



# Afghanistan's Economic Development

Issue No. 12 (1405 SH)  
Consecutive Issue No. 74

NEWSLETTER

Date: 25/6/2026



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.

## In this issue:

- 1. KAZAKHSTAN TAKES NEW STEPS TO EXPAND TRADE AND INVESTMENT COOPERATION WITH AFGHANISTAN**
- 2. AFGHAN SAFFRON EXPORTS EXPAND, GENERATING NEARLY US\$4.5 MILLION IN THREE MONTHS**
- 3. EXPANSION OF MANUFACTURING FACTORIES IN BAMYAN: A SIGNIFICANT STEP TOWARD ECONOMIC GROWTH AND JOB CREATION**

## KAZAKHSTAN TAKES NEW STEPS TO EXPAND TRADE AND INVESTMENT COOPERATION WITH AFGHANISTAN



Afghanistan and Kazakhstan have emphasized the implementation of new measures to expand economic cooperation and strengthen bilateral trade relations. To this end, Kazakhstan's Deputy PM and Minister of National Economy, Serik Zhumangarin, visited Kabul earlier this week and held meetings with several senior officials of the Islamic Emirate of Afghanistan, including Mullah Mohammad Hassan Akhund, PM, and Mullah Abdul Ghani Baradar Akhund, Deputy PM for Economic Affairs.

During his meeting with Mullah Abdul Ghani Baradar Akhund, the Kazakh side expressed its readiness to invest in Afghanistan's economic sectors and expand bilateral trade. Kazakhstan also plans to establish a dedicated pharmaceutical sales center and a Chamber of Commerce office in Kabul. This initiative is expected to play an important role in strengthening ties between the private sectors of the two countries and expanding commercial cooperation. Furthermore, the

Kazakh delegation expressed interest in investing in Afghanistan's mining sector. Kazakhstan has committed to practical cooperation in the exploration and extraction of chromite and zinc deposits, the production of chemical fertilizers, and the opening of banking accounts to facilitate financial cooperation. In addition, Kazakhstan announced its willingness to cooperate in the construction of the major Mazar-e-Sharif–Herat–Kandahar–Spin Boldak railway project, which is considered an important step toward enhancing regional connectivity and transit links. Kazakhstan has also expressed its readiness to facilitate greater access for Afghan food exports and announced that it will reduce customs tariffs on Afghan products. This measure could open new markets for Afghanistan's exports and contribute to improving the country's trade balance. The implementation of these initiatives is expected to create new economic opportunities for Afghanistan in the areas of investment, trade, transit, and regional economic connectivity.

## AFGHAN SAFFRON EXPORTS EXPAND, GENERATING NEARLY US\$4.5 MILLION IN THREE MONTHS

Saffron is one of Afghanistan's agricultural products that has secured a distinguished position in international markets in recent years. According to the Afghanistan Saffron Consortium, improvements in quality, standardized production, and appropriate packaging have significantly increased Afghan saffron exports, enabling direct access to international markets. Officials of the consortium stated that Afghan saffron

is exported to the United States, European countries, China, and several Arab markets, where demand continues to grow. They added that each shipment undergoes comprehensive laboratory testing before entering the market, ensuring compliance with international standards and strengthening consumer confidence. Afghan saffron is widely recognized among the world's finest due to its

superior quality, distinctive color, aroma, and flavor. These qualities have earned it considerable recognition at international exhibitions and markets, resulting in steady year-on-year growth in exports. According to the Herat Chamber of Commerce and Investment, approximately 2,900 kilograms of saffron were exported to international markets during the first three months of the current year, generating nearly US\$4.5 million in revenue. These figures reflect both the increasing export value of the

product and the growing global demand for Afghan saffron.

According to officials of the Afghanistan Saffron Association,

saffron is currently cultivated on 12,000 hectares of land across the country, providing direct and indirect income to more than 80,000 people. Saffron is also regarded as a suitable alternative to poppy cultivation because it requires relatively little water, has a high economic value, and plays a significant role in increasing farmers' incomes. Further investment in saffron processing, packaging, marketing, and exports can further strengthen Afghanistan's position in global markets and increase the country's foreign exchange earnings through higher exports.



## EXPANSION OF MANUFACTURING FACTORIES IN BAMYAN: A SIGNIFICANT STEP TOWARD ECONOMIC GROWTH AND JOB CREATION

In recent years, the expansion of manufacturing activities in Bamyan Province, located in central Afghanistan, has been regarded as an important development in promoting economic growth and strengthening the private sector. According to the Bamyan Department of Industry and Commerce, since the re-establishment of the Islamic Emirate, 32 manufacturing factories have become operational in the province. These factories are engaged in carpet weaving, handicrafts, dairy processing,

detergent production, and the manufacturing of various food products. The establishment of these factories has not only increased local production but has also created employment opportunities for hundreds of citizens. Each factory provides jobs for between 50 and 800 people, contributing significantly to reducing unemployment and increasing household incomes. Investments ranging from AFN 1 million to AFN 10 million have been made in these factories. This demonstrates the

private sector's growing commitment to productive investment and confirms that favorable opportunities for industrial development are emerging across the country. In addition, since the beginning of the 1405 SH, operating licenses have been issued to 280 commercial companies in Bamyan Province. This development is regarded as a positive indicator of investment promotion and the expansion of economic activities. The increasing number of manufacturing factories and commercial companies in Bamyan reflects the strengthening of the provincial economy, the expansion of employment opportunities, and the growth of domestic production. The Islamic Emirate of Afghanistan supports investors and is providing the necessary facilities to encourage investment. In this regard, the required measures have been undertaken across the country to promote private sector development. Following decades of instability, a centralized and independent system has been established in the country, and efforts are underway to ensure balanced development throughout Afghanistan so that citizens can benefit from employment opportunities within their own country.

