



PRESS RELEASE

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USAID Partners with Afghanistan International Bank to Increase Credit Access for Afghan Businesses

KABUL, AFGHANISTAN | SEPTEMBER 30, 2012 – Today, USAID announced a partnership with Afghanistan International Bank (AIB) to leverage a potential \$10.3 million in new local capital for businesses in Afghanistan by signing a Development Credit Authority loan portfolio guarantee agreement supported by \$2 million from USAID.

Commercial credit for small and medium-sized enterprises in Afghanistan is limited because of multiple risk factors and a historical focus by banks on trade finance. The Afghan economy has been growing strongly over the past several years, with real GDP growth rate of approximately eight percent.

A strengthened financial sector can offer numerous benefits for the country, including more jobs and increased wages. “Small businesses are the foundation of a growing and stable local private sector in Afghanistan,” said Ken Yamashita, USAID/Afghanistan’s Mission Director. “Supporting private sector-led development in this country should lead to more sustainable jobs, more government revenue, and a more prosperous society.”

As with most developing countries, Afghan small and medium-sized enterprises make up the greatest proportion of the nation’s employment base and are a vital part of the local economy, providing the majority of available goods and services. With the proper support, these businesses have the potential to play a much larger role in the development of the country. AIB CEO Khalil Sediq noted that “AIB is committed to increasing access to commercial finance across Afghanistan and this innovative loan portfolio guarantee agreement with USAID will allow AIB to provide additional opportunities for companies to expand and succeed in the future.”

The guarantee made available through USAID’s Development Credit Authority will act as a risk mitigant for AIB and help it offer longer-term loans to productive businesses requiring credit.

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The American people, through the U.S. Agency for International Development, have provided economic and humanitarian assistance worldwide for more than 50 years.”



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