

## **Investment Opportunities in Afghanistan**

### **A Potential of Two Hundred Billion Dollars in the Marble Industry**

Afghanistan is located in one of the most active tectonics plain of the earth. This location gave rise to a diverse and types of minerals creation. Among these diverse minerals are precious stones such as emerald, ruby, lapis lazuli, tourmaline, granite, fluorite, travertine, alabaster, marble and other precious and semi-precious stones.

According to a report by the UNDP, the worth of Afghan previous stones is annually determined to be 5 million dollars, which can increase to 160 million dollars if excavated professionally with standardized excavation methods. For example, Afghanistan has a vast amount of marble reserves. According to a recent survey, there are 35 different types of marble with 45 distinct color and all with a whopping worth of 200 billion dollars.

The remarkable characteristics of the Afghan marble is its high quality, distinctive properties in color (white, black, green, silver, red, and etc.), and its unique look and vast amount. These characteristics puts the Afghan marble in a better competitive position in the world. As an example, the marble reserves of Herat and Nengarhar comes with excellent quality that globally competes with Italy's Carrara marble.

Currently the excavation process in Afghanistan is conducted very inefficiently that causes a loss of the minerals in the process and a substantial decrease of the output. The mines are excavated, by unprofessional individuals, through tunneling, hand tools, and other non-standard means. Recently the Afghan government, in order to resolve these problems, adopted several regulations and policies including the Policy of Precious Stones. The implementation of the new policies that are aimed to standardize the mining process of the precious stones create good investment opportunities for domestic and foreign investors.

On the legal arena or excavation of precious stones, the Afghan government implements the Mining Law and is in the process of creating other regulations. These efforts will cause a proper regulation of the mining industry, provide the necessary legal protections for the investors in this sector. For instance, the Ministry of Finance, in order to encourage marble processing inside the country, has invalidated a 12 percent custom duties on marble processed inside the country. According to Ministry of Commerce, while there are a handful of marble processing companies in

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Afghanistan, the number of these companies are still lower than the potential of marble exports warranted by vast marble reserves in the country. Due to lack of investment in this sector, 80% of the marble needed in Afghanistan is imported from foreign countries which is another indication of huge investment potential, and production opportunity inside Afghanistan.

Considering the above, foreign and domestic investment in small or large companies in the 200 billion dollars marble industry is considered very important and may results in remarkable profits. These investments may range from excavation, to process, packaging, export, and providing professional trainings to the personnel of the current investment companies active in this sector.