

Investment Opportunities in Afghanistan

Transportation Sector in Afghanistan

Afghanistan due to its more suitable geographical location among its neighbors is the shortest path which connects east Asian countries to west Asian countries, and central Asian countries among themselves. Therefore, despite being landlocked, Afghanistan has a special geopolitical location and its transportation sector, comprising of land, air, and a relatively smaller portion of sea-based transportation, has been the focus of the world countries throughout history.

So far however, the transportation services available inside the country has not been capable of meeting the ever-increasing market demand present.

The President of Afghanistan during the NATO summit has pointed to the substantial importance of the transportation sector of Afghanistan, and stated that it is the priority of his government to transfer Afghanistan to a connecting point of the Asian countries. For the time being in order to serve this purpose, most of the government budget after the security sector is allocated to transportation.

Considering the necessity of small, medium, and large domestic and foreign investment in transportation, the National Transportation Committee of Afghanistan has designed the national transportation strategy of Afghanistan and has requested the government to support and facilitate the investment in this sector.

Furthermore, there has been steps taken as a part of the program for national development and standardization of transport in Afghanistan that each represent a unique and worthy opportunity for investment. These efforts include but are not limited to reconstruction and management of cities' public transportation, establishment of transportation management centers in provinces of Afghanistan, installation of electronic doors in the entry points of the cities, asphaltting of more than 18000 km non-paved roads to facilitate land based transportation, establishing new roadways in some cities, establishing railways, and highways to the neighboring countries, establishment and design of terminals, tunnels, parking, and bus stops.

The air-transport is overloaded due to lack of development of land transportation infrastructure, and cannot respond to the entire market demand. Therefore, as a part of national transportation strategy of Afghanistan projects such as establishment of aviation companies, standardization of

the aviation institute, and weather forecast directorate, 17 domestic, and local airports, are planned to be implemented, all of which present a unique and fruitful investment opportunity in this sector.

Another important investment opportunity in the transportation sector that has remained unpopular so far is sea based transportation. Although limited due to landlocked geological location of Afghanistan, there is more investment potential present in this part than a small amount of current investment made in the shipping industry in Amu river.

Considering the above, Afghanistan's transportation sector presents an excellent investment opportunity and is worth the time and efforts.