your investment destination
at the Heart of Asia
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    Ministry of Commerce & Industries

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Respected Investors and Businesses,

Afghanistan is experiencing a remarkable growth in key economic sectors due to sustained investments in infrastructure, sound legal framework and an increasingly educated and healthier Afghan population during the last decade. The GDP of the country has grown from US$2.2 billion in 2002 to US$19.4 billion in 2016. In addition, private sector has contributed to economic development of the country by investing more than 10.4 billion USD as initial capital (whereas the actual investment could reach to US$25-30 billion ) and creating millions of jobs in all 5 sectors of the economy; Services, Construction, Manufacturing, Mining and Agriculture.

With continuous endeavors of the government and international community, Afghanistan is fast becoming a highly business- friendly environment regionally and globally. According to the DBI report by The World Bank, Afghanistan is ranked 1st in starting a business and 3rd in Getting Credit and Paying Taxes in South Asia.

Considering the significant geographical position of the country, connecting South Asia with Central Asia, and being the center of many large scale connectivity and transit projects across Asia, Afghanistan can become a potential hub for investment in the region. In addition, what make Afghanistan a significant market for investment are flexible tax and duty regime; preferential trade and transit agreements with India, China, Europe and America; availability of skillful labor; increasing local demand; bankable investment opportunities; full membership of WTO; and improving infrastructure.

Furthermore, in pursuit of establishing a sound investment legal framework, Afghanistan has developed many investment friendly laws including; investment law, commercial arbitration law, law of commerce, law of tax on consumer goods, business trademarks law, contracts law, agencies law, mining law, banking law, insurance law and other major laws associated with better conduct of business in the country.

Afghanistan more than ever before is ready to host large scale investments in all sectors of its economy. And, to ensure that your investments have significant returns, the government has already taken remarkable initiatives to establish a sound investment climate while transforming the country into the most competitive market in the region and beyond. And, we promise that you will have an unforgettable experience during all phases of your investment in the country.

Thus, Directorate General for Investment Promotion & Support develops this comprehensive guide as part of the *Invest in Afghanistan* campaign which provides detailed information on all aspects of investment in Afghanistan.

Mohammad Qurban Haqjo
The profile of Afghanistan is a description of the country as seen through the eyes of investors. The scope of this profile is limited to investment centric data of the country.

OFFICIAL NAME OF THE COUNTRY
Islamic Republic of Afghanistan

CAPITAL
Kabul

TOTAL PROVINCES
34

MAJOR COMMERCIAL CITIES
Kabul, Herat, Nangarhar, Mazar-e-Sharif, Kandahar, Helmand, Kunduz

Geographical Profile

Afghanistan is a landlocked country situated between South Asia and Central Asia. Afghanistan has four seasons (winter, summer, fall, spring), mountains, water, and forests.

Important geographical data:

AREA
652,000 km²
41st largest in the world

LAND USE
Total Land: 65,223 ha
Permanent Pasture: 30,000 ha
Forest & Wood Land: 1,700 ha
Fallow Land: 4,420 ha
Irrigated Land: 2,165 ha
Cultivated Rain-fed Land: 1,335 ha
All Other Lands: 25,613 ha

CLIMATE
Arid to semi-arid: Cold winters/hot and dry summers
Seasons: Spring, Summer, Fall, Winter

Demographic Profile

TOTAL POPULATION
28.6 million

POPULATION DENSITY
39/km²

POPULATION ANNUAL GROWTH RATE
2.03%

PROJECTED POPULATION BY 2025
40.1 million

PROJECTED POPULATION BY 2050
55.9 million

BIRTH RATE PER 1000 POPULATION
39

URBAN POPULATION
24.7%

URBAN POPULATION GROWTH RATE
3.3%

GENDER
51%
49%

AGE GROUP DISTRIBUTION
Under 15 years old 46%
15-65 years old 50%
Over 65 years old 4%

POPULATION BELOW POVERTY LINE
36%

LITERACY RATE
Overall Literacy 38%
Youth literacy rate (15-24) 58%

EMPLOYMENT TO POPULATION RATIO
67%
18%

Sources: CSO, World Bank, UNESCO
Economic Profile

**GDP GROWTH RATE**

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Growth Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>5.00%</td>
</tr>
<tr>
<td>2007</td>
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<tr>
<td>2008</td>
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<tr>
<td>2009</td>
<td>5.00%</td>
</tr>
<tr>
<td>2010</td>
<td>6.60%</td>
</tr>
<tr>
<td>2011</td>
<td>6.60%</td>
</tr>
<tr>
<td>2012</td>
<td>6.60%</td>
</tr>
<tr>
<td>2013</td>
<td>2.00%</td>
</tr>
<tr>
<td>2014</td>
<td>2.00%</td>
</tr>
<tr>
<td>2015</td>
<td>0.8%</td>
</tr>
<tr>
<td>2016</td>
<td>0.00% Estimated</td>
</tr>
</tbody>
</table>

**GDP PER CAPITA**

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Per Capita (2006-2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>US$2.2 billion</td>
</tr>
<tr>
<td>2007</td>
<td>US$2.2 billion</td>
</tr>
<tr>
<td>2008</td>
<td>US$2.2 billion</td>
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<td>US$2.2 billion</td>
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<td>2013</td>
<td>US$2.2 billion</td>
</tr>
<tr>
<td>2014</td>
<td>US$2.2 billion</td>
</tr>
<tr>
<td>2015</td>
<td>US$2.2 billion</td>
</tr>
<tr>
<td>2016</td>
<td>US$2.2 billion</td>
</tr>
</tbody>
</table>

**GDP FORMATION**

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Formation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14</td>
<td>Agriculture: 26.00%</td>
</tr>
<tr>
<td></td>
<td>Services: 18.60%</td>
</tr>
<tr>
<td></td>
<td>Industry: 30.00%</td>
</tr>
<tr>
<td></td>
<td>Tax on Imports: 15.40%</td>
</tr>
<tr>
<td>2014/15</td>
<td>Agriculture: 28.80%</td>
</tr>
<tr>
<td></td>
<td>Services: 28.80%</td>
</tr>
<tr>
<td></td>
<td>Industry: 31.10%</td>
</tr>
<tr>
<td></td>
<td>Tax on Imports: 11.30%</td>
</tr>
<tr>
<td>2015/16</td>
<td>Agriculture: 22.95%</td>
</tr>
<tr>
<td></td>
<td>Services: 22.95%</td>
</tr>
<tr>
<td></td>
<td>Industry: 52.40%</td>
</tr>
<tr>
<td></td>
<td>Tax on Imports: 2.48%</td>
</tr>
</tbody>
</table>

Afghanistan has experienced an unprecedented economic growth – GDP growth from US$2.2 billion in 2002 to US$19.4 billion in 2016.

80% of businesses are SMEs, which forms half of Afghanistan's GDP and employs 1/3 of labor force.

**INVESTMENT BY SECTOR 2015/16**

- **Construction**: 28%
- **Services**: 27%
- **Energy and Water**: 13%
- **Manufacturing**: 18%
- **Agriculture**: 4%

**TOTAL IMPORT VOLUME 2015/16**

- **US$7.7 billion**

**TOTAL EXPORT VOLUME 2015/16**

- **US$572 million**

**IMPORTS BY COUNTRY**

- **Pakistan**: 23%
- **China**: 17%
- **Clare**: 15%
- **Tunisia/France**: 10%
- **India**: 9%
- **Korea**: 5%
- **Australia**: 5%
- **UAE**: 4%
- **Japan**: 3%
- **Belgium**: 2%

**EXPORTS BY COUNTRY**

- **Pakistan**: 23%
- **India**: 17%
- **Unclassified**: 13%
- **France**: 10%
- **Korea**: 8%
- **China**: 7%
- **Japan**: 6%
- **UAE**: 4%
- **Uzbekistan**: 3%
- **Belgium**: 2%
- **Germany**: 2%
- **Uzbekistan**: 1%
- **US**: 1%
- **UK**: 0%
WHY INVEST IN AFGHANISTAN?

LOCATION
• Strategic geographical position connecting Central Asia to South Asia, and leading to Europe;
• Connecting 2.6 Billion people.

LIBERAL INVESTMENT LAW
• Investment Law
• Commercial Arbitration Law
• Law of Commerce
• Law of Tax on Consumer Goods
• Business Trademarks Law
• Contracts Law
• Agencies Law
• Mining Law
• Banking Law
• Insurance Law

TAX & DUTIES
• Flexible tax and duty regime
• 20% corporate tax
• 0% Duty on import of machineries
• 1% Duty on import of raw materials
• Carry forward of losses

TRADE & ECONOMY
• Free market economy led by private sector initiatives
• Unprecedented economic growth (GDP growth from USD 2.2 billion in 2002 to US$19.4 billion in 2016)
• Utilization of preferential trade agreements and systems (with India, China, Europe, USA, and etc.)
• Availability of skilled labor
• Increased market demand

OWNERSHIP & PROFIT
• 100% foreign ownership
• No restriction on profit repatriation
• Foreigners can lease real estate, for periods up to 50 years for arable land or longer for non-arable land (contract extendable)

GOVERNMENT COMMITMENT
• Strong government commitment for investment climate reforms

INFRASTRUCTURE
• Airports
• Trade Ports
• Roads
• Railways
• Industrial Parks

AGREEMENTS & MEMBERSHIPS
• Bi-Lateral and Multi Lateral Trade Agreements (APTTA, ECOTA, SAFTA)
• Membership of International Road Transport (TIR)
• Observer/Membership of Major International Associations/Councils (WTO, IMF, World Bank, SAARC, ECO, SCO, ECOSOC, UNSPECA, UNESCAP, CSATTF, OSPECA, UNESCAP, CSARFF, OSCE, CICA, ICCIA, CAREC)

DISPUTE RESOLUTION
• Dispute Resolution Center
• Business Integrity Initiative (BIN)
Invest in Agriculture Sector

85%–90% of population in rural areas is engaged in the agriculture sector which plays a vital role in the livelihood of 76% of the total population.

This sector contributes to about a quarter of the country’s GDP in the recent years. Following almost three decades of conflict, the government, farmers, and relevant stakeholders have worked hard to revitalize the agriculture sector. Rural economic development is among the highest priorities of the Afghan government. This also attracts development funds from a host of international donors. There is high emphasis on investment in agro-business and agro-processing as it has a huge positive impact on production and consumption of domestic products, and overall economic development of Afghanistan.

**AGRICULTURE SUB-SECTORS**

- **HORTICULTURE**
  Fresh fruits, vegetables, nuts, olive, etc.

- **CEREALS & GRAINS**
  Wheat, maize, surgar can, surgar beet, barely, etc.

- **ANIMAL HUSBANDRY**
  Dairy, honey, poultry, meat, milk, fish, etc.

- **SEEDS & PULSES**
  Sunflower, sesame, linseed, etc.

- **SPICES & MEDICAL HERBS**
  Saffron, cumin, anis, etc.

### AGRICULTURE SECTOR CONTRIBUTION IN GDP PERCENTAGE

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/13</td>
<td>25.30%</td>
</tr>
<tr>
<td>2013/14</td>
<td>24.60%</td>
</tr>
<tr>
<td>2014/15</td>
<td>24.30%</td>
</tr>
<tr>
<td>2015/16</td>
<td>22.12%</td>
</tr>
</tbody>
</table>

**INVESTMENT OPPORTUNITIES**

<table>
<thead>
<tr>
<th>N°</th>
<th>AREA OF INVESTMENT</th>
<th>INVESTMENT OPPORTUNITIES</th>
</tr>
</thead>
</table>
| 1  | Manufacturing & Processing | • Processing dry fruits & nuts  
• Manufacturing of jams, juices, sauces  
• Processing/manufacturing of olive oil & olive pickle  
• Flour mills & sugar mills  
• Production of potato snacks  
• Manufacturing of cakes and biscuits  
• Producing pasteurized dairy products: milk, curd, yogurt, cheese  
• Processing meat  
• Processing dry meat  
• Extracting and processing oils  
• Establishing cold storages  
• Production of cashmere and its garments  
• Cotton processing and cotton yarn production  
• Producing leather |
| 2  | Packaging | • Fresh and dry fruit boxes/packages  
• Jars, lids, and tins  
• Glass and plastic bottles  
• Plastic wrappers  
• Tetra-pack packaging |
| 3  | Trading & Marketing | • Transport and logistic services  
• Market identification services  
• Trade partnership building services  
• Marketing services  
• Branding services |

Source: Ministry of Agriculture, Livestock and Irrigation
Invest in Mining Sector

According to U.S. Geographical Survey, Afghanistan posses minerals worth of US$1 trillion whereas the Afghan Government’s estimation values the worth of minerals in the country US$3 trillion.

The mineral and petroleum resources of Afghanistan have not been comprehensively explored and mapped. The resources that have been identified are globally significant with known deposits of a wide variety of minerals from copper, iron, sulfur to bauxite, lithium, and rare-earth elements.

According to surveys conducted by the Task Force for Business and Stability Operations (TFBSO) of Defense Department of USA and the Afghanistan Geological Survey (AGS), 11 prospective mineral resources were identified including well-known Aynak (copper) and Hajigak (iron). So far more than 1,400 types of minerals are identified.

Afghanistan is also home to 60 known deposits of dimensional stone and it is estimated that there are as many as 40 varieties in 34 colors of marble. A resource reserve of the country also has at least two hydrocarbon basins: the modest Amu Darya Basin and the potentially much larger Afghan-Tajik Basin.
Invest in Energy Sector

Historically, in Afghanistan most of the power generation has been based on hydropower (generating over 54% of the total), and the rest from thermal sources (primarily through use of coal and natural gas). Afghanistan currently produces 600 million watts of hydropower electricity, and there is huge potential of producing up to 23,000 MW of hydropower electricity.

The demand for electricity is increasing steadily, and it is estimated that Afghanistan would require 3,000 MW of electricity to suffice its needs by 2020. Other than meeting its own demand, it can also export electricity to the neighbors and regional countries.

In Afghanistan energy production can be done through any of the following resources:

**HYDRO POWER**
- 23,000MW* of Energy Potential
- 125 sites been identified for MHP, with potential of over 600MW of electricity

**GAS**
- 3000 MW* – 4000 MW*
- Prefeasibility Studies
- Sites Identification
- 50 MW PPP in Balkh Province – MoU signed
- 50 MW PPP in Sheberghan – RFP to be announced

**WIND ENERGY**
- 158,500* MW installed capacity i.e. 5MW/km²
- 31,600km² windy land area i.e. 5% of Afg. total land area

**SOLAR ENERGY**
- 300 Sunny day in one year, i.e. 3,000 Hours of Sun
- 6.5 kWh/m² per day solar radiation average

**BIO-MASS**
- More than 85% of Afghanistan’s energy needs are met by traditional biomass, mainly wood and dung
- 4,000* MW of Energy Potential

**GEO-THERMAL ENERGY**
- Power plants to be built in Afghanistan could range from 5 to 20MW each
- 3,500* MW of energy potential

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### 100 MW PACKAGE OF RENEWABLE POWER GENERATION:
- 30 projects in 20 provinces
- Land in provided by the government
- Tax incentivized.
- 25% subsidy or PPP
- Security assistance for project implementation
- Long term Power Purchase Agreement (PPA)
- Attractive tariff – based on the project location, type of technology and source of energy

---

### RENEWABLE ENERGY PROJECTS OPEN FOR INVESTMENTS

<table>
<thead>
<tr>
<th>No</th>
<th>Project Name</th>
<th>Province</th>
<th>Type of Energy</th>
<th>Capacity (kW)</th>
<th>Power Plant Est. Cost (Million USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kandahar Solar - DG Hybrid Project</td>
<td>Kandahar</td>
<td>Solar</td>
<td>30,000</td>
<td>90</td>
</tr>
<tr>
<td>2</td>
<td>Kabul Solar - Hydro Hybrid Project</td>
<td>Kabul</td>
<td>Solar</td>
<td>10,000</td>
<td>25</td>
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<tr>
<td>3</td>
<td>Roof Top Solar Project</td>
<td>Kabul</td>
<td>Solar</td>
<td>5,000</td>
<td>15</td>
</tr>
<tr>
<td>4</td>
<td>Kabul Waste to Energy Project</td>
<td>Kabul</td>
<td>Biomass</td>
<td>6,000</td>
<td>23</td>
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<tr>
<td>5</td>
<td>Kabul Waste Water Treatment Project</td>
<td>Kabul</td>
<td>Biomass</td>
<td>1,000</td>
<td>2</td>
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<tr>
<td>6</td>
<td>Bini Hisar Biogas Digester Project</td>
<td>Kabul</td>
<td>Biomass</td>
<td>500</td>
<td>1</td>
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<td>7</td>
<td>Pul Charkhi Biogas Project</td>
<td>Kabul</td>
<td>Biomass</td>
<td>500</td>
<td>0.5</td>
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<td>8</td>
<td>Ghor Solar Project + Backup + Distribution Network</td>
<td>Ghor</td>
<td>Solar</td>
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<td>25</td>
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<tr>
<td>9</td>
<td>Helmand Solar Project</td>
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<td>Solar</td>
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<td>Herat Wind project</td>
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<td>Wind</td>
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<tr>
<td>11</td>
<td>Spogme MHP Project</td>
<td>Badakhshan</td>
<td>MHP</td>
<td>2,500</td>
<td>10</td>
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<td>12</td>
<td>Kuran Wa Munjan MHGP Project</td>
<td>Badakhshan</td>
<td>MHP</td>
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<td>13</td>
<td>Yangi Qala MHP Project</td>
<td>Takhar</td>
<td>MHP</td>
<td>1,000</td>
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<td>Farkhar MHP Project</td>
<td>Takhar</td>
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<td>Namak Ab MHP Project</td>
<td>Takhar</td>
<td>MHP</td>
<td>500</td>
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<td>16</td>
<td>Mazar Waste to Energy Project</td>
<td>Balkh</td>
<td>Biomass</td>
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<td>17</td>
<td>Zari MHP Project</td>
<td>Balkh</td>
<td>MHP</td>
<td>500</td>
<td>2</td>
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<td>18</td>
<td>Sholgara MHP Project</td>
<td>Balkh</td>
<td>MHP</td>
<td>500</td>
<td>1.5</td>
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<td>19</td>
<td>Kishindeh MHP Project</td>
<td>Balkh</td>
<td>MHP</td>
<td>500</td>
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<td>Urozgan Solar Project</td>
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<td>Solar</td>
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<td>4.5</td>
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<td>21</td>
<td>Noristan Solar Project + Distribution Network</td>
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<td>Solar+MHP</td>
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<td>22</td>
<td>Daikundi Solar Project</td>
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<td>Solar</td>
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<td>Badghis Solar Project</td>
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<td>1,000</td>
<td>3</td>
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<tr>
<td>25</td>
<td>Paktia Solar Project</td>
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<td>Solar</td>
<td>1,000</td>
<td>3</td>
</tr>
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<td>26</td>
<td>Logar Solar Project</td>
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<td>Paktia Solar Project + Distribution Network</td>
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<td>Solar</td>
<td>1,000</td>
<td>4</td>
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<td>30</td>
<td>Farah Solar Project</td>
<td>Farah</td>
<td>Solar</td>
<td>1,000</td>
<td>3</td>
</tr>
</tbody>
</table>

**TOTAL**

100,000 326

Source: Ministry of Energy & Water, Afghanistan
Invest in Manufacturing Sector

While the agriculture sector presents and is likely to present in the near and mid-term future the most important industry sector, Afghanistan is keen on establishing a light and low-end manufacturing sector, which will absorb many unemployed Afghans.

Low-cost manufacturing industry could be established in Afghanistan as currently big players like China and India are now moving a step forward into more sophisticated industries. Areas suitable for investment in manufacturing industry are likely to be those imports that can be first supplied to the local market and later export them when domestic demand is met, these products are discussed below. Investment in import substitutions will offset the current trade deficit and the huge volume of imports indicate that all these products have a market in the country.

TRADE BALANCE
IN MILLION US DOLLARS

2013/14
US$441 million import volume
2014/15
US$352 million import volume
2015/16
US$239 million import volume

EXPORT-ORIENTED INDUSTRIES

Carpets
Marbles
Dry Fruits Processing
Saffron
Handicrafts
Leather & Animals Skin
Fresh Fruits Processing

IMPORT-ORIENTED INDUSTRIES

Fuel
USD 1.6 billion import volume
Wheats & Flour
USD 468 million import volume
Metal Products
USD 441 million import volume
Vehicle & Parts
USD 352 million import volume
Vegetable Oil
USD 347 million import volume
Fabrics
USD 239 million import volume
Tea
USD 129 million import volume
Sugar
USD 115 million import volume

Tires & Tubes
USD 57 million import volume
Clothing
USD 56 million import volume
Others
USD 3.9 billion import volume
Invest in Transportation Sector

Afghanistan shares borders with Iran, Pakistan, China, Tajikistan, Turkmenistan, and Uzbekistan. Historically, it has served as trade route for many years connecting Asia, Europe, and the Middle East.

The existing number of vehicles (lorries, buses, cars, motorcycles, etc.) in Afghanistan is 1.9 million.

The total transported goods in 2014-15 was 25,000 tons while the total transported passengers in the same year was 249 million.

In the past decade Afghanistan has made phenomenal progress in its infrastructure for transportation not only inside the country, but also to neighboring countries. The demand for logistical companies is continuously growing and has great potential to expand in the future.

Following are some areas that has great potential for private investments:
- Public Transportation Services for Inter-cities
- Public Transportation Services for Inter-Provinces
- Air freight and cargo services
- Warehousing
- Cold cargo and perishables storage
- Package and Postal Services
- Procurement and Supply services
- Customs facilitation
- Standard vehicle maintenance services.

Invest in Health Sector

This sector has also developed a lot in the past decade. According to the official statistics, there are 153 public and 252 private hospitals in 2014-15. Besides, there are 411 comprehensive health centers, 932 basic health centers, 854 health sub centers and up to 1,700 laboratories.

The health service provision of the public sector has improved and private sector has also forayed into hospitals, laboratories, and pharmaceutical industries. Existing investment is unable to meet local health service needs and medicinal demand. More than USD 300 million flows out of Afghanistan in pursuit of medical treatments annually.

More than USD 800 million worth of pharmaceuticals are imported annually. These huge capital outflows from the country are demands for health services, which can be met through investing in the following areas:
- Medical complexes/hospitals
- Medical centers
- Pharmaceutical industry
- Standard laboratories
- Medical equipment and tools manufacturing
- Standard pharmacies/medicine stores

PPP PROJECTS IN HEALTH SECTOR
PRIVATE INVESTMENT OPPORTUNITIES

PPP Candidate Jinnah Hospital: The Jinnah 200-Bed General Hospital, located in District #13 of Kabul, is being constructed through a USD 18 million donation from the Islamic Republic of Pakistan. The hospital will provide high-quality secondary and tertiary health services to approximately 5 million Kabul city residents and will serve as a referral resource for Afghanistan’s provinces. More than 65% of the construction works at Jinnah Hospital are completed and the overall construction completion is estimated in mid-2016. Upon completion, Jinnah General Hospital will be ready to operate as a potential PPP hospital.

PPP Candidate Jamhuriat Hospital: Jamhuriat General Hospital is a 200-bed, 10-story facility in District #2 of Kabul, constructed and equipped by the People’s Republic of China. The scope of services provided will be based on healthcare demand and epidemiological studies conducted by the MoPH, as well as academic and research initiatives with various domestic and international partners.

PPP Candidate Sheikh Zayed Hospital: The Sheikh Zayed 100-bed Mother & Child Hospital located in District #15 of Kabul was constructed and equipped through a USD5.4 million donation from the United Arab Emirates. The hospital’s scope of services will include maternal health, pediatric health, diagnostics, and other auxiliary services such as a blood bank, ambulance, and mortuary. The hospital will also house social services.

The total transported goods in 2014-15 was 25,000 tons while the total transported passengers in the same year was 249 million.

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- Warehousing
- Cold cargo and perishables storage
- Package and Postal Services
- Procurement and supply services
- Customs facilitation
- Standard vehicle maintenance services.
Invest in Construction Sector

In the past decade, Afghanistan has experienced unprecedented growth in its construction industry. The construction sector holds the highest amount of private sector investment as compared to other sectors. With the U.S. and NATO’s decision to extend the availability of their troops in Afghanistan beyond 2016, the construction sector will experience further growth.

Opportunities for investment lie in construction materials, which are extensively imported from the regional countries. Other than government expenditure on developmental projects, there is huge demand for houses in the capital and the provinces.

Following points will briefly describe increasing demand for residential buildings:

- High demand growth for housing due to rising population rate and income level,
- Low cost of construction raw materials, and plenty of empty land to build housing,
- Minimum investment risk in housing market due its self-reliance from world economy,
- Cheap skilled and unskilled labor for housing market,
- High capacity of housing market to absorb huge investment and create jobs.

In 2014-15, 729 buildings were constructed valued USD 169.6 million and another 523 buildings were under construction in the same year. The construction sector contributed 7-10% to GDP in recent years.

According to the Ministry of Commerce and Industries (MoCI), 25-40% is valued from the local margin, local labor and traders and 60-75% is valued from construction materials, supervision, and international overheads.

INVESTMENT OPPORTUNITIES

CONTRACTING
In the past decade, 73% of the construction took place through contractors. The number of Afghan construction companies has increased significantly but due to complicated and strict procurement requirements from international organizations, the Afghan construction companies are usually sub-contractors. Investors with a strong background in the construction sector can benefit from many future construction projects.

HOUSING
In the past decade, Afghanistan saw large and significant construction in the development of townships in the major cities of the country. Rapid urbanization and strong population growth are the main elements that will increase demand of housing markets for many decades to come. The demand for new residential units is estimated to be at 500,000 housing units (HUs) annually. Demands School buildings, Hospitals, commercials buildings and other private and public facilities. Other major construction projects for investment are discussed in the “Investing in the Infrastructure” section.

NON-GOVERNMENTAL/INTERNATIONAL COMMUNITY PROJECTS

According to the Afghanistan Builders Association (ABA), the international community is planning to spend USD 1 billion in construction and related projects in the coming years.

The Combined Security Transition Command – Afghanistan (CSTC-A) will be managing 94 Strategic Construction Projects and Initiatives worth USD 636 million. The United States Army Corps of Engineers (USACE) and Transatlantic Afghanistan District (TAA)’s current and future construction plans are available for private investment and are briefly stated below:

FISCAL YEAR 2016
- USACE to Award 52 contracts in the remainder of FY16.
- USD 275 million total
- Ranging from USD50 thousand to USD50 million in contract value
- Includes construction and design
- 28 ANA Contracts
- 23 ANP Contracts
- 1 “Other” Contract

FISCAL YEARS 2017 AND 2018
- USACE expects to award approximately USD200 million worth of work in each year

FUTURE OPPORTUNITIES
- New construction: USD 200 million – new opportunities throughout Afghanistan
- USD 80 million in site-adapt
- USD 120 million in design-build
- Ongoing projects: USD 380 million – opportunities for subcontracting

CONSTRUCTION MATERIALS

Based on the information provided by the MoCI’s handbook, due to huge infrastructure projects, rising population and income level, the demand for construction materials in the coming decade will be very high. These materials represent 35%-45% value of the construction market, which according to Altai Consulting (USAID CDP Private Sector Development Program 2007), is estimated USD 2.7-USD 3.5 billion.

These building materials include cement, steel, sand and aggregate, bricks, fixtures and fittings, timber and wood, paints and chemicals, electric supplies and construction equipment, some of which are discussed below:

- Cement
- Bricks and Concrete Blocks
- Construction Wood
Invest in
Kabul New City

The site for Kabul New City includes the plateaus of Dehsabz, Barikab, and other areas between Kabul City’s International Airport (Hamid Karzai International Airport) and Bagram Airbase. It has a total area of 740 km² of controlled urbanization zone with nearly 440 km² in developable lands. The city is planned to be developed over two 15 yearly stages.

KNC project will resolve population density crisis in the capital by developing approximately 600,000 housing units for around 3 million people.

Job creation will be huge, with some estimates showing about 1.2 million employment opportunities being created both in public and private sectors.

Investments in KNC are guided under an enabling public-private partnership (PPP) arrangements between the public and private sectors. DCDA as the executive body will act as One Stop Shop to all potential investors interested to invest in the Kabul New City (KNC) development.

Some of the major investment areas in KNC are:

1. DEVELOPMENT OF LAND PARCELS
   • Development of Parcels on Government Land
   • Development of Parcels on Private land
   • Development of Parcels in Partnership with Landowners

2. DEVELOPMENT OF INFRASTRUCTURE
   KNC requires a great deal of investments in infrastructure in any of the following area from the private sector:
   • Investment in road networks and transportation including Light Rail Transit (LRT), Bus Rapid Transit (BRT), Metro Network, etc.
   • Investment in water resources management, water supply and distribution systems
   • Investment in sewerage and drainage networks
   • Investment in sewerage treatment plants
   • Investment in solid waste management including landfills and recycling
   • Investment in power generation and transmission including solar, wind, and biogas energy generating systems
   • Investment in telecommunication networks including fiber optic networks, Internet service providers (ISP), etc.
   • Investment in snow and rainwater management

6. DEVELOPMENT OF RECREATIONAL FACILITIES
   • KNC Central Park (13 km² area)
   • Green Parks
   • Museums
   • Touristic Areas
   • Hotel and Restaurants
   • Family Picnic Areas
   • Central Lake Development
   • Suspension Cable Cars for Tourists
   • Multifunctional Playgrounds on Sani Majestic Snowy Mountains

3. DEVELOPMENT OF INDUSTRIAL ZONES
   • Dehsabz First Industrial Park
   • Dehsabz Second Industrial Park
   • Dehsabz Third Industrial Park
   • Barikab Industrial Park

4. DEVELOPMENT OF AGRICULTURE ECONOMIC ZONES

5. DEVELOPMENT OF PUBLIC FACILITIES
   • Multifunctional Medical Complexes
   • Higher Education Villages
   • Information and Communication Technology Villages
   • Vocational Training Complexes and many more.

7. DEVELOPMENT OF SOCIAL HOUSING UNITS

8. MANUFACTURING SECTOR

9. SERVICES SECTOR
   • Economic and Technical Feasibility Studies
   • Design and Planning Services
   • Surveys
   • Banking and Financing Services
   • Consultancy Services
   • Training and Capacity Development Services
   • Other Construction Related Services

10. TRADING SECTOR
The Afghan government’s new strategy is to consolidate the procurement of public goods. Annually the government purchases billions of dollars worth of goods such as food supplies, pre-fabrication construction materials, and for public institutions and the military. The strategy is to outsource procurement to big companies with the obligation to manufacture the goods in Afghanistan.

The sector wise projects distribution is as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Sector</th>
<th>No. of Projects</th>
<th>% of Total Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Security</td>
<td>1,927</td>
<td>52%</td>
</tr>
<tr>
<td>2</td>
<td>Economic Governance &amp; Private Sector Development</td>
<td>94</td>
<td>2%</td>
</tr>
<tr>
<td>3</td>
<td>Good Governance, Rule of Law, &amp; Human Rights</td>
<td>178</td>
<td>5%</td>
</tr>
<tr>
<td>4</td>
<td>Agriculture &amp; Natural Resources</td>
<td>439</td>
<td>12%</td>
</tr>
<tr>
<td>5</td>
<td>Health</td>
<td>212</td>
<td>6%</td>
</tr>
<tr>
<td>6</td>
<td>Social Protection</td>
<td>74</td>
<td>2%</td>
</tr>
<tr>
<td>7</td>
<td>Education &amp; Culture</td>
<td>459</td>
<td>12%</td>
</tr>
<tr>
<td>8</td>
<td>Non-Sector</td>
<td>80</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: National Procurement Authority

The NPA has developed an electronic procurement system, for the registration of private companies to make the procurement process timely and informational on every project to all companies. Based on the information received from NPA, the estimated annual procurement value is close to USD 2 billion.

The NPA has policy to give preference to domestic firms as following:

<table>
<thead>
<tr>
<th>No</th>
<th>Project Type</th>
<th>Value (AFN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Preference given to domestic manufacturing over foreign manufacturing</td>
<td>15%</td>
</tr>
<tr>
<td>2</td>
<td>Preference given to domestic companies over foreign companies (resident/non-resident)</td>
<td>10%</td>
</tr>
<tr>
<td>3</td>
<td>Preference given to foreign company residents over foreign company non-residents</td>
<td>5%</td>
</tr>
<tr>
<td>4</td>
<td>Preference given to joint ventures</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: National Procurement Authority

Public procurement forms 19% of GDP and 50% of the national budget, which gives it key importance in the current circumstances of Afghanistan. The new government of Afghanistan has brought extensive reforms in the procurement process to meet international standard to decrease corruption and create economic opportunities for private investment.

In strengthening investments and small and medium enterprises, the public procurement systems have created the following opportunities for strengthening private and public private investments.

The National Procurement Authority (NPA) up until now has received 3,717 procurement projects out of which 1,485 are related to goods, 1,345 are related to constructions, 103 are related to consultancy services, and 784 are related to non-consultancy services.

The value amount of these projects is as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Project Type</th>
<th>Value (AFS)</th>
<th>% in Total Procurement Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Goods</td>
<td>87,102,383,765</td>
<td>33%</td>
</tr>
<tr>
<td>2</td>
<td>Construction</td>
<td>89,138,428,833</td>
<td>33%</td>
</tr>
<tr>
<td>3</td>
<td>Consultancy Services</td>
<td>80,559,917,747</td>
<td>30%</td>
</tr>
<tr>
<td>4</td>
<td>Non-Consultancy Services</td>
<td>9,801,233,018</td>
<td>4%</td>
</tr>
</tbody>
</table>

1 USD = 66.70 Afs as of 22 February 2017

Source: National Procurement Authority
Invest in Banking & Insurance

The banking sector in Afghanistan has grown considerably. There are 16 active commercial banks, which conduct standard banking operations. However, there is huge potential for investment in international banks conducting financial transactions and providing access to finance, which has a huge demand.

Private commercial banks operate with their general banking functions, but there is lack of specialized banks such as investment and agricultural banks. Existing commercial banks in Afghanistan also provide Islamic banking services to their customers such as Murabaha, Musharika, and Mudariba.

The existing banking sector includes nine private banks, three state owned banks and branches of three foreign banks. In all there are 409 bank branches with 138 government and 271 belonging to private banks. The number of depositors in 2014 was 3,134,754 and borrowers were 54,217. The deposits were USD 3.76 billion and USD 742 million of loans were provided in the same year, while the loans to deposit ratio was at 20%. The total assets of the existing banking sector are USD 4.42 billion and net foreign assets are USD 8.3 billion.

The potential for expansion in the banking sector is high but the majority of rural and provincial businesses lack awareness about accessing banks and have used traditional money exchanging dealers (Saraf). The use of “Saraf System” has decreased over past decade as many new commercial banks started operations in the country. Commercial banks can benefit from investing in Afghanistan by making their banking systems as simple as Saraf system which provide loans on less conditions, guaranties, and deposit history of customer.

Invest in Telecommunication Sector

Currently, the Afghan mobile telecommunication market is served by four private companies and one public company, with private firm investment up to USD 2 billion. With 24 million subscribers in 2014-15, the mobile phone networks cover about 90 percent of the total population.

The past decade’s development in this sector is unprecedented and can be deemed as one of the country’s success stories. However, the mobile service market is still not fully developed and there is a gap for expansion through new private sector investments.

Significant investment opportunities exist in the supply of services other than mobile services in the telecommunication sector such as:
- Data processing
- Basic business processing operations
- Information and Communication Technology (ICT)
- Data transfer and data control services
- Internet Service Providers (ISP)

The ICT sector’s dependence on overall infrastructure of the country is very low and therefore it is an attractive sector for private investment in:
- Connecting Central Asia, China, and India with Afghanistan through Fiber Optics
- Transferring Afghanistan into an IT hub with innovative and creative approaches
- Call Centers for domestic and multinational companies.

INVESTMENT OPPORTUNITY
Afghanistan has not progressed in the insurance sector as much as it has in its banking sector. With the inclination of international companies to invest in Afghanistan and great demand for insurance by domestic investors, investment potential in the insurance sector is huge. Moreover, there’s huge investment opportunity for financial institutions providing affordable long-term loans.

<table>
<thead>
<tr>
<th>FACILITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All Banks</td>
<td>Corporate Loans</td>
</tr>
<tr>
<td>Interest Rate on Average</td>
<td>Floor = 15%; Ceiling = 20%; Process = 0.5%</td>
</tr>
<tr>
<td>Loan Term</td>
<td>Extendable</td>
</tr>
<tr>
<td>Transfer of Money</td>
<td>TT anytime, any currency</td>
</tr>
</tbody>
</table>

TELECOMMUNICATION COMPANIES IN AFGHANISTAN
KEY ELEMENTS OF PRIVATE INVESTMENT LAW

EQUALITY BEFORE LAW
- All registered/approved enterprises, domestic and foreign, are treated equally by the law, unless the legislation specifically provides otherwise.
- National treatment is given to foreign investors when granted a license.

FORMS OF ENTITIES
Enterprises can be one of the following type:
- Enterprises organized according to Afghan Law;
- Enterprises organized according to foreign law but approved by Afghan Law to trade/invest in Afghanistan.

Approved Forms of Ownership:
- 100% Private Ownership.

EXPROPRIATION & COMPENSATION
- The state can expropriate an investment or the assets of registered firms only if it is in the public interest to do so, based on a law permitting such expropriation, and on a non-discriminatory basis.
- The state shall provide prompt, adequate and effective compensation in conformity with international law and equivalent to the fair market value.

LEASING & OWNING LAND
- Foreign investor is not permitted to own land either directly or indirectly, in the absence of other legislation on the subject and applies regardless of the foreign ownership percentage.
- Leasing land is allowed to register foreign individuals for the business purposes, for up to 50 years.

DISPUTE RESOLUTION & ARBITRATION
According to the PIL, investor or registered firms may specify the arbitration or other dispute resolution procedure:
- The place of arbitration may be outside Afghanistan;
- For dispute resolution the law of a jurisdiction other than Afghanistan may apply.

Failing to resolve a dispute by mutual discussion, the parties shall submit their dispute to either:
- The International Center for Settlement of Investment Disputes (ICSID);
- OR Arbitration in accordance with UNCITRAL.

ACCESS FUNDS THROUGH BANKING SYSTEM
Registered Firms for business operation purpose may:
- Open bank accounts in local & foreign currency;
- Open bank account in foreign currency outside Afghanistan provided that it is in accordance with all legal documentation provisions.

INVESTMENT RESTRICTION
Article 5 of the Private Investment Law prohibits investment in:
- Nuclear Energy Development (subject to special terms and conditions);
- Gambling establishments and like places (prohibited);
- Narcotic & intoxicants production (prohibited).

The commission must approve investment in certain sectors:
- Production and sales of arms & explosives;
- Financial activities other than banking;
- Insurance;
- Investment in natural resources and in infrastructure.

CONTROLS ON FREEDOMS OF CAPITAL, PROFIT, DIVIDEND, INTEREST MOVEMENTS
- Private Investment Law (PIL) states no significant controls over any type of funds transfer outside Afghanistan, if it has followed all legal procedures and paid all due taxes.
To develop a market economy that is efficient and equitable in operations, a strong legal and regulatory framework needs to be established and properly implemented. To achieve such a goal, the Ministry of Commerce & Industries (MoCI) has outlined about 10 new commercial laws.

These laws are in different stages of legislation; some of them have been implemented through Presidential decree and later passed by the Parliament.

The main commercial laws are listed below:

<table>
<thead>
<tr>
<th>COMMERCIAL LAWS</th>
<th>MINISTRIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnership Law</td>
<td>Minerals &amp; Downstream Petroleum Law</td>
</tr>
<tr>
<td>Corporation &amp; LLC Law</td>
<td>Contracts Law &amp; Agency Law</td>
</tr>
<tr>
<td>Arbitration Law &amp; Mediation Law</td>
<td>Trademark, Copyright &amp; Patent Laws</td>
</tr>
<tr>
<td>Competition Law</td>
<td>Standard Law &amp; Consumer Protection Law</td>
</tr>
</tbody>
</table>

The full laws can be obtained from Ministry of Commerce & Industries website: [moci.gov.af/en](http://moci.gov.af/en)

The national taxation system of Afghanistan has been altered in recent years; new changes were brought in to simplify a wide range of nuisance taxes. Both tax authorities and investors were trained and educated; for authorities to effectively and efficiently administer tax payments while for investors on their tax obligations.

The taxpayer must acquire a tax identification number (a unique number for every taxpayer). All investors need to file their returns even if the returns are not taxable. Information provided by the taxpayers is kept confidential in the Ministry of Finance (MoF) unless authorized by law. The taxpayers are also required to maintain books and records using an accrual method of accounting. The taxation year starts from 1st of Jaddi (21st of December) to last day of Qaws (20th of December).

Following are some main types of taxes in Afghanistan:

<table>
<thead>
<tr>
<th>TAXATION</th>
<th>COMMERCIAL LAWS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Tax</td>
<td>Fixed Tax on Exhibitions</td>
</tr>
<tr>
<td>Corporate Tax</td>
<td>Business Receipts Tax</td>
</tr>
<tr>
<td>Wage Withholding Tax</td>
<td>Fixed Tax on Imports</td>
</tr>
<tr>
<td>Sole Proprietors Tax</td>
<td>Fixed Tax on Contractors</td>
</tr>
<tr>
<td>Fixed Tax on Small Businesses</td>
<td>Fixed Tax on Transport of Goods &amp; People for Business Purpose</td>
</tr>
</tbody>
</table>

Source: Ministry of Finance
Taxation in Afghanistan

CORPORATE/INCOME TAX
The income tax is imposed for each taxable year on the taxable income of each person, corporation, limited liability company, or other entity. The taxable year is the solar year except as otherwise provided in this Law. The taxable income is the sum remaining after all the deductions and exclusions authorized in this Law and its regulations are deducted from the total of all receipts of the person, corporation, Limited Liability Company or organization.

- The income tax of legal persons, corporations, limited liability companies, and general partnerships is 20 percent of its taxable income in the fiscal year.

- Income in foreign money shall be converted to Afghans for purposes of taxation. The rate of conversion shall be the average of free rates used by Da Afghanistan Bank to purchase such foreign money at the end of each month.

WITHHOLDING OF TAXES
All partnerships, organizations, agencies, departments, and enterprises of the State and municipalities; all corporations and limited liability companies employing two or more persons in any month of a year are required to withhold taxes as provided in Article 3 of Income Tax Law (full Law link provided at the end of this document) from all salary and wage payments, and pay the amount withheld to the Government account.

BUSINESS RECEIPT TAX
The business receipts tax is collected from limited liability companies, corporations, general partnerships and organizations as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Taxable Amount (AFS)</th>
<th>Rate of Tax</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0 – 5,000</td>
<td>No Tax</td>
<td>No tax is imposed on salaries/wages up to mentioned amount.</td>
</tr>
<tr>
<td>2</td>
<td>5,001 – 12,500</td>
<td>2%</td>
<td>AFS 5000 Tax free, AFS 7,500 taxed at %2 which equals AFS 150.</td>
</tr>
<tr>
<td>3</td>
<td>12,501 – 100,000</td>
<td>10%</td>
<td>AFS 150 + 10% Tax remaining amount which equals AFS 8750.</td>
</tr>
<tr>
<td>4</td>
<td>100,001 – Above</td>
<td>20%</td>
<td>AFS 8900 + 20% Tax on remaining amount.</td>
</tr>
<tr>
<td>5</td>
<td>Rental Withholding</td>
<td>20%</td>
<td>Payments of rent for buildings and constructions which are rented to legal or natural persons and are used for business purposes or offices where the monthly rent is more than AFS 15,000, are subject to a 20 percent income tax.</td>
</tr>
</tbody>
</table>

1 USD = 66.70 Afs as of 22 February 2017

Source: Ministry of Finance
Investment in any country requires legal registration/license to perform its business activities. Similar is the case for investing and starting a business in Afghanistan.

### INVESTMENT LICENSE & INDUSTRIAL LAND ALLOTMENT PROCEDURES

1. Choose/reserve a few names for company.
   - If the name has already been chosen by another company, the next reserved name will be used.
   - The selected name should have meaning and correct spelling. It may contain words from Pashto, Dari, English or other international languages. The company name should not be in conflict with laws, culture, religion or other values in the country.

2. Presence of the president, vice president and shareholder(s) of the company along with their original ID documents (Tazkera for Afghan nationals and passport with valid visa for foreign nationals).

3. 6 (3x3½) photos for president and vice-president of the company and 3 (3x3½) for shareholders.

4. Original national ID (Tazkera) of contact person. Contact person can be anyone other than president, vice president/shareholder of the company, and should be an Afghan national.

5. Rent/lease agreement or legal ownership document for verification of company’s office address. (Contract can be rent/lease agreement with property dealer, contract between two persons with the approval of the local attorney, contract with a market, legal land ownership document, or contract with another company along with the ACBRIP license of that company). All presented documents must be duly signed, stamped, and should have all the relevant information.

6. In the absence of a president, vice president or shareholder(s) of the company, presence of his legal representative/attorney along with legal power of attorney letter and original ID documents (Tazkera for Afghan nationals and original passport for foreign nationals) is mandatory.

7. License fee payment according to fees guideline, which is based on the type of business activity and amount of initial investment.

8. According to Article 109 of the Income Tax Law, if an investor has already obtained a license from ACBRIP, he/she must clear all tax obligations of that license till the end of last fiscal year. In case of failure of tax clearance, individuals/investors will not be able to obtain new license.

9. Companies with sectoral activities require approval from sector ministries (Transport and Civil Aviation, Agriculture, Public Health, Finance, Information and Culture, Interior Affairs, Telecommunications and IT, Mines & Petroleum, Counter Narcotics, and National Environmental Protection Agency, etc.). Approval of the relevant authorities must be taken first which is referred to the concerned authorities through an official letter from ACBRIP.

10. Provision of original education and work experience documents of the president and vice president (for consultancy or legal services).

11. Company name approval from MoCI for manufacturing companies.

12. Provision of no criminal record letter for foreign nationals from Interpol.

**Note:** If investor(s) already has a Tax Identification Number (TIN), they should provide a copy of it to the registration officer.
INDUSTRIAL LAND ALLOTMENT

Procedure for Distribution of Land in Industrial Parks

1. **Awareness**
   - The land distribution processes in industrial parks are communicated to investors through the following communication methods:
     - Audio-visual media channels in the capital, Kabul and other provinces;
     - MoCI website;
     - Providing direct information to applicants.

2. **Required documents for land acquisition**
   - Applicants must have a manufacturing/industrial license from ACBRIP;
   - Land application form, available at MoCI and regional offices;
   - Other required documents (business plan, bank statement, license copy and land sketch).

3. **Assessment of Applications**
   - Preliminary assessment of business plan;
   - Assessment by an internal committee from MoCI;
   - Recommendation of qualified companies to a joint committee of public and private representatives for approval.

4. **Post-Approval Processes**
   - Signing agreement for lease/sale of industrial land, construction bidding document and payment of first installment for infrastructure cost;
   - Issuance of temporary land ownership document;
   - Allotment of industrial plot and its handover to the investor(s);
   - Obtaining factory design approval and construction work permit from MoCI;
   - Implementation of agreement and bidding document and completion of all construction.

5. **Introducing the company to concerned authorities** for obtaining legal land ownership document after one year of production.

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**LICENSING THAT REQUESTS RELEVANT AUTHORITIES APPROVAL**

<table>
<thead>
<tr>
<th>No.</th>
<th>Sector of Activities</th>
<th>Agreement of the Relevant Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hospital, Clinic, Production of Detergents, Production and Packaging Medicine, Serums, Production and Purification of Salt, Health Services</td>
<td>Ministry of Public Health Afghanistan/ Department of Pharmacy</td>
</tr>
<tr>
<td>2</td>
<td>Production of (Acid, Helium, Mono-Hydrates, Water Solution, Sulfur Solution), Production of Plastic Products (except for plastic bags), Production of Sulfur, Environmental Study or Survey</td>
<td>National Environmental Protection Agency/Ministry of Counter Narcotics</td>
</tr>
<tr>
<td>3</td>
<td>Tourism Service, Radio &amp; Television Network, Production of Audio &amp; Video Programs, Press, Medical Tourism</td>
<td>Ministry of Information and Culture</td>
</tr>
<tr>
<td>4</td>
<td>IT, ICT, Internet Service Provider, Postal Services, Installation of Telecommunication System</td>
<td>Ministry of Communication and Information Technology/ ATRA</td>
</tr>
<tr>
<td>5</td>
<td>Demining Services</td>
<td>Afghanistan National Disasters Management Authority</td>
</tr>
<tr>
<td>6</td>
<td>Employment and Human Resource Services</td>
<td>Ministry of Labor, Social Affairs, Martyrs and the Disabled</td>
</tr>
<tr>
<td>7</td>
<td>Risk Management, Police Training, Manufacturing of Military Uniform</td>
<td>Ministry of Interior Affairs</td>
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<tr>
<td>8</td>
<td>Driving Training Course</td>
<td>General Directorate of Traffic</td>
</tr>
<tr>
<td>9</td>
<td>Private Schools/Training institutes</td>
<td>Ministry of Education</td>
</tr>
<tr>
<td>10</td>
<td>Financial Services, Banks, Loan Providing Services</td>
<td>Central Bank of Afghanistan &amp; Copy to Micro Finance Investment Facility of Afghanistan (MISFA)</td>
</tr>
<tr>
<td>11</td>
<td>Insurance Company</td>
<td>Ministry of Finance/Department of Insurance</td>
</tr>
<tr>
<td>12</td>
<td>Higher Education Institutes, Universities, funding scholarships to study abroad</td>
<td>Ministry Of Higher Education</td>
</tr>
<tr>
<td>13</td>
<td>Agriculture Services, Production of Fertilizers, Slaughterhouses, Livestock Breeding</td>
<td>Ministry of Agriculture, Irrigation and Livestock</td>
</tr>
<tr>
<td>14</td>
<td>Quality Control Management, Norms and Standards, Transformation of Vehicle from petrol to Gas Equipment Machine</td>
<td>Afghan National Standards Authority</td>
</tr>
<tr>
<td>15</td>
<td>Legal Services</td>
<td>Afghanistan Independent Bar Association</td>
</tr>
<tr>
<td>16</td>
<td>Transportation Services, Taxi Services</td>
<td>Ministry of Transportation and Civil Aviation</td>
</tr>
<tr>
<td>17</td>
<td>Aviation and Cargo Services</td>
<td>Afghanistan Civil Aviation Authority</td>
</tr>
</tbody>
</table>
ABOUT US
After the declaration of Afghanistan’s Independence by H.E Ghazi Amanullah Khan in 1919, he also took steps to establish constitutional government and ministerial structures for various governmental activities. Later in 1924, Ministry of Commerce was established and Ghulam Moh. Khan Wardak became its Minister. With passage of time the ministry took many structural and mandate reforms as deem necessary. Currently, its official name is Ministry of Commerce & industries (MoCI). The existing staff of MoCI is more than 1000 at the ministry and its 6 provincial directorates - 14 provincial offices and international offices.

MINISTRY ROLE
According to Article 10 of the Constitution of Afghanistan:

““The state encourages and protects private capital investments and enterprises based on the market economy and guarantees their protection in accordance with the provision of law.””

The role of the Government in promoting a market economy is:
• Creating an enabling environment that supports private sector investment and commercial activity, and encourages informal enterprises to move into the formal sector;
• Developing and implementing strategies for human capital development, in particular educational and vocational training strategies;
• Investing in infrastructure, particularly in energy and transport, where private investment is not occurring, or to facilitate investment through public-private partnerships;
• Establishing an appropriate, stable regulatory environment and a sound macroeconomic environment;
• Ensuring that property rights are well defined, with particular attention to land tenure;
• Developing policies and undertaking strategic investments (including working with the private sector to develop selected industrial sectors).

OUR VISION
A robust, competitive, and dynamic private sector that is the engine of inclusive and sustainable economic growth to ensure industrialization and poverty reduction in Afghanistan.

OUR MISSION
To contribute toward the growth of the Afghan economy through effective private sector development in partnership with stakeholders.

GOALS & OBJECTIVES
The Ministry’s broad and long-term aim is:
To develop the Afghan economy so that investment flows, trade expands, and industries and SMEs develop, resulting in greater employment and income, and poverty reduction.

The Ministry’s objectives contribute to the achievement of its goal and relate to investment, trade, industries/SMEs, and Ministry capacity. The Ministry has four strategic objectives:
• Strengthen the business enabling environment and investment climate through legal, institutional and structural reform
• Facilitate trade and increase export opportunities
• Develop resilient and competitive SMEs and industrial sectors
• Build the capacity of MoCI as a public institution to achieve its mandate

INVEST IN AFGHANISTAN CAMPAIGN
To fulfill its Goals & Objectives and to sustain the unprecedented economic growth of last decade, the government of Afghanistan is focused on developing a conducive business environment where private sector could fully utilize the untapped investment opportunities.

Thus, MoCI has launched an investment promotional campaign titled “Invest in Afghanistan”. The campaign vision is:

“To introduce Afghanistan as a destination of choice for discerning regional and global investments and transform the country to an investment hub in the region”.

INVESTMENT PROMOTIONAL TOOLS
• Invest in Afghanistan website
• Mobile Application
• A-Z guide on Investment in Afghanistan
• A comprehensive presentation on Investment Opportunities in Afghanistan
• Video Clips for Invest in Afghanistan Campaign
• International Roadshows
• Active participation at the international forums, conferences, B2B matchmaking sessions and exhibitions
Useful Links

Afghanistan Investment Support Agency (AISA)
www.aisa.org.af

Afghan Ministry of Foreign Affairs (MoFA)
www.mfa.gov.af

Afghanistan Central Business Registry (ACBR)
www.acbr.gov.af

Afghan Ministry of Justice (MoJ)
www.moj.gov.af

Afghan Ministry of Finance (MoF)
www.mof.gov.af

Afghan Ministry of Commerce & Industries (MoCI)
www.commerce.gov.af

Afghan Ministry of Economy (MoEC)

Export Promotion Agency of Afghanistan (EPAA)
www.epaa.org.af

Ministry of Urban Development (MUDA)
www.muda.gov.af/en

Da Afghanistan Bank (DAB)
www.dab.gov.af/en

Da Afghanistan Breshnashirkat (DABS)
www.dabs.af

Ministry of Energy & Water (MEW)
www.mew.gov.af/en

Ministry of Agriculture Irrigation & Live stock (MAIL)
www.mail.gov.af/en

Ministry of Mines & Petroleum (MOMP)
www.mom.gov.af/en

National Procurement Authority (NPA)
www.ppu.gov.af/Beta/English/English.aspx

Kabul Governor Office

Kandahar Governor Office
www.kandahar.gov.com/english

Herat Governor Office

Balkh Governor Office
www.balkh.gov.af/en

American Chamber of Commerce in Afghanistan
www.amcham-af.org

Afghanistan Chamber of Commerce and Industry (ACCI)
www.acci.org.af

Afghan-American Chamber of Commerce (AACC)
www.a-acc.org

Afghan-California Business Council (ACBC)
www.acbconline.org

Afghanistan Builders Association (ABA)
www.aba.af

Afghanistan Banking Association (ABA)
www.aba.org.af/index.php

Peace Dividend Marketplace Afghanistan
afghanistan.buildingmarkets.org/

Afghanistan Reconstruction and Development Service (ARDSD)
www.ards.gov.af/

Laws/Procedures Link
Afghanistan holds a strategic location – placed as a roundabout between South Asia and Central Asia – while connecting 2.6 billion people in the region. With Central Asian and South Asian markets growing in a fast rate, Afghanistan can be a catalyst of the region’s growth by connecting the region and acting as a potential investment and export hub. Afghanistan has experienced tremendous political and economic stability during the past decade and as a virgin market offers huge untapped propositional investment opportunities.

Thus, the Afghan government is ready to attract Foreign Direct Investment and offer support services to investors during all phases of their investment so that Afghanistan’s potential as an investment and export hub is fully utilized.