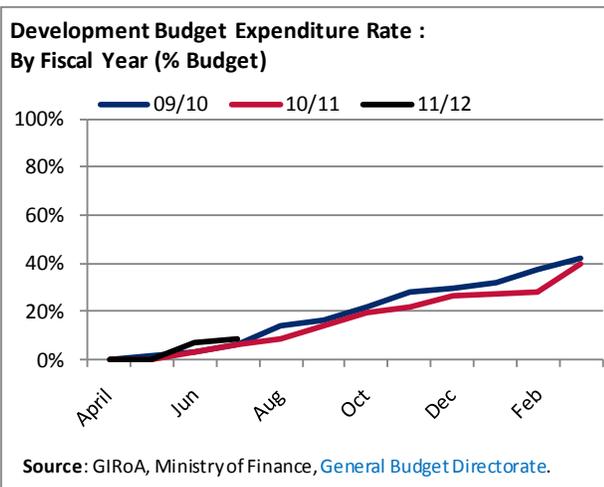


FAST STATS

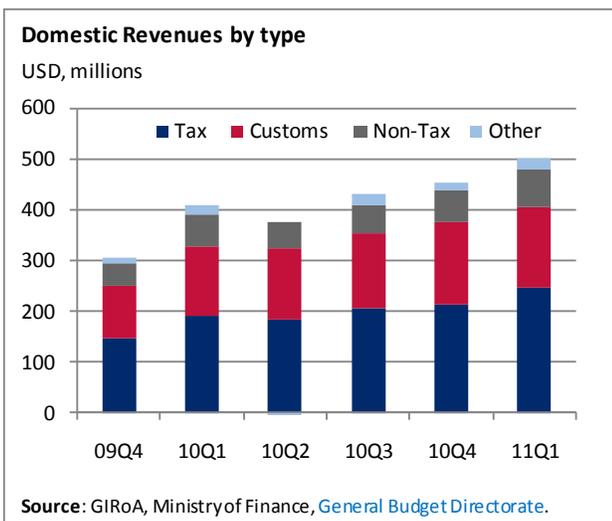
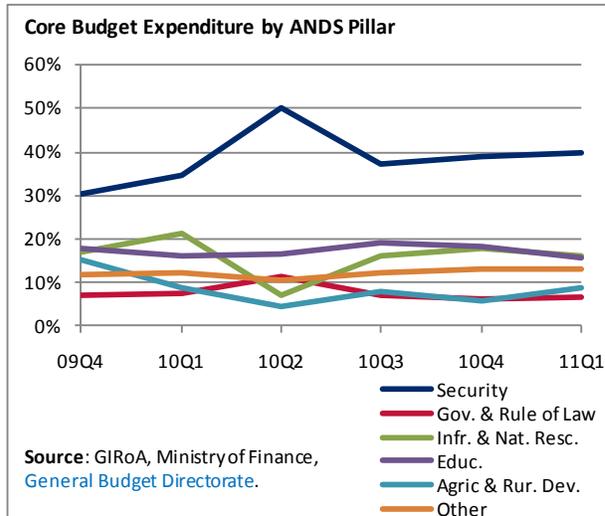
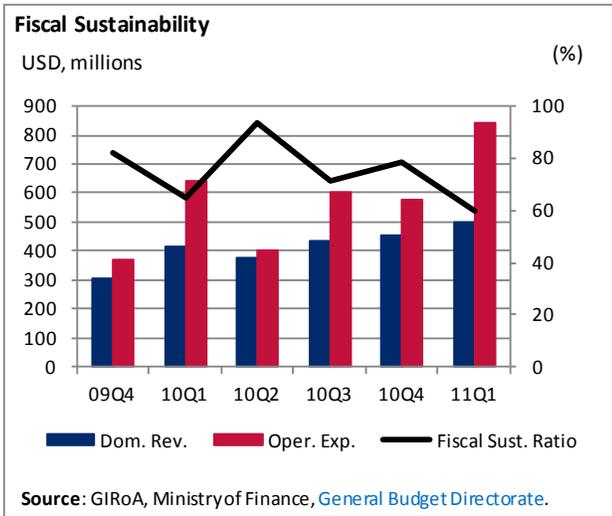
- **GDP:** 15.6 billion USD in 2010 after 20% growth in 2009. According to the IMF, growth is expected to decelerate to 8.2% and 8.0% in 2010 and 2011, respectively.
- **GDP by sector (2009):** Agriculture (32.5%), Industry (22.1%), Services (45.4%).
- **Budget Expenditures:** For the first 4 months of FY2011-2012, 9% of the Development Budget and 20% of the Operating Budget were expended, compared to 6.5% and 25% during the same period in the prior fiscal year.
- **Tax and Domestic Revenues:** reached 5.2% and 10.9% of GDP in 2010, respectively, according to calculations based on GIRoA Fiscal Reports and IMF GDP figures.
- **Current Account:** The IMF estimates a current account surplus of 2% of GDP in 2010 followed by a move back into a deficit averaging around 2% of GDP in 2011-12.
- **Gross International Reserves:** increased by 34.5% from Mar. 2010 to Mar. 2011.
- **Kabul Consumer Price Index:** increased by 16.4% from May 2010 to May 2011, with the food component rising for the third consecutive month.
- **Price of cannabis:** Between 2006 and 2009, cannabis prices remained stable in Afghanistan and Pakistan, but rose 90 and 110 percent, respectively, in 2010.
- **Wheat:** According to the World Food Programme, poor wheat harvests caused by the lack of rainfall in the central highlands and the north will increase by 2- 3 million the number of Afghans considered food insecure.



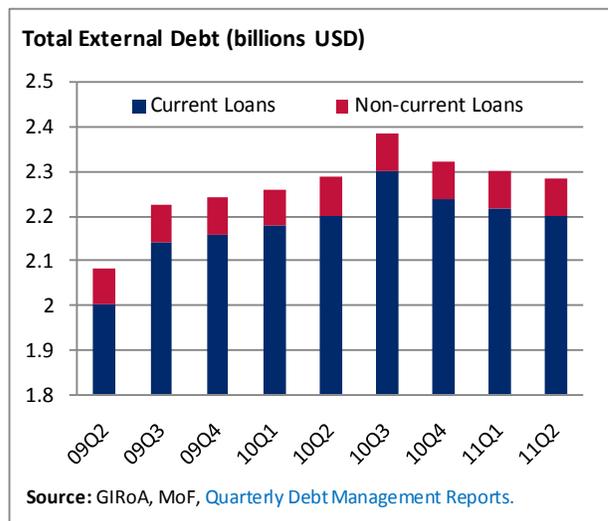
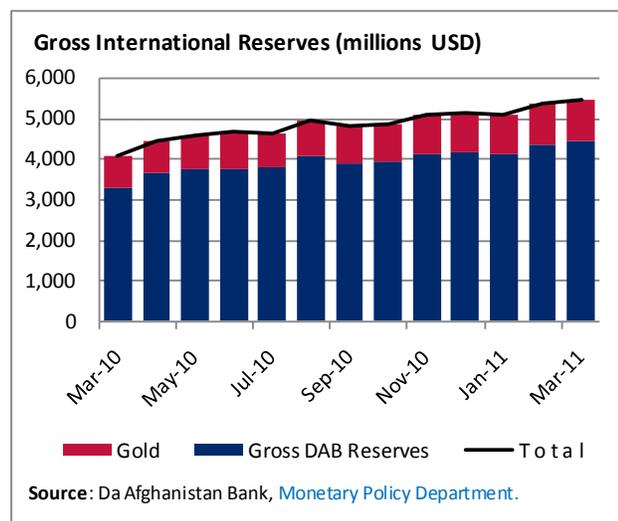
PUBLIC FINANCE



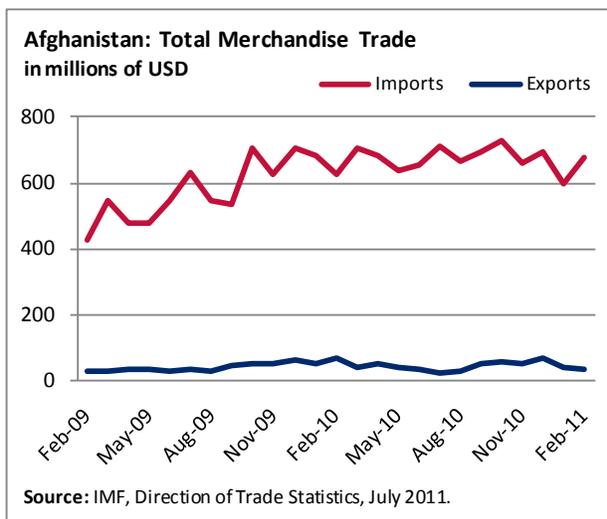
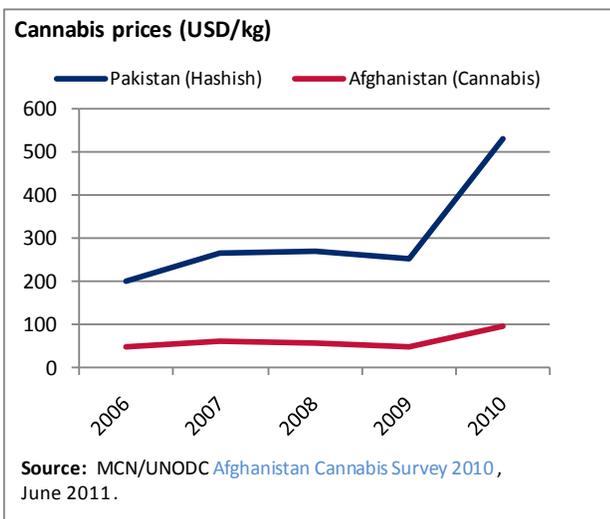
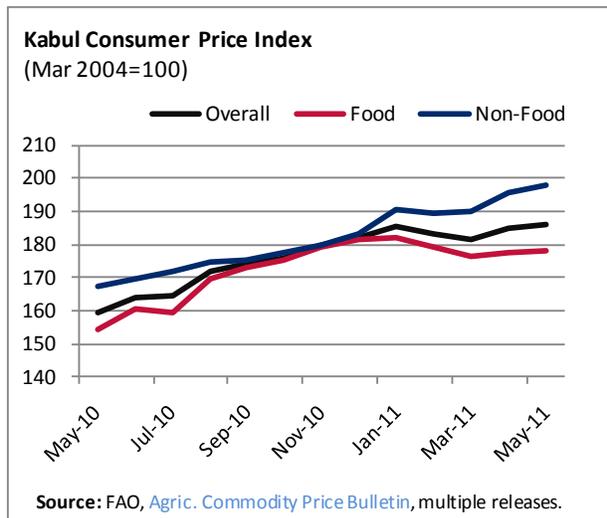
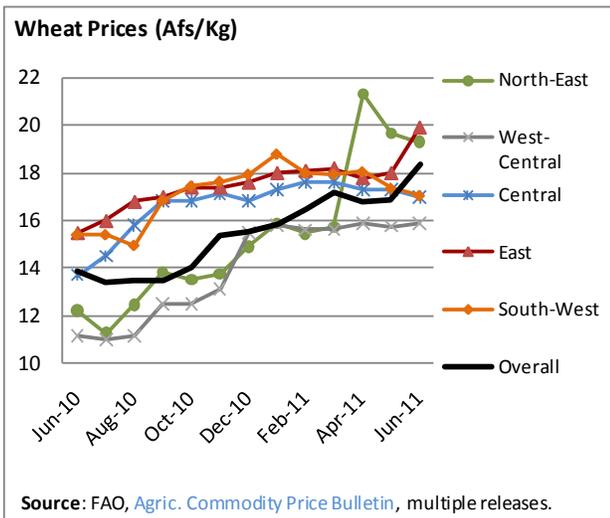
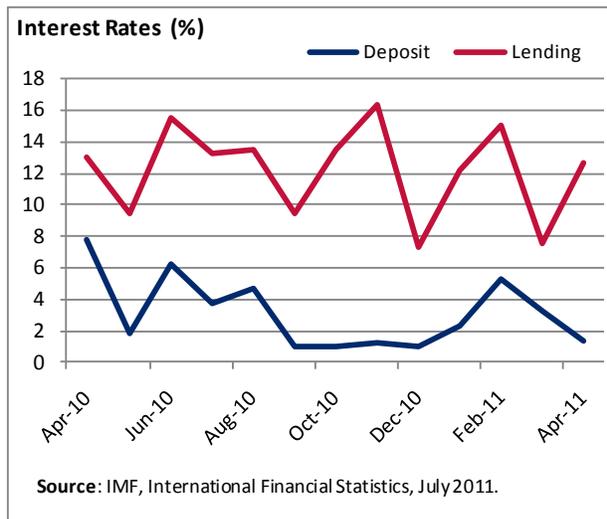
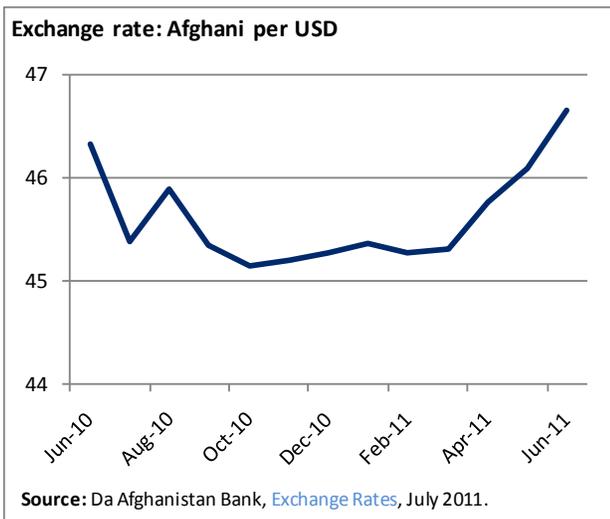
AFGHANISTAN: Overview of Economic Indicators



- GIRoA acknowledges fiscal sustainability may be delayed due to rising security costs but hopes mining sector revenues will help reduce the fiscal gap. The fiscal sustainability ratio (domestic revenues divided by operating expenditures) averaged 72.4% for the period charted.
- Total domestic revenues for the quarter ending in March 2011 were up 21.5% (measured in USD) from the same quarter the preceding year.
- Security spending continues to dominate the core budget, and is expected to continue into the medium term with expansion of national security forces.
- In June 2011, the VWB withheld a \$70 million disbursement from the Afghanistan Reconstruction Trust Fund after GIRoA failed to reach an agreement with the IMF on Kabulbank.



MONETARY SECTOR and MACROECONOMY



HIGHLIGHTS FROM RECENT REPORTS

EIU Country Report, July 2011

- According to the IMF, domestic revenue collection as a proportion of GDP reached 11% in fiscal year 2010/11 (March 21st-March 20th), up from 10% in 2009/10 and an average of 8% in 2006/07-2008/09.
- However, Afghanistan continues to have one of the world's lowest ratios of fiscal revenue to GDP in the forecast period with the government spending the equivalent of around 20% of GDP. Given the likelihood that foreign donors will wind down budgetary support in the coming years, increasing revenue remains an urgent priority.

UN Assistance Mission in Afghanistan (UNAMA) Protection of Civilians in Armed Conflict: Midyear Report July 2011

- UNAMA documented 1,462 civilian deaths and 2,144 civilian injuries in the first six months of 2011, an increase of 15 percent over the same period in 2010 (p. 1).
- Civilian deaths from IEDs (Improvised Explosive Devices) increased 17 percent from the same period in 2010, making IEDs the single largest killer of civilians in the first half of 2011 (p.2).
- Suicide attacks in 2011 have become more complex, often using multiple bombers in spectacular attacks that kill many Afghan civilians (p. 2).
- Recruitment and use of children in the armed conflict emerged as an increasing concern(p. 5).
- Deaths as a result of aerial attacks increased 14 percent in the first half of 2011, causing 38 percent of civilian deaths attributed to pro-government forces (p. 24).

