

# Afghanistan

This factsheet provides the latest statistics on trade and investment between the UK and Afghanistan.

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**Total trade in goods and services** (exports plus imports) between the UK and Afghanistan was **£59 million** in the four quarters to the end of Q4 2023, a decrease of 62.4% or £98 million in current prices from the four quarters to the end of Q4 2022. Of this £59 million:

- Total UK **exports** to Afghanistan amounted to £23 million in the four quarters to the end of Q4 2023 (a decrease of 75.5% or £71 million in current prices, compared to the four quarters to the end of Q4 2022);
- Total UK **imports** from Afghanistan amounted to £36 million in the four quarters to the end of Q4 2023 (a decrease of 42.9% or £27 million in current prices, compared to the four quarters to the end of Q4 2022).

**Afghanistan was the UK's joint 166<sup>th</sup> largest trading partner** in the four quarters to the end of Q4 2023 accounting for less than 0.1% of total UK trade.<sup>1</sup>

In 2021, the **outward stock of foreign direct investment (FDI)** from the UK in Afghanistan was £820.1 thousand.

In 2021, the **inward stock of foreign direct investment (FDI)** in the UK from Afghanistan are not available due to data disclosure.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> Trade data sourced from the latest ONS publication of <u>UK total trade: all countries seasonally adjusted</u> data.

<sup>&</sup>lt;sup>2</sup> Investment data sourced from the ONS ad-hoc data release if not provided in the latest ONS main FDI release.

### About these statistics

This factsheet presents the latest statistics on trade and investment between the UK and Afghanistan. It summarises a wide range of publicly available data, from data providers such as the Office for National Statistics (ONS) and HM Revenue and Customs (HMRC), as well as international data providers.

This factsheet is part of a wider range produced by the Department for Business and Trade which draws together many data sources into one single compendium document for each individual trade and investment partner. The full set of factsheets for different individual partners can be found on the <u>Trade</u> and <u>Investment Factsheets website</u> on GOV.UK.

Where data are available, these factsheets contain metrics on:

- Headline trade statistics between the UK and each trading partner for the latest four quarters.
- Trade statistics by commodity and service type.
- <u>Trade between the UK and each trading partner, broken down by UK country and English region.</u>
- <u>Trade in services between the UK and each trading partner, broken down by mode of supply</u>
- <u>UK's market share as a total of all imports for each trading partner.</u>
- Number of VAT-registered businesses trading goods.
- UK's Foreign Direct Investment (FDI) with each investment partner.
- <u>Summary trade and investment data as reported by each trade and investment partner, as well</u> as economic data and projections.

All statistics are correct at the time of publication, with upcoming release dates available on the <u>Government update schedule for Official Statistics</u>. The Department for Business and Trade strongly recommends users download the latest factsheet to ensure the most up-to-date statistics are used. Please do not use previous factsheets to analyse earlier time periods than those shown in the most recent factsheets, as the data will have been revised and previous factsheets will no longer be correct. For analysis of earlier time periods, please use the published source data.

For the most up to date snapshot of the UK's trade and investment position with all partners, please see the <u>UK trade in numbers</u> publication or the <u>trade and investment core statistics book</u>. These statistics are based on the same data sources as this factsheet and therefore are comparable. A list of all <u>Official</u> <u>Statistics</u> publications from the Department for Business and Trade can be found online.

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## Summary trade and investment statistics for Afghanistan

#### UK trade with Afghanistan, in current prices (based on the latest four quarters)<sup>3</sup>:

Change from the four quarters to the end of Q4 2022	Value in the four quarters to the end of Q4 2023	Trade
a decrease of 62.4% or £98 million	£59 million	Total trade
	Joint 166th	Ranking out of all the UK's trading partners
a decrease of 75.5% or £71 million	£23 million	Total UK exports
	Joint 179th	Ranking out of all the UK's export partners
a decrease of 97.3% or £36 million	£1 million (4.3%)	UK exports in goods (percentage of total UK exports that were goods)
a decrease of 61.4% or £35 million	£22 million (95.7%)	UK exports in services (percentage of total UK exports that were services)
a decrease of 42.9% or £27 million	£36 million	Total UK imports
	147th	Ranking out of all the UK's import partners
a change of less than £1 million	less than £1 million (<0.1%)	UK imports in goods (percentage of total UK imports that were goods)
a decrease of 42.9% or £27 million	£36 million (almost 100%)	UK imports in services (percentage of total UK imports that were services)

#### **UK market share** in Afghanistan<sup>4</sup>:

UK market share for total trade	Value in 2022	Change from 2021
Total UK market share	n/a	-
UK market share for goods only	n/a	-
UK market share for services only	n/a	-

#### UK Foreign Direct Investment (FDI) with Afghanistan<sup>5</sup>:

Change from 2020	Value in 2021	UK FDI
Not available due to data disclosure	£820.1 thousand	Total UK outward FDI
Comparison not available	Data not available due to data disclosure	Total UK inward FDI

#### **Economic statistics** and projections using gross domestic product (GDP) for Afghanistan<sup>6</sup>:

Economic statistics	2020	2021	2022	2023
Economic growth, using GDP in real terms, compared to the previous year	-2.4%	-14.5%	-6.2%	-%
GDP per capita in \$USD (in thousands)	0.6	0.4	0.4	-

<sup>&</sup>lt;sup>3</sup> Trade data sourced from Office for National Statistics data on <u>UK total trade (seasonally adjusted data)</u>.

<sup>&</sup>lt;sup>4</sup> UK market share data calculated using the methodology outlined in the <u>market share section</u> in the factsheet, based on data from the Office for National Statistics and United Nations Conference on Trade and Development.

<sup>&</sup>lt;sup>5</sup> FDI data sourced from the Office for National Statistics <u>ad-hoc data release for FDI with all partners</u>.

<sup>&</sup>lt;sup>6</sup> Economic data sourced from the International Monetary Fund <u>World Economic Outlook</u> databases; Estimates and projections are given in italics; GDP rankings where provided are based on values in current prices (nominal terms) in \$USD, where some partner values are based on estimates which may influence the rankings when revised.

## Trade with Afghanistan, in current prices (ONS)<sup>7 8 9</sup>

#### Trade definitions

UK exports - Goods and services that were produced or sourced in the UK, which were sold to Afghanistan.

UK imports - Goods and services that were sold to the UK, which were produced or sourced by Afghanistan.

Total or 'bilateral' trade - The value of total trade between the UK and Afghanistan (exports plus imports).

Trade balance - The difference between exports and imports, calculated by UK exports minus UK imports.

**Trade surplus** - This occurs when the value of UK exports to Afghanistan is greater than the value of UK imports from Afghanistan.

Trade deficit - This occurs when the value of UK exports to Afghanistan is less than the value of UK imports from Afghanistan.

Headline trade statistics include trade in non-monetary gold (reported within the unspecified goods category), which can significantly affect trends for some partners. Please see the factsheet <u>quality and methodology report</u> for more information. These statistics are given on a balance of payments (change of ownership) basis.

**Note:** The latest data include trade between January 2023 and December 2023. Trade has been affected by the COVID-19 pandemic and the associated lockdown measures globally. Consequently, data quality has been affected and may be subject to larger revisions than normal. All figures are reported in current prices (not adjusted for inflation), unless otherwise stated. We recognise that some of the recent increases in UK trade values will be partly due to price increases.

**Total trade** in goods and services (exports plus imports) between the UK and Afghanistan was £59 million in the four quarters to the end of Q4 2023, a decrease of 62.4% or £98 million in current prices from the four quarters to the end of Q4 2022.

In the four quarters to the end of Q4 2023, **total UK exports** to Afghanistan amounted to £23 million (a decrease of 75.5% or £71 million in current prices, compared to the four quarters to the end of Q4 2022).

Of all UK exports to Afghanistan in the four quarters to the end of Q4 2023, £1 million (4.3%) were **goods** and £22 million (95.7%) were **services**. In the four quarters to the end of Q4 2023, UK **exports of goods** to Afghanistan decreased by 97.3% or £36 million in current prices, compared to the four quarters to the end of Q4 2022 while UK **exports of services** to Afghanistan decreased by 61.4% or £35 million in current prices, compared to the four quarters to the end of Q4 2022.

In the four quarters to the end of Q4 2023, **total UK imports** from Afghanistan were £36 million (a decrease of 42.9% or £27 million in current prices, compared to the four quarters to the end of Q4 2022).

Of all UK imports from Afghanistan in the four quarters to the end of Q4 2023, less than £1 million (less than 0.1%) were **goods** and £36 million (almost 100%) were **services**. In the same period, UK **imports of goods** from Afghanistan changed by less than £1 million in current prices, compared to the four quarters to the end of Q4 2022 while UK **imports of services** from Afghanistan decreased by 42.9% or £27 million in current prices, compared to the four quarters to the end of Q4 2022.

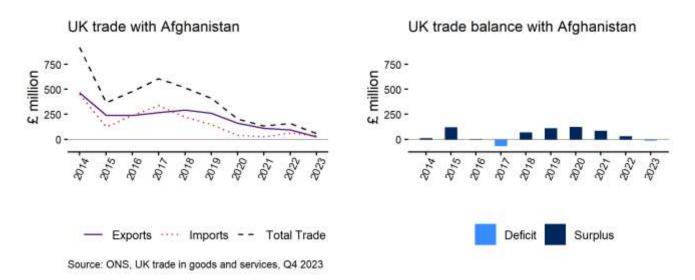
This means the UK reported a **total trade deficit** of £13 million with Afghanistan, compared to a trade surplus of £31 million in the four quarters to the end of Q4 2022. In the four quarters to the end of Q4 2023, the UK had a **trade in goods surplus** of £1 million with Afghanistan, compared to a trade in goods surplus of £37 million in the four quarters to the end of Q4 2022. Meanwhile, in the four quarters to the end of Q4 2023 the UK reported a **trade in services deficit** of £14 million with Afghanistan, compared to a trade in compared to a trade in services deficit of £14 million with Afghanistan, compared to a trade in services deficit of £14 million with Afghanistan, compared to a trade in services deficit of £6 million in the four quarters to the end of Q4 2022.

<sup>&</sup>lt;sup>7</sup> Office of National Statistics (ONS) data source for total trade: <u>UK total trade data (seasonally adjusted)</u>.

<sup>&</sup>lt;sup>8</sup> This factsheet contains data as reported by the UK, users are advised to use UK-reported data where possible for consistency between partners. These data are subject to <u>asymmetries</u> e.g. the value of UK exports to Afghanistan (reported by the UK) may not match the value of Afghanistan imports from the UK (reported by Afghanistan).

<sup>&</sup>lt;sup>9</sup> Data are in nominal terms, meaning no adjustment has been made to account for changes in inflation or exchange rate. The totals may not exactly match the sum of their parts due to rounding.

The charts below present a time series for trade between the UK and Afghanistan for each year between 2014 and 2023:



The data that are presented in the charts above are given in the table below in £ million:

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Value of total trade	921	367	477	606	517	410	202	134	157	59
Value of exports	467	243	240	268	293	260	162	109	94	23
Value of imports	454	124	237	338	224	150	40	25	63	36
Trade balance	+13	+119	+3	-70	+69	+110	+122	+84	+31	-13

In the four quarters to the end of Q4 2023, Afghanistan was the UK's:<sup>10</sup>

- Joint 166<sup>th</sup> largest trading partner (accounting for less than 0.1% of total UK trade).
  - Joint 202<sup>nd</sup> largest **goods** trading partner (less than 0.1% of UK goods trade).
  - 153<sup>rd</sup> largest services trading partner (less than 0.1% of UK services trade).
  - Joint 179<sup>th</sup> largest export market (accounting for less than 0.1% of total UK exports).
    - 200<sup>th</sup> largest **goods** export market (less than 0.1% of UK goods exports).
    - 156<sup>th</sup> largest **services** export market (less than 0.1% of UK services exports).
- 147<sup>th</sup> largest import market (accounting for less than 0.1% of total UK imports).
  - Joint 198<sup>th</sup> largest **goods** import market (less than 0.1% of UK goods imports).
  - Joint 131<sup>st</sup> largest services import market (less than 0.1% of UK services imports).

**More timely data, for trade in goods only**<sup>11</sup>, show that UK exports of goods to Afghanistan decreased by 100.0% the 12 months to February 2024 in current prices, compared to the same period the previous year. UK imports of goods from Afghanistan did not change, in current prices, over the same period.

**Note:** As these data are presented for the 12 months ending February 2024, the UK and its trading partners have been affected by lockdown and other measures during the COVID-19 pandemic. Data quality has also been affected and may be subject to larger revisions than usual. Please note, these data are in current prices.

<sup>&</sup>lt;sup>10</sup> Rankings are based on the ONS dataset which contains data for all individual partners: <u>UK total trade data (seasonally adjusted)</u>.

<sup>&</sup>lt;sup>11</sup> ONS data source for trade in the latest 12 months up to February 2024: <u>UK Trade data (seasonally adjusted)</u>.

## Trade in goods by commodity, in current prices (ONS)<sup>12 13</sup>

Please note, these data are presented on a non-seasonally adjusted basis and are not directly comparable to seasonally adjusted data, including the headline trade statistics presented before.

The top 5 goods exported by the UK to Afghanistan in the four quarters to the end of Q4 2023 were:

- 55 Toilet & cleansing preparations (£510 thousand)
- 78I Road vehicles other than cars (intermediate) (£360 thousand) •
- 65 Textile fabrics (£240 thousand) ٠
- 59 Other chemicals (£210 thousand)
- 07 Coffee, tea, cocoa etc (£180 thousand)

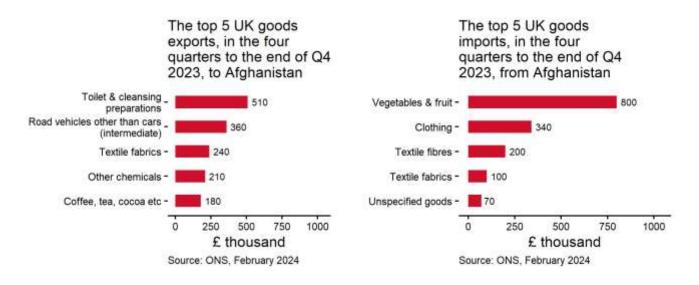
Note: The percentage of the total UK exports of goods to Afghanistan accounted for by the above commodities are not provided here. This is due to the value of total UK exports of goods being rounded to the nearest £million, with commodity trade values being given to a greater level of accuracy. In some cases, this means the percentages above might sum to more than 100%.

The top 5 goods imported by the UK from Afghanistan in the four quarters to the end of Q4 2023 were:

- 05 Vegetables & fruit (£800 thousand)
- 84 Clothing (£340 thousand)
- 26 Textile fibres (£200 thousand)
- 65 Textile fabrics (£100 thousand)
- 9 Unspecified goods (£70 thousand)

Note: The percentage of the total UK imports of goods from Afghanistan accounted for by the above commodities are not provided here. This is due to the value of total UK imports of goods being rounded to the nearest £million, with commodity trade values being given to a greater level of accuracy. In some cases, this means the percentages above might sum to more than 100%.

The chart below shows the top 5 products exported by the UK to Afghanistan and the top 5 products imported by the UK from Afghanistan, by value, in the four guarters to the end of Q4 2023. All data shown in the chart are provided in the text above.



<sup>&</sup>lt;sup>12</sup> Data on trade in goods by commodity are sourced from data by the ONS: <u>UK trade release (non-seasonally adjusted)</u>. These statistics for exports and imports present the latest data from the February 2024 ONS publication which are given on a monthly basis. <sup>13</sup> The commodities are categorised based on <u>SITC</u> codes using a mixture of level 2 and level 3 codes.

### Trade in services by service type, in current prices (ONS)<sup>14</sup>

**Note:** Service type data for the trade in services between the UK and Afghanistan in the four quarters to the end of Q4 2023 are not available from UK sources.

# Trade in goods by UK countries and English regions, in current prices (HMRC)<sup>15</sup>

**Regional trade definitions** 

**UK regions** - The UK is categorised into 12 regions based on the International Territorial level 1 (ITL1). This level includes 9 regions in England, as well as Wales, Scotland and Northern Ireland.

**Regional trade data** - The data are compiled by merging HM Revenues & Customs (HMRC) trade data with employment data from the Interdepartmental Business Register (IDBR) so a business' trade can be allocated to a UK region based on the proportion of its employees employed in that region. Where a trader is not matched with the IDBR, its trade is matched with ONS postcode data to obtain the UK region in which the Head Office of the VAT-registered business is based.

**Note:** Data for UK regions are not available from this source for Afghanistan in 2023.

 <sup>&</sup>lt;sup>14</sup> Trade in services by service type is sourced from data by the ONS: <u>UK trade in services by partner country (non-seasonally adjusted)</u>.
 <sup>15</sup> HMRC data source for regional UK trade data: <u>HMRC Regional Trade Statistics</u> (data extracted from the spreadsheet download using the HMRC <u>interactive tables</u>).

# Trade in services by mode of supply, in current prices (ONS)<sup>16 17</sup>

#### Trade in Services by Mode of Supply definitions

**Modes of Supply** define the way services trade is conducted. The World Trade Organisation's <u>General Agreement on Services</u> categorises methods for trade in services into four different modes of supply, which depend upon on the territorial presence of the supplier and the consumer at the time of transaction.

Mode 1 - Remote trade (a supplier in one country sells a service to a customer in another, without the movement of people).

Mode 2 - Consumption abroad (the person receiving the service travels to the supplier's country).

**Mode 3** - Commercial presence (e.g. a company subsidiary) - this mode is not counted as part of UK services trade on a balance of payments basis and is not reported in this release. This means that total figures are only the total of Modes 1, 2 and 4.

Mode 4 - Presence of natural persons (a supplier sends its personnel to the customer's country to provide service).

#### UK services exports to Afghanistan by mode of supply in 2021:

• Data on services exports to Afghanistan by mode of supply are not available from this source.

#### UK services imports from Afghanistan by mode of supply in 2021:

• Data on services imports from Afghanistan by mode of supply are not available from this source.

 <sup>&</sup>lt;sup>16</sup> ONS data source for UK Trade in Services by Mode of Supply: <u>ONS Imports and exports of services by country, by modes of supply, UK</u>
 <sup>17</sup> Data included in this ONS release are experimental estimates.

# UK Market Share (ONS and UNCTAD)<sup>18 19</sup>

#### **Market Share definitions**

**UK market share** – Imports from the UK as a percentage of all the goods and services imported by Afghanistan. Market share is provided for total imports from the UK, as well as for goods and services separately.

**Market share methodology** – These UK market share statistics are derived by the Department for Business and Trade, using publicly available data from the Office of National Statistics (ONS) and the United Nations Conference on Trade and Development (UNCTAD). These new statistics allows users to estimate the importance of UK trade on imports to each trading partner. Market share is calculated as the value of imports from the UK using data from <u>ONS</u>, divided by the value of total imports using data from <u>UNCTAD</u>. Data from UNCTAD are converted from US dollars into pounds sterling by using the annual average spot exchange rate<sup>20</sup>.

The UK's market share for Afghanistan in 2022 was as follows:

• UK market share data for Afghanistan was not available for 2022.

The table below presents the UK's market share for Afghanistan between 2013 and 2022. Values presented in italics are based on UNCTAD estimates of imports.

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total goods and services	8.6%	9.3%	4.4%	4.4%	4.3%	4.9%	4.5%	3.0%	-	-
Goods only	1.1%	0.6%	0.4%	0.4%	0.5%	2.2%	2.5%	1.1%	-	-
Services only	50.5%	48.7%	28.3%	26.9%	25.2%	17.8%	14.7%	12.8%	-	-

<sup>&</sup>lt;sup>18</sup> ONS data source for market share: <u>UK total trade data (seasonally adjusted)</u>.

<sup>&</sup>lt;sup>19</sup> UNCTAD data source for market share: <u>Goods and Services (BPM6): Exports and imports of goods and services, annual</u>. Some UNCTAD data may be based on estimates.

<sup>&</sup>lt;sup>20</sup> Annual average spot exchange rates for \$USD to £GBP are sourced from the Bank of England.

# Number of VAT-registered businesses trading goods (HMRC)<sup>21 22 23</sup>

#### **Business counts definition (Regional Trade in Goods Statistics)**

Business counts report UK VAT-registered business exporting and importing goods. Data is collected primarily from customs declarations (using the Intrastat survey and VAT returns for Northern Ireland businesses trading with the EU).

Counts exclude businesses trading below the statistical value thresholds for customs declarations and exclude trade in nonmonetary gold.

#### Businesses trading with Afghanistan in 2023:

- Data on the number of VAT-registered businesses exporting to Afghanistan are not available from this source.
- Data on the number of VAT-registered businesses importing from Afghanistan are not available from this source.

#### Businesses trading with the world in 2023:

- In 2023, around 125,300 UK VAT-registered businesses exported goods to the world.
- In 2023, around 250,700 UK VAT-registered businesses imported goods from the world.

<sup>&</sup>lt;sup>21</sup> HMRC data source for Regional Trade Statistics business counts data: <u>UK trade in goods statistics</u>.

<sup>&</sup>lt;sup>22</sup> Data for UK businesses engaged in trade of services with Afghanistan are not available. A single business may trade with multiple trading partners abroad, so care should be taken when adding figures for multiple trading partners.
<sup>23</sup> HMRC does not receive partner country information for customs declarations with commodity line values that fall under the statistical value

<sup>&</sup>lt;sup>23</sup> HMRC does not receive partner country information for customs declarations with commodity line values that fall under the statistical value threshold of £873 (in value) and 1,000kg (in net mass). Therefore, these counts of exporting/importing businesses only capture those businesses with exports/imports (respectively) above the statistical value threshold. The number of businesses has been rounded to the nearest 100.

# Trade in Value Added (OECD)<sup>24 25</sup>

#### Trade in Value Added definitions

**Trade in Value Added (TiVA)** - TiVA is a statistical approach to examine supply chains, which is not possible with conventional ('gross') trade statistics. This is because TiVA treats international trade flows as flows of value added rather than gross flows of final goods and services.

**Domestic and foreign value added** - In TiVA, gross exports are decomposed into domestic and foreign value added. Domestic value added measures the value added generated by the domestic economy in the production of its exports (e.g. the value added by UK car manufacturers and their UK supply chains in car exports). Foreign value added measures the value added contribution that foreign suppliers make to these exports (e.g. the import of foreign car parts).

**TiVA statistics** - Although TiVA offers advantages over traditional ways of measuring trade, these statistics are not fully developed. These results are estimates which should be considered complementary to conventional trade statistics and not be over-interpreted. In addition, the geographical detail is limited for developing countries. More information on TiVA can be found in a recent research report by the Department for Business and Trade and Cambridge Econometrics.

UK forward linkages for exports - Measures the reliance of foreign exporters on UK value added (inputs).

UK backward linkages for exports - Measures the reliance of UK exporters on foreign value added (inputs).

**Employment supported by exports** - This provides an estimate of the number of employees in exporting industries, and their domestic supply chains that are supported by exporting activity.

**Note:** Data for Afghanistan on forward and backward linkages for exports in 2020 are not available from this data source.

#### Employment supported by exports:<sup>26</sup>

- Data for Afghanistan on employment supported by exports in 2020 are not available.
- Exporting activity in the UK supported 6.7 million persons in 2020 (20.6% of total UK employment). Data on the number of UK jobs supported by export activity to Afghanistan in 2020 are not available.

<sup>&</sup>lt;sup>24</sup> The estimates in this factsheet are based on Trade in Value Added statistics published by the Organisation for Economic Co-operation and Development (OECD): a) <u>Trade in Value Added database (origin of value added in gross exports)</u>, <u>January 2024</u>; and b) <u>Trade in Employment (TiM) database: Principal indicators, January 2024</u>, indicators EXGR\_DEM and EMPN\_EXGRDEM.
<sup>25</sup> The data shown in this factsheet is from 2020.

<sup>&</sup>lt;sup>26</sup> These estimates measure employees directly and indirectly supported by exports i.e. workers employed in exporting businesses and in other domestic businesses supplying inputs to the exporting businesses. The estimates should be interpreted as employment *supported* by exports, rather than employment *created* by exports, as the jobs may have previously existed to serve the domestic market. Employees may also be supported by exports from a multiple number of trading partners. As with the core TiVA data, these estimates are based on a number of assumptions and modelling, so should be interpreted with caution.

# Foreign Direct Investment with Afghanistan (ONS)<sup>27 28 29</sup>

#### Foreign direct investment definitions

**Foreign direct investment (FDI)** - Investment made by a firm or individual in one economy ('direct investor') to acquire a 'lasting interest' in an enterprise operating in another economy. The lasting interest is deemed to exist if the direct investor acquires at least 10% of equity, or equivalently 10% of the voting rights, of the company.

**FDI stock** - The accumulated value of all previous investments at the end of a reference period. Figures are net, that is the value of investment minus disinvestment. **UK outward FDI stock** provides the total value of FDI by UK investors in economies abroad (investment of a UK parent company in Afghanistan), while **UK inward FDI stock** provides the total value of FDI by non-UK investors in the UK (investment of a Afghanistan parent company in the UK).

**Data disclosure** - It can happen that FDI is coming from only a few investors. In that case, figures are suppressed by the ONS to avoid disclosure of information relating to individual enterprises.

**Note:** The FDI data for 2020 have been affected by changes in sampling methodology. Improvements have been made to the population which has been sampled and the way that businesses are sampled from the population, capturing a wider range of businesses. This means data from 2020 and onward are more representative of UK FDI with overseas partners and are comparable.

More information about the methodology changes can be found on the ONS website.

#### UK outward FDI stock:

- In 2021, the stock of FDI from the UK in Afghanistan was £820.1 thousand. A comparison with the previous year is not available due to data disclosure. In 2021, Afghanistan accounted for less than 0.1% of the total UK outward FDI stock.
- In 2021, the total UK FDI abroad was £1.8 trillion. In 2021, the top destination for UK FDI was United States, accounting for 26.1% of the total UK outward FDI stock, followed by Netherlands (8.8%) and Luxembourg (7.2%).

#### UK inward FDI stock:

- In 2021, the stock of FDI from Afghanistan in the UK are not available due to data disclosure.
- In 2021, the total FDI in the UK in was £2.0 trillion. In 2021, the top investor in the UK was United States, accounting for 33.7% of the total UK inward FDI stock, followed by Netherlands (10.9%) and Jersey (9.6%).

 <sup>&</sup>lt;sup>27</sup> Data for both inward and outward FDI between the UK and Afghanistan are not available in the main ONS release (<u>Foreign Direct Investment involving UK companies</u>). Therefore, an <u>ONS FDI ad-hoc data release</u> is used to provide the latest FDI data for Afghanistan where it is unavailable in the main ONS release.
 <sup>28</sup> Data are presented on a directional basis which means they are not directly comparable to the asset/liability report prepared by ONS as part

<sup>&</sup>lt;sup>28</sup> Data are presented on a directional basis which means they are not directly comparable to the asset/liability report prepared by ONS as part of the Balance of Payments statistical release. Figures are on net basis (investments minus disinvestments) and are given in nominal terms. Negative FDI values occur when disinvestments are greater than investments. Data are on an immediate destination/source basis and not an ultimate destination/source, which is likely to overstate financial centres such as the Netherlands and Luxembourg.

<sup>&</sup>lt;sup>29</sup> This factsheet contains data as reported by the UK and are subject to asymmetries e.g. UK outward FDI to Afghanistan (reported by the UK) may not match Afghanistan inward FDI from the UK (reported by Afghanistan). For consistency when comparing between partners, users are advised to use UK-reported data as far as possible.

# Economic statistics (as reported by Afghanistan)

# Trade and investment data for Afghanistan (UNCTAD)<sup>30 31 32</sup>

The following data are reported by Afghanistan and are for reference only. Whenever possible use data from UK sources for trade and investment. All data below are presented in \$USD in billions.

Year	2015	2016	2017	2018	2019	2020	2021	2022
TRADE	-	-			-	-		
Nominal exports	1.4	1.1	1.2	1.6	1.5	1.5	-	-
Nominal imports	8.5	7.3	8.0	8.0	7.4	7.0	-	-
Nominal trade balance	-7.0	-6.2	-6.8	-6.4	-5.9	-5.5	-	-
INVESTMENT								
Inward FDI stock	1.3	1.4	1.4	1.6	1.6	1.6	1.6	1.6
Outward FDI stock	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2

<sup>&</sup>lt;sup>30</sup> United Nations Conference on Trade and Development (UNCTAD) data sources for trade: Goods and Services (BPM6): Exports and imports of goods and services, annual; and for investment: Foreign direct investment: Inward and outward flows and stock, annual. <sup>31</sup> Estimates are given in italics. Historic data pre-2015 can be found on the <u>UNCTAD website</u>.

<sup>&</sup>lt;sup>32</sup> All trade data are on a Balance of Payments basis. The FDI data are on a directional and net (investment minus disinvestment) basis. These figures are given in current prices and are rounded to the nearest \$0.1 billion, with missing data represented by dashes.

## Economic data and projections for Afghanistan (IMF)<sup>33 34</sup>

The following table presents economic statistics for Afghanistan. Projections include assumptions of the effects of COVID-19 and may be subject to change in the future. Estimated data, as well as projections up to 2029, are presented in italics and are subject to revision.

**Note:** For Afghanistan the data below are not given in calendar years: In the below table, '2021' represents April 2020 to March 2021.

Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
TRADE GROWTH										
Change in exports (%)	0.5	-	-	-	-	-	-	-	-	-
Change in imports (%)	-3.6	-	-	-	-	-	-	-	-	-
CURRENT ACCOUNT										
Current account balance (% of GDP)	14.0	-	-	-	-	-	-	-	-	-
GDP										
Change in real GDP (%)	-2.4	-14.5	-6.2	-	-	-	-	-	-	-
GDP per capita (1,000 \$USD)	0.6	0.4	0.4	-	-	-	-	-	-	-
GDP PPP (Int'l \$billion)	80.8	72.3	72.5	-	-	-	-	-	-	-
INFLATION										
Inflation, year average (CPI %)	5.6	7.8	10.6	-	-	-	-	-	-	-
UNEMPLOYMENT										
Unemployment rate (% of total labour force)	-	-	-	-	-	-	-	-	-	-
POPULATION										
Population (million)	32.9	33.7	34.3	-	-	-	-	-	-	-
INVESTMENT- SAVINGS										
Total investment (% of GDP)	17.0	10.9	8.0	-	-	-	-	-	-	-
Gross national savings (% of GDP)	31.0	10.6	-13.6	-	-	-	-	-	-	-
BUDGET DEFICIT- DEBT										
General government net lending/borrowing (% of GDP)	-2.2	-0.5	-1.0	-	-	-	-	-	-	-
General government gross debt (% of GDP)	7.8	11.5	10.9	-	-	-	-	-	-	-

 <sup>&</sup>lt;sup>33</sup> International Monetary Fund (IMF) provide economic commentary in their <u>World Economic Outlook reports</u>. The latest data presented here can be found in the <u>World Economic Database</u>, <u>October 2023</u>.
 <sup>34</sup> Projections and estimates are given in italics. More information for each metric and each partner, as well as historic data pre-2020, can be

<sup>&</sup>lt;sup>34</sup> Projections and estimates are given in italics. More information for each metric and each partner, as well as historic data pre-2020, can be found on the <u>IMF website</u>.

# Top goods traded with the world by Afghanistan, in current prices (UN Comtrade)<sup>35 36</sup>

Data presented here show the top commodities traded with the world, not solely the UK, by Afghanistan. These data are based on a different commodity classification system to the ONS commodity data used earlier in this factsheet, and the two sections should therefore not be directly compared.

Rank	HS Commodity	\$USD million	% of total goods exported
1	08 - Edible fruit and nuts	387	44.5%
2	13 - Lac and other vegetable saps	115	13.2%
3	07 - Edible vegetables	81	9.3%
4	27 - Mineral fuels or oils, products of their distillation	70	8.0%
5	09 - Coffee, tea and spices	56	6.5%
6	12 - Oil seeds and oleaginous fruits	43	5.0%
7	52 - Cotton	28	3.2%
8	57 - Carpets and other textile floor coverings	25	2.9%
9	25 - Salt; sulfur; earths and stone	19	2.2%
10	10 - Cereals	9	1.0%
	All goods exported	870	100.0%

#### Top goods exported to the world by Afghanistan in 2019:

#### Top goods imported from the world by Afghanistan in 2019:

Rank	HS Commodity	\$USD billion	% of total goods imported
1	27 - Mineral fuels or oils, products of their distillation	1.9	22.7%
2	11 - Products of the milling industry	0.6	6.9%
3	15 - Animal or vegetable fats and oils	0.5	5.3%
4	85 - Electrical machinery and equipment	0.4	5.1%
5	68 - Articles of stone, plaster, cement, asbestos	0.4	4.6%
6	87 - Vehicles other than railway or tramway stock	0.4	4.5%
7	53 - Other vegetable textile fibers; paper yarn	0.4	4.2%
8	90 - Optical, photographic, cinematographic and medical equipment	0.4	4.2%
9	99 - Commodities not specified according to kind	0.3	3.6%
10	72 - Iron and steel	0.2	2.9%
	All goods imported	8.6	100.0%

<sup>&</sup>lt;sup>35</sup> United Nations (UN) Comtrade data are sourced from the online <u>UN Comtrade Database</u>. The data reported above are for 2019, but as the data upload to UN Comtrade is continuous, more timely data may be available from the source.

<sup>&</sup>lt;sup>36</sup> Data are classified using the <u>Harmonized System</u> and are given on a physical movement basis, with UK data comparable to HMRC data sources rather than the headline trade figures presented here from ONS.

# Top services traded with the world by Afghanistan, in current prices (ITC Trade Map)<sup>37 38 39</sup>

Data presented here shows the top service types traded to the world, not solely the UK, by Afghanistan.

#### Top services exported to the world by Afghanistan in 2020:

Rank	EBOPS Service Type	\$USD million	% of total services exported
1	Other business services	310	44.4%
2	Government goods and services n.i.e.	102	14.6%
3	Transport	87	12.4%
4	Construction	73	10.4%
5	Travel	65	9.2%
	All services exported	700	100.0%

#### Top services imported from the world by Afghanistan in 2020:

Rank	EBOPS Service Type	\$USD million	% of total services imported
1	Transport	926	83.8%
2	Government goods and services n.i.e.	63	5.7%
3	Other business services	30	2.7%
4	Travel	30	2.7%
5	Telecommunications, computer, and information services	24	2.1%
	All services imported	1105	100.0%

<sup>&</sup>lt;sup>37</sup> International Trade Centre (ITC) Trade Map data are sourced from the online <u>ITC Trade Map tool</u>. The data above are for 2020, but as the data upload to ITC is continuous, more timely data may be available from the source.

 <sup>&</sup>lt;sup>38</sup> Data are classified on the <u>EBOPS 2010</u> basis. 'Other business services' include: Research and development, professional and management consulting services, technical services and trade related services. A full description of all service types can be found on the <u>UN Statistics</u> <u>Division website</u>.
 <sup>39</sup> Estimates are shown in italics, where for some partners only estimates are available - These data have been included for information and

<sup>&</sup>lt;sup>39</sup> Estimates are shown in italics, where for some partners only estimates are available - These data have been included for information and should be treated with caution.

## **Background Notes**

This document is one of a wider set of factsheets between the UK and its individual trade and investment partners which can be found on the <u>Trade and Investment Factsheets website</u>. All of these factsheets are published as <u>Official Statistics</u> as defined by the <u>UK Statistics Authority</u>, and are compliant with the <u>Code of Practice for Statistics</u> where they meet user needs as well as promoting trustworthiness, quality and public value in Government statistics. The publication of these factsheets as Official Statistics was agreed by the Chief Statistician at the Department for Business and Trade, who monitors these factsheets to ensure they continue to adhere to the <u>Code of Practice for Statistics</u>. These factsheets have not been formally assessed by the <u>Office of Statistics Regulation</u> and are therefore not designated as <u>National Statistics</u>.

As a requisite of publishing as Official Statistics, a <u>quality and methodology report</u> has been produced which outlines the quality of these factsheets, as well as providing more information on the methodology of the data sources presented here. This report contains hyperlinks to information on the strengths and weaknesses for each data source. Statistics contained in the factsheets from UK data providers all come from Official Statistics publications, with some sources also being from National Statistics publications.

Future updates of these factsheets can be found on the <u>Government update schedule for Official</u> <u>Statistics</u>. These scheduled updates are in line with significant updates from UK data providers when they release new data. Unscheduled releases of the factsheets may also be necessary to accommodate data updates where little or no advanced notice are given, such as in the case of international data updates. Please see the data update schedule and revisions policy in the <u>quality and methodology report</u> for more information. Please note that there may be occasions where more recent data than is provided here can be found directly from the data providers.

The Department for Business and Trade welcome any feedback or comments on these factsheets, please send these to <u>statistics@businessandtrade.gov.uk</u>.



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