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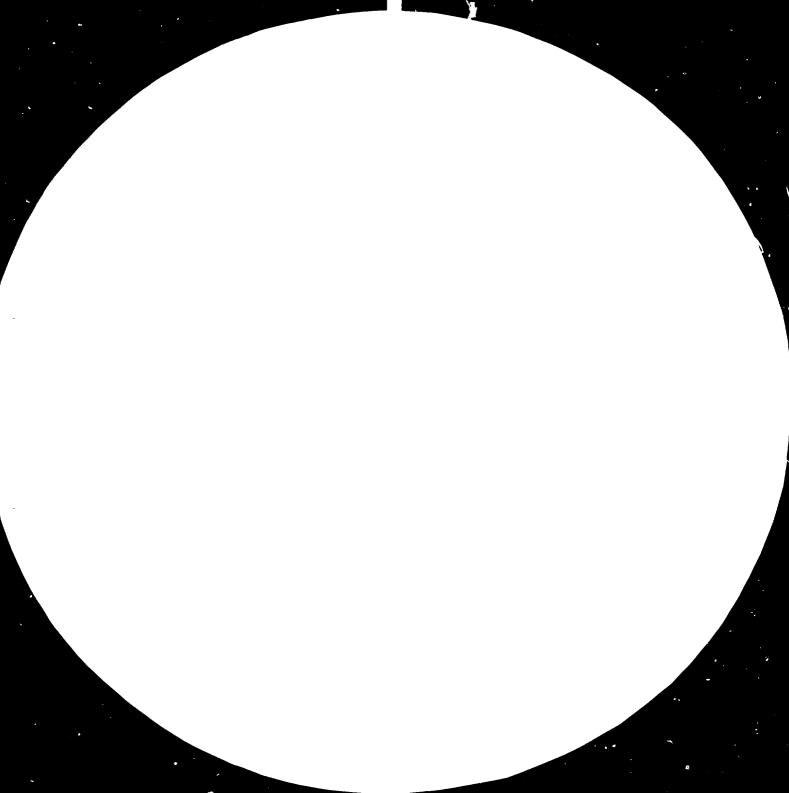
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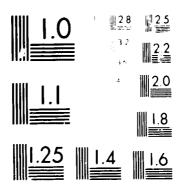
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INDUSTRIAL DEVELOPMENT IN AFGHANISTAN

COUNTRY BRIEF*/

Prepared by the
Regional and Country Studies Branch
Division for Industrial Studies

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PREFACE

The country brief of Afghanistan is a desk study based on documents, reports and stud es available at the UNIDO Headquarters. Some of the data presented are therefore not up-to-date.

The brief attempts to give the general picture of the country's economic development, and as far as possible, its industrial development.

The aim of the paper is not to reach any final conclusions or recommendations but rather to provide the readers with additional information to be used in activities relating to technical assistance industrial redeployment and investment promotion and co-operation.

It is envisaged that the brief will be modified over time as the internal statistical base is further refined and broadened, as the national information sources are developed further and as a feedback from the users will follow.

The views or comments contained in this document do not reflect those of the Government of Afghanistan nor do they officially commit the United Nations Industrial Development Organization to any particular course of action.

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EXPLANATORY NOTE

Totals in tables may not add precisely because of rounding. In tables, three dots (...) indicate that data are not available, and a dash (-), that they are not applicable

The national currency is Afghani (Af). In 1977/78 its parity against the US dollar was US \$1 = Af 47.64.

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I. ECONOMIC BACKGROUND

The Democratic Republic of Afghanistan is a landlocked country in central Asia. Its neighbours are the USSR to the north, Iran to the west, China to the north-east, and Pakistan to the east and south. Afghanistan's geography is characterized by rugged mountainous terrain, large desert areas and scattered and sometimes isolated habitable areas. According to the preliminary results of the census of 1979 the total population of Afghanistan is about at 15.6 million. The rural population constitutes 71 per cent and the nomad 16 per cent. Of the 13 per cent urban population about half live in Kabul. The GDP per capita in 1978/79 was estimated at about US \$155.

Comparisons with average data for the region of Developing Asia and the Pacific as a whole are being made in Table 1 for the year 1977, the latest year for which comprehensive data is available. Thus, as of 1977, the population of fighanistan was about 1.2 per cent of the total for the region of Developing Asia and the Pacific. Its GDP per capita was US \$140, which was about half of the average for the region. The country's GDP accounted for only 0.6 per cent of the total GDP in the region of Developing Asia and the Pacific as a whole. The labour force constituted some 50 3 per cent of the country's total population, as compared with 37 per cent of the regional average. The country's gross capital formation, as well as exports and imports were insignificant in comparison with the corresponding figures for the region. The sh 2 of exports in Afghanistan's GDP (15.74 per cent) is lower than the share of its imports (19.19 per cent), while for the region these ratios are roughly equal (25.82 and 25.18 per cent, respectively).

Growth rates of population (2.5 per cent) and labour force (2.09 per cent) in Afghanistan over the period 1970-1977 were very close to the average rates for region of Developing Asia and the Pacific as a whole (Table 2). However, the country's average annual growth in GDP (4.33 per cent) was well below the average of 6.16 per cent for the region. Gross fixed capital formation, exports and imports grew over the period at annual rates of 14.02, 17.43 and 19.09 per cent. These rates were much higher than the average for the region (10.49, 6.90 and 11.66 per cent respectively)

^{1/} Afghanistan, Country Presentation, UN Conference on LDCs, LDC/CP/1 $^{+}$ 981

Table 1. General economic indicators, Afghanistan and
Developing Acia and the Pacific. 1977

| Indicator | Unit | Afghanistan | Developing Asia and the Pacific <u>a</u> / | Afghanistan Developing Asia and the Pacific |
|------------------------------|-----------|-------------|--------------------------------------------|---------------------------------------------|
| Population | mn. | 14.3 | 1,191.83 | 1.2 |
| Labour force | an. | 7.2 | 439.80 | 1.6 |
| GDP | US \$ mm | 2,001.0 | 311,347.0 | 0.5 |
| Gross capital formation | US \$ mm | 249.0 | 77,394.0 | 0.3 |
| Export of goods and services | US \$ man | 315.0 | 83,722.0 | 0 4 |
| Import of goods and services | US \$ mm | 384.0 | 84,540.0 | 0.5 |
| GDP per capita | US \$ | 140.0 | 261.0 | 51 7 |
| Labour force/population | 2 | 50.30 | 36.90 | |
| Gross capital formation/GDP | Z | 12.44 | 24.22 | |
| Exports/GDP | Z | 15.74 | 25.82 | |
| Imports/GDP | Z | 19.19 | 25.18 | |

a/ Countries included in the aggregation: Afghanistan, Bangladesh, Burma, Fiji, Hong Kong, India, Indonesia. Iran, Korea Republic of. Malaysia, Pakistan, Philippines, Singapore, Sri Lanka, Thailand.

Table 2. Growth of population, labour force, GDP, capital formation and trad?,

Afghanistan and Developing Asia and the Pacific 1970-1977

(Average annual growth rates in per cent)

| | | Labour | | Gross fixed | Export of | Import of | |
|------------------------------------|------------|--------|------|----------------------|-----------------------|--------------------|--|
| | Population | force | GDP | capital formation | goods and services | goods and services | |
| Afghanistan | 2.5 | 2.09 | 4.33 | 14.02 | 17.43 | 19.09 | |
| Developing Asia and the Pacific | 2.6 | 2.14 | 6.16 | 10.49 | 6 90 | 11.66 | |

- a/ Growth rates for monetary values based on constant 1975 US dollars.
- b/ Countries included in the aggregation (see Table 1...

Table A1, A2 and A3 in the annex provide a detailed description of Afghanistan's GDP, value added by economic sector, shares of economic sector value added in GDP and growth rates of economic sectors over the period 1960-1977. On the one hand tables A1 and A2 reveal the steady growth of all econ ic sectors, and on the other, heavy dependence of the manufacturing sector upon agriculture. For example, in the period 1970-72, a prolonged drought followed by severe winter weather caused major declines in agricultural output and in the size of livestock herds. The decline in agricultural output produced a decline in industrial activity. In addition, Table A3 shows that the share of agriculture in GDP decreased from 77.6 per cent in 1960 to 57.7 per cent in 1977, and the shares of all other economic sectors over the period increased significantly, especially in case of mining and quarring (0.48 per cent in 1960 compared with 7.90 per cent in 1977).

II. THE MANUFACTURING SECTOR

I. Endowment for industrialization

Afghanistan is well-endowed with natural resources which include a wide range of minerals such as natural gas (with estimated reserves of over 100,000 million cubic metres), coal, iron ore, copper, lead, zinc, fluorite, magnesite, barite, lapis lazuli and wolfram. The Hajigak iron ore deposit which is located in the mountains west of Kabul has total proven, probable and perspective reserves of 1,770 million tons, and have a grade averaging 62.5 per cent ferrous content. Current oil deposits consist of two small fields in Kohi Angot and Agh Darya with officially estimated reserves of 2.5 million tons and 9.0 million tons respectively. Further oil exploration has been intensified in the north and north-west (where the current deposits are located) and in the south-east. A major problem hitherto is the lack of systematic exploitation plans based on economic and market studies and efforts are being made to overcome this difficulty. Thus, Afghanistan's endowment with potential wealth in the form of minerals, as well as large agricultural land and water resources not yet fully utilized, may be viewed as a challenge to spur development.

Electricity is available only in urbanized parts of the country. Production has grown at an average annual rate of 9.0 per cent since 1964/65. It is planned to increase internal sources of energy by setting up hydro- and thermal-electric power stations. Hydro-electricity constitutes 80 per cent of energy resources. Electricity production was 764 million kWh in 1977/78, and it is intended to increase output to 1,625 million kWh by 1982. At this juncture, it is necessary to ensure that transmission and distribution capacity keep pace with generation capacity.

The mountainous terrain of Afghanistan retards the development of transport facilities, but transport and communications have improved considerably in recent years. During the first four development plans (up to 1977), more than 80 per cent of investment in this sector was devoted to the construction of roads. In 1980, out of 17,000 km of roads in the country,

2,600 km were concrete and asphalted highways and 9,200 were all-weather type. The remaining 5,200 km were scarcely motorable. All-weather highways link Kabul with Kandahar and Herat in the south and west, Jalalabad in the east, and Mazar-i-Sharif in the north. Feeder roads to link agricultural and urban centres are still badly missed. There is no railway in Afghanistan and the erection of heavy industry in the country might be hampered by road transport costs in a medium range future. A feasibility study for the country's first railway, linking Kabul to Iran and Pakistan, was completed in 1977. The most convenient access to the sea lies through Pakistan, or alternatively on the road and rail container route through the USSR.

2. Location of industry

One of the objectives of the Government concerning the development of instrial sector from a geographical point of view consists in the modification of the present pattern of concentration of industry in two or three provinces and in their future geographical dispersion. Thus, the goal of a balanced industrialization of the country and that of a balanced employment of labour could be attained. In order to be consistent with this fundamental objective it was decided to establish so-called industrial parks in 1976 in the provinces of Kandahar and Balkh.

The main idea of these parks is to concentrate small industrial units in one area, which could collectively make use of water, electricity, transportation and communication services, and workshop facilities. The collective use of these facilities decreases the cost of products and plays a considerable role in the encouragement of industrial centres.

3. Ownership pattern

The bulk of the country's productive activities in the industry and mining sectors are concentrated in the public sector and its role is to expand in coming years. In 1975 three-quarters of total investment in manufacturing, mining and power generation was made in 36 wholly-owned and 10 partly-owned

public sector enterprises, which provide employment for about 30,000 workers. Most of these enterprises are, however, lacking in efficiency, provide negligible rates of return on past capital investments and make very small contribution to the balance of payments. Data are not available to provide any quantification even in broad terms for unutilized and under-utilized capacities. The Government is aware of the shortcomings of public enterprises and intends to take some measures in order to eliminate the structural constraints on their improved performance.

Some diversification of the industrial sector came about with the establishment of a number of small-scale private plants under the Foreign and Domestic Private Investment Law of 1967. In 1974 the Government modified the Law, since it intended to further encourage the development of the private sector by using appropriate methods and by applying national economic procedures so that private investment would become more attractive. The uncertainties following on the changes of Government in the mid- and late 1970's, however, adversely affected private investment. Within the private sector there is only limited foreign participation. New laws and regulations are presently being worked out by the Government on the terms and conditions of foreign investment participation.

The contribution of small scale and cottage industry and handicrafts for which statistical information is lacking, is substantial and in fact greater than the modern manufacturing sector.

4. Main constraints on industrial development

The main constraints on industrial development in Afghanistan are those of a developing country whose economy is still mainly based on agriculture. In the case of Afghanistan, supplementary difficulties arise fro its landlocked situation.

Growth in the industrial sector has been limited due to various causes. First, the small-scale of the domestic market, which limits the opportunity for widespread manufacturing activity. Second, the performance of the industrial sector is dependent almost entirely upon the performance of the

rural sector. The rural sector produces the raw materials (in particular wheat, cotton, sugar and fruit) for processing for domestic and foreign markets, and increases in rural income in turn create the demand for fertilizers and other agricultural inputs, and for manufactured consumer goods. Third, the high transportation cost increases the cost of both the necessary imported raw materials and capital goods and of the exports.

Fourth, the level of skills, whether at the managerial or operational level, is not high amough. Fifth, most industrial enterprises bear evidence of low productivity and failure to utilize resources and to expand employment. Sixth, administrative procedures concerning industry are rather unprecise and slow. Between several ministries involved there is often a lack of co-ordination, on affairs of common interest. Finally, basic information and statistical data are often non-existent or of very poor quality. This reduces the knowledge of the present market, and makes it difficult to get any reasonable, certain appraisal of the prospective market.

5. Industrial objectives and strategy

Development planning has formally existed in Afghanistan since the mid-fifties. The country has so far completed three five-year plans (from 1957/58 to 1961/1962 for the first, 1962/63-1966/67 for the second, and 1967/68-1971/72 for the third). These plans were essentially lists of projects and did not attempt to plan the economy as a whole. The draft Fourth Plan (1972/73-1976/77) had not been approved by the parliament when the change of Government took place in July 1973. Planning was thereafter for some years on an annual basis. In 1978, a new five-year plan for 1979/80-1983/84 was elaborated and is now under implementation.

Under the First Plan the total public and private investments accounted for Afs. 10.35 billion (Table 3). The plan set the pattern by putting great emphasis on transport and communications (53.9 per cent of total expenditures), particularly road building. In addition, 32 industrial projects were due to begin, though not all were started.

Table 3. Sectoral distribution of public investment (values in Afs. billion, shares in per cent)

| | 1957/58 | Plan -1961/62 s/share | 1962/63 | d Plan -1966/67 /Share | 1967/68 | Plan -1971/72 /Share | Fourth Planb/ 1972/73-1976/77 Value/Share | | |
|------------------------------------|----------|-----------------------------|---------|------------------------------|---------|----------------------------|-------------------------------------------------|-------|--|
| Agriculture and irrigation | 1.20 | 12.8 | 4.40 | 17.8 | 6.63 | 34.9 | 10.81 | 40.2 | |
| Mines, indus- try and energy | 2.60 | 27.8 | 8.40 | 34.1 | 5.85 | 30.8 | 9.80 | 36.5 | |
| Transport and communica- tions | I 5.ℓ | 53.9 | 9.60 | 38.9 | 3.38 | 17.8 | 2.89 | 10.8 | |
| Social ser- vices and other | 0.51 | 5.5 | 2.25 | 8.2 | 3.16 | 16.6 | 3.37 | 12.5 | |
| Total | 9.35 | 100.0 | 24.65 | 100.0 | 19.02 | 100.0 | 26.87 | 100.0 | |

Source: Current Economic Position and Prospects of Afghanistan, 1975.

In the Second Plan period, the development expenditures increased to about Afs. 25 billion. The share of public investment in agriculture and irrigation, and mines, industry and energy increased from 12.8 per cent and 27.8 per cent in the First Plan to 17.8 per cent and 34.1 per cent, respectively in the Second Plan, while the share of expenditures on transport and communications decreased markedly from 53.9 per cent to 38.9 per cent. The Second Plan also attempted to expand the role of the public sector because private industry was not big enough to undertake developments in power, gas, supply and making of cement, chemicals and other important capital intensive industries. One problem which was not properly examined beforehand was where to find competent operators and managers to run the plants.

a/ Private investment is estimated at 1.00 billion Afs. in the First Plan, 0.36 billion Afs. in the Second Plan and 1.7 billion Afs. in the Third Plan.

b/ Proposed. The figures for the First, Second and Third Plan are actuals.

In the Third Plan the total investments declined to Afs. 20.7 billion (both public and private), the reason being the lack of major new projects and a decline in availability of external financing. At the start of the Third Plan, the Government reviewed the achievements and the lessons of the first two plans and emphasized the need to turn to more quickly yielding projects. In pursuance of that policy, the priority was given to the agricultural sector which received almost 35 per cent of total investment in comparision with 17.8 per cent in the Second Plan. The share of allocations to transport and communications decreased by more than twofold from 38.9 per cent in the second plan to 17.8 per cent in the Third Plan.

The draft Fourth Plan evidenced further increase in investment allocated to the agricultural sector (record level of 40.2 per cent) and to mines, industry and energy (36.5 per cent compared to 30.8 per cent in the Third an). The share of expenditures on transport and communications again decreased to 10.8 per cent.

In 1977, a year behind schedule, the 1976/77-1982/83 seven-year development plan was published. However, after the change of Government in April 1978, the new Government decided that it would replace the seven-year programme with a five-year plan to run from 1979 and which was to embody more central control of the economy and a higher allocation of expenditure to industry. The Fifth Five-Year Plan, 1979/80-1983/84 thus proposes an allocation of about 52 per cent of total investment to industry, mining and ·iod energy in order to raise industrial output by some 65 per cent over (Table 4). The plan envisages the comprehensive development of b and light industry based on the effective utilization of natural resources. It comprises some 25 major projects, including the development of textile factories, as well as plants for processing hides, cotton and edible oil. Although exploitation of most Afghanistan mineral deposits is still deemed to be too expensive, a project to open up major copper reserves is included in the plan. Some 25 per cent of total investment is earmarked for agriculture irrigation and forestry, 8.5 per cent for transport and communications, and 15.0 per cent for social services. The Government intends to increase Afghanistan national income by 29 per cent over the five-year period, while public sector capital investment will be two and one-half times greater than in the preceding five years.

in the Fifth Plan (1979/80-1983/84)

(values in Afs. billion, shares in per cent)

| | <u>Value</u> | Share |
|-------------------------------------|--------------|-------|
| Agrculture, irrigation and forestry | 23.3- 26.3 | 24.6 |
| Industry, mining and energy | 50.2- 54.5 | 51.9 |
| Transport and communications | 8.0- 15.5 | 8.5 |
| Social services | 14.8- 15.3 | 15.0 |
| Total | 96.3-105.3 | 100.0 |

Source: Afghanistan, Country Presentation, UN Conference on the LDCs, on the LDCs, LDC/CP/I, 1981.

The industrial objectives of the Government relating to the industrial and mining sectors include the following important features: to raise the productivity of industrial enterprises in the public sector; to assist those public enterpises that are not operating satisfactorily; to give priority to projects for which the raw material basis already exists or is likely to be available in the nearest future (minerals, agricultural products, industrial by-products, etc.); to provide a comprehensive inventory of Afghanistan's mineral resources. Volumes of industrial production by branches and industrial production targets for the Fifth Plan are given in Tables A4 and A5 in the Annex.

6. Development of the manufacturing sector in the 1970s

The industrial and mining sector of Afghanistan is quite small and is based on the processing of domestically produced raw materials. In 1979, industry accounted for only 12.1 per cent of GDP. Among the larger producing units are several cotton, rayon and, woollen textile mills and sugar and cement plants. But the greater part of industrial output originates from the small-scale handicraft and village industries. They perform extremely important functions in the development of the industrial sector, as they diffuse industry away from urban areas into a rural environment. On the one hand, handicrafts satisfy domestic requirements and on the other hand play an important role in the exports of the country.

The major industrial commodities are cotton and rayon textiles, the production of which in 1977/78 totalled 77,000 tons and 29.7 million metres, respectively (Table 5); an increase since 1970/71 by 2.6 times for the former and by 3.6 times for the latter. Major outputs were also registered in the case of coal, natural gas, cement. salt and chemical fertilizers (urea). However, production of coal has not shown any significant increase in the 1970s, and there was a zero growth in the natural gas output. On the other hand chemical fertilizers, produced from natural gas at Mazar-i-Sharif, recorded an output rising from 18,700 tons in 1974/75 to 99,600 tons in 1977/78. Cement production increased from 90,300 tons in 1970/71 to 150,000 tons in 1977/78. Fluctuations in the output are caused by changes in construction activity. Production of electricity over the period has almost doubled.

The largest shares in gross manufacturing output were accounted for by textiles and food products. However, the share of textiles decreased between 1974 and 1978 from 56.1 per cent to 40.5 per cent while the share of food products slightly increased from 25.5 per cent to 27.4 per cent (Table 6). Considerable and stable growth over the period was recorded in wood products output (from 0.6 per cent to 2.0 per cent) and in printing and publishing (from 0.2 per cent to 8.2 per cent). Gross output in other branches have not shown any major increase and in the case of pottery, china and earthenware it declined from 3.2 per cent in 1974 to 2.9 per cent in 1978.

^{1/} Afghanistan, Country Presentation, UN Conference on the LDCs, LDC/CP/I, 1981.

Table 5. Industrial production, 1970/71-1976/77
(Quantity in units as indicated)

| | 1970/71 | 1971/72 | 1972/73 | 1973/74 | 1974/75 | 1975/76 | 1976/77 | 1977/78 |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Coal ('000 tons) | 164.4 | 135.0 | 70.9 | 116.5 | 115.0 | 149.7 | 159.9 | 172.0 |
| Natural gas (mn cu.m) | 2,583.0 | 2,635.0 | 2,849.4 | 2,735.0 | 2,940.0 | 2,959.2 | 2,546.0 | 2,584.0 |
| Salt ('000 tons) | 39.0 | 40.0 | 31.0 | 42.0 | 51.0 | 62.0 | 72.7 | 78.0 |
| Fertilizer (urea)('000 cu.m) | • • • | • • • | ••• | - | 18.7 | 63.0 | 75.0 | 99.6 |
| Marble ('000 tons) | 4.6 | 11.0 | 8.2 | 13.8 | • • • | 4.3 | 7.8 | • • • |
| Flour ('000 tons) | 51.2 | 92.3 | 63.0 | 48.0 | 53.4 | 56.6 | 57.9 | 59.9 |
| Sugar ('000 tons) | 8.6 | 8.5 | 7.1 | 7.4 | 8.9 | 13.6 | 11.1 | 11.2 |
| Bakery products (1000 tons) | 16.5 | 16.7 | 16.2 | 17.0 | • • • | 17.6 | 17.5 | • • • |
| Ginned cotton ('000 tons) | 29.2 | 16.8 | 15.2 | 25.0 | 47.5 | 60.4 | 73.7 | 77.0 |
| Rayon textiles (mn m) | 8.3 | 10.5 | 14.8 | 16.0 | 29.5 | 34.7 | 27.9 | 29.7 |
| Woollem textiles ('000 m) | 500.0 | 280.0 | 270.0 | 130.0 | 110.0 | 445.8 | 441.0 | 347.4 |
| Footwear ('000 pairs) | 199.0 | 216.2 | 215.9 | 199.0 | • • • | 245.9 | 236.6 | ••• |
| Soap (mn pieces) | 6.4 | 4.0 | 4.7 | 3.1 | 4.0 | 2.7 | 2.9 | |
| Cement ('000 tons) | 90.3 | 73.0 | 90.6 | 135.0 | 146.0 | 147.0 | 125.0 | 150.0 |
| Electricity (mn KWh) | 395.0 | 422.6 | 486.9 | 404.0 | 484.4 | 705.0 | 695.6 | 763.8 |

Sources: Afghanistan: Economic memorandum, 1976.

Quarterly Economic Review of Afghanistan, various issues,

The Far East and Australasia, 1980-81.

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Table 6. Gross output in the manufacturing sector, total and sectoral shares, Afghanistan, 1974-1978 (values in Afs. thousand, shares in per cent)

| Branch | 1974 Value/St | are | 1976 Value/Si | are | 1977 Value/81 | nare | 1978 Value/Share | | |
|----------------------------------------------|------------------|-------|------------------|-------|------------------|-------|---------------------|-------|--|
| Food products | 1,599,500 | 25.5 | 1,134,300 | 14.0 | 3,560,200 | 37.6 | 2,397,400 | 27.4 | |
| Tobacco | 0 | 0,0 | 0 | 0.0 | 0 | 0.0 | 0 | u.0 | |
| Textiles | 3,522,900 | 56.1 | 4,639,100 | 57.2 | 3,214,800 | 34.0 | 3,538,500 | 40.5 | |
| Leather and leather products | 109,300 | 1.7 | 299,700 | 3.7 | 258,900 | 2.7 | 330,100 | 3.9 | |
| Footwear | 237,900 | 3.8 | 181,100 | 2.2 | 211,800 | 2.2 | 175,700 | 2.0 | |
| Wood products | 40,200 | 0.6 | 117,200 | 1.4 | 112,600 | 1.2 | 176,800 | 2.0 | |
| Paper and paper products | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Printing and publishing | 55,200 | 0.9 | 162,300 | 2.0 | 238,200 | 2.5 | 309,700 | 3.5 | |
| Industrial chemicals | 12,700 | 0.2 | 638,100 | 7.9 | 561,900 | 5.9 | 720,700 | 8.2 | |
| Other chemical products | 184,200 | 2.9 | 284,600 | 3.5 | 381,300 | 4.0 | 339,500 | 3.9 | |
| Petroleum refineries | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Miscellaneous products of petroleum and coal | 7,500 | 0.1 | 19,1100 | 0.2 | 16,600 | 0.2 | 16,900 | 0.2 | |
| Rubber products | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Plastic products | 162,100 | 2.6 | 234,700 | 5.9 | 211,300 | 2.2 | 237,700 | 2.7 | |
| Pottery, china and earthenware | 202,000 | 3.2 | 203,900 | 2.5 | 224,600 | 2.4 | 252,000 | 2.9 | |
| Iron and steel | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Non-ferrous metals | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | O | 0.0 | |
| Metal products, except machinery | 149,500 | 2.4 | 201,300 | 2.5 | 468,000 | 4.9 | 245,000 | 2.8 | |
| Professional and scientific equipment | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | o | 0.0 | |
| Other manufacturing industries | 0 | 0,0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Total | 6,283,000 | 100.0 | 8,115,700 | 100.0 | 9,460,200 | 100.0 | 8,740,000 | 100.0 | |

The total number of manufacturing establishments rose from 136 in 1973 to 194 in 1978 (Table 7) and reveals the same trend as in the gross manufacturing output, i.e. increase of manufacturing establishments in food products (25.0 per cent in 1973 and 37.1 per cent in 1978) and decline in textiles (from 28.7 per cent in 1973 to 19.6 per cent in 1978). The rest of more important manufacturing establishments in 1978 included printing and publishing (12.4 per cent), plastic products (9.3 per cent), and metal products, except machinery (8.2 per cent).

Over the period 1973-1978 industrial employment rose from 22,743 to 38.238 (Table 8). The share of food products industry has almost doubled and leached 22.9 per cent in 1978. The share of textiles industry dropped from 62.4 per cent in 1973 to 2.2 per cent in 1978. The shares of manufacturing employment in most other sectors throughout the period remained practically unchanged, with the exception of industrial chemicals - a decline from 10.8 per cent in 1974 to 3.0 per cent in 1978 - and metal products, where the share dropped from 6.1 per cent in 1973 to 4.2 per cent in 1978.

Table 9 shows changes in sectoral shares of wages and salaries of employees in the manufacturing sector over the period 1974-1978. The food products sector accounted for 20.7 per cent of manufacturing wages and salaries in 1978 as compared to 13.2 per cent in 1974. The share of textiles sector in 1978 stagnated at the level of 47.5 per cent, having reached a peak of 50.5 per cent in 1976. The industrial chemicals sector, which accounted for 19.9 per cent of manufacturing wages and salaries in 1974, accounted for only 6.1 per cent in 1978. The shares of other sectors did not change significantly.

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Table.7. Number of manufacturing establishments, total and sectoral shares, Afghanistan, 1973-1978 (anmber in units, sectoral shares in per cent)

| Branch | 1973 Value/Share | | | 1974 Value/Share | | 1975 Value/Share | | 1976 Value/Share | | 1977 Value/Share | | 1978 Value/Share | |
|----------------------------------------------|---------------------|-------|-----|---------------------|----------------|---------------------|----------|---------------------|-----|---------------------|-----|---------------------|--|
| Food products | 34 | 25.0 | 36 | 25.5 | 38 | 24,4 | 56 | 32.4 | 67 | 36.0 | 72 | 37.1 | |
| Tobacco | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Textiles | 39 | 28.7 | 35 | 24.8 | 41 | 26.3 | 42 | 24.3 | 41 | 22.0 | 38 | 19.6 | |
| Leather and leather products | 6 | 4.4 | 7 | 5.0 | 9 | 5.8 | 9 | 5.2 | 8 | 4.3 | 8 | 4.1 | |
| Footwear | 3 | 2.2 | 3 | 2,1 | 3 | 1.9 | 2 | 1.2 | 2 | 1.1 | 2 | 1.0 | |
| Wood products | 2 | 1.5 | 3 | 2.1 | l ₄ | 2.6 | 4 | 2.3 | 4 | 2.2 | 6 | 3.1 | |
| Paper and paper products | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Printing and publishing | 19 | 14.0 | 19 | 13.5 | 22 | 14.1 | 22 | 12.7 | 23 | 12.4 | 24 | 12.4 | |
| Industrial chemicals | 0 | 0.0 | 1 | 0.7 | 1 | 0.6 | 1 | 0.6 | 1 | 0.5 | 1 | 0.5 | |
| Other chemical products | ц | 2.9 | ų | 2,8 | 4 | 2.6 | l | 2.3 | 4 | 2.2 | 2 | 1.0 | |
| Petroleum refineries | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Miscellaneous products of petroleum and coal | 1 | 0.7 | 1 | 0.7 | 1 | 0.6 | 1 | 0.6 | 1 | 0.5 | 1 | 0.5 | |
| Rubber products | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Plastic products | 10 | 7.4 | 11 | 7.8 | 12 | 7.7 | 13 | 7.5 | 14 | 7.5 | 18 | 9.3 | |
| Pottery, china and earthenware | 6 | 4,4 | 6 | 4.3 | 7 | 4.5 | 5 | 2.9 | 6 | 3.2 | 6 | 3.1 | |
| Iron and steel | 0 | 0,0 | 0 | 0,0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Non-ferrous metals | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0,0 | |
| Metal products except machinery | 12 | 8,8 | 15 | 10,6 | 14 | 9.0 | 14 | 8.1 | 15 | 8.1 | 16 | 8.2 | |
| Professional and scientific equipment | 0 | 0.0 | 0 | 0,0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Other manufacturing industries | 0 | 0,0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Total | 136 | 100.0 | 141 | 100.0 | 156 | 100.0 | 173 | 100.0 | 186 | 100.0 | 194 | 100.0 | |

Table 8. Average number of employees in the manufacturing sector, total and sectoral shares, Afghanistan, 1973-1978 (number in units, shares in per cent)

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| Branch | 1973 Value/Share | | | 1974 Value/Share | | 1975 Value/Share | | 6 Share | 1977 Value/Share | | 1978 Value/8 | |
|----------------------------------------------|---------------------|-------|--------|---------------------|--------|---------------------|--------|------------|---------------------|-------|-----------------|-------|
| Food products | 2,692 | 11.8 | 2,916 | 10.4 | 2,919 | 8.7 | 2,909 | 9.4 | 6,867 | 19.5 | 8,761 | 22.9 |
| Tobacco | 0 | 0,0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Textiles | 14,184 | 62.4 | 16,172 | 57.5 | 19,386 | 57.9 | 20,585 | 59.6 | 18,384 | 52.2 | 19,968 | 52.2 |
| Leather and leather products | 229 | 1,0 | 205 | 0.7 | 326 | 1.0 | 287 | 0.8 | 303 | 0.9 | 365 | 1.0 |
| Footwear | 496 | 2,2 | 515 | 1.8 | 548 | 1.6 | 553 | 1.6 | 617 | 1.8 | 627 | 1.6 |
| food products | 551 | 2,4 | 602 | 2.1 | 799 | 2.4 | 825 | 2.4 | 701 | 2.0 | 974 | 2.5 |
| Paper and paper products | Э | 0,0 | 0 | 0.0 | G | 0.0 | 0 | 0.0 | 0 | 0,0 | 0 | 0.0 |
| Printing and publishing | 1,287 | 5.7 | 1,326 | 4.7 | 1,447 | 4.3 | 1,465 | 4.2 | 1,747 | 5.0 | 1,772 | 4.6 |
| Industrial chemicals | 0 | 0.0 | 3,026 | 10.8 | 3,705 | 11.1 | 4,108 | 11.9 | 2,622 | 7.4 | 1,135 | 3.0 |
| Other chemical products | 259 | 1.1 | 255 | 0.9 | 341 | 1.0 | 369 | 1.1 | 377 | 1.1 | 341 | 0.9 |
| Petroleum refineries | 0 | 0,0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| discellaneous products of petroleum and coal | 109 | 0.5 | 91 | 0.3 | 91 | 0.3 | 92 | 0.3 | 137 | 0.4 | 138 | 0.4 |
| Rubber products | 0 | 0.0 | 0 | 0,0 | 0 | 0.0 | . 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Plastic products | 360 | 1.6 | 426 | 1.5 | 829 | 2.5 | 583 | 1.7 | 623 | 1,8 | 690 | 1.8 |
| Pottery, china and earthenware | 1,186 | 5.2 | 1,144 | 4.1 | 1,555 | 4.6 | 1,243 | 3.6 | 1,325 | 3.8 | 1,858 | 4.9 |
| Iron and steel | . 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Non-ferrous metals | 0 | 0.0 | 0 | 0.0 | C | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| detal products, except machinery | 1,390 | 6.1 | 1,442 | 5.1 | 1,522 | 4.5 | 1,492 | 4.3 | 1,539 | 4.4 | 1,609 | 4.2 |
| rofessional and scientific equipment | o | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | o | 0.0 |
| Other manufacturing industries | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 22,743 | 100.0 | 28,120 | 100.0 | 33,468 | 100.0 | 34,511 | 100.0 | 35,242 | 100.0 | 38,238 | 100.0 |

Table 9. Wages and salaries of employees in the manufacturing sector, total and sectoral shares,

Afghanistan, 1974-1978

(values in Afs. thousand, shares in per cent)

| Branch | 197 Val ue, | | 1975 Value/Share | | 1976 Value/Share | | 1977 Value/Share | | 1978 Value/Share | |
|----------------------------------------------|-----------------------|-------|---------------------|-------|---------------------|-------|-------------------------|-------|---------------------|-------|
| Food products | 94,000 | 13.2 | 95,000 | 13.8 | 72,900 | 9.3 | 171,400 | 20.7 | 202,500 | 20.7 |
| Tobacco | 0 | 0.0 | 0 | 0.0 | 0 | 0,0 | 0 | 0.0 | 0 | 0.0 |
| Textiles | 336,600 | 47.1 | 387,800 | 56.5 | 474,800 | 60.5 | 409,200 | 49.4 | 464,400 | 47.5 |
| Leather and leather products | 4,700 | 0.7 | 7,700 | 1.1 | 7,100 | 0.9 | 6,400 | 0.8 | 11,900 | 1.2 |
| Footwear | 12,200 | 1.7 | 13,200 | 1.9 | 14,400 | 1.8 | 15,200 | 1.8 | 21,200 | 2.2 |
| Wood products | 10,400 | 1.5 | 14,000 | 2.0 | 17,000 | 2,2 | 18,700 | 2.3 | 21,900 | 2.2 |
| Paper and paper products | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Printing and publishing | 25,400 | 3.6 | 27,200 | 4.0 | 34,000 | 4.3 | 40,900 | 4.9 | 52,100 | 5.3 |
| Industrial chemicals | 142,100 | 19.6 | 56,600 | 8.2 | 63,400 | 8.1 | 55,200 | 6.7 | 60,100 | 6.1 |
| Other chemical products | 13,300 | 1.9 | 17,100 | 2.5 | 23,000 | 2.9 | 23,800 | 2.9 | 27,300 | 2,8 |
| Petroleum refineries | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Niscellaneous products of petroleum and coal | 1,300 | 0.2 | 1,300 | 0.2 | 1,600 | 0,2 | 2,000 | 0.2 | 2,100 | 0.2 |
| Rubber products | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Plastic products | 8,700 | 1.2 | 10,000 | 1.5 | 11,100 | 1.4 | 12,600 | 1.5 | 19,100 | 2.0 |
| Pottery, china and earthenware | 25,300 | 3.5 | 25,600 | 3.7 | 29,100 | 3.7 | 33,300 | 4.0 | 50,800 | 5.2 |
| Iron and steel | 0 | 0,0 | 0 | 0.0 | 0 | 0,0 | 0 | 0.0 | 0 | 0.0 |
| Non-ferrous metals | 0 | 1.2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Metal products, excep machinery | 40,800 | 5.7 | 31,000 | 4.5 | 36,200 | 4.6 | 39 , 90 0 | 4.8 | 44.900 | 4.6 |
| Professional and scientific equipment | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Other manufacturing industries | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | . 0 | 0.0 | 0 | 0.0 |
| Total | 715,200 | 100.0 | 686,500 | 100.0 | 784,600 | 100.0 | 828,600 | 100.0 | 978,300 | 100.0 |

III. EXTERNAL TRADE

Foreign trade constitutes ar important element of economic activity in Afghanistan. In general, traditional exports have not expanded considerably and commercial imports have increased rapidly during the last decade. Consequently, the trade deficit grew from Afs. 1,7 million in 1970/71 to Afs. 20,6 million in 1978/79 (Table 10).

The main export items are fresh fruit and vegetables to India, natural gas to the USSR, karakul to the fur markets of Europe, and carpets and rugs, raw cotton, hides and skins, and dried fruits which are just beginning to make inroads into the developed country markets. In 1979/80, fresh and dried fruits accounted for 41 per cent, and natural gas 21 per cent of total exports (Table 11). Export of natural gas decreased in volume but increased more than twofold in value due to the sharp increase in oil prices. On the whole, the country's exports increased over the period by 120 per cent.

Imports include food, machinery, petroleum, pharmaceuticals, automobiles and vehicles and other consumer goods. In the last year under review, food products, including animal and vegetable oils accounted for 19.5 per cent, petroleum products for 15.3 per cent and manufacturing for 15.2 per cent of the total imports (Table 12).

Being a landlocked country Afghanistan is dependent on transit right through neighbouring countries. Much of foreign trade was conducted through Pakistan, by truck to or from Peshawar and from there by rail to Karachi. However, use of the Karachi route has declined substantially in recent years as a result of frequent port congestion and long delays in shipment, and since 1979 this route has not been used completely. Of increasing importance are the overland routes through Turkey and Iran and by rail via the USSR.

The pattern of supply is in general stable, with the USSR the country's main supplier accounting for nearly half of the total value of all imports (Table 13). The main imports from the USSR have been industrial machinery and equipment, petroleum products, cement, ferrous metals, building materials and consumer goods.

Table 10. External trade, Afghanistan, 1970/71-1978/79 (million afghanis, year ending 20 March)

| | 1970/71 | 1971/72 | 1972/73 | 1973./74 | 1974/75 | 1975,/76 | 1976 /77 | 1977/78 | 1978/79 |
|------------------|---------|---------|---------|----------|------------------|----------|----------|---------|---------|
| Imports (c.i.f.) | 9,4 | 13,3 | 13,0 | 15,8 | 22,7 | 28, 3 | 29, 3 | 37, 3 | 40,4 |
| Exports (f.o.b.) | 7,7 | 9,0 | 10,6 | 7,5 | 12,9 | 13,0 | 16,7 | 18,4 | 19,8 |
| Balance | -1,7 | -4,3 | -2,4 | -8, 3 | -9 ,8 | -15,3 | -12,6 | -18,9 | -20,6 |

Sources: World Tables; The Second Edition (1980) from the data files at the World Bank. The Far East and Australasia, 1980-81.

Afghanistan, Country Presentation, UN Conference on the LDCs, LDC/CP/1.

Table 11. Export trade structure, quantity and value,

Afghanistan, 1975/76-1979/80)

(values in thousand US dollars)

| | | 1975/76 | 1976/77 | 1977/78 | 1978/79 | 1979/80 |
|--------------------------------|--------|------------------|------------------|------------------|------------------|------------------|
| Casings sunsage | V | 1,314 | 1,762 | 2,317 | 4,483 | 4,274 |
| ('000 coils) | Q | | 2,322 | 1,584 | 2,228 | 2,154 |
| Fresh fruits (metric ton) | ₹ | 23,195 | 23,204 | 21,429 | 24,919 | 31,136 |
| | Q | 127,726 | 116,547 | 89,977 | 88,918 | 79,906 |
| Dry fruits (metric ton) | ą | 47,261 | 68,126 | 84,223 | 99,775 | 172,762 |
| | Q | 54,686 | 69,608 | 79,676 | 85,182 | .92,950 |
| Hides and skins | ₹ | 11,344 | 12,533 | 14,996 | 14,028 | 15,428 |
| ('000 pelts) | Q | 3,242 | 3,215 | 3 , 062 | 3,512 | 3,968 |
| Karakul skin | ₹ | 10,351 | 20,804 | 18,744 | 19,629 | 24,916 |
| ('000 pelts) | Q | 838 | 1,057 | 968 | 1,258 | 1,060 |
| Fur skins | Ç. | 404 | 65 | 18 | 69 | - |
| ('000 pelts) | | 587 | 3 | 0.5 | 7 | - |
| Oil seeds (metric ton) | V | 8,251 | 11,379 | 2,948 | 3,748 | 2,936 |
| | Q | 15,837 | 19,313 | 5,596 | 8,220 | 2,747 |
| Vegetable fresh (metric ton) | V Q | 536 1,879 | 101 503 | 58 380 | 63 271 | - |
| Wool and hairs (metric ton) | ₹ Q | 5,628 | 5,022 | 3,504 | 4,213 | 4,963 |
| Cotton, raw (metric ton) | ð | 31,558 32,533 | 60,706 49,118 | 53,146 34,150 | 36,680 27,277 | 36,770 21,011 |
| Medicinal herbs (metric ton) | ٧ | 10,436 | 10,928 | 16,219 | 8,793 | 6,003 |
| | Q | 16,815 | 23,858 | 32,321 | 16,728 | 9,112 |
| Natural gas | ð | 45,432 | 39,540 | 39,343 | 53,018 | 102,857 |
| ('000 cu.meter) | A | 2,816 | 2,415 | 2,404 | 2,141 | 2,182 |
| Carpet and rugs | ୯ | 16,738 | 23,499 | 37,790 | 39,212 | 62,776 |
| ('000 sq.meter) | ସ୍ | 436 | 695 | 893 | 612 | 798 |
| Fur coats ('000 number) | V | 390 | 410 | 543 | 303 | 225 |
| | Q | 38 | 36 | 28 | 25 | 28 |
| Others | V | 8,263 | 18,548 | 17,388 | 9,914 | 21,293 |
| Total | | 223,363 | 298,817 | 314,366 | 321,773 | 493,690 |

Source: Afghanistan, Country Presentation, UN Conference on the LDCs, LDC/CP/1.

Table 12. Import trade structure, Afghanistan, 1975/76-1979/80 (thousand US dollars)

| | 1975/76 | <u>-976/77</u> | 1977/78 | 1978/79 | 1979/80 |
|---------------------------|---------|---------------------------------------|---------|---------|---------|
| Commercial | | · · · · · · · · · · · · · · · · · · · | | | |
| Food products | 77,362 | 49,526 | 60,328 | 70,591 | 58,087 |
| Tobacco mgs. | 1,923 | 2,122 | 3,544 | 4,103 | 5,067 |
| Petroleum products | 27,060 | 35,623 | 39,746 | 46,983 | 65,186 |
| Used cloths | 4,084 | 3,767 | 4,630 | 3,996 | 2,293 |
| Animal and vegetable oils | 7,953 | | 8,272 | 15,787 | 24,905 |
| Chemical products | 10,390 | 14,777 | 18,961 | 7,151 | 7,546 |
| Medicinal products | 6,703 | 9,062 | 11,213 | 9,341 | 6,055 |
| Footwears | 2,903 | 3,222 | 2,253 | 4,776 | 3,316 |
| Manufacturing goods | 68,929 | 77,336 | 106,779 | 76,169 | 64,580 |
| Machineries | 5,892 | 9,514 | 15,038 | 8,391 | 48,949 |
| Automobiles, vehicles | 16,407 | 4,494 | 11,305 | 28,762 | 33,565 |
| Transport equipment | 22,353 | 196,42 | 7,990 | 38,219 | 13,873 |
| Fertilizer | - | - | - | 6,333 | 14,927 |
| Other | 16,354 | 14,887 | | 99,323 | 77.113 |
| Sub-total (I) | 268,313 | 254,998 | 327,738 | 419,925 | 425,464 |
| Loan/grants and aid | | | | | |
| Petroleum products | - | - | 4,433 | 2,045 | 7,700 |
| Food products | 6,850 | 6,609 | 5,472 | 1,556 | 1,238 |
| Fertilizer | 7,850 | 6,609 | 5,472 | 11,227 | 33,3k0 |
| Vegetable oil | - | - | 462 | 4,657 | - |
| Manufacturing products | - | 9,237 | 2,888 | - | - |
| Development imports | 67,382 | 70,824 | 138,301 | 239,026 | 218,687 |
| Sub-total (II) | 81,313 | 80,738 | 169,929 | 261,399 | 260,965 |
| Grand total (I + II) | 349,626 | 335,736 | 497,667 | 681,324 | 686,429 |
| | | | | | |

Source: Afghanistan, Country Presentation, UN Conference on the LDCs, LDC/CP/1.

Table 13. Afghanistan. Total imports by country of origin,

1975/76-1979/80

(in US \$ thousands)

| | 1975/76 | 1976/77 | 1977/78 | 1978/79 | 1979/80 |
|--------------------------|---------|---------|---------|---------|-----------------|
| JSSR | 44,011 | 48,415 | 48,666 | 89,512 | 195,526 |
| Japan | 67,125 | 70,850 | 98,790 | 102,562 | 71,389 |
| India | 41,363 | 24,591 | 24,513 | 36,517 | 21,580 |
| JSA | 5,369 | 8,741 | 13,930 | 14,845 | 20,287 |
| Germany, Federal Rep. of | 37,223 | 18,758 | 30,396 | 23,748 | 14,569 |
| Pakistan | 7,470 | 8,530 | 10,470 | 17,820 | 13,730 |
| J.K. | 12,664 | 11,707 | 15,563 | 21,979 | 10,180 |
| France | 5,359 | 5,866 | 7,113 | 10,550 | N.A. |
| Iran | 12,028 | 15,760 | 7,682 | 6,603 | N.A. |
| Other countries | 35,701. | 41,781 | 70.615 | 95,789 | 78,203 |
| Total | 268,313 | 254,998 | 327,738 | 419,925 | 425,464 |
| Total | 268,313 | 254,998 | | 327,738 | 327,738 419,925 |

Source: Afghanistan, Country Presentation, UN Conference on LDCs, LDC/CP/1, 1981.

The USSR is again the main recipient of Afghan exports accounting for all the natural gas and, in addition, cotton, wool, carpets and hides and skins, as well as handicrafts and fruits (Table 14).

Table 14. Afghanistan. Total exports by country of destination,

1975/76-1979/80

(in US \$ thousands)

| | 1975/76 | 1976/77 | 1977/78 | 1978/79 | 1979/80 |
|--------------------------|---------|---------|---------|---------|---------|
| USSR | 86,418 | 83,708 | 115,004 | 111,934 | 255,059 |
| Pakistan | 29,064 | 33,371 | 36,658 | 40,647 | 52,887 |
| India | 26,849 | 25,745 | 23,952 | 37,025 | 42,082 |
| U.K. | 15,109 | 55,156 | 37,115 | 31,176 | 32,595 |
| Germany, Federal Rep. of | 22,280 | 18,180 | 17,372 | 22,174 | 32,510 |
| Switzerland | 5,891 | 5,956 | 7,813 | 8,891 | 9,796 |
| Czechoslovakia | 2,107 | 5,307 | 5,341 | 4,849 | 6,022 |
| USA | 3,962 | 11,736 | 14,938 | 12,577 | 4,064 |
| Iran | 5,070 | 5,213 | 2,429 | 2,058 | 1,333 |
| Other countries | 21,213 | 54,446 | 52,744 | 50,399 | 57,342 |
| Total | 223,363 | 298,817 | 314,366 | 321,731 | 493,690 |

Source: Afghanistan, Country Presentation, UN Conference on LDCs, LDC/CP/1, 1981.

Table Al. GDP and value added by economic sector, Afghanistan, 1960-77 (in millions of US \$, at constant 1975 prices)

| Year | GDP | Agriculture | Mining and quarring | Manu- facturing | Construc- tion | Services |
|------|---------|-------------|---------------------------|--------------------|-------------------|----------|
| 1960 | 1,307.2 | 1,014.9 | 6.3 | 102.7 | 33.9 | 149.4 |
| 1961 | 1,318.5 | 1,019.1 | 6.5 | 105.2 | 34.7 | 153.1 |
| 1962 | 1,339.3 | 1,018.9 | 7.3 | 119.8 | 37.5 | 155.8 |
| 1963 | 1,363.1 | 1,024.9 | 8.3 | 127.0 | 41.1 | 161.8 |
| 1964 | 1,389.2 | 1,031.4 | 9.6 | 134.9 | 45.2 | 168.1 |
| 1965 | 1,417.8 | 1,038.6 | 11.0 | 143.7 | 49.7 | 174.8 |
| 1966 | 1,432.1 | 1,029.7 | 12.9 | 153.1 | 54.6 | 181.8 |
| 1967 | 1,469.4 | 1,036.1 | 35.7 | 156.1 | 49.0 | 192.4 |
| 1968 | 1,527.1 | 1,053.0 | 68.2 | 156.5 | 50.8 | 198.5 |
| 1969 | 1,550.8 | 1,037.9 | 87.0 | 165.1 | 55.0 | 205.8 |
| 1970 | 1,583.3 | 954 - 7 | 104.0 | 206.9 | 65.7 | 252.0 |
| 1971 | 1,504.2 | 920.9 | 94.1 | 191.3 | 55.5 | 242.4 |
| 1972 | 1,476.0 | 881.0 | 111.4 | 185.4 | 52.6 | 245.4 |
| 1973 | 1,644.5 | 969.9 | 138.6 | 200.4 | 62.2 | 273.4 |
| 1974 | 1,767.8 | 1,035.0 | 141.9 | 213.8 | 75.7 | 301.4 |
| 1975 | 1,818.6 | 1,075.8 | 153.7 | 206.4 | 81.4 | 301.3 |
| 1976 | 1,932.8 | 1,125.4 | 157.6 | 219.8 | 94.8 | 335.2 |
| 1977 | 2,001.0 | 1,149.8 | 157.5 | 225.8 | 106.1 | 354.2 |

Table A2. Growth rates of GDP and economic sectors, Afghanistan, 1960-1977 (in per cent)

| Year | GDP | Agriculture | Mining and quarring | Manufacturing | Construction | Services |
|------------------|------|------------------|---------------------------|------------------|-------------------|----------|
| 1960-61 | 0.9 | 0.4 | 3.0 | 2.4 | 2.4 | 2.5 |
| 1961-62 | 1.6 | 0.0 | 12.5 | 13.9 | 8.1 | 1.8 |
| 1962–63 | .1.8 | 0.6 | 14.5 | 6.0 | 9.8 | 3.8 |
| 1963-64 | 1.9 | 0.6 | 15.6 | 6.2 | 9.8 | 3.9 |
| 1964-65 | 2.1 | 0.7 | 15.0 | 6.5 | 9.9 | 4.0 |
| 1965-66 | 1.0 | -0.9 | 16.5 | 6.6 | 9.9 | 4.0 |
| 1966-67 | 2.6 | 0.6 | 177.7 | 2.0 | -10.2 | 5.8 |
| 1967–68 | 3.9 | 1.6 | 91.0 | 0.2 | 3.6 | 3.2 |
| 1968-69 | 1.6 | -1.4 | 27.5 | 5.5 | 3.2 | 3.7 |
| 1960-70 | 2.1 | -8.0 | 19.6 | 25.3 | 19.6 | 22.4 |
| 1970-71 | -5.0 | - 3.5 | - 9.6 | -7. 5 | - 15.6 | -3.8 |
| 1971-72 | -1.9 | -4.3 | 18.5 | -3.1 | - 5.2 | 1.3 |
| 1972-73 | 11.4 | 10.1 | 24.3 | 8.1 | 18.4 | 11.3 |
| 1973-74 | 7.5 | 6.7 | 2.4 | 6.7 | 21.6 | 10.3 |
| 1974-75 | 2.9 | 3.9 | 8.3 | - 3.5 | 7.5 | 0.0 |
| 1975-76 | 6.3 | 4.6 | 2.5 | 6.5 | 16.5 | 11.2 |
| 1976-77 | 3.1 | 2.2 | 0.0 | 2.8 | 12.0 | 5.7 |
| 1960-77 | 2.5 | 0.7 | 20.9 | 4.7 | 7.0 | 5.2 |
| 1960-77 | 2.3 | 0.2 | 26.4 | 4.7 | 5.9 | 5.L |
| 1960 – 65 | 1.6 | 0.5 | 12.0 | 6.9 | 8.0 | 3.2 |
| 1960-65 | 1.7 | 0.5 | 12.6 | 7.3 | 8.3 | 3.2 |
| 1965-70 | 2.2 | -1.7 | 56.6 | 7.6 | 5.8 | 7.6 |
| 1965-70 | 2.4 | -1.1 | 65.3 | 6.0 | 4.2 | 6.6 |
| 1970-75 | 2.8 | 2.4 | 8.1 | 0.0 | 4.4 | 3.6 |
| 1970-75 | 3.7 | 3.0 | 10.2 | 1.1 | 6.4 | 4.8 |
| 1975-77 | 4.7 | 3.4 | 1.2 | 4.6 | 14.2 | 8.4 |
| 1975-77 | 4.7 | 3.4 | 1.2 | 4.6 | 14.2 | 8.4 |

Table A3. Shares of economic sector value added in GDP, Afghanistan, 1960-1977 (in per cent)

| Year | Agriculture | Mining and quarrying | Manufacturing | Construction | Services |
|------|-------------|----------------------------|---------------|--------------|----------|
| 1960 | 77.64 | 0.48 | 7.86 | 2.59 | 11.43 |
| 1961 | 77.29 | 0.49 | 7.98 | 2.63 | 11.61 |
| 1962 | 76.08 | 0.54 | 8.95 | 2.80 | 11.63 |
| 1963 | 75.19 | 0.61 | 9.32 | 3.02 | 11.87 |
| 1964 | 74.24 | 0.69 | 9.71 | 3.25 | 12.10 |
| 1965 | 73.26 | 0.78 | 10.13 | 3.50 | 12.33 |
| 1966 | 71.90 | 0.90 | 10.69 | 3.81 | 12.70 |
| 1967 | 70.51 | 2.43 | 10.63 | 3.34 | 13.09 |
| 1968 | 68.96 | 4.47 | 10.25 | 3.33 | 13.00 |
| 1969 | 66.93 | 5.61 | 10.65 | 3.54 | 13.27 |
| 1970 | 60.30 | 6.57 | 13.07 | 4.15 | 15.91 |
| 1971 | 61.22 | 6.25 | 12.72 | 3.69 | 16.12 |
| 1972 | 59-69 | 7.55 | 12.56 | 3.56 | 16.64 |
| 1973 | 58.98 | 8.43 | 12.19 | 3.78 | 16.62 |
| 1974 | 58.55 | 8.03 | 12.09 | 4.28 | 17.05 |
| 1975 | 59.16 | 8.45 | 11.35 | 4.47 | 16.57 |
| 1976 | 58.23 | 8.15 | 11.37 | 4.90 | 17.34 |
| 1977 | 57.68 | 7.90 | 11.33 | 5.32 | 17.77 |

Table A4. Volume of industrial production by branches,

Fifth Plan (1979/80-1983/84)

(Afs. million)

| | 1979/80 | 1980/81 | 1981/62 | 1982/83 | 1983/84 | 1983/84 1978/79 |
|--------------------------------------------|---------|-----------------|--------------|---------|---------|--------------------|
| Electricity | 875 | 967 | 1,067 | 1,194 | 1,426 | 1.82 |
| Petroleum extraction and refinery industry | 50 | 52 | 53 | 53 | 53 | 1.13 |
| Gas industry | 2,281 | 2,689 | 2,888 | 2,888 | 2,888 | 1.22 |
| Coal industry | 156 | 209 | 253 | 299 | 366 | 2.7 |
| Chemical industry | 832 | 833 | ô 5 9 | 879 | 814 | 1.01 |
| Machine building and metal works | 249 | 311 | 338 | 345 | 349 | 1.47 |
| Construction material industry | 278 | 317 | 565 | 661 | 748 | 2.7 |
| Forestry industry | 145 | 150 | 210 | 315 | 360 | 3.4 |
| Printing industry | 258 | 28 9 | 323 | 57 | 395 | 1.82 |
| Chemical and pharmaceuti- cal industry | 26 | 26 | 50 | 95 | 95 | 3.6 |
| Light industry | 4,636 | 5,495 | 6,212 | 6,647 | 8,366 | 2.0 |
| Food industry | 2,539 | 2,943 | 3,863 | 4,842 | 5,681 | 2.7 |
| Others | 74 | 29 | 19 | 25 | 9 | 0.13 |
| Total | 12,399 | 14,310 | 16,700 | 18,600 | 21,550 | 1.91 |

Source: Afghanistan, Country Presentation, UN Conference on the LDCs, LDC/CP/1, 1981.

Table A5. Industrial production targets, Fifth Plan (1979/80-1983/84)

| |] | L979/8a | 1980/81 | 1981/82 | 1982/83 | 1983/94 | 1983/84 1979/80 |
|------------------------------------------------------------------------------|----------------------|---------|---------|---------|---------|---------|--------------------|
| Electricity | Mill. KWh | 952 | 1,047 | 1,176 | 1,288 | 1,381 | 1.61 |
| Petroleum | Thous. ton | 15 | 15.5 | 16 | 16 | 16 | 1.14 |
| Natural gas | Mill. m ³ | 2,400 | 2,400 | 2,800 | 3,000 | 3,000 | 2.20 |
| Coal | Thous. ton | 223 | 299 | 362 | 427 | 523 | 2.70 |
| Urea fertilizer | Thous. ton | 105 | 105 | 105 | 106 | 106 | 1.02 |
| Berite concentrate | Thous. ton | 16 | 16 | 17 | 19 | 20 | 1.33 |
| Products of Jangalak | Mill. Afs. | .143 | 148 | 151 | 157 | 163 | 1.21 |
| Main repairing of equipment, wehi- cles and road construction machineries | Mîll. Afs. | 106 | 164 | 136 | 229 | 261 | 2.50 |
| Cement | Thous. tons | 133 | 150 | 300 | 330 | 350 | 2.70 |
| Construction bricks | Mill. unit | _ | - | - | 10 | 50 | - |
| Construction glass | Thous. sq.m. | - | - | - | - | 700 | - |
| Glassware | Mill. bottle: | s - | - | - | 10 | 14 | - |
| Medicines | Mill. Afs. | 26 | 26 | 50 | 95 | 95 | 3.60 |
| Ginned cotton | Thous. tons | 41 | 44 | 49 | 54 | 59 | 1.52 |
| Cotton textiles | Mill. Metre | 106 | 140 | 159 | 165 | 200 | 2.20 |
| Woilen textiles | Thous. Metre | 752 | 821 | 1,000 | 1,100 | 1,200 | 3.50 |
| Wheat flour | Thous. tons | 110 | 118 | 159 | 181 | 200 | 2.10 |
| Bakery products | Thous. tons | 20 | 20 | 40 | 57 | 60 | 2.90 |
| Meat | Thous. tons | 5 | 6 | 7 | 9 | 10 | 3.40 |
| Vegetable oil | Tons | 10,032 | 12,036 | 13,790 | 16,680 | 18,500 | 2.10 |
| Sugar | Tons | 11,400 | 16,500 | 20,800 | 25,000 | 30,000 | 2.90 |
| Fruit processing | Tons | 1,580 | 1,795 | 1,550 | 3,125 | 4,275 | 3.½O |
| Washing soap | Tons | 1,140 | 1,160 | 2,000 | 2,800 | 3,600 | 4.20 |

Source: Afghanistan, Country Presentation, UN Conference on the LDCs, LDC/CP/1, 1981.

