



ECONOMIC ZONES IN PRIVATE & PUBLIC SECTORS:

by
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at
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BANGLADESH SEZ STRATEGY

Bangladesh Economic Zone Authority (BEZA) & Economic Zones in Bangladesh

The Government of the People's Republic of Bangladesh has taken several initiatives to accelerate the financial growth of the country. One of the main strategies to achieve this growth is through the establishment of multiple Economic Zones countrywide. The cornerstone of this plan was the institution of Bangladesh Economic Zone Authority (BEZA) which has been operational since November 2010.

BEZA aims to establish economic zones in areas with potential for growth across Bangladesh, including underdeveloped regions, with a view to encourage rapid economic development through increased investment and diversification of industry, employment, production and export. BEZA is attached with the Prime Minister's Office (PMO).

INVESTMENT SCOPE IN BANGLADESH

- British and European manufacturing units presently located in the region can be relocated in Bangladesh due to our strategic location and favorable access to the Indian Market as an LDC under SAFTA.
- Lower labor costs compared to other South Asian Countries.
- Best Macro economic policies after India.
- GDP growth rate of 6%+ over the last decade.

GRADUATE FROM RMG TO ICT

- Bangladesh remains underdeveloped in ICT and as a knowledge based economy amongst South Asian and Pacific countries, according to a recent ADB report.
- A shift is required from labor intensive growth to productivity driven growth and graduation from RMG to ICT sector by creating ICT Accelerators to facilitate ICT startups, preferably through joint ventures with British IT Companies.
- Bangladesh is planning to establish a number of IT parks.
- British & European IT companies can partner with Bangladeshi organizations in the IT parks as these may be co-located with Divisional Technical Universities like CUET in Chittagong, SUET in Sylhet, KUET in Khulna and RUET in Rajshahi, to provide a skilled IT workforce.
- A large number of English proficient boys and girls who have “O” and “A” level education, are ideally placed to undertake BOP work for British Corporations, Banks and Insurance Companies etc.

In Bangladesh, the following four regions would have the potential to be designated as SEZ's:

Dhaka Region

Chittagong Region

Sylhet Region

Khulna Region

APPROVED PRIVATE ECONOMIC ZONES IN BANGLADESH

Sl. No.	Name of Economic Zone	Location (Upazila & District)	Dhaka Region
1.	A K Khan Private Economic Zone (AKPEZ)	Palash, Narshingdi	Dhaka
2.	Abdul Monem Private Economic Zone	Gajaria, Munshiganj	Dhaka
3.	Meghna Group of Industries	Sonargaon, Narayanganj	Dhaka
4.	Garments Shilpa Park BGMEA PSEZ	Gajaria, Munshiganj	Dhaka



AKK BACKGROUND

- **A. K. Khan & Company** is one of the oldest & largest private sector organizations of Bangladesh with an operational background of over 70 years, established during the Second World War (WWII) .
- **A. K. Khan & Company Ltd.** was founded by **Late A. K. Khan** who was the Federal Minister for Industry, Works, Irrigation, Power and Natural Resources in the Federal cabinet of Pakistan.
- Later on, past Chairman of A. K. Khan & Co. Ltd. **Late A. M. Zahiruddin Khan**, also became Minister of Planning and Industry of Bangladesh.

MILESTONE

1945-50	• AK Khan & Company established during World War II
1947-1957	• Diversified industrial businesses developed. Becomes limited company in 1951
1958-1962	• Founder Chairman Late Mr. AK Khan became Member of Constituent Assembly of India and then Pakistan appointed Federal Minister of Pakistan
1970	• AKK Co. one to largest business groups in East Pakistan
1980	• AKK Co expands through strategic JVs with MNC's Coats UK, Telekom Malaysia & Maruha Nichiro
1991-1995	• Late Chairman AM Zahiruddin Khan became Minister of Industries and Planning
1996	• JV with Telekom Malaysia for AKTEL, the 2 nd largest GSM network in Bangladesh
2008	• AKTEL sold to NTT Docomo for \$350M
2010	• AK Khan Penfabric Company JV formed with Penfabric (Subsidiary of Toray Japan)
2011	• AK Khan Securities started commercial operations
2012	• AKK WaterHealth JV formed with WaterHealth International (USA) and IFC
2013	<ul style="list-style-type: none"> • CEAT Tyre Manufacturing JV formed with CEAT India • AK Khan Penfabric increased capacity by 100% • AKK- Union (Bangladesh) Limited formed for RMG accessories.

CURRENT JV WITH MNCs

akkhan water health



Coats plc
Global leader in sewing thread
and needlecraft products.
Unbeatable service and technical
support in 71 countries worldwide.



CEAT Bangladesh Limited
A JV of A.K. Khan & Company Ltd. and CEAT (INDIA) Ltd.



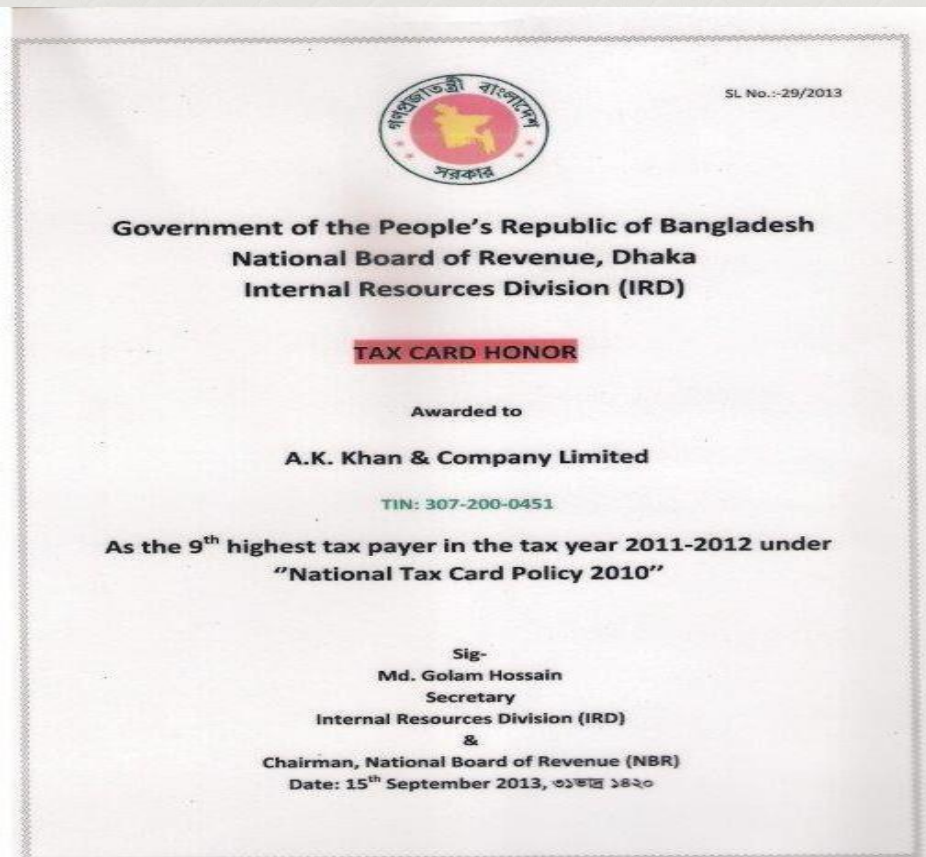
BENGAL FISHERIES LTD

PENFABRIC

A.K. Khan Penfabric Company Ltd.- Penfabric
Sdn, Berhad.(PAB), Malaysia, 100% subsidiary
of Toray Industries, Inc of Japan

TAX AWARD

A. K. KHAN & COMPANY LTD IS IN THE TOP 10 TAX PAYERS AS A CORPORATE BODY FOR CONSECUTIVE FOUR YEARS



- AKKHAN Foundation
- AKK contributes 30% of yearly dividends for CSR activities.
- Construction of Law faculty in Chittagong University at a cost of USD2.5 M is one of the various CSR projects of AK Khan Foundation.

ONGOING PROJECTS

A.K. Khan Private Economic Zone (AKPEZ)

&

River side Container Terminal

- Private port container facility including ICD; part of EZ.
- Specialized storage including tank facilities, power station, utility services, ancillary facilities, internal customs and Regulatory Authorities for efficient processing etc.
- MOU with PORTEK consultancy INC, 100% subsidiary of Mitsui, Japan – assisting AKK with project monitoring through personnel deployed in Bangladesh. JV with AKK expected to take place by end of 2015.
- Samil PricewaterhouseCoopers (PWC) and Deco Consultants Co Ltd of South Korea have prepared the feasibility study for both AKCT and AKPEZ projects.
- Oriental Consultants Co., Ltd (ORICON) of Japan has been appointed for the AKCT consultancy service to provide supervision of soil investigation, complete FEED design (front end engineering design) for selection of contractor, independent check during construction phase and assisting AKK with defects liability after completion of construction works.
- Oriental Consultants CO., LTD. has partnered with renowned consultant Kurita Marketing & Management Corporation of Japan, who has also been selected for preparing a Master Plan for the EZ.

MOU SIGNING WITH PORTEK PORTS HOLDINGS PTE LTD

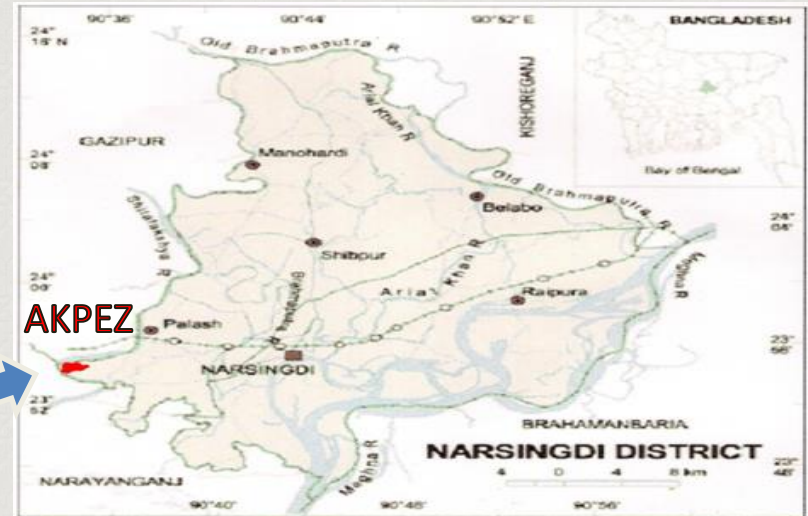
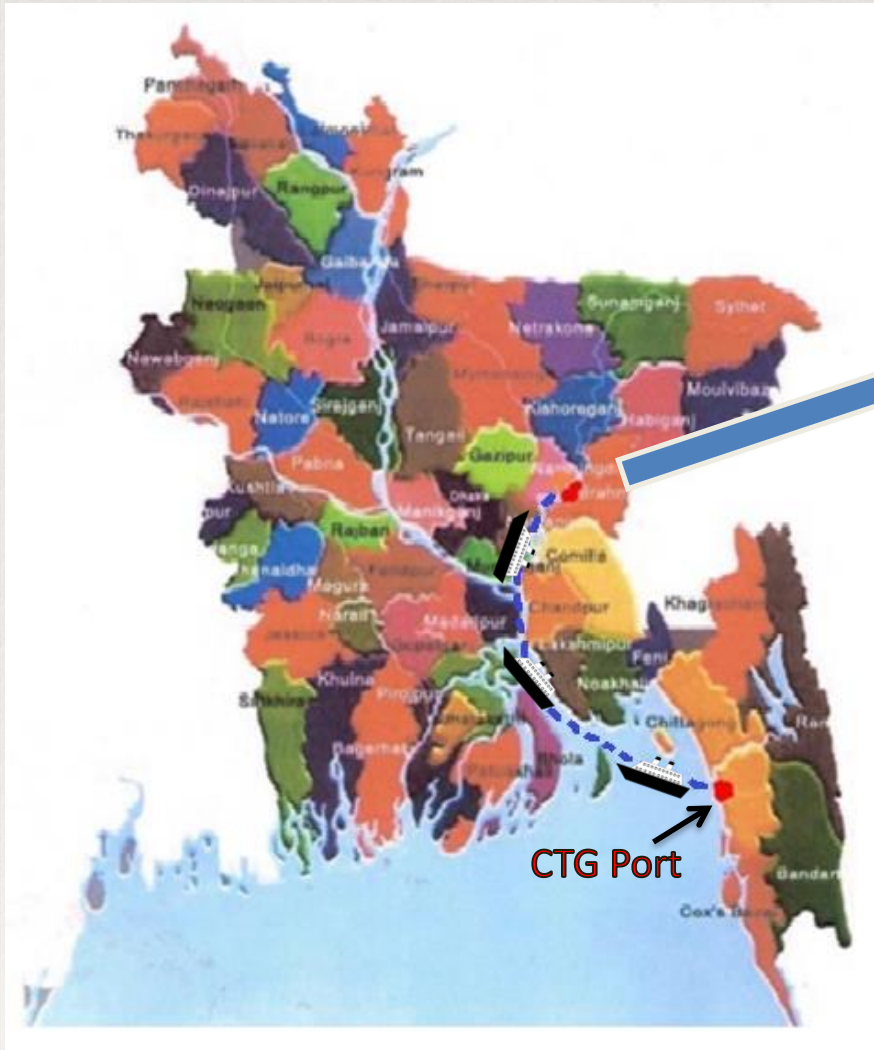


GOVERNMENT SUPPORT



***Provisional pre-qualification license
for Special Economic Zone (SEZ)
was received from Bangladesh
Economic Zone Authority (BEZA) on
November, 2014.***

LOCATION OF AKPEZ



Dhaka Division

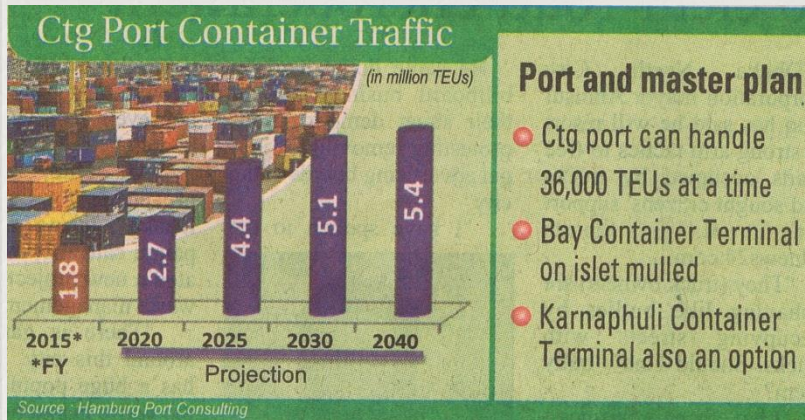
Place : Danga.

Thana
(Police Station) : Polash.

District : Narsingdi.

CTG PORT TO SEE THREE-FOLD RISE IN CONTAINER TRAFFIC IN 15 YRS

Port development master plan to be unveiled today



- Hamburg Port Consulting, a German-based international port-consulting firm, has prepared the master plan. As per master plan :-

1. The container traffic at the country's principal seaport in Chittagong is expected to increase nearly threefold to 5.1 million TEUs, inclusive of transit trade, over the next 15 years.
2. it says in 2020 the traffic load will be 2.7 million TEUs and in 2025 it will be 4.4 million TEUs
3. Apart from the threefold rise in the container traffic up to the year 2030, the master plan also projects that 5.4 million TEUs of container traffic will take place in 2040.
4. The consultant advocated for feeder-barge solution in the Bay -- a new innovative solution for quick transportation of cargoes. Feeder-barge solution means barges should be allowed to carry containers from feeder vessels. The feeder vessels will load the containers upon the barges in the bay.



MASTER PLAN of AKPEZ including River side Container Terminal

Master Plan being
prepared by:
Oricon Global Consultant
Japan

TENTATIVE SITE PLAN

Source: Feasibility Study Report-Oct,
2013
by SamilPWC & DECO, KOREA

Total Area 200 Acres

Facility

Industrial Plots for AKPEZ

River Port Facility

Size

150 Acres

50 Acres

DEVELOPMENT PICTURES OF AKPEZ



ADVANTAGE OF AKPEZ LOCATION



- Distance from Dhaka by Road about 36 km .
- Distance to Dhaka-Chittagong Highway about 40 km.
- From Narayangonj, industrial zone, about 57 km.
- Distance from Narsingdi industrial zone about 15 km.
- Tongi, industrial zone, main town 24 km.
- Gazipur, the main industrial zone, is about 30 km.

- “New Satellite town Purbachal with international trade center” is about 5 km.
- Directly connected with the river Meghna & well connected with Chittagong & Mongla ports.

REGIONAL CONNECTIVITY

BANGLADESH WILL PROVIDE MARKET ACCESS TO NORTH EASTERN STATES OF INDIAN, NEPAL, MYANMAR AND SOUTHERN CHINA IN THE LONG RUN



INVEST IN BANGLADESH: ACCESS INDIA, CHINA, ASEAN+3 MARKETS

PROPOSED FACILITIES OF AKPEZ

- Port facilities through A K KHAN Container Terminal (AKCT).
- Specialized storage tank facilities.
- Power Plant.
- Planned industrial units.
- Banks.
- Internal Customs and all other Regulatory Authorities.
- Utility services, ancillary facilities.

INVESTMENT PATTERN

- Joint Venture structure/Foreign investment
- Local Investment
- Medium to Large sized, backward linkage & high-tech industrial units

SCOPE OF BUSINESS SECTORS IN AKPEZ

- Telecommunication equipment
mobile handsets
- Pharmaceutical
- Aircraft instruments
- Watch & Digital equipment
- White electrical goods
- TV/monitors , computers, hard disks, printers
- Medical, surgical & biotech instruments
- ICT related software development

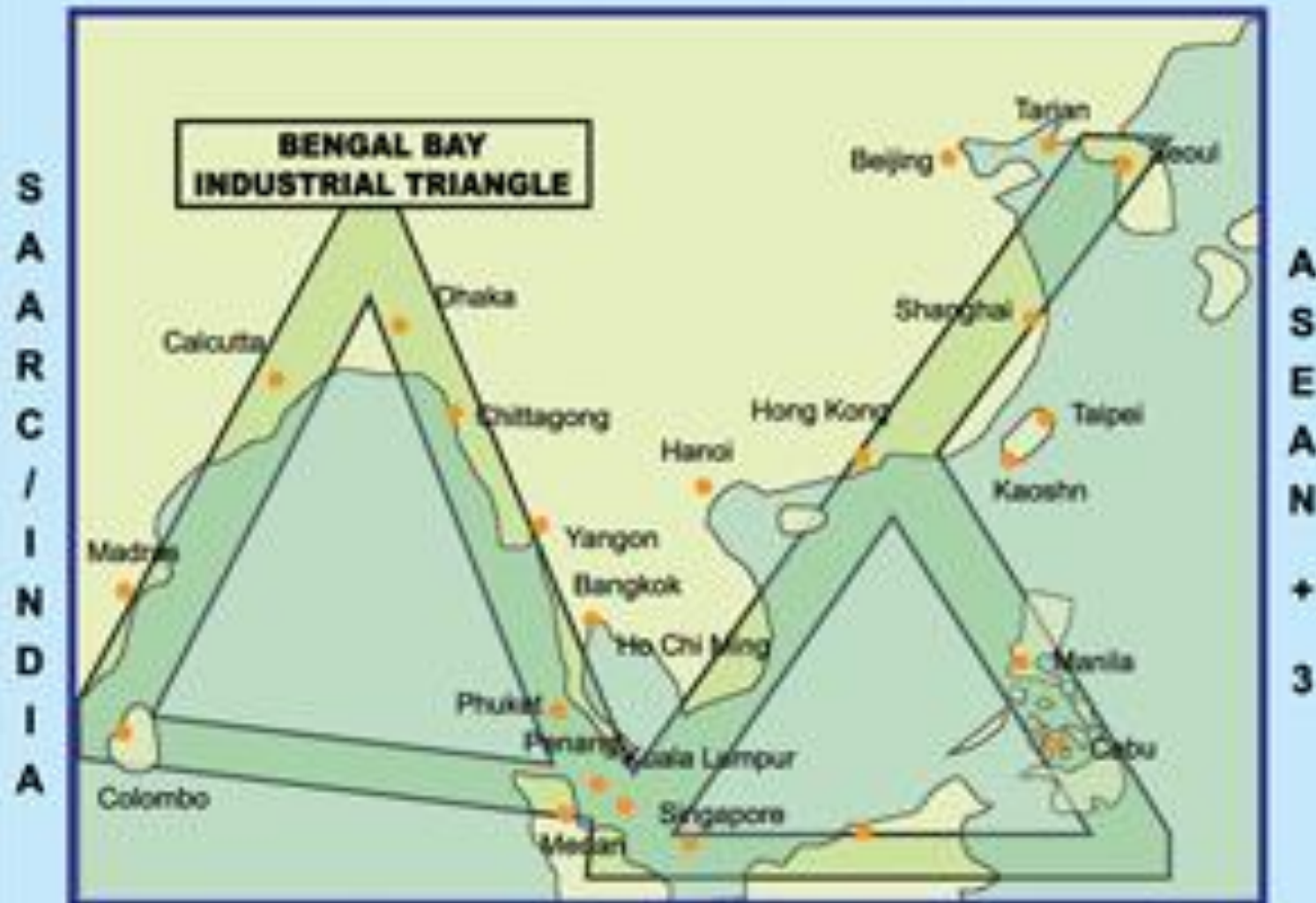
BAY OF BENGAL GROWTH TRIANGLE

In South Asia- we require a long term vision for the region. JICA Report 1995 termed it as the **Bay of Bengal Industrial triangle**-on the one side India/SAARC on the other side Asean+3 and Southern China to the North.

The concept of the Bay of Bengal Growth Triangle, with Bangladesh at the apex was articulated by the Prime Minister of Japan.

The Hon Prime Minister of Bangladesh stated in Japan in 2014 that due to it's strategic location, as a bridge between South and South East Asia, coupled with enhanced regional connectivity, Bangladesh has the potential to become the hub of bustling economic activity in the Region for trade and investment.

ASIAN INDUSTRIAL CORRIDORS AND TRIANGLES



Bay of Bengal Growth Triangle

COASTAL BELT STRATEGY



PMO decided to coordinate development plans in coastal areas and prepare a Master Plan for building EZs along the coast of Bay of Bengal. Emphasis on developing coastal economic zones from Tekhnaf to Mongla Bangladesh government is going to set up the Sonadia Deep Sea Port. Another deep sea port is making debut at Paira in the Patuakhali district developing a Coastal Belt Development Strategy.