Where can value be created for Afghanistan in the private sector?

1 · SELL TO THE WORLD

1A · Existing exports, new buyers

Which products do we already sell well that could reach new buyers?

Data: all 1,291 products Afghanistan exported in 2024 (Harvard Growth Lab).
Key measure: revealed comparative advantage (RCA), i.e. how much more of a product we export than an average country of our size would. RCA 10 = ten times our "fair share", a proven strength.
Filters applied to obtain short list of recommendations: RCA of 10 or more; not cheap and heavy (about $2/kg or more); a buyer market outside India and Pakistan above $50M; world demand not collapsing.
Result: 13 products, ranked by buyer-market size.

1B · Existing exports, more value

Where do we earn less than we could on what we already sell?

Data: world trade data with prices and weights (CEPII BACI, 2024); the 53 Afghan exports above $2M.
Underpaid (U): Afghan price per kg below the world average, times the volume we sell.
Resold for more (R): buyers such as Pakistan or Türkiye re-selling Afghan goods at a higher price, times the volume they buy from us.
Filters applied to obtain short list of recommendations: ranked by prize (U + R); products with unreliable price data set aside.
Result: about $0.5B a year of value we may be leaving on the table.

1C · New exports

Which new products are we closest to being able to make?

Data: 834 products Afghanistan does not yet export competitively (Harvard Growth Lab).
Key measures: distance, how close a product is to the know-how we already have; complexity, how sophisticated it is (more complex usually means better jobs).
Filters applied to obtain short list of recommendations: nearer half only; world market above $1B and growing; about $2/kg or more; climate allows it; not already covered in 1B.
Result: 15 products in 5 industry groups.

2 · BUY LESS FROM ABROAD

Import replacement

Which imports could Afghan firms make at home, competitively?

Data: recorded imports in 2024 ($5.7B of roughly $10B in total), detailed 6-digit products.
Filters applied to obtain short list of recommendations: leave out what we lack the know-how or resources to make (fuel, machinery, medicines, crops we cannot grow); rank the rest by import value.
Ability to make locally: High / Medium / Low, from closeness to existing know-how, raw materials, and capital and power needs.
Result: top 20 imports ($2.1B), of which ~$1.5B rated High or Medium.

Sources: Harvard Growth Lab, Atlas of Economic Complexity (HS92, 2024); CEPII BACI v202601 (HS92, 2024); UNDP Private Sector Mapping in Afghanistan (2025). HS = Harmonized System, the international product classification used in trade data.

1A · Existing Exports, New Buyers

Businesses in these 13 proven exports should keep exporting, and sell to new partners beyond India and Pakistan, who buy >80% of Afghanistan's exports

#	Product (HS code)	Buyer market $M (top 5 importers, excl. India & Pakistan)	RCA (revealed comparative advantage)	Afghan share of world exports	Top 5 importing countries (largest first)
1	**Pistachios (080250)**	**1,725**	115	1%	China, Germany, Vietnam, Italy, Saudi Arabia
2	**Almonds, shelled (080212)**	**1,400**	62	<1%	UAE, Germany, China, Italy, Netherlands
3	**Medicinal/aromatic plants (121190)**	**1,040**	90	1%	US, Germany, Japan, South Korea, Australia
4	**Raisins (080620)**	**587**	860	6%	UK, Germany, Japan, Netherlands, France
5	**Pine nuts (080290)**	**587**	208	1%	China, Vietnam, Germany, Canada, Italy
6	**Walnuts, shelled (080232)**	533	98	1%	Germany, Spain, Kyrgyzstan, Japan, South Korea
7	**Anise/fennel/cumin seeds (090930)**	422	242	2%	China, Bangladesh, UAE, US, Morocco
8	**Hand-knotted wool carpets (570110)**	323	241	2%	US, Japan, UK, Singapore, Australia
9	**Figs (080420)**	258	2,630	18%	Germany, US, France, UK, Canada
10	**Dried apricots (081310)**	172	632	4%	US, Germany, France, UK, Australia
11	**Sowing seeds, other (120999)**	76	220	1%	Mexico, Egypt, Lebanon, US, Malaysia
12	**Saffron (091020)**	65	3,344	22%	US, Saudi Arabia, Italy, China, France
13	**Asafoetida / gum-resins (1301)**	58	3,058	21%	US, Portugal, China, Vietnam, Switzerland

RCA (revealed comparative advantage): how many times more of a product Afghanistan exports than its "fair share" for an economy of its size. RCA 860 for raisins = Afghanistan's share of world raisin exports is 860× its share of all world exports.
Buyer market: what the 5 biggest importing countries (excl. India & Pakistan) buy of this product each year, net of their own exports. **Green rows = 5 largest buyer markets.**

How the list was built

Afghanistan exported 1,291 products in 2024. Only 13 pass all filters below; many opportunities were excluded to reach this list.

1. Higher-value only. Excluded cheap, heavy goods (under about $2/kg, e.g. onions, tomatoes, cotton, coal): for a landlocked country, transport eats the margin.
2. Proven edge only. Excluded products with RCA (revealed comparative advantage) below 10, i.e. where Afghanistan exports less than 10x its "fair share" of world trade.
3. New buyers only. India and Pakistan excluded as buyers: Pakistan is a less stable partner (border closed since Oct 2025), and that trade will likely shift to India on its own.
4. Viable markets only. Excluded products whose buyer market is under $50M or whose world trade shrank more than 10% a year (2019-24).

HS code = Harmonized System, the international product classification used in trade data (6 digits = most detailed level), as used by the Harvard Growth Lab Atlas. Source: Atlas of Economic Complexity (HS92, 2024; growth 2019-24). Rows ranked by buyer market size.

1B · Existing Exports, More Value

Afghanistan may be leaving ~$0.5B a year on the table in existing exports

#	Product	Afghan exports $M	U: underpaid $M	R: resold for more $M	Prize $M (U+R)	Next product down the chain (price per kg vs raw)	Who captures the value today
1	**Medicinal/aromatic plants**	29	75	57	**132**	Extracts & essential oils (4.0x)	India, Türkiye, Pakistan
2	**Soft drinks**	27	55	21	**76**	None (already manufactured; brand & price)	Kazakhstan, Uzbekistan
3	**Dried apricots**	26	56	16	**72**	None (grading & food-safety certificates)	China, Türkiye
4	**Cumin**	19	26	40	**66**	Cleaning & grading	Pakistan, Saudi Arabia
5	**Dried beans**	35	33	9	**42**	Canned / prepared beans (1.8x)	India
6	**Raisins**	128	25	16	**41**	None (washing & sorting)	Pakistan, Uzbekistan, Türkiye
7	**Pre-tanned bovine leather**	3	9	26	**35**	Finished leather (13x)	Pakistan, Türkiye
8	**Raw cotton**	226	0	24	**24**	Cotton yarn (1.5x)	China, Pakistan
9	**Hand-knotted carpets**	12	2	6	**8**	Finished, branded carpets	Türkiye (pays $8.77/kg, resells $24.47)

How we estimate the prize

U, underpaid: if Afghanistan sells a product for less per kg than the world average, U = the price gap × the kg we sell.
R, resold for more: if a buyer country (e.g. Pakistan) re-exports the same product for more than it paid us, R = that markup × the kg it bought from us.
Prize = U + R. An estimate of the extra value Afghan businesses could capture each year. Data: CEPII BACI 2024, which records both value and weight of trade.

Why value is lost, and where Afghan businesses can step in:

1. Quality and grading: products are often sorted, cleaned, or packed less carefully, so buyers pay less per kg. Opportunity: sorting, grading, and packing businesses.
2. Missing certificates: buyers in richer countries require lab proof of food safety (e.g. pesticide and mold tests). Without it, goods sell as low grade. Opportunity: testing labs and certification services.
3. Selling through middlemen: traders in Pakistan or Türkiye re-pack Afghan goods and sell them under their own name, keeping the margin and the customer. Opportunity: Afghan export brands selling direct.
4. No processing at home: goods leave raw, so processing value (extracts, finished leather, yarn) is earned abroad. Opportunity: processing plants in Afghanistan.

Source: CEPII BACI v202601, HS92, 2024; Afghan exports above $2M, ranked by prize. Fresh vegetables, fresh fruit, and alfalfa seed are not shown because their recorded border prices are too low to compare reliably.

1C · New Exports

The nearest new exports are light manufacturing and building materials, not new crops

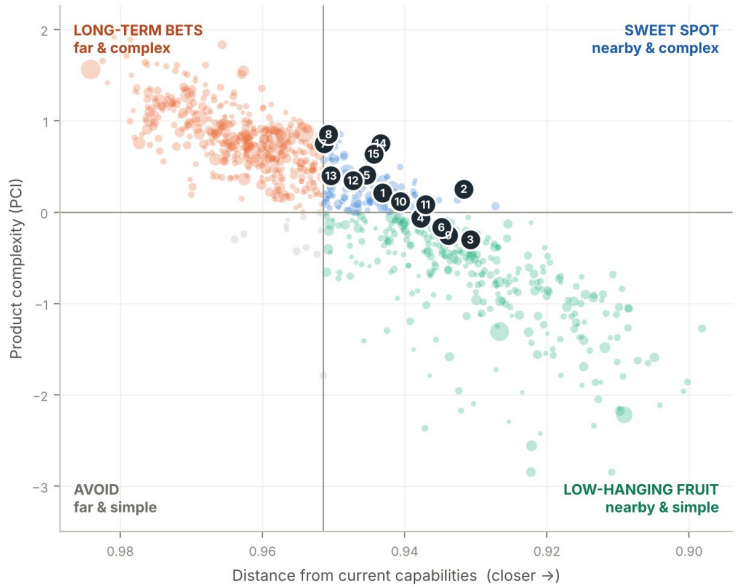
834 products Afghanistan does not yet export competitively (RCA < 1) ›

418 nearby: the half of these products closest to the know-how Afghanistan already has ›

167 pass filters: world market > $1B, growing 2019-24, ≥ $2/kg, climate-feasible, not already in 1B (previous slide) ›

Score 50% closeness + 25% complexity (PCI) + 25% opportunity gain (how many more new products it opens the door to) ›

15 top-scoring products, grouped into five industries



Why nearby matters: "distance" measures how close a new product is to the know-how Afghanistan already has. It is inferred from other countries: if countries with export profiles like ours also export a product, it likely uses similar capabilities. The nearer the product, the likelier a successful move into it.

Complexity (PCI): how sophisticated a product is, i.e. how much know-how it takes to make. Distance asks "how close is it to us?"; complexity asks "how advanced is it?"

#	Product (HS4)	Cluster	World mkt $B	5-yr growth	$/kg
1	**Furniture (9403)**	**Furniture & textiles**	99.5	3.0%	3.4
2	**Tufted carpets (5703)**		7.2	1.0%	3.9
3	**Textile wadding (5601)**		3.0	3.1%	6.7
4	**Plastic plates & film (3920)**	**Plastics & packaging**	65.7	2.3%	3.4
5	**Plastic plates & film, cellular (3921)**		32.5	3.0%	4.7
6	**Caps, lids & stoppers (8309)**		9.5	6.0%	5.3
7	**Electric water heaters (8516)**	**Machinery & appliances**	66.9	5.1%	10.0
8	**Agricultural & poultry machinery (8436)**		9.0	2.2%	8.5
9	**Detergents & surfactants (3402)**	**Chemicals & personal care**	46.6	5.2%	2.0
10	**Hair-care products (3305)**		18.4	4.4%	5.3
11	**Solvents & thinners (3814)**		2.2	1.4%	2.4
12	**Cast iron & steel articles (7325)**	**Building materials**	6.7	0.8%	2.3
13	**Plastic baths, sinks & sanitary ware (3922)**		5.3	3.7%	6.3
14	**Central-heating radiators (7322)**		3.8	0.5%	4.7
15	**Insulating glass units (7008)**		2.4	3.2%	2.5

So what: the best new-export opportunities fall into five industries. Afghanistan imports most of these products today, so a local maker can win the home market first and then export to the region. Key questions for a new business: regional demand, reliable power, finance, and access to inputs.

Source: Harvard Growth Lab, Atlas of Economic Complexity, Growth Opportunities for Afghanistan (2024, HS 4-digit); world market, 5-yr growth (2019-24) and $/kg from CEPII BACI v202601. Chart: quadrant lines at median distance and PCI = 0; bubble = world trade; numbers match table. Table grouped by industry, then world market size. Crops Afghanistan's climate cannot support (e.g. coffee, palm oil, cocoa) are excluded.

2 · Buy Less From Abroad

Afghan firms could make ~$1.5B of our top 20 everyday imports ($2.1B), led by flour

#	Product (HS6)	Imports $M	$/kg	Main suppliers	Ability to make it locally	Why
1	**Wheat flour (110100)**	640	0.27	Uzbekistan, Kazakhstan	High	Simple milling; local wheat; heavy and costly to truck in
2	**Rice, milled (100630)**	362	0.64	Pakistan, South Korea	Medium	Milling is simple; growing more rice is limited by water
3	**Polyester filament fabric (540752)**	133	4.98	China, India	Low	Needs imported yarn, modern looms, and steady power
4	**Bus & truck tires (401120)**	108	2.08	China, India	Low	Large, capital-heavy plants; far from current skills
5	**Polyester staple fabric (551511)**	104	5.51	China, India	Low	Needs imported yarn, modern looms, and steady power
6	**Dried beans & pulses (071339)**	92	5.21	Uzbekistan, Tanzania	High	Already a major Afghan export: keep more supply at home
7	**Portland cement (252329)**	85	0.04	Pakistan, Uzbekistan	Medium	Local limestone and coal, but needs a large plant
8	**Food preparations, mixed (210690)**	82	2.73	Pakistan, Germany	Medium	Varied foods; small-scale processing is possible
9	**Knitted synthetic fabric (600293)**	62	3.19	China, South Korea	Low	Needs imported synthetic yarn and steady power
10	**Urea fertilizer (310210)**	62	0.43	Uzbekistan	Low	Needs a large gas-based plant; long-term project
11	**Polyester filament fabric, dyed (540754)**	61	4.51	China, India	Low	Needs imported yarn, dyeing, and steady power
12	**Potatoes (070190)**	52	0.17	Pakistan, Uzbekistan	High	Already grown and exported; cold storage covers the off-season
13	**Wheat grain (100190)**	46	0.17	Kazakhstan, Uzbekistan	Medium	Grown locally; yields limited by seed and irrigation
14	**Synthetic staple fabric (551219)**	45	4.28	China, India	Low	Needs imported yarn and steady power
15	**Aluminum cans & containers (761290)**	43	7.52	Pakistan, China	Medium	Serves local drinks makers; needs imported sheet and can lines
16	**Cotton fabric (520811)**	36	8.67	China, India	Medium	Local cotton, but needs spinning and weaving mills
17	**DAP fertilizer (310530)**	34	0.59	Uzbekistan, Türkiye	Low	Needs imported phosphate and ammonia
18	**Oilcake / animal feed (230400)**	34	0.47	India, Türkiye	Medium	By-product of pressing local oilseeds
19	**Flour-based foods (190190)**	29	1.17	Pakistan, Belgium	High	Simple processing of flour
20	**Sunflower oil (151219)**	29	1.08	Kazakhstan, Türkiye	Medium	Press local sunflower seed and cottonseed

How the list was built

Of $5.7B in recorded imports, $2.2B was set aside because Afghanistan lacks the know-how, raw materials, or scale to make it competitively today:

Machinery & vehicles ($952M): advanced manufacturing, far from current skills
Crops we cannot grow ($535M): sugar, tea, palm oil, tropical fruit
Medicines ($387M): complex chemistry and strict quality rules
Fuel ($324M): little oil output or refining
The other $3.5B is ranked by size; the top 20 shown are $2.1B of it.

Where is the rest of the ~$10B?

Total imports are about $10B a year (customs: $6.7B trade deficit, Jan–Sep 2024). The gap is mainly the **UAE** (28% of imports; a re-export hub whose free zones often do not record the final destination) and **Iran and Turkmenistan** (fuel, power, food), which publish little detailed data.

Ability to make locally: **High** = close to existing know-how and simple to start ($0.8B); **Medium** = feasible with investment or scarce inputs ($0.7B); **Low** = needs advanced skills, big plants, or imported inputs ($0.6B).
So what: food staples (flour, rice, pulses, cooking oil) and building materials are the clearest openings. Heavy goods are costly to truck in, giving local producers a natural price advantage.

Sources: CEPII BACI v202601 (HS92, 2024), a global trade database built by CEPII, the French research center for international economics, from customs data countries report to UN Comtrade; Afghanistan's imports here are what its trading partners report selling to it. Distance (closeness to know-how) from the Harvard Growth Lab Atlas of Economic Complexity. Total imports and UAE share: UNDP Private Sector Mapping in Afghanistan (2025); WITS (World Bank). Ability ratings combine trade data with judgment on raw materials, capital, and power needs.

Summary · Where to focus

Five sectors to focus on, led by dried fruit & nuts and food processing

#	Sector	1A	1B	1C	2	Example businesses to start	Size of the opportunity	Start-up capital	Time to revenue	Main hurdle
1	**Dried fruit & nuts**	●	●			Grading and packing houses; food-safety testing labs; Afghan export brands selling direct to EU, China, and Gulf buyers	7 of our 13 proven exports; $5.3B buyer markets; ~$113M/yr lost on apricots and raisins	Low–Medium	Short term	Food-safety certificates; storage
2	**Food milling & processing**		●		●	Flour mills; cooking-oil pressing (cottonseed, sunflower); animal-feed plants; packaged foods	~$1.3B of food imports Afghan firms could replace (flour alone $640M)	Medium	Short–medium	Reliable power; steady grain supply
3	**Medicinal plants & spices**	●	●			Cleaning and grading spices; essential-oil and extract plants; branded saffron and asafoetida packs	$1.6B buyer markets; ~$200M/yr lost (medicinal plants, cumin)	Low–Medium	Short–medium	Lab testing; consistent quality
4	**Carpets & textiles**	●	●	●	●	Carpet washing, finishing, and “Made in Afghanistan” brands; tufted-carpet workshops; cotton spinning later	$323M market for hand-knotted carpets; $7.2B for tufted carpets; Türkiye resells ours at ~3x	Low (finishing) to High (mills)	Short (finishing) to long (mills)	Finishing done abroad; power for mills
5	**Building materials**			●	●	Marble and stone cutting and polishing; insulated windows; heating radiators and castings	$85M cement imports; nearby products with $18B world markets	Medium–High	Medium term	Large investment; power

● **= sector appears on that page:** 1A existing exports, new buyers · 1B existing exports, more value · 1C new exports · 2 buy less from abroad. Ranked by strength of evidence, size of the opportunity, and how easy it is for a new business to start.

Dropped: plastics, packaging & household goods (no competitive exports; all raw plastic imported; packaging moves into food processing). Left to large firms: tires, fertilizer, synthetic fabrics, soft drinks.

Business ideas for each sector are worked out in the follow-on deck “Afghanistan Business Ideas”, which builds on this one, together with three big bets that would help every sector: energy, a transit & trade hub, and people as exports.

Figures from pages 2–5: Harvard Growth Lab Atlas of Economic Complexity (2024) and CEPII BACI v202601 (2024). Capital and time-to-revenue ratings are indicative.