**Taliban Rising the Economic Impact**

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The world today has evolved into an intricate economic net of interdependent countries. The conventional war has taken a backseat; becoming a past tactic overshadowed by economic warfare and strategic alliances.

The American invasion of Afghanistan and the supposed deactivation of the Taliban in the last two decades had a tremendous impact on the South Asian countries – altering the geopolitical and socioeconomic landscape. However, the re-emergence of the Taliban as the new Afghan government has undeniably changed alliances and challenged existing strategies.

In a recent media interview, former DG ISI, General (Retd) Javed Ashraf Qazi explained the beginning of the relationship between the Taliban and Pakistan in the 1990s. This can be regarded as the beginning of a long political and economic relationship between the two parties based on Pakistan’s clear stance against its arch-enemy, the Taliban’s request for neutrality in Afghan matters, and most importantly, their dependence on trade routes. The Taliban’s request for autonomy and recognition has emerged as one of the most prominent requests recently. Also, today, many experts believe that the recent generation of Taliban is wiser, educated, and much more politically aware than their ancestral leaders. Are the global experts right to pin their hopes of stability and progress on a group that has very patiently waited for twenty years to regain control?

Afghanistan has about over 37 million SDRs currently, which is equivalent to $52.5 million, nearly not enough to sustain it for long. Also, Da Afghanistan Bank (DAB) listed $10 billion in assets for FY 2021, including $1.3 billion in gold and $362 million in foreign currency cash reserves. The world may be well within its rights not to trust the newly emerged Taliban leadership immediately, which is reflected in their actions. The IMF has already put a pause on its $650 billion funds, including $450 million in SDRs. Also, with 75 per cent of public spending funded by grants and $9.5 billion frozen assets, the Taliban regime is being pushed to seek strategic economic allies to put the country’s depleting foreign reserves in recovery mode.

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We must acknowledge two things. Firstly, this new generation of Taliban understands the importance of optics, as clearly demonstrated by their public appearances so far. Secondly, they have their sources of funding, including the donation and profits from the mining sector of about $464 million in 2020, putting the estimated annual income of Taliban between $300 million to $1.6 billion as reported by the UN Security Council. This funding has proven to sustain the Taliban against modern warfare for 20 years. Therefore, the only logical solution for the current Afghan government is to uphold its international promises and form key trade alliances to support the $22 billion Afghan economies. As China, Russia, and Pakistan continue to operate in Afghanistan, this could mean developing new economic fronts for the Asian Region.

While the US and India mourn the financial loss in Afghanistan, China, Russia, and Pakistan are eyeing everything they stand to gain.

China and Russia may try to fill the financial void left by the US and to access its minerals worth over three trillion dollars. This could also lead to the revival of a long-stalled $2.8 billion copper venture by China’s Metallurgical Corporation at Mes Aynak near Kabul. There is a great opportunity for China, Russia, and Pakistan to move towards a greater regional coalition with Afghanistan on key economic fronts. Suppose Moscow and Beijing restore their confidence in the Taliban government and begin their investment in rebuilding the country. In that case, they will automatically bind Afghanistan to Pakistan’s transport network and the CPEC; connecting to the rest of the world through Gwadar. Already ahead of the US Quad, the Pak-China and Russian troika seem to be moving cautiously.

This also means that Pakistan can now explore and expand its bilateral trade with Afghanistan without worrying about Indian interference. As Pak-Afghan trade potential is estimated to be at $10 billion a year, Pakistan had initially set a target of $1.5 billion in the coming years. Pakistan has a huge role to play in breaking the ice with the Taliban over matters of bilateral trade, including critical projects like the CASA-1000 Project and the Mazar-e-Sharif-Kabul-Peshawar railway line. This could also mean normalising trade relations with other friendly countries like Uzbekistan, Turkmenistan.

Given Pakistan’s geopolitical situation and economic expansion, stabilising relationships with the Afghanistan government and providing it with the necessary support to stand on its feet may be the perfect opportunity for Prime Minister Khan. He has publicly advocated a democratic solution to the Afghan challenge. With a little more patience and a solid strategy, the Asian leaders may surpass this current challenge and possibly develop a united Asian Economic front.

Thus, the economic impact is too substantial to ignore, and the right strategy, perhaps the only strategy through a democratic and economic discussion.

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