

# EPZs: Optimum Profit-earning Bases

by Akhtar Hamid Monsur

All investments in the EPZs are secured by a Parliamentary Act. The Act also ensures fair and equitable treatment to foreign private investment. Under the Act, foreign investment in Bangladesh can neither be expropriated nor be nationalized. It also guarantees full repatriation of profits and capital.

At the backdrop of chronic economic turmoil in Bangladesh in the mid 70s, the government decided to establish Export Processing Zones to offset the economic crisis that the country faced after liberation.

Following the decision, the Executive Committee of the National Economic Council (NEC) approved the proposal in August 1987 to establish the country's first EPZ in Chittagong. Two years later the Project Evaluation Committee (PEC) approved the Project Proposal of the Chittagong EPZ with an allocation of Tk 60.42 crore including a foreign exchange component of Tk 6.97 crore.

Earlier on December 26, 1980, Parliament enacted a law to create the Bangladesh Export Processing Zones Authority.

The concept of Export Processing Zone is not new. The history of Export Processing Zones dates back several hundred years. Historically, a tool for aggressive commercial power, the EPZ dates back to the time of ancient phoenicians, when safe passage was the chief guarantee offered to foreign traders visiting Tyre (now in Lebanon) and Carthage, a pre-mediaeval city in the Mediterranean belt.

Later, the idea was adopted by the Greeks and then by the Romans, who developed these into launching pads for economic and political dominations. The Export Processing Zones also proved their worth by helping to enrich members of the Hanseatic League (During that time Hanseatic was in north of Germany).

In the mediaeval age, King Alfred, the Great, of England introduced the concept of Export Processing Zone in his country. In 898, King Alfred guaranteed the Archbishop of Canterbury, the right to anchor ships at Queenhithe in London without paying normal customs duties and royal tax (during that time, income tax was known as royal tax in England). Many other governments took up the idea of extending Export Processing

Zone facilities, from the year 1009. One early example that resembles the zones of today was the Steelyard in the city of London. That was a special part of the port near London reserved for businessmen from the cities of northern Germany. They were exempted from paying custom duties on goods passing through the Steelyard. In those days one had to pay custom duties on export, not on imports.

Now located half-way between Europe and the Far East, Bangladesh is rapidly developing into a centre of activities for export-oriented international manufacturers. With its privileged location on the Bay of Bengal, Bangladesh is attracting the attention of the global manufacturers. The entrepreneurs are attaching utmost importance to Bangladesh because of the country's close proximity to the fast growing ASEAN markets and the fact that she is within easy reach of the Middle East.

Another important aspect is the availability of the most inexpensive and productive labour force, which has aptly dubbed the EPZs of Bangladesh as the 'Optimum profit earning bases' of the world. Prospects are further boosted by the fact that the present government of Bangladesh is pursuing a most liberal policy for foreign investment. As a part of this policy, the role of the government today is promotional rather than regulatory.

Location is very important for the success of an Export Processing Zone. The major requirements for an EPZ site include the following:

- a) Local labour supply (both skilled and unskilled).
- b) Proximity to international sea and air ports.
- c) Accessibility of the zone to the global markets.
- d) Adequate supply of various utility facilities like power, water, gas and telecommunications.
- e) Suitable living accommodation and educational facilities for foreign investors and their dependents.

Weather condition.

While selecting Chittagong and Dhaka as the places for Bangladesh's Export Processing Zones, all these factors were taken into consideration.

Three types of investments are allowed in the EPZs of Bangladesh. These are: 'A' type: 100 per cent foreign ownership including ownership by Bangladeshi nationals usually resident abroad; 'B' type: joint venture projects between foreign and Bangladeshi entrepreneurs resident in Bangladesh; and 'C' type: 100% Bangladeshi entrepreneurs resident in Bangladesh.

In the EPZs of Bangladesh foreign private investment can be made either independently or through joint ventures on mutually beneficial terms and conditions. Investors have the option to establish either public or private limited companies or sole proprietorship or partnership concerns. There is no investment ceiling in the EPZs of Bangladesh.

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A number of international organizations like Multilateral Investment Guarantee Agency (MIGA), International Centre for the Settlement of Investment Disputes (ICSID) and the Overseas Private Investment Corporation (OPIC) of the USA also ensure investment guarantee for investors in Export Processing Zones.

MIGA is the newest member of the World Bank group to help foreign investors and host countries. While ICSID also extends similar assistance, OPIC usually operates its insurance and finance programmes in the Export Processing Zones.

Bangladesh Export Processing Zones Authority extends ten years tax holiday for all types of investments. It also exempts

income tax on interest on borrowed capital, income tax on the salaries of foreign technicians for three years subject to certain conditions, dividend tax for tax holiday period and customs duties and sales tax on imported motor vehicles for the executives of enterprises in the zones. Bangladesh EPZ Authority permits duty free import of machinery, equipment and raw materials and duty free export of goods produced in the zones.

The other incentives and facilities include fully serviced and developed industrial plots for immediate construction of factory buildings, liberal employment of foreign technicians, freedom from national import policy restrictions, relocation of existing industries from abroad, back-to-back LC facilities for certain types of industries for the import of raw materials, off-shore banking facilities, import of raw materials on a Documentary Acceptance (DA) basis and equal rights for foreign employees on a similar basis to Bangladeshi nationals.

At the moment 119 industries are in operation in the Chittagong and the Dhaka Export Processing Zones with a total investment worth US\$327.51 million. Of these 85 industries are in operation in CEPZ while 34 in DEFPZ. Another 60 industrial units are under implementation in the Chittagong EPZ while 51 enterprises in DEFPZ. 16 countries have so far invested US\$234.72 million in the Chittagong EPZ while 12 countries have invested US\$92.79 million in the Dhaka EPZ. The countries are: USA, Hongkong, Japan, Pakistan, Malaysia, Thailand, Germany, UK, Denmark, South Korea, UAE, China, Taiwan, Singapore, France, Canada, Panama, India and Bangladesh.

South Korea is the largest investor both in Chittagong and Dhaka EPZs. The South Korean investment in CEPZ stands at about US\$79 million while in DEFPZ US\$50.52 million.

The writer is General Manager (PR), BEPZA.

# Electric Fence to Surround Entire Town

From the inside, the town of Heritage Park will look like a bucolic, peaceful suburb but from the outside, it will better resemble a prison, with electric fences and sentries. Gemini News Service reports on the new apartheid in South Africa: walls that separate entire neighbourhoods and towns from the outside world. **Mohammad Allie** writes from Cape Town

A property development company has come up with a novel idea to protect its home owners from criminals: surrounding their new town with a 12-strand electric fence.

Heritage Park, as the town will be known, will have four entry gates, each with its own manned sentry box. Residents will have passes while visitors will have to be cleared before entry. The plan is to house 20,000 people in the 200 hectares of what was previously farm land in Somerset West, 40 km from Cape Town.

The man behind the project is George Hazelden, a Londoner who came to Cape Town 20 years ago. His inspiration came from the medieval walled town of Mont St Michel off the Normandy coast in France.

"There you get a sense of tranquility and a close-knit community," says Hazelden.

He says the concept of fortifying an entire town is not entirely new.

Our concept came from the need to securitise the town. Basically if you look back to the past to the Middle Ages in Europe when civilisation collapsed, that's exactly what happened. People built walls around their town so that they could defend their town."

Over the past few years crime has become a mini industry in South Africa. Statistics show that the country's rape, robbery and murder figures rank among the highest in the world.

Virtually every home in the country is equipped with burglar bars, a burglar alarm and in many cases the alarm is linked to an armed response company as residents seek to keep out the ever-increasing number of criminals.

However, most of the violent crime occurs in the economically deprived black neigh-

bourhoods in urban areas like Cape Town, Johannesburg and Durban. The wealthier neighbourhoods — with their better pickings of jewellery and electronics — tend to be the targets for house break-ins.

Having an electric fence around Heritage Park is not the solution to the country's crime problems, says Heinrich Magerman, African National Congress councillor for the local municipality of Helderberg.

"I think it's a bad sign because there are other ways of beating crime such as getting communities involved," says Magerman. "By installing an electric fence they are isolating themselves from the rest of society."

In fact, the project's backers boast that Heritage Park will offer its inhabitants absolutely everything they may need within its gates. "You will have your shops, your churches, a school, a hospital, playgrounds, a dam for fishing and even a graveyard. So if you have young children they could stay there, go to school, go to church and come home," says Juliet Walker, marketing manager of Faircape Properties which is handling the residential side of the development.

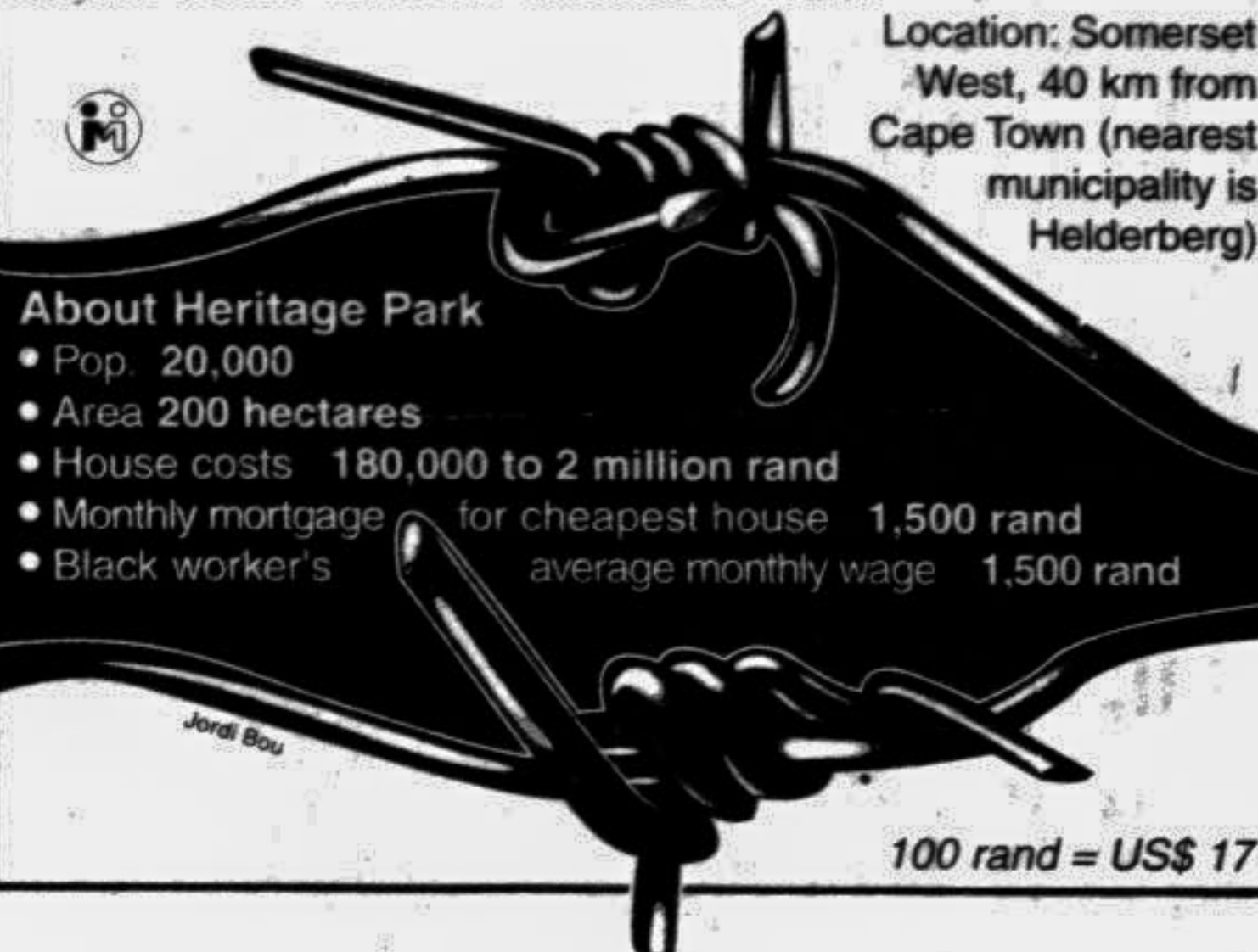
"It's a little village. You don't have to go out of the village to buy your bread or whatever it is. It's all right there."

House prices range from R180,000 to R2 million. Although the low end of this price range is quite cheap relative to urban prices, current mortgage rates of 23 per cent would make the monthly payment R1,500 — the total monthly wage of the average black worker.

Sceptics have therefore labelled the development a private little homeland for the rich, a charge that Walker denies.

## Fenced in

A South African developer wants to surround an entire town with an electric fence.



Location: Somerset West, 40 km from Cape Town (nearest municipality is Helderberg)

About Heritage Park

- Pop. 20,000
- Area 200 hectares
- House costs 180,000 to 2 million rand
- Monthly mortgage for cheapest house 1,500 rand
- Black worker's average monthly wage 1,500 rand

"It's definitely not an exclusive scheme. If you can afford to pay the bond and you've got the deposit it's open to everyone. Everyone's money is the same so it doesn't really matter. Personal appearance doesn't come into it at all."

Hazelden adds: "People of any creed, colour or religion can come and live in this town. In addition, there will be lower priced property and very expensive property which you don't have anywhere else in South Africa. All we require is people who want to live in a nice environment and who want to live in peace and harmony."

The project has generated such a great deal of interest both inside and outside South Africa that Hazelden believes it will be the forerunner to more similar developments in other parts of the country.

"I think it's one of those logical steps that's been on the cards for the last 8-9 years. Everyone's been securitising different sections but nobody's thought of doing a whole town. Also, with our development, we will be meticulously maintaining the open spaces and parks because the municipalities haven't got the money to do so."

While the houses are to be built in the new year the business park is already up and

running. The garage run by Surita and Billy Maggott has been operating for the past six months. Now Surita can't wait for next year to move into her house in Heritage Park.

"I would love to live here. What's better than sleeping at night and your windows are open? You don't have to worry about anything and you can walk to work. I prefer having my business here than anywhere else in the world. And not only because of the security but also because of the beauty of the area."

Heritage Park is located in a magnificent setting with the Hottentots Holland mountains in the background and the Indian Ocean coastline just a few kilometers away.

While critics may dismiss the idea of living inside the confines of an electric fence as being in a fool's paradise, the reality is that a paranoid South African public is yearning to live in a crime free society. Now the onus is on the inhabitants of Heritage Park to ensure that they don't burgle or rob each other in their safe environment.

The writer is a South African freelance journalist and Cape Town correspondent for the BBC's Africa Service.

# Conservation: The New Chinese Philosophy

Wu Qi writes from Beijing

Over the years, China has made strenuous efforts to protect its rich wildlife, but the difficulties are as enormous as the country. Now significant changes in public attitudes offer new hope for China's endangered species.

TIGERS are everywhere in China this year — on stamps, calendars, traditional papercuts, and paintings. It is, after all, the Chinese Year of the Tiger. But in real life the big cat is on the verge of extinction in China, with estimates putting the population at only about 160, so low that conservationists are debating whether the animal can even survive into the next century.

Sadly, it is an all-too familiar story for the wildlife of this vast country. China boasts more 4,400 kinds of vertebrates, 10 per cent of the world's total. There are about 500 mammals, 1,186 birds, 320 reptiles, 210 amphibians, and 2,200 fish species. But numbers are dwindling and overall some 100 species are close to disappearing, among them the giant panda, snub-nosed monkey, South China tiger, Chinese alligator, and Yangtze river dolphin.

Part of the reason for this sorry state of affairs is the attack on animal habitats arising from China's economic boom. Wilderness areas are rich sources of raw materials and that leaves them open to abuse, predominantly pollution. But other threats come from the past, such as the value placed on animal bones and body parts by traditional Chinese medicine.

In many rural areas even common creatures such as sparrows are few and far between. But most conservationists' attention is being focused on the plight of about 400 animals listed as endangered.

Among them, several dozen species have dwindled to a few scores in number. China's big cats have suffered a lot, especially the Siberian tiger," says Wang Weisheng, an official from the State Forestry Administration, which is in charge of wildlife protection.

Railways and roads now provide easy access to the virgin forest domain of the tiger. The howl of chain-saws, which can reduce 30-year-old trees to a truck load of planks in as many minutes, sound the death knell of the Siberian tiger. Deforestation kills off the animal's main prey species, herbivores such as red deer and wild boar. In Yanbian Prefecture, Jilin Province, the population of red deer population fell by 81.5 per cent in a decade, of musk deer by 78 per cent, and of sika deer by 74 per cent.

Hungry tigers are therefore drawn towards villages to prey on farm animals, which provokes a violent reaction. Hunting goes on despite a ban, so that by 1997 the number of Siberian tigers in Jilin and Heilongjiang provinces was down to just 10.

The Chinese government has paid considerable attention to wildlife protection. Since the late 1950s, laws have been passed to protect endangered species such as giant pandas and golden monkeys. After the National People's Congress, China's parliament, passed the Wildlife Protection Law in

November 1988, the number of species involved jumped to 97 for first-grade protection and 238 for second-grade.

A nationwide protection network has branches in every forestry monitoring station and each province designates a month or week to publicize wildlife conservation and raise public awareness. There are now 574 official nature reserves, covering in total about six per cent of the country's territory. That number is expected to double in the next 10 years. In addition, China has opened 14 wildlife rescue centres to give special care to endangered and wounded animals.

The tiger rescue centre at Hailin, Heilongjiang Province — set up in 1986 at a cost of 10 million yuan (\$1.18 million) has successfully bred more than 70 tigers from an original stock of just eight. "Artificial propagation is a necessary stage in the strategy to save tigers — the next is training them to be wild before letting them return to their natural homes," says Liu Xichen, head of the centre.

China has also launched seven rescue projects for individual species and there have been striking successes. For example, giant pandas now number 1,000; crested ibises have recovered from seven in 1981 to 102; Hainan slope deer have prospered from 26 in the early 1980s to more than 700, and Chinese alligators from 200 in the early 1980s to 5,000 now.

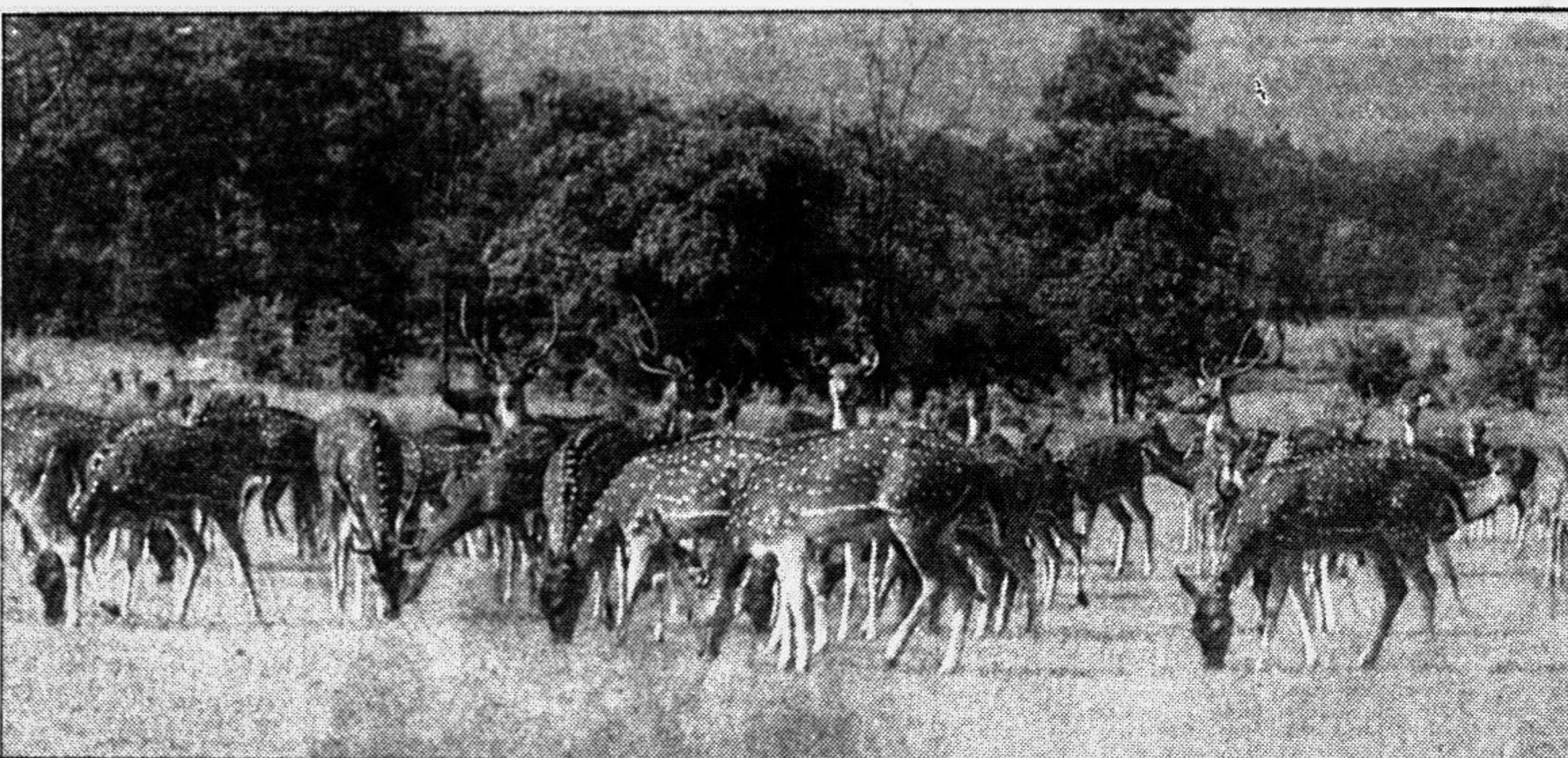
But the problems of conservation are enormous in such a

huge country and the continuing efforts are hampered by lack of money. Forestry police are ill-equipped to fight hunting gangs who use jeeps, trucks, and radio communications. While the 13,000 professional wildlife protection personnel nationwide are simply too few, in Qinghai Province, for example, one man is responsible for about 2,600 square kilometres.

Yet many individuals — maybe even more than illegal hunters — have rallied to the cause of China's animals, some even transforming themselves from villains to volunteers. One such is Zhang Houyi, who lives beside Dongting Lake in Central China's Hubei Province. Once a prolific hunter who shot more than 100 wild ducks in a single outing, he now feeds and protects cranes. For 11 years they have returned to the same place after their annual migration, each time with a new member in the family.

After the East Dongting Lake Nature Reserve was set up in 1984, Zhang became a volunteer there and his work with birds earned him membership of the World Crane Protection Fund. In the country as a whole there are now more than 40,000 full members of the China Wildlife Conservation Association, founded in 1983. It is clear that people are becoming increasingly aware of the value of wildlife, and that more than anything will help to ensure its protection. — WWF Features

The author writes for China Features



# An Intrusion into Jungle

by Amlan Home Chowdhury

THE princely pastime of shikar or hunting, banned after independence in 1947, is back in the news with the innocent four-footed inhabitants of jungle getting killed by the creamy layer of society only to satisfy their taste buds.

The stars of the celluloid world, foreigners, members of princely families, politicians and persons holding high offices are increasingly indulging in shikars in wildlife sanctuaries, reserve forests and national parks shattering their tranquility with the staccato sounds of gunfire and frequent moan of dying animals.

The shikar-related high-drama, staged in October, 1998 by the five glittering stars of the tinsel world of Bollywood — Tabu, Sonali Bendre, Neelam, Ali Khan and Salman Khan — clearly shows that the Wildlife Act, 1972 is being violated repeatedly by the uppermost echelon of the society.

Wildlife activists have coined the term "celebrity poachers" for such neo-shikaris. And the word "poacher" does not command any respect at all even if they happen to be celebrities.

The alleged killing of three black bucks by the Saif-Salman duo is not an isolated event. Earlier also, several cases of shikar came to light. Some of them were controversial enough to rock the country — the persons involved were film stars, Arabian sheikhs, celebrities, politicians and people enjoying high status.

However, this is for the first time that the celebrity poachers have been brought under the net of the law — earlier, they went scot free.

Recently, a famous film actress and her cricketer-consort allegedly indulged in shikar in Jammu and Kashmir. Few years ago, a minister in Manipur and a few top bureaucrats were accused of killing deer in reserve forests: the deer-meat, a delicacy all over India, was served at the VVIP-feast held inside a state government circuit house. Though it kicked off a country-wide controversy, nothing happened to the minister or the senior bureaucrats. Stray cases of trapping of

birds and killing of deer by Arabian sheikhs in different parts of the country do crop up. The princely families, all over India, are very often alleged to be indulging in shikars in their erstwhile fiefdoms. The politicians too enjoy the thrill of shikar rather frequently.

After the five film stars allegedly killed three black bucks in a night shikar at a wildlife park near Jodhpur in Rajasthan, the state government constituted a high level team to enquire into the episode. This is for the first time that a state government set up a team to go into the incident of shikar.

A trail of events, pertaining to shikar, taking place since 1988 reveals a strange fact: the celebrity-poachers and VVIP-shikaris usually kill those rare species that have been declared as protected under the Wildlife Act, 1972.

The black bucks fall in the "endangered species category" and other than India, they are found nowhere else in the world. Moreover, it is feared that by 2015 AD they might be extinct.

The neo-shikaris always target the docile members of the antelope-family like cheetals, nilgais, musk deer, spotted deer and black bucks.

Besides the dual-motive of food and memento, they hunt the deer for fun and frolic. In several states, the neo-rich are taking shikar as a matter of social prestige and a symbol of status.

Since the harmless-timid members of the antelope-family can neither offer resistance nor make counter attacks on the neo-shikaris a la tigers or lions, they fall easy victims to their bullets. The shikaris feast on their meat and use their horned-heads and spotted skin as showpieces or mementoes to adorn their houses.

The latest Trend Report on shikar as a revived sport reveals that in the prohibited jungle-zones, in Jammu and Kashmir, Rajasthan, Bihar, Madhya Pradesh, West Bengal, Uttar Pradesh, Orissa, Assam and entire north eastern India, it is fast getting popular. The WWF, WWF-Nature India and Legal Action for Wildlife and Environment have already

stepped up their campaign in these states against the shikar. However, they seem to have achieved only limited success.

In India, there are 419 wildlife sanctuaries and 75 national parks. Despite the existence of the Wildlife Act and a plethora of other forest protection regulations, none of these protected jungle zones seems to be safe for animals. The deer and birds are killed, cooked and eaten inside the protected forests by the celebrity-poachers and VVIP shikaris.

The danger that the members of the antelope-family is facing can be fathomed from the fact that in 1993-94 phase, there were about 3000 black bucks in different forests in Madhya Pradesh. Due to rampant poaching and shikar, their number now has come down to 250 in that state, in a span of only four years.

If 1990 is used as a cut off year, then it becomes clear that over 81 per cent of the members of the antelope family have vanished due to poaching, destruction of forests, landslides, conflagrations and floods. If the ongoing trend of shikar as a sport continues, then the whole family of antelopes may disappear.

In Madhya Pradesh, Assam, Manipur, Meghalaya, Tripura and Nagaland, shikar is popular among the politicians and top bureaucrats.

Recently, the brother of a famous politician in Madhya Pradesh went on a hunting trip inside a protected forest, kicking off a controversy. The state's forest ministry was forced to accept on the floor of legislative assembly that the forest department is not equipped properly to deal with the VVIP-poachers and neo-shikaris.

In most of the sanctuaries, wildlife parks and reserve forests, the shikaris even are helped by the forest department officials, and professional poachers in hunting deer. The amateur shikaris are helped by the poachers in guiding them through the dense forests and locating the deer. They do it for a price. In Kerala, the Gulf-returned and petro-dollar rich neo-shikaris are regularly hiring such professional poachers

for shikar.

The shikar-scene of north eastern India presents alarming picture: In North Bengal, Northern Bihar, Sikkim, Assam, Manipur, Nagaland, Arunachal Pradesh and Mizoram, the moneysed people from Nepal, Bhutan and Myanmar also hunt deer.

The WWF-Nature India has called for a total social boycott of the celebrity poachers. Describing shikar as a heinous crime, the WWF has approached the print and electronic media not to give any publicity to them. The film industry too has been urged to boycott those stars who indulge in shikar.

The Wildlife Act provides for a minimum of one year and a maximum of six years jail to those who kill wild animals falling in schedule-I of the act. However, in most such cases, the celebrity poachers are allowed to go scot free for want of direct evidence. Since 1952, there is not even a single case in which a celebrity poacher spent six months in jail for poaching deer.

The killing of the black bucks has led to unrest among the members of the Bishnoi community in Rajasthan and other adjoining states as they worship this rare species.

The stars killed the black bucks in the legendary village of Khejli, 130 km from Jodhpur, where the villagers, way back in 1778, launched the world's first ecological movement and offered massive resistance to the Maharaja of Jodhpur's attempts to fell the trees.

The Bishnois, under the leadership of a legendary woman Amrita, fought the Maharaja's soldiers. Subsequently, Amrita was murdered and 363 Bishnois including 69 women, were beheaded by the royal army for daring to challenge the authority of the Jodhpur-raj. Later the Maharaja apologised to the people of the village for the genocide.

Nowhere else in the world, so many people lost their lives for the protection of trees and ecology.

— APB/PTI Feature  
The writer is a freelance journalist

## Garfield



## James Bond

