



13th Annual US-Afghanistan Business Matchmaking Conference 2018

EXECUTIVE REPORT

To: AACC Members, Sponsors, Associates, Partners and Supporters
From: Sulaiman Lutfi, AACC Board Chairman and Jeffrey Grieco, AACC President & CEO
Subject: Strategic Overview of AACC 2018 Business Matchmaking Conference
Date: May 8, 2018

Greetings AACC Members, Sponsors and Friends:

We wanted to provide you with the final BMC 2018 Executive Report on the April 24-26, 2018 event held in Washington, D.C. We have captured the key takeaways from the event for your information and consideration. The final BMC 2018 Event Agenda is attached hereto. We look forward to hearing from you if you have questions, comments or follow-ups. In that spirit, please complete our BMC Participant survey at this hyperlink: <https://www.surveymonkey.com/r/TS6TYJN>. Your responses are anonymous and will greatly assist us in measuring the business impact of this year's BMC as well as to prepare for future AACC events. Thank you.



Here are the AACC's "Top Takeaways" from BMC 2018:

- The BMC 2018 included major business and government leaders from all key aspects of Afghanistan private sector development. A truly global convening of private sector influencers including:**
 - From GIRoA:** President Ghani participated by video, Minister of Economy Dr. Mastoor, Senior Ministerial Advisor to President Ghani, Dr. Hamid Farooqi, Deputy Minister of Mines and Petroleum, Mr. Ahmad Javid Sadat, and other high level representatives from the Ministries of Foreign Affairs and Mining and Petroleum, as well as senior leaders from DABS, ATRA, and more.

- From USG: Senior USAID leaders as well as Department of State and Department of Commerce officials, OPIC and U.S Geological Survey leaders, as well as attendance by the Afghanistan Director from the White House/National Security Council.
- US MNOs: Siemens, Tetrattech, AECOM, Bayat Group, ARX Corp and others.
- Afghan Business Leaders: Chairman and Founder of AWCC and Bayat Energy Group, Dr. Ehsan Bayat; CEO of Talia LLC (Telecom), CoreDrillers (largest Afghan Talc mining company), President of The Afghan Chamber of Commerce and Industry and Chairman of the Dubai-Afghan Business Council and senior leaders from the Afghanistan Women Chamber of Commerce and Industry, and many more.
- International Financial Institutions: Senior World Bank representatives from the Energy and Mining/Extractives Directorates as well as a Deputy Representative from the ADB.
- U.S.-Afghanistan Private Sector Influencers: Investment advisors, security advisors and the President of the International Stability Operations Association (ISOA), major law and accounting firms, successful exporters from Afghanistan to the U.S. like Rumi Spice (as seen on the hit business show entitled “Shark Tank”), AACC Board Members, and more.



2) AACC was directly credited with helping secure major new investments in the ICT sector for U.S. companies and the BMC 2018 also succeeded with at least \$12 million in new business:

- ICT Sector Success for AACC: The Chairman of ATRA and fellow Board Members announced at the BMC 2018 that because of AACC high level meetings in Kabul and Washington in late 2017 and early 2018 on ICT investment opportunities for U.S. firms, and because of the AACC's increased communications and business development activities through its AACC ICT Working Group, ATRA received more U.S. solicitations/RFP responses to their recent 4G fiber optic market liberalization than during previous license processes. In the end, after a comprehensive competitive and technical proposal review process inside ATRA and after Presidential Palace High Economic Council (HEC) reviews and approvals and after a final National Procurement Authority office review, three out of five new 4G licenses were awarded to U.S. ICT companies. A major victory for AACC and for U.S. ICT investors and implementers.
- \$12 million + in BMC Business Commitments: The AACC BMC Attendee Surveys show that over \$12 million in business commitments were finalized at the BMC 2018 and more Attendee Surveys are being received each day. If you would like to access the survey and submit one on behalf of your organization please access the survey here: As mentioned above, the hyperlink to our Post-BMC Participant survey is: <https://www.surveymonkey.com/r/TS6TYJN> . The survey is anonymous and we would really appreciate your taking the 2 minutes required to complete this survey.



3) BMC 2018 was host to multiple new bilateral initiatives focused on exports from and investments into Afghanistan:

- Export Processing Zones: Director of Afghanistan's Civil Aviation Authority signed a major new MOU with the U.S. Agency for International Development (USAID) for development of four new "Export Processing Zones" at Afghanistan's major airports including Kabul, Herat, Mazar and Kandahar.
- New 4G Fiber Optic Market Licensee Awards: The Chairman of the Afghanistan Telecommunications Regulatory Authority (ATRA) Azizi announced five new licensees for the 4G fiber optic market liberalization and three were awarded to U.S.-based telecom companies including AWCC, ACG/ARX and more. This will bring several hundred millions of dollars in new ICT sector investments to Afghanistan, with a matching amount of private revenue to these firms and a profound impact on domestic tax revenues for the GIRoA.
- New Major Private Sector-led Energy Projects: The BMC hosted a major keynote address by Chairman Ehsan Bayat of Bayat Energy Group where he described their major new private equity energy development in Afghanistan. In addition, the Ministry of Mines and Petroleum, USAID, ADB and World Bank representatives discussed major new investment planned in solar, coal, gas, oil and hydropower. Major commercial partners like Siemens US and AECOM discussed their interest in specific energy developments and longer term energy market development.
- Deputy Minister of Mining and Petroleum Sadat: Held multiple one-on-one meetings with companies and interested Afghan mining partners about the new "Afghanistan Government Roadmap for Mining and Extractives" published in early 2018. Lithium, talc and precious stone mining was a highlight of the conference with presentations from Afghanistan's #1 talc miner, CoreDrillers, and Afghanistan's leading marble and granite miner and finisher, The Natural Stone Processing Co. The Deputy Minister focused on updating our members on major new concessionary reforms and improved regulatory oversight for the extractives industry and Jack Medlin of USGS announced their new work in support of improving access to mining information for legitimate mining and extractives companies and U.S. mining partner organizations.
- The ADB discussed major planned Infrastructure and Construction Projects: for private sector involvement supported by the ADB and WB and other donors. Go to this link for ADB private sector development information:
https://drive.google.com/file/d/1cWbSQ1ySW33VfSzfAaAYKd_etYVFxzrq/view?usp=sharing
- New USGS Joint Venture with Afghanistan Geological Survey: Will focus on improvements to resource knowledge sharing, improved on the ground identification/verification of national extractive assets and helping Ministry and AGS to prioritize private investment concessionary management for long term sustainable development.
- AACC and RECCA Investment Road Shows: AACC reached agreement with the Afghanistan Ministry of Foreign Affairs for the AACC to join the planning and implementation working groups for all future RECCA "Investment Road Shows." Given AACC significant experience and technical expertise in this area, the MOFA will serve as a good long term partner on future investment road shows.

- New U.S. Department of Commerce Program Initiative with Commercial Law Development Program- CLDP: To reform rule of law for Afghanistan's mining sector regulatory environment and help improve access for investors in order to better tender and decide new extractive concessionary agreements for greater transparency, accountability, impact and long-term industrial development.

4) **BMC 2018 was widely attended in spite of continued U.S. Government visa issues for Afghanistan business leaders:**

- The AACC met with U.S. Government officials in Washington, Dubai and Kabul from early December 2017 on the visa processing problems and the AACC started the visa application process for BMC attendees as early as January this year through our events in Dubai and Kabul.
- The AACC is now spearheading a series of possible solutions for these prolonged visa issues in partnership with the U.S. Department of State, USAID, U.S. Department of Commerce and National Security Council. Our focus will be on the following possible options:
 - **Solution 1:** The USG would conduct a "consular pre-vetting" for up to 100 Afghan business leaders who would file formal visa applications up to one year in advance of the BMC event thus allowing longer consular visa investigations and higher approval rates for traveling Afghan business leaders.
 - **Solution 2:** The USG would allow the AACC to inform up to 100 Afghanistan business leaders that they could apply for the BMC 2019 (April) conference as early as this October-November, 2018, 6 months in advance of the BMC event. But only for those on a pre-approved AACC list.

5) **AACC agreed to create a new "Mining and Extractives Working Group":**

The new working group will be led by The Honorable (former U.S. Congressman) Don Ritter, President Emeritus of AACC. Former Congressman Ritter has a B.S. in [Metallurgical Engineering](#), an M.S. from [Massachusetts Institute of Technology](#) (MIT) and a Sc.D. (Doctor of Science in Physical Metallurgy) from MIT in 1966 and has taught metallurgy at the university level as well. His passion for both metallurgy and helping the Afghan people will make this effort tremendously helpful and strategic.



6) **BMC 2018 committed itself to providing "Successful Industry Thought Leadership" with presentations focused on specific and high level investment strategies and advice from the most successful business leaders in Afghanistan.**

The most important of which was from Chairman Bayat of Bayat Group. He recommended to: a) Start small with your Afghanistan's investments; b) Scale rapidly; c) Embrace diversity and ambiguity when dealing with Afghanistan opportunities; and lastly, d) invest in Afghanistan opportunities with U.S. products and services to help strengthen the bilateral business/commercial relationship between the U.S. and Afghanistan. Chairman Bayat was justifiably presented with the "**AACC Industry Leadership Award**" at the AACC BMC Annual

Awards Dinner. In addition, AACC presented the Matchmaker Award to Haji Obaidullah Sader Khail, Chairman, Afghan Business Council of Dubai.

- 7) **BMC speakers reinforced “governance” of Afghan institutions is improving but not fast enough:** To meet the needs of a growing private sector seeking a more business friendly enabling environment, governance must improve more quickly. Less government micro-management reduced regulations and predatory actions, less corruption at community, provincial and national levels, less predatory tax and political manipulation of contracts/tenders and improved incentives for use of Afghan and foreign direct capital for investment and export led growth activities are mission critical.
- 8) **AACC and the BMC 2018 have succeeded because of strong collaboration and partnership with the Afghanistan and U.S. Governments:** The AACC was able to help facilitate meetings with members of the visiting Afghanistan delegation with U.S. Department of State, USAID, FCC, and Department of Commerce. AACC would also like to recognize the support we received from the Afghanistan Embassy in Washington, especially Ambassador Mohib and his staff as well as the Ministries of Foreign Affairs, Mining and Petroleum, Commerce & Industry and the Presidential Palace.



In closing, you may proceed to the following link for confidential access to all BMC 2018 conference PPT presentations: https://drive.google.com/open?id=1UPGLO2LccQ2Trh_xBo_7PJd00_MalriY.

We would like to sincerely thank all our attendees and sponsors for their support of our conference. Attached is the Event Agenda and sponsor flyer for your review. In addition, please remember to complete our BMC participant survey and recognize that your responses are anonymous and will greatly assist the AACC in measuring the business impact of this year’s BMC as well as to prepare for future AACC events. Here is the hyperlink: <https://www.surveymonkey.com/r/TS6TYJN>.

Thank you for your support of the AACC and the Afghanistan people.

Regards,

Sulaiman Lutfi
Chairman of the Board

Jeffrey Grieco
President & CEO