

## Support an economic transition in Afghanistan

From the days of the Silk Road, China has a long and impressive history of commerce, stretching across the globe. This is no less true today. The Scandinavian furniture I brought from the UK for my flat here in Beijing was, in fact, made in China in the first place. The Chinese have business in their veins. Across the world such business brings with it many benefits, but even more so in China's own neighbourhood.

This is already the case in Afghanistan. Chinese assistance has seen vital roads built to reconnect the trading routes, from Kabul to Jalabad in the East, Farah in the West to Badghis in the North; as well as the largest single investment in Afghanistan, the Anyak copper mine – a potentially huge source of jobs and revenue for the Afghan Government; and more besides.

This kind of work is vitally important. It is true business needs security to operate – and we have seen that. But it is also true that security needs business. Without jobs, education, a future, the peace may be won, but it cannot be secured. The transition from international to Afghan-led security has begun, tested and successful so far, and this will continue through to 2014. But what of the economic transition? A recent [World Bank report](#) pointed out that on current trends Afghanistan will face a fiscal gap of 40% by the end of 2014. The international community must work to help Afghanistan fill that hole. If stability in China's back yard is to be secured post 2014, the economic support and development of the Afghan economy cannot be left until then.

As China's economy continues to grow, with Chinese entrepreneurs going in search of new markets and further supplies of resources required, Afghanistan presents not just a pressing need, but also an opportunity. China's trade with its neighbouring countries is significant: \$30bn with Vietnam last year, \$20bn with Kazakhstan, Pakistan \$8.7bn, Burma \$4bn, even Nepal \$744.9m, but with Afghanistan, only \$178m. While there are obvious reasons for this low amount, the potential is clear too.

The conference in Istanbul on 2 November saw significant political and economic agreement from Afghanistan's neighbours, including committing to

exchange economic data, develop a trade facilitation strategy, and build on the Afghanistan-Pakistan Transit Trade Agreement. The conference on Bonn on Monday (5 December), as well as addressing the political future of Afghanistan, must take these kind of economic agreements forward.

We must all do what we can to support an economic transition in Afghanistan. The UK, for its part, has been providing aid to help develop the skills Afghan workers including plumbing, electrics, as well as tackle issues of corruption – £133.4m last year. This kind of work will continue. There are many ways in which China could further support this economic transition, be it large-scale infrastructure projects, smaller commercial ventures, encouraging Chinese businesses to set up shop, providing humanitarian aid or building a regional trade network. But what's vital is that it is done soon. The Bonn conference next week is a real opportunity for all countries to support Afghanistan's peaceful development.