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Weekly analysis:

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This Publication consists of significant incidents as per week, which is provided and published by Center for strategic and regional studies, to analyze the political and economic status of Afghanistan, for the use of different organizations and institutions.

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1. Economy and economic relations of Afghanistan needs substantial plans!

- Saifuddin Saihoon says: we have seven or eight official and about 90 illegal ports, if the illegal ports become legal and official ports, government's income will increase and will help to formalize the country's economy, if we don't have these ports, the needy people have the right to fulfill their needs through any possible way, therefore unfortunately we are witnessing illegal trades and businesses.

2. Afghanistan and Pakistan in 2014

- 2014 is significant year for Afghanistan as the political, economic and finally the security transition will take shape, also for Pakistan, to redefine its foreign policy, economic stability and differentiating between Afghan

and Pakistani Taliban and reviewing their strategy to save and support their strategic depth in Afghanistan.

3. New peace efforts; or fulfillment of Karzai's preconditions for signing the security agreement!

- A Pakistan newspaper named Nawa-e-Waqt in coverage of Saud Al Faisal's visit to Pakistan quoted from Ezaz Ahmad Chohdri the deputy minister of foreign affairs of Pakistan that Saud Al Faisal in his discussions with Pakistani officials, requested them to cooperate with Saudi Arabia, in opening an office for Afghan Taliban for peace negotiation.

Economy and economic relations of Afghanistan needs substantial plans!

By: Hekmatullah Zaland

In recent years the context was likely favorable for economic growth of Afghanistan and using some opportunities resulted in economic empowerment, but lack of effective and fundamental economic plans caused the losing of most the opportunities.

According to economic analysts, Afghan government's officials in last one decade did not have economic philosophy and plans and therefore they did not played significant role in fundamental and stable economic growth of the country.

Most aspects like the Economic relations between Afghanistan and Pakistan, and investments and aids from international community which had great impact on economy of Afghanistan has been treated superficially, and has just been relied on Propagandas in this regard.

These days, Pakistani officials have made some decisions regarding the transport and transit with Afghanistan, based on that from 17 March 2014, the business transactions with Afghanistan will occur in U.S dollar and also most of trade transactions will take shape from Ghulam Khan port at the north Wazirestan in border with Afghanistan.

Afghan merchants say: this decision is taken in hurry and it was necessary to consult in this respect with Afghan government, traders and merchants, but they welcome the shift of transaction load to Ghulam khan port despite the security obstacles in both sides of the line.



In an exclusive interview with CSRS, Mr. Saifuddin Saihoon lecturer in Kabul University and economic analyst consider the increase of business transactions through the Ghulam khan port positive and adds that it will have positive effect on

the economy of Afghanistan and it would help to decrease the costs of business goods.

He adds: it is important to improve more official ports along the Durand line, especially the Ghulam Khan port through which we can import goods from various parts like Waziristan to Khost, and then move through transit and transport without heavy costs.

According to him this step will insure the legalization of transit and business, and also secures the access to basic commodities and eventually results to legalization and effectiveness of business relations between Pakistan and Afghanistan which might have positive effect on security of Afghanistan as well.

But he points out to some obstacles in this port, along with security problems, the port institutions are not complete and the lack of active custom system, therefore fundamental institutions and suitable environment must be facilitated, so there won't be the need of traversing Torkham, Chaman or other long routes.

Mr. Saihoon says: we have seven or eight official and about 90 illegal ports, if the illegal ports become legal and official ports, government's income will increase and it will help to formalize the economy, if we don't have these ports, the needy people will have the right to fulfill their needs through any possible way, therefore unfortunately we would witness illegal trades and businesses.

Mr. Saihoon says about the impacts of the decision through which all the transactions between Pakistan and Afghanistan after 17 March will be done through U.S dollar, believes: if the transactions with Pakistan take shape in U.S dollar, it might be stable, but it will have its own problems as well, since the goods will be first sold in US Dollar and then with Afghani, so the rates of goods for consumers will increase.

According to him: unfortunately we are an importing country, so we would suffer, and Pakistan as exporter would get advantage, the disadvantage for Afghanistan will be the increasing rates of US Dollar against Afghani which will harm our imports.

Since some expensive business transactions within the country are taking shape through Dollar, Mr. Saihoon says: transactions through dollar within Afghanistan are lawless, but when the transactions are being made through Dollar, the demand

for Dollar increases and its rates get higher, which results in importing the goods more expensively, and also while changing the Afghani to dollar in order to import the goods, dollar will circle twice in the transactions which can result in escape of currency and the high rate of US Dollar against Afghani, and eventually we will face import inflation and the debasement of our currency.

He mentions, since Afghanistan is not an exporting country, and most of the goods are being imported to Afghanistan so we will be affected by other countries' economic pressures on us and we have to accept it.

Meanwhile, recently Afghanistan's Investment Support Agency in its latest report has mentioned that investments in 2013 have increased 5%, while according to some businessmen the concerns over 2014 and the bilateral security agreement has caused the decline in investments.

Mr. Saifuddin Saihoon comparing the realities on the ground and the report published by AISA said: firstly, they must clarify that in which sections has the investments increased. According to Mr. saihoon probably the contracts of the natural resources extraction is the bigger part of the mentioned increase but that is not the real investment, even some internal sources have invested in Afghanistan mines industry, while these investments are not beneficial for Afghanistan and conversely it would empower the mafia of Afghanistan's natural mines and resources.

Mr. saihoon says: I do not agree with AISA, our investments shows decline, but AISA is assuming optimistically which does not fit the realities on the ground and reality of Afghanistan's economy.

He believes that the negative propaganda about 2014 has also affected the investment process and has resulted in declining investments and the distrust over the future.

The other issue is lack of Poverty alleviation plans which still remains a challenge, despite the international community's aids and wide range of opportunities. Ministry of finance has signed an agreement of 50 million US Dollar with the World Bank, which according to its officials might be beneficial in poverty reduction.

According to Mr. Saihoon: in economic philosophy and long term economic policies of a state; 50 million is not that much big amount through which a country could get able start the poverty reduction programs, they actually did not have poverty reduction programs and programs against unemployment or social security programs in their strategies. Poverty reduction is a wide economic, social and cultural program, in which all the ministries must have a plan for poverty reduction, something we did not have and I think they will even not have from now onwards.

Afghanistan and Pakistan in 2014

Dr. Faiz Mohammad Zaland - political analyst



Pakistan and Afghanistan once again are in a period of history in which they can evaluate their bilateral relations, whether they seek cooperation or animosity in these relations. Both countries can lead together to a better future with trust-building measures and interactive cooperation or to a mistrust and acrimony between two countries with uncooperative contiguity.

In fact, 2014 is a significant year for Afghanistan as the political and economic and finally the security transition will take shape, also for Pakistan, to redefine its foreign policy, economic stability and differentiating between Afghan and Pakistani Taliban and reviewing their strategy to save and support their strategic depth in Afghanistan.

On the other hand, 2014 is bringing significant responsibilities for Afghanistan; one among them is the transition of power through election. Holding election is a very necessary step for long term stability in the country, which must be held free and timely. Political transition through election will bring some changes in policies; one of them can be the new policy in relations with Pakistan. Besides, the new Afghan government can redefine a new mechanism for the fledgling peace talks and eventually this new government might fulfill the security transition.

Pakistan and Afghanistan can play significant role in each other's stability, because, Pakistan is marked as one of the important factors in Afghanistan's instability. Pakistan allows militants to have safe shelters, and coordinating and funding them with equipments and supporting them, so Pakistan can also make an effective mechanism for peace talks between Taliban and Afghan government. In last one decade Pakistan with their forward policy used Taliban to achieve its strategic depth and through this way they created troubles for NATO, U.S. and also Afghan government and repeatedly Taliban in last one decade threatened Afghan government rule in various parts of the country. Pakistan in last one decade was facing a new threat of Pakistani Taliban, besides the Balooch continuous freedom resistance, and finally the energy crisis that threatens the economy of this country, all can be marked as roadblocks for stability and development of Pakistan.

Pakistan from the time of its formation, used fundamentalism as a tool in its foreign policy, through which they have kept the Kashmir's war warm and even used this weapon in favor of US at the end of cold war, But recently they used this weapon against U.S; its strategic allies and Afghan government.

2014 can be the last year of crucial interactions between Afghanistan and Pakistan; both countries need to redefine their national interests and concerns. Pakistan can pursue its strategic depth through non-military ways and can compete with India in positive way instead of supporting fundamentalism. Afghan government can also adopt a new mechanism for the fledgling peace negotiations and with pursuing a successful regional policy they can also reduce antonyms in India and Pakistan's policies regarding Afghanistan and pay respect to their national interests.

New peace efforts; or fulfillment of Karzai's preconditions for signing the security agreement!

Ahmad Zia Rahimzai -political analyst



Last week, while Prince Saud al Faisal Foreign minister of Saudi Arabia arrived in Islam Abad, media and analysts interpreted this visit with different analysis from their perspective keeping in mind the ongoing debate between Kabul and the White House over the Bilateral Security Agreement.

However, High Peace Council noted this visit more important for peace process, but some Pakistani and western media considered that the visit is aimed to discuss a possible exile deal for Pervez Musharraf who is facing high treason trial keeping in mind that the visit is done at the time when Musharraf gets trialed and the good relations between Musharraf and Saudi Arabia and that such deal was obtained through Saudi Arabia for Nawaz Sharif and in its result he and his family got free from jail when Musharraf was in power. That is why journalists asked Saud al Faisal after his arrival in Islam Abad airport whether he aimed to mediate between Pakistan's government and Parvez Musharraf, but according to the media reports he laughingly responded with not!, and clarified that General Musharraf's trial is Pakistan's internal affair and his country may not ever interfere in this issue.

Meanwhile, this visit is not much unrelated with Afghanistan's issues and its peace process as well. A Pakistan newspaper named Nawa-e-Waqt in coverage of Saud Al Faisal's visit to Pakistan quoted from Ezaz Ahmad Chohdri the deputy minister of foreign affairs of Pakistan that Saud Al Faisal in his discussions with Pakistani officials, requested them to cooperate with Saudi Arabia, in opening an office for Afghan Taliban for peace negotiation.

Previously, when the Qatar office got closed after political disagreements between Kabul and Washington, opening another office in Saudi or Turkey came in to political discussions, and if we accept the report of the above mentioned newspaper regarding the request of Saudi Arabia from Pakistan to cooperate in opening an office for Taliban, this can prove that the visit of foreign minister of Saudi to Pakistan was not unrelated with the issues of Afghanistan.

On the other hand, according to a press release from presidential office of Afghanistan, prince Saud al Faisal in his latest visit to Pakistan had a phone conversation with president Hamid Karzai, in which both sides discussed the bilateral relation, Afghan Peace process and Saudi's role in this regard.

According to this press release in this telephonic conversation president Hamid Karzai insisted on the important role of Saudi Arabia in Afghanistan's peace process and the important role that king of Saudi can play in it, and also in security and stabilization of the region.

The important point in this conversation was Prince Saud Al Faisal's remarks that said Nawaz Sharif's latest visit to Kabul and before that, Karzai's visit to Islamabad was significant for mutual benefits and eliminating shared threats.

Moreover, on the very same day that Prince Saud Al Faisal had telephonic conversation with President Hamid Karzai, Nawaz Sharif the prime minister of Pakistan also talked to Hamid Karzai and discussed peace process and bilateral issues.

Taking in mind all of the above mentioned points, we cannot undermine the relation of Prince Saud Al Faisal's trip to Islamabad with the ongoing issues in Afghanistan.

Yet it is early to suggest what positive impact would the opening of Taliban's office in Saudi Arabia have on Afghanistan's peace process, but there is no doubt that both Pakistan and Saudi Arabia are the two countries which can play very important and central role in the peace process of Afghanistan.

On the other hand, keeping in mind that America has notable influence on both Pakistan and Saudi Arabia, and also as recently President Hamid Karzai in spite of pressures from west has rejected to sign the Bilateral Security Agreement, one

cannot ignore that these telephonic conversations and readiness of Saudi Arabia to open an office for Taliban in their territory in spite of the grievances from Taliban, might have happened by the request of U.S to fulfill the precondition of Hamid Karzai for signing BSA, which is the start of real and effective process of reconsolidation.

However Saudi's king family after their unfair positions on some Islamic issues including their support of military coup in Egypt, hurt their image in Islamic world, but still in virtue of sacred Islamic places located in this country and some other factors, the mediation role of Saudi Arabia in the issues of Islamic countries cannot be ignored.

However it will be clarified in near future that what the purpose was behind the scene of Saud al Faisal's visit to Islamabad and the telephonic conversations of him and prime minister Nawaz Sharif with president Hamid Karzai, but apparently this fact cannot be ignored that Saudi Arabia wants to play a more significant role in the peace process of Afghanistan by opening office for Taliban in Saudi Arabia and also this perception cannot be ignored that America after failing to get the signature of Hamid Karzai in the security agreement without preconditions although they brought much pressure on him, is now trying to pave the way for signing BSA(bilateral security agreement) with the assistance from Saudi and Pakistan.