

ABSTRACT

Afghanistan is a country that has started its economic development after the World War II, one of the very early beginners in launching its economic development programs; it is one of the least developed countries in Asia.

This study reviews the economic potentials of Afghanistan including mineral, water, land resources and perception of Malaysian Investors. These two aspects of the study highlight the causes of low economic development and factors responsible for it. This study attempts to examine four logically linked questions, i.e. (i) what are the trade potentials of Afghanistan? (ii) What are the mineral potentials of Afghanistan? What are the perceptions of Malaysian investors about these two resources or potentials? (iii) What will be the role of the Malaysian investors in the future economic development of Afghanistan. In the form of background past developmental policies of Afghanistan will be examined. Statistical data and relevant suggestions were used to illustrate the study.

The study shows that political instability is the prime factor responsible for the absence of international investors in Afghanistan and in Particular that of Malaysian entrepreneurs, However, lack of information among the Malaysian investors, distance, and size of the Malaysian market can be among the impeding factors. Though currently we are confronted with politically volatile and less developed country, nevertheless, a stable and developing Afghanistan shall greatly benefit its neighbors and the region as whole.

From this study we conclude that despite huge economic potentials, Afghanistan will have to address some critical problems. Afghanistan will have to put in place a viable system of government, ensure the security of investment and strive to improve the worldwide image of the country. The remaining question, however, is how Afghanistan manage the whole affairs and emerge as a stable and outward looking nation. These issues and many more are not within the scope of this study and deserve future investigations.