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Preface

Since the United States has severed its efforts on the Afghan Peace Process, Russia, besides other regional and world countries, has also extended its discussions regarding the issue. Therefore, a gathering on the Afghan Peace Process has been planned in Russia which has been, however, became delayed for two times as a result of opposition of the U.S. and the Afghan government. From last one decade, U.S and Russia are the two superpowers that have, once again, been stood against each other following their different positions on some world issues, as it had happened in the past as well. Recently, their confrontation has been expanded to Afghanistan, and thus, the heartfelt Afghan peace-related efforts of these countries might have unprecedented impacts..

The first part of the Weekly Analysis has discussed the role of regional and neighboring countries in ending the Afghan war through peace and its overall effect on the peace process.

The second part of the Weekly Analysis is allocated for the trade and transit condition in Afghanistan during the National Unity Government. Recently, a World Bank report has praised Afghanistan for developing reforms and facilities in business in Afghanistan. Trade and transit, which has more importance in a country's economic situation, has not been worked for due to on-going war in Afghanistan; however, the field has been taken care after the National Unity Government became established and thus the Afghan transit ties became expanded multiple times in compare to past.

Need for Regional Cooperation on Afghan Peace



Although the latest steps of U.S. toward Afghan peace are hopeful; but the role of regional countries in the process cannot be neglected at the same time. Considering the 17-year long Afghan war, it seems that cooperation and involvement of regional powerful countries is also important for peace and stability in the country.

Russia is a regional and international superpower whose interest in Afghanistan has, once again, risen in recent years. The country has also established ties with Taliban and, apparently, it shows that it works on Taliban to become ready to have peace talks.

The analysis had sought to answer the following questions: which part on Afghan peace needs to be more focused on? How important is the role of regional countries in Afghan peace? And, how important and effective the Moscow Meeting is?

The Three Obstacles Toward Afghan Peace

Since last few years, the Afghan government has made huge efforts for initiation of peace talks. For this purpose, various kinds of pressures have been put on Taliban both on regional and international level in order to become obligate to have peace talks with Afghan government; however these struggles are yet to be fruitful. In order to have the peace struggles successful, it is needed to tackle the following three obstacles on national, regional and internal level.

First: Among other factors on national level, secret and obvious opposition of some individuals and circles to peace is also considered as a serious barrier toward the purpose which have played vital role in continuation of war.

These individuals and circles have thought that their interests are maintained in war and hence count peace as a harm to themselves. Therefore, they keep the fire flamed. So, it is needed to have such peoples and groups contained in order for the road to peace to become opened.

Second: Neighboring countries of Afghanistan, specifically Pakistan and Iran are the two countries that have always been accused of interference in the country. Afghan government has always criticize Pakistan for providing shelter to the armed opposition group (AOG) in its soil. Meanwhile, Iran is also often became accused of having cooperation with AOG.

The concerns of neighboring countries on Afghan issue and lack of heartfelt cooperation regarding peace are counted as an important regional barrier to the process. The entire neighboring countries of Afghanistan, especially Pakistan, Iran and China are the three important neighbors that could help the country to reach peace. For this reason, efforts on grabbing the cooperation of neighboring countries and addressing their concerns should be made because the role of these countries could not be neglected.

Third: Russia and U.S. confrontation in last years especially after 2014 which followed by the Ukraine crisis and Syria war has emerged a new Cold War among Russia and West. Looking at recent incidents, it seems that the roots of new Cold

War have been extended to Afghanistan as well. Therefore, it looks like Afghanistan is turned into the battlefield of international superpowers and thus, as long as Afghanistan does not pave the way of cooperation instead of proxy war among powerful countries, the peace efforts might not have the desirable results.

Importance of Cooperation of Regional Countries

Once, some of the countries that are against U.S. presence in Afghanistan were supporting the U.S. campaign on Afghanistan in 2001 and so they did not oppose the U.S. attack on the Taliban regime to have it collapsed. Among them, Russia is the country which supported and cooperated with U.S. and NATO interventions through U.N. in Afghanistan in 2001. After almost one and half a decade, especially after Daesh emerged in Afghanistan, Russia, however, closed the NATO logistic route via Russia in 2015, from which date, the confrontation of the country became transmitted to Afghanistan.

After this, several reports on Russia military support to Taliban have been published; however, Russia have always denied the accusations of providing military support to Taliban and has justified its relations with Taliban as fear from Daesh, safety of Russian diplomats and playing an assistance role in convincing the Taliban to initiate peace talks with Afghan government.

Now, as the United States try to initiate direct talks with Taliban and intend to end the on-going war through talks, Russia's involvement cannot be underestimated in this time because Russia is a superpower at first place and secondly its ties with Taliban and the trust it has built can be of use in the peace talks.

In order to grab the heartfelt cooperation of regional countries that are, meanwhile, afraid of U.S. presence in Afghanistan, America is needed to have provide a clear picture of its presence in Afghanistan and help them to get rid of their fears.

The Moscow Meeting

Approximately two months ago, it was planned that Moscow will host a gathering on Afghan peace on September 4. Although Reuters had reported that the Taliban representatives, as the Taliban said, will attend the gathering; however, the Afghan government and America boycotted it as was planned to be hosted by Russia. The meeting, was then, suspended after the telephone talks between Afghan President and Russian Foreign Minister; however, it is scheduled to be held within next few days.

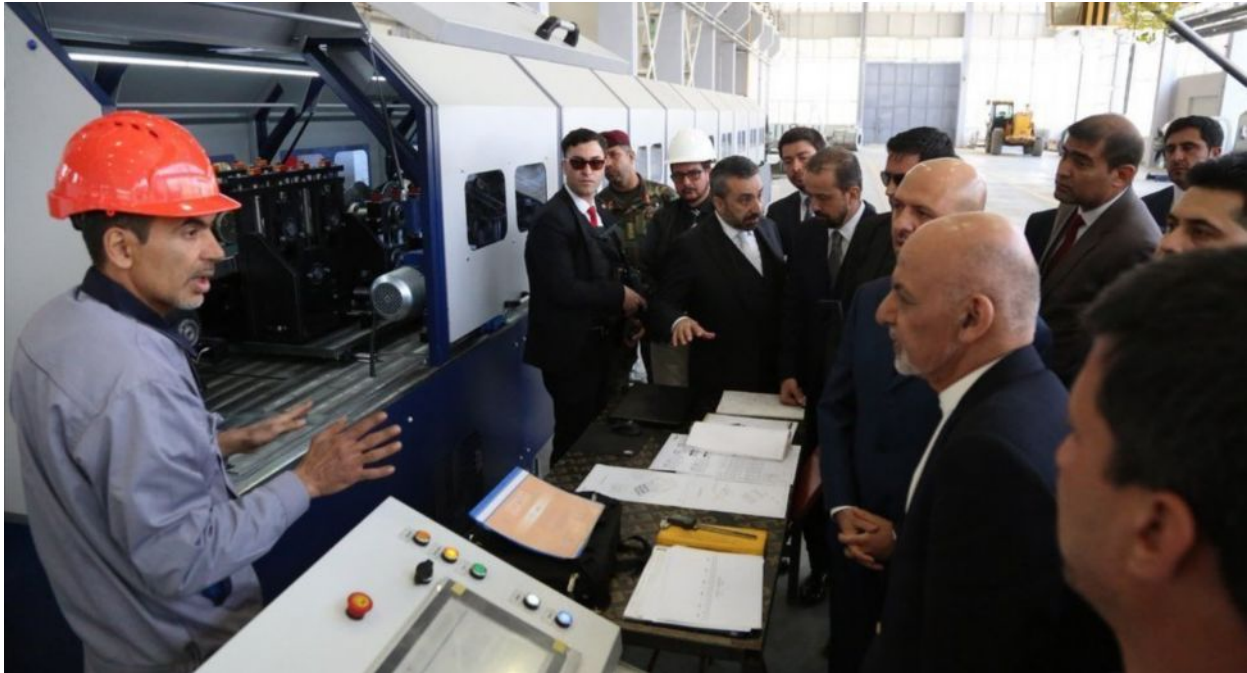
The Moscow Meeting on Afghan peace indicates the encouragement and cooperation of Russia in the issue and, the Afghan government, as a whole, has concluded that the role of Russia could not be neglected in the issue and thus it seems that Afghan government will take the peace-related role of Russia serious and it even might participate in the Meeting.

The 17-year on-going Afghan war has tired the entire parties of the war and the recent interventions is a sign of that the Afghan government and, now, America make heartfelt efforts on attaining peace. Thus, as the Russian interests are also coded in the process, so it also struggles to put an end to the ongoing war.

Briefly, it can be said that latest efforts on peace are helpful. Special US envoy, Zalmay Khalilzad visited several countries including Afghanistan and Pakistan and tried to grab the cooperation of Pakistan in the process. Mullah Baradar and two other Taliban officials became released from prison. The five former Guantanamo Talib prisoners that were released a few years ago have recently joined the Taliban political office in Qatar. At the end, it is once again emphasized that the role of neighboring and regional countries should not be neglected, but their involvement should be positively weighted.

End

A Look at Trade and Transit Condition during NUG



The World Bank has praised Afghanistan in its latest report for bringing some reforms and improving the business environment and starting a business in Afghanistan. Afghanistan has jumped up from 183 to 167 rank based on World Bank's 10 business indices in 190 countries. The report has stated that Afghanistan, for taking some appropriate trade measures, has got the first position among the countries that have provided remarkable improvement toward facilitating trade.

While the National Unity Government (NUG) being established, the economic situation was in a bad situation due to withdrawal of a large portion of foreign forces from the country and political instability in there and the trend was up during the four years of NUG as there was depreciation of Afghani currency, increase in unemployment and lack of success in tackling corruption. However, there were some improvements in a number of fields especially when it comes to bringing reforms in developing environment for starting businesses.

The analysis has focused on trade and transit conditions during NUG, the problems, challenges and hopes regarding improvements in economic situation and trade in the country weighting the recent World Bank report.

Trade and Transit

Trade and transit are two important and interrelated components of a country's economy; however, security and geographic privilege are one of the most important factors behind development in the field. For now, the more income in the field for a country has generated a competition through developing needed facilities for increasing its share among the countries.

Afghanistan is one of the land-locked countries and the matter is counted as a problem and challenge toward Afghan transit and trade; however, considering its geographic location and its extraordinary regional transit and transport importance, it has got much odds in the region.

Although, Afghanistan has got more transit importance and one of its good example is the ancient Silk Road; however, four decades of war, weak governance, widespread corruption and lack of transit institutions are the issues that have reduced from its efficiency.

After billions of dollars came to the country following the establishment of new regime in 2001, the problems in transit and trade were still remaining and it was the main reason behind forcing Afghanistan to stay connected with the world only through the Southern borders and to import and export its goods through Karachi port; however, the situation became improved after the NUG took some concrete steps in this regard.

At present, Afghanistan has got ridden from being relied on the only one neighboring country and have sought for other routes to export and import its goods. Chabahar port, air corridors to regional countries and Europe and joint Afghan-Turkmen railway can be counted as new passes for Afghan and regional trade and transit.

Problems Existed in Transit and Trade Sector

Although NUG has made remarkable efforts in its first four years on expanding Afghan trade relations with other countries and finding markets for Afghan exports and have achieved outstanding results in this important economic field;

however, there are still some problems and challenges existed in this regard that are noted as following:

Insecurities: continuation of war and lack of security are one of the major challenges toward Afghan trade and transit. From one hand, the traders and investors avoid to invest in Afghanistan and do not see themselves being effected and from other hand, insecurities have resulted in poor safety of their goods on country's highway.

Corruption: failure of Afghan government in eradicating corruption is one of the challenges that has affected trade and transit as well as other sectors. Corruption in the sector has caused the traders to encounter various problems while importing and exporting their goods.

Problems with neighbors: the Afghan transit trade has always been affected by the political ties/tensions with neighboring countries. For example, the Kabul-Islamabad ties in past one and a half decade was always put shadow by political ties as if there were tensions in political ground, the situation in trade was also became problematic. The conditions result in Afghan goods that are support to be exported to world to encounter problems and as a consequence to loss its value.

International rivalries: the regional and international tensions and confrontations are other challenges toward Afghan trade and transit especially when it comes to the region. For instance, fresh U.S. sanctions on Iran have affected the Iran economic ties with other countries and Afghanistan has its own concerns over its transit through Chabahar Port. However, American economic experts are yet to be certain over Afghan-India ties with regards to Chabahar Port as they do not want any harm to come to the Afghan and Indian economy.

Hopes for Improvement in Afghan Trade and Transit

Some steps have been taken on providing facilities for start-ups by NUG which are noted by the World Bank as following; reduction in license fee from 32 thousand Afghanis to 100 Afghani only, electronic payment of taxes, approval of new law on small corporations and easy entrepreneurs access to loan. The aforementioned steps are considered as means making doing business easy in Afghanistan.

During last one year, Afghanistan has provided facilities with regards to less time and money for granting business licenses and thus the conditions for investment have been improved which subjects Afghanistan as 49th best area of starting a business in the world.

At all, a number of infrastructure projects became completed and/or inaugurated after NUG became established as well as it made great efforts to find alternative routes for its exports/imports. It also was able to increase the public revenue whose one of important factors putting tax on telecommunication network's credit cards. However, the country's economic situation was much more deteriorated in other economic fields due to increase in insecurity and existence of political instability. The Afghani currency has reached to its lowest level (as it was 57.76 against US Dollar in 2015 and is 75 now). The unemployment rate is on the peak, the country is faced the flow of capital and the growth rate is on decline. At last, more than 40 per cent of Afghan people are living under the poverty line.

Although, the World Bank report indications emerged emerge the hope that Afghanistan will have more achievements regarding trade and transit in the future. By the way, the Afghan government has taken some basic steps toward bringing necessary reform and tackling corruption in the sector.

End

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