



Private sector's expectations from the Kabul conference:

It is obvious that nine years from now Afghanistan was lacking behind the essential dominant political, economical systems as well as social structures due to the 3 decades of destructive war. As a result of the crisis, nature of all the governmental, economic and social pillars has disbanded. Nonetheless, after establishment of the interim administration till the time being remarkable developments and positive changes in terms of political,

economical, social and cultural fields with attention and focus of the international community's unprecedented support have been one of the significant records of the country's contemporary history. Fortunately regardless of the existing challenges and insufficiencies, considerable growths have been noticed in economic areas with spotlight on private sectors' ability. The market economy system is counted as the fundament of constant economic growth based on dynamic force of private sector which endows with a convenient ground in supplying goods and services to all economic areas through private sector keeping in view the policy and social structures of the region. For instance, the 7 billion US dollars in addition to 4.5 billion US dollars investments on Ainak Copper. Today 18 private banks have attracted more than 3 billion US dollars of deposits, establishment of 4 private aviation and 5 telecommunication firms, 48 private hospitals, 32 private higher institutes of education and 300 Private schools, 18 private TV channels and 34 radio stations are counted Afghanistan's major achievements after the Taliban regime. Eventually, since 2002 country's economic growth rate has been estimated at the rate of 10% annually. Government's revenue from taxes and customs were estimated 64 milliard/billion Afghanis, numerous other examples of the private sectors' accomplishments can be witnessed.

Despite the abuses by donors, NGOs and government and lack of transparency & efficiency in all fields, the flow of funds by the international community with an estimated value of \$58 billion has helped in accelerating the economic growth and development of the country.

However, we must believe that as result of unresponsiveness towards positive alteration in the above mentioned areas, once again the bitter past historical experiences may come to scene. Hence the Afghanistan Chamber of Commerce and Industries (ACCI) has recognized the Kabul Conference as a major economic progress in the country and has considered it an immense historical opportunity. In order for the country to overcome the current challenges and actively contribute to betterment of economic conditions, ACCI wishes to have the attention of government, international community and the residents on the following points and strongly hopes that proper ways of solution would be found for all the challenges in Kabul conference.

Security:

Insecurity is one of the foremost and critical threats on the way of economic growth & development in the country. In spite of formation of new police forces, Afghan National Army, existence of thousands coalition force soldiers and NATO, lack of security is deemed a huge obstacle to investment and economic growth of the country. According to the recent survey of World Bank and IMF, among 183 countries Afghanistan was counted as the worst insecure place for investment and ranked last (183rd) place. This situation has caused a major obstacle in potential and expected investments in sectors such as agriculture, mines, industries and services and they couldn't take place at all. Unfortunately even with available investment opportunities in Afghanistan, local/national and international investors either have suspended their investments or have transferred their investments to abroad. Thus the Kabul Conference should take necessary measures for the physical and financial security of citizens in particular investors both within the city as well as highways.

Regulations and Policies:

The other basic dilemma that private sector has envisaged with is the stability in government's views and intentions towards the economic systems and policies of the country and its implementations. Although Afghanistan's economic system is approved on the basis of Afghanistan's constitution and market economy system, nevertheless steps and measures required for its realization and achievement, unfortunately government activities and economic policy is imperceptible. Views & opinions of a number of economic sector ministries' officials regarding market economy system and private sector are not positive since they deem this system ineligible. Every government entity has different and



sometimes opposite perspectives of this economic system which have resulted into lack of a unique viewpoint i.e. ministries policies and programs are different from one another and even within the ministries one department is different from another department, they each function separately and

without a constant coordination. Consequently the private sector is discouraged and prefers to flee. Our expectations from the Kabul Conference is to assist the government in promoting and encouraging a

positive picture towards the Market Economy and designing a formula for compilation of transparent policies and identification of government's role in economic growth of the country as a policy making, facilitator and observer entity as well as identifying the role of private sector as a supplier of goods and services.

Infrastructures:

Lack or weak existence of economic growth infrastructures has been one of the foremost challenge and obstacle to attract investments and efficient operation of private enterprises in the country. Notwithstanding the great achievements in the past, formation of infrastructures by the government, international community and people is still one of the priorities of the country's crucial needs. ACCI's expectations and hopes from the Kabul Conference is to assist in identifying better ways of infrastructural development in the areas such as construction of ports, water dams for generating energy and irrigation purposes, building high ways & rail ways and extension of roads so as to connect the country to regional and global markets, building airports, commercial and trade ports, industrial parks and training of a professional force and etc.

Utilization of potential Economic resources:

One of the main issues which should be a top priority of the Kabul Conference particularly in the context of sustained economic growth of the country and the effectiveness of donors aid, is to facilitate the better utilization of potential natural and economic resources in the sectors like agriculture and live stocks, mines, industries, trade and transit.

Expectations are that the Afghan government can convince the international community and the donor countries to utilize the allocated aid amount in light and coordination of Afghanistan's national development strategy so that Afghanistan can get released of this dependence and can stand on its own feet.

Finally, the effectiveness of funds flowing and proper utilization of these funds has been one of the key issues which are expected from the Kabul Conference to pay its due attention to. Expectations are that both the government and donor countries should review their approaches while implementing the projects and agree on working based on a transparent mechanism in order to prevent the loss covered by the donor country's tax payers. Consequently, the witnessing people are keen to know that; where these billions of dollars which have been entering Afghanistan since the past 9 years in terms of reconstruction, have been spent? Why its effectiveness, taking in to account the volume of amount spent, can't be seen in the rural and urban development of the country?

Undoubtedly, governmental administrations, due to lack of potential capacities, transparent work and existence of corruption have been one of the reasons for misusing huge amounts of funds. Simultaneously, the projects being implemented by donor agencies have also resulted in lessening the effectiveness of these aids due to lack of planning coordination, heavy operational cost, higher employment salaries, multi-renewal of various contracts, small scale projects, lack of regional awareness and etc.