



# Afghanistan's Economic Development

**Issue No. 35 (1404 SH)**  
Consecutive Issue No. 49

**(Newsletter)**

**Date: 11/12/2025**

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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## EXPANSION OF COOPERATION BETWEEN KABUL AND TEHRAN IN THE PRODUCTION OF MEDICINES AND MEDICAL EQUIPMENT



On December 3, 2025, the Deputy PM for Economic Affairs, Mullah Abdul Ghani Baradar Akhund, met with the Deputy Minister of Health of Iran and the Head of the Food and Drug Administration, Mehdi Pir Salehi, as well as Iran's Ambassador to Afghanistan, Alireza Bikdeli.

During the meeting, the Iranian

officials expressed their readiness for long-term cooperation with Afghanistan in the production of medicines and medical equipment and in increasing their exports to Afghanistan. The Deputy PM assured cooperation and joint action on behalf of the Islamic Emirate of Afghanistan.

Recently, trade between Afghanistan

and Iran has expanded. Despite the suspension of trade with Pakistan, the prices of medicines and other medical equipment in Afghanistan have not increased. One of the main reasons for this is the domestic production of medicines and some medical equipment, and another key reason is Afghanistan's good trade relations with Iran and other countries.

Dozens of types of medicines are produced domestically in various fields, and they are of good quality. However, since there are many types of medicines and not all are produced in Afghanistan, it has been necessary to import high-quality medicines from Iran and other countries.

Based on its economy-oriented policy, the Islamic Emirate of Afghanistan seeks positive trade relations with all countries, but it does not allow the import of substandard and ineffective medicines and other goods from any country. For this reason, the Deputy PM, in his recent remarks, banned the import of medicines from Pakistan and urged traders not to import Pakistani medicines into the country.

## SIGNING OF AN INVESTMENT TERM SHEET BETWEEN THE MINISTRY OF FINANCE AND DP WORLD



On December 7, 2025, an investment term sheet was signed between the Ministry of Finance of the Islamic Emirate of Afghanistan and DP World

at the Office of the Deputy PM for Economic Affairs.

In his remarks at the ceremony, the Director General of the Office of the

Deputy PM for Economic Affairs, Mufti Abdullah Azzam, said that this term sheet will pave the way for contracts and foreign investment through which the country's commercial ports will be modernized and equipped with new technology. In light of this term sheet, future contracts will have the capacity to expand facilities for the transfer of commercial goods at the relevant ports; operational and managerial affairs will be carried out using advanced equipment, and all activities will be conducted in accordance with international standards.

With firm resolve and a strategic vision, the Islamic Emirate of Afghanistan has consistently sought to transform the country into a trade crossroads between Central Asia and South Asia. To achieve this major objective, the Islamic Emirate has put into operation the construction of railways, highways,

and related connecting infrastructure, and investment and reconstruction in these sectors are underway. Investment in and modernization of Afghanistan's ports will create significant facilitation in the country's imports, exports, and transit affairs; the flow of commercial goods will accelerate, and goods will reach international markets without obstacles or delay. DP World possesses extensive experience in the

management of international ports. By benefiting from the company's experience, Afghan goods will be presented in accordance with international standards, and their competitiveness will further increase. Under this term sheet, in the first phase the Hairatan Port on the Afghanistan-Uzbekistan border, and in the second phase the Torkham Port on the notional line between Afghanistan and Pakistan, will be equipped with

modern facilities and their infrastructure will be aligned and developed in accordance with international standards. Subsequently, this process will be expanded to other logistics corridors, economic zones, and national projects. The Islamic Emirate believes that this investment will turn the country into a major economic and transit hub and will open new doors to sustainable economic stability.

**MINISTRY OF TRANSPORT SAYS 50 PROJECTS ARE UNDERWAY TO CREATE FACILITIES**

Officials of the Ministry of Transport and Aviation have stated that over the past four years they have taken the necessary steps to modernize the transport sector and create facilities. Currently, there are five international airports in the country with direct flights to 15 countries, playing an important role in strengthening Afghanistan's relations with regional

and global countries. In addition, 22 other domestic airports are also active in the country, which are used for domestic flights and help address the problems of citizens. According to officials, more than fifty projects are underway in the aviation sector, some parts of which have been completed. The transport sector holds

an important position in the country's economic growth. The Islamic Emirate of Afghanistan has given special attention to this sector, and after its re-establishment, it has rehabilitated many parts of the country's airports and newly constructed some of them. For example, work on a new waiting terminal at Kabul International Airport has been launched, the work is ongoing, and it will be handed over for use in the near future.

