

Investment Opportunities in Afghanistan

Mining Sector in Afghanistan

According to the United States Geological Survey (USGS), only 30 percent of the natural resources that Afghanistan holds, worth more than \$3 trillion that include iron ore, precious metals and stones of numerous type, and strategic minerals such as Lithium and Uranium. Being located in one of the most active tectonics plain of the earth has given rise to the creation of different types of minerals in the country. One of them is marble with 35 different types and 45 distinct colors, all with a whopping worth of 200 billion dollars. The country holds 1,500 types of natural resources, the majority of which comes with significant economic value. Afghanistan's natural resources have many unique characteristics such as their quality, close physical location to major cities, and much more close location to the earth's surface, unlike most of natural resources sites of the world, which makes their mining process more effective and efficient.

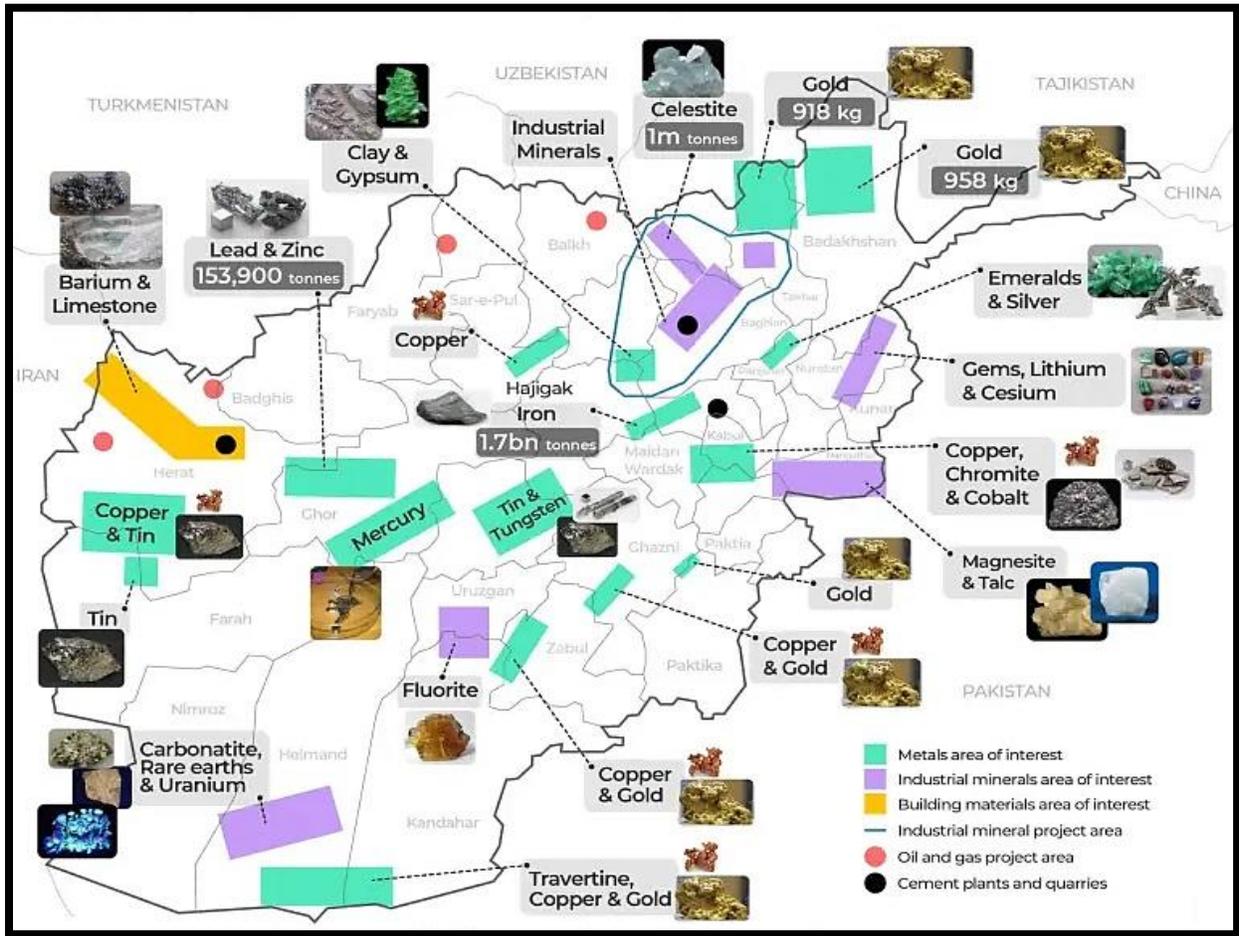
A report by the UNDP describes the annual worth of Afghan precious stones to be 5 million dollars, which can increase to 160 million dollars if excavated professionally with standardized excavation methods. Meanwhile, according to the Ministry of Commerce, the number of marble processing companies are 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 percent of the marble needed in Afghanistan is imported from foreign countries which is another indication of huge investment potential, and production opportunity inside Afghanistan.

The Afghan government's special efforts in enacting new mining law, facilitating mining contracts, and rooting up corrupt administrative processes in this sector are the significant measures to encourage international investors to invest in the mining sector in Afghanistan. Besides, the surveys conducted with the efforts of Afghanistan government have identified more than 1,400 sites holding large amounts of natural resources. One of such sites, for example, is Ainak Copper that is the only mine of this type in the entire world. Thus, the mining sector in Afghanistan considering the untouched valuable natural resources has a high potential for investment that may range from excavation to process, packaging, export, and providing professional trainings to the personnel of the current investment companies active in this sector.

Mapping Afghanistan’s Untapped Natural Resources

In 2010, the United States Geological Survey (USGS) together with Afghanistan Geological Survey (AGS) conducted the most comprehensive geological survey of the country identifying 24 specific areas of interest (AOI) across Afghanistan’s 34 provinces.

The areas of interest are color-coded on the map below. They include: valuable metal reserves (green), building material reserves (yellow), industrial mineral reserves (purple) and areas with oil and gas (red).



Source: Afghanistan Ministry of Mine and Petroleum | 2019

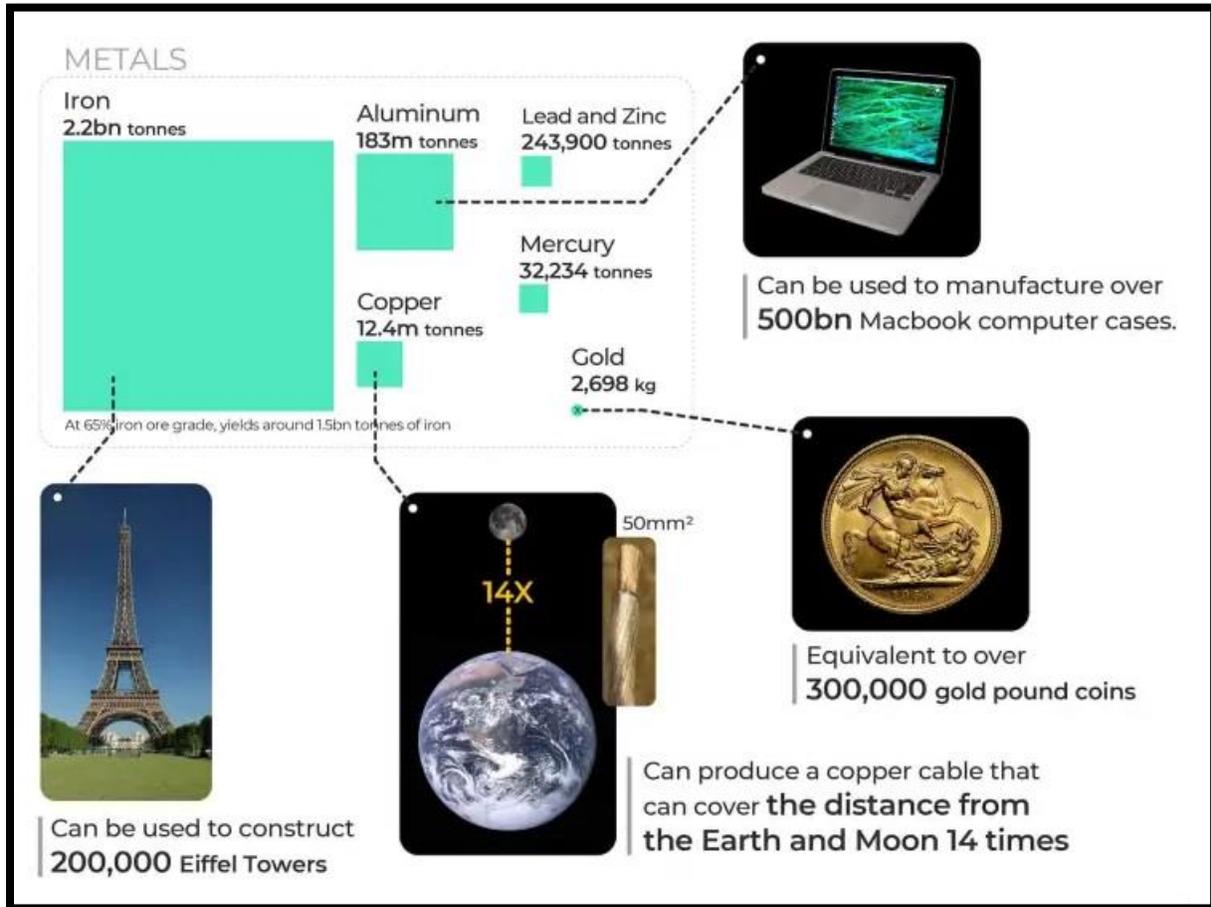
Province	Natural Resources
Badakhshan	Gold
Baghlan	Gypsum
Balkh	Oil

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Bamyan	Iron Oxide
Daykundi	Tin & Tungsten
Farah	Copper & Tin
Ghazni	Lithium Salts, Copper & Gold
Ghor	Mercury, Lead & Linc
Helmand	Carbonatite, Uranium, Travertine, Copper & Gold
Herat	Copper, Barium & Limestone
Jowzjan	Oil & Gas
Kandahar	Copper & Cement
Kunduz	Celestite
Logar	Copper, Chromite & Cobalt
Nangarhar	Magnesite & Talc
Nuristan	Gems, Lithium & Cesium
Panjshir	Emerald & Silver
Paktika	Gold
Samangan	Copper & Coal
Sar-e-Pol	Copper Mine & Oil
Takhar	Gold & Celestite
Urozgan	Fluorite
Zabul	Gold & Copper

Afghanistan's Valuable Metal Reserves

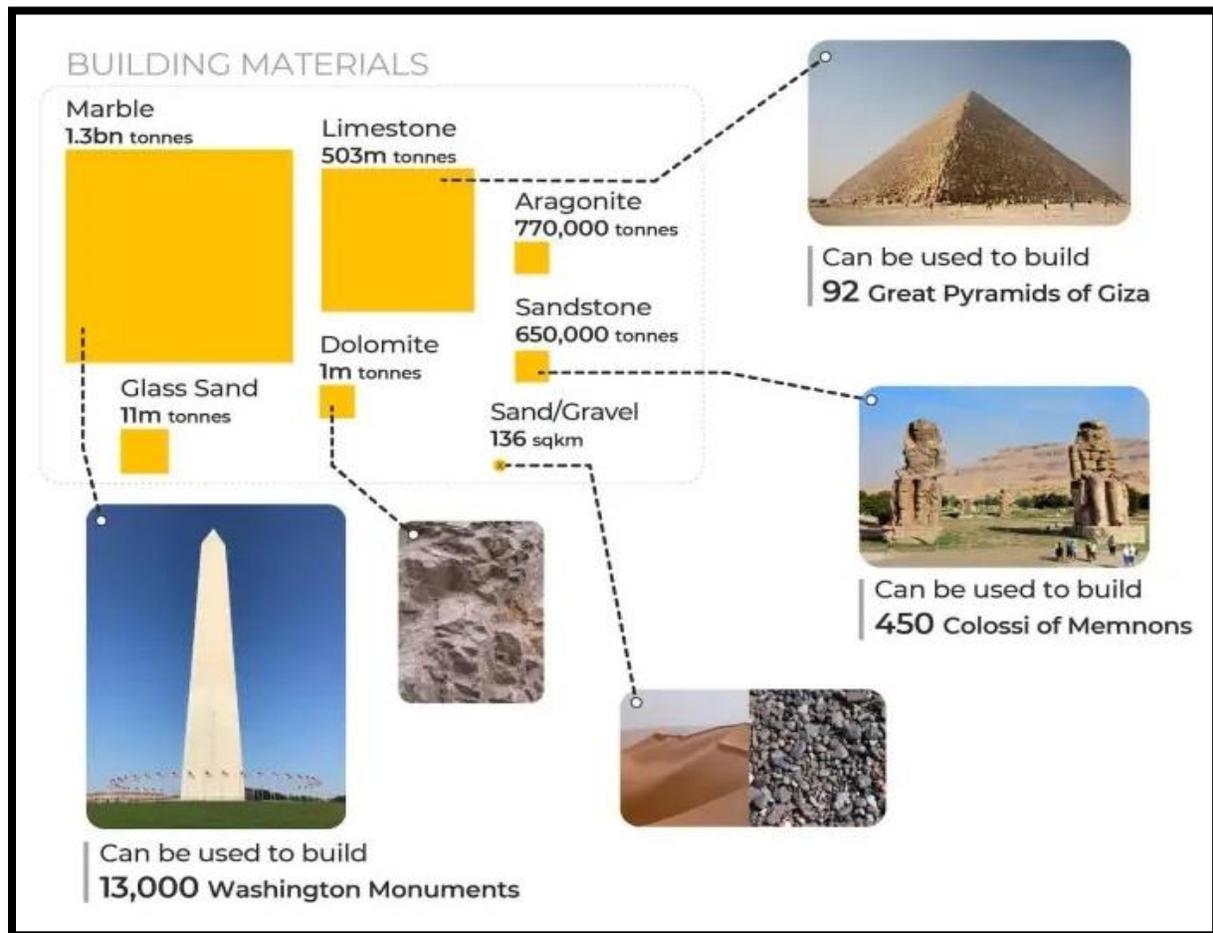
Iron is the most abundant of Afghanistan's valuable metals. The total iron ore reserve is estimated to be 2.2 billion metric tons, placing Afghanistan among the top 10 countries in extractable iron. The Hajigak mine located in the mountainous Bamyan province, 130km (80 miles) west of Kabul, has the largest iron ore deposit in the region with 1.7 billion tons of high-grade ore at 63-69 percent iron.



Source: Afghanistan Ministry of Mine and Petroleum | 2019

Afghanistan's Building Material Reserves

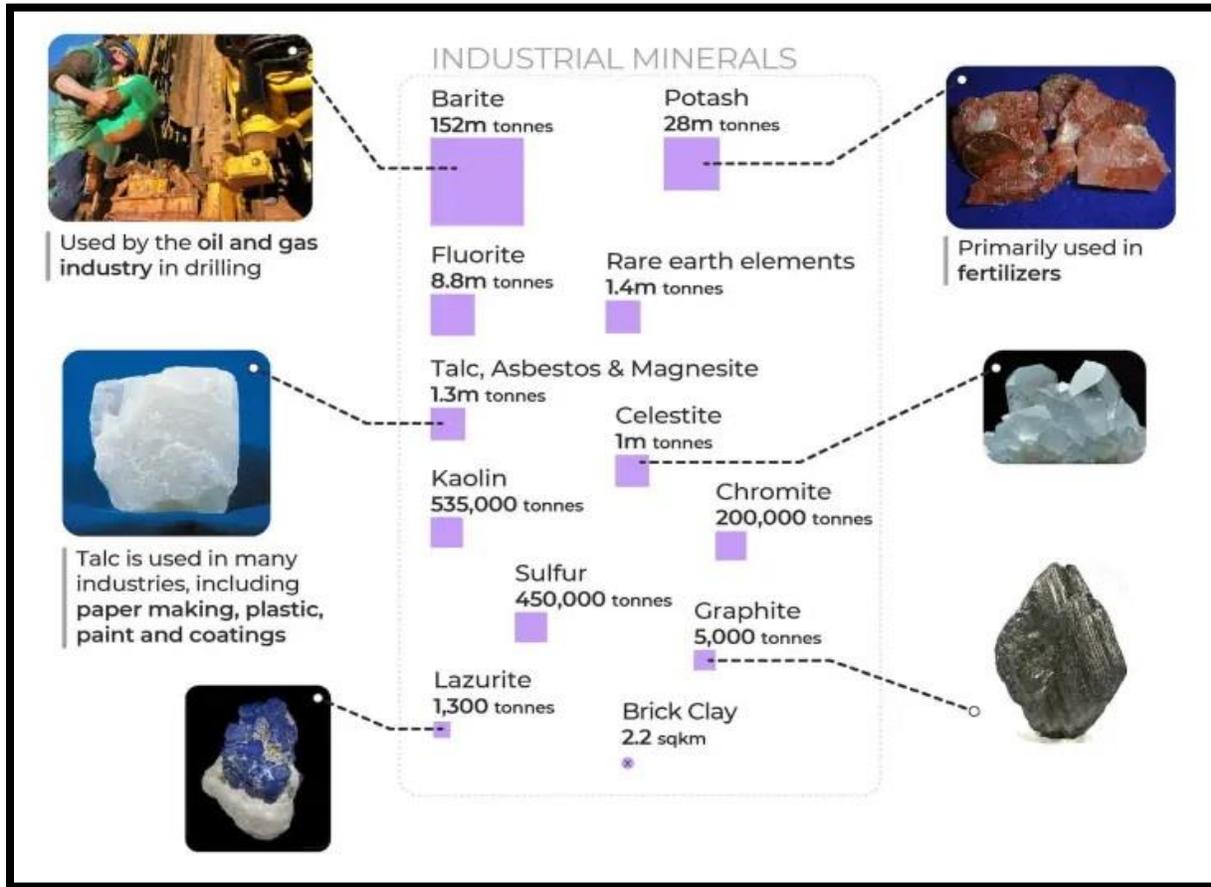
Afghanistan is the eighth most mountainous country in the world making many parts difficult to access. The Hindu Kush Himalayas span the northeast of the landlocked country and contain various minerals and stones including marble, limestone and sandstone which are used widely in construction.



Source: Afghanistan Ministry of Mine and Petroleum | 2019

Afghanistan's Industrial Mineral Resources

Afghanistan was historically one of the world's premier sources of lapis lazuli, emeralds and rubies. Most of the gemstones are found in the northeast of the country.



Source: Afghanistan Ministry of Mine and Petroleum | 2019

Ministry of Mines and Petroleum

Ministry of Mines and Petroleum as the manager of all-natural resources in Afghanistan is committed to performing its responsibilities for sustainable usage of the resources (Minerals and Hydrocarbons) to sustain financial growth and the balance payment.

The Ministry of Mines and Petroleum has adopted and implements a new approach and policy to promote private investment and expand investor interest in the extracting sector in the best interest of Afghanistan. It is also the responsibility of the Ministry to safeguard and secure companies that want to invest in the sector leading the country into a modern, modern, sustainable and capable society.

Terms & Conditions for the Companies Willing to Invest in Mining Sector in Afghanistan

Any company willing to operate in mining sector in Afghanistan must obtain mining license that is issued by Afghanistan's Ministry of Mines and Petroleum.

In addition, a foreign investor who is willing to invest and operate in the mining sector in Afghanistan has to request for and obtain certain licenses before starting its activities: Mining License issued by Ministry of Mines and Petroleum, Environment License issued by National Environment Protection Authority, Business License issued by Ministry of Commerce and Industry, Tax Identification Number issued by Ministry of Finance, Security Clearance Certificate issued by Ministry of Interior Affairs, and other few licenses depending on the activity type.