

Afghanistan's Economic Potential: A Case for Regional Security

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Abstract

According to a joint research study by the Pentagon and the United States Geological Survey (2017), Afghanistan has an approximated USD 3 trillion worth of untapped minerals.¹⁷¹ The economic potential in Afghanistan is immense. Essential to modern industry, the minerals of Afghanistan can help eventually transform the country into one of the most important mining centers in the world. With some 1400 mineral fields containing iron, copper, gold, coal and natural gas, partnership and investments in exploration and development of these reserves sectors can bring an economic revolution not only in Afghanistan, but the entire region as well. China, Iran, India, Pakistan, Russia and Central Asian states (CARs) are economically engaged with Afghanistan, while Afghanistan is also a part of Central Asia, West Asian and South Asian regions politically. However, due to regional politics, Afghanistan's potential as a transit hub has not been fully utilized. Its trade with Pakistan is around USD 1.2 billion. India is the third largest trading partner for Afghanistan with a trade value of USD 900 million and investments over USD 3 billion. Unfortunately, political instability and war

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¹⁷¹Mariam Amini, "At stake in US military efforts to stabilize Afghanistan: At least \$3 trillion in natural resources" *CNBC*, August 17, 2017

in Afghanistan have forced 42 percent of the population to live in poverty, as unemployment rates have increased to 40 percent and rapid population growth at the rate of 2.3 percent places pressure on service delivery. Regional politics, especially proxy wars by regional and global players, have mainly impeded the exploitation of this economic potential. Regional cooperation is a key part of managing a successful transition in Afghanistan in order to promote increased trade and connectivity within the region, creating links across the region to external markets, and also enabling broader integration with large regional markets and the global economy. This however, is subject to comprehensive security and stability in the region.