

# Afghanistan's liquidity crisis

Plans to avert a crisis in Afghanistan could see boxes of cash flow into Kabul by the United Nations for distribution to the poor, following the freezing of offshore reserves and an abrupt end to foreign aid

**International aid provided to Afghanistan: \$78.1 billion**

(1995-2020, current US\$ millions)

**1996:** Taliban seize control of Kabul during civil war



**1998:** President **Bill Clinton** attacks Al Qaeda bases following bombing of U.S. embassies in Africa

**2001:** U.S.-led invasion of Afghanistan following **9/11 attacks**. Northern Alliance forces enter Kabul – Taliban surrenders

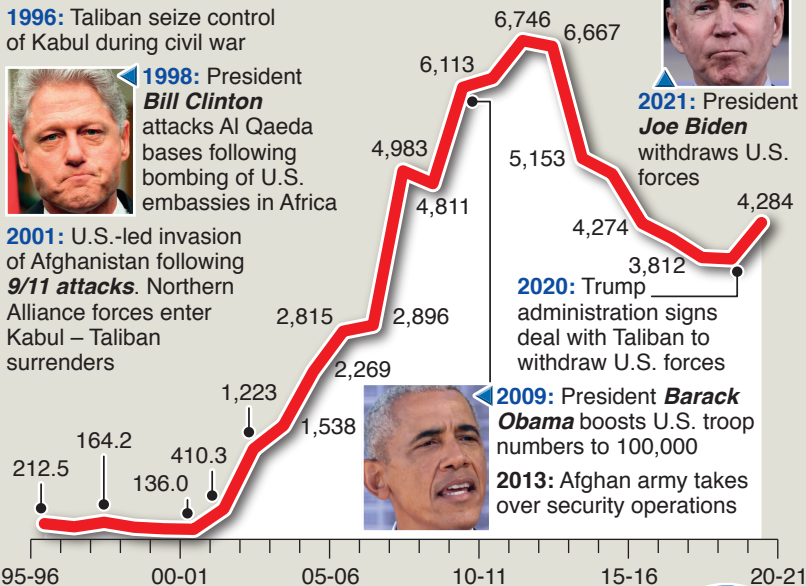


**2021:** President **Joe Biden** withdraws U.S. forces

**2020:** Trump administration signs deal with Taliban to withdraw U.S. forces

**2009:** President **Barack Obama** boosts U.S. troop numbers to 100,000

**2013:** Afghan army takes over security operations



**Food prices:** Up **30-60%** since Taliban took over



**Economy:** UN report warns GDP worth **\$19.7 billion** could fall **13.2%** or **\$2.6bn** by June 2022. Decline could send almost entire population of **38 million** into poverty – further **10.6 million** since 2020



**Cash plan:** Distribute **\$200** to individual Afghans through banks, without involving Taliban

**Da Afghanistan Bank:**

Most assets of central bank (DAB) are held abroad, beyond reach of Taliban



**DAB reserves:** About **\$8.64 billion**, including **\$1.13bn** in gold, frozen by U.S. Federal Reserve Bank



DAB owns investments worth **\$5.37bn**, mostly U.S. Treasury bonds and bills, plus **\$316.83 million** in foreign currency cash reserves