



Islamic Emirate of Afghanistan
General Directorate of Emirati Companies
State-Owned Corporation of ARZAQ
Directorate of Commercial Affairs



د افغانستان اسلامي امارت

Major Opportunities for Attracting Private Investment in the State-Owned Corporation of ARZAQ

Brief Introduction to the Arzaq Company

The Arzaq Company was established in 1937 under the name "General Directorate for Grain Procurement" within the framework of the government at the time. Over the years, it expanded its operations to meet growing demands, establishing branches in various provinces and acquiring properties such as shops, warehouses, administrative offices, residential buildings, and agricultural lands. Until 1954, the company operated under its original name.

In 1964, the company was renamed the "Administrative Unit for Arzaq and Public Needs." By 1967, it was further renamed to "Afghanistan's Institution for Food Materials and Public Needs." In 1971, under an approved charter, it became the "General Directorate of the Arzaq Enterprise and Public Needs," with a network of depots, warehouses, stores, and five silos across the country. During this period, it played a vital role in supplying food and basic necessities to the armed forces, hospitals, dormitories, and approximately 450,000 government employees through a coupon distribution system.

This essential role continued until the early 1990s. However, with the rise of the Mujahideen government and the onset of internal conflicts, the company's assets—including its stocks, shops, warehouses, transportation vehicles, and other resources—were looted due to the inability of the then-government to maintain control.

Following these challenges, the Arzaq Enterprise proposed new operational plans based on its charter and submitted them to higher authorities on several occasions. However, despite these efforts, the company could not resume its fundamental operations. Currently, based on various decrees from the presidency of the Islamic Republic of Afghanistan, the company's administrative expenses and employee salaries are funded through non-core revenues, such as the rental income from its properties. Additionally, the company fulfills its tax obligations and surplus payments to the Ministry of Finance.

Brief Introduction to the Arzaq Company

With the enforcement of the State-Owned Enterprises Law, the provision of food supplies was transferred to a state-owned company, and the legal personality was adjusted and changed. Based on Presidential Decree No. 28 dated 15/11/1398, the National Development Company was established within the government framework as one of the ten enterprises. As a result, the Food Supply Directorate was merged and transferred to this company, continuing its activities under its umbrella. Later, based on Presidential Directive No. 4988 dated 18/11/1399, the establishment of an independent Food Supply Company was facilitated, and its charter was processed through the Ministry of Finance and the Ministry of Justice.

In 1400, due to the tireless efforts of the leadership of the State Food Supply Company and the cooperation of the Policy and Strategy Office of the Government of Afghanistan, procurement orders for food supply contracts required by various ministries (Defense, Interior, Higher Education, Education, and Public Health) were obtained from the National Procurement Commission. However, with the political transformation in the country and the closure of bank accounts, the activities of the State Food Supply Company were temporarily halted.

In the fiscal year 1401, following the political changes, the Emirati Food Supply Company contacted relevant ministries (Higher Education, Defense, Interior) and other government ministries requiring food supplies. Currently, it has secured a contract for supplying food to the dormitories of universities under the Ministry of Higher Education both in the capital and provinces, which is actively being implemented. It is noteworthy that agreements have been reached with the Ministries of Defense, Interior, Public Health, and Education, and their procurement processes are ongoing, with contracts expected to be finalized soon.

The basic goals of the Arzaq Company.

- ❖ The Arzaq Company, according to its new charter, operates to achieve the following objectives:
- ❖ Growth and development of services for the collection, supply, storage, and sale of food products and other necessary items based on the principles of utility, effectiveness, and security.
- ❖ Providing standard services for the preparation, storage, and delivery of food products and other items needed by the community and market demand.
- ❖ Creating opportunities for the company's participation in achieving national development goals, economic growth, social development, and job creation.
- ❖ Providing opportunities for attracting private investment to the company.
- ❖ Earning profit and strengthening the company's financial foundation.

The duties and Authorities of the Arzaq Company

- ❖ Drafting and implementing operational, commercial, reconstruction, development, and financial plans and projects related to the procurement, storage, and distribution of food and foodstuffs in order to reduce prices in a standardized and secure manner for the supply of food and other necessary items according to the approved plans and programs to meet the needs of applicants.
- ❖ Contracting for the supply of food and the procurement of necessary materials with governmental, non-governmental departments, and other legal or natural persons, considering the provisions of relevant legal documents.
- ❖ Providing the opportunity to enhance the knowledge and skills of employees in the professional, technical, and administrative sectors.
- ❖ Providing working facilities for relevant staff in professional, technical, and administrative sectors.
- ❖ Packaging of produced goods according to national and international standards and criteria.
- ❖ Reconstruction and continuous equipment of all company departments using modern technology.
- ❖ Utilizing effective marketing methods to increase revenue and customer satisfaction.
- ❖ Creating an effective and transparent financial, accounting, procurement, and reporting system in accordance with legal documents.
- ❖ Attracting private sector investment in related activities.

The Investment of the Arzaq company in real estate in the kabul and provinces

- ❖ Classification of properties according to usage type (commercial, agricultural, residential, and industrial areas).
- ❖ Preparation of urgent operational plans for each property type, starting with the central region and then extending to the provinces.
- ❖ Allocation of budget for the implementation of urgent plans from the National Development Authority's budget and the private sector.
- ❖ Attracting private sector attention for investing in properties.
- ❖ Preparing procedures for implementing public-private partnership contracts in accordance with the law and the approved plan.
- ❖ Organizing the budget, building plans, architectural drawings, and other requirements for each property.
- ❖ Completing legal documentation and preparing contracts for leasing surplus properties.
- ❖ Evaluating projects for better effectiveness and ensuring they align with the approved plan.

Establishing chain stores in Kabul city

- ❖ Conducting a public survey to assess the market conditions for establishing chain stores.
- ❖ Developing a detailed business plan for creating chain stores.
- ❖ Creating a plan for budgeting (identifying investment sources).
- ❖ Organizing procurement procedures for goods to be included in the stores, along with preparing a comprehensive inventory list.
- ❖ Procuring necessary equipment for the stores in different areas of Kabul, including leasing spaces if required.
- ❖ Implementing the operational plan for the store program, including hiring employees, setting up equipment, sourcing materials, constructing displays, and preparing warehouses.
- ❖ Developing and implementing a marketing plan and procedures for running campaigns through audio, visual, digital, and print media.
- ❖ Monitoring and evaluating all activities related to the chain store program.
- ❖ Preparing plans for executing the chain store program in regional zones, including provinces (Kandahar, Herat, Nangarhar, and Balkh).

Production and Regulation of Food raw Materials

- ❖ Survey and evaluation of the domestic market for raw materials (comparing domestic production with imports).
- ❖ Signing memoranda of understanding with the Ministry of Agriculture, Ministry of Finance, Chamber of Commerce, and other relevant departments to establish joint advisory and research committees.
- ❖ Preparing a general strategy for the growth of domestic production in coordination with relevant departments.
- ❖ Drafting and processing legal documents for regulating the export of essential food raw materials.
- ❖ Implementing and gradually executing the operational plans and strategies approved by the competent authorities.
- ❖ Obtaining approval for tax exemptions and providing subsidies for related agricultural sectors.
- ❖ Preparing and purchasing materials at harvest time and storing them in the warehouses of the Emirati Food Company for price regulation and control in the market.
- ❖ Researching and exploring affordable regional markets and preparing documents for signing government-to-government memoranda of understanding.
- ❖ Regulating the prices of food supplies and controlling their availability in the market.
- ❖ Monitoring and evaluating the implementation of plans and strategies.

Other Projects and long-term Development Programs

- ❖ Plan to establish an edible oil production factory.
- ❖ Plan to establish a hing (asafoetida) production factory.
- ❖ Plan to establish a sugar production factory.
- ❖ Plan to establish large flour mills.
- ❖ Plan to establish a textile factory.
- ❖ Establishing large cold storage facilities in two locations in Kabul city for the preservation of fruits and vegetables for the private sector.
- ❖ Plan for better utilization of revenue from the land of the company's warehouse at the Paghman crossroad, a state-owned property.
- ❖ Plan to establish a plastic recycling factory.
- ❖ Plan to establish a factory and processing facility for medicinal plants.

Investment Opportunities in the Arzaq Company

The Arzaq Company operates under the Ministry of Finance, within the framework of the Islamic Emirate of Afghanistan, in accordance with the law of Emirati companies, the approved statutes, and the effective laws of the country. The company is advancing its commercial activities as per its strategic plan and annual plans. In these plans and projects, investment opportunities for both domestic and foreign private sectors are available in accordance with the Public-Private Partnership (PPP) law. Domestic and foreign private sector investors can invest in the following programs and projects through partnership with the Food Company under the determined conditions:“

- ❖ Investment opportunities in the company's properties in the capital and provinces.
- ❖ Investment opportunities in food supply projects.
- ❖ Investment opportunities in the chain of super stores program.
- ❖ Investment opportunities in the establishment of a textile production factory.
- ❖ Investment opportunities in the establishment of an edible oil production factory.
- ❖ Investment opportunities in the establishment of cold storage facilities.

Investment Opportunities in the company's properties

The Arzaq Company owns fixed and essential properties in the capital and provinces of the country. It has active representation with personnel in 30 provinces and possesses 181 properties, including (stone warehouses, hangars, garages, shops, stores, and vacant land). The company is ready to invest in these properties through public-private partnerships. The company's properties are located in all provinces, especially in Kabul, Balkh, Herat, Kunduz, Nangarhar, Kandahar, and other major cities, in well-positioned commercial centers. These properties can be developed into high-rise commercial buildings, residential complexes, production factories, cold storage facilities, large retail stores, and other commercial assets with investment from the private sector. The company will engage in partnerships with the private sector in accordance with the law of Emirati companies, procurement law, public-private partnership law, land affairs law, and the approved statutes of the company within the framework of the government in a fair and equitable manner.

Investment Opportunities in Food Supply Projects

The Arzaq Company has secured contracts for supplying food to the dormitories of universities under the Ministry of Higher Education. The company is also striving to obtain food supply contracts for the Ministry of Defense, Ministry of Interior, Intercontinental Hotel, and other food supply projects required by both governmental and non-governmental organizations. There is ongoing coordination and close follow-up with the aforementioned departments. The Arzaq Company is ready to provide investment opportunities for the private sector in its food supply projects in accordance with the applicable laws of the country, offering a good opportunity for investors to partner with the company for the development of food distribution services.

Investment Opportunities in the chain of Super Stores Program

The Emirati Food Company plans to initially establish and operate food retail stores in Kabul city and later in major cities. In Kabul, the company intends to build five stores, and in major cities (Kandahar, Mazar-e-Sharif, Herat, and Jalalabad), it plans to establish one store in each commercial area. These stores will have a unique design that will be impactful from one side as a city landmark. On the other side, they will offer food products at discounted prices from the market to serve the local citizens. The construction plan and business strategy are in progress, and the private sector can partner with the state-owned Food Company in this initiative.

Investment opportunities in the establishment of a Tomato Paste production factory

The Arzaq Company, by collecting the harvests of local farmers, aims to provide standard products at reasonable prices and generate profit from its activities. The private sector can invest in the establishment of production factories under the Public-Private Partnership law and contribute to strengthening and developing trade, creating jobs, and supporting the country's economic stability and prosperity in partnership with the state-owned Food Company. The plan to establish a tomato paste production factory is in progress and will be inaugurated soon after approval from the relevant authorities. Private sector companies with capacity and experience in this field can partner with the state-owned Food Company in accordance with the applicable laws of the country.

Investment opportunities in the establishment of an edible oil Production Factory

Afghanistan is an import-dependent country. There is an urgent need for the growth of domestic production in the food raw material sector. All government agencies are obligated to work towards enhancing domestic production. In this regard, the state-owned Food Company plans to establish an edible oil production factory in the country. The initial design, market survey, and other technical tasks have been completed, and there is also a plot of land in the industrial park area of Kabul city available for constructing the factory. Private companies can collaborate with the state-owned Food Company in this sector through partnership

Investment opportunities in the establishment of cold storage facilities

The establishment of cold storage facilities is essential for better preservation of the harvests of farmers and orchard owners, contributing to the growth and development of fruit and vegetable exports from the country, and preventing the loss of produce. These facilities will also provide services to exporters, as well as suppliers of chicken meat and eggs, who can utilize the cold storage under contractual agreements. Building cold storage facilities is a positive step for the country, and the Arzaq Company has acquired fixed properties in the capital and provinces for this purpose. The company can create opportunities for partnership by attracting private sector investment in accordance with the Public-Private Partnership law. Both domestic and foreign investors can invest under the set conditions.

Facilitation by the Arzaq company in the Process of Advancing official matters

The Emirati Food Company, as a profit-oriented company within the framework of the government, believes that the development of the country lies in domestic and international private investments. It is also committed to working side by side with the private sector and international investors to advance its programs and projects. The leadership of the Emirati Food Company is always ready to facilitate the process of partnerships and is open to any cooperation, providing support to both domestic investors and international partners whenever needed. In accordance with the applicable laws of the country, including the law on state-owned companies and public-private partnerships, Afghanistan provides a favorable environment for investment.

Mawlawi Abdul Razaq Rafi

Chief Executive Officer (CEO)

Mobile: 0093 791 326 907 / 795 233 419

Tel: 0093 020 2500041

Email: info@arzaq.gov.af

Website: www.arzaq.gov.af

Add: Beside of Central Silo, Third District, Kabul Afghanistan

Mohammad Amin Sahibzada

Chief of Commercial Affairs

Mobile: 0093 766 486848

Tel: 0093 020 2500042

Email: m.amin@arzaq.af

Website: www.arzaq.gov.af