



# 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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## AFGHANISTAN'S RELATIONS WITH CENTRAL ASIAN COUNTRIES ARE EXPANDING



In recent years, Afghanistan has taken practical steps to strengthen its economic and trade relations with regional countries. In this regard, the first meeting of strategic studies centers and think tanks of Afghanistan, Central Asia, and the Republic of Azerbaijan was held in Kabul, hosted by the Ministry of Foreign Affairs. Representatives from Uzbekistan, Turkmenistan, Tajikistan, Kyrgyzstan, Kazakhstan, and Azerbaijan attended the meeting. In his opening remarks, Afghanistan's Foreign Minister, Amir Khan Muttaqi, stated that Afghanistan possesses unique potential for regional connectivity as a

natural bridge between Central and South Asia. He emphasized that major projects such as CASA-1000, TAPI, TAP, the Lapis Lazuli Corridor, and the Afghan-Trans railway should be supported through comprehensive economic studies and research assessments to further strengthen economic cooperation and mutual trust among regional countries. Uzbekistan is considered one of Afghanistan's key economic partners. Trade between the two countries has reached approximately US\$1.5 billion, and both sides are working to increase this figure further. The Hairatan–Mazar-e-Sharif railway and the

Afghan-Trans project are among their most significant joint initiatives. Uzbekistan is also investing in various projects related to the Toti Maidan gas field and electricity transmission. Turkmenistan is another important partner in Afghanistan's energy sector. The TAPI gas pipeline, the Torghundi–Herat railway, and several electricity-related projects form the foundation of economic cooperation between the two countries. Kazakhstan plays an important role in Afghanistan's food security and is one of the major exporters of wheat and other grains. It also seeks to significantly expand trade relations with Afghanistan. Afghanistan maintains positive relations with other countries in Central Asia and the Caucasus and seeks to further broaden these ties, particularly in economic and commercial fields. Through stronger regional relations, Afghanistan aims to enhance regional connectivity. Afghanistan's geographical location offers significant opportunities for regional integration. Guided by the Islamic Emirate's economy-focused policies, the country seeks to utilize these opportunities to improve its economic situation, expand transit cooperation, and strengthen regional connectivity.

## AFGHANISTAN IS READY TO ATTRACT REGIONAL INVESTMENT

In recent years, Afghanistan has made extensive efforts to promote economic growth, regional connectivity, and investment attraction. The leadership of the Islamic Emirate and relevant economic institutions are working to transform Afghanistan into an active and influential participant in regional economic cooperation.

In this context, Afghanistan's Ambassador to China, Bilal Karimi, stated during the Seventh China–South Asia Cooperation Forum that improved security and the country's economy-oriented policies have created favorable conditions for investment in Afghanistan. Mr. Karimi added that Afghanistan now offers broad investment opportunities for regional and

international investors and is prepared to further expand its economic and trade relations with China and other countries. Improved security, enhanced economic cooperation, and stronger regional connectivity are among the factors that can further expand opportunities for foreign investment.

Afghanistan enjoys a unique geographical position and serves as a bridge between Central and South Asia. This location provides valuable trade and transit

opportunities between the two regions. Following the Islamic Emirate's return to power, favorable conditions for

investment were established. Security is one of the most important prerequisites for investment, particularly foreign

investment. With nationwide security currently in place, Afghanistan has fulfilled this requirement, allowing both domestic and foreign investors to take advantage of the country's secure environment.

China has recently invested in Afghanistan, and Islamic Emirate officials have called for further expansion of economic cooperation between the two countries. In line with its balanced and economy-focused foreign policy, Afghanistan seeks to maintain economic relations and cooperation with all countries, including China. Creating favorable investment conditions and implementing regional cooperation and infrastructure projects are essential for Afghanistan's economic development.



## EMPHASIS PLACED ON THE RAPID COMMENCEMENT OF PRACTICAL WORK ON THE MES AYNAK PROJECT

The Mes Aynak project is regarded as one of Afghanistan's largest economic and mining projects and holds special significance for the development of the country's mining sector and economic growth. To accelerate the implementation of the project, officials

from the Ministry of Mines and Petroleum met in Kabul with representatives of China's Ministry of Foreign Affairs' Asian Affairs Department, the Chinese Ambassador, and officials from the project's contracting company.

Afghan officials described the Mes Aynak project as strategically and economically important for both Afghanistan and China and stated that there are no obstacles preventing its implementation. The contracting company was urged to fulfill its commitments and begin the core project activities as soon as possible. Progress on the Mes Aynak project could further expand economic cooperation between Afghanistan and China. The project can also send a positive signal to the international community that Afghanistan offers suitable opportunities for large-scale economic investment. The Mes Aynak copper deposit in Logar Province is considered the world's second-largest copper reserve. Implementation of this project would open a new chapter in the development of Afghanistan's mining sector. Once practical work begins, the project is expected to create thousands of jobs, stimulate industrial development, and generate a significant and strategic source of revenue for the country's treasury.

