

## **Investment Opportunities in Afghanistan**

### **Health Sector in Afghanistan**

The President of Afghanistan has announced that development and empowerment of the health sector of Afghanistan is a priority of his government. He directed the authorities in charge, including the Ministry of Public Health (“MoPH”) to facilitate foreign and domestic investment in this sector. The direction is aimed to avoid the flight of a billion dollars per year paid by Afghans who travel to foreign countries for health issues.

While there have been positive changes in the health sector of Afghanistan and some investments has 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. In order to resolve this problem, the (“MoPH”) intends to establish health clinics, hospitals, and medical laboratories for 40 percent of the entire population of the country who do not have access to standard health care. This effort on the party of the government provides an ample opportunity for foreign investment in these health facilities.

According to the statistics provided by the MoPH, 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.

The Minister of Public Health reiterated that providing health services is not possible without the contribution of private sector, thus the Ministry has created the proper venues to facilitate private domestic and foreign investment in this industry. According to the Minister, one of such venues is the establishment of directorate of private and public providers, which will administer long-term leasing hospitals to private health providers. This will cause the hospitals to be better equipped with modern technologies and equipment. When these hospitals are modernly equipped, on the one hand the people will have access to better health providers and will avoid them going to foreign countries, and on the other, it will be a decent opportunity for further private investment in this sector.

Furthermore, there are only a few medicine producing companies that operate in the Afghan market with a very limited capacity. They produce roughly 5 percent of the medicine demanded

in the market, and the remaining 95 percent is imported from foreign countries. In order to increase domestic production of medicine, the government of Afghanistan has drafted its national strategy on development of medicine manufacturing industry in Afghanistan. The strategy calls for and support establishment of private medicine manufacturing companies and itself is another opportunity for foreign investors to establish and run medicine manufacturing companies in Afghanistan. The Afghan government intends to provide such health services for the people so that they do not have to travel to foreign countries for their health issues and pay large amounts of monies in foreign countries. In order to do that the government intends to establish and equip health care consortiums, hospitals, standard laboratories, standard pharmacies, import of quality medicine and equipment, and exchange of medical technology with Afghan health providers. Each of these is an effective and profitable opportunity for private investment.