

د افغانستان اسلامي جمهوریت  
د صنعت او سوداګرۍ وزارت



جمهوری اسلامی افغانستان  
وزارت صنعت و تجارت

Islamic Republic of Afghanistan  
Ministry of Industry & Commerce

## Investment Opportunities Package

July 2019

# Table of Contents

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<input type="checkbox"/> Afghanistan Country Profile	3
<input type="checkbox"/> Executive Summary	4
<input type="checkbox"/> Agriculture Sector	5
<input type="checkbox"/> Energy Sector	6
<input type="checkbox"/> Mining Sector	7
<input type="checkbox"/> Telecommunication Sector	11
<input type="checkbox"/> Health Sector	12



Afghanistan's Area is 652,230 sq. km and is located at the heart of Asia, considered as a bridge connecting South and Central Asia. From its supportive regulatory framework, its estimated multi-trillion dollar mineral and hydrocarbon sectors to the country's transport and energy-related investments, Afghanistan is fast becoming a highly business-friendly environment. It is a top reformer in the World Bank ease of doing business 2018 report – regionally ranked 2nd on establishing a business and taxes; 3rd on resolving insolvency; and 4th on contract enforcement, where investors can expect significant returns on investment.

Afghanistan Country Profile			
Population	34,9Million People		
GDP	20.24 billion USD	GDP composition by sector	Agriculture 23% , Industry 21.1%, Services 55.9%
GDP per Capita	585.85\$	GDP growth rate	2.7%
Ease of Doing Business Rank	164 <sup>th</sup> world top reformer in 2018 by world bank		
Main Agriculture Crops	Wheat, corn, barley, rice, grapes, fruits (apples, pears, pomegranate, almond, pistachios, apricots), vegetables, potatoes, onions, saffron, oil seeds including cotton, soybean and canola		
Natural Resources	Natural gas, petroleum, coal, copper, chromite, talc, barites, sulfur, lead, zinc, iron ore, salt, precious and semiprecious stones, arable land		
Industries	Production of bricks, textiles, soap, furniture, shoes, fertilizer, apparel, food products, non-alcoholic beverages, mineral water, cement; handwoven carpets; natural gas, coal, copper		
Imports	7.616 billion\$		
Major Import Trading Partner	Iran, China, Pakistan, Kazakhstan, Uzbekistan, Japan, Turkmenistan, India, Malaysia, Russia, United Arab Emirates and others		
Major Import Commodities	Machinery and other capital goods, food, textiles and petroleum products		
Exports	824 Million dollar (2018). fruits, nuts, Afghan rugs, wool, cotton, hides, gemstone, and medical herbs		
Major Export Trading Partner	Pakistan, India, China, Turkey, Iran , Unites Arab Emirates, Iraq, Saudi Arabia, Germany, Turkmenistan, Kazakhstan, UAS and Russian		

## EXECUTIVE SUMMARY

This Report provides a summary of investment opportunities in Agriculture, Energy, Mining and Telecommunication sectors in Afghanistan. In addition to that, it includes the Contracting Investment Opportunities that are announced by National Procurement Authority (NPA) and are open for tendering.



Below Table summarizes the investment opportunities.

Sectors	Number of Projects	Investment \$M
Agriculture	8	136
Energy	13	4834
Mining	7	NIL
Telecommunication	8	83

## AGRICULTURE SECTOR

Afghanistan offers huge potential investment opportunities in food production and domestic consumer markets. Demand for livestock is increasing due to population growth and with the increased agricultural production and productivity, there is a huge investment gap in post-harvest handling and developing agricultural infrastructure such as cold storages, fruit and vegetable packing complex, processing centers, and etc.

Currently the Ministry of Agriculture, Livestock and Irrigation( MAIL) has announced Eight projects for investment and we are ready to provide the required support and cooperation for the interested investors.

NO.	Project Title	Main Activity	Location (provinces)	Total Investment	Rol/ Yearly Gross Profit
1	Modern Slaughterhouses	Establishment of modern slaughterhouses on governmental land	Kabul	\$ 13,920,000	US\$ 3.576 Million
2	Operation and Maintenance of Established Modern Slaughterhouses	Contracting the operation and maintenance of five modern slaughterhouses established by MAIL based on Leased-Contract for a period of 10 years (extendable)	(1) Reshkor, Kabul; (2) Shakardara, Kabul; (3) Mazar-e-Sharif, Balkh; (4) Enjil, Herat; & (5) Dashti-Archi, Kunduz	\$ 9,114,000	US\$ 8.940 million (five slaughterhouses)
3	Saffron Value Chain Development	Development of saffron value chain in Afghanistan	Herat- Mazar-i-Sharif and other provinces	\$ 26,692,000	25% per year
4	Afghan Dairy Industry Development (ADID)	Provision of all necessary services and infrastructure such as Milk collection centers and dairy processing centers	Parwan, Logar, Kandahar, Helmand, Khost, Laghman, Kapisa, Badkshan, Suripol, Kuner, Ghazni, Kunduz, Takhar, Baghlan, Wardak, Nangarhar and Jozjan provinces	\$ 32,060,000	-
5	Agricultural Cold Storage Project	Establishment of modern cold storages for agricultural produces	Kabul, Parwan, Bamyan, Maidan-wardak, Panjshir (Central Region), Nangarhar, Laghman (East Region), Herat (West Region), Balkh, Saripul (North Region) and Kandahar, Ghazni (South Region)	\$ 36,000,000	US\$ 2 Million
6	Establishment of Fruit Packing and Storage Complex	Post-harvest handling (packing, grading, sorting and storing) of fresh fruits	Central Provinces (Maidan Wardak, Logar, Ghazni, Paktia, Kapisa and Daikundi)	\$ 8,503,560	33.3 %
7	Bagrami Poultry Farm Rehabilitation	Rehabilitation of Bagrami Poultry Farm	Bagrami district, Kabul	\$ 5,600,000	US\$ 22.5 Million (over 5 years)
8	Establishment of Pine Nut Processing Centre	Processing, Packing and Marketing facilities	South-eastern Provinces (Paktia, Paktika, Khost, Logar, Nengarhar, Laghman, Nooristan and Kapisa)	\$ 4,899,000	-
<b>Total Investment Opportunity</b>				<b>\$ 136,788,560</b>	

## ENERGY SECTOR

Afghanistan is amongst the small number of countries whose natural resources and its capacity to produce energy has remained untouched. According to the information provided by the Ministry of Energy and Water of Afghanistan, the country has the potential to produce 310,000 megawatts of electricity, while currently it imports 75% of its electricity from abroad and produces very little domestically. Afghanistan needs 6,000 megawatts of electricity annually, and if it reaches its full potential of production (310,000 megawatts), there will be a large amount of surplus energy ready to be exported to the neighboring countries. Afghanistan's energy market provides an excellent investment opportunity because so far there is lack of competition in this area. Furthermore, solar energy is another investment opportunity in Afghanistan. The country has more than 300 sunny days in a year, therefore, making the solar energy a cheap, obtainable and renewable source of energy.

NO.	Project Title	Location	Project type	Project capacity	Total Investment \$M	Organizations involved in the project	Feasible Study
1	Baghdara hydro power plant	Kapisa province	Hydro	240 MW	562	MOF(PPP) MEW, DABS	Yes
2	Sagi hydro power plant	Kuner province	Hydro	300	610	MOF(PPP) MEW, DABS	Yes
3	Qali-e- Mamai hydro power plant	Takhar province	Hydro	445	1459	MOF(PPP) MEW, DABS	Yes
4	Shall hydro power plant	Kuner province	Hydro	798	1636	MOF(PPP) MEW, DABS	Yes
5	Hisar shahee solar project	Nangarhar province	PV	40	40	MOF(PPP) MEW, DABS	Yes
6	Kandahar 50 MW solar power plant	Kandahar province	PV	50	33.73	MOF(PPP) MEW, DABS	Yes
7	Kabul 50 MW solar power plant	Kabul province	PV	50	33.73	MOF(PPP) MEW, DABS	Yes
8	50 MW solar power plant at Guzaar, Herat	Herat province	PV	50	33.73	MOF(PPP) MEW, DABS	Yes
9	Balkh 50 MW solar power plant	Balkh province	PV	50	33,73	MOF(PPP) MEW, DABS	Yes
10	50 MW Parwan wind farm project	Parwan province	PV	50	62.5	MOF(PPP) MEW, DABS	Yes
11	50 MW Herat wind farm project	Herat province	Wind	50	125	MOF(PPP) MEW, DABS	Yes
12	50 MW balkh wind farm project	Balkh province	Wind	50	125	MOF(PPP) MEW, DABS	Yes
13	20 MW Kabul west to energy	Kabul province	Biomass	20	80	MOF(PPP) MEW, DABS	Yes
<b>Total Investment Opportunity</b>					<b>4834.42</b>		6

## MINING SECTOR

Afghanistan is endowed with abundant natural resources that remains largely untapped. The US Geological Survey found that Afghanistan holds more than 1 trillion USD worth of mineral deposits. The country has world-class deposits of iron ore, copper, gold rare-earth minerals and a host of other natural resources.

Afghanistan's mineral deposits include more than 2.2 billion metrics tons of Iron ore, 1.3 million of copper, 1.4 million of rare-earth minerals and 2700 kg of gold.

The national unity government sees Afghanistan's vast mineral resources as catalyst of long-term economic growth. The sector has a promising potential of creating jobs, generating revenue, and transitioning the country from reliance. The High Economic Council has approved 38 mining projects for investment in Afghanistan and soon the tendering schedule will be announced.

### Marble

Marble sector is the most dynamic manufacturing export sector In Afghanistan. The comprehensive advantage of marble sector in the country stems from availability of huge deposits of high quality marble spread throughout the country.

Province	Commodity	Area KM <sup>2</sup>	Estimated Deposit Ton	Announcement Date
Kapisa	White Marble	0.407	132,024,816	TBD
	Marble	0.335	110,283,120	TBD
	Marble	0.696	175,329,360	TBD
	Marble	31.177	1,199,545,200	TBD
	Marble	0.362	70,426,260	TBD
Parwan	Gray Marble	0.026	1,696,500	TBD
	White and Gray Marble	0.0279	1,696,500	TBD
	Marble Silver color	0,0351	24,640,200	TBD
	Marble Silver color	1.0584	605,691,580.4	TBD
Ghazni	White Marble	0.162	33,548,588	TBD
Herat	White Marble	4.595	31,360,875	TBD
	White Marble	0.636	43,543,500	TBD
	White Marble	0.789	53,849,250	TBD
	White Marble	1.722	117,526,500	TBD
Daikundi	Marble (White and Silver)	0.4919	113,761,865	TBD
	Marble (White and Silver)			TBD
	Marble (White and Silver)	0.4331	163,539621.8	TBD
	Marble (White and Silver)	0.0732	1,268,089	TBD
	Marble (Silver and Striated)	0.7029	195,956,208.8	TBD
Kabul	White and Green Marble	0.2769	59,756,580	TBD
Kunar	-	14.13	4,144,125,847	TBD
Nangarhar	-	-	-	TBD

## Talc

Talc is a soft stone minerals used in many industries such as pharmaceutical, cosmetics rubber and oil production, is mined in a number of afghan provinces with the largest resources located in Nangarhar province.

Province	Location	Area KM <sup>2</sup>	License	Announcement Date
Nangarhar	District Achin	171.94	Exploration	TBD
Kapisa	Afghanistan valley district Nijrab	1.2 with estimated reverse 43433112	Exploration	TBD

## Travertine

Travertine is from of limestone deposited by mineral springs. Especially hot springs. It is formed by minerals dissolved in ground water which are then deposited on the earth's surface by rivers and natural springs.

Province	Location	Estimated Deposit Ton	Area KM <sup>2</sup>	Announcement Date
Wardak	Dasht reza, shanbe-e khish besood	26,460, 381	0.837	TBD
	Kakhana, qole-khish	18,013, 648	1.322	TBD
	Qole-e-khish	14,103,679.8	0.592071	TBD
	Sabzab,qolekhish	11,519,592.26	0.452	TBD
Ghazni	Koraleh, nahoor	127,605,900	0.543	TBD
Bamyan	Kholankash,markaz	579,855	0.456	TBD
Parwan	Dastrazan, sorpharsa	2,035, 040	0.08	TBD

## Gypsum

Gypsum is one of the non-metallic minerals associated with varying amount of carbonates, clays and other impurities. Naturally it can be found in many forms such as selenite, satin spar, gypsite and massive gypsum

Gypsum is sued mainly for cement ceramics industries and building deposit of gypsum in Baghlan, Takhar, Samangan, Herat, Bamyan, Ghor and Helmand provinces and are considered the most important locality for gypsum occurrences.

Province	Location	Estimated deposit	License	Announcement Date
<b>Baghlan</b>	Tala Barfak	Unknown	Exploration	TBD



## Emerald

Emeralds a saturated green and the most precious form of beryl are found in the Panjshir province at elevations of 3000-4000 m, in an area 16 Km long by 3 km wide. Emerald are green color and in crystals up to 100 carats in weight whose clarify often rivals the more famous Columbian emeralds.

Quantity	Low	High	Announcement Date
Commercial	30US	525	TBD
Good	525US	1.125	TBD
Fine	1.125US	2.900US	TBD

## Lapis lazuli

Lapis lazuli from Badakhshan is still regarded as the world's premier source in terms of quantity and quality. Its name is derived from the latin 'lapis' meaning 'stone' and the Persian 'lazward' meaning 'blue'. It is used to make beds, boxes and other decorative articles, it is often carved into figuring and is popular for men's jewelry.

Gemstone	Province	Mine location	Amount/Extent	License	Announcement Date
Emerald	Punjshir	Khenj	0.130954	Exploration	TBD
Ruby	Kabul	Jadaelk	500.1000 meter	Exploration	TBD
Lapis lazuli	Badakhshan	Sarsang Badakhshan	1300	Exploration	TBD

## Iron ores

The geology of Afghanistan is complex due to the junction position between the indo-Pakistan and Asian crustal plates. Technically is composed of a series of narrow terrines that broke away from the main Gondwanaland supercontinent before becoming accreted onto the southern margin of the Eurasian plate.

### Noqra Khana Iron (Hematite Mine)

% of Iron element	% of iron (max)	% Of iron average	% of iron ( min)	Depth of iron	Quantity in MTs	Announcement Date
49	55.91	47.6	34.38	25m	34.388	TBD
				50m	68.777	
				100M	137.554	

### Toi Valley Iron (Hematite) Mine

% of Iron element	% of iron (max)	% Of iron average	% of iron (min)	Depth of iron	Quantity in MTs	Announcement Date
54	59.98%	47.56%	33.53%	25m	17,204,564.04 ton	TBD
				50m	34,409,128.08 ton	
				100m	68,818,256.16 ton	

### Copper and gold

Zarkashan Gold & mineral deposits, the first reconnaissance survey of the mining area was conducted by German geological team in the mid-1960s. The soviet and the Afghanistan geological survey conducted exploration in the late 1960s and early 1970s recently the USGS completed its assessment of the mineral potential in Afghanistan.

Province	Location	Estimated deposit	Area ( Km <sup>2</sup> )	License	Announcement Date
Ghazni	225km SSW of Kabul in the ghzani province	7.7 tons of gold	484	Exploration	TBD

## TELECOMMUNICATION SECTOR

At present Afghanistan's mobile telecommunication market is served by four private companies and one public company, with private firm investment up to USD 2 billion. With more than 25 million subscribers, the mobile phone networks cover about 90 percent of the total population. In order to properly regulate this sector, the Afghan government has undertaken serious efforts of promulgating rules that comply with international standards, and made policies that opens up the market for domestic and international companies. In order to speed up the provision of telecommunication and internet services in the country, the ministry of Information technology has prepared an "open access" policy. This policy provides investment opportunities for domestic and foreign companies in establishing optic fiber network, and internet service providing. Furthermore, the policy works toward proper regulation of the industry and providing equal opportunities for all investors.

### CHABAHAR PORT FIBER CONNECTIVITY

By connecting Afghanistan National OFC Network to ChabaharPort, Afghanistan will be able to have transit business with India, Iran, Central Asia, Turkey, Russia, and Europe. It will help Afghanistan to provide high quality, reliable, lower latency, improve OFC network's service availability (SLA), cheaper voice & data services throughout the country, create job opportunities, economic growth, and community welfare. Connecting Afghanistan National Fiber Optic Network to ChabaharPort, Iran will cost around 4.4 USD Million. The first phase of this project is explained as below.

Rout and implementation schedule	Length in Km approximate	Province to be connected	Road condition		Estimated cost	Population	Expected found source
Qala-e-now to Ghormach and Karukh	255	Badghis	Under construction	Ghormach and Morghab	\$5100000	512,518	WB
Zaranj to Delaram	220	Nimruz( cross border)	Asphalted	Khash rod	\$4400000	170,790	WB
Faizabad to wakhan	481	China border	Gravel (no road alignment) under plan	Bahrak ishkashem broghil wakhan	\$18,000,000		Gov.af china
Tarinkot to kandahar	141	Oruzgan	Partial Asphalted	Shah wali kot	\$2,820,000	362,253	WB
Bamian to nilli	205	Daikundi	Partially Asphalted	Panjab, waras and sharistan	\$5,740,000	475,848	WB
Tarinkot to nilli	179	redundancy	gravel	Chora and gizab	\$5,012,000	N/A	WB
Kpisa-sorubi	45	redundancy	Asphalted	Tagab-nejrab	\$675,000	N/A	AFTEL
6 Routes	152	4 provincial capital+redundancy route		Total 12 set of ISP equipment + constracion	\$41,747,000	1,008,891	

## HEALTH SECTOR

While there have been positive changes in the health sector of Afghanistan and some investments have been made to establish hospitals, medical laboratories, and medicine production, the current level of investment does not fulfill the medical needs of the people of Afghanistan. According to the statistics provided by the Ministry of Public Health, 76 percent of medical care expenses are paid to private health providers. This indicates that private sector has a very important role in the health industry of Afghanistan and can create a substantial investment potential for foreign investors.

Project Name	Location	Project Type	Project Value (M USD)	Status	Documents Developed	Project Function	Risk Transfer	Business Opportunity	Example's	Recommendation	Remarks
Ali Jinna Hospital	Kabul	Operating Concession	14m	Tendering will be announced in Coming soon	FS & FM	Delivery of Health Care Service	To be Determine	Yes	Multiple (India, Turkey)	FS & FM Approval	Updating Financial Model
Jamhuriat Hospital	Kabul	Operating Concession	44m	Updating FS & FM	FS & FM	Delivery of Health Care Service	To be Determine	Yes	Multiple (India, Turkey)	Updating FS	Updating Financial Model
Pharmaceutical Enterprise	Kabul	Operating Concession	10m	Notification required	Proposal	Pharmaceutical Development	To be Determine	Yes	Multiple (US, Europe, India)	Complete PFS	
Kabul Public Hospital USP (Unsolicited Proposal)	Kabul	Lease Contract	3m	Notification required	Proposal	Pharmaceutical Development	To be Determine	Yes	Multiple (U.S.A, Austria, India)	Complete PFS	
Afghanistan Hospital pharmaceutical USP (Unsolicited Proposal)	Kabul	Operating Concession	23m	Notification	Proposal	Pharmaceutical Development	To be Determine	Yes	Multiple (U.S.A, Austria, India)	Additional data required	
Two diagnostic center	Kabul	BOT	8m	Tendering will be announced in Coming soon	RFQ, FM, RFP	Imaging Services	To be Determine	Yes	Multiple (India, Ukraine)	Market Sounding & Tendering Process	Change on Location
Four diagnostic center at regional Province	Kabul	BOT	16m	Newly approached	Concept	Imaging Services	To be Determine	Yes	Multiple (India, Ukraine)	Concept Development	
1000 bed Hospital	Kabul	BOT	40m	Newly approached	Concept	Delivery of Supper Specialty Health Care Service	To be Determine	Yes	Multiple (India, Turkey)	Concept Development	Concept Proposal Developed
Regional quality Control laboratories	Balkh, Herat, Nangarhar and Kandahar	PPP	8m	NA	NA	Quality Contor Pharmaceutical in regions	To be Determine	Yes	Multiple	Concept Development	
Standard Warehouse at Custom level for medicine and healthcare product	Kabul, Herat, Kandahar, Nangarhar, Nimroz, Khost, Faryab	PPP	2m	NA	No	To Store Medicine and Healthcare products at custom level according to GSP (Good Storage practices)	To be Determine	Yes	Multiple	Concept Development	12