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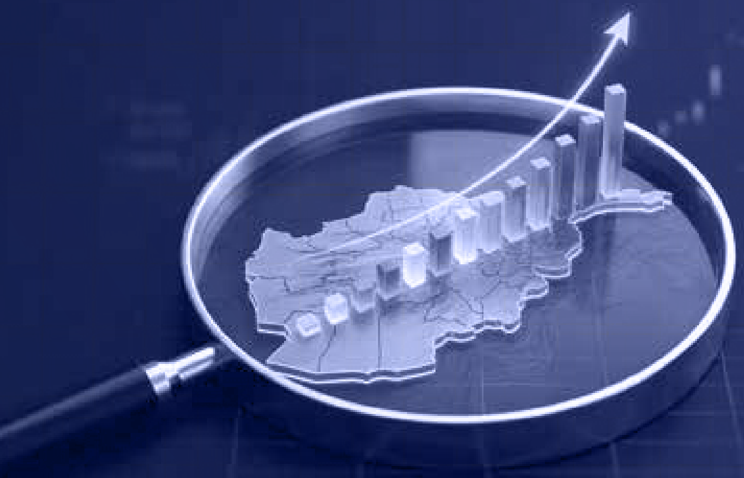

Each week, significant economic activities and developments occur across various sectors in Afghanistan. The Afghanistan's Economic Development Newsletter covers these important and latest economic activities and advancements.

In this issue:

THE SECOND JABAL AL-SIRAJ CEMENT PLANT: A MAJOR STEP TOWARD DOMESTIC PRODUCTION AND INDUSTRIAL GROWTH

The commencement of construction on the second large-scale cement production plant in Jabal al-Siraj District of Parwan Province marks a significant milestone in Afghanistan's industrial development and the strengthening of domestic production.

The inauguration ceremony was attended by the Deputy PM for Economic Affairs, Mullah Abdul Ghani Baradar Akhund, the Deputy PM for Administrative Affairs, Mullah Abdul Salam Hanafi, several cabinet members, officials of the National Development Corporation, and a large number of citizens.

The second Jabal al-Siraj Cement Plant will have the capacity to produce 5,000 tons of cement per day, which will not only help meet the country's construction needs but also increase the share of domestically produced cement in place of imported cement.

Afghanistan imports a considerable amount of cement each year to meet domestic demand, resulting in the outflow of millions of dollars to foreign countries. Once the second Jabal al-Siraj Cement Plant becomes operational, a substantial portion of these imports will be replaced by domestic production, reducing currency outflows and contributing positively to the national economy. Furthermore, locally produced construction materials will play an effective role in reducing the costs of major infrastructure projects and accelerating their implementation.

Another significant economic benefit of this plant is the creation of employment opportunities. It is expected that thousands of direct and indirect jobs will be generated during both the construction and production phases. This will not only increase the incomes of citizens but will also create favorable conditions for expanding investment and commercial activities in the region and related sectors.

The launch of this project also sends a positive message to the private sector. As the Islamic Emirate of Afghanistan continues to support investment, the implementation of such large-scale projects can strengthen the confidence of both domestic and foreign investors and further encourage investment in mining, construction materials, and other manufacturing industries. If similar projects are successfully completed, Afghanistan will not only achieve self-sufficiency in cement production but will also develop the capacity to export cement to regional markets.

ANNOUNCEMENT OF TAX REDUCTIONS: AN IMPORTANT MEASURE TO PROMOTE INVESTMENT, PRODUCTION, AND ECONOMIC ACTIVITY

The announcement of tax reductions for the country's private sector is considered a significant economic measure to support trade and industry. Reducing the corporate income tax rate from 20 percent to 10 percent, increasing the tax exemption threshold for individuals, and lowering the property transfer tax are reforms that reduce the financial burden on the private sector and create a more favorable environment for investment.

From an economic perspective, lower taxes translate into reduced operating costs for companies and manufacturing enterprises. When businesses and producers face a lighter tax burden on their profits, they can allocate their savings toward expanding production, purchasing new machinery, increasing production capacity, and hiring additional workers. Over the long term, these measures contribute to higher production levels and faster economic growth.

Likewise, increasing the tax exemption threshold for individuals enhances the purchasing power of low- and middle-income citizens, as a larger share of their income remains available for consumption and savings. Higher domestic consumption strengthens market activity and increases demand for goods and services produced by the manufacturing and service sectors.

Reducing the property transfer tax and introducing a fixed tax for wholesale transactions in the oil and gas sector also lowers the cost of commercial transactions. These tax reductions serve as an incentive for investment, the legal registration of assets, and the expansion of commercial activities.

The Islamic Emirate of Afghanistan will implement these tax reductions, which, together with other economic facilitation measures, are expected to play an important role in increasing private investment, production, and employment opportunities across the country.