

**Secretary of Commerce Carlos M. Gutierrez
Afghan-American Chamber of Commerce
U.S.-Afghan Business Matchmaking Conference
Washington, D.C.**

Thank you for the kind words. I'm delighted to be here.

I want to congratulate the Afghan-American Chamber of Commerce. This is the third business matchmaking conference sponsored by the Chamber.

The fruits of your efforts are evident in the numbers attracted to these meetings and to the growing commercial ties between our nations.

Thank you for your leadership.

In August, I had the privilege of traveling to Afghanistan to participate with Commerce Minister Farhang at the opening of the first Afghanistan International Carpet Fair.

It was a remarkable event.

After decades of suffering followed by oppression under the Taliban, more than 100 Afghan rug producers were enjoying the freedom to display and market these national treasures to the international community.

Afghan rug producers are among the most talented and experienced in the world. The rugs they create are defined by their artistry and craftsmanship.

The Afghan entrepreneurs I talked with at the Fair were excited and enthusiastic about the opportunity to be a part of the rebirth of Afghanistan's place in the global carpet industry.

They want the world to know that Afghanistan is open for business.

A clear sign of that new openness is the new Afghanistan-Tajikistan Bridge. During my recent visit, I had the honor of joining President Karzai and President Rahmon at the dedication of the new vital link between the region and the rest of the world.

There is reason for optimism in Afghanistan. The transition to a free market economy is happening. Over the last few years, GDP growth has been solid, averaging around 10 percent. Rebuilding is taking place. Real progress is being made.

In Afghanistan, there's now a functioning Central Bank with more than 30 regional branches and a single, internationally-traded currency.

Over 3.5 million subscribers are being served by the three mobile telephone companies.

Over 4,000 miles of roads have been built and paved, with 1,000 more due to be completed this year.

Importantly, people's lives are improving.

Over the past six years:

- The number of Afghans with access to some form of healthcare has increased tenfold to more than 80 percent.
- The number of children enrolled in school has climbed from 900,000 to over five million – and more than 1.5 million of them are girls and young women.
- There's been a 22 percent decline in mortality rates for infants and children under five.

We applaud the courage of the Afghan people. They have emerged from the shadows of fear and repression. They recognize the difficult challenges ahead. And they are committed to building a better society for their children, a nation ruled by laws, not by the force of arms.

The United States and Afghanistan are partners in the fight against terrorism. And President Bush and the U.S. are committed to Afghanistan's long-term political and economic stability.

Trade and investment are the building blocks of economic freedom.

U.S.-Afghan bilateral economic and commercial relations are strong. In 2006, our two-way trade reached \$463 million – up 40 percent over 2005.

For the first eight months of this year, our total bilateral trade is more than \$376 million, a 34 percent increase over the same period in 2006.

And I'm pleased to note that more than 160 U.S. companies have registered with the Afghan Investment Support Agency. This represents over \$100 million in potential investment.

It also recognizes the improved investment climate in Afghanistan that is a product of legal and economic reforms initiated by President Karzai and his government.

The Investment Law is internationally regarded as investor-friendly, while Afghanistan's customs duties are the lowest in the region.

U.S. companies look for a business-friendly environment. We encourage Afghanistan to continue its progress in creating an economic climate that is transparent, free from bureaucratic requirements, and based on the rule of law.

We want to help Afghanistan develop its private sector and free market economy.

American firms offer advanced technologies, management and capital. Afghan firms offer the commitment and hard work of the Afghan people.

In my discussions with President Karzai and other officials, it was suggested that our initial joint efforts focus on sectors where Afghanistan already has a comparative advantage—rugs; fruits and nuts; and marble.

In July, Commerce Minister Farhang and I signed the Joint Statement on Commercial Cooperation in Washington.

Under this agreement, our two governments have deepened our cooperation in the areas of export promotion, agribusiness, commercial regulations, standards and utilization of the Generalized System of Preferences (GSP) trade program.

G.S.P. provides duty-free treatment for about 5,000 types of exports from Afghanistan and other developing countries. These exports include a wide range of

goods, among them marble, candies, handicrafts such as gemstones, jewelry, wood items, and many kinds of carpets and rugs.

Additionally, we have set up the Afghanistan Investment Reconstruction Task Force (AIRTF) with a mandate to promote concrete initiatives to strengthen bilateral business ties between our countries.

Over the past several months, I have worked very closely with my colleagues at OPIC, USDA, and USAID to promote investment in Afghanistan's burgeoning agribusiness sector.

The Task Force is also arranging for the third visit of an Afghan rug business delegation to the U.S. They will participate in the Las Vegas Market in January 2008.

The Afghan people are hard working and entrepreneurial. They will succeed in bringing jobs and prosperity to their country if given the tools to do so. That's what this matchmaking conference is all about.

Trade and investment builds businesses and create jobs and opportunities in the countries of both partners.

My congratulations again to the U.S.-Afghanistan Chamber of Commerce and to all of you for being here.

Thank you, and best wishes for some very successful matchmaking.