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CHALLENGES AND OPPORTUNITIES FOR INVESTMENT IN AFGHANISTAN DURING THE COALITION FORCES' SUPPORT FOR THE GOVERNMENT

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Abstract. The purpose of this research is to look into the obstacles and opportunities to investment in Afghanistan during the coalition forces support for the Republic of Afghanistan. For the mentioned purpose World Bank (WB) enterprise survey and probit regression were used, with dependent dummy variables being access to finance, access to land, access to electricity, being in a stable political environment, taxes, and security, and dependent variables being age, small enterprises, medium enterprises, and large enterprises, experience of top-level managers, and firm ages. And the results show Access to land in case of firms experiences, access to electricity in case of the large firms and domestic firms, access to political stability in case of medium and domestic firms, and taxes had been the most significant and significant barriers for investors and businesses.

Keywords: investment, employment, probit regressions, challenges, opportunities.

JEL Classification: C2, D91, C870, E220.

Introduction

As it is known, investment is considered an important element in economic growth alongside consumption, government expenditures, and net exports. According to Lease (1974), an increase in income occurs through the multiplier impact of investment. Countries try to create facilities for both domestic and foreign investors in order to accumulate capital. In order to invest, many investors look for future secure and reliable conditions (Khan & Muhammad, 2015). Many developing countries have some management policies to overcome issues such as terrorism, bad economics, and inflexible laws.

Afghanistan's economic and cultural infrastructure had been destroyed by 2002, and the country's manufacturing industries and infrastructure had been devastated. However, NATO countries offered the Afghan government 67 billion dollars in funding after 2002, which the Afghan government spent on infrastructure, agriculture, mining, the military, and airport building (Alokozay, 2013). Security, electricity, subsidies, access to credits and loans, access to land, democracy, transportation, and other economic activities are all necessary for the investment formation. Afghanistan is excellent for investment due to its natural riches, a population of 30 million people, and an open market economy structure. Security, access to land and electricity, and political instability are all issues investors face in Afghanistan. Threats from crime, taxes, and a slew of other issues.

The aim of this paper is to investigate the obstacles and challenges to investment in Afghanistan. Besides, it will be discussed what the changes are in the investment law for investors in Afghanistan and identify the factors that cause them to encourage domestic investment and absorb foreign investment. For this purpose, we will focus on the World Bank enterprise survey to identify the problems and challenges related to doing business and investment in Afghanistan.

This paper is divided into five sections. In section one, we have an introduction. In section two, we have a literature review; in section three, a general overview of investment in Afghanistan; in section four, we have data methodology; and in section five, we have the conclusion of our paper.

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1. Literature review

Many studies are classified as different types of papers; some studies discuss factors that influence investment, while others discuss challenges and opportunities that investors face in various economies. According to a study by Suhendra and Anwar (2014), in the case of Indonesia, the factors that had an impact on investment were government expenditures, interest rate, credit to private investment, economic growth, exchange rate, and inflation. Of the factors mentioned, the inflation rate and the interest rate had a negative impact on the investment, while the other mentioned factors had a positive impact. A study conducted in Thailand found that land ownership security and access to credit stimulate capital formation in farm investment (Gershon & Tongroj, 1987). In Poland, a firm-level study shows that accessibility to subsidized credit has a positive and significant impact on the investment of farmers. In the case of problems for investors in Nepal, a study done by Adhikari (2013), shows that the primary obstacles for investors are political instability, legal uncertainty, and policies, and secondary challenges for investors are poor and weak infrastructure in the areas of roads and electricity, and the militancy of trade unions. A study done by Wang (2016), using word-bank enterprise survey data for 119 developing countries investigated which are the biggest obstacles that create difficulties for SME companies, which in turn has an impact on their growth. According to the results of Wang's study, the main factor that has had an impact on the key dependent variables has been finance. İn the case of the South Wollo Zone Private investment is hampered by a number of factors, including a lack of demand, difficulty obtaining credit, a high rate of interest, and inadequate infrastructure. Furthermore, uncertainty variables have the potential to have a significant impact on the investment industry (Ado & Mulken, 2021). There are several important factors that influence the private investment sector, the most significant of which are demand uncertainty, interest rate uncertainty, and foreign exchange rate uncertainty variables. According to the findings of the mentioned research, macroeconomic variables, such as the expansion of public investment, have an impact on the expansion of private capital investment. Administrative and policy-related concerns such as regulatory distortions and rent-seeking have hampered investment activities in the East Gojjam zone significantly (Ayele & Molla, 2019). The majority of private investors perceive infrastructure-related factors such as electricity, water, transportation and communication, health and education facilities to be an impediment. Another study done by McCall (2004), for the MENA region found that there is a lack of ownership diversity, insufficient economic diversification, inadequate transparency, and regulation, as well as underdeveloped capital markets.

The development of investment activity in the industrial sphere is possible on the basis of an integrated approach to identifying and structuring the investment opportunities of enterprises and territories in the field of the formation of the necessary sources of investment resources and the use of effective investment tools to intensify industrial entrepreneurship, as well as the use of effective investment tools to increase the efficiency of industrial entrepreneurship (Kurpayanidi, 2020).

Here, we will examine the obstacles and prospects for investment in Afghanistan, including administrative and market-related concerns; infrastructural and financial and institutional considerations; as well as opportunities for growth. Further we will talk about the opportunities for investment in Afghanistan. There are five sections to our paper. To begin with, there is an introduction, followed by sections devoted to a literature review, a broad overview of Afghanistan's investment opportunities, a discussion of data and methodology, and finally, the study's findings.

2. Overview of investment in Afghanistan

Formation: a healthy investment in a country needs the following conditions in a country: access to land, access to finance, security, a low tax rate, good governance, and a low tariff on raw material imports, access to electricity and awareness of opportunities for investment in different parts of the country (Khatir et al., 2019).

In the late twentieth century, countries lost almost all of their economic infrastructure, and motivation for investment declined to almost zero due to unavailability of resources and low level of demand. But with US and Coalition forces, the country was greatly assisted, which in turn created demand, which in turn helped the investment to increase (Shirzad & Rabia, 2018).

Table 1. Domestic investment, foreign investment, number of companies and number of employment (Afghanistan Investment Support Agency, 2016)

Year	FDI (Million USD)	Domestic Investment (Million USD)	Foreign Recruitment	Domestic Recruitment	Number of Foreign Companies	Number of Domestic Companies
2003	220	198	13 863	19 101	59	746
2004	88	203	15 138	16 964	527	82
2005	69	191	12 198	17 330	112	1013
2006	282	398	6403	17 448	116	930
2007	21	213	3847	12 892	87	1170
2008	43	191	28 315	13 856	112	1486
2009	36	949	5902	40 047	157	3473
2010	34	455	16 130	38 298	163	4588
2011	55	448	3975	40.567	266	5417
2012	65	555	4528	26 234	282	4953
2013	23	815	538	4964	62	849
2014	51	790	433	20 844	125	3111
2015	161	409	189	14 082	323	2334
2016	28	136	56	4142	69	888

According to Table 1, which gives information on FDI and DI, foreign investment started with 220 million dollars in 2003, and in 2006 it increased to 282 million dollars, and domestic investment, which started with 198 million dollars in 2006, reached 398 million dollars. The reasons for the increase in foreign investment are investment telecommunication companies and domestic investment is the return of refugies from Iran and Pakistan. Total investment shows an upward trend, but after 2012, due to some negative expectations about the security of Afghanistan, total investment decreased. According to figures taken from the AISA data base, (35716) a number of firms were registered from this number in the fifth month of 2016 (27584) are active. The total of employment created by investment from 2003 up to the first quarter of 2016 is shown in the Table 1.

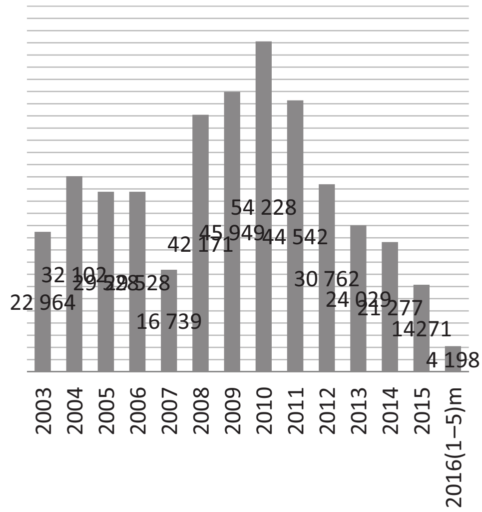

Figure 1. Total of employment created by investment from 2003 to the first quarter of 2016

Figure 1 explains the employment created by the total investment up to 2012. The number of employees was above the average number, but after 2012, as mentioned before, due to negative expectations about the withdrawal of coalition forces, investment decreased in Afghanistan, which had a negative impact on the recruitment created by domestic and foreign investment.

2.1. Classification of investment based on sector

The Afghanistan Investment Support Agency had divided the economic sectors into four main sectors, but due to the importance of the mining sector, the economic sectors are classified into five sectors, which consist of agriculture, construction, services, industry, and the mining sector.

As Figure 2 explains, the share of investment in five basic sectors of the Afghan economy is quite high. Amongst the sectors, a large share of investment is seen in the services sector, because during the mentioned period, many telecommunication companies were established and in the second number, we have construction sectors. During the last fifteen years, lots of reconstruction projects in Afghanistan by foreign donors were implemented, which was the cause of investment by local and foreign companies (Khatir, 2016).

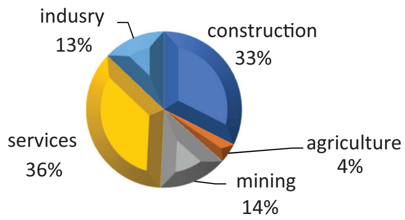

Figure 2. Sector wise share of total investment from 2003 till 2016 (source: Afghanistan Investment Support Agency, 2016)

During the period of 2003–2016, in the services sector, more than 2.2 billion dollars were invested, and it will get pushed up (Najibullah, 2018).

Investment decreased in the agricultural sectors due to security problems, but not in the telecommunication sectors, where security issues cannot be seen (Najibullah, 2018). According to the AISA database, the majority of the investment was in the service sector. The investment balance in this service sector rose from more than 141 million dollars to more than 2.2 billion dollars, and the reasons for such a jump are the lack of a need for a large amount of capital, a low rate of risk, and demand for the service sector firms (Assessment & Analysis Directory, 2016) as cited in Khatir, 2016). Investment in the industrial sector did not have fluctuation and rose year-by-year, but fluctuation in the construction and agriculture sectors could be seen. In 2012, there was an increase in investment in the agricultural sector due to the use of technology (Alokozay, 2013).

2.2. Opportunities for investment in Afghanistan

Afghanistan was a country where there are a lot of opportunities for investors to invest in. According to the Ministry of Industry & Commerce (2021) the following opportunities exist for investors in Afghanistan:

- Geographical Location: The location of Afghanistan is in the center of Asia, which connects many countries, making access to many markets pretty easy.
- Economy, which is mostly run by the private sector.
- A good GDP growth rate of nearly 6% per year is achieved through a mutual trade agreement between Afghanistan and other countries and international organizations.
- Adequate market demand in local markets.
- Adaptable Tax and Duty.
- Existing libaral investment legislation.
- Facilities for foreign investors:
  - one hundred percent ownership,
  - capable of leasing real estate for 90 years.
- Airports, roads, and other infrastructure and Industrial Trade Ports Park.
- Dispute resolution center.

These were the short information on the opportunities for investors in Afghanistan.

2.3. Essential factors provided for investment in Afghanistan

After the establishment of the new government in Afghanistan, the market economy system was chosen as the economic system for Afghanistan. We don't talk about the advantages and disadvantages of the market economy, but we can keep in mind that the market economy could be a better system for private investment. According to law, the government should create facilities and opportunities for investors in this system (Assessment & Analysis Directory, 2016).

The facilities that had been provided to investors by AISA are as follows:

- Investors had been able to run their businesses on land and in different industrial parks.
- Electricity is a very important factor for most types of production. In the last three decades, Afghanistan lost its infrastructure for producing electricity, so the price of electricity is higher. In order to create facilities for investors, the AISA administration decreased the rate of electricity for investors from 10 AF per unit to 6 AF per unit for investors.
- Tax reduction.
- Decreasing tax on the importation of raw materials. On some issues, it was agreed that some would not be agreed.
- Increase the tax on substitute goods imported. Many countries took the same action to enhance domestic production, and it is important to support some infant industries in the short term, according to some economists.
- Offering loans to farmers and industries.

The Afghanistan Investment Supporting Agency (AISA) had reduced the rate of electricity for investors and increased the tax on substitute goods imported in order to boost domestic production, which had been able to help in the reduction of unemployment in the country.

2.4. Challenges towards investment in Afghanistan

As we know, macro- and micro-problems with regard to investments are seen in developing countries. Since the previous report, investors and traders in Afghanistan have been facing problems. According to a survey done by the World Bank for the years 2008, 2010 and 2014, the biggest problems that investors and traders face are crime and disorder, corruption, access to finance and access to electricity, which are shown in the form of percentages in the following tables.

According to the tables, more than 16% of complaints are regarding crime, theft, and disorder. According to the finding of Lacoe et al. (2018), the relationship between crime and private investment is asymmetric; private investment appears to be sensitive to crime only when crime levels are growing for the case of Chicago and Los Angeles. These findings show that crime prevention strategies can be a useful economic development tool, but only in select neighborhoods with unique circumstances.

Table 2. Obstacles toward the investors in Afghanistan (source: author's calculation, World Bank, 2014)

The Biggest Obstacle	Owner	
	domestic	foreign
1-Access to finance	12.97	7.5
2-Access to land	9.13	7.5
3-Business licensing	0.73	0
4-Corruption	14.36	15
5-Courts	0.13	0
6-Crime, theft and disorder	16.41	37.5
7-Customs and trade r	3.04	2.5
8-Electricity	13.77	15
9-Inadequately educated labor	0.99	0
10-Labor regulations	0.33	2.5
11-Political instability	14.89	2.5
12- Practices of competitors in the info	5.36	5
13-Tax administration	2.78	5
14-Tax rates	2.91	0
15-Transport	2.18	0
Total	100	100

Multiple definitions of crime and the exclusion of outliers have no effect on the results.

The country faced three decades of conflict, which kept investors from Afghanistan. The lack of security was the reason for the lack of growth in the amount of investment, especially by foreign investors. Both defense spending and inflation have a considerable negative association with foreign direct investment in Nigeria, according to the long-run effect. Internal security, on the other hand, has a considerable positive link with FDI inflows into the country. Both defense spending and inflation have a considerable negative association with foreign direct investment in Nigeria, according to Okfar and Ernest (2019). internal security, on the other hand, has a considerable positive link with FDI inflows into the country. Furthermore, in their study there was a bidirectional correlation in the country between security and FDI. Furthermore, there is a bidirectional correlation in the country between security and FDI. Before 2014, political instability was a major issue for investors. Before 2014, Afghanistan's people, investors, and even foreign investors faced negative expectations in a setting of political instability, Lv and Bai (2019) discover that enterprises retain modest amounts of debt. During that time, 13.8% of businesses had power outages, and 14.1% of complaints were about administrative corruption. Economic growth, foreign direct investment, domestic investment, and domestic credit are all linked to reduced levels of corruption over the long term in case of GCC countries (Belloumi & Alshehry, 2021). Corruption has a negative effect on economic development, but it has a beneficial effect on domestic investment, according to the panel completely modified ordinary least squares model estimation.

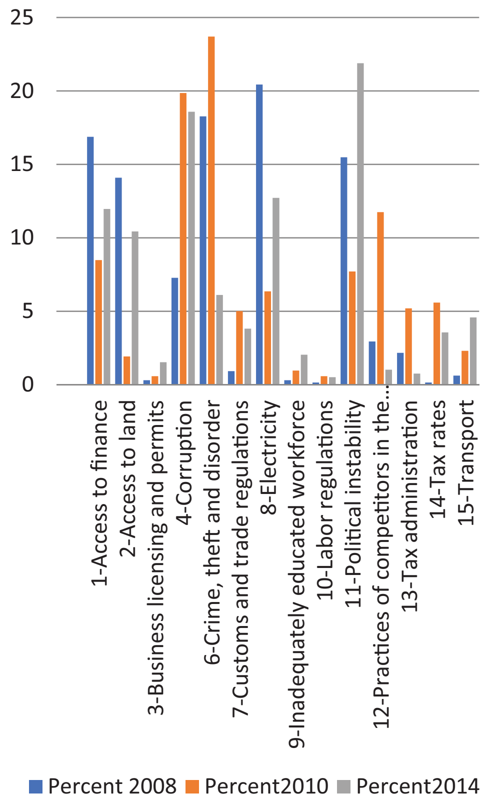

Figure 3. Obstacles toward the investments (source: author's calculation (World Bank, 2014)

We can see differences in the percentage of problems amongst the surveys from 2008, 2012, and 2014 as well. For foreign investors, in this aggregate survey, the biggest challenges are crime, theft, and disorder, as they are so conservative. Access to land has been one of the most significant barriers for investors in Afghanistan; as shown in the Figure 3, the percentage of these complaints exceeds 12%. Investors complained of corruption due to bureaucracy in the results of the survey. In Table 2, complaints regarding corruption are more than 14% (Afghanistan Investment Support Agency, 2016). According to a survey by the World Bank, most investors don't have money.

Table 3. Over draft facility (source: World Bank, 2014)

AT This Time, Does This Establishment Have an Over Draft Facility	Freq.	Percent	Cum.
Yes	239	29.69	29.69
No	566	70.31	100
Total	805	100	

In Table 3 we have the results of the survey regarding the overdraft facility. According to the results, more than 70% of establishments do not have overdraft facilities and less than 30% do have overdraft facilities.

An international trade agreement between Afghanistan and other nations and international organizations has resulted in an annual GDP growth rate of almost 6%. Because of its strategic location in the heart of Asia, it has easy access to a wide range of global markets, and the country's private sector is mostly self-governing. Furthermore, the Afghanistan Investment Supporting Agency (AISA) had lowered the power rate for investors and increased the Tariff on substitute items imported but violence and unrest, corruption, access to financing, and availability to electricity had been the major challenges for investors and dealers.

3. Data and methodology

We are looking at the most significant barriers to investment and business in Afghanistan. We used data from the World Bank's enterprise survey for the years 2008, 2010 and 2014 for the aforementioned objective. First, we want to define the dummy variables for which we will specify our model in this survey (Table 4).

Table 4. Description of variables (source: author)

Dependent variable (D) Independent variable (I)	Description
Access to finance (D)	Dummy variable Access to finance is major obstacle
Access to land (D)	Dummy variable Access to land is a major obstacle
Electricity (D)	Dummy variable Access to electricity is a major obstacle
Security (D)	Dummy variable security is a major obstacle
Crime (D)	Dummy variable crime is a major obstacle
Corruption (D)	Dummy variable corruption is a major obstacle
Age (I)	Dummy variable Independent variable Age which is started from 1941 up to 2014
SME (I)	Dummy variable Small firms which has more than 5 employee and less than 20
Medium (I)	Dummy variable Medium enterprise which is less 50 and more than 19 number of employee
Large (I)	Dummy variable large company
Experience (I)	Dummy variable experience of a top level manager
Local firm	Dummy variable local firm means Owned by the Afghan citizens
Foreign firm	Dummy variable foreign firm owned by the foreign investors.

In the study, our hypotheses are as follows:
- H1: local private sectors perceive obstacles like political, electrical, crime and corruption.
- H2: Small and medium industries face problems like taxation, corruption, and electricity related issues.

In our model the independent variables will be the perceptions of the firms of the biggest obstacle to their operations and they are dummy variables. Our dependent variables will be the characteristics of the firm, which consist of the continuous and dummy variables. The model is as follows:

$$Y_i = b_0 + bx_i.$$

In the model, *Y* is the outcome of the impact of the obstacle on the dependent variables. Our model will be estimated using probit techniques, which are appropriate for binary numbers. Outcomes are ranked from 0 to 5, where 0 means no obstacle and 5 represents a very severe obstacle. In the middle, we have minor obstacles, moderate obstacles, and severe obstacles. A probit model (sometimes termed probit regression), is a mechanism to perform regression for binary outcome variables. Binary outcome variables are dependent variables having two choices, as yes/no, positive test result/negative test result or single/not single. The word "probit" is a mix of the words probability and unit; the probit model estimates the probability a value will fall into one of the two potential binary (i.e. unit) outcomes. We will have just one independent variable in our equation.

In Probit regression, the cumulative standard normal distribution function $\Phi(\bullet)$ is used to describe the regression function when the dependent variable is binary, that is, we assume that

$$E(Y|X) = P(Y = 1|X) = \Phi(\beta 0 + \beta 1X). \quad (1)$$

$\beta 0 + \beta 1X$ performs the role of a quantile z. Remember that $\Phi(z) = P(Z \leq z)$, $Z \sim N(0,1)$ such that the Probit coefficient $\beta 1$ in (1) is the change in z associated with a one unit change in X. Although the effect on z of a change in X is linear, the relationship between z and the dependent variable Y is nonlinear as Φ is a nonlinear function of X.

Since the dependent variable is a nonlinear function of the regressors, the coefficient on X has no clear explanation. the expected change in the chance that Y = 1 owing to a change in P/I ratio can be computed as follows:
1. Compute the anticipated probability that Y = 1 for the original value of X.
2. Compute the anticipated chance that Y = 1 for $X + \Delta X$.
3. Compute the difference between both predicted probabilities.

4. Results

Tables 5 and 6 show that smaller businesses are more likely to see obstacles like corruption and taxes as a problem. Small and medium-sized businesses (SMEs) are 23% more likely to believe that corruption is the largest threat to their firm, whereas taxes have a negative coefficient. The sign of the coefficient is negative, which indicates that large corporations are not very concerned about electricity. The stability of the political system is a major concern for medium-sized companies. Political stability, criminality and electricity should be assessed by the private sector in the local area. When it comes to foreign investors, we will not be able to draw any conclusions because there are only a few of them in Afghanistan and they make up only a small percentage of the poll respondents.

Table 5. Probit model's results (source: author's calculation)

Variables	Finance	land	Political stability
Small firms	−0.1358186	0.0542827	0.1529458
Large	−0.1401492	0.2370352	0.231264
Medium	0.1016278	0.0623837	0.6363937 **
Experience	−0.0058876	−.0154215*	0.0006732
Local sector	0.003024	0.0019544	0.0165498**
Foreign	−0.0100867	−0.0061594	−0.0036929
Age	0.0021632	−0.014373	0.0026069

Table 6. Probit model's results (source: author's calculation; *, ** and *** denotes significantly coefficients at 10%, 5% and 1% level)

Variables	Crime	Electricity	Corruption	Tax
Small firms	0.0266125	0.0246531	.2326961*	−.4372**
Large	−0.4522029	−.7436478*	0.111221	–
Medium	0.0266125	−0.2053597	0.0739162	–
Experience	0.011445	0.0048545	0.0080721	0.0097056
Local sector	−.0093057*	−.0065219*	−1.076411***	−0.0020409
Foreign	0.0046179	0.0054552	0.0032885	0.0050443
Age	−.0140731**	−0.0009439	52329	0.0116001

Table 7. Summary of the obstacles for small enterprises (source: author's calculation; World Bank, 2014)

Obstacles	Percentage
1 1-Access to finance	10.43
2 2-Access to land	9.71
3 3-Business licensing and permits	1.8
4 4-Corruption	18.71
5 5-Courts	0.36
6 6-Crime, theft and disorder	6.12
7 7-Customs and trade regulations	3.6
8 8-Electricity	14.03
9 9-Inadequately educated workforce	1.44

End of Table 7

Obstacles	Percentage
10 10-Labor regulations	0.36
11 11-Political instability	17.27
12 12-Practices of competitors in t	0.36
Sector	
13 13-Tax administration	1.08
14 14-Tax rates	3.96
15 15-Transport	4.68
Total	93.88
Missing	6.12
Total	100

According to the data in the previous Table 7, the frequency of corruption is the most significant barrier for small businesses, which account for the majority of them (52) and electricity is the second most significant barrier for them.

Table 8. Obstacle for medium firms (source: author's calculation; World Bank, 2014)

The biggest obstacle affecting the operation of this	%
1 1-Access to finance	14.71
2 2-Access to land	9.8
3 3-Business licensing and permits	0.98
4 4-Corruption	15.69
5 5-Courts	0.98
6 6-Crime, theft and disorder	3.92
7 7-Customs and trade regulations	1.96
8 8-Electricity	9.8
9 9-Inadequately educated workforce	3.92
10 10-Labor regulations	0.98
11 11-Political instability	31.37
12 12-Practices of competitors in the informal	0.98
14 14-Tax rates	1.96
15 15-Transport	2.94
Total	100

Table 8 shows the challenges faced by medium-sized businesses. The most significant barrier for these enterprises has been political stability, which has 32 observations in 102 firms, according to the results of probit regression, where this dummy variable has a statistically significant impact on medium-sized firms in the sample. Corruption has shown to be the second most difficult obstacle for these businesses to overcome.

Conclusions and recommendations

Using the World Bank enterprise survey for the years 2008, 2010, and 2014, we explored the barriers and opportunities for foreign and domestic investment in Afghanistan. According to the data, a significant quantity of investment occurred in 2009, with the largest amount of foreign investment occurring in 2006. In 2010, the service sector created a considerable number of jobs, and it is the sector where international and domestic investment took place in greater numbers than any other. A market economy, a flexible tax structure, a small amount of tax on raw materials, and inexpensive power are among the prospects available to both internal and external investors. Aside from potential, we looked into investment roadblocks. The main challenges and obstacles to investment are a lack of access to finance, land ownership, electricity, a stable political environment, and complete security, but according to regression results, small firms perceive taxes and corruption as obstacles, medium firms perceive political instability as an obstacle, and large firms perceive electricity as an obstacle. Political instability, violence, lack of electricity, and corruption have all been major obstacles for local investors. Afghanistan's insecurity, corruption, lack of financial resources, and lack of necessary infrastructure remain major deterrents to foreign investment. For private sector-led economic growth, the most important aspect is increased security. The Afghan government must go above and beyond to ensure the safety of foreign investors and manufacturers. The government's capacity to suppress the insurgency and enhance security throughout the country is a major factor in the overall security situation. However, enterprises, traders, and manufacturers involved in trade and economic activity can benefit from increased security. Efforts to promote investment and enhance the economy by assisting the private sector are also hampered by corruption to varying degrees. Afghanistan's administration has vowed to take on widespread corruption head-on. To effectively combat corruption and embezzlement, Afghanistan made specific promises during the Tokyo International Conference on Afghanistan. Corruption was also a major campaign issue for the NUG's leaders. Up to this point, the government had taken action to reduce high-level corruption. But there has yet to be a unified national effort to combat graft. An anti-corruption effort targeting government agencies involved in economic and trade concerns is necessary if the administration is serious about increasing investment.

Afghanistan's regulatory environment must be improved in order to encourage investors to conduct business and invest. Investing in a country that is not just stable politically but also has a lack of basic services, regulatory and financial backing is a concern for foreign investors. Making investments or conducting business in Afghanistan is difficult due to the country's young legal and regulatory systems as well as the fact that they have various flaws. According to WTO regulations, the Ministry of Commerce and Industry has been revising some of the country's most important laws. Partnerships, competition, arbitration, corporations and limited liability firms, mediation, trademarks, patents, copyrights, and intellectual property are covered by these laws. Improved regulations would guarantee that investors' capital, investments, and rights would be protected under any case.

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