**Afghanistan: it is Minerals, Stupid**

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September 2, 2021

Whatever the other reasons for war may be, there is always an economic motive underlying most conflicts, even if the stated aim of the war shared to the public is something nobler. Afghanistan, the graveyard of empires, is a rich cradle of mineral and natural resources, including copper, lithium, rare earths, gold and crude oil pegged at US$ 3 trillion. It is also believed to hold the world’s largest deposits of lithium—a scarce component used in the manufacture of rechargeable batteries.  90 per cent of the population of Afghanistan lives below the government-determined poverty level of two dollars per day. The Taliban warlords and militants have, surprisingly, grown wealthier since their regime was toppled in 2001. In March 2020, the Taliban’s annual revenue collection was US$ 1.6 billion, in comparison with US$ 5 billion by the government of Ashraf Ghani.Afghanistan is widely labelled as the “Saudi Arabia of Lithium.” Thus, it could be as crucial for the global supply of battery metal as the Middle Eastern countries are for crude oil. Afghanistan has more than 2.2 billion tons of iron ore—the raw material for steel’s worth over US$ 350 billion at current market prices. Other metals include gold at estimated assets over US$ 170 billion along with base metals, such as tin, lead and zinc, scattered across the country. Afghanistan harbours around 1.6 billion barrels of crude oil, 16 trillion cubic feet of natural gas and another 500 million barrels of liquid gases. It has, historically, been a major source of lapis lazuli—deep blue semi-precious stone—and other gemstones, such as rubies and emeralds, which has been mined in the country’s northern Badakhshan province for thousands of years.In reality, it is not that straightforward. While Afghanistan is rightly hailed as a country of super-mineral reserves, costs of extraction, production and shipping are rarely cited. This gives off a starkly inaccurate picture of the nation’s mineral wealth. Afghanistan has no access to seawater and a limited railway network. Certain mineral extraction requires advanced technology and sophisticated communication infrastructure.  While the US, Europe and Japan see Afghanistan as an opportunity to decrease reliance on Chinese rare earth material, the operation would require years and millions of dollars. Afghanistan accounted for approximately 84 per cent of global opium production over the last five years. Much of illicit drug profits go to the various factions of the Taliban.

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Different Taliban bands imposed a 10 per cent tax levy on each link working in the drug production chain from farmers to exporters. Both small scale mineral-extraction operations and Afghan mining companies pay the Taliban to keep the business running.  According to Taliban’s Stones and Mines Commission, the group earns US$ 400 million a year from mining only.  All kinds of businesses, including drivers, are charged for using highways in Taliban-controlled regions. Shopkeepers pay for the right to do their respective businesses. Since some taxes are imposed on poppy growers, there could be a financial overlap between tax revenue and drug revenue.The tragic humanitarian crisis unfolding in Kabul and other parts of Afghanistan has shocked the world. The Taliban’s takeover seems to have all but put an end to promises of socio-economic uplift of the population, which, otherwise, stood to benefit from vast natural resources. Afghanistan has little choice but to try and open up an important area of its economy—the minerals. It has the potential to bring in billions of dollars to cash-strapped federal coffers.The withdrawal of the US troops has undermined the Kabul government and may even lead to a big spike in violence. Looking ahead to a time when the US no longer has any presence in Afghanistan, China has reportedly been negotiating infrastructure contracts with the Taliban leadership, with whom ties go back to its 1996-2001 regimes. The Taliban and warlords of the 21st Century are diverse in nature and character than that of the Mujahidin of the 1980s and 1990s. The present blokes are shrewder. They aren’t controlled by respective sponsoring intelligence outfits. They have the potential to switch over from one beneficiary to the other; guarding vested interests.China dominates the rare earths market globally. If a mining industry grows in Afghanistan, one can gamble the mineral riches will go to the Chinese, not the Americans.  China is capable of supporting Afghanistan in dominating global lithium and copper supplies, which will capture the mushrooming electric vehicle market. But the prerequisite and a million-dollar question remain a “peaceful Afghanistan.” The case in point may be the huge proven oil reserves of Sudan and Libya. Yet, irrelevance to the prevailing world order and perpetual proxy conflicts have ruined the generations. Similar may be the prediction for Afghanistan, where the road to peace is harder than war.

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