

# Seminar on “Challenges to Becoming Regional Economic Hub: Establishment of Special Economic Zone (SEZ) in the port city of Chittagong”

Jointly Organized by:

**The Daily Star and Chittagong Research Initiative (CRI)**

With the support of:

**Chittagong Chamber of Commerce, BGMEA Chittagong and A.K. Khan Foundation**

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Trustee Secretary, A.K. Khan Foundation

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# INTRODUCTION

The economic history of the World is changing before our eyes- with the paradigm shift of economic power from the West to Asia, with the rise of China and India, Bangladesh- wedged between these two mega economies – has no option but go up the developmental ladder with our young workforce – in an age of “Greying Tsunami” engulfing the developed countries.

A dynamic and competitive private sector, with active Govt. facilitation – economic transformation, which used to take centuries can now be achieved in decades as Bangladesh is poised to become not only an MIC by 2021- but the 30<sup>th</sup> major economy of the World by 2030 as projected recently by DCCI, Bangladesh **2030: Strategy for Growth**” . One of the important catalyst to meet the **Challenge to becoming a regional economic hub** would be the Special Economic Zone (SEZ) frame work.

## Experience of other Countries

- Many Developing countries Taiwan, Malaysia, Indonesia and South Korea adopted the model of export oriented economic growth
- Most of them set up special export oriented formats such as Export Processing Zones, (EPZs)/ Free Industrial Zones (FTZ) etc.
- Result- Significant increase in the income levels with high economic growth rates averaging 7%-8% per annum.
- In countries such as Costa Rica, Mauritius and Sri Lanka (besides China) these zones had significant impact in promoting manufactured products.
- In case of Mauritius, in 1998, These zones accounted for 62% of the country's total export.
- Jebel Ali Free Trade Zone in Dubai has been very high and accounted for 23% contribution to the Emirates outward trade.
- Export Zones in Malaysia were instrumental in building and developing its electronics sector starting in the early 1970s



## Overview of SEZ Concept

- Extremely successful Chinese format to promote export, attract FDI and foster overall economic growth.
- Shenzhen SEZ, started in 1981, has achieved 38% GDP growth CAGR (highest record in human history) mainly due to:
  - Liberal Economic framework
  - Integrated infrastructure at very competitive prices
- **SEZs, the engines for export led economic growth in india, defined as:**
  - “ Specifically delineated duty-free enclave and shall be deemed to be foreign territory for the purposes of trade operations and duties and tariffs”
    - Exim policy 2000, Chapter 9 Para 30

*Success of SEZ will certainly write economic history*

# Reasons for success of Chinese Zones

- Locational Advantages
- Flexible Labour Laws
- Delegation of powers by Federal Government of China to the City and Provincial Governments for Special Economic Zones.
- The trade related infrastructure (power, water, roads, ports etc) and social infrastructure (housing, hospitals, educational institution etc.) as an integral part of the SEZs.
- Stronger linkages with the domestic economy.
- Full convertibility of Chinese currency in SEZ with Hong-Kong currency.
- Zone specific fiscal incentives suited to meet the requirements of the zones/ industry / business



**As part of an expanding trade strategy, China has also been developing ports in Pakistan, Bangladesh and Myanmar.**



# Mumbai Integrated Special Economic Zone

## India's Future Growth impetus-SEZs

- Special Economic Zone have been identified as “ Engines of Growth” to counter the barriers of growth.
- New comprehensive policy framework with a package of incentives
- SEZ initiative provides impetus to and scope for planned growth of not just business, but also Living, Learning, Health Care & Recreation.
- Leverage Local strengths within an international environment.
- Administration by Business for Business within a hassle free operating environment
- Comprehensive & Integrated Infrastructure under one umbrella





# Fiscal Advantage

## Developers

- 100% income tax exemption for 10 years in a period of 15 years from the date of commencement of operation
- Duty free import of capital goods and goods required for operations/ maintenance
- Access to cheaper global capital through International Financial Services center/ Offshore Banking Units in SEZ.

## Lenders/ Investors

- Exemption from Income/ Capital Gains tax for lenders/ investors.
- Retail investment eligible for tax rebate

## Specialised Services

- Special Courts proposed exclusively for in-zone disputes.
- Dedicated police force proposed to maintain law and order.
- Development Commissioner entrusted with the responsibilities of the Labour commissioner – enabling speedier labour dispute resolution.
- Municipal rights to given the zone vested with the zone developer/ zone authority.





# Fiscal Advantages for SEZ Units



- SEZ units provided 20-year income tax exemption from date of commencement of operations
  - For first 5 years 100% exemption on export profits
  - For next 5 years 50% exemption on export profits.
  - For next 10 years 50% exemption on export profits upon reinvestment of profits
- Reduced input costs as purchases from DTA units exempted from excise tax, sales tax and other levies.
- No customs duty on raw materials/ capital goods etc.
- SEZ units exemption from state taxes such as turnover tax, sales tax, value added tax, entertainment tax, excise tax for a period of 25 years.
- SEZ units allowed to avail External Commercial Borrowings(ECBs)
- Freedom to retain Foreign Exchange Earnings for SEZ units.
- Offshore Banking Units (OBUs) permitted to be set up in SEZs with 100% income tax exemption for first 5 years, 80% thereafter for all times.

*Enhancing Profitability – Facilitating Growth*



## Operational Advantages for Business

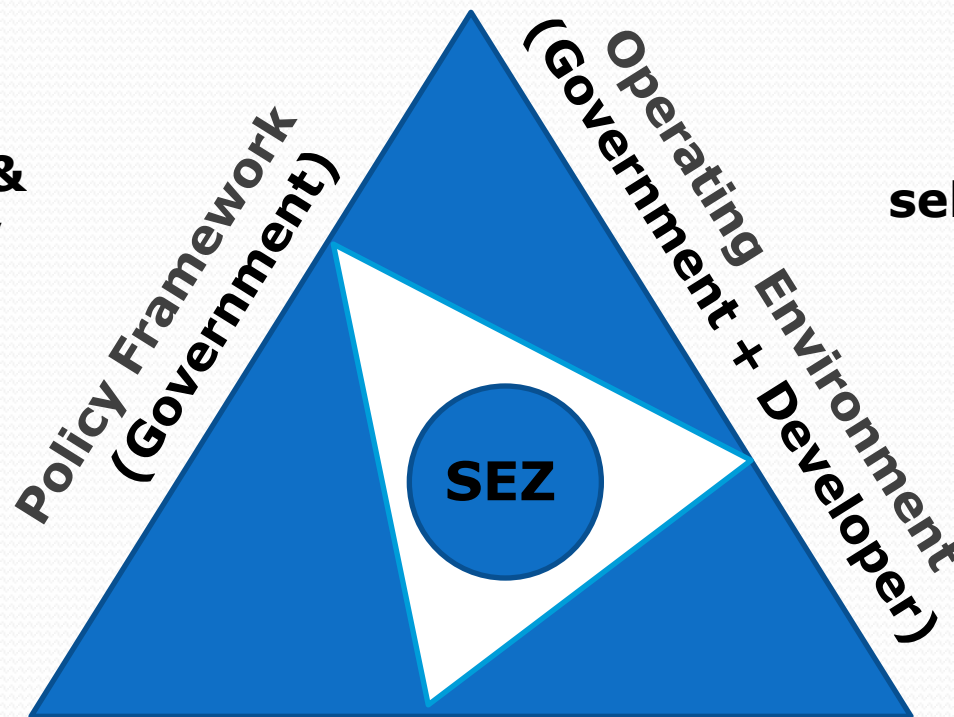
- **100% FDI allowed through automatic approval route In most sectors.**
- No sectoral restrictions and/ or value additions norms
- **DTA sales allowed** with incentives on achieving Net Foreign Exchange (NFE) being positive.
- **Sub Contracting allowed to units in Domestic Tariff Area(DTA)**
- All SEZ activities on self certification basis.
- **Thrusts on one-stop clearance**
- **“Public Utility” status to in-zone units thus preventing flash-strikes by workers.**
- **Flexibility to access, sell or distribute power independently without going through States Electricity Boards.**
- **Development Commissioner (DC) to act as single-point interface for all matters relating to SEZ** with powers of various government departments delegated to DC.
- Access to cheaper global capital through International Financial Services Center / Offshore Units in SEZ.

*Hassle-free Operating Environment for Business*

# SEZ Framework



**Fiscal  
Incentives &  
Regulatory  
benefits**




**Ease,  
self-certification,  
Efficiency &  
productivity**

**Infrastructure  
(Developer)  
Self-contained, integrated,  
connected & Self-managed**

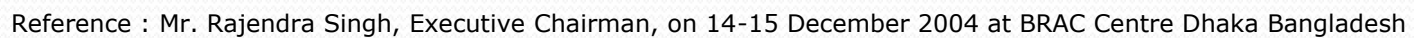
*Reduced Investment & Transaction Time & Cost*

# Mumbai Integrated Special Economic Zone (MISEZ)



MISEZ  NMSEZ (Navi Mumbai SEZ) – 400 ha in Phase I; total- 4377 ha  
MMSEZ ( MahaMumbai SEZ)- 2126 ha in Phase I

- The development of MiSEZ is based on the cluster approach
- MiSEZ – Industrial growth as projected by KPMG in the study – 6.5% ( base case scenario) and 8% (high growth scenario)
- MiSEZ – Investment potential as projected by KPMG- USD 0.87 billion in 2007 going up to USD 11.8 billion by 2016 (base case scenario) and USD 31.11 billion by 2016 ( high growth scenario)





## MiSEZ – An Overview



- Located adjacent to Mumbai , the financial and commercial capital of india.
- Coverage over 2500 hectares, development to be completed in a period of 4 years, as recommended by JTC.
- Expandable up to 10000 hectares
- Investments of US\$ 1.1 billion for creation of world class infrastructure.
- Business investments of US\$ 13 billion over next 10 years from potential users(as estimated by KPMG)
- Home to 220000 persons and employment creation for 100,000 persons

*Planned on a Global Scale with a Global Partners*

## Locational Advantages



- Site located in Business friendly state of Maharashtra
- Located in a vast sparsely populated area, site is well- connected through road and rail linkage.
- Zone to be a fully bonded area with proximity to India's most modern port – an exclusive corridor available to JNPT.
- Air Connectivity through existing International Airport at Mumbai and through dedicated airstrip within zone.
- Availability of skilled workforce from adjoining Mumbai and Navi Mumbai
  - ◆ Mumbai has a large pool of educated, skilled and unskilled people
  - ◆ Existence of renowned schools, colleges and other educational/ training institutions
  - ◆ Well- trained workforce in all kinds of trade & services including IT service

*Proximity to Mumbai – India's Financial & Commercial Capital*



# Integrated Infrastructure for Business

- Industrial
- Commercial
- Residential
- Education
- Healthcare
- Leisure
- Water
- Power
- Solid Waste Management
- Sewage Treatment
- Airport
- Rail Linkage
- Port
- Roads



*Providing for a new Way of life*

# International Financial Services Centre(IFSC)



- MiSEZ to become nt financial hub of the country with International Financial Services Centre (IFSC).
- Banks having presence in india allowed to set up Offshore Banking Units within SEZs –only requirement is a base capital of US\$ 10 million.
- Banks can raise capital from all over the world and can invest upto 25% in india, balance 75% within the zone.
- IFSC to benefit from india's competitive advantages of educated manpower, time tested judiciary, and fast maturing financial markets.

# Targeted User



## Manufacturing

**Auto Components**

**Microelectronics**

**Telecom Equipment, Consumer Electronics & Appliances**

**Pharmaceuticals**

**Gems, Jewellery & Diamonds**

**Food Processing**

**Readymade Garments, Leather Products, Cotton & Synthetic Textiles**

**Light Engineering**

**Application Engineering**

## Services

**Health Care**

**International Financial Services**

**Biotechnology**

**Entertainment & Recreation**

**Education**

**Organizing Retail**

**R&D Service**

**Real Estate**

# MiSEZ- A vehicle for transformation of the regional economy



- An Instrument for poverty alleviation
- Employment generation potential
- Development of backward areas and urbanization of the entire rural area
- Better education and health facilities thereby improving educational levels and standards
- Improved Infrastructure
- High potential for business and economic opportunities
- Access to new technology
- Boost the quality of life of the people
- Enhance income levels in the region
- Overall- regional development

## Factors enhancing stakeholders value- Key Upsides



- Master planning for the zone is being undertaken by Jurong Consultants, Singapore
- Project Execution Management by Parsons Brinkerhoff, USA
- Project Execution by one of the top 10 world reputed EPC contractors
- Operations and Management through Jurong Consultants, having long-standing experience in the field will introduce world class efficiencies and operating standards.
- Proposed Trans Harbour Link Projects will make MiSEZ an extension of south Mumbai

## Factors enhancing stakeholders value- Key Upsides contd....



- International Financial Services Centre(IFSC) – MiSEZ will be home to india's first IFSC, thus creating a financial hub of world-class standards within the zone
- SEZ Developer is the authority for planning , designing and awarding right to develop infrastructure on concession basis.
- Power- Zone being privately promoted, power generation, transmission & distribution rights are vested with developer.
- Strategic location and Trans Harbour link; opportunity to create new South Mumbai
- Real Estate Opportunities.

## Linkages with domestic economy

- Sale from Domestic Tariff Area to SEZ is physically exports
- Sale to Domestic Tariff Area allowed
- Sub contracting to Domestic Tariff Area allowed
- Sale to another ESZ is treated as exports

## Potential Social Impact of MiSEZ

- Employment Creation – 100,000 jobs in phase 1
- Construction period – Semi skilled and unskilled jobs to local population.
- Agri goods supply and support service opportunities in the residential towns
- Better education and medical facilities
- Natural development of the vicinity due to various associated opportunities
- Growth of ancillaries in the vicinity



## Potential Economic Impact of MiSEZ

- Enhancement of export
- Externalities of FDI
- New Investment and Job opportunities
- Development of ancillaries
- Creation of infrastructure and spillover effects
- Platform to test bold policy initiatives
- Strategy to create a role model for the rest of the country



# **THE STUDY ON INDUSTRIAL DEVELOPMENT OF CHITTAGONG REGION IN THE PEOPLE'S REPUBLIC OF BANGLADESH**




The Draft final Report is composed of two Main Texts, i.e,

**Part 1: “Industrial Development Plan in Chittagong” and**

**Part 2: “Implementation Plan for Chittagong Special Economic Zone Project”**

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)  
BOARD OF INVESTMENT  
THE PEOPLE'S REPUBLIC OF BANGLADESH ( July 1995 )



"As a result of the Study, it is firmly believed that industrial development of Chittagong is of the prime importance and significance to improve the social and economic position of Bangladesh, and that the proposed Chittagong Special Economic Zone Project would be a strategic stimulator and starter for a fully-fledged industrialization programme for the country.

According to this strategic approach, it is recommended to designate the priority regions as “Special Industrial Development Regions (SIDR)”, to which resources should be allocated on a priority basis. Apart from the mobilization of priority resources, various institutional incentives should be given to the SIDRs so that they should attract more FDI and promptly grow to the internationally acknowledged” Designated Economic Regions”.



In Bangladesh, the following four regions would have the potential to be designated as SIDR:

- Dhaka Region**
- Chittagong Region**
- Sylhet Region**
- Khulna Region**

## To increase absolute per capita income in an accelerated rate:

Year	1995	2000	2010	2020
<b>National Taka %</b>	5,063 100	6,224 138	9,440 201	15,546 332
<b>CTGD Taka %</b>	10,736 100	14,252 133	26,177 244	54,961 512

At the national level, doubling the per capita income by the Year 2010 or within 15 years time, and at the Chittagong level, doubling the per capita income by the Year 2005 or within 10 years time.

Promote structural changes in the composition of GDP, reflecting an accelerated industrialization process in the country; and

Year	1995	2000	2010	2020
<b>CTGD GDDP (Mil. Taka) %</b>	67,113 100	99,339 148	226,801 338	575,220 857
<b>Manuf. (%)</b>	32	39	53	64

To Focus intensive development efforts on a priority basis, even if this would imply temporary regional disparities.

•**Table 1.1** shows a Development Scenario for Chittagong, indicating the general development director as well as the general physical expansion within CIDP.

**Table 1.1: DEVELOPMENT SCENARIO FOR CHITTAGONG**

		SHORT-TERM	MID-TERM		LONG-TERM	
	Unit	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>
		5 Year Plan 1995-2000	5 Year Plan 2001-2005	5 Year Plan 2006-2010	5 Year Plan 2011-2015	5 Year Plan 2016-2020
<b>Policies for Inducement and Augmentation of Industries</b>		<ul style="list-style-type: none"> <li>•Inducement of FDI companies</li> <li>•Privatization and agglomeration of indigenous industries</li> </ul>	<ul style="list-style-type: none"> <li>•Establishment of a regional technology center</li> <li>•Substantiation of vocational education</li> </ul>	<ul style="list-style-type: none"> <li>•Introduction of advanced technology industries</li> <li>•Encouragement of technology oriented venture business</li> </ul>	<ul style="list-style-type: none"> <li>•Encouragement of &amp;D related industries</li> </ul>	<ul style="list-style-type: none"> <li>•Encouragement of locally-based creative venture business</li> </ul>
<b>Development of Major Urban Infrastructure</b>		<ul style="list-style-type: none"> <li>•New EPZ and GIP</li> <li>•Improvement of overall urban infrastructure focusing on solution of bottle necks</li> </ul>	<ul style="list-style-type: none"> <li>•New CBD in the south of the River</li> <li>•Inner Ring with a new crossing</li> <li>•Containerization of existing harbor</li> <li>•Projects for prevention of disasters</li> </ul>	<ul style="list-style-type: none"> <li>•Outer ring with a new crossing</li> <li>•Exhibition and convention centers</li> <li>•New deep-sea port with handling capacity of ocean going containers</li> <li>•Water front physical distribution center</li> </ul>	<ul style="list-style-type: none"> <li>•New airport in the south of the River</li> <li>•International logistics center</li> <li>•Regional highway and railway network</li> </ul>	<ul style="list-style-type: none"> <li>•Establishment of proper operation and maintenance systems</li> </ul>

		SHORT-TERM	MID-TERM		LONG-TERM	
	Unit	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>
		5 Year Plan	5 Year Plan	<b>5 Year Plan</b>	<b>5 Year Plan</b>	5 Year Plan
		1995-2000	2001-2005	<b>2006-2010</b>	<b>2011-2015</b>	2016-2020

<b>Institutional Building</b>		<ul style="list-style-type: none"> <li>•Establishment of the Bangladesh Industrial Development Authority (BIDA)</li> <li>•Establishment of Chittagong Development Authority (CDC)</li> <li>•Proclamation of Special Industrial Development Regions (SIDR)</li> <li>•Enactment of Special Economic Zone (SEZ)</li> </ul>				
<b>Environmental Improvement Plan and Programme</b>		<ul style="list-style-type: none"> <li>•Establishment of regional environment monitoring systems</li> <li>•Establishment of regional environmental administration machinery</li> </ul>	<ul style="list-style-type: none"> <li>•Enforcement of environmental conservation and protection laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>•<b>Sea water-front and river sides beautification and landscaping projects</b></li> </ul>		

		SHORT-TERM	MID-TERM		LONG-TERM	
	Unit	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>
		5 Year Plan 1995-2000	5 Year Plan 2001-2005	5 Year Plan 2006-2010	5 Year Plan 2011-2015	5 Year Plan 2016-2020
<b>Development Frame</b>						
• <b>Population</b>	<b>Thousand</b>	6,970	7,771	<b>8,664</b>	<b>9,529</b>	10,466
• <b>Employment</b>	<b>Thousand</b>	302	433	<b>622</b>	<b>893</b>	1,283
• <b>Manuf.</b>	<b>Mil Taka</b>	99,339	150,339	<b>226,801</b>	<b>358,061</b>	575,220
• <b>CRDP</b>	<b>Mil. Taka</b>	38,313	67,521	<b>118,995</b>	<b>209,710</b>	369,582
• <b>Manuf. GRDP</b>	<b>Taka</b>	14,252	19,346	<b>26,177</b>	<b>37,576</b>	54,961
• <b>Per Capita Income</b>						
<b>Development Strategy and Goals</b>		<b>Preparatory Phase</b>	<b>Starting Growing Phase</b>	<b>Accelerated Growing Phase</b>	<b>Consummating Growing Phase</b>	<b>Maturing Phase for Subsequent "Take-off"</b>
		Formulation of a consensus on CIDP as a national project  Legal, institutional, organizational arrangements  Initiation of a pilot project  Preparation for mobilization of public sector investments	Attraction of as much FDI as possible  Inducement of increase in production  Solution of bottle-neck infrastructure  City planning guidance to create a new CBD in the south of the River	<b>Improvement of infrastructure to be compatible with a full-fledged CIDP</b>  <b>Diversification of indigenous industries</b>  <b>Enhancement of the quality of products and resultant competitiveness for exportation</b>	<b>Provision of high-order infrastructure and amenity such as new airport, tele-port, urban landscape, recreation/sports facilities, etc.</b>  <b>Transformation of industries towards more advanced and value-added structure</b>	Provision of adequate operation and management of infrastructure  Preparation and initiation for the "next generation" industrial development



		SHORT-TERM	MID-TERM		LONG-TERM	
	Unit	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>
		5 Year Plan 1995-2000	5 Year Plan 2001-2005	5 Year Plan 2006-2010	5 Year Plan 2011-2015	5 Year Plan 2016-2020
<b>Conceptual Development Target</b>		Quantitative enlargement of production with cheap labor force and locally available resources	Diversification of Products focusing on increase of export competitive products	<b>Enhancement of quality of products with advancement of industrial structure</b>	<b>Augmentation of the ability of products development with R&amp;D functions</b>	Maintenance of quality and quantity production with ripple effects to other regions
<b>Requirements for Production Structure</b>		<ul style="list-style-type: none"> <li>Supply of industrial raw material</li> <li>Evolving and Strengthening of indigenous industries</li> <li>Stable supply of industrial energy</li> </ul>	<p>Development of processing industry</p> <p>Introduction of assembling industry</p> <p>Evolving and strengthening of export-oriented industry</p>	<p><b>Continuous growth of assembling industry</b></p> <p><b>Introduction of advance technology industry</b></p> <p><b>Accelerated growth of export-oriented industry</b></p>	<p><b>Continuous growth of advance technology industry</b></p> <p><b>Development of R&amp;D type industrial parks</b></p>	Achievement of well-balanced industrial structure and its operation and management at then international level
<b>Development of Industrial Estates</b>		<ul style="list-style-type: none"> <li>Expansion of EPZ</li> <li>Development of general industrial parks (GIP)</li> </ul>	Enhancement of quality and quantity of EPZ and GIP to accommodate diversified industries	<p><b>Development of water-front type industrial parks adjacent to port facilities</b></p> <p><b>Establishment of physical distribution centers</b></p>	<b>Development of industrial parks with R&amp;D functions</b>	Development of "air-front" (adjacent to international airport) type industrial parks

# Establishing a SEZ in Bangladesh



- Firsts tasks include designing legal authority of a future BSEZA, **Short-listing SEZ locations**
- PSDCG members could join the coordination office along with other professionals
- Examine feasibility of different mixes of public-private approaches, and site section
- **Prime consideration of site should be commercial viability**

- SEZ could be an area of several hundred square kilometers



## **[Timeframe]**

- 3 months after receiving recommendation to set up SEZ coordination office
- 6 months for site-selection
- Government could then approve a pre-feasibility study (three months)
- 1 year, completion full feasibility study
- Creation of BEPZA legal mandate, closure of initial coordination office

# Malaysian Industrial Development Authority (MIDA)

Corporate Mission

## "POSITIONING MALAYSIA FOR GLOBAL COMPETITIVENESS"



The Malaysian Industrial Development Authority (MIDA) is the government's principal agency for the promotion of the manufacturing and services sectors in Malaysia. MIDA assists companies which intend to invest in the manufacturing and services sectors, as well as facilitates the implementation of their projects. The wide range of services provided by MIDA include providing information on the opportunities for investments, as well as facilitating companies which are looking for joint venture partners. MIDA also assists companies interested in venturing abroad for business opportunities.

To further enhance MIDA's role in assisting investors, senior representatives from key government agencies are stationed at MIDA's headquarters in Kuala Lumpur to advise investors on government policies and procedures. These representatives include officials from the Department of Labour, Immigration Department, Royal Malaysian Customs,

Department of Environment, Tenaga Nasional Berhad and Telekom Malaysia Berhad. MIDA also evaluates the following applications for projects in the manufacturing and its related services sectors:

- Manufacturing licenses
- Tax incentives
- Expatriate posts
- Duty exemptions on raw materials, components, machinery and equipment

MIDA committed to complete the evaluation of applications from the date applications are received with complete information within the time-frame as stipulated below :



### Manufacturing Sector

- Manufacturing Licence - **4 weeks**
- Incentives - **6 weeks**
- Exemption from Custom Duties - **4 weeks**
- Expatriate Posts:
  - **7 working days** for existing companies
  - **4 weeks** for new companies

### Services Sector

- Status of Regional Establishment - **4 weeks**
- Status of Research & Development Company - **4 weeks**
- Incentives - **6 weeks**
- Exemption from Custom Duties - **4 weeks**
- Expatriate Posts:
  - **7 working days** for existing Operational Headquarters, International Procurement Centre and Regional Distribution Centre
  - **4 weeks** for new companies

# Client Charter



MIDA committed to provide services in a professional, efficient and ethical manner to industrialists and potential investors in the manufacturing and services sectors by:

- Responding to all investment enquiries in a prompt and courteous manner
- Disseminating accurate and up to-date information on investments
- Assisting investors in the implementation of their projects

## **NEW ECONOMIC ZONES TO QUICKEN INDUSTRIALISATION:**

- Initially three economic zones will be setup at CHITTAGONG, Sylhet and Sirajganj.
- Economic Zones will be run under the concept of PPP where the government will provide the required land, infrastructures and utilities.
- Besides Export, the manufacturers inside the EZ's will be allowed to sell their produce in the local market which is not allowed in case of EPZs.
- -- 8, EPZs employ 295,000 people  
-- Total Exports \$ 2.8 billion  
-- Total FDI \$ 222 million in 2010-11 fiscal year.
- -- All the 20 EZ's will generate 1.5 million jobs  
-- generate around 85% of exports by 2021  
-- attract new investments worth up to \$ 2.5 billion.
- New Economic Zones could be a major driver of Economic growth and job creation and three zones could be a major factor to lift Bangladesh to MIC states by 2021.

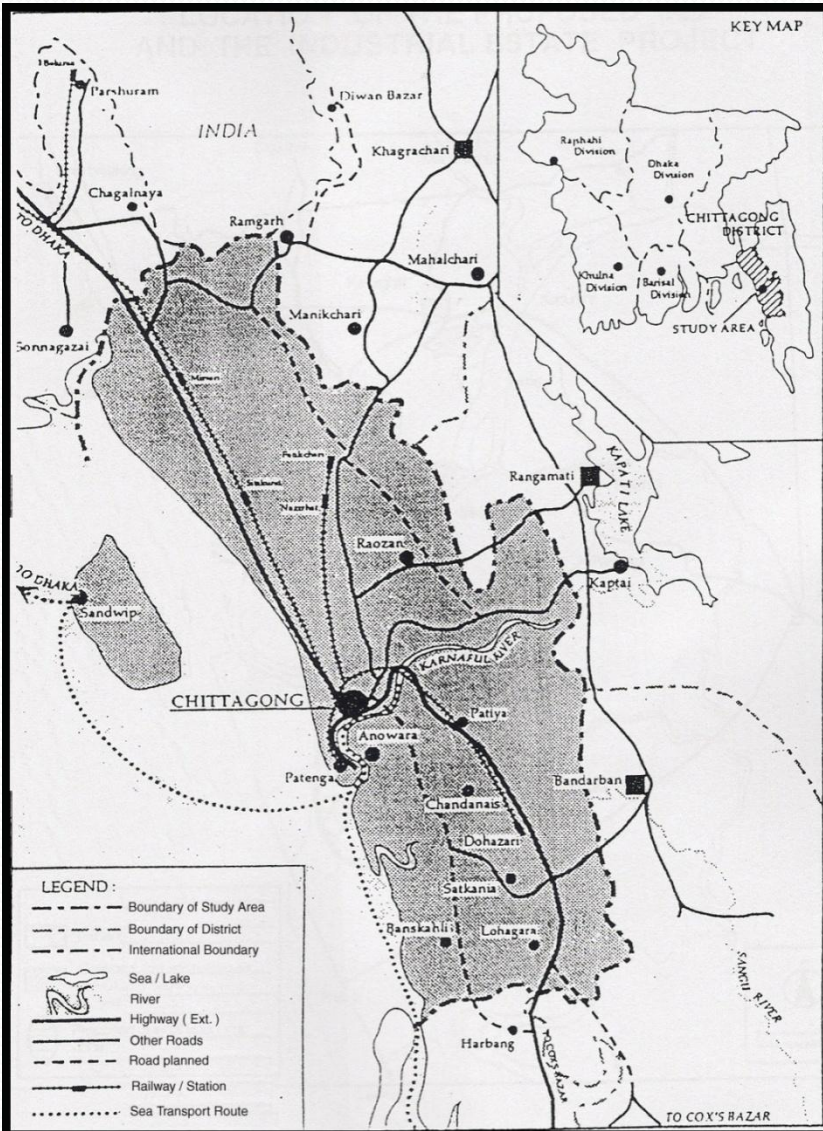
(Executive Chairman, Bangladesh Economic Zone Authority (BEZA) & Cabinet Secretary.)



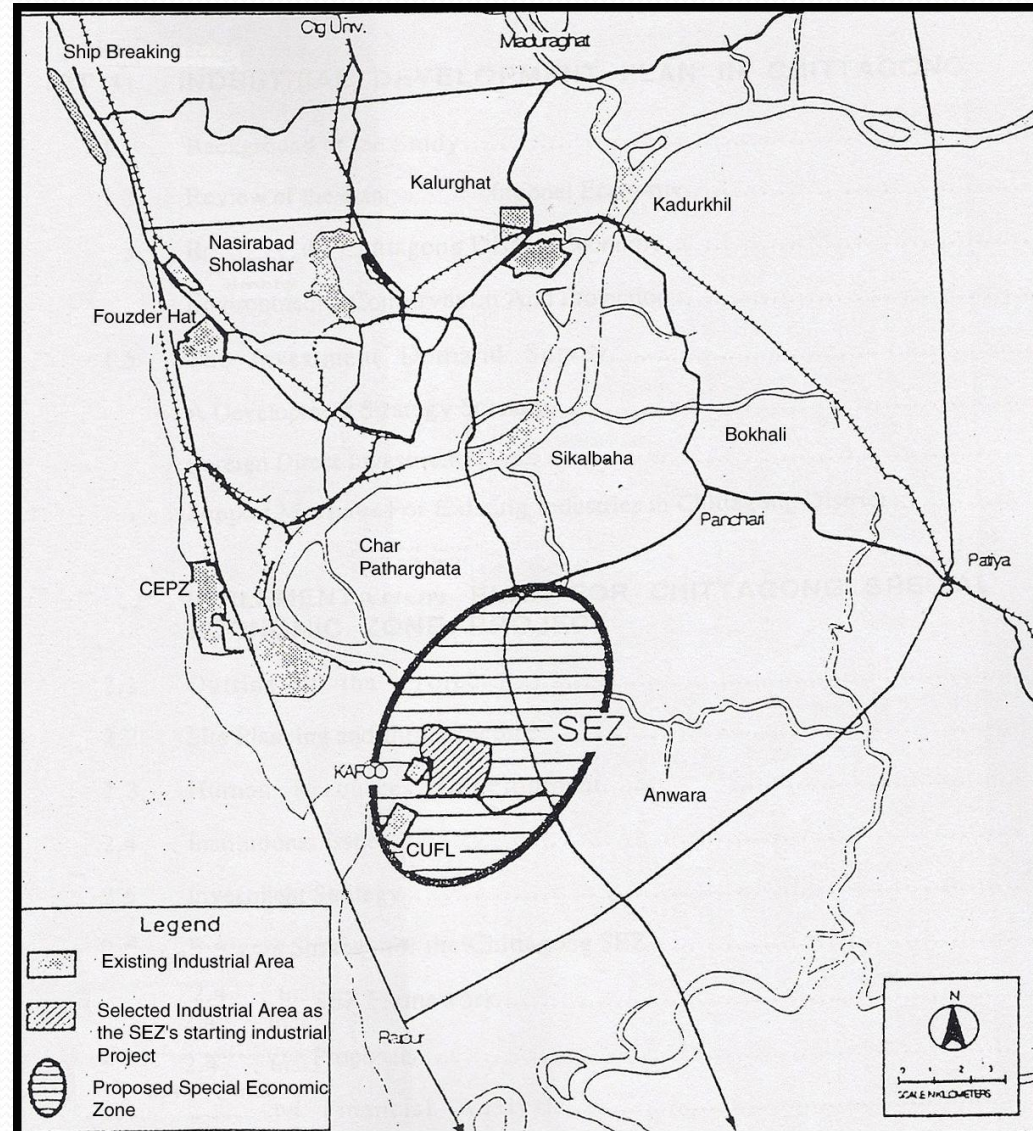
# **Recommendations**

- 1. CONSOLIDATION OF INVESTMENT AGENCIES:  
BY ESTABLISHMENT OF BANGLADESH  
INDUSTRIAL DEVELOPMENT AUTHORITY (BIDA):  
BOI/BEPZA/SEZ AUTHORITY-MERGER**
- 2. BIDA OFFICE OVERSEAS**
- 3. SECURITY: SEZ/INDUSTRIAL POLICE**
- 4. ACTION PLAN : GOV MAY REQUEST JICA TO UPDATE  
JICA REPORT, 1995.**
- 5. COSTAL BELT DEVELOPMENT STRATEGY**
- 6. 50 M JOB CREATION BY 2020**

## STUDY AREA MAP



## LOCATION OF THE PROPOSED SEZ AND THE INDUSTRIAL ESTATE PROJECT





**In this context, the Chittagong District is one of the country's regional growth poles and an important industrial center, having the country's biggest port and an international airport, and furthermore, a suitable industrial location with an already existing EPZ.**

**In effect, the industrial development in Chittagong is of national importance and significance, implying not merely developing the regional industrial base but building g the national industrial base for the benefit of the whole country and the region surrounded by the Bay of Bangal as well. Figure 1.1 illustrates a concept of the Asian Industrial Corridors and Triangles.**



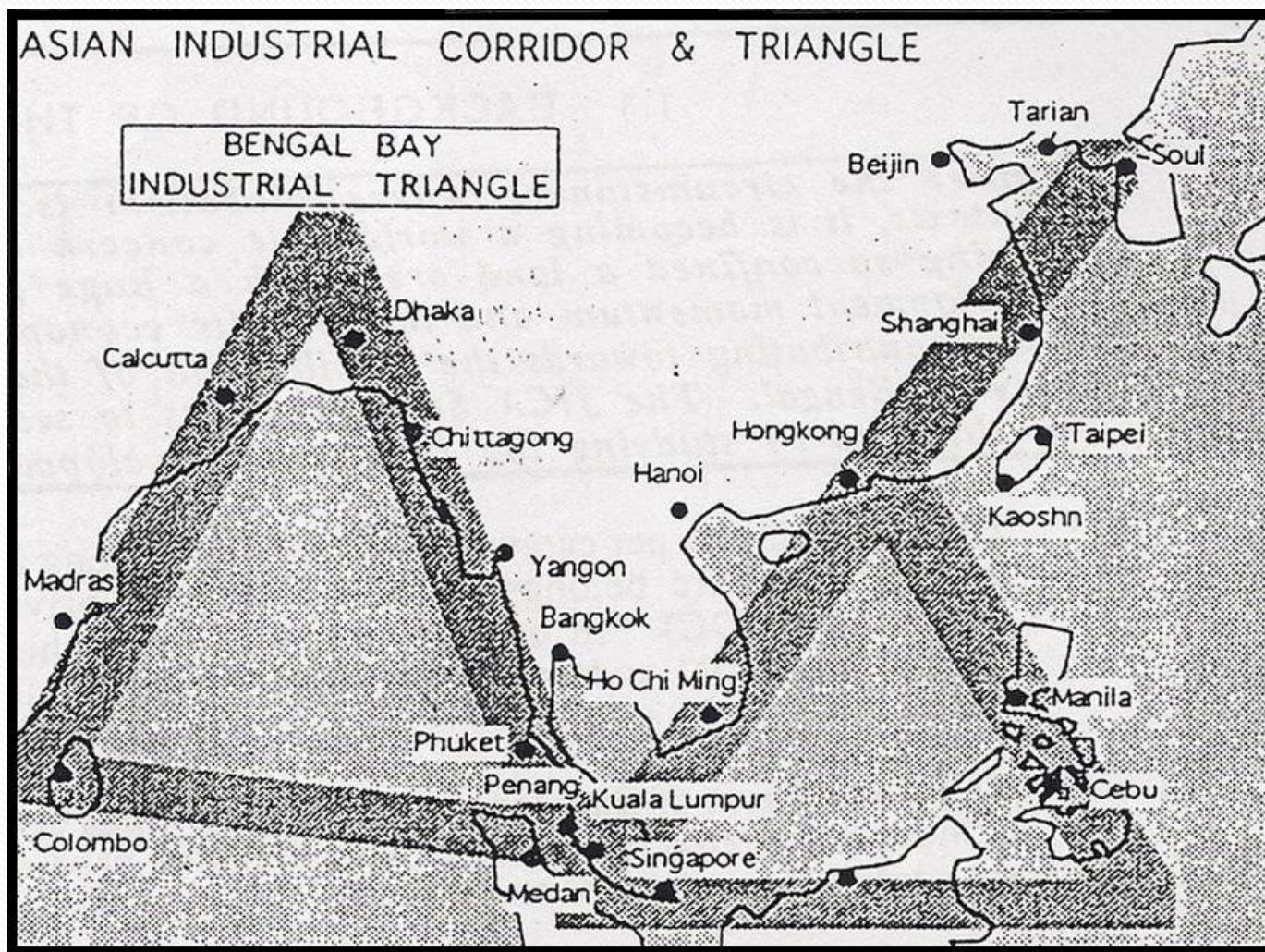
# Conclusion

## Bay of Bengal Growth Triangle

We need to have a long term vision for the region the JICA Report 1995 termed it as the **Bengal Bay Industrial Triangle-** on the one side of the mega growth triangle SAARC/ India on the other side ASEAN and China to the North, with Bangladesh at the apex.

**The Hon Prime Minister stated in Japan that due to Bangladesh's location as a bridge between South and South East Asia, with regional connectivity has the potential to become the hub of bustling economic activity in the Region- (this is long term vision of the Bay of Bengal growth triangle needs to be projected to potential investors)**

**Figure 1.1: ASIAN INDUSTRIAL CORRIDORS AND TRIANGLES**



S  
A  
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3

**Bay of Bengal Growth Triangle**



**The past, 1400 years of continuous history of the Port City of Chittagong reflects the potential of the future in the 21<sup>st</sup> Century in the Bay of Bengal**

