



INTERNATIONAL
TRADE
ADMINISTRATION

Participant Orientation

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

Presented by :

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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
- ❑ 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:
http://travel.state.gov/travel/cis_pa_tw/cis/cis_1056.html
- ❑ Overseas Security Advisory Council - Afghanistan
<https://www.osac.gov/Pages/CountryHome.aspx?CatalogLocationId=351>



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





Do Your Research

- ❑ Review 2011 Afghanistan Country Commercial Guide
- ❑ Go to: <http://trade.gov/afghanistan/> 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



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Question & Answer

- ❑ Submit your questions
 - ❑ Email to afghanmission@trade.gov, or
 - ❑ Instant message the conference manager using the “Q&A” option in the top menu



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Contact

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