

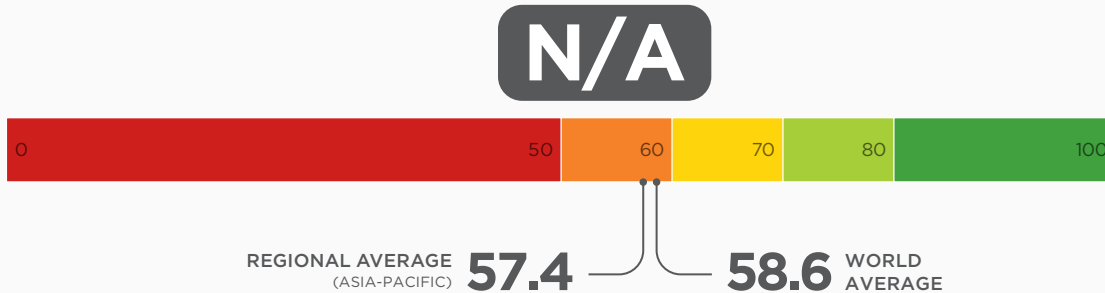
WORLD RANK: **N/A** | REGIONAL RANK: **N/A**  
 ECONOMIC FREEDOM STATUS:  
**NOT GRADED**

# AFGHANISTAN

The grading of Afghanistan’s economic freedom has been suspended because of the Taliban’s abrupt displacement of the government in August 2021. The compilations of official economic data are inadequate, and many of the international sources relied upon for *Index* grading contain incomplete data on Afghanistan. Key economic data have been included where available. Ongoing political uncertainty and major security challenges remain formidable and mounting.

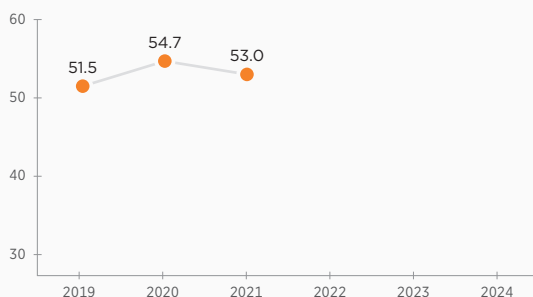
The inability to deliver even basic services reliably has eroded confidence in the current regime, and pervasive corruption exacerbates the loss of trust. The rule of law is still fragile and uneven across the country. The economy’s private sector is severely hampered by regulatory deficiencies and other challenges. The Taliban’s recapture of Afghanistan in August 2021 has had dire economic, political, and security consequences. With the world’s lowest living standards, Afghanistan is experiencing ongoing economic, health, and humanitarian crises, and food insecurity is especially acute.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2017): N/A

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
39.8 million

**GDP (PPP):**  
n/a  
-20.7% growth in 2021  
5-year average growth rate: -3.1%  
n/a per capita

**UNEMPLOYMENT:**  
13.3%

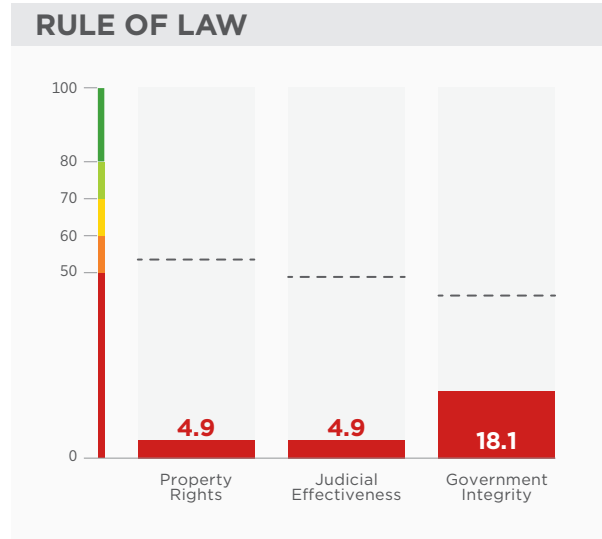
**INFLATION (CPI):**  
13.7%

**FDI INFLOW:**  
n/a

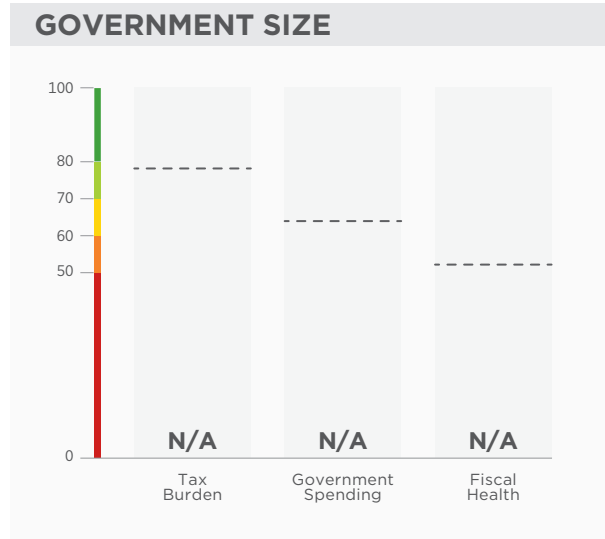
**PUBLIC DEBT:**  
n/a

2022 data unless otherwise noted. Data compiled as of October 2023.

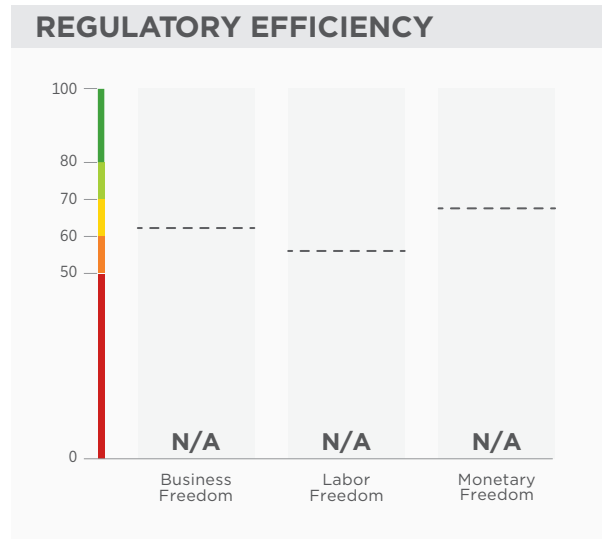
# 12 ECONOMIC FREEDOMS | AFGHANISTAN



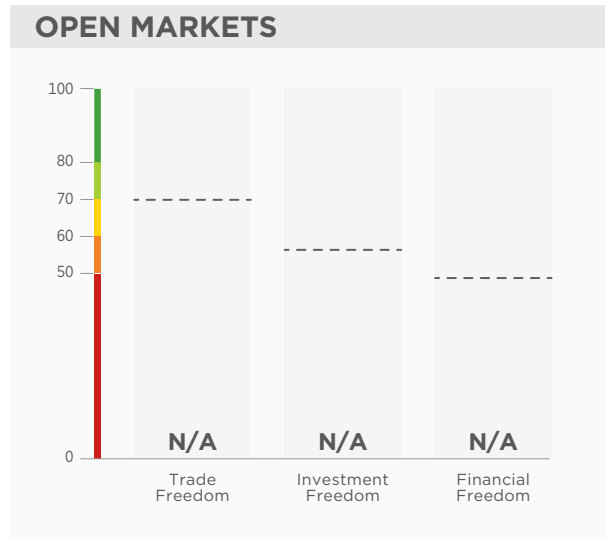
The overall rule of law has been seriously weakened in Afghanistan. The country’s property rights score is far below the world average; its judicial effectiveness score is much lower than the world average; and its government integrity score is below the world average.



Political turmoil and civil conflict have severely damaged the overall fiscal situation, and the collapse of oil and tax revenue compounds the impact of the conflict’s escalating cost. Economic policymaking is focused largely on marshalling limited fiscal resources to finance the conflict.



The fall of Afghanistan to the Taliban left business freedom in disarray and the physical well-being of entrepreneurs far from guaranteed. Labor freedom suffered major setbacks with the fall of Kabul. Monetary stability is fragile.



Trade’s contribution to economic growth has been declining. Inefficient customs administration, inadequate infrastructure, and corruption raise the cost of trade. Security concerns and the financial system’s weak capacity have slowed the growth of private investment.