

AFGHANISTAN

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Afghanistan, often called the crossroads of Central Asia, has had a turbulent history. The Islamic Republic of Afghanistan is a landlocked country that is located in the heart of Asia. It is variously designated as located geographically within Central Asia, the Middle East, or South Asia. It has religious, ethno-linguistic, and geographic links with most of its neighbors. It is bordered by Pakistan in the south and east, Iran in the west, Turkmenistan, Uzbekistan and Tajikistan in the north, and China in the far northeast. Afghanistan is a country at a unique nexus point where numerous Indo-European civilizations have interacted and often fought. The name Afghanistan means the "Land of Afghans."

GOVERNMENT: In recent years Afghanistan have been dominated by the 2001 invasion of Afghanistan by the NATO Forces and the subsequent efforts to stabilize and democratize the country. On October 9, 2004, Afghanistan held its first national democratic presidential election. More than 8 million Afghans voted, 41 percent of whom were women. Hamid Karzai was announced as the official winner on November 3 and inaugurated on December 7 for a five-year term as Afghanistan's first democratically elected president. On December 23, 2004, President Karzai announced new cabinet appointments, naming three women as ministers. The first democratically elected National Assembly since 1969 was inaugurated on December 19, 2005.

The government's authority is growing, although its ability to deliver necessary social services still remains largely dependent on funds from the international donor community. Between 2001-2006 the United States committed over \$12 billion to the reconstruction of Afghanistan. At an international donors' conference in Berlin in April 2004, donors pledged a total of \$8.2 billion for Afghan reconstruction over the three-year period 2004-2007. At the end of January 2006, the international community gathered in London and renewed its political and reconstruction support for Afghanistan in the form of the Afghanistan Compact.

ECONOMY: Afghanistan's economy is recovering from decades of conflict. The economy has improved significantly since the fall of the Taliban regime in 2001 largely because of the infusion of international assistance, the recovery of the agricultural sector, and service sector growth. Real GDP growth exceeded 8 percent in 2006. Despite the progress of the past few years, Afghanistan is extremely poor, landlocked, and highly dependent on foreign aid, agriculture, and trade with neighboring countries. Much of the population continues to suffer from shortages of housing, clean water, electricity, medical care, and jobs. It will probably take the remainder of the decade and continuing donor aid and attention to significantly raise Afghanistan's living standards from its current level, among the lowest in the world. Other long-term challenges include: budget sustainability, job creation, corruption, government capacity, and rebuilding war torn infrastructure.

TRADE AND INDUSTRY: Afghanistan is endowed with natural resources, including extensive deposits of natural gas, petroleum, coal, copper, chromite, talc, barites, sulfur, lead, zinc, iron ore, salt, and precious and semiprecious stones. Unfortunately, ongoing instability in certain areas of the country, remote and rugged terrain, and inadequate infrastructure and transportation network have made mining these resources difficult, and there have been few serious attempts to further explore or exploit them.

The most important resource has been natural gas, first tapped in 1967. At their peak during the 1980s, natural gas sales accounted for \$300 million a year in export revenues (56% of the total). Ninety percent of these exports went to the Soviet Union to pay for imports and debts. However, during the withdrawal of Soviet troops in 1989, Afghanistan's natural gas fields were capped to prevent sabotage by the mujahidin. Restoration of gas production has been hampered by internal strife and the disruption of traditional trading relationships following the collapse of the Soviet Union.

AGRICULTURE: The main source of income in the country is agriculture, and during its good years, Afghanistan produces enough food and food products to provide for the people, as well as to create a surplus for export. The major food crops produced are: corn, rice, barley, wheat, vegetables, fruits, and nuts. In Afghanistan, industry is also based on agriculture, and raw materials. The major industrial crops are: cotton, tobacco, madder, castor beans, and sugar beets. The Afghan economy continues to be overwhelmingly agricultural, despite the fact that only 12 percent of its total land area is arable and less than 6 percent currently is cultivated. Agricultural production is constrained by an almost total dependence on erratic winter snows and spring rains for water; irrigation is primitive. Relatively little use is made of machines, chemical fertilizer, or pesticides.

Overall agricultural production dramatically declined following severe drought as well as sustained fighting, instability in rural areas, and deteriorated infrastructure. The easing of the drought and the end of civil war produced the largest wheat harvest in 25 years during 2003. Wheat production was an estimated 58 percent higher than in 2002. However, the country still needed to import an estimated one million tons of wheat to meet its requirements for the 2003 year. Millions of Afghans, particularly in rural areas, remain dependent on food aid.

AGRICULTURAL TRADE SITUATION: Agricultural trade between the United States and Afghanistan presently runs strongly in favor of the United States. The top U.S. exports to Afghanistan are wheat, soybean and vegetable oils, poultry meat, and pulses. The top Afghan exports to the United States are unspecified intermediate agricultural products, hardwood lumber, panel products (including plywood), and tree nuts. In 2006, Afghanistan exported less than \$1 million in agricultural goods to the United States. Conversely, U.S. agriculture exports to Afghanistan reached approximately \$39 million.

DEMOGRAPHICS: Afghanistan's ethnically and linguistically mixed population reflects its location astride historic trade and invasion routes leading from Central Asia

into South and Southwest Asia. While population data is somewhat unreliable for Afghanistan, Pashtuns make up the largest ethnic group at 38-44 percent of the population, followed by Tajiks (25 percent), Hazaras (10 percent), Uzbek (6-8 percent), Aimaq, Turkmen, Baluch, and other small groups. Dari (Afghan Farsi) and Pashto are official languages. Dari is spoken by more than one-third of the population as a first language and serves as a lingua franca for most Afghans, though Pashto is spoken throughout the Pashtun areas of eastern and southern Afghanistan. Tajik and Turkic languages are spoken widely in the north. Smaller groups throughout the country also speak more than 70 other languages and numerous dialects.

Afghanistan is an Islamic country. An estimated 80 percent of the population is Sunni, following the Hanafi school of jurisprudence; the remainder of the population – and primarily the Hazara ethnic group – predominantly Shi'a. Despite attempts during the years of communist rule to secularize Afghan society, Islamic practices pervade all aspects of life. In fact, Islam served as a principal basis for expressing opposition to communism and the Soviet invasion. Islamic religious tradition and codes, together with traditional tribal and ethnic practices, have an important role in personal conduct and dispute settlement. Afghan society is largely based on kinship groups, which follow traditional customs and religious practices, though somewhat less so in urban areas.