

Investment Opportunities in Afghanistan

Construction Sector of Afghanistan

As reported by the Government of Afghanistan, investment in construction sector is larger than other sectors of investment, and continues to grow.

Construction and rebuilding of the infrastructure of Afghanistan that has been started from years ago, and vigorously continues till this day, has turned the construction sector to the second largest sector of investment in Afghanistan's economy. Construction has added remarkable amount of money, jobs, and investment opportunities in this Country.

Furthermore, due to the development of the construction sector, Afghanistan has become an ideal place for domestic and foreign investors for producing construction materials.

While currently Afghanistan imports seventy percent of its construction material, it produces very little domestically. This however, creates a huge potential of investment in producing construction materials in Afghanistan because a large number of construction projects such as government facilities, residential towns, airports, hydroelectric dams, irrigations systems, rehabilitation of infrastructure, highways, railways, construction of the New Kabul city, and residential homes still need to implemented.

According to the Ministry of Urban Developing and Housing of Afghanistan, due to rapid movements of people towards cities, and increase in population, the demand for activities of the construction sector and housing market will increase in the coming decades. The current demand for housing has been estimated to be 500,000 units per year, according to the Ministry.

The Afghan government intends to provide the necessary facilities to support and encourage domestic and foreign investment in the construction sector to ensure its involvement in construction and housing projects. To effectuate these efforts, and to make sure the efficiency and security of construction investments, it is very important to draft national codes and standards of construction. Thus recently, Afghanistan National Standard Authority (ANSA) has introduced its first set of national codes for construction. These codes include, codes for urban development, architecture, construction, and highways and bridges. All of these codes are officially approved by the high council of standard of Afghanistan.

Ministry of Economy of Afghanistan has agreed to act as the secretary of COST, which enables COST to monitor and review the entire process of construction projects, from the logistics phase to the completion.

Moreover, Kabul Municipality has reformed its construction licensing procedures, according to which the licensing services are provided in one location, and considerably decreased the time in which a construction license can be issued.

Finally, it must be stated, that high demand for housing due to increase in population, increase in per capita income, affordability of construction materials, large amounts of suitable land for construction, minimum risk, skilled and cost effective construction workforce, high investment potential of the housing market, are among the numerous benefits a construction investor can receive by investing in the construction sector of Afghanistan, a unique investment opportunity that cannot be missed by either domestic or foreign investors.