



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. Meeting of the Deputy Prime Minister for Economic Affairs with Islamic scholars from India and Bangladesh
2. Inauguration of the Bakht Blanket Manufacturing Factory by the Deputy Prime Minister for Economic Affairs
3. Meeting of the Deputy Prime Minister for Economic Affairs with Russian investors
4. Approval of projects worth approximately 5 billion Afghanis by the National Procurement Commission
5. National Conference on Microfinance: Opportunities and Challenges

MEETING OF THE DEPUTY PRIME MINISTER FOR ECONOMIC AFFAIRS WITH ISLAMIC SCHOLARS FROM INDIA AND BANGLADESH



On November 19 of the current year, a delegation of scholars from India and Bangladesh met with the Deputy Prime Minister for Economic Affairs, Mullah Abdul Ghani Baradar, at Marmarin Palace.

During the meeting, the Deputy Prime Minister expressed his pleasure, noting that the followers of Islam continue to strive for the dissemination of the religion. He

stated that the Islamic Emirate is also composed of virtuous and knowledgeable individuals from Afghanistan and has endeavored from the outset to present Islam to the people free of superstitions.

Deputy PM Mullah Baradar Akhund emphasized that the Islamic Emirate has strengthened religious schools (madrasas) in Afghanistan, established new academic

institutions, and incorporated beneficial elements into the educational curriculum. He affirmed that the Islamic Emirate is making every possible effort to implement Islamic principles in Afghanistan.

Addressing economic matters in Afghanistan, the Deputy Prime Minister informed the visiting scholars about the implementation of major infrastructure projects in the country. He highlighted that trade with neighboring and other countries has increased and that industrial activities in Afghanistan have improved compared to the past.

In his remarks, Deputy PM Mullah Baradar Akhund identified several reasons for Afghanistan's fragile economy, including international sanctions, a lack of global engagement, and the freezing of Afghanistan's assets.

The Islamic Emirate, led by the nation's scholarly class, is working to establish robust political, economic, and cultural relations with the rest of the world. A key example of these cultural efforts is the visits of delegations of scholars from various Muslim countries and the appreciation shown for these engagements.

INAUGURATION OF BAKHT BLANKET MANUFACTURING FACTORY BY THE DEPUTY PRIME MINISTER FOR ECONOMIC AFFAIRS



On November 17, 2024, the Deputy Prime Minister for Economic Affairs, Mullah Abdul Ghani Baradar, inaugurated the Bakht Blanket

Manufacturing Factory in Kabul. The inauguration ceremony was attended by the Acting Minister of Industry and Commerce,

Nooruddin Azizi, and representatives from the private sector.

After welcoming the attendees, Deputy PM Mullah Baradar Akhund expressed his happiness to participate in the opening of such an essential factory, emphasizing that it will reduce reliance on imported goods and contribute to strengthening Afghanistan's domestic industry.

The Deputy Prime Minister congratulated all Afghans on the commencement of the factory's operations and thanked its management for investing in their country. He urged the factory officials to produce high-quality products that meet recognized

standards to not only fulfill domestic demand but also facilitate exports to foreign markets.

Deputy PM Mullah Baradar Akhund highlighted the factory's use of local raw materials, such as wool and cotton, which will bolster Afghanistan's livestock and agriculture sectors and create more job opportunities.

The Bakht Blanket Manufacturing Factory, located in the Pul-e-Charkhi Industrial Park, is

expected to strengthen Afghanistan's national economy and play a significant role in increasing domestic production.

The factory's management has invested 930 million Afghanis in the project, an initiative that is likely to encourage further investment in Afghanistan. Currently, the factory produces 1,000 blankets daily, with plans to increase production to 5,000 blankets per day in the future. An important aspect of this factory is its reliance on locally sourced wool

and cotton, which not only supports livestock owners and farmers but also contributes to the growth of Afghanistan's national economy.

After decades of conflict, Afghanistan now provides a favorable environment for investment, with the Islamic Emirate striving to create a secure and reliable atmosphere for investors.

MEETING OF THE DEPUTY PRIME MINISTER FOR ECONOMIC AFFAIRS WITH RUSSIAN INVESTORS



The Deputy Prime Minister for Economic Affairs, Mullah Abdul Ghani Baradar, held a meeting with a delegation of Russian investors at his office. The meeting, conducted on November 17, 2024, at Marmarin Palace, was attended by acting ministers of Urban Development and Housing, Industry and Commerce, Transport and Aviation, as well as other officials of the Islamic Emirate. Discussions focused on Russian investors'

interest in Afghanistan's infrastructure, industry, trade, transportation, agriculture, healthcare, and other sectors.

Deputy PM Mullah Baradar Akhund emphasized that Afghanistan, having emerged from decades of conflict, now offers a conducive environment for investment in various sectors. He encouraged both domestic and foreign investors to take advantage of these

opportunities. He noted that Afghanistan is one of the most resource-rich countries in the region, with abundant natural resources and diverse investment opportunities, making it an attractive destination for regional and international investors.

The Russian investors expressed their keen interest in investing in Afghanistan and highlighted their readiness to contribute to the development of the country in sectors such as industry, transportation, railways, healthcare, and agriculture. They also committed to sharing their expertise and experience with Afghan officials to strengthen cooperation in these areas.

Since assuming power, the Islamic Emirate has adopted an economy-focused policy and consistently encouraged both domestic and international investors to invest in Afghanistan. The Islamic Emirate is ready to cooperate with investors in Afghanistan.

APPROVAL OF PROJECTS WORTH APPROXIMATELY 5 BILLION AFGHANIS BY THE NATIONAL PROCUREMENT COMMISSION



Under the chairmanship of the Deputy Prime Minister for Economic Affairs, Mullah Abdul Ghani Baradar, the National Procurement Commission convened a regular session to review 47 projects proposed for approval. During the session, contracts for 27 projects were approved, modifications for eight were sanctioned, four projects were

canceled, and eight were referred to designated committees for renegotiation with the winning companies. The committees were tasked with presenting their findings to the commission.

The approved and modified projects include: the reconstruction of Sultan Dam in Ghazni, construction of Block No. 2 of

Tahia-e-Maskan in Kabul City, buildings for the appellate courts in Logar and Kandahar provinces, several roads in Kabul City, and various other development projects.

This meeting was held on November 16, 2024, at Marmarin Palace. The National Procurement Commission was established under the directive of the esteemed Amir-ul-Mu'mineen Sheikh-ul-Hadith Maulvi Hibatullah Akhundzada (Decree No. 202). The commission is chaired by Mullah Abdul Ghani Baradar. The primary objectives of the commission are to ensure transparency, deliver effective services, address procurement challenges, and coordinate procurement activities. Since its inception, the commission has approved 317 projects worth 85 billion Afghanis.

NATIONAL MICROFINANCE CONFERENCE: OPPORTUNITIES AND CHALLENGES



On November 13, 2024, Da Afghanistan Bank organized the “National Microfinance Conference: Opportunities and Challenges” in

Kabul. The purpose of the conference was to encourage investment and create employment opportunities in the country.

The conference was attended by Mullah Abdul Ghani Baradar Akhund, Deputy Prime Minister for Economic Affairs, along with several cabinet members, representatives from the United Nations, the European Union, and the World Bank, ambassadors of foreign countries, officials from international and domestic organizations, as well as national investors and entrepreneurs.

The Deputy Prime Minister for Economic Affairs told participants that the microfinance sector benefits ordinary and underprivileged Afghans, farmers,

and small business owners. He added that supporting these groups is a shared goal of the Islamic Emirate and the international community.

Deputy PM Mullah Baradar Akhund stated that reducing poverty and unemployment levels in Afghanistan is a responsibility and priority of the Islamic Emirate. Therefore, to support small businesses and create new job opportunities, Da Afghanistan Bank developed a regulation for supervising and regulating microfinance institutions. This initiative was unprecedented in the past two decades.

According to the Deputy PM, with the establishment of nationwide security and transparency in Afghanistan, microfinance initiatives now have better opportunities to assist the public and provide them with employment avenues. The Deputy Prime Minister for Economic Affairs emphasized that this sector will reduce poverty, unemployment, and social challenges, leading to economic growth and strengthening the national economy.

Deputy PM Mullah Baradar Akhund called on the international community, funding agencies, and wealthy Afghans to stand alongside the Islamic Emirate in supporting microfinance. Ordinary people, farmers, and small business owners can benefit from the regulation established for microfinance institutions. The regulation for the organization and oversight of microfinance institutions was formulated and approved by Da Afghanistan Bank in seven chapters and fifty-three articles.

This regulation has one general objective and three specific objectives:

Its general objective is to create, maintain, and monitor a responsive, transparent, and sustainable environment for microfinance activities aimed at improving the economic well-being of the public, particularly the underprivileged.

Its specific objectives are:

1. To establish, maintain, and monitor the necessary administrative structures for the systematic development and sustainable growth of microfinance activities.

2. To determine conditions for licensing, renewing, suspending, and revoking licenses of microfinance institutions and other relevant entities.

3. To regulate and monitor the operations and activities of microfinance institutions and facilitators in the microfinance sector to achieve the general objective.

Article 3 of the regulation specifies its scope of application. Clause 2 of this article states that the regulation applies to commercial banks and branches of foreign banks that intend to provide microfinance services through dedicated channels.

The regulation also provides guidelines on the microfinance ecosystem, licensing requirements, organizational structure, conditions for financing and transactions, and other related topics.

This regulation is regarded as one of the Islamic Emirate's significant steps towards reducing poverty and unemployment in the country.

