



# Afghanistan's Economic Development

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The Afghanistan's Economic Development Newsletter highlights the most significant and latest economic developments in the country.

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



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## 70% COMPLETION OF THE CHAK HYDROPOWER DAM IN MAIDAN WARDAK



The construction of the Chak Hydropower Dam in Chak district, Maidan Wardak province, is nearly 70% complete. According to officials from the contracting company, financial and managerial challenges during the previous Kabul administration caused delays in the dam's progress. However, the Islamic Emirate allocated a budget for the dam's reconstruction in 2023,

leading to the resumption of work. So far, major and critical construction activities of the Chak Dam have been completed. These include: transportation of three turbines and valves to the site, installation of the sedimentation system, delivery of 58 transformers and cables for the distribution network, transportation of concrete poles, and installation of meter boxes.

Some remaining tasks include, installation of turbines, completion of the flushing system, repair of concrete structures, production and transportation of approximately 600 concrete poles, and the production, transportation, and extension of ABC cables. These remaining works are expected to be completed soon, allowing the project to become fully operational.

The Chak Hydropower Dam will generate nearly 4 megawatts of electricity. Once operational, it will help address the electricity needs of local communities in the region.

The Islamic Emirate has assessed all small and medium-sized hydropower projects that were left incomplete and has developed plans for their completion. As a result, several dam projects have already been finalized and made operational, while construction and rehabilitation work on other small and medium-sized dams across the country is progressing rapidly.

## ESTABLISHMENT OF A \$200 MILLION STEEL MELTING FACTORY IN MAIDAN WARDAK

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## SIGNING OF THE CONTRACT FOR THE DESIGN PHASE OF THE HERAT-KANDAHAR RAILWAY

The Ministry of Public Works has signed contracts worth 246 million Afghanis with five companies for the design and planning of the Herat-Kandahar railway.

Under these contracts, the companies will conduct a detailed survey for a 737-kilometer railway line, which is expected to be completed within eight months. Once the design and planning phase is finished, construction work on the railway will begin.

Currently, Afghanistan has approximately 250 kilometers of railway, connecting the country with Iran, Turkmenistan, and Uzbekistan. The Herat-Khaf railway is one of Afghanistan's key railway routes, linking the country to the global market and facilitating most of its

railway trade. The fourth phase of the Khaf-Herat railway project is currently under development and is expected to be completed in the near future.

Expanding the railway network is crucial for Afghanistan's economic growth, as rail transport reduces trade costs and creates numerous job opportunities.

