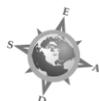
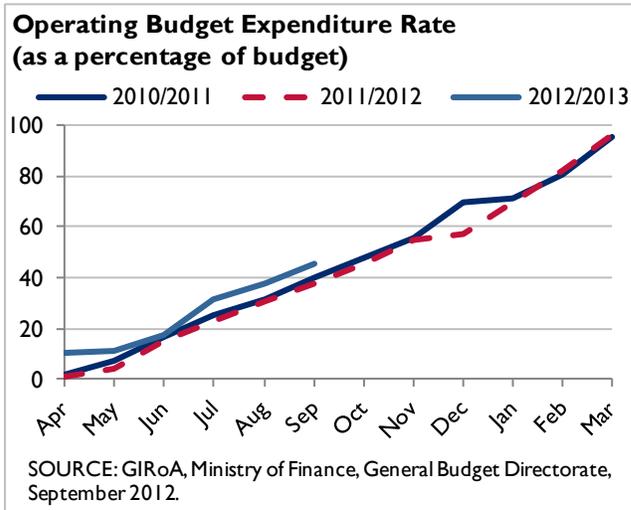
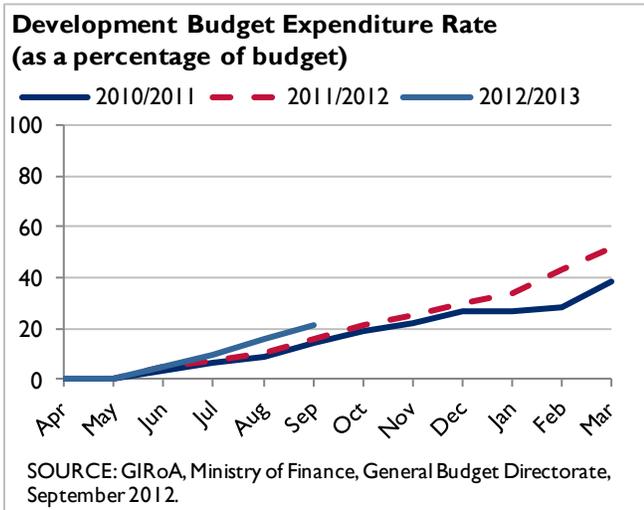


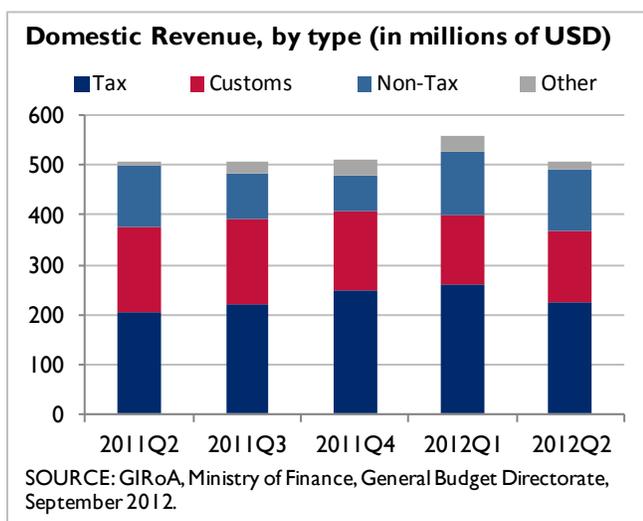
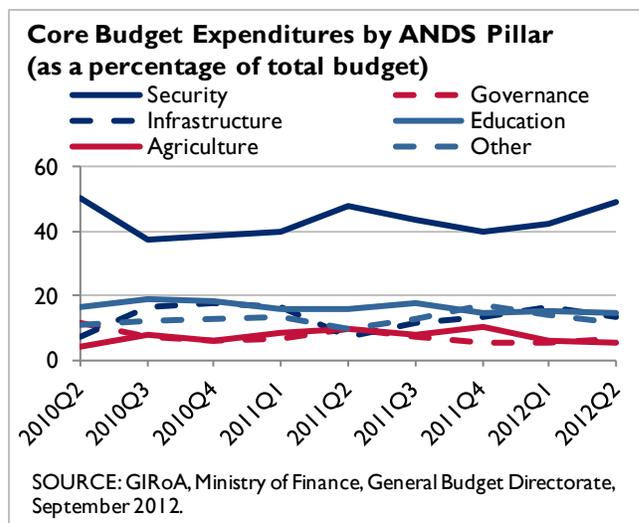
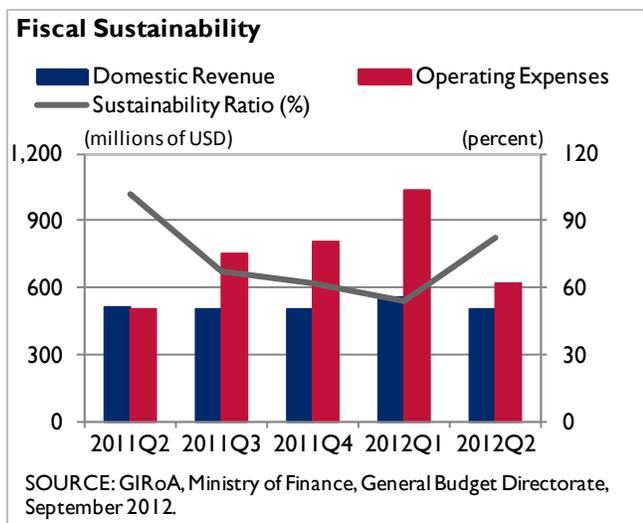
Fast Stats

- **GDP:** Business Monitor International (BMI) has revised its forecasts upward to an 8.5 percent growth rate in 2012, bringing GDP to \$22.5 billion from \$19.5 billion in 2011. (BMI, 18 September 2012)
- **GDP per Capita:** Forecast to be \$720 in 2012, compared to \$672 in 2011, and expected to grow by 7 percent to reach \$770 in 2013. (BMI, 18 September 2012)
- **GDP per Working Age Adult:** BMI has revised its estimates upward to \$1,297 in 2012, compared to \$1,167 in 2011, or growth of 11.18 percent. (18 September 2012)
- **General Government Expenditure:** Total government expenditure as a percent of GDP is expected to increase from 23.7 percent in 2011 to 25.1 percent in 2012, according to World Economic Outlook (WEO). (April 2012)
- **Current Account:** The 2010 current account surplus of 1.70 percent of GDP is expected to drop to a deficit of 0.01 percent GDP for 2011 and 1.09 percent of GDP for 2012. (WEO, April 2012)
- **Consumer Prices:** Food prices increased by 2.2 percent from July to August 2012 while non-food prices increased slightly by 0.8 percent. The average price of wheat across the eight largest cities increased from 18.5 Afs/Kg to 18.7 Afs/Kg from July to August 2012.

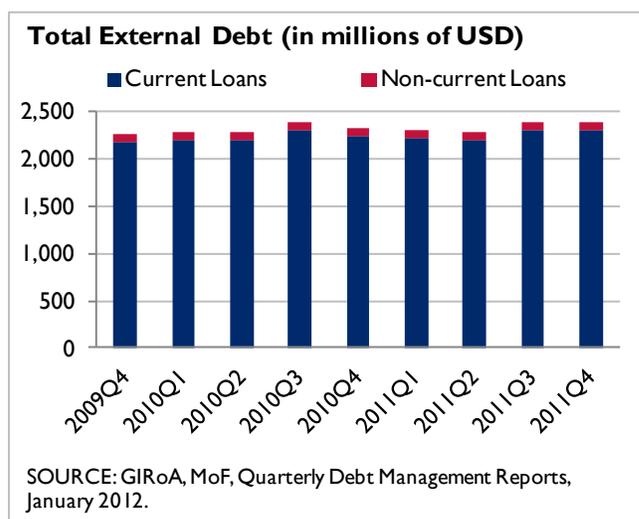
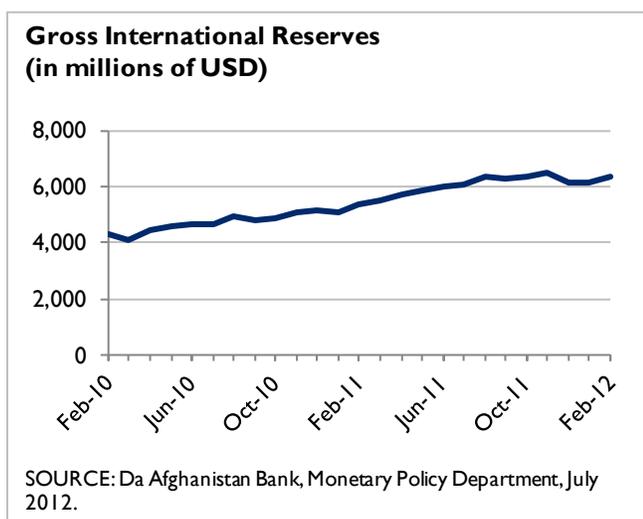
Public Finance



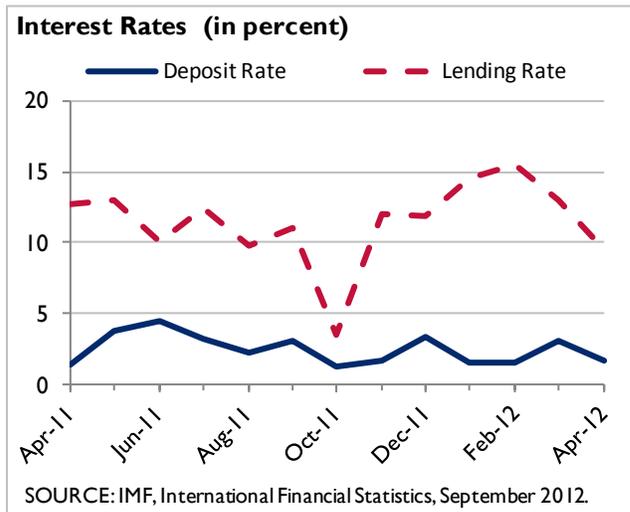
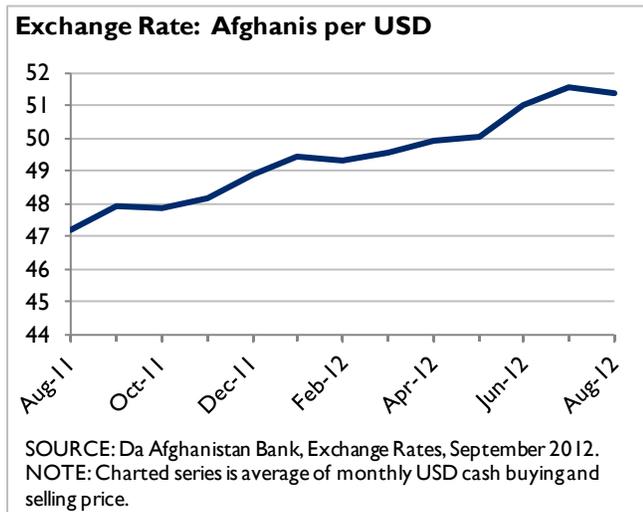
AFGHANISTAN: Overview of Economic Indicators



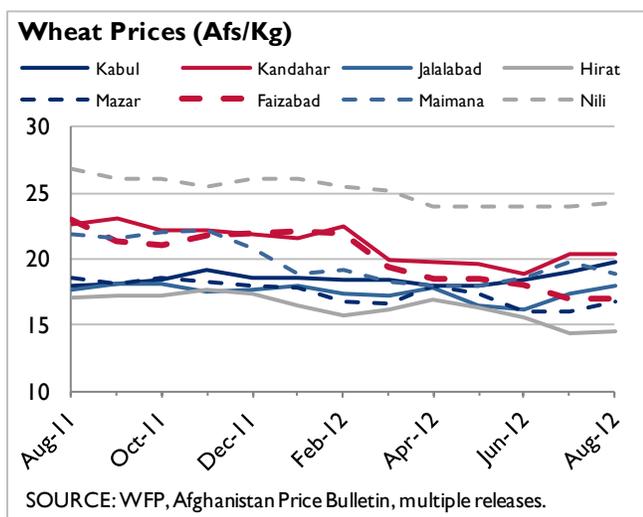
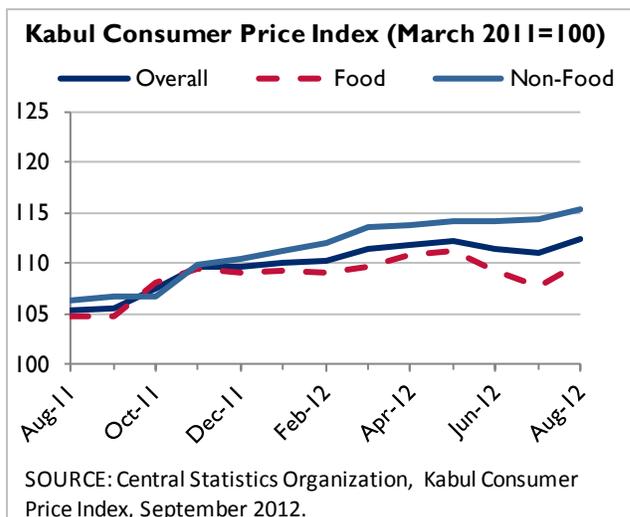
- Donors have focused on improving taxpayer compliance and tax administration. The Finance Ministry is planning to introduce a Value-Added Tax (VAT) in 2014 with support from DFID and the IMF. If successfully implemented, the VAT could increase the government's revenues.
- Although there is a turnaround in the sustainability ratio in 2012Q2, persistent budget deficits are still a major concern. Domestic revenues are below target and operating expenses are above the previous year but below target.

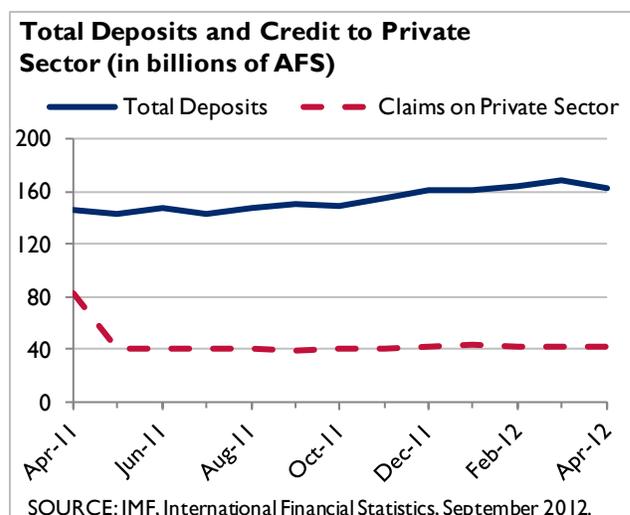
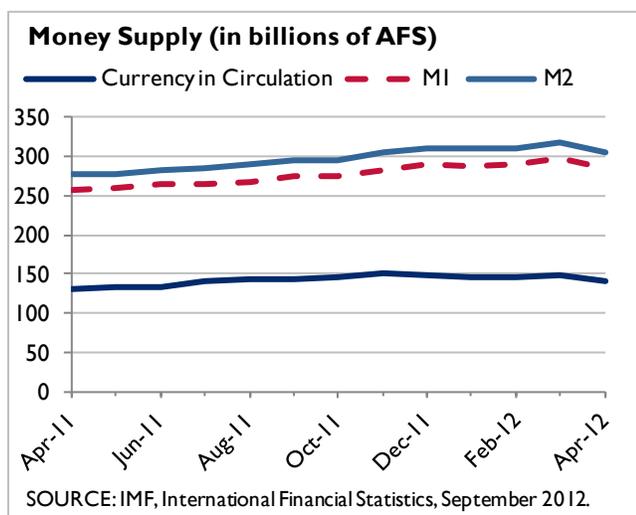


Monetary Sector and Macroeconomy



- The Afghanis appreciated for the first time in six months in August 2012 to 51.4 Afs/USD, but remained near its lowest value since 2008.
- The Kabul CPI increased in August 2012 by 1.5 percentage points, returning to the level seen in May 2012.
- Wheat prices rose in six out of the eight major markets in Afghanistan. Prices in Kabul were the highest recorded since January 2011.
- Imports decreased by 15 percent in April 2012. Exports increased by 27 percent, but remain roughly a tenth of the size of imports.





Highlights from Recent Reports

Government of Afghanistan Signs \$125 million Grant with the World Bank to Increase Equitable Access to Quality Basic Education, September 2012

The World Bank signed an additional \$125 million grant with Afghanistan to continue providing funds for the Education Quality Improvement Project (EQUIP). This grant is meant to support the second phase of EQUIP and will focus on increasing access to quality education, especially for girls, and includes increased funding for teacher training. The funds were provided from the Afghanistan Reconstruction Trust Fund and are part of a \$250 million grant approved for the second phase of EQUIP.

LINK: <http://www.worldbank.org/en/news/2012/09/05/afghanistan-grant-increase-equitable-access-education>

Afghan Taliban income: \$400 million last year, UN estimates, September 2012

According to report UN Security Council monitoring team, the Afghan Taliban raised approximately \$400 million in income over the past financial year, which ended March 20, 2012. Sources of income included donations, taxing local economies, and extorting money from drug dealers, cell phone operators and aid projects. About \$275 million of that income went to Taliban leadership while the rest was spent at the local level. According to the report, the Taliban imposes a 10 percent tax on harvest and 2.5 percent tax on wealth. Another significant source of income has been foreign aid funding, where the Taliban typically extorts protection money from the contractor. Donations also represented a significant source of funding.

LINK: http://worldnews.nbcnews.com/_news/2012/09/11/13807121-afghan-taliban-income-400-million-last-year-un-estimates

UNCTAD requested to assist landlocked developing countries accessing to WTO

At the meeting of landlocked developing countries (LLDCs) in Almaty, Kazakhstan, Trade Ministers praised the United Nations Conference on Trade and Development's (UNCTAD) consistent support to their members and requested UNCTAD's continued assistance in their efforts to obtain membership to the World Trade Organization (WTO). Of the thirty-one LLDCs, nine are not yet members of the WTO. However, with the exception of Turkmenistan, eight of them are in the accession process. These include Afghanistan, Azerbaijan, Bhutan, Ethiopia, Kazakhstan, Laos, Tajikistan, and Uzbekistan.

LINK: <http://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=265>