



Afghanistan's Economic Development

Issue: 7

(Newsletter)

Date: 2/1/2025

"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:

1. A Brief Overview of the Visit by a Kazakh Delegation to Kabul
2. Initiation of Research Activities on the Kaj Samad Mega Dam in Farah Province
3. Arrival of the First Chinese Railway Transit Shipment to Afghanistan
4. Progress Review of the Qadis District Water Reservoir Dam in Badghis Province

A BRIEF OVERVIEW OF THE VISIT BY A KAZAKH DELEGATION TO KABUL



On December 25, 2024, a delegation from Kazakhstan, led by Kairat Torebayev, Deputy Minister of Trade and Integration, visited Kabul. Torebayev, heading a 40-member delegation, met with Nuruddin Azizi, Afghanistan's Acting Minister of Industry and Commerce. They later briefed journalists at the Islamic Emirate's Media Center about trade relations between the two countries.

During the press conference, the Acting Minister of Industry and Commerce stated that agreements had been reached between the two parties to facilitate trade and export Afghan products to Kazakhstan, including precious and semi-precious stones, minerals, cotton, beverages, fresh and dried fruits. Additionally, agreements were made on initiating direct flights between Kabul and Almaty through the airlines of both countries, Kazakhstan's support for

and collaboration on the railway project, and designating a specific area at the Khorgos port for Afghan goods. The Kazakh Deputy Minister of Trade and Integration emphasized the importance of cooperation with Afghanistan and Afghan companies, highlighting trade as their primary focus. Torebayev added that the delegation included approximately 40 individuals from various sectors, including the private sector, and sought collaboration in mining, telecommunications, information technology, transportation, and other fields.

Since the re-establishment of the Islamic Emirate, numerous Kazakh officials have visited Kabul, and Afghan officials have reciprocated with visits to Astana. These visits, particularly the trip by Kazakhstan's Deputy Prime Minister to Kabul, have resulted in multiple agreements aimed at expanding

and strengthening trade ties.

On October 18, 2024, the Acting Minister of Industry and Commerce also traveled to Kazakhstan to participate in the second Afghan-Kazakh Exhibition. During this exhibition, 250 Afghan entrepreneurs showcased various products and goods.

Kazakhstan holds a positive view of the Islamic Emirate and has taken significant steps to strengthen and expand relations. This year, Kazakhstan officially recognized the Islamic Emirate's chargé d'affaires in its capital. At that time, Kazakh officials stated that this move would strengthen economic and trade relations between the two countries.

Kazakhstan remains a key trading partner for Afghanistan. Currently, trade between the two countries amounts to one billion dollars, with efforts underway to increase it to three billion dollars.

INITIATION OF RESEARCH ACTIVITIES ON THE KAJ SAMAD MEGA DAM IN FARAH PROVINCE



Foreign occupation and prolonged conflicts in Afghanistan have hindered proper and timely water management, leading to a significant decline in groundwater levels in many areas and leaving vast plains uncultivated.

In western Afghanistan, Farah and Nimroz are among the provinces most severely affected by drought,

with existing water resources poorly managed. To address the challenges faced by residents of these provinces, the Islamic Emirate has decided to construct the Kaj Samad Dam in Farah.

In this regard, Mullah Mohammad Yunus Akhundzada, the Acting Minister of Rural Rehabilitation and Development, traveled to Farah

province and officially inaugurated the research phase of the Kaj Samad Dam project, valued at 2 billion Afghanis.

The inauguration ceremony was attended by the governors of Nimroz and Helmand, several local officials of the Islamic Emirate, and ordinary citizens.

The Kaj Samad Dam in Farah will have a height of 56 meters and the capacity to store 140 million cubic meters of water. This significant national project is located in a major arid region of Farah and Nimroz provinces, where water is critically vital. The Acting Minister stated that thousands of jobs would be created during the construction phase of the dam. Once completed, the dam will irrigate 14,000 hectares of land and play a pivotal role in boosting Afghanistan's agricultural economy.

ARRIVAL OF THE FIRST CHINESE RAILWAY TRANSIT SHIPMENT TO AFGHANISTAN

As a landlocked country, Afghanistan relies on other nations for trade due to its lack of direct

access to seaports. This dependency has often caused significant challenges for Afghan

traders. For landlocked countries, strengthening ground transportation networks and building closer trade relations with neighboring and regional countries are essential for fostering economic connections.

The Islamic Emirate is striving to link Afghanistan with multiple countries through railway systems to strengthen trade networks.

While Afghanistan engages in substantial trade with China, there has been no direct ground transportation link between the two countries.

Consequently, Afghanistan has relied on



third-party nations for trade with China. Recently, however, trade relations between Afghanistan and China have been bolstered via railways. A shipment of 1,000 tons of iron coils was transported from China to the Rozanak railway station in Herat, Afghanistan, via Iran.

This marks the first time that Chinese goods have reached Afghanistan through Iran. Previously, Afghanistan's trade relations with China were facilitated through Central Asian countries. The arrival of Chinese goods via Iran demonstrates Afghanistan's growing political and trade relations

with neighboring countries, a development that is crucial for the nation's economic growth. The Islamic Emirate is actively working to expand Afghanistan's economic ties and is committed to integrating the country into the global railway network.

PROGRESS REVIEW OF THE QADIS DISTRICT WATER RESERVOIR DAM IN BADGHIS PROVINCE

Badghis is one of Afghanistan's provinces facing severe groundwater depletion. During the previous administration, construction of the Qaderabad Water Reservoir Dam in Qadis District was initiated but left incomplete. Following the re-establishment of the Islamic Emirate, the Ministry of Rural Rehabilitation and Development resumed work on this dam last year,

committing to its completion within two years. On December 27, 2024, Mullah Mohammad Younus Akhundzada, Acting Minister of Rural Rehabilitation and Development, visited the dam's construction site, inspected the progress, and provided necessary directives to the officials. The Qaderabad Dam stands 32 meters high and has a basin capacity to store 3 million cubic meters of

water. The dam will irrigate 1,400 hectares of land. Financed through the national budget, the project costs approximately 12.5 million USD. Once completed, the dam will significantly alleviate water shortages for residents of Qadis District and contribute to the growth of the agricultural economy in the region.

