



# Afghanistan's Economic Development

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Each week, significant economic activities and developments occur across various sectors in Afghanistan. The Afghanistan's Economic Development Newsletter covers these important and latest economic activities and advancements.



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## 75% COMPLETION OF 500 KV POWER TRANSMISSION LINE FROM BAGHLAN TO KABUL



Energy plays a crucial role in Afghanistan's industrial development and improving daily life. Currently, the country does not produce enough electricity to meet domestic demand, requiring the government to import power from neighboring countries.

To facilitate the transmission of 1,000 MW of imported electricity from Turkmenistan, work is underway to extend a 500 kV power transmission line from Alwan Desert in Baghlan to the Arghandi substation in Kabul. According to officials, 75% of the project has been completed, with

the remaining work progressing steadily.

The project aims to supply electricity to industrial parks and several provinces, including Kabul, Ghazni, Khost, and Nangarhar. In support of this initiative, the expansion of the Arghandi substation in Kabul was inaugurated on June 27, 2024, by Deputy Prime Minister for Economic Affairs Mullah Abdul Ghani Baradar Akhund. The expansion work is currently underway and is expected to be completed in the near future.

The Islamic Emirate is actively working to reduce Afghanistan's reliance on imported electricity by focusing on domestic power generation projects. Several initiatives are already in progress to utilize Afghanistan's internal energy resources for sustainable power production.

## APPROVAL OF EIGHT PROJECTS WORTH 2.5 BILLION AFGHANIS BY THE NATIONAL PROCUREMENT COMMISSION



The National Procurement Commission, chaired by Deputy Prime Minister for Economic Affairs Mullah Abdul Ghani Baradar Akhund, convened its regular session on March 16, 2025, at Marmarin Palace.

During the meeting, 29 projects were reviewed, of which eight projects were approved, 13 were modified, two were canceled, and six were declined due to procurement-related issues.

Among the approved projects, one major initiative is the maintenance and protection of



Dahla Dam in Kandahar. The NPC approved measures to prevent structural damage, repair machinery, and clean the dam. This project is crucial as the dam provides irrigation and drinking water to local communities while also serving as a popular recreational site for thousands of visitors.

Additionally, the completion of Cancer Treatment Center at the facility of Ali Abad Hospital at Kabul Medical University was approved, with an extension of project duration and an additional

budget of 70 million Afghanis allocated for new sections. The hospital's reconstruction is nearing completion and will soon be operational.

In the transport sector, the NPC approved the construction of transport terminals in Daman and Bagh Pul areas of Kandahar, aimed at enhancing travel and goods transportation facilities. The commission has previously approved similar projects in Kabul, Badakhshan, and other provinces to improve the country's transport infrastructure.

Furthermore, the reconstruction of remaining sections of the Kabul-Kandahar Highway was sanctioned. This highway is a critical trade route, facilitating domestic commerce and strengthening Afghanistan's trade links with neighboring countries.

The Islamic Emirate of Afghanistan remains committed to economic growth and infrastructure development, prioritizing the construction of new highways and the rehabilitation of existing roads across the country.

## COMPLETION OF THE LONG DIVERSION TUNNEL OF BAKHSHABAD DAM



Significant progress has been made on the Bakhshabad Dam project in Farah province, western Afghanistan. According to local officials, the 100-meter-long diversion tunnel has been completed, adhering to all construction standards. Additionally, the concreting of one

side of a smaller tunnel's gate has also been finalized.

Islamic Emirate officials confirmed that work on the dam continues day and night, with heavy machinery actively engaged to ensure the project is completed on time and in an organized manner.

The construction of Bakhshabad Dam has been a longstanding demand of Farah residents. In response, Deputy Prime Minister for Economic Affairs, Mullah Abdul Ghani Baradar Akhund, inaugurated the remaining works on May 19, 2024, reassuring the people of Farah that the project will be successfully completed.

Once finished, the dam will irrigate nearly 70,000 hectares of agricultural land and generate 27 megawatts of electricity, contributing significantly to both agriculture and energy production.

The Islamic Emirate of Afghanistan remains committed to efficient water resource management and aims to achieve self-sufficiency in agriculture and energy through large-scale infrastructure projects like this.