



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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SIGNING OF THE 10,000 MEGAWATT POWER GENERATION MoU

On August 2, 2025, a major Memorandum of Understanding was signed in Kabul in the presence of the Deputy PM for Economic Affairs, Mullah Abdul Ghani Baradar Akhund, between the Ministry of Water and Energy of the Islamic Emirate of Afghanistan and Azizi Energy Private Company for electricity generation.

During the signing ceremony, the Acting Minister of Water and Energy, Mullah Abdul Latif Mansoor, described the agreement as a major achievement for Afghanistan.

Mirwais Azizi, the head of Azizi Energy Private Company, stated that with the support and

cooperation of the Islamic Emirate, they are strongly committed and fully determined to implement this investment. According to Azizi, a large percentage of the workforce involved in this project will be Afghan nationals, who will also receive relevant training.

Based on the MoU, Azizi Energy will invest USD 10 billion over a period of 7 to 10 years to generate 10,000 megawatts of electricity.

This project will be implemented across various regions of Afghanistan and will utilize multiple sources for power generation, including solar, wind, hydro, and coal energy.

Afghanistan benefits from approximately 300

sunny days per year, which provides a high potential for solar power generation. Additionally, the presence of strong wind currents in some provinces offers favorable conditions for wind energy. The country is rich in rivers and locations suitable for dam construction, which remain largely untapped. However, the Islamic Emirate has prioritized water management across the country. Moreover, Afghanistan has vast coal reserves that can be effectively used for electricity production.

Despite its vast potential, Afghanistan has historically underutilized its domestic resources for electricity generation, leading to chronic power shortages. As a result, the country currently imports a significant portion of its electricity from neighboring countries. The electricity to be produced by Azizi Energy will not only address Afghanistan's domestic power shortages but will also be exported to other countries.

This massive investment by Azizi Energy represents a landmark development in Afghanistan's economic growth. The generation of such a high volume of electricity will boost industrial activity, increase investment levels, and create thousands of job opportunities within the country. Additionally, Azizi Energy's investment is expected to build confidence among other private companies and encourage further investment in Afghanistan. Furthermore, the generation of renewable and clean energy will have significant environmental benefits and pose negligible harm to both the people and the climate of the country.



INCREASE IN TRADE VOLUME BETWEEN KABUL AND MOSCOW

Following the recognition of the Islamic Emirate of Afghanistan by Russia, trade relations between Afghanistan and Russia have

significantly expanded.

According to Emirate officials, trade between the two countries reached USD 219 million

during the first six months of the current Gregorian year.

Officials from the Afghanistan Chamber of Commerce and Investment stated that certain trade-related facilities have been introduced between the two nations. They added that Russian authorities have pledged to accept Afghan exports and facilitate trade with Afghanistan.

The Islamic Emirate of Afghanistan places great importance on strengthening relations with Russia and all other countries, and views the expansion and enhancement of trade relations as vital for regional connectivity.

Afghanistan primarily exports dried fruits and cooking equipment to Russia, while it imports petroleum, natural gas, and certain raw materials from Russia.

The increase in trade volume between Afghanistan and Russia represents a significant development for Afghanistan's economic landscape. This growing trade will enable more Afghan products and goods to be exported to Russia, contributing to the growth of Afghanistan's domestic economy.

