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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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THE APPRECIATION OF THE AFGHANI; AN IMPORTANT SIGN OF MONETARY STABILITY

The recent meeting of the Supreme Council of Da Afghanistan Bank is considered an important development in assessing the country's monetary and banking situation. According to Da Afghanistan Bank, the Afghani appreciated by 10.77% against the US dollar during

the year 1404. This change is occurring at a time when many global and regional currencies are facing instability and depreciation.

The stability of a national currency is regarded as a fundamental indicator of a country's economy. When a national currency is stable, import prices are

controlled, investor confidence increases, and the market environment remains positive. The appreciation of the Afghani indicates that monetary policies have largely succeeded in maintaining balance in the foreign exchange market.

During the same meeting, a report on the increase in banking sector assets was also presented. Over the course of 1404 SH, total banking assets increased by 4.69%. This growth is considered an important sign of banking system stability, savings growth, and public confidence. The strengthening of the banking sector has a direct impact on economic activities, as banks are a key source of financing for investment and trade.

Overall, the appreciation of the Afghani, the increase in banking assets, and the expansion of financial services are positive economic indicators that can further strengthen a favorable environment for economic stability, investment, and trade.



UZBEKISTAN'S INVESTMENT; AN OPPORTUNITY FOR SELF-SUFFICIENCY IN THE PHARMACEUTICAL SECTOR

The head of Uzbekistan's pharmaceutical agency, Abdullah Azizov, stated in a meeting with the

Deputy PM for Administrative Affairs, Mawlawi Abdul Salam Hanafi that traders and investors from Uzbekistan

are ready to engage in pharmaceutical imports and investment in Afghanistan. This growing interest in investment in the pharmaceutical sector between Afghanistan and Uzbekistan represents an important opportunity for the development of Afghanistan's health sector.

The pharmaceutical sector is one of the key components of economic and social stability in any country. Afghanistan currently relies heavily on other countries for pharmaceuticals, which leads to an outflow of foreign currency. Strengthening domestic production or joint investment in this sector would reduce the level of pharmaceutical imports and lower the cost of healthcare services.

Furthermore, the Uzbek delegation's proposal to provide laboratory



equipment and enhance staff capacity is of particular importance. Quality control and standardized production of pharmaceuticals are essential requirements for meeting international standards. Establishing strong laboratories in the country would improve the quality of

medicines and increase public trust. Such economic cooperation not only has commercial value but also contributes to strengthening bilateral relations. Foreign investment can facilitate opportunities for transit, trade, and joint industrial projects. Uzbekistan's investment in the

pharmaceutical sector is considered a significant opportunity for Afghanistan to achieve self-sufficiency, create employment, and expand economic relations.

AFGHANISTAN AND KYRGYZSTAN; THE GOAL OF REACHING \$1 BILLION IN TRADE

The Minister of Industry and Commerce of the Islamic Emirate of Afghanistan, Nooruddin Azizi, met in Kabul with Kairat Tursunkulov, Deputy Minister of Foreign Affairs of Kyrgyzstan. The meeting emphasized that bilateral trade should be increased to \$1 billion. Efforts to expand trade between Afghanistan and Kyrgyzstan are considered an important step toward strengthening economic connectivity. Central Asia is

regarded as an important market for Afghanistan's exports and imports. The cultural proximity and shared values between Afghanistan and Kyrgyzstan create a positive environment for economic relations. High-level visits and consultative meetings between the two sides play an important role in reducing trade barriers and identifying new opportunities. Increasing trade with regional countries creates new opportunities

for transit and investment. Afghanistan is considered a key connectivity point between South and Central Asia, and leveraging this geographical position can significantly increase trade volume. If practical measures are taken to improve trade facilitation, transit routes, and joint economic projects, achieving the \$1 billion trade target appears both possible and realistic. This development would play an important role in expanding Afghanistan's exports, increasing revenues, and advancing regional economic integration.

