



A YEAR OF EXPANSION AND EXPORTS

Bangladesh Export Processing Zones Authority

The Daily Star, October 29, 1992

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Planned and designed by Madonna

BEPZA - Leads the way

Col-Syed Shahabuddin Ahmed (Retd.)
Executive Chairman, BEPZA

Bangladesh Export Processing Zones Authority Act 1980 (as modified upto 9 August, 1992) Section 5A, 2, reads "The policies formulated, orders given and instructions issued by the Board shall be deemed to be the policies formulated, orders given and instructions issued by the Government and shall be followed accordingly and they shall not require any formal approval of any Ministry or Division dealing with the matters for their implementation."

BOARD OF GOVERNORS
FORMULATE POLICIES
REVIEW ACTIVITIES AND PERFORMANCE
ISSUE ORDERS

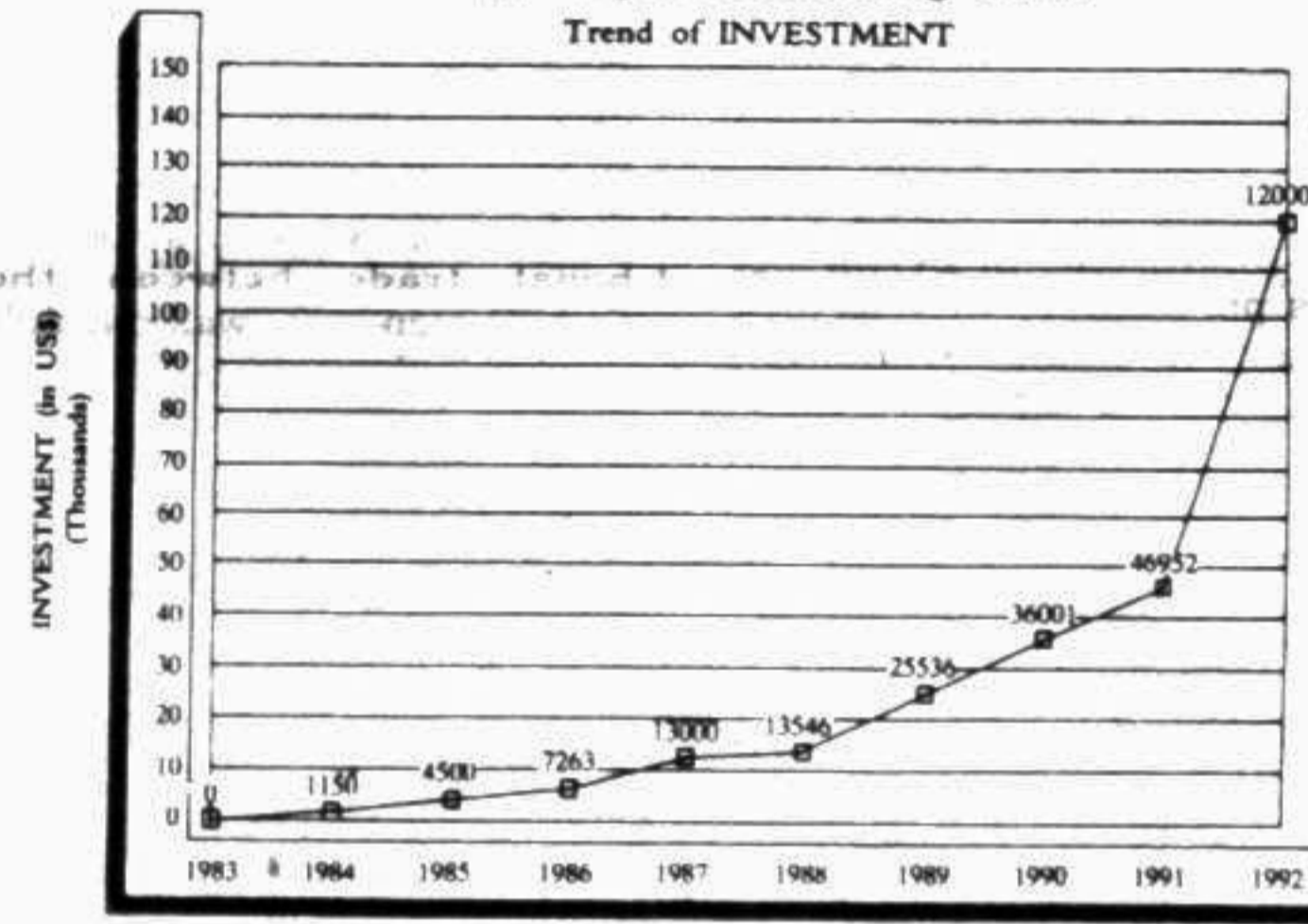
EXECUTIVE BOARD
OPERATION AND MANAGEMENT
OF THE AUTHORITY AND THE ZONES

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CEPZ (IN OPERATION) DEPZ (OPERATION MARCH 1993) KEPZ (IMPLEMENTATION STAGE)

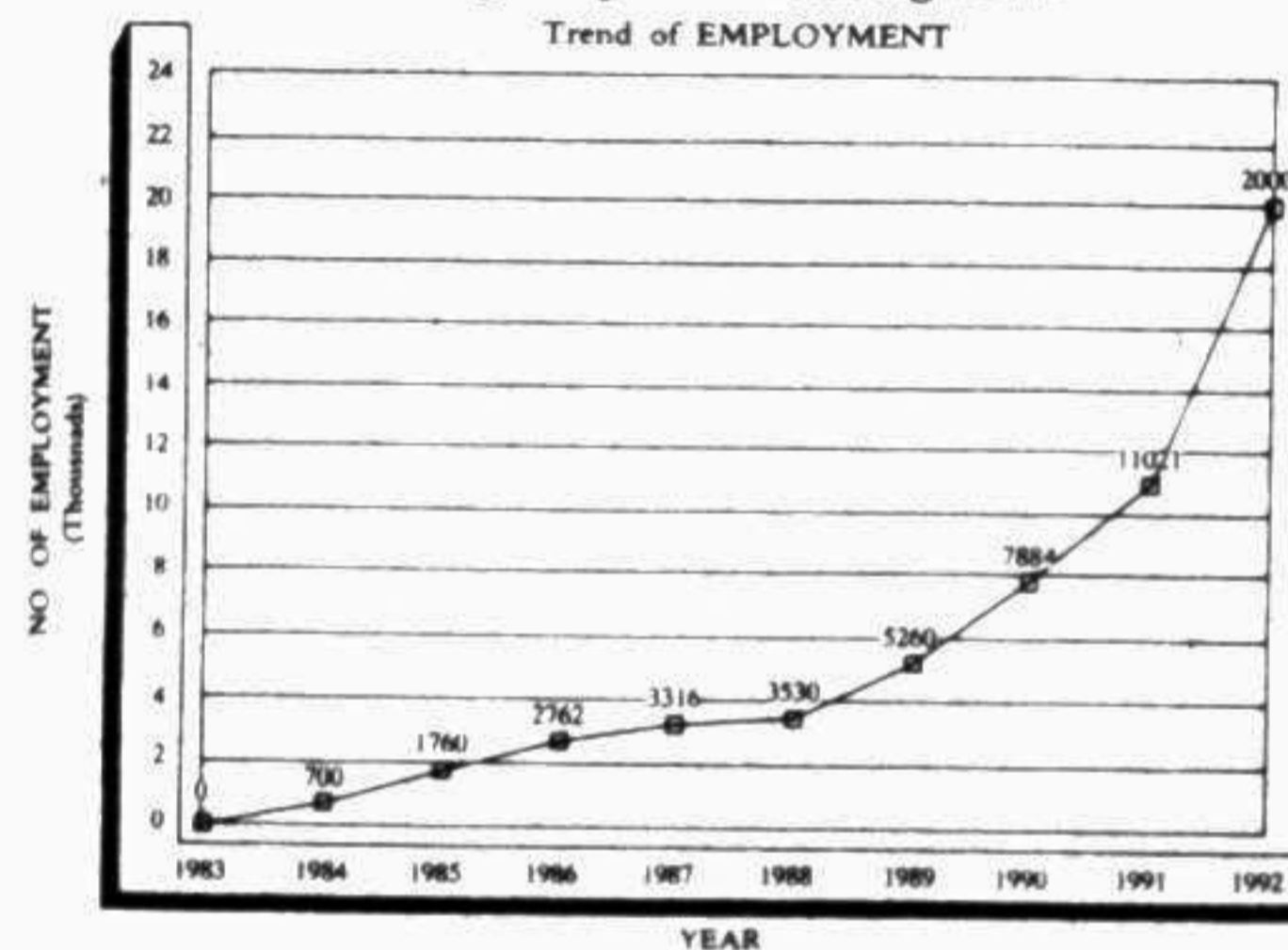
image problems and no amount of investment promotion and marketing approaches will attract foreign investment until petty officials in various agencies connected with business and industry accept and implement in letter and spirit the recent policy reforms and deregulation aimed at accelerating the pace of industrialization.

At BEPZA however it is a different story. We are trying to create and maintain an attractive investment climate. Investments in CEPZ has grown almost 100% since

Ctg. Export Processing Zone
Trend of INVESTMENT



Ctg. Export Processing Zone
Trend of EMPLOYMENT



present Government has announced an Export Development strategy for 1992-2000 where focus has been put on creation of more EPZs and Special Economic Zones.

International investors buy reputation and look for countries to invest which offer optimum profits, minimum Government control and simple custom clearance procedures. Bangladesh still suffers from

the period before 1991. BEPZA is now a ONE STOP SAME DAY SERVICE CENTRE, providing assistance to investors from conception of the project, including initial information and guidance prior to submission of an application to locate the industry in the EPZ information regarding facilities, incentives, site selection, advice on construction of their factory building, and on renting of

developing countries wishing to move out of the poverty trap. It was in this back drop that the idea of establishing an EPZ in Bangladesh was first mooted in 1976 in a meeting between Late President Ziaur Rahman and Mr. Robert McNamara, President of the World Bank, when debt servicing and further loans from the World

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Syed Shahabuddin Ahmed

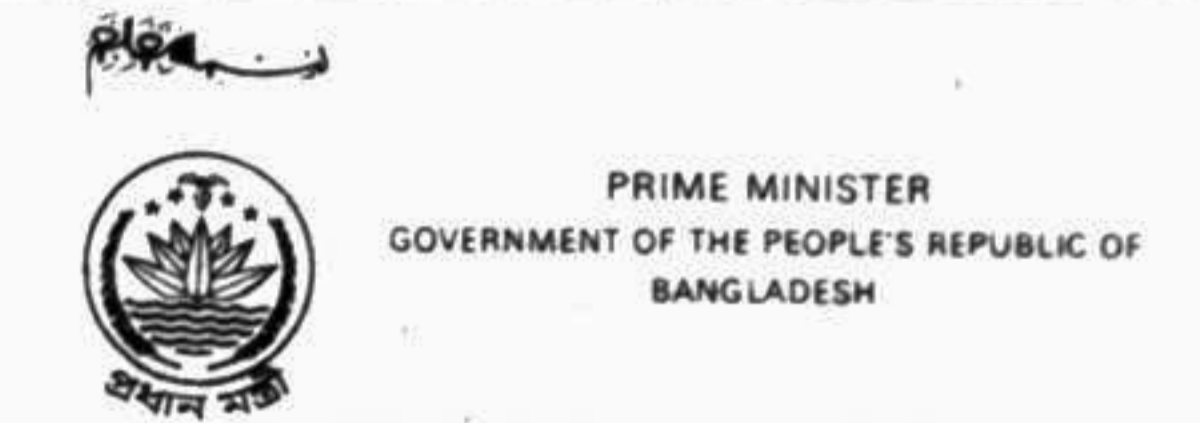
EPZ's factory building to its smooth operation.

Electricity, water, gas and telecommunication are provided the same day. Import and Export permits too are issued the same day.

Total government expenditure made so far for the development of infrastructural facilities in CEPZ was Tk. 79.15 crore. CEPZ has attracted private investment amounting to Tk. 390.00 crores including foreign investment of about Tk. 342.00 crores. At present 47 industrial units are operating in CEPZ employing about 16,000 workers. Another eight industries will

go into production very soon bringing the total operating industries to 55 and with an employment of 20,000 Bangladeshi nationals. The amount of value addition is increasing every year with the increase in number of operating industries in CEPZ. Value addition by CEPZ industries will stand to Tk. 160. crores in the current financial year from an export of Tk. 600 crores for the same period. An increase of 100% over the previous year and 300% over the exports during 90-91. According to Korean Newspapers, Korean firms report total return on their investment in CEPZ within a span of 18 months to 3 years. Reports appearing in

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PRIME MINISTER
GOVERNMENT OF THE PEOPLE'S REPUBLIC OF
BANGLADESH



Message

There is no alternative to rapid industrialisation of the country for providing employment to our people. Dearth of capital, limited technical know-how and inadequate infrastructure are standing as a barrier to the industrial development and boosting of our exports. Therefore need for foreign capital and infusion of modern technology is very important for industrial development of the country. In such a back-drop, the role of Bangladesh Export Processing Zones Authority (BEPZA) can hardly be over-emphasized.

To accelerate the process of industrialisation, present government brought sweeping changes in the industrial policy of the country. The new policy provides lucrative incentives for investors. Procedure for investment in the country has been simplified. Adequate steps have been initiated to improve infrastructural facilities.

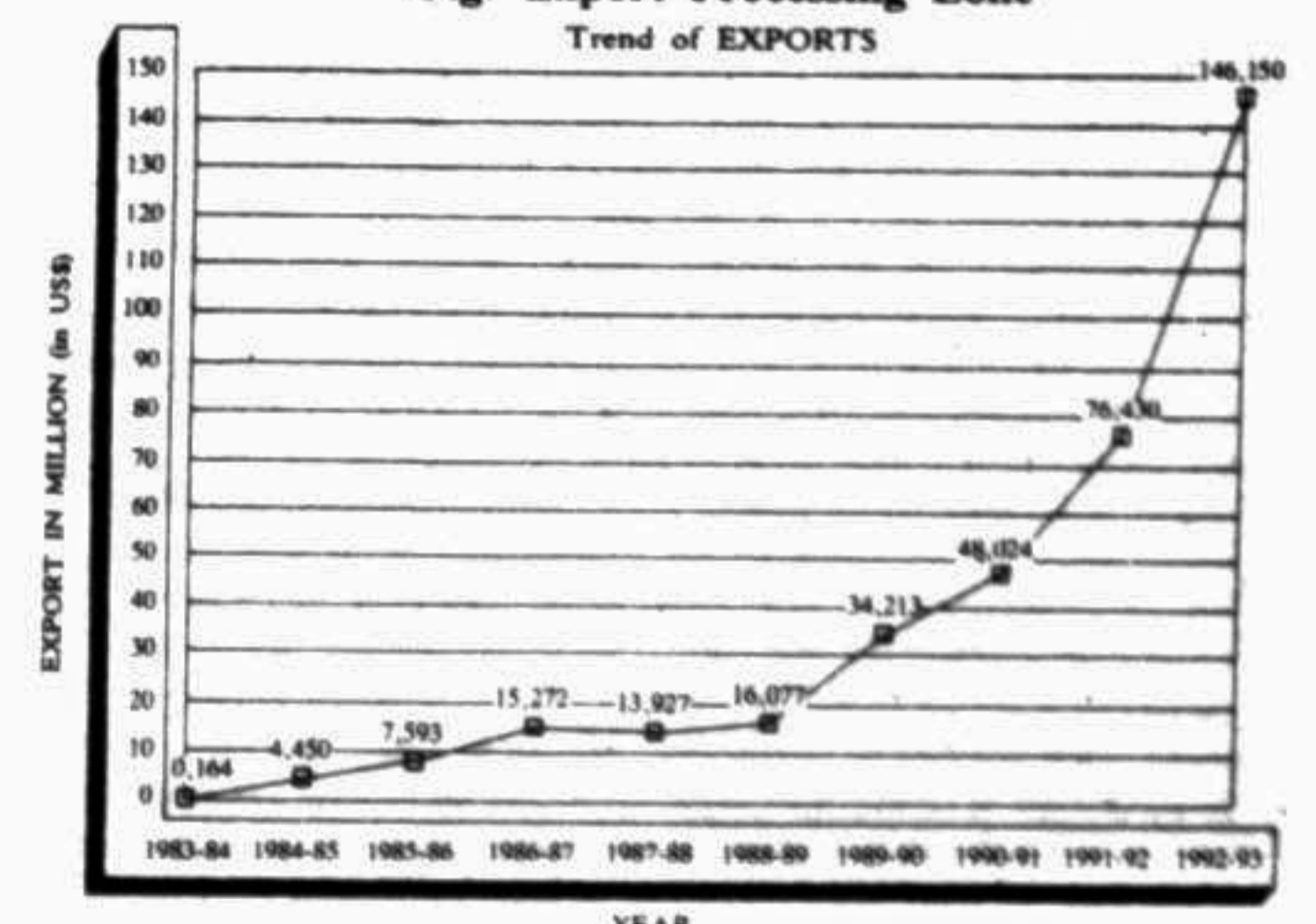
I am glad to know that Chittagong Export Processing Zone (CEPZ) with its improved infrastructural facilities has already been able to attract a sizeable number of both local and foreign investors and has been playing a vital role in attracting foreign investment.

I hope BEPZA will continue to work hard and put in its best efforts to attract more and more investment particularly foreign investment in its zones for the greater interest of the country.

I wish BEPZA every success in its endeavour.

Khaleda Zia
KHALEDA ZIA

Ctg. Export Processing Zone
Trend of EXPORTS



The Role of Export Processing Zones in the Industrialisation of Bangladesh

Kamal Siddiqui

suffered from dearth of capital and technical know-how needed for establishing industries. With a low income level combined with a low purchasing power of the common man, the internal consumer market also did not develop satisfactorily. Owing to a small domestic consumer market and inadequate institutional support, internal capital formation could not either make much headway. For various reasons including policy constraints, the Bangladesh economy suffered serious set-backs during the initial years after liberation. The private sector lagged behind because private capital formation was restricted. Given inadequate processing facilities, the country has continued to be an exporter of traditional primary products. The growth in the agriculture sector could not keep pace with population growth. The

consequence of all this has been massive unemployment and underemployment. The alarming annual average rate of growth of unemployed population (3%) is not only a source of grave human misery but also a threat to

society, economy and polity.

Development of EPZ in Bangladesh

Rapid industrialisation through private initiative is a common urge among



Birds eye view of CEPZ



Introduction: Bangladesh inherited a pre-dominantly agro-based economy, characterised by a high density of population and lack of natural resources. Bangladesh now ranks tenth from the bottom out of 43 low-income countries of the world. Agriculture contributes about 40% of the gross domestic product. The industrial sector which makes up 15% of the GDP employs only about 9% of the country's total labour force. The per capita income is only US\$ 210; and the vast majority of the population live below the poverty line with inadequate access to the basic human needs. Traditionally the country

Message

Setting up of Export Processing Zones, particularly in the developing countries have been the strategies for attracting more foreign investment in the industrialisation process. Bangladesh is no exception to this strategy.

I am happy to learn that Chittagong EPZ has been humming with activities with the participation of as many as 55 industrial units including 44 foreign investors. The achievement of Bangladesh Export Processing Zones Authority is commendable so far. Encouraged by the success in Chittagong, I understand that BEPZA has already started construction of its second EPZ in Dhaka.

The services rendered by BEPZA to its valued investors have received appreciation from all. I hope BEPZA will continue to improve its services further to satisfy its investors.

I wish BEPZA a success in their significant efforts for attracting foreign investment in the industrialisation of the country.

Abdur Rahman Biswas

Abdur Rahman Biswas



PRESIDENT
PEOPLE'S REPUBLIC OF BANGLADESH
DHAKA

