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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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A SIGNIFICANT STEP TOWARD STRENGTHENING THE DOMESTIC PHARMACEUTICAL INDUSTRY



Since the return of the Islamic Emirate of Afghanistan, the country's pharmaceutical industry has experienced notable growth, and the organization of the Second National and International Specialized Exhibition of Abu Ali Sina Balkhi reflects the development and strengthening of this sector. The exhibition, inaugurated by the Deputy PM for Economic Affairs, Mullah Abdul Ghani Baradar Akhund, is regarded as an important opportunity to support domestic production, attract investment, and enhance the capacity of the healthcare sector. Currently, 134

pharmaceutical manufacturing factories are operating in the country, producing 1,170 types of medicines. Approximately USD 450 million has been invested in these factories, which now meet 38 percent of the country's pharmaceutical needs. This comes at a time when, just eight months ago, this figure stood at only 25 percent. This progress demonstrates that policies aimed at reducing dependence on imported medicines and encouraging domestic production have provided favorable opportunities for the growth of the pharmaceutical industry. The expansion of pharmaceutical

production is important not only from a healthcare perspective but also from an economic standpoint. Domestic pharmaceutical production prevents the outflow of foreign currency, creates employment opportunities, and accelerates industrial development. Furthermore, the production of quality medicines can also create opportunities for exports. The Deputy PM for Economic Affairs' remarks regarding the standardization of medicines, prevention of hoarding, and price control indicate that, alongside pharmaceutical production, attention is also being given to market regulation. Pharmaceutical manufacturers should focus on producing high-quality medicines and adhering to international standards, as this would enable Afghanistan to attain a stronger position in regional and global markets. The Islamic Emirate continues to support the private sector, and recent measures demonstrate its commitment to encouraging private investment in the country. Strengthening the domestic pharmaceutical industry is not only essential for the country's healthcare security but also serves as an important foundation for industrial growth, increased investment, and economic stability.

REACTIVATION OF THE FIFTH SECTION OF THE HAIRATAN–MAZAR-E-SHARIF RAILWAY AND EXPANSION OF TRADE

Transport and logistics infrastructure are among the key drivers of economic

growth. In this regard, the reactivation of the fifth section of the



Hairatan–Mazar-e-Sharif railway represents a significant development for Afghanistan's transportation network and regional trade expansion.

The project, inaugurated by the Deputy PM for Economic Affairs, Mullah Abdul Ghani Baradar Akhund, includes 70 kilometers of main railway track, 30 kilometers of branch lines, five stations, and the capacity to unload 50 railway wagons. The reactivation of this railway section will make the transportation of commercial goods faster, more cost-effective, and more efficient.

Afghanistan is strategically located at the heart of the region and serves as an important bridge between Central and South Asia. Therefore, the expansion of railway infrastructure holds particular significance for enhancing the country's

transit capacity and strengthening regional connectivity. Hairatan Port is one of Afghanistan's most important commercial gateways, serving as a key link to Uzbekistan and other Central Asian markets. Transporting goods by rail is more economical, safer, and faster than

road transport. The expansion of this network is expected to reduce import and export costs to a considerable extent. Moreover, strengthening economic cooperation between Afghanistan and Uzbekistan will create important opportunities for expanding

regional economic relations.

The reactivation of the fifth section of the Hairatan–Mazar-e-Sharif railway is considered a significant step toward strengthening Afghanistan's transit position, expanding trade, and promoting economic growth.

A NEW OPPORTUNITY FOR EXPANDING ECONOMIC COOPERATION BETWEEN AFGHANISTAN AND RUSSIA

The proposal for a possible visa waiver between Afghanistan and Russia is considered an important development for expanding economic and commercial relations between the two countries. Although the matter currently remains at the proposal stage, its introduction opens new avenues for enhancing economic interaction between both sides. The proposal was put forward by the head of Russia's Trade Center in Afghanistan. In recent months, relations between Kabul and Moscow have seen notable progress. The expansion of diplomatic relations and the recent visit of Afghanistan's Minister of Defense, Mawlawi Mohammad Yaqoob Mujahid, to Russia, during which a military and technical cooperation agreement was

signed, are clear examples of the growing closeness between the two countries.

The most significant economic impact of visa facilitation or removal would be felt by traders and investors. International experience shows that reducing restrictions on business travel has a positive effect on trade volumes and plays an important role in expanding investment opportunities.

Russia is one of the world's major markets, and Afghanistan could export agricultural products, fresh and dried fruits, medicinal plants, and certain mineral resources to Russian markets. On the other hand, Russian companies could invest in Afghanistan's energy, mining, agriculture, and industrial sectors, as well as other sectors, and benefit from the

new opportunities that have emerged in the country.

Although the visa waiver has not yet been implemented and remains only a proposal, the discussion itself indicates that Afghanistan and Russia seek to expand their relationship beyond the political sphere to include economic, commercial, and technical cooperation. If relations between Afghanistan and Russia continue to develop further, new opportunities for trade, investment, and regional connectivity will emerge between the two countries.

In addition to Russia, the Islamic Emirate of Afghanistan seeks engagement with all countries in the region and around the world based on its economy-centered policy. The Islamic Emirate welcomes and seeks the expansion and strengthening of relations with all countries within a framework of mutual respect.

