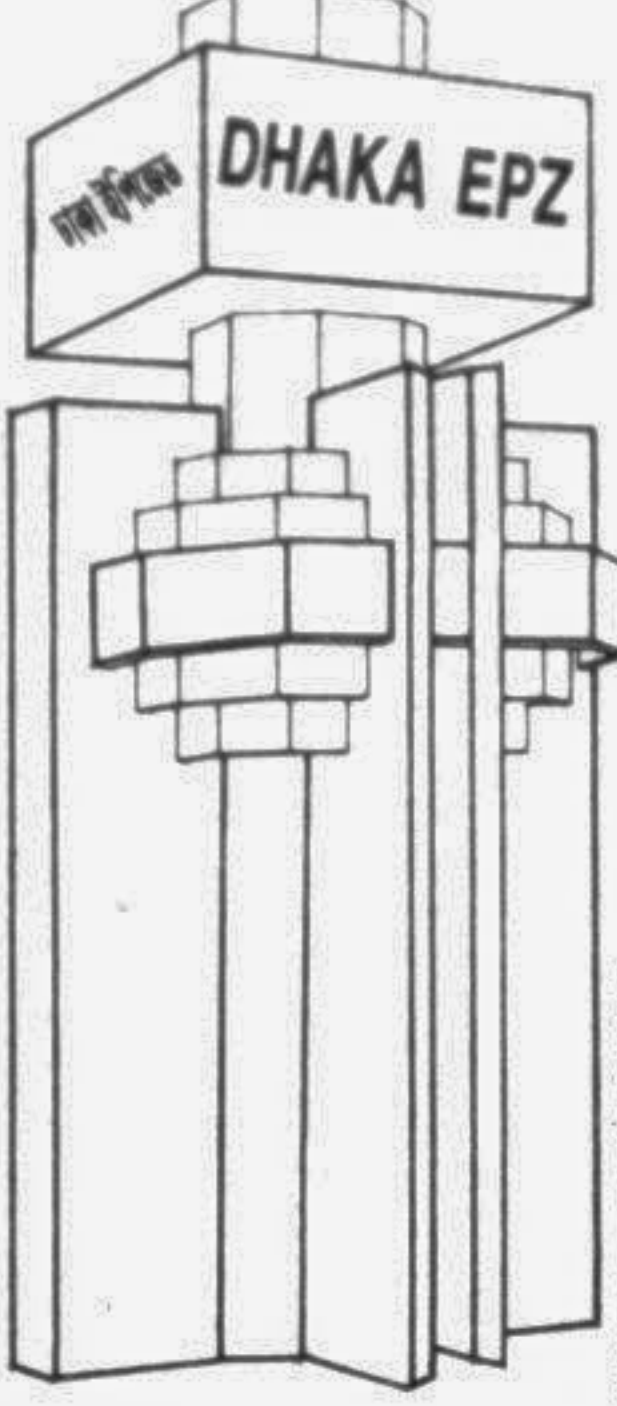



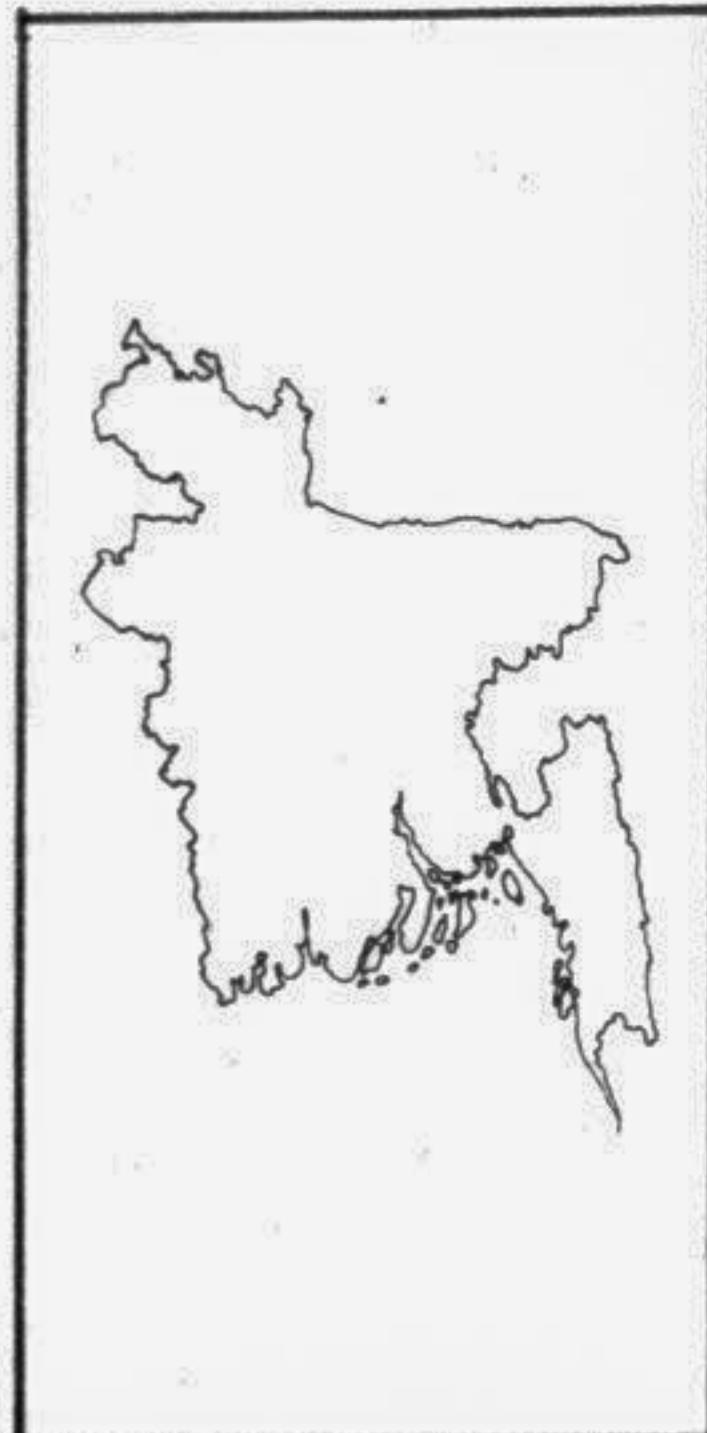
INAUGURATION OF DHAKA EPZ EXPANSION PROJECT

BANGLADESH EXPORT PROCESSING ZONES AUTHORITY
8th April 1997

The Daily Star

Special Supplement



MESSAGE

I am extremely happy to learn that the Expansion Project of the Dhaka Export Processing Zone is going to be inaugurated today.

The Expansion of Dhaka EPZ is a positive step towards realisation of our commitment of national economic prosperity and overall economic emancipation of the down-trodden we made before the last general election. The Export Processing Zones of the country are being expanded fast following increased demand of the foreign investors.

I am confident that the Bangladesh Export Processing Zones Authority would be able to complete the Expansion Project within the stipulated time.

I wish success of their unprecedented initiative.

Joi Bangla, Joi Bangabandhu
May Bangladesh Live forever

Sheikh Hasina
PRIME MINISTER
GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

BRIEF ON THE EXPANDED PROJECT OF DHAKA EPZ

Area - 214 Acres

Number of Industrial Plots - 260

Size of each Plot - 2000 M²

Rent of the Plot-US\$ 2.00/M²/year

BANGLADESH EPZ: GLOBALLY AN IDEAL PLACE FOR FOREIGN INVESTMENT

Moazzem Hossain Khan
Executive Chairman
Bangladesh Export Processing Zones Authority

Export Processing Zones (EPZs) of Bangladesh are the excellent places for setting up labour intensive, hi-tech industries and also an ideal place for re-location of sunset industries from abroad. As a result of wage hikes and input costs, the cost of production can be kept low in a fiercely competitive world market. Changing economic and political conditions in the Asian region are prompting many international investors to reassess their investment strategies and plan for re-locating their investments. Those changes are producing potential higher opportunities for Bangladesh to attract higher levels of foreign direct investment (FDI) and takeover production and marketing operations that are being shifted from other countries.

The wage rate is most important factor for any manufacturing. Rising wage rates and production costs in many of the Asian countries are making these countries less attractive as sites for labour intensive manufacturing. Thailand, Malaysia and Indonesia are already well along in a transition to more technology intensive manufacturing. The Philippines, Vietnam, China, Indonesia and many other countries are experiencing wages increases and gradually rising production costs which is making them less competitive and less attractive as low cost manufacturing bases. In these situation Bangladesh specially EPZs of Bangladesh became a 'NEW HORIZON' for foreign investors to invest their resources. These days many emerging market reports believe that Bangladesh is the next 'RISING STAR' in South Asia for foreign investment. Bangladesh has enjoyed spectacular growth in international direct investment.

Bangladesh is on the threshold of taking off in its economic development. The government has achieved considerable success in stabilising the economy through consistently implementing a series of related reform programmes in policy changes, investment and industry areas. EPZs of Bangladesh is in a position to offer a package of incentives, facilities, securities and freedom to operate by the investors which is unequalled in the region. All investment controls, blockades, bottlenecks, barriers and red-tapism have been abolished. Foreign/local private investment in the EPZs has

been kept open without any ceiling. The government has already passed 'The Bangladesh Private Export Processing Zones Authority Act, 1996' to promote and attract more and more foreign investment in Bangladesh. Foreign investors are free to re-locate industries from abroad, invest in both high-tech and labour intensive industries and now free to invest any amount of capital in Bangladesh and retain 100% equity ownership. Foreign investors are now not only free to set-up industries in the EPZs of Bangladesh but also free to set up foreign private EPZs in Bangladesh which is really a dynamic and significant decision for attracting investment in Bangladesh. Foreign investors are also allowed to set-up joint venture industries in the EPZs of Bangladesh for their local support. There is no discrimination for the foreign investors in the EPZs. Restrictions on movement of foreign exchange have been



Bangladesh is a country with great economic investment potentials. The rich natural endowments, vast human resources and her geographical location makes Bangladesh a good choice for investment. The comparative advantage of the EPZs of Bangladesh are of its homogeneously, competitive wage level and its regional location. Bangladesh is the key homogeneous country in this region. It reflects the advantage of social stability which is the key confidence creating element among foreign investors. The incentive packages offered by Bangladesh for attracting foreign investment is

going. The technology and entrepreneurship of advanced countries may draw on the abundant and cheap but extremely useful labour force of Bangladesh and reap enormous benefits to mutual advantage.

BEPZA enjoys complete freedom of action in its decision making process. A Board of Governors Chaired by the Hon'ble Prime Minister is the apex body that formulates policies of the organisation.

BEPZA assists the entrepreneurs in all matters relating to setting up and operations of industrial units in EPZs of Bangladesh. All their day to day needs in terms of import/export permits, work permits for expatriates, provision of utilities, customs appraisal are catered for under one roof through 'ONE WINDOW' service.

BEPZA pursues an 'Open Door Policy' in matters of foreign investment in its EPZs.

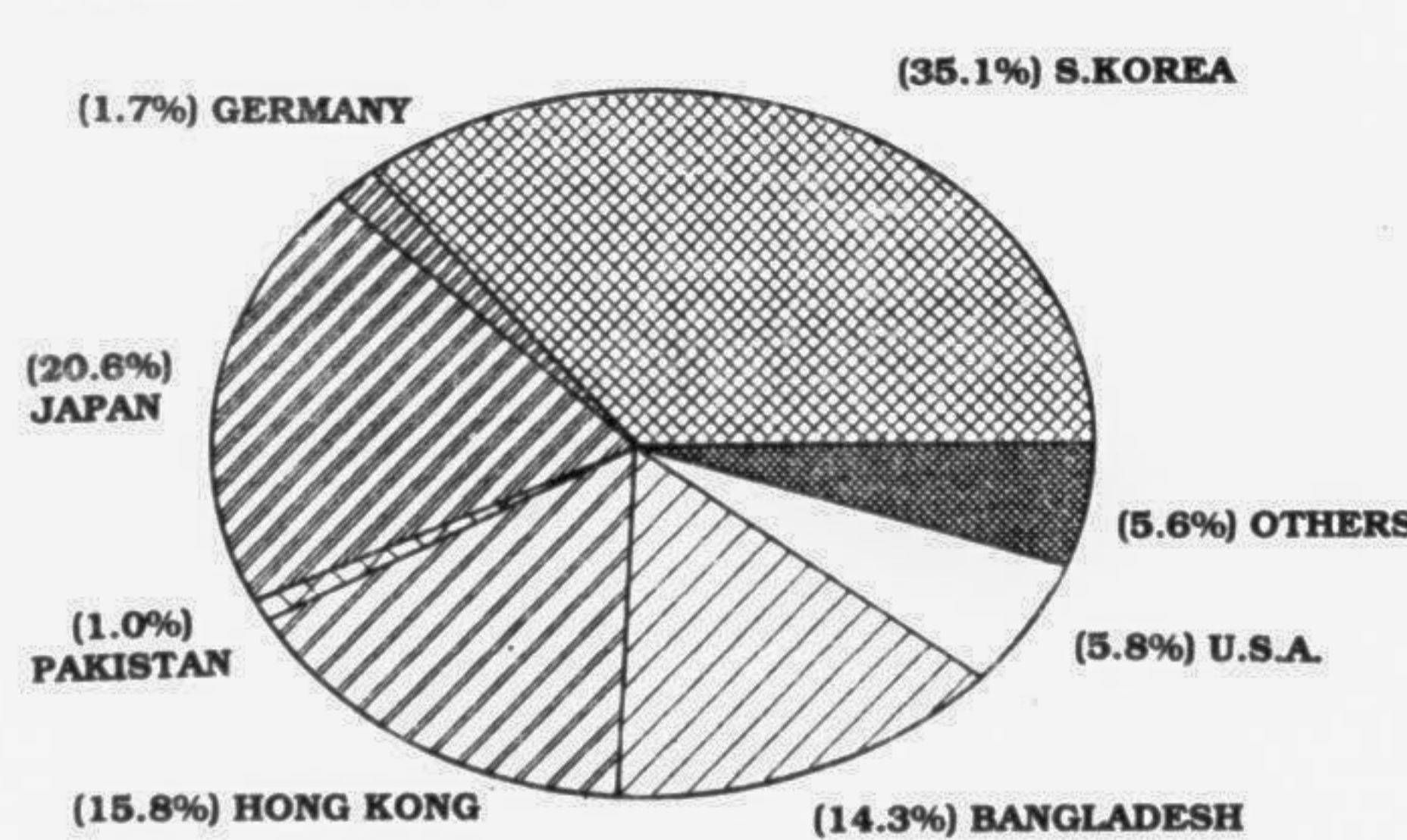
on in full swing. Government has also decided to set up EPZs in Mongla and North Bengal. To attract more foreign investment the government has also passed The Bangladesh Private Export Processing Zones Authority Act-1996 and also approved private EPZ project.

Bangladesh Export Processing Zones Authority came into existence through an act of Parliament titled 'THE BANGLADESH EXPORT

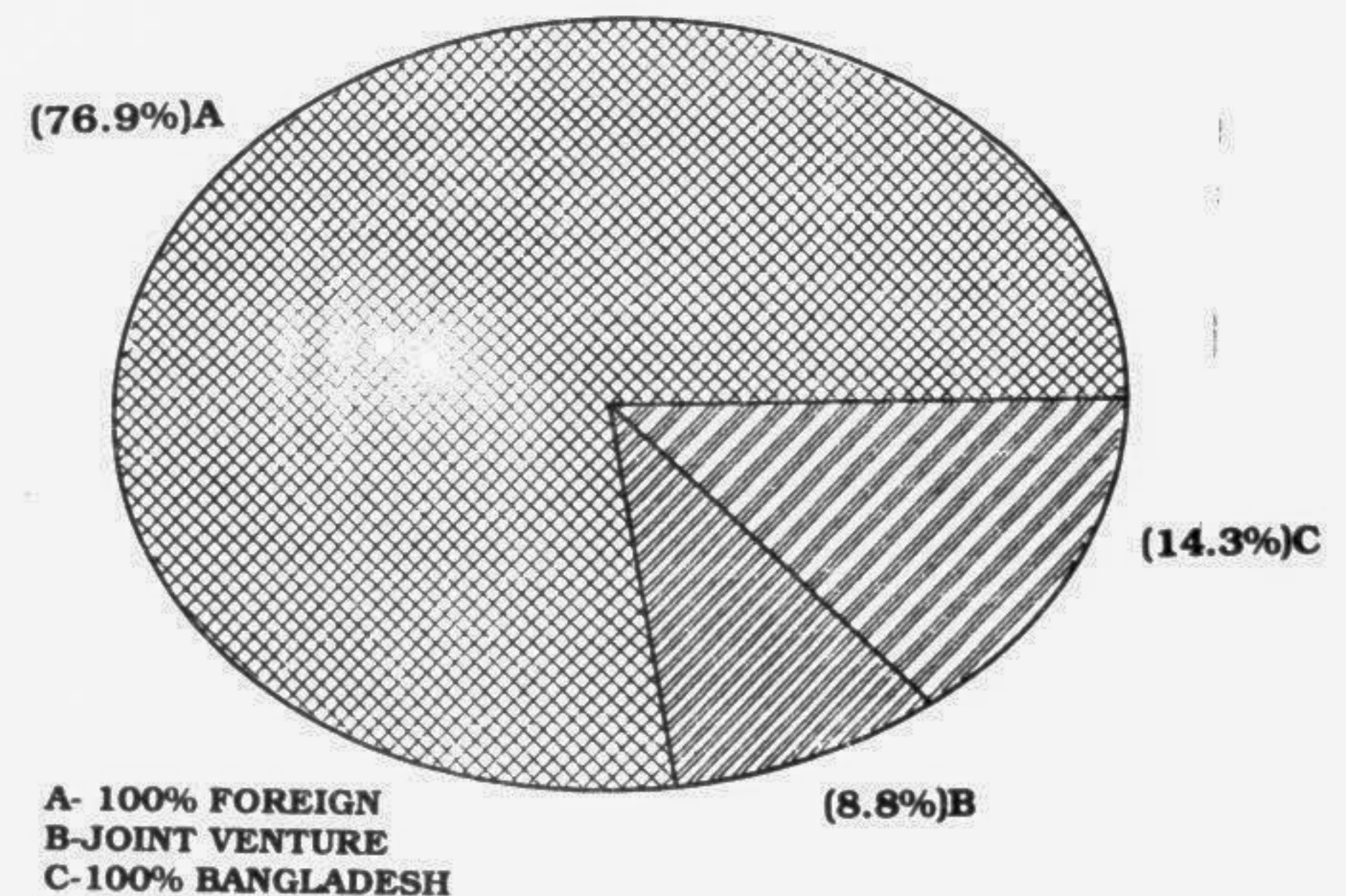
construction/implementation. The proposed investment is US\$ 700 million and actual investment is US\$ 240 million. 48 thousand workers/employees/officers are working in the two EPZs. The total export from EPZs is US\$ 1329 million. In 1995-96 financial year EPZs export was US\$ 337 million and the contribution of

We welcome both the foreign and local investors from home and abroad to visit EPZs of Bangladesh and to see for themselves the investment opportunities, the fiscal and non-fiscal incentives EPZs are offering for the investors and the present investors are enjoying 'THE ASIA'S LOW COST PRODUCTION BASE'.

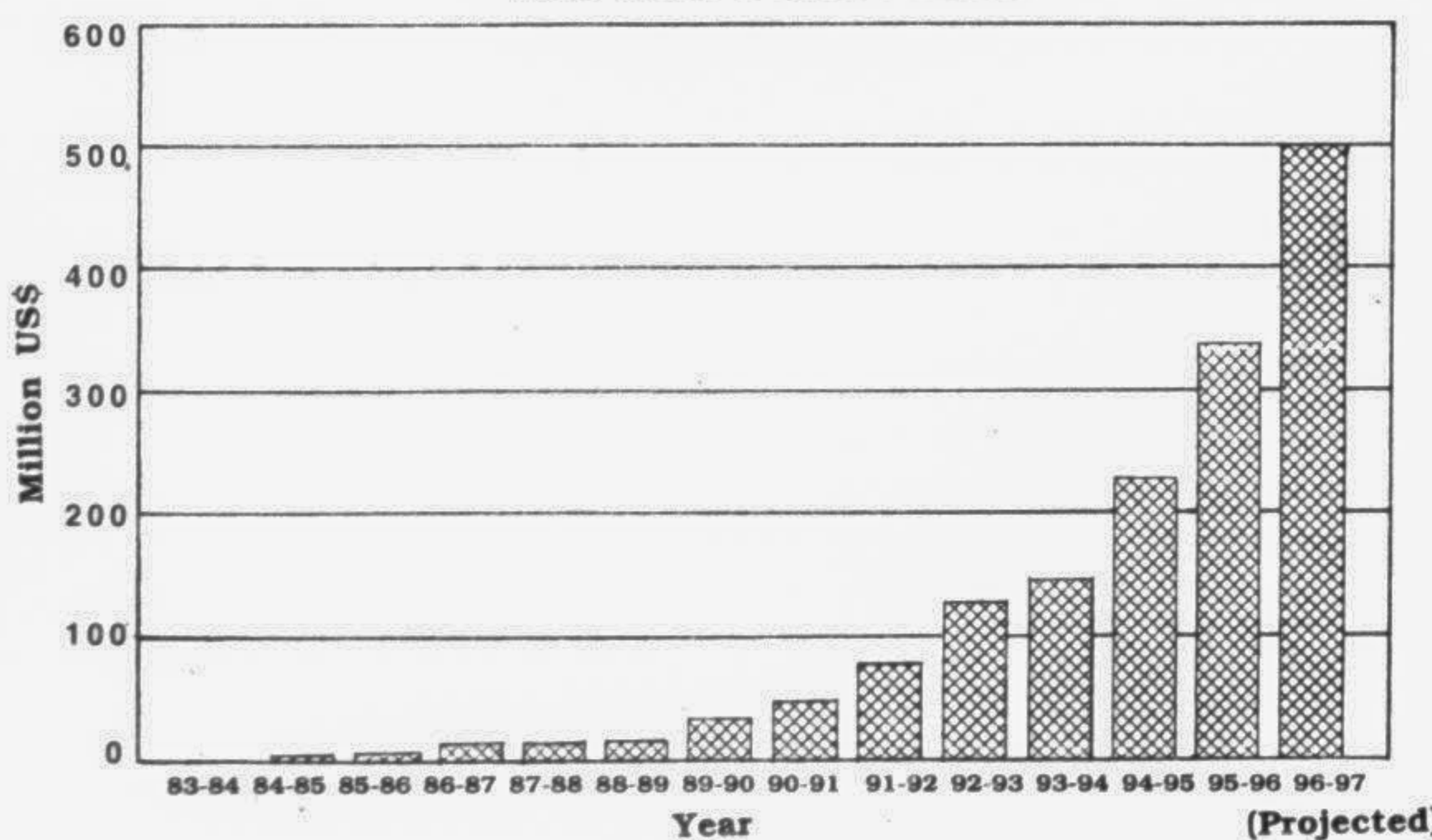
COUNTRY WISE INVESTMENT IN EPZs



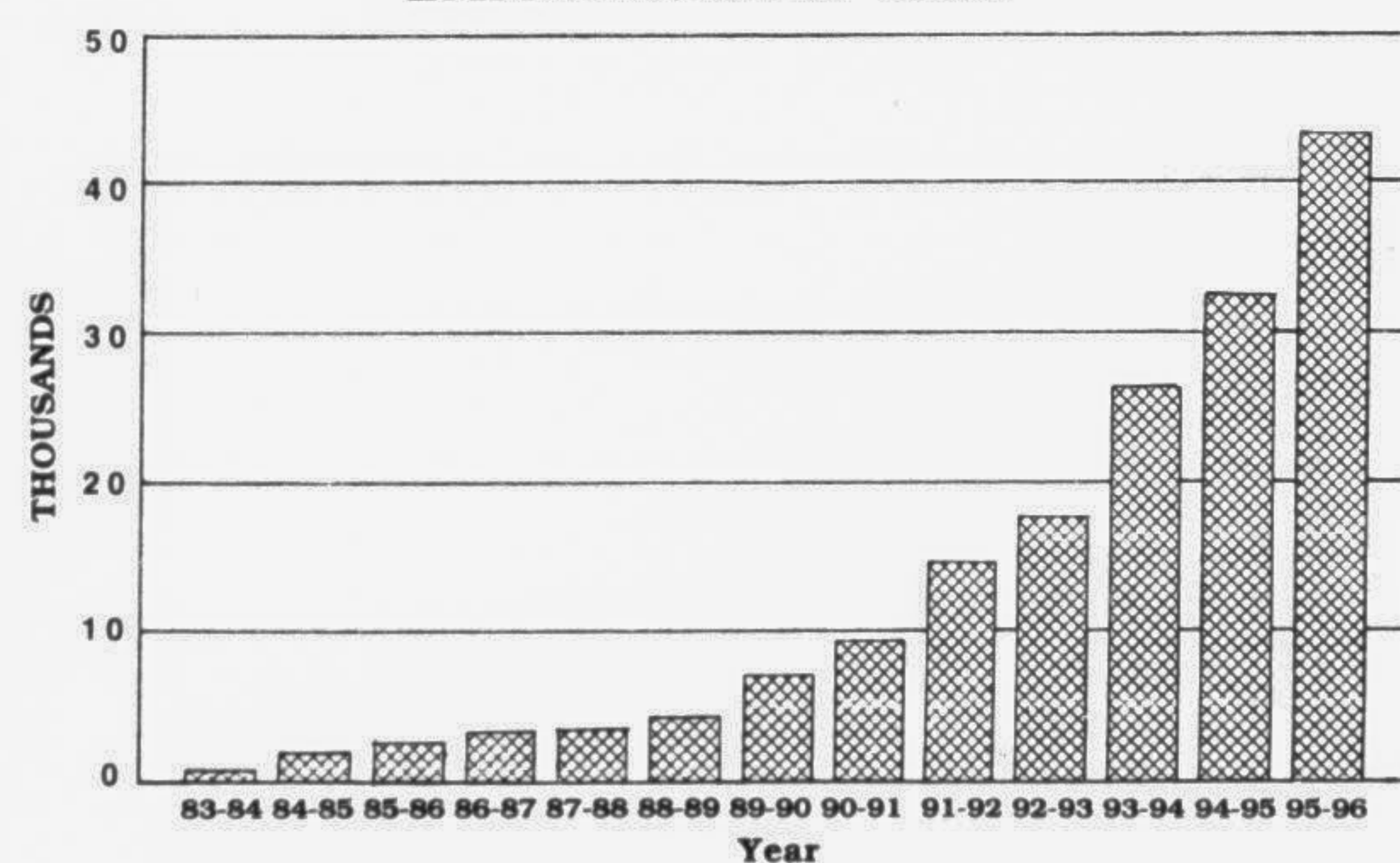
INVESTMENT IN EPZs



EXPORT FROM EPZs



EMPLOYMENT IN EPZs



abolished. Foreign investors are allowed to bring in, possess and take-out foreign currency freely. They are eligible to take advantage of wide range of generous tax incentives fiscal and non-fiscal incentives and facilities. The Foreign Private Investment (Promotion and Protection) Act, 1980 ensures legal protection to foreign investment in Bangladesh against nationalisation and expropriation and guarantees repatriation of capital and return form it and equitable treatment with local investors in regards to indemnification, compensation etc.

Incomparable and competitive with the ones offered by other countries in the region particularly South Asia. Moreover, the incentive packages are being continually reviewed and improved to remain competitive with the ones offered by other regional countries.

In the developed countries most of the investors are already stranded due to high labour cost and high production cost. In the backdrop of persistent recession in the economically advanced countries, most of them operating in competitive markets are finding it a hard

Next to it, is the Executive Board which is responsible for the establishment, Management and operation of all the EPZs in the country within the policy framework approved by the BEPZA Board of Governors. Rules, regulations, export-import documentation and procedures in the EPZ system have been so framed as to make them simple with minimum formalities. Normally investors are required to deal with only one agency i.e. BEPZA for all their requirements. Offshore Banking facilities are also available for 'A' categories industries.

Investment with 100% ownership (Type-'A') or joint-venture (Type-'B') with no limit to the extent of equity sharing by the foreign partner (s) are allowed in the EPZs.

The creation of EPZs in Bangladesh has successfully contributed to the national economy of Bangladesh. A remarkable achievement of EPZs have been noticed by the present government. In view of positive response from investors from abroad & home, the government has already expanded the area of Dhaka EPZ, set-up another EPZ at Gazipur where the development works are going

PROCESSING ZONES AUTHORITY ACT, 1980'. To bring in more confidence among the foreign investors an Act 'THE FOREIGN PRIVATE INVESTMENT (PROMOTION AND PROTECTION) ACT was passed in 1980. This Act guarantees foreign investors protecting their investment against nationalization or expropriation and provides full indemnification in the event of financial loss due to civil unrest.

Presently, in two EPZs 96 industries are in full operation and 81 industries are in different stages of

EPZs export to the national export was 8.68%. Our projected target of export in 1996-97 financial year is US\$ 500 million which is 11.42% of the national projected export. Investors from Japan, South Korea, Hong Kong, China, Taiwan, Malaysia, Singapore, Thailand, Pakistan, U.S.A. U.K., U.A.E., Canada, Germany, Spain, Denmark, Ireland, Sweden, Panama, India and Bangladesh have already invested in the EPZs of Bangladesh. EPZs of Bangladesh is being noticed by the international investors as an 'EMERGING PLACE' for foreign investment.

- ### FACILITIES AND INCENTIVES PROVIDED BY BEPZA
- * Tax holiday for 10 years.
 - * No income tax on interest on borrowed capital.
 - * No dividend tax during tax holiday.
 - * No ceiling on foreign investment.
 - * Duty free import/export.
 - * Full repatriation of profit, capital and investment permissible.
 - * Duty free export of goods produced in the zones.
 - * Off-shore banking facilities available.
 - * Inter-zone and intra-zone export permitted.
 - * All customs formalities at factory gate.
 - * Import/Export permit issued within 8 working hours.
 - * No trade union/strikes.

1997 : Investment Year of Bangladesh

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