



Investment Opportunities of Afghanistan

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Economic Overview of Afghanistan

- Imports \$ 7.6 Billion
- Exports \$ 784 Million (Export to Turkey 32 Million 2017)
- GDP from \$2.4 billion in 2001 increased to \$19.3 billion in 2015
- Population 28.6 Million (48% of population are young people)
- Growth rate 3 % in 2017 (IMF)
- Afghanistan membership of TWO in 2016
- Major Commercial Cities: Kabul, Herat, Nangarhar, Mazar-I-sharif, Kunduz and Helmand.
- Agriculture sector employed 44% of labor force



Legal and Regulatory Framework

- Private Investments Law – 100% private ownership and no restriction on transfer of capital and profits
- Mining Law - New
- Law on limited liability company (protecting foreign companies with less than 50% investment in Afghanistan) New
- Bankruptcy law – New
- Energy Law
- Commercial Law
- Income Tax law
- Customs Duty Act
- etc.



Government Incentives

- No tax applicable for investment beyond \$10 million,
- No tax applicable for importing technology as part of investment,
- The business license fee dropped from 30000 AFA to 100 AFA,
- Visa on arrival \$150 for 3 years for investors and businesses,
- One stop shop for all export,
- Central licensing for all kind of licensing,
- Industrial park: Land lease until 90 years –
 - 2000 m2 land cost \$ 1500 (Afghan Company have the right to purchase)
- General security protection



Cement Industry:

- The market opportunity of Afghanistan cement sector is around \$698 million. Currently, 99% of the cement demand is imported from Pakistan. However, if we utilize our resources we can become self-sufficient in this sector.
- Afghanistan currently has four cement plants: (1) Ghorī I & Ghorī II cement plants Pul-e Khumri, (2) Jabal-e Saraj cement, (3) Herat cement, and (4) Samangan Cement.
- the GoIRA wants to encourage investment in this sector, and therefore plans to tender three cement plants including: (1) Herat cement, (2) Samangan cement, and (3) Jabal-e-Seraj cement. Ghorī cement has been already privatized in 2006. The Herat cement plant was originally designed to be a tow-line, wet process plant with a rated design capacity of 700 tpd of clinker. Jabel-e-Seraj cement plan has a rated design capacity of 100 tpd.



Marble Industry

- Afghanistan has over 400 varieties of marble with total value of around USD150-200 billion.
- According to Mitchell (2008) reports, the total estimated marble deposits in Afghanistan reach over 9 billion MTs.
- Moreover the US geological survey has discovered 66 marble and granite reserves in Afghanistan, which are located in, Kabul, Parwan, Nangrahar, Wardak, Bamyan, Panjshir, Laghman, Herat, and Balkh provinces.
- Afghanistan annual marble production is around 124,000 to 155,000 MTs. The overall growth rate of the marble industry in term of production is around 60% per annum.

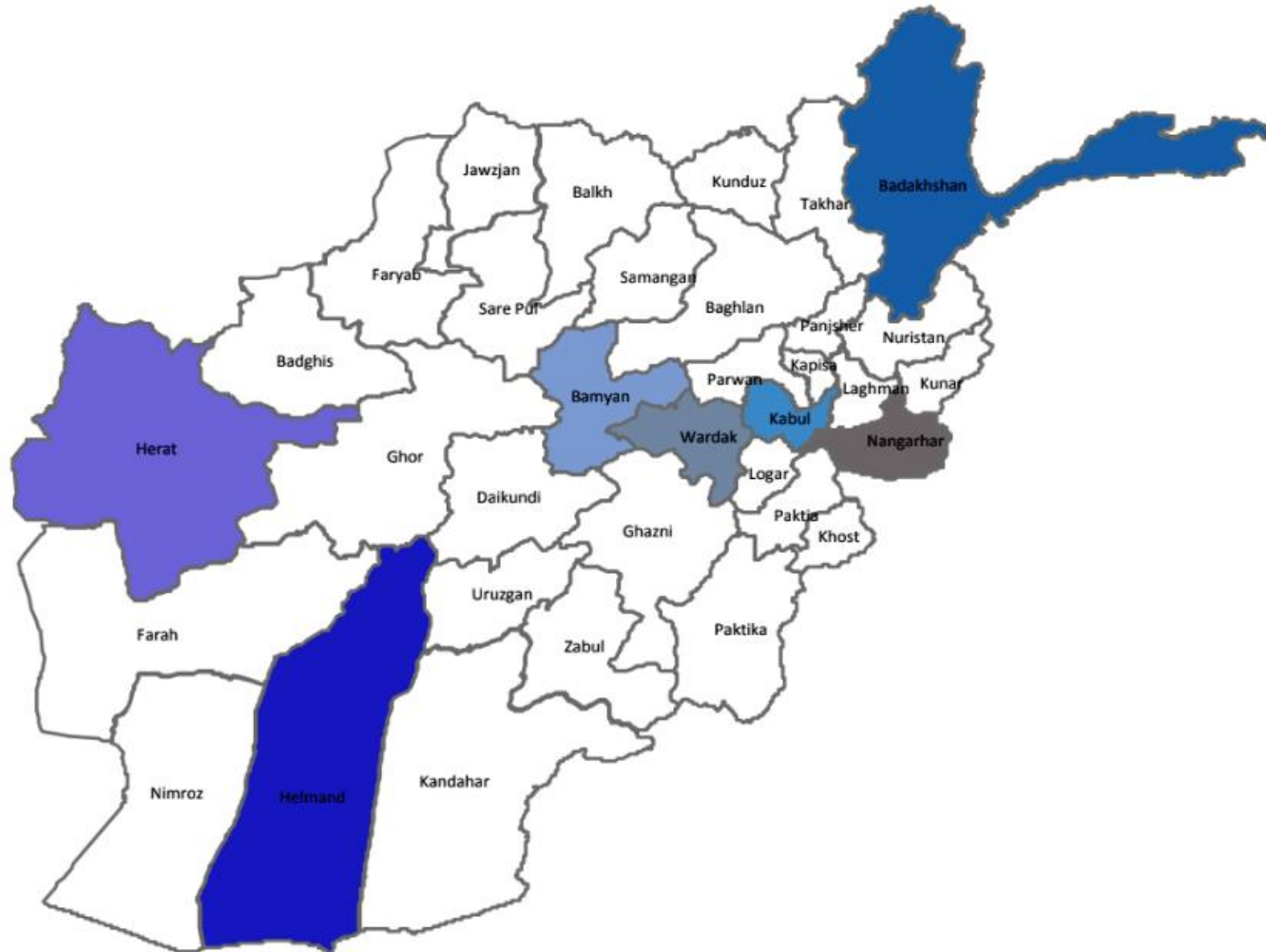


Marble Industry ...

- Herat province in western Afghanistan, exports USD3 million of marble each year.
- Reports show that there are hopes that it will be tripled to USD10 million by next year.
- Over the past four years, 20 marble factories have opened in Herat, employing 20 individuals each.
- There are a high investment opportunities in 200 billion dollars marble industry and it is considered very important and may result in remarkable profits.
- These investments may range from excavation, process, packaging, export, and providing professional trainings to the personnel of the current investment companies active in this sector.



MARBLE AND GRANITE RESERVES OF AFGHANISTAN IS ESTIMATED TO HAVE VALUE OF AROUND USD150-200 BILLION



According to Mitchell (2008), Afghanistan has the potential to supply Middle Eastern and Asian markets with an almost unlimited amount of marble. The Afghan marble industry has grown by 60% since 2008.

Province	Granite (million m ³)	Marble (million m ³)
Helmand	300	
Badakhshan	1,300	
Wardak	1,500	
Bamyan		2,400
Nangarhar	3,500	
Herat	30	
Others	2,500	



Afghanistan Hydropower Plants

- The current grid based electricity only covers 30-35 percent of the population.
- The current Afghanistan's electricity consumption stands for 130KWH/year/person which is considered very low compared to south Asia average of 667KWH/year/person.
- The demand for power since the last decade has significantly grown up with household and metered connections by 65% and 200% respectively.
- For instance, the demand for power in four largest cities of Afghanistan is growing by 19% annually. It is forecasted that the demand for power in these cities will reach to 3500MW by 2032. Whereas the supply of power in Afghanistan lacks. Overall 19% of the plants are either in shut down mode or operating at lower efficiency.

Afghanistan Hydropower Plants ...

- Moreover, the increased demand for heating, and non-availability of hydropower in the winter further created demand and supply gap. Currently the country generates 623MW and imports 1753MW.
- Afghanistan has a high potential in terms of power production. The country has 440bcm of proven gas reserves in the northern and west regions, 73m tons of coal reserves in central highlands, and hydropower potentials amounting to 25,000MW in the eastern and southern regions.
- The country has the opportunity to play as an important energy resource corridor between Central and south Asia and there is the potential to develop off-grid renewable energy projects like solar, wind and biomass.



More Investment Opportunities exists in Afghanistan

Interested and relevant companies can further discuss the below sectors with C.A. office in Istanbul as we had short time for our presentation in the first meeting.

- Food processing
- Oil and gas
- Silo
- Poultry
- Dairy
- Industrial Parks
- Copper mine
- Textile
- Leather – shoe