



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.



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THE HANDOVER OF SHAH WA AROS DAM TO USE

Kabul, like some other provinces in Afghanistan, faces challenges related to water scarcity for drinking and agriculture. In certain areas of the city, the groundwater table has significantly dropped. Considering these issues, the Islamic Emirate has focused its efforts on completing and handing over the Shah Wa Aros Dam, located in northern Kabul, to enhance agricultural development and raise the groundwater table in the capital.

The construction of this dam was initiated during the previous administration but faced delays due to numerous challenges. After assuming power, the Islamic Emirate resumed the project to address Kabul residents' water problems.

The Shah Wa Aros Dam is a major project with multiple benefits, including groundwater replenishment, water supply for



agriculture, and a capacity to generate 1.2 megawatts of electricity. Located in Shakar Dara district of Kabul, the dam can store nine million cubic meters of water and irrigate 2,700 hectares of land. Of the total water storage capacity, four million cubic meters will be allocated to provide clean drinking water for Kabul residents, while the remaining five million cubic meters will be used for agricultural

irrigation. This project is funded entirely by the Islamic Emirate's budget.

Currently, water storage in the dam's reservoir has begun, and it is expected to be inaugurated soon by senior officials of the Islamic Emirate. The handover of this dam will play a significant role in boosting the agricultural economy of the region.

THE COMMENCEMENT OF WORK ON THE FIRST PHASE OF THE SECOND LANE OF THE KABUL-LOGAR ROAD

Kabul, being the capital and a major commercial hub, requires strong connectivity with other provinces. Building transportation networks (roads) to enhance trade ties with provinces is a priority for the Islamic Emirate.

The Islamic Emirate has committed to completing unfinished projects, including the second lane of the Kabul-Logar Road. Work on the first phase of this road has now commenced.

This section of the road is located



within Kabul city, where land acquisition processes had already been completed, paving the way for construction. The road spans seven kilometers in length and 60 meters in width, with a total cost of 920 million Afghanis. The project is

expected to be completed within two years with high standards. According to officials, the first phase of the road extends from the Nijat Monument to the Charkh Aab area and will include two main and two auxiliary lanes, meeting all the

requirements of a modern road. The second lane of Kabul-Logar road will not only boost trade but also significantly facilitate travel between Kabul and six southern provinces.

EFFORTS TO CONTROL FUEL AND FOOD PRICES WITH THE ONSET OF WINTER

Some provinces in Afghanistan experience harsh winters, making it nearly impossible to endure without burning coal or firewood. These two resources are widely used for heating due to the country's insufficient electricity supply.

Each year, the demand for coal and firewood rises during the winter, leading to price increases. However, the Islamic Emirate consistently strives to provide these resources to citizens at affordable prices. Afghanistan's abundant coal reserves serve as a viable option for heating homes. To facilitate

accessibility, the Islamic Emirate has reduced coal prices, making it more affordable for everyone.

While coal suffices for many, the use of firewood also becomes necessary. Despite a ban on logging and transporting wood to protect the environment, the Islamic Emirate temporarily lifted the ban for ten days to supply wood to needy provinces, aiming to reduce difficulties and stabilize firewood prices.

Similarly, food prices tend to increase with the arrival of winter. To counter this, Emirate officials have implemented measures in

Kabul and other provinces to prevent price surges. Municipalities regularly distribute price lists and closely monitor markets to ensure sellers adhere to the approved rates.

Efforts are also being made to curb hoarding by traders, ensuring the availability of food supplies in markets and preventing artificial price hikes. As a result of these ongoing efforts and constant oversight, food prices across the country remain low and affordable for all citizens.



CONTRACT AWARDED FOR CEMENT PRODUCTION FACTORY IN LOGAR PROVINCE



On December 24, in the presence of Deputy Prime Minister for Economic Affairs, Mullah Abdul Ghani Baradar Akhund, a contract was signed between the Ministry of Mines and Petroleum and Afghan SAKO (an Afghan-Chinese company) for the construction of a cement production plant in Logar Province.

Officials stated that the company would invest approximately \$145 million in the construction of the plant and the exploration and extraction of cement resources in the region. Minister of Mines and Petroleum, Mullah Hidayatullah

Badri, emphasized during the signing ceremony that the Altamor Cement Factory in Logar would create job opportunities for hundreds of people.

The plant will have a daily production capacity of 2,500 tons of cement.

The head of the contracting company, pledged to focus on the welfare of the local community, stating that their aim extends beyond profit-making to include improving the well-being of the local population and adhering to the country's laws.

The contract, signed for a 30-year

term, outlines initial exploration activities followed by the construction and operation of the plant.

This project represents a significant step toward strengthening Afghanistan's domestic economy and advancing its economic development.

Afghanistan, endowed with vast untapped mineral resources, now enjoys a favorable opportunity for resource extraction under the Islamic Emirate's leadership in a conflict-free environment.

Previously, similar agreements for the exploration and extraction of minerals, including cement, have been signed with various domestic and international companies to support Afghanistan's economic growth.

This marks the fourth cement plant contract signed since the Islamic Emirate came to power. In total, contracts worth \$623 million have been signed with domestic and foreign companies for cement production and extraction to date.

