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THE ARRIVAL OF COMMERCIAL GOODS TRAINS FROM CHINA TO AFGHANISTAN: AN ASSESSMENT OF ECONOMIC AND POLITICAL IMPACTS



Weekly Analysis is one of the CSRS publications analyzing significant weekly political, social, economic, and security events in Afghanistan and the region. The prime motive behind this is to provide strategic insights and policy solutions to decision-making institutions and individuals in order to help them design better policies. Weekly Analysis is published in Pashto, Dari, English and Arabic languages.



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Center for Strategic and Regional Studies (CSRS)



THE ARRIVAL OF COMMERCIAL GOODS TRAINS FROM CHINA TO AFGHANISTAN: AN ASSESSMENT OF ECONOMIC AND POLITICAL IMPACTS

Introduction

The development of transportation systems holds a critical position in advancing the global economy. Railways, as a key and secure means of international trade, offer numerous advantages—not only in terms of cost reduction but also through time efficiency and the secure delivery of goods. In this context, the transport of commercial goods via railway between China and Afghanistan marks a new and significant step in strengthening the economic and trade relations between the two countries. With the return of the Islamic Emirate to power in Afghanistan, the expansion of economic, trade, and political ties between the two nations has had considerable implications for both.

China, now recognized as a leading economic power, has created various opportunities for Afghanistan in the realms of trade, transportation, regional cooperation, and the enhancement of Afghanistan's standing in the global community. The commencement of freight transport via railway in this region is seen as a crucial and groundbreaking phase that promises to elevate the level of collaboration between the two nations.

The arrival of the first commercial goods train from China to the city of Mazar-i-Sharif is a major milestone in the expansion of this cooperation, offering new opportunities to enhance Afghanistan's economy and its regional relationships. The transportation of goods to Afghanistan via rail from China represents not only a critical opportunity for Afghan trade but also plays an instrumental role in fostering regional cooperation and strengthening political relations. With the development of such transportation networks, the trade of goods to Afghanistan will become more accessible and profitable, generating significant benefits for the country's economic growth. This collaboration is expected to bring positive changes to Afghanistan's development and regional relations as a whole.

In addition to creating new opportunities for international market engagement, expanding trade relations with China provides Afghanistan with a solid foundation for strengthening both commercial and political ties with this influential neighbor.

This analysis examines the process of transporting commercial goods by train from China to Mazar-i-Sharif and evaluates the impact of this initiative on the development of Afghanistan's economic and political relations.

HISTORICAL BACKGROUND OF CHINA-AFGHANISTAN ECONOMIC RELATIONS

The economic relations between China and Afghanistan have deep historical roots, tracing back to the renowned Silk Road. Historically, the Silk Road served as a crucial conduit for economic and cultural exchanges between Asia, Europe, and the Middle East, playing a pivotal role in fostering trade relations between China and Afghanistan. Through this ancient trade route, Chinese products such as silk, paper, and other goods were imported into Afghanistan, while gemstones, dried fruits, and other Afghan commodities were exported to China.



In more recent history, the economic relationship between China and Afghanistan underwent significant transformation in the late 20th century. China's strategic interests in Afghanistan became increasingly pronounced, paving the way for enhanced bilateral trade and economic collaboration. Notably, in the late 1990s, as China embraced globalization, it began focusing on leveraging Afghanistan's natural resources and its strategic geographical position.

Since 2013, China's "**Belt and Road Initiative**" (BRI) has introduced a groundbreaking framework for global connectivity and cooperation. Given Afghanistan's strategic location at the crossroads of Central and South Asia, the country holds particular importance for this initiative. The BRI has provided China with a mechanism to expand regional cooperation, promote economic development, and strengthen its international influence. Afghanistan, in turn, is positioned as an integral part of a new regional trade and transit network.

China's investments in Afghanistan's economic infrastructure exemplify this evolving relationship. A prominent example is the Mes Aynak copper mining project, which underscores the strategic collaboration between the two nations. On July 26, 2024, this project was inaugurated by senior officials of the Islamic Emirate, alongside Chinese diplomats and business representatives. For the first time, road construction in the region was initiated as part of this project, symbolizing China's efforts to tap into Afghanistan's natural resources and transform the country into a major market for its industrial products.

The launch of commercial goods transport via railway between China and Afghanistan marks a new chapter in the history of their bilateral relations. This initiative not only strengthens trade and economic ties between the two countries but also opens avenues for enhanced regional cooperation, transit facilitation, and economic development. It represents a significant step forward in integrating Afghanistan into regional trade networks and advancing the mutual economic interests of both nations.

CHINA'S RAILWAY TRANSPORT INITIATIVE

As part of its efforts to expand its economic influence and strengthen regional cooperation, China has launched an ambitious railway transport initiative. This project, which facilitates the transportation of goods to Afghanistan via Central Asia, represents a significant opportunity to enhance regional economic ties.

Under this initiative, Chinese commercial goods are transported directly through Kazakhstan and Uzbekistan to Mazar-e-Sharif, Afghanistan. The first shipment arrived in Afghanistan on November 23 of this year after passing through these Central Asian countries. This initiative holds particular importance for Afghanistan, as its strategic geographical location positions the country as a critical transit hub connecting Central and South Asia. Beyond boosting trade volumes between China and Afghanistan, this initiative also paves the way for Afghanistan to expand its commercial relations with other nations.



Rail-based freight transport brings significant advantages, including reductions in time, cost, and risks associated with the security of goods. Moreover, Afghanistan can leverage this initiative to boost its exports and improve access to regional markets. This project is not only a crucial step toward economic development but also holds the potential to foster stronger regional cooperation and enhance political relationships. Its success will open new opportunities for Afghanistan, fostering economic stability and strengthening trade relations among regional countries.

The railway transport initiative between China and Afghanistan is an important and innovative economic project aimed at promoting trade and fostering regional economic collaboration. The key aspects and technical details of this initiative are as follows:

1. **Railway Route:**

The railway route begins in the Chinese industrial city of Kashgar and passes through Kazakhstan and Uzbekistan before reaching Mazar-e-Sharif in Afghanistan. This route traverses several major economic and trade centers in Central Asia, strategically connecting Afghanistan to international trade networks.

2. **Goods Transportation Process:**

The initiative relies on advanced logistical facilities to ensure secure and efficient goods transportation. Freight is loaded into specialized containers that meet international standards, ensuring safe and timely delivery. The first shipment, comprising 55 containers, took approximately 20 days to reach Mazar-e-Sharif from China. Upon its arrival, senior officials, including Nuruddin Azizi, the Minister of Industry and Commerce of the Islamic Emirate of Afghanistan, the provincial deputy governor, and other trade and investment authorities, visited Mazar-e-Sharif to commemorate this milestone in a formal ceremony.

3. **Objectives of the Initiative:**

The railway transport initiative is designed to achieve the following goals:

- Strengthening trade and economic relations.
- Facilitating transit and logistics operations.
- Creating new opportunities for Afghanistan's export and import growth.
- Enhancing regional economic integration and cooperation.
- Providing time- and cost-efficient solutions for businesses and traders.

ECONOMIC IMPACT ASSESSMENT

The railway cargo transport project from China presents significant opportunities for economic growth and development in Afghanistan. This initiative not only facilitates trade and transportation



but also positively impacts the country's economic standing. The economic benefits of this project can be highlighted as follows:

1. **Reduced Costs:** Compared to other transport methods like trucks and air corridors, which are more expensive, rail transport offers significant economic advantages:
 - **Lower Transportation Costs:** The cost of transporting goods decreases, leading to reduced costs for exports and imports.
 - **Increased Competitiveness:** Lower costs encourage Afghan traders to offer their products at more competitive prices and import goods at reasonable rates.
 - **Economic Growth and Price Stability:** Reduced costs contribute to overall economic growth and price stability.
2. **Increased Exports and Imports:** Fast and easy cargo transport by rail creates numerous opportunities for Afghanistan in terms of exports and imports:
 - **Boosting Exports:** Afghanistan can enhance its exports to China and Central Asian countries, opening new economic growth pathways.
 - **Improved Access to High-Quality Imports:** The increase in imports allows Afghanistan to access high-quality products that meet domestic consumer demands.
 - **Enhanced Transit Position:** Afghanistan's strategic transit position between South and Central Asia becomes increasingly significant, fostering economic relations with regional countries.
3. **Trade Development:** The innovation of rail transport from China brings substantial changes to trade:
 - **Facilitating Trade:** This initiative ensures safe and fast transportation, making trade more efficient. Afghanistan can export its commercial goods to China easily and cheaply.
 - **Expanding Trade Agreements:** The project paves the way for increased trade contracts and developing relationships between China, Afghanistan, and other Asian countries.
 - **Diversifying Trade:** The project provides Afghanistan with opportunities to boost exports and diversify imports, playing a crucial role in the country's economic development.
4. **Infrastructure Development:** Implementing this initiative requires strengthening Afghanistan's infrastructure, especially transportation and logistics systems:
 - **Investment Opportunities:** This effort creates investment opportunities, resulting in increased economic activity and job creation.



- **Infrastructure Projects:** Both the Afghan government and investors will need to implement necessary infrastructure projects for safe and efficient goods transport, promoting economic development and increasing employment levels.
5. **Regional Cooperation Development:** Trade facilitation between China and Afghanistan through rail transport creates opportunities for regional cooperation:
- **Strengthening Transit Role:** Afghanistan can enhance its role as a transit hub, contributing to economic relationships between various countries.
 - **Expanding Regional Cooperation:** This initiative supports the expansion of cooperation among regional countries, bringing Afghanistan into greater focus and fostering stronger regional ties.

Political Impact Assessment

The railway cargo transport project from China is not only beneficial for the economic situation but also plays an important role in strengthening Afghanistan's political aspects. This initiative significantly enhances the development of China-Afghanistan relations and bolsters regional political relations. The following factors are crucial in strengthening political influence:

1. **Strengthening China-Afghanistan Relations:** The railway transport initiative is a vital step in developing trade and political ties between China and Afghanistan. Through this project, China positions itself not only as a major trade partner but also as a strategic political ally in Afghanistan. This initiative fosters a climate of trust between the two countries and provides an opportunity to enhance strategic cooperation and bilateral relations.
2. **Enhancing Political Relations with Other Regional Countries:** China's initiative for rail cargo transport effectively contributes to the development of Afghanistan's regional relations. Leveraging Afghanistan's transit position, the project creates opportunities for developing relations and cooperation with other regional countries. Through this initiative, Afghanistan becomes a crucial transit point for China, Pakistan, Iran, and other Asian countries, leading to significant changes in regional political dynamics. Strengthening Afghanistan's trade relations and regional cooperation is a positive step towards regional security and political stability. China aims to improve political relations among regional countries through this initiative.
3. **Boosting Afghanistan's International Standing:** This initiative allows Afghanistan to elevate its political standing and strengthen its position on the international stage. Economic and transit cooperation with China positively impacts Afghanistan's political status. Furthermore, this initiative is beneficial for developing Afghanistan's international relations, making Afghanistan more significant to regional and international countries and striving to strengthen its ties with them.
4. **Reducing Afghanistan's Dependence on Pakistan:** Pakistan has often used its transit routes as leverage against Afghanistan. This railway route offers Afghanistan an alternative to reliance



on Pakistan, meeting its trade needs independently. Thus, cargo transport from China to Afghanistan by rail reduces Afghanistan's trade dependence on Pakistan, preventing future use of transit routes as a tool of pressure.

CONCLUSION

This article thoroughly analyzes the railway cargo transport initiative from China, highlighting it as a significant economic and political opportunity for Afghanistan. Through this initiative, Afghanistan can strengthen its trade and political relations with China and other regional countries. Key benefits of this project include reduced economic costs, increased imports and exports, and enhanced regional economic relations.

Additionally, this initiative fosters positive political impacts by advancing China-Afghanistan relations. It promotes increased cooperation with regional countries and elevates Afghanistan's international political status. Furthermore, the initiative plays a vital role in advancing regional security and economic development.

RECOMMENDATIONS

Given the above analysis, the following recommendations are proposed:

1. **Development of the Railway Network:** Expanding the railway network and enhancing logistical facilities should be considered essential for the success of this initiative. Afghanistan should leverage its transit position to extend its railway network within the country.
2. **Increased Regional Cooperation:** China and Afghanistan should use this initiative to boost their cooperation with regional countries. Afghanistan should seek new markets for its exports in other countries, thereby paving the way for the development of trade relations.
3. **Enhanced Research on Benefits and Challenges:** Continuous and in-depth research and analysis on the economic and political impacts of rail cargo transport across the region are essential. These studies should address emerging opportunities and obstacles related to this initiative.
4. **Overcoming Technical and Logistical Barriers:** The implementation of the rail cargo transport initiative should focus on resolving technical and logistical issues. This includes the construction of rapid transit routes, ensuring the safe transport of goods, and developing the current network.
5. **Strengthening China-Afghanistan Relations:** Not only economic but also political relations between China and Afghanistan should be reinforced. Increasing strategic cooperation based on mutual interests is a significant step towards Afghanistan's development.



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