

Participant Orientation

Department of Commerce / International Trade Administration Business Development Mission to Kabul, Afghanistan

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Mission Description

Business development trade mission objectives:

- Help U.S. companies explore long-term business opportunities in Afghanistan
- Enhance U.S. Afghan commercial relations by providing U.S. participants with first-hand market information, access to government decision makers, one-on-one meetings with business contacts and potential partners
- Help U.S. company participants position themselves to enter or expand their presence in targeted sectors.



Preferred Mission Sectors

- Construction (engineering, architecture, transportation & logistics, infrastructure
- Information and communications technology

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- Extractive industries (equipment, technology and services)
- Agribusiness





Political Environment

- Presidential election held in August 2009; National Assembly elections held September 2010. Hamid Karzai is currently in his second term
- Government's authority is growing; however, ability to deliver necessary services largely dependent on donor funding; U.S. assistance for Afghanistan's reconstruction totals over \$40 billion
- Afghan National Security Forces (ANSF) have reached over 200,000; reform of army and police, including training, is extensive and ongoing
- International community has made multi-year reconstruction and security assistance pledges to Afghanistan totaling over \$50 billion



Market Overview

- Afghanistan continues to rebuild after 30 years of conflict; transition from state-based model to free market economy
- Government working to improve physical infrastructure; many business opportunities are linked to reconstruction effort
- Currency reform completed in early 2003, the tax code restructured and clarified in 2005, and trade has increased dramatically with increases in both imports and exports; however, trade data remains unreliable
- Government taking steps to create more attractive conditions for foreign investment; however, much remains to be done in reforming the legal and regulatory frameworks



Doing Business in Afghanistan

Market Opportunities

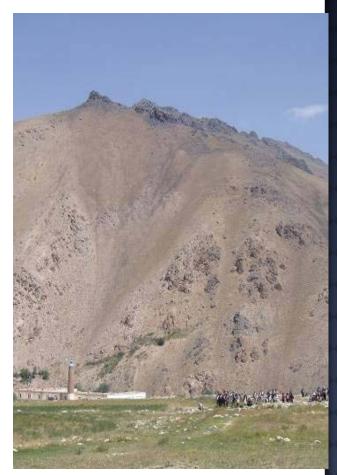
- Business opportunities driven by Afghanistan's need to renovate its infrastructure (IT/telecom, construction)
- Agriculture is strong market driver, significant opportunities in agribusiness and agriculture distribution and infrastructure
- Extractive industries growth is minimal, but recent estimates of mineral deposits/natural resources guarantee the importance of this sector in Afghanistan's future economic growth
- Substantial opportunities for U.S. firms are linked to military spending, donor and international finance institutions (IFIs) that fund reconstruction efforts; companies should monitor donor programs for potential opportunities
 - Security economy generates significant demand for goods and services, equipment and operations and maintenance of ANSF



Market Challenges

Challenges:

- Poor infrastructure,
- Weak legal framework,
- High levels of corruption,
- Limited commercial financing,
- Customs difficulties,
- Shortage of skilled personnel,
- Critical threat security situation





Doing Business in Afghanistan

Market Entry Strategy

- Strong local knowledge is vital; personal relationships are especially important
- Be familiar with key players in both business and government
- Visit the country, get to know your potential partners and their capabilities to do business with U.S. firms:
 - Meet with local Chambers of Commerce: AmCham Afghanistan, Afghanistan Chamber of Commerce & Industries, Afghan-American Chamber of Commerce, Afghan-California Business Council
 - Afghanistan Investment Support Agency
 - Export Promotion Agency of Afghanistan
- Expect high costs associated with doing business in an insecure and volatile region
- Before travel, review the Consular Information Sheet and Travel Warning for Afghanistan:

http://travel.state.gov/travel/cis_pa_tw/cis/cis_1056.html



Security

- Participants in the mission undertake related travel at their own risk
- Primary venue for the mission has security measure in place
- While the U.S. Embassy will take measures to ensure a safe environment, the U.S. government does not make any representations or guarantees as to the safety or security of participants
- Before travel, review the Consular Information Sheet and Travel Warning for Afghanistan: <u>http://travel.state.gov/travel/cis_pa_tw/cis/cis_1056.html</u>
- Overseas Security Advisory Council Afghanistan <u>https://www.osac.gov/Pages/CountryHome.aspx?CatalogLoca</u> <u>tionId=351</u>



Trade Mission

- Date: September 2011 (exact dates withheld for security purposes)
- Lead: Senior Department of Commerce Official
- Venue: Kabul, Afghanistan
- Supporting Personnel: TBD
- Embassy Kabul: Senior Commercial Officer, State Department Econ Office, Regional Security Office, General Services Office
- U.S.: Afghanistan Reconstruction Task Force (Department of Commerce liaison office in Washington, DC), local USEAC trade specialists



Trade Mission Outline

- Day 1 & 2 depart U.S. on Friday evening flight, overnight in pre-determined city on Saturday night (suggested)
- Day 3, 4, & 5 Kabul
 - □ Briefings: security briefing, overall market briefing
 - Meetings: One-on-one business appointments, meetings with government and industry officials
 - Receptions: networking reception, Ambassador's reception
- Day 6 & 7 depart for U.S. in the evening, arrive U.S. following morning



How to Apply

The mission is open to ten qualified firms, on a competitive basis

□ Recruitment closes: June 24, 2011

- An official and fully complete application is necessary
 www.trade.gov/afghanmission2011
- Space limited to 2 people per company



U.S. Department of Commerce | International Trade Administration



Do Your Research

Review 2011 Afghanistan Country Commercial Guide

- Go to: <u>http://trade.gov/afghanistan/</u> and click on "New! 2011 Country Commercial Guide"
- Meet with/talk to/review the websites of: (all listed in the CCG)
 - AmCham Afghanistan, Afghanistan Chamber of Commerce & Industries, Afghan-American Chamber of Commerce, Afghan-California Business Council
 - □ Afghanistan Investment Support Agency



Question & Answer

Submit your questions

- □ Email to <u>afghanmission@trade.gov</u>, or
- Instant message the conference manager using the "Q&A" option in the top menu



Contact

Trade Mission Details

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