



Afghanistan Cement Industry



Executive Summary



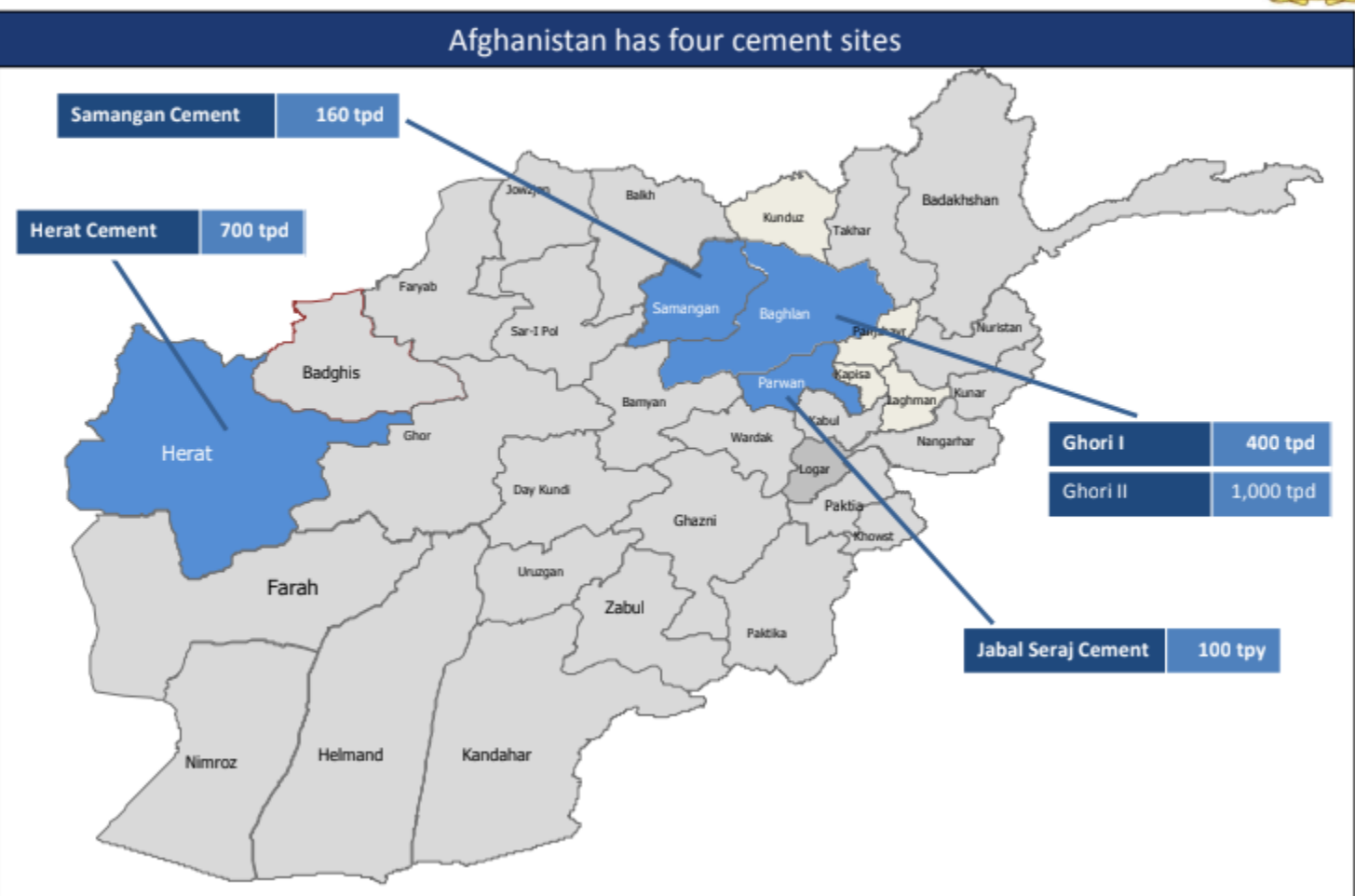
The market opportunity of Afghanistan cement sector is around \$698 million. Currently, 99% of the cement demand is imported from Pakistan. However, if we utilize our resources we can become self-sufficient in this sector.

Afghanistan currently has four cement plants: (1) Ghorl I & Ghorl II cement plants Pul-e Khumri, (2) Jabel-e Saraj cement, (3) Herat cement, and (4) Samangan Cement. Ghorl I & Ghorl II plants are designed as a two kiln which has production capacity of 400 tpd and 1,000 tpd of clinker. The Herat cement plant was originally designed to be a tow-line, wet process plant with a rated design capacity of 700 tpd of clinker. Jabel-e-Seraj cement plan has a rated design capacity of 100 tpy.

In order to promote the cement sector, the GoIRA wants to encourage investment in this sector, and therefore plans to tender three cement plants including: (1) Herat cement, (2) Samangan cement, and (3) Jabel-e-Seraj cement. Ghorl cement has been already privatized in 2006.

Most of the proposed plant sites have substantial amounts of gypsum, clay, and limestone reserves in close to medium proximity. For this sector to be utilized up to 100%, foreign ownership is allowed with minimum restrictions on repatriation, equity sale or currency. The corporate taxes will apply but import of equipment is tax exempt.

GoIRA has taken milestone steps to develop the competitiveness of Afghanistan cement industry. The interested companies can send us their proposals for evaluation and approval. The detailed process map is at the end of this presentation.



Investment Opportunities



Herat Cement (Planned to be corporatized)

- Location: Located in western Afghanistan in Herat Province is 25 km west of Herat City.
- Infrastructure: The Harirud River that flows from east to west is approximately 1 km north of the plant site. There is a spur electrical power line from the Iranian grid already pulled into the site.
- Connectivity to main roads of Zandajan, availability of water from Hariroad river and power availability
- Resources Availability: It has a significant supply of limestone and clay nearby. Coal is available from the Sabzak coal operation located 140 km north of the plant. This site contains more than 1 billion tonnes of cement quality limestone.



Avalable Resources	Amount (million MT)
Limestone	180
Clay	80
Coal	

Investment Opportunities



Jabal Saraj Cement (Tasadee)

- Location: The cement plant at Jabel-e Saraj is located at the southern base of the Hindu Kush next to the town of Jabel-e Saraj. Ownership and control of the plant is the responsibility of the Afghanistan Ministry of Mines.
- Resources Availability: Limestone, gypsum, clay and some resources of coal exists in this site.
- Infrastructure: Connectivity to main highway A76, and there are two potential sources for long-term supply of electrical power.



Investment Opportunities



Pul-e-khumri Cement (Ghorl I & Ghorl II)

- Ghorl I has been operating at this location since the 1950s and is still in operation. In 2005, the Afghan Ministry of Mines elected to share ownership of the Ghorl cement works with the newly created, and privately held, Afghan Investment Company (AIC).
- Location: The cement plants identified as Ghorl I and Ghorl II are located side-by-side 200 km north of Kabul along highway A76 and 1 km west of the highway in Baghlan Province near the town of Pul-e Khumri. A plant identified as Ghorl III is still on the drawing board as a greenfield plant to be situated next to Ghorl I and Ghorl II.
- Resources Availability: Limestone, gypsum, clay and huge resources of coal exists in this site. Infrastructure: Connectivity to highway A76, availability of water and power.



Avalable Resources	Amount (%)
Limestone	90
Clay	35
Gypsum	5

Investment Opportunities

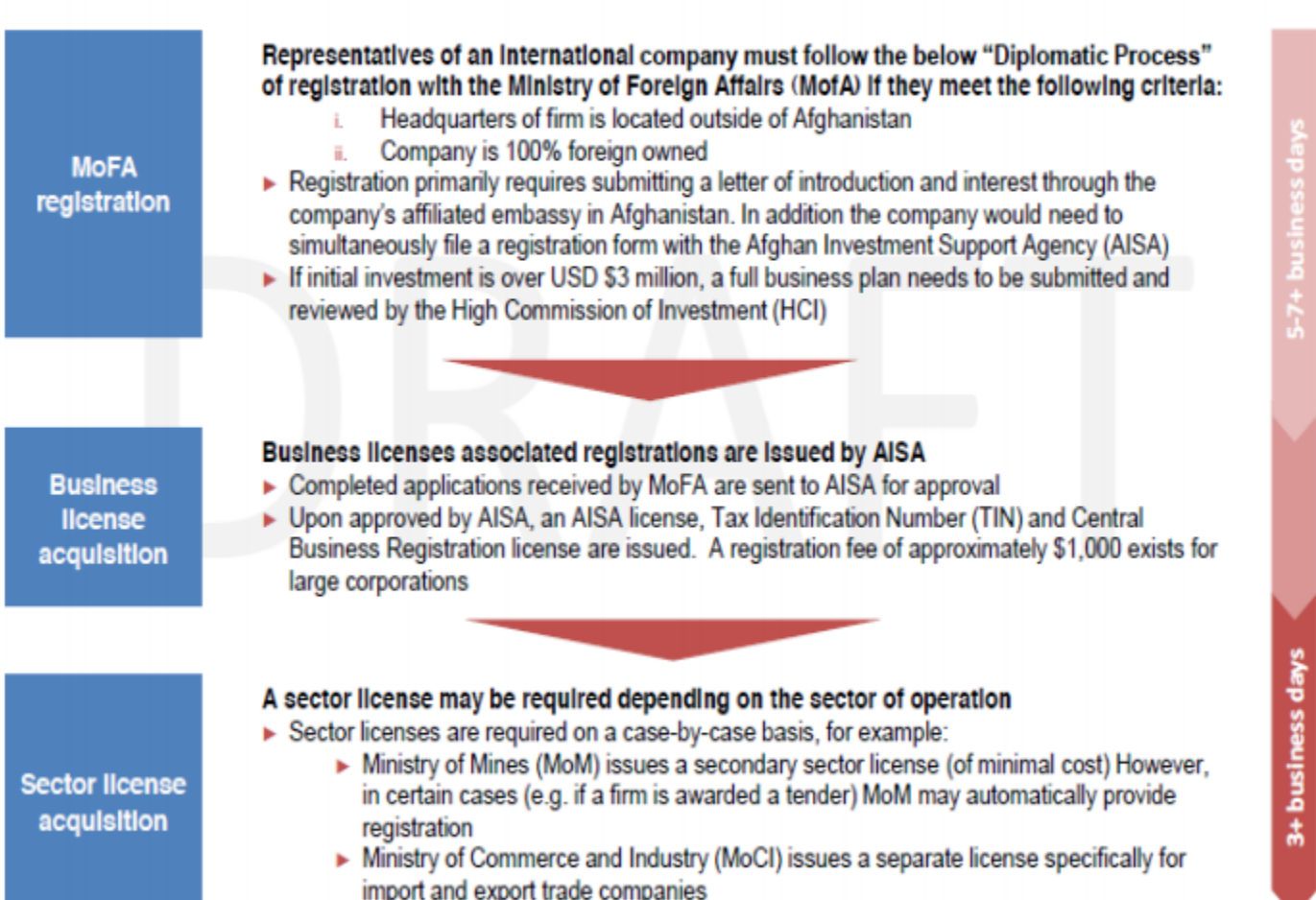


Samangan Cement (Planned to be corporatized)

- Location: The area is located 8 km to the northeast of the Aybak city
- Resources Availability: Limestone, gypsum and huge resources of coal exists in this site. This site contains more than 20 billion tonnes of very high quality limestone. One of the major resources of limestone suitable for cement production is located in the Aybak District of Samangan Province, some 8 km to the Northeast of the city of Aybak the provincial capital of Samangan Province. The coal resources of Darai Suf are located about 80-85 km to the southwest of Aybak and large resources of gypsum to the east
- Infrastructure: Connectivity to main streets, and power availability.



Business registration and license acquisition can be completed within a 2-3 stage process



Investment Proposal Submission Process



Description	
Required information	<ul style="list-style-type: none">Detailed business planCompany profileList of past projectsHistorical & forecasted financials
Proposals' submission Email	afgproposals@gmail.com
Contact number	
Proposal Submission Process	There are three entities through which investors can submit their business proposals including: (1) Office of Senior Economic Advisor to H.E. the President, (2) PPP office of MoF, and (3) High Economic Council. Once one of these three relevant authorities receive a business proposal, they will do their evaluation and will send their feedback to HEC. Upon HEC authorization, the proposal will be put on the agenda for approval. If the proposal gets finalized by HEC, the company would then sign MOU with GoIRA and will start the agreement implementation process.