



# 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 about the:**

1. Completion of Steel Shuttering for the Deviation Tunnels of Bakhshabad Dam in Farah
2. Identification of Projects for Russian Investors in the Country
3. Emphasis on the Use of Domestic Products in the Economic Commission
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## COMPLETION OF STEEL SHUTTERING FOR THE DEVIATION TUNNELS OF BAKHSHABAD DAM IN FARAH



The steel shuttering work on the deviation tunnels of the under-construction Bakhshabad Dam in Farah province has been completed. Officials from the Farah River Basin Authority report that the mold installation for the tunnels is underway and is expected to be completed soon.

Officials in Farah province highlight the accelerated progress of the dam's construction and confirm that its activities are being closely monitored. The Islamic Emirate is committed to ensuring the timely and high-quality completion of this project.

The survey for Bakhshabad Dam was initially completed in 2009 by an Indian company with the assistance of several other firms, and its detailed design was finalized in 2016. However, due to the country's occupation, corruption, and inefficiency, the project remained stalled. After the Islamic Emirate came to power, the Economic Commission assigned a committee to evaluate all aspects of the project and submit its report.

Following the committee's report, the Economic Commission decided to resume the dam's construction. On May 20, 2023, the

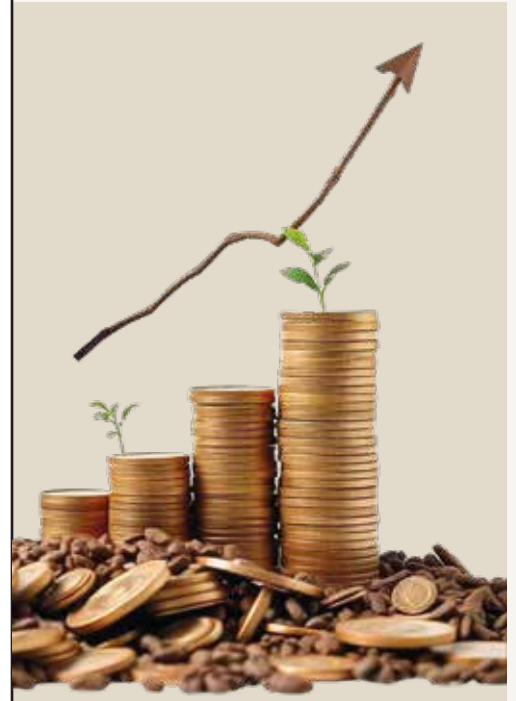
Deputy Prime Minister for Economic Affairs, Mullah Abdul Ghani Baradar Akhund, inaugurated the canal construction of the Bakhshabad Dam.

In his speech to the people of Farah, the Deputy Prime Minister referred to the Bakhshabad Dam project as vital and significant, emphasizing that the inauguration of major projects like this, which improve the country's economy, is a responsibility of the Islamic Emirate.

Originating from the Farah River, Bakhshabad Dam is among the country's significant dams, with a high water storage capacity. The residents of Farah province, who face groundwater shortages, will see this issue resolved, and agricultural activities will flourish further with this project. The dam will irrigate 68,590 hectares of land and generate 27 megawatts of electricity, significantly addressing the electricity challenges of Farah province's residents.

The Islamic Emirate has assessed incomplete and new projects across the country and has decided to complete them, contributing to Afghanistan's economic growth.

## IDENTIFICATION OF PROJECTS FOR RUSSIAN INVESTORS IN AFGHANISTAN



Afghanistan, recently freed from occupation and conflict, now enjoys unprecedented security, paving the way for domestic and foreign investment. As part of these efforts, Mullah Abdul Ghani Baradar Akhund, Deputy Prime Minister for Economic Affairs, held a critical meeting with sectoral ministries on December 15, 2024, at Marmarin Palace to attract foreign investment.

The meeting focused on identifying operational areas for Russian investors. Relevant ministries were tasked with identifying major economic projects within their sectors across the country and sharing detailed information with the Office of the Deputy Prime Minister for Economic Affairs.

Subsequently, the Office of the

Deputy Prime Minister for Economic Affairs will present these projects to Sergey Shoigu, Secretary of the Russian Security Council, to reach agreements on implementing these projects in Afghanistan.

On November 25, 2024, Secretary Shoigu visited Kabul and discussed investment opportunities in Afghanistan with the Deputy Prime Minister. The Russian side expressed interest in investing in various sectors, stating that Russian companies are keen to engage in Afghanistan.

During the meeting, the Russian delegation shared a list of 12 Russian manufacturing and industrial companies with Islamic Emirate officials. The list included companies interested in construction, railway development, chemical production, engineering software, oil and gas extraction, agricultural machinery production, large-scale energy machinery, geological surveys, solar panel manufacturing, and pipeline production in Afghanistan.

To further enhance coordination, the Deputy Prime Minister instructed the Inter-Ministerial Investment Committee to hold an online meeting with these 12 Russian companies.

Since the Islamic Emirate assumed power, several countries, including Russia, have shown interest in investing in Afghanistan. Investments have been made in mining, railways, solar energy, dams, and other sectors.

## EMPHASIS ON DOMESTIC PRODUCTS IN THE ECONOMIC COMMISSION



In its regular meeting chaired by Mullah Abdul Ghani Baradar Akhund, the Economic Commission emphasized using domestic products.

The commission approved the draft policy for utilizing domestic agricultural and livestock products, sending it to the Prime Minister's Office for final approval. The policy mandates that, initially, the Ministries of Defense and Interior, the General Directorate of Intelligence, and subsequently all other Emirate institutions and citizens prioritize domestic products.

Afghanistan, with an agriculture-based and livestock-reliant economy, often sees its farmers and herders suffering losses due to unsold products. In light of this, the Economic Commission endorsed the policy to support local farmers, herders, and domestic production, aiming to protect them from losses and boost the use of local goods.

The policy is expected to drive Afghanistan's economic growth and increase national revenue.

Additionally, the commission emphasized using Ghori Cement in construction projects. Sectoral ministries, agencies, and citizens were advised to prioritize Ghori Cement for construction needs where its quality meets the required standards.

The Ghori Cement Factory was instructed to enhance its capacity and ensure quality production to help Afghanistan achieve self-reliance in cement. This factory plays a significant role in the country's economic development, national revenue growth, and meeting domestic needs. Currently, it produces 700 tons of cement daily.

Decades of conflict and occupation left Afghanistan's economy underdeveloped and lagging behind global progress. The Islamic Emirate strives to strengthen domestic products and promote economic growth by fostering development in agriculture, livestock, and industry, ultimately leading to economic stability and self-sufficiency in Afghanistan.



# PROGRESS ON THE KABUL-KANDAHAR ROAD



The Kabul-Kandahar road is one of Afghanistan's major highways, playing a vital role in facilitating passenger travel,

strengthening domestic trade, and enhancing trade relations with neighboring countries. Due to the use of substandard

materials, overloading of vehicles, natural disasters, and neglect by the previous administration, this road was severely damaged. After assuming power, the Islamic Emirate initiated its reconstruction. Currently, the restoration work is progressing rapidly and is expected to be completed soon.

Islamic Emirate officials have consistently monitored the reconstruction work and pledged timely and high-quality completion. This highway is crucial for Afghanistan's economic development. Its reconstruction will increase trade activities, ease travel for passengers, and boost trade relations with neighboring countries.

