



Afghanistan's Economic Development

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"Afghanistan's Economic Development (Newsletter)" is an initiative of the Deputy Prime Minister for Economic Affairs Office that highlights Afghanistan's most significant and recent economic developments.

By reading this newsletter, which is prepared and published in three languages (Pashto, Dari, and English), you can stay informed about Afghanistan's latest economic progress.



In this issue, you will read:

1. The visit of Uzbekistan's Prime Minister to Kabul
2. The signing of 35 Memorandums of Understanding (MoUs) worth \$2.5 billion between Afghanistan and Uzbekistan
3. The opening of the Afghanistan-Uzbekistan Trade Forum
4. Commencement of construction work on the Palatuni Water Dam in Paktika Province
5. Approval of 24 standards in the first meeting of the High Council for Standards
6. The approval of projects worth approximately five billion Afghanis by the National Procurement Commission
7. The meeting of the Deputy Prime Minister for Economic Affairs with several investors from Kuwait
8. The meeting of the Deputy Prime Minister for Economic Affairs with several traders from Russia

Visit of Uzbekistan's Prime Minister to Kabul

On August 17, 2024, a high-level delegation led by the Prime Minister of Uzbekistan visited Kabul. The Deputy Prime Minister for Economic Affairs of the Islamic Emirate of Afghanistan, His Excellency Mullah Abdul Ghani Baradar Akhund, and the Prime Minister of Uzbekistan, His Excellency Abdulla Aripov, along with senior officials from both countries, discussed expanding bilateral relations in various areas, including the initiation of economic and trade projects.

His Excellency Mullah Abdul Ghani Baradar Akhund expressed hope that the visit of the Uzbek delegation would be fruitful in strengthening economic ties between the two countries. In response, His Excellency Prime Minister Abdulla Aripov stated that Afghanistan and Uzbekistan share religious, cultural, and historical commonalities, and that President Mirziyoyev has always emphasized enhancing friendly relations between the two nations.

Mullah Baradar Akhund further welcomed the Surkhan-Puli Khumri-Kabul 500 kV electricity project that Uzbekistan intends to extend to Afghanistan, stating that this would ensure the adequate transfer of electricity to meet Afghanistan's needs. However, he emphasized that the project's effectiveness would be limited if substations and lines are not constructed, as Afghanistan currently lacks the necessary infrastructure to absorb this electricity without these additions. The Deputy Prime Minister for Economic Affairs also mentioned



that while the project would promote commercial growth, it would also play a vital role in expanding political and economic relations between the two countries. Afghanistan is prepared to collaborate with Uzbekistan to enhance Afghanistan's capacity to absorb electricity and to import electricity from Uzbekistan.

During his speech, His Excellency Mullah Abdul Ghani Baradar Akhund emphasized that just as Afghanistan has provided transit facilities to Uzbekistan for its exports to South Asia and, via that route, to the Gulf and Arab countries, Afghanistan expects Uzbekistan to facilitate Afghanistan's exports to Central Asian countries and Russia, enabling Afghan goods to find access to needed markets. He proposed comprehensive discussions to remove trade and transit obstacles so that Afghan goods, particularly agricultural products, can reach Central Asian and Russian markets, while

Uzbekistan's exports to South Asian and Arab markets can increase.

Prime Minister Abdulla Aripov announced that a positive decision has been made regarding the official start of Afghanistan's new ambassador's duties in Uzbekistan, and that this matter would soon be announced. He assured that all agreements with Afghanistan would be implemented, including investment in the extraction of copper and coal mines in Afghanistan, and that Uzbekistan is also ready to train Afghan specialists in water conservation.

The Prime Minister of Uzbekistan also highlighted ongoing cooperation in improving agricultural seeds and horticulture, offering to share their experiences with Afghan farmers. Moreover, Uzbekistan is prepared to train around 100 specialists annually in aviation and railway sectors.

Additionally, the Ministries of Water and Energy, Agriculture, Irrigation and Livestock, Transport

and Civil Aviation, and Mines and Petroleum of Afghanistan discussed with their Uzbek counterparts the creation of further facilities to strengthen economic and transit relations between Afghanistan and Uzbekistan.

Subsequently, in the presence of His Excellency Mullah Abdul Ghani Baradar Akhund, the Deputy Prime Minister for Economic Affairs of the Islamic Emirate of Afghanistan, and His Excellency Prime Minister Abdulla Aripov of Uzbekistan, five cooperation agreements in various sectors were signed by Acting Minister of Industry and Commerce of Afghanistan,

Nooruddin Azizi, and the Minister of Industry and Commerce of Uzbekistan.

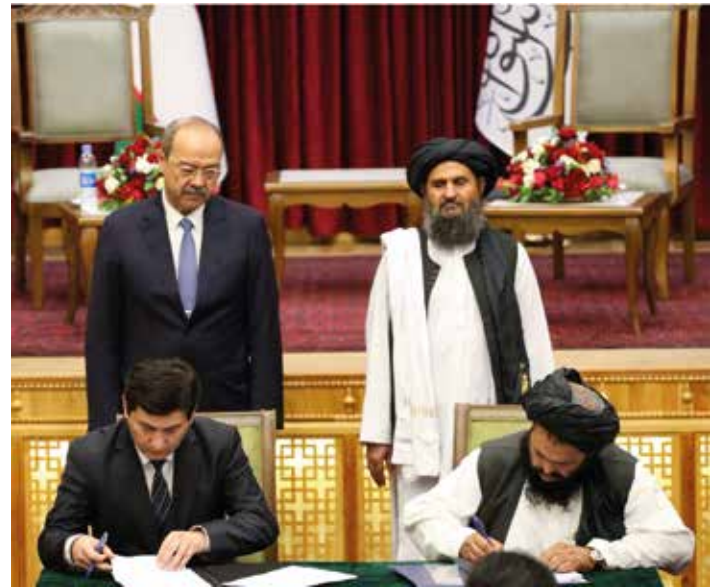
Furthermore, Memoranda of Understanding were signed between the Ministries of Agriculture, Irrigation and

Livestock, Mines and Petroleum, Da Afghanistan Breshna Sherkat, and the head of Customs with their Uzbek counterparts to enhance bilateral cooperation.



Signing of 35 Agreements Worth USD 2.5 Billion Between Afghanistan and Uzbekistan

On the 17th of August of this year, in the presence of His Excellency Mullah Abdul Ghani Baradar Akhund, Deputy Prime Minister for Economic Affairs of the Islamic Emirate of Afghanistan, and His Excellency Abdulla Aripov, the Prime Minister of Uzbekistan, 35 agreements valued at USD 2.5 billion were signed at the Afghanistan International Exhibition Center. These agreements cover the following areas:



Five Agreements Signed in the Mining Sector, Totaling USD 1.15 Billion:

- 1 *Geological Survey of the hydrocarbon deposits in the Afghan-Tajik oil basin*
- 2 *Geological Survey of the copper and gold deposits in the Qandalan area of Zabol province*
- 3 *Geological Survey of the iron ore deposits in the Hish area of Bamyan province*
- 4 *Geophysical and Geological Survey of the gas and oil reserves in the Toti Maidan basin in Faryab province*
- 5 *Construction of a 120 MW gas power plant in the Toti Maidan area of Faryab province*

➤ Contracts Signed in the Electricity Sector, Valued at USD 270 Million:

- 1 *Construction of an electricity network in Afghanistan*
- 2 *Electricity Transmission from Uzbekistan to Afghanistan*



➤ Agriculture Projects Signed Between Afghanistan and Uzbekistan:

- 1 *Cultivation of rice, cotton, sunflower, and wheat on 1,000 hectares of land in Afghanistan*

- 2 *Establishment of a mobile soil testing laboratory*

- 3 *Cultivation of Afghan saffron in Uzbekistan with the assistance of Afghan investors*

- 4 *Exchange of Large and Small Livestock between the Ministries of Agriculture of Afghanistan and Uzbekistan, considering climate adaptation*



- 5 *Professional Training for 200 Afghan farmers by the Ministry of Agriculture of Uzbekistan*

- 6 *Market Promotion in Uzbekistan for fresh and dried fruits, vegetables, and pulses from Afghanistan*

- 7 *Export of Various Agricultural Products to Uzbekistan*

- 8 *Import of Vegetable Oils*

➤ Eleven agreements valued at \$2.78 million were signed between a joint-stock company from Uzbekistan and Afghan companies in the field of chemical fertilizers.

➤ A contract for the construction of a cement factory was signed with the Uzbekistan Construction Materials Association, involving an investment of \$120 million.

Officials from both countries and representatives from the private sector also attended the signing ceremony. Among these agreements, 12 were investment

agreements worth USD 1.4 billion, and 23 were commercial agreements worth USD 1.1 billion. The implementation of these agreements will strengthen

economic relations and significantly increase trade volume between the two countries.

Afghanistan-Uzbekistan Business Forum Opened



On August 17, 2024, the Afghanistan-Uzbekistan Business Forum was inaugurated at the Afghanistan International Exhibition Center. The forum was opened by the Deputy PM for Economic Affairs, Mullah Abdul Ghani Baradar Akhund, and Uzbek Prime Minister Abdullah Aripov. The event was attended by officials from both countries and representatives from the private sector. Notably, around 200 Uzbek traders showcased various products in 30 sectors, including machinery, medical supplies, electronics, vehicles, firefighting equipment, tractors, and carpets, over a three-day period.

Work Begins on the Palatuni Water Dam in Paktika

On August 19, 2024, the Deputy PM for Economic Affairs, Mullah Abdul Ghani Baradar Akhund, inaugurated the Palatuni Dam construction project in Paktika Province. The ceremony was attended by the Minister of Water and Energy, Mullah Abdul Latif Mansoor, local scholars, businessmen, and several

government officials. In his speech, Mullah Baradar Akhund emphasized that the Islamic Emirate recognizes the crucial role of water in agriculture and economic development. To this end, water management is a priority for the Islamic Emirate, which has called on investors to invest in this sector.



The Palatuni Dam, designed by the Ministry of Water and Energy and estimated to cost around 1 billion Afghanis, will be constructed by the National Development Corporation over a period of two and a half years. The dam, named Palatuni, will have a height of 30 meters, a length of 247 meters, and a width of 134 meters. Located 12 kilometers from Paktika's provincial center, Sharana, the dam aims to store seasonal water for agricultural and irrigation purposes.

The dam will have a storage capacity of 25 million cubic meters and will irrigate approximately 2,500 hectares of land while generating 935 kilowatts of electricity. Its construction is expected to create job opportunities for hundreds of citizens, both directly and indirectly.

24 Standards Approved

in the First Meeting of the High Council for Standards



On August 30, 2024, the first meeting of the High Council for Standards, chaired by Deputy PM for Economic Affairs Mullah Abdul Ghani Baradar Akhund, was held at Marmarin Palace. The meeting was attended by the General Director of the National Standards Authority, Mullah Faizullah Tamim, permanent members of the council, and representatives from the private sector.

Deputy PM Mullah Baradar Akhund highlighted that Afghanistan is taking initial steps toward economic growth and development, which requires adherence to national and international standards to

compete regionally and globally. He noted that standards ensure the quality and reliability of products and services to compete in national, regional, and international markets.

During the meeting, the National Standards Authority's technical committee presented 24 new standards for discussion. Of these, 14 pertain to specifications and 10 to testing methods. After comprehensive discussion, these standards were approved, and all relevant ministries and agencies were instructed to implement them effectively. The National Standards Authority will oversee the application and provide

regular reports to the High Council for Standards.

The approved standards cover food, construction, petroleum, chemical, and plastic products, as well as textiles. Additionally, the technical committees reviewed and approved amendments to three existing standards.

The approved standards are highly valuable for the country's economy and trade, as they align with internationally recognized sources. Implementing these standards will likely increase exports of specified products in food, construction, petroleum, chemical, and plastic sectors, as they will meet global quality requirements.

Afghanistan is currently a member of international standards organizations such as ISO, SARSO, SMIIC, ILAC, and IEC, and its position will be strengthened by these new standards, enhancing its international trade credibility. Adopting these standards will allow Afghanistan to compete positively in expanding its trade levels, with Kabul's role as a commercial and transit hub being further solidified.



National Procurement Commission Approves Project Worth Approximately 5 Billion Afghanis

At the National Procurement Commission's regular meeting held on August 31, 2024 at Marmarin Palace, 40 projects were presented for approval according to the agenda. Of these, contracts for 31 projects were approved, 7 were amended, 1 was canceled, and 1 project's contract price was referred to the designated committee. The

committee is tasked with renegotiating with the contracting company and presenting its report to the National Procurement Commission leadership. The approved and amended projects include completion of remaining work on the Abgardan Dam in Badghis Province, rehabilitation of a turbine at the

Naghlo Electricity Production Plant, provision of electricity-related equipment in various provinces, delivery of high-quality and efficient telecommunications and internet services to citizens, provision of services at various customs points across the country, completion of a major water supply network in Qala-e-Naw City, Badghis Province, and several other projects funded by the Islamic Emirate.



Deputy Prime Minister for Economic Affairs Meets with Kuwaiti Investors



On August 22, 2024, the Deputy Prime Minister for Economic Affairs, Mullah Abdul Ghani Baradar Akhund, met with a

group of Kuwaiti investors at his office. The meeting was also attended by the Minister of Water and Energy, Mullah Abdul Latif

Mansoor. During the meeting, both sides discussed investment and trade opportunities in Afghanistan. The Kuwaiti investors stated that Afghanistan has become a suitable country for investment, and they are interested in engaging not only in various investment sectors but also in business activities in Afghanistan. They further expressed their desire to establish a strong foundation to manage aid provided by the nations of Islamic countries, which, according to them, would be utilized in

coordination with the Islamic Emirate to support impoverished Afghans and in developmental sectors. This initiative, they believe, would create new employment opportunities and promote progress in the

infrastructure sector.

The Deputy Prime Minister for Economic Affairs welcomed the Kuwaiti investors' interest in investing in Afghanistan, their intent to engage in business activities, and their plan to

establish a strong foundation for developmental purposes. He assured them of the full cooperation and support of the Islamic Emirate.

Deputy Prime Minister for Economic Affairs Meets with Russian Businessmen



On August 22, 2024, the Deputy Prime Minister for Economic Affairs, Mullah Abdul Ghani Baradar Akhund, met with a number of Russian and Afghan businessmen at his office to discuss matters related to trade and investment.

During the meeting, the Deputy Prime Minister emphasized that Afghanistan currently offers

significant opportunities for trade and investment, and both domestic and foreign investors and entrepreneurs can explore these opportunities. He further stated that although Afghanistan is a poor country, it is rich in natural resources, presenting great potential for investment. He reiterated that the Islamic Emirate consistently encourages both

domestic and foreign investors to come to Afghanistan to invest in various sectors and continue their business activities.

Following his remarks, the Russian businessmen expressed their interest in investing in various sectors of Afghanistan, particularly in the industrial sector. They also expressed their desire to enhance their cooperation with Afghan businessmen in the field of trade.

In conclusion, the Deputy Prime Minister for Economic Affairs, Mullah Abdul Ghani Baradar Akhund, assured the Russian and Afghan businessmen of all necessary cooperation from the Islamic Emirate. He also encouraged them to assess the market in Afghanistan and begin their activities in a secure environment.

