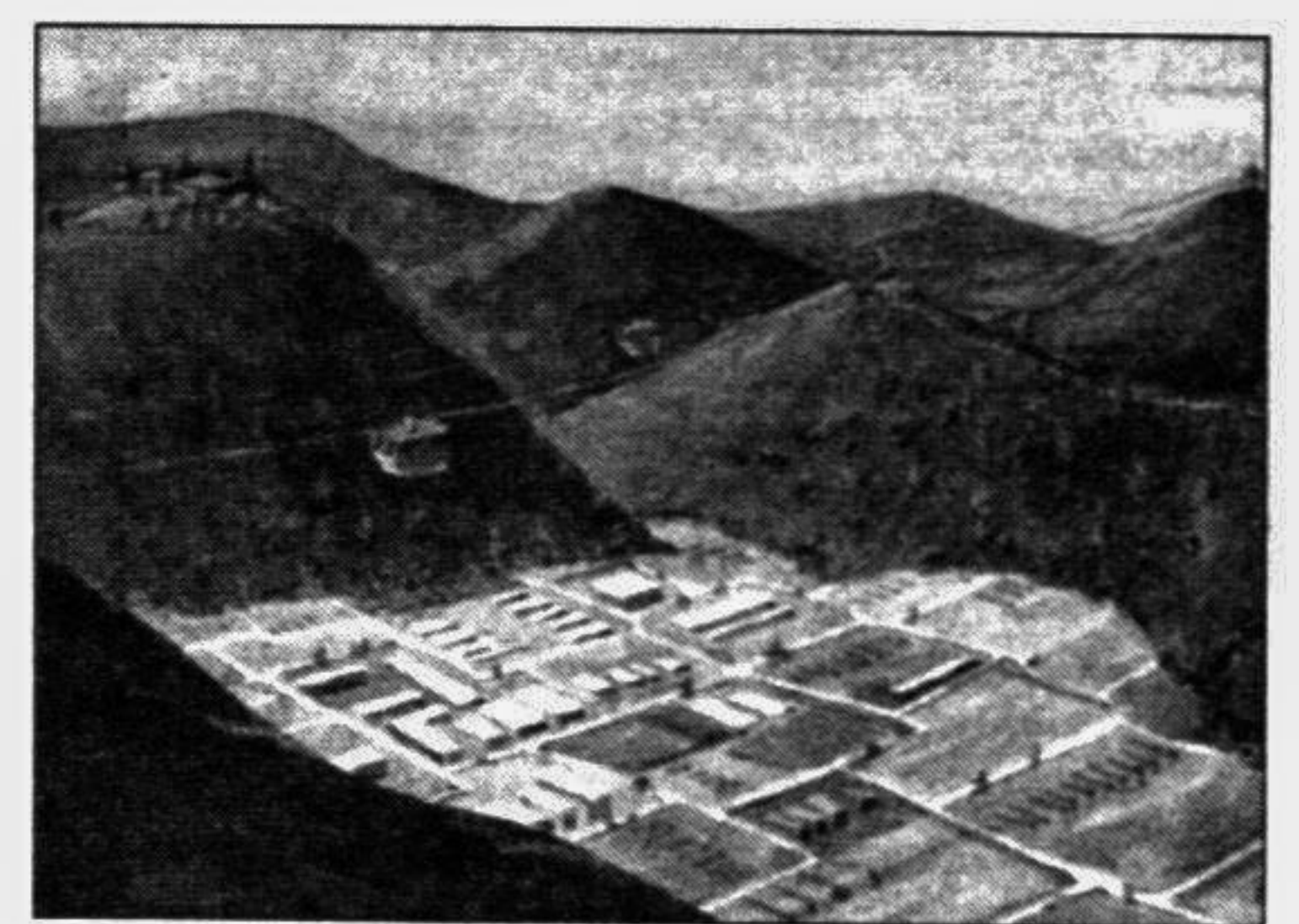


Artist's impression of proposed EPZ

# Ground Breaking Ceremony of Rangunia Export Processing Zone The First Export Processing Zone of the Country in Private Sector

Sponsor Company: **Chittagong Industrial Park Ltd**

Website: <http://www.CIP-epz.com>



Artist's impression of proposed EPZ

The Daily Star October 10, 1999

SPECIAL SUPPLEMENT



বাণী

রাসুনীয়া রঙানি প্রকিয়াকরণ জোনের ভিত্তি প্রস্তর স্থাপিত হচ্ছে জেনে আমি আনন্দিত। বেসরকারি উদ্যোগে এ ধরনের কার্যক্রম প্রগতির পথে এগিয়ে যেতে আমাদের জন্য সহায়ক হবে। আমরা দেশের জনসাধারণের অর্থনৈতিক মুক্তি অর্জনের লক্ষ্যে নিরলসভাবে কাজ করে যেতে চাই।

বেসরকারি খাতের যথাযথ বিকাশ ছাড়া দেশের অর্থনৈতিক মুক্তি অর্জন সম্ভব নয়। তাই আমরা বেসরকারি খাতকে শক্তিশালী করার কার্যক্রম গ্রহণ করেছি। ইতোমধ্যে দেশে বিনুৎসহ বিভিন্ন গুরুত্বপূর্ণ খাতে বেসরকারি এবং বিদেশী বিনিয়োগ উল্লেখযোগ্য পরিমাণ বৃদ্ধি পেয়েছে। বেসরকারি খাতে রঙানি প্রকিয়াকরণ জোন স্থাপন দেশের জনসাধারণের অর্থনৈতিক মুক্তি অর্জনের আকাঙ্ক্ষারই প্রতিফলন।

আমি রাসুনীয়া রঙানি প্রকিয়াকরণ অঞ্চলের সাফল্য কামনা করি।

জয় বাংলা, জয় বঙ্গবন্ধু  
বাংলাদেশ চিরজীবী হোক

শেখ হাসিনা

প্রধান মন্ত্রী

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

## Introduction

The development of the Chittagong Industrial Park in Bangladesh is systematically designed to provide an alternative solution for 100% export oriented, foreign and local industries. The strategic location in addition to other contributing factors, presents a unique opportunity to create Industrial Park close to the hub of the fastest economic growth centres in the world and also to one of the biggest untapped regional markets in Asia. Namely, for those facing business constraints such as, among others—

Comparative high labour costs;  
Depleting availability of raw materials;  
Economic and geographical restrictions for unilateral and vertical expansion;

To be competitive in the world market.  
It is designed with special emphasis for the 100% export oriented —

1. High Tech Industries ..... Information Technology Valley (IT Valley);
2. Agro Based Industries ..... Agricultural Valley (Agro Valley).

The site designated for the establishment of the Chittagong Industrial Park is in the district of Chittagong. Chittagong is a Port City situated in the South-East of Bangladesh, bordering the Bay of Bengal and Myanmar.

It is 260 km by road from the capital city of Dhaka. It is also the main export point of Bangladesh and is well equipped with modern Port Facilities, International Airport, Good Network of roads, having a Sub-tropical climate, a river, Karnaphuly, which is suitable for alternative inland transport.

Being the second biggest city in Bangladesh, it is endowed with a population of 2 million people. Historically, Chittagong was established was back in 200 BC as an important trading centre. Its continuous existence as a port proved its importance in economic development within the surrounding regions and countries.

Bangladesh in general is a flat alluvial land. But within the District of Chittagong especially on the rim of perimeter of 30-40 km, the land consist of undulating hills ideal for formation of Industrial Parks.

The site of the Chittagong Industrial Park Ltd. is located about 30 km from the Chittagong City on the way to Kaptai. An exclusive (1) "Information Technology Valley" and (2) "Agro Valley" are being established at the Rangunia Export Processing Zone in Rangunia Thana under Jungle Ghat Check and Noagaon Mouja on an area of about 700 acres of land owned by the Company. The total area of the zone shall be extended up to 1000 acres.

CHITTAGONG INDUSTRIAL PARK LTD  
(Sponsor Company)

RANGUNIA EXPORT PROCESSING ZONE  
(Name of the EPZ)

SECTIONS OF THE EPZ

INFORMATION  
TECHNOLOGY VALLEY  
(Agro Valley)

AGRICULTURAL  
VALLEY  
(IT Valley)

## Comparative Advantages

The Geographical Location, easily to-be-groomed skilled and cheap manpower gives enormous advantages to the entrepreneurs.

1. **Geographical Location:** Accessibility to immediate potential markets :
  - Accessibility to markets in Myanmar, a country having a population of 40 million people
  - Accessibility to markets in the "Seven Sister" States of India, having a population of 250 million people.
  - Accessibility to untapped markets in Bhutan, Sikkim and Nepal.
  - Alternative "Door" to one of the biggest markets in the world — China, namely South-Western part of China, with a regional population of 400 million people.

2. **Availability of Tribal and Rural Workers:** Easily to be groomed, skilled and cheap Tribal and Rural manpower :
  - The zone being in the adjoining area to the Chittagong Hill Tracts, the entrepreneurs can enormously benefit from the abundance supply of To-Be-Groomed Rural and Tribal workers of the Chittagong Hill Tracts.
  - Bangladesh being one of the emerging suppliers of trained and easily to be groomed manpower in the global market of Information Technology, entrepreneurs may set-up High-Tech Industries in the zone, and can benefit from comparative advantage of abundance supply Low Cost Tribal and Rural Youths.
  - Currently, Bangladesh enjoys its major income from remittance from its workers working in all major industrialized nations from Europe to Middle East and Asia. This is due to the particular fact that it has an enormous supply of labor force and characteristically, the Bangladeshi workers are easily moulded and trained to suit the varied conditions of the host countries. It has a labour force of approximately 50 million. Wages paid in comparison to the foreign countries is comparatively very low, averaged at US\$ 35 to 50 per month.

3. **Advantages for Information Technology and Agro-**
  - The zone being in the adjoining area to the Chittagong Hill Tracts, the entrepreneurs can enormously benefit from the abundance supply of To-Be-Groomed Rural and Tribal workers of the Chittagong Hill Tracts.

scale Industries shall be accommodated.

6. Expected investment to develop the Zone : about USD 40 million.
7. Expected investment by the locators to set up industries in the Zone : USD 500 million.
8. About 50,000 Direct Jobs and 120,000 Indirect Jobs shall be created.
9. Development works of the Zone shall start from the end of 1999. Process of allocation of plots among the Locators are in progress.
10. Following Facilities shall be provided by the Zone: Industrial plots of different sizes, standard factory buildings and space for supporting / subcontracting industries, housing accommodation for executives and other categories, hotel / dormitories, hospital, shops, bank, golf course, lake, swimming pool, other recreational facilities, training centre, school and all facilities required for operation of the zone on self-sustained basis with the concept of a 'Small Township' including a Science Park for R & D, self-generating power plant, water treatment plant, gas supply, independent earth station, helipad, jetty, container yard, etc.

## based Industries :

• Settings up of an Independent Earth Station with Fibre Optic Network in the zone to transmit computer software programmes and data through satellite can be an added advantage to the entrepreneurs in the Zone.

• The zone being located very near to thousand acres of cultivation friendly land of the Chittagong Hill Tracts, entrepreneurs can set up export oriented Agro-based Fruit Processing Industries in the Zone and can benefit from the potential source of abundant supply of raw materials from the surrounding area as a backward linkage.

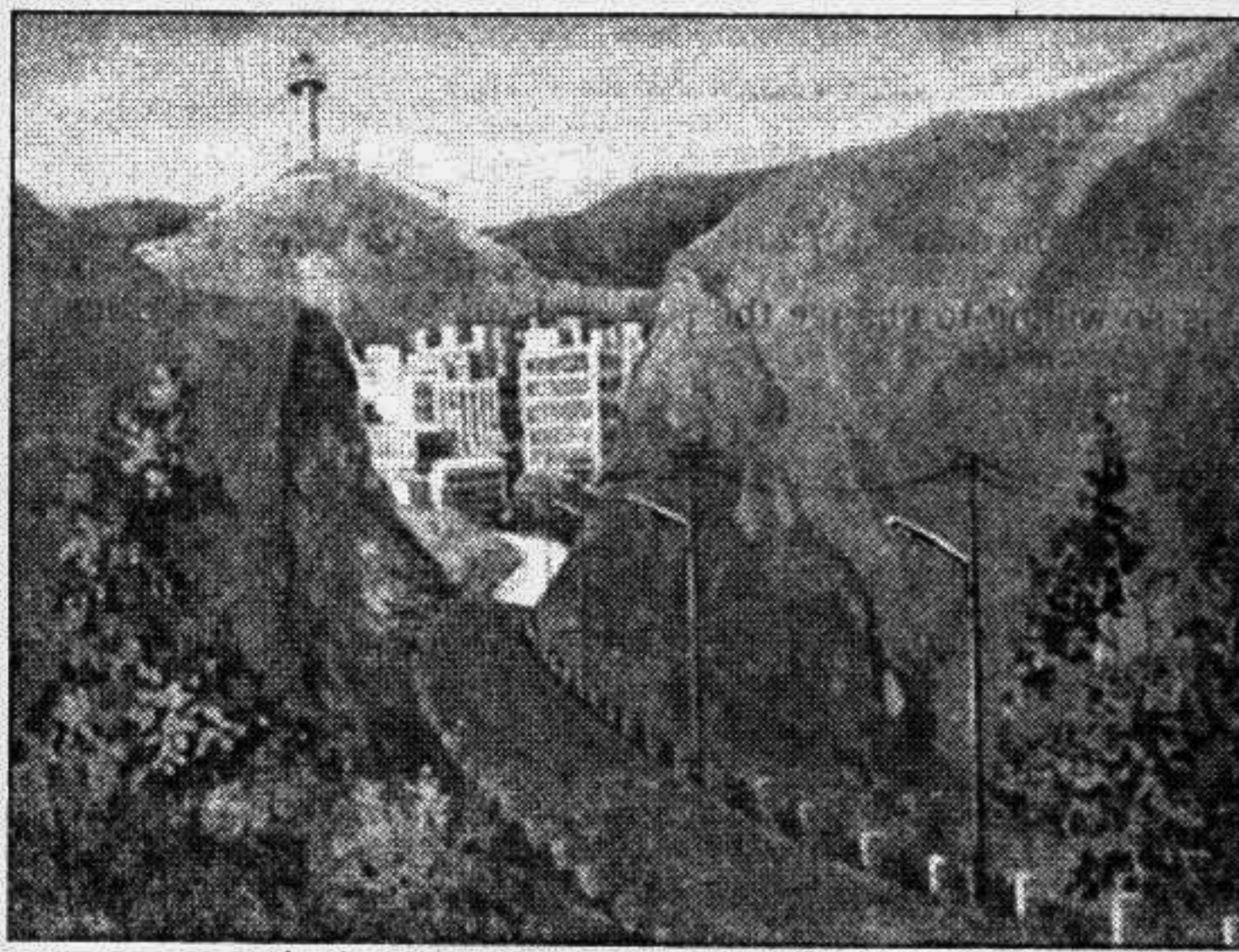
With this opportunity predominantly available in Bangladesh the foreign relocated/new industries should be able to overcome their current shortcomings.

## Protection of Law

The Private Export Processing Zone in Bangladesh is protected by law under "Section XX of Bangladesh Private Export Processing Zone Act, 1996" The Government of Bangladesh initiated a Bill on Private Export Processing Zone and enacted it into a law "The Private Export Processing Zone Act 1996" in the session of the parliament in September 1996. Our proposal to set up an Export Processing Zone in Private Sector in Rangunia Thana of Chittagong District under name and style "CHITTAGONG INDUSTRIAL PARK LTD." (CIP) was approved by the Board of Governors headed by the Honorable Prime Minister of Bangladesh in the meeting held at the Prime Minister's Office on March 29 1998, and Official Declaration was given on Aug. 09, 1999. Thus the CIP is the first private EPZ of the country .

## Salient Features of Rangunia Export Processing Zone

1. The First Export Processing Zone of the Country in Private Sector . (Official Declaration on Aug. 09, 1999, and Ground Breaking on Sept. 30, 1999).
2. Presently covering an area of land of about 171 acres, to be enhanced to about 1000 acres in three phases.
3. Located 30 km. from the Chittagong City on the way to Kaptai, on the northern side of River Karnaphully.
4. Top Priority shall be offered for Environment Friendly Backward Linkage Industries with special consideration for the Locators to set up :-  
Hi-Tech Industries 40% ii) Agro based Industries 60%
5. 80 small and medium size Industries, and 20 large



Artist's impression of proposed EPZ

6. Expected investment to develop the Zone : about USD 40 million.
7. Expected investment by the locators to set up industries in the Zone : USD 500 million.
8. About 50,000 Direct Jobs and 120,000 Indirect Jobs shall be created.
9. Development works of the Zone shall start from the end of 1999. Process of allocation of plots among the Locators are in progress.
10. Following Facilities shall be provided by the Zone: Industrial plots of different sizes, standard factory buildings and space for supporting / subcontracting industries, housing accommodation for executives and other categories, hotel / dormitories, hospital, shops, bank, golf course, lake, swimming pool, other recreational facilities, training centre, school and all facilities required for operation of the zone on self-sustained basis with the concept of a 'Small Township' including a Science Park for R & D, self-generating power plant, water treatment plant, gas supply, independent earth station, helipad, jetty, container yard, etc.

## Facilities and Incentives

**FACILITIES :**  
- All foreign investments are secured by law.  
- All customs formalities are done at the factory gate.  
- Import/ Export permit is issued within working hours.

**INCENTIVES :**  
- Tax holiday for 10 years.  
- No income tax on interest on borrowed capital  
- No dividend tax during tax holiday period.  
- No ceiling on foreign investment



Message

By the grace of Almighty Allah "Ground Breaking Ceremony" of the First Export Processing Zone in Private Sector of the Country is going to take place today.

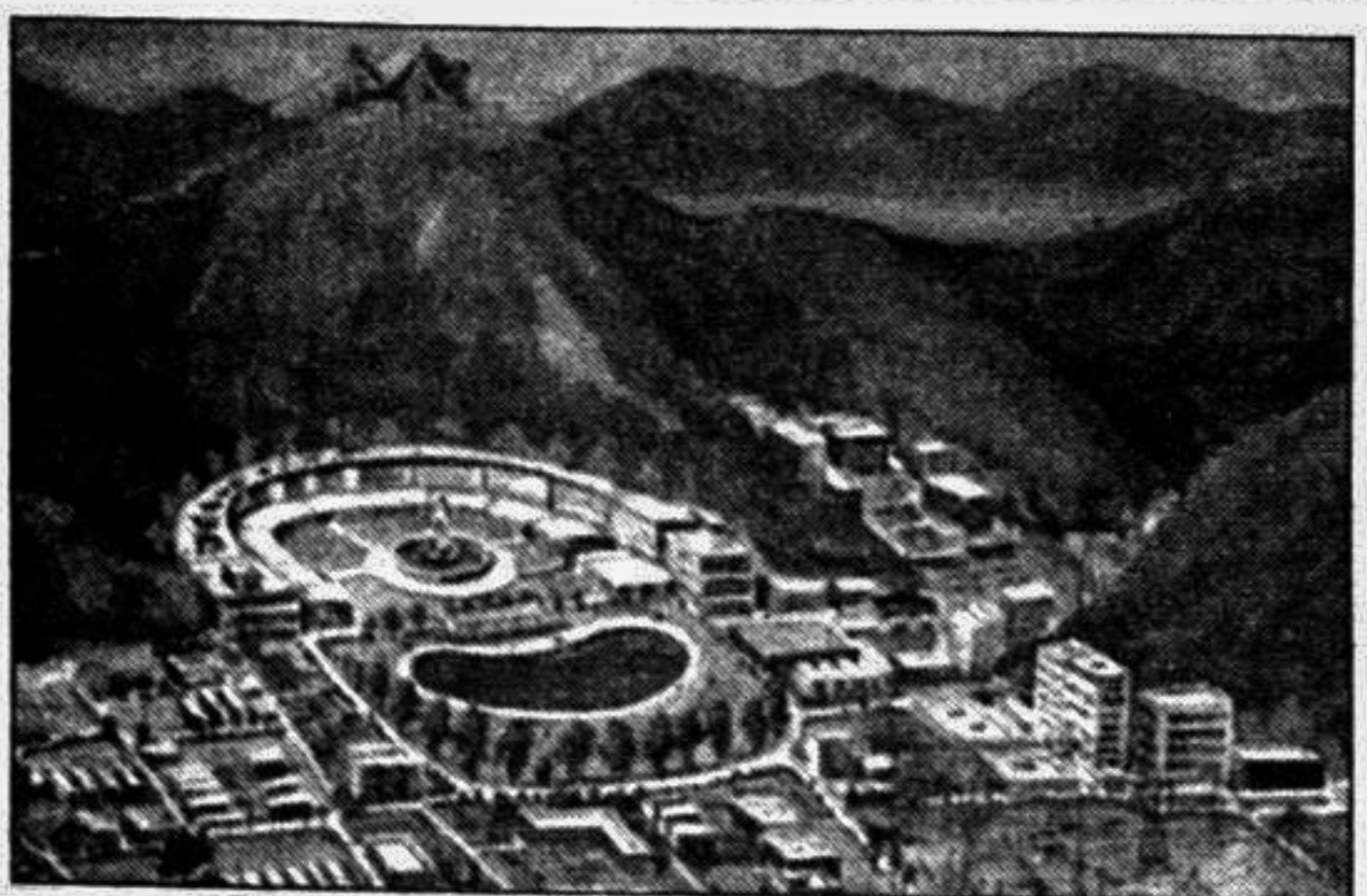
We are indebted to our Honourable Prime Minister for her kind consent to be the Chief Guest on the occasion.

We hope, the initiative shall open a new horizon for the socio-economic condition of our country. The horizon shall widen in course of time, economic condition shall consolidate and shall enable our country to become self-reliant.

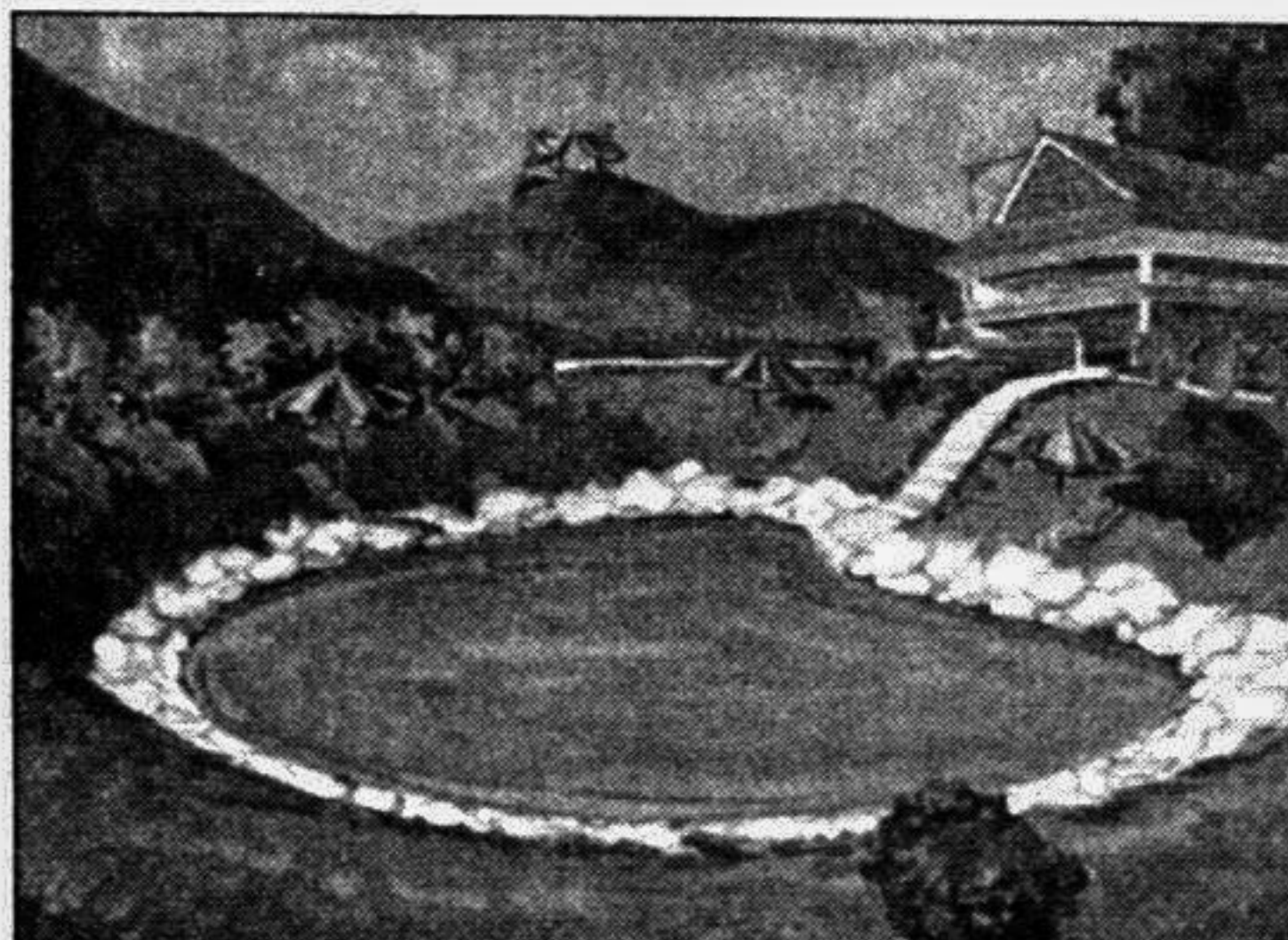
We are grateful to every individual and concerns those who have extended their kind cooperation.

A Qaiyum Chowdhury

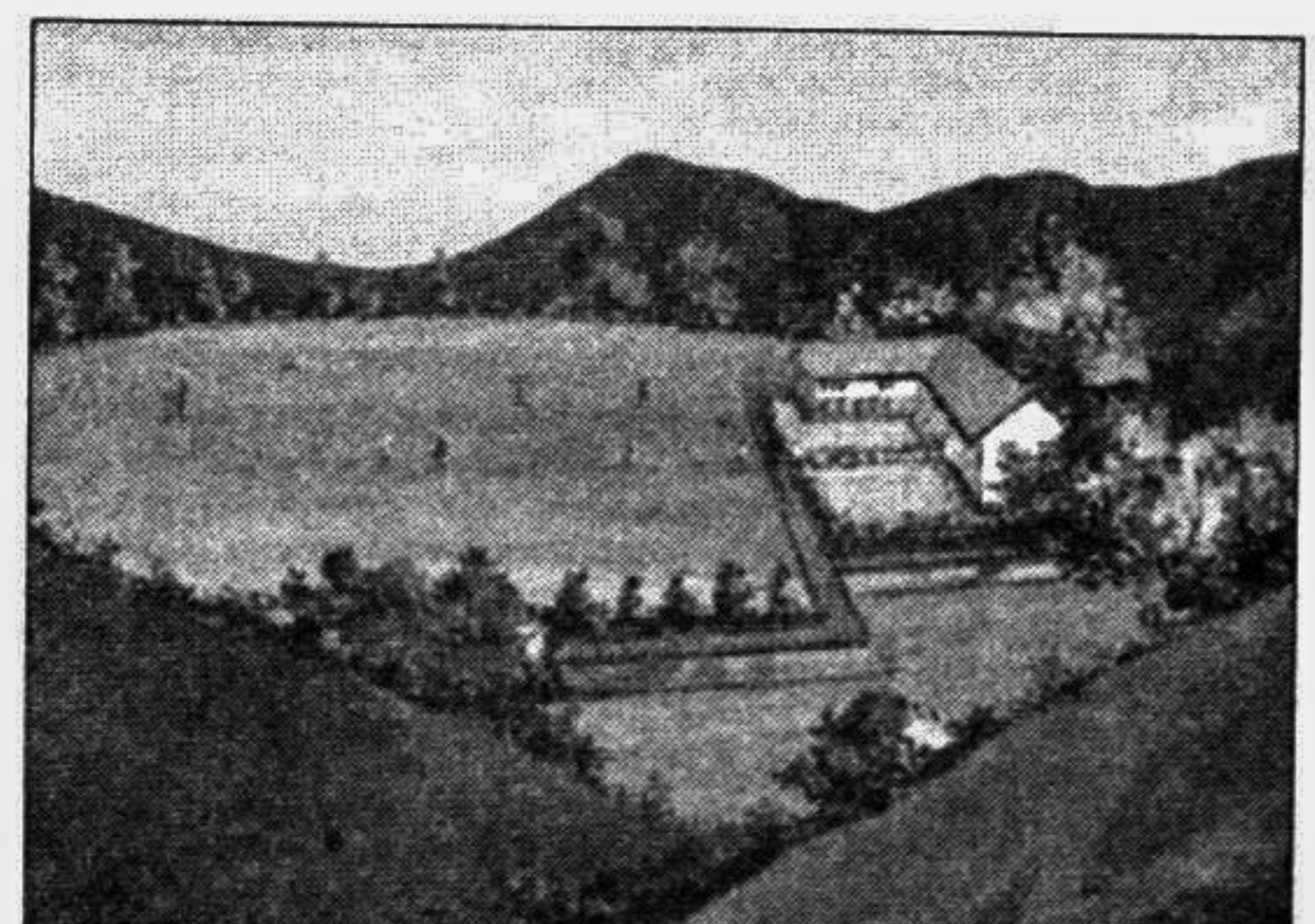
Managing Director  
Chittagong Industrial Park Ltd.



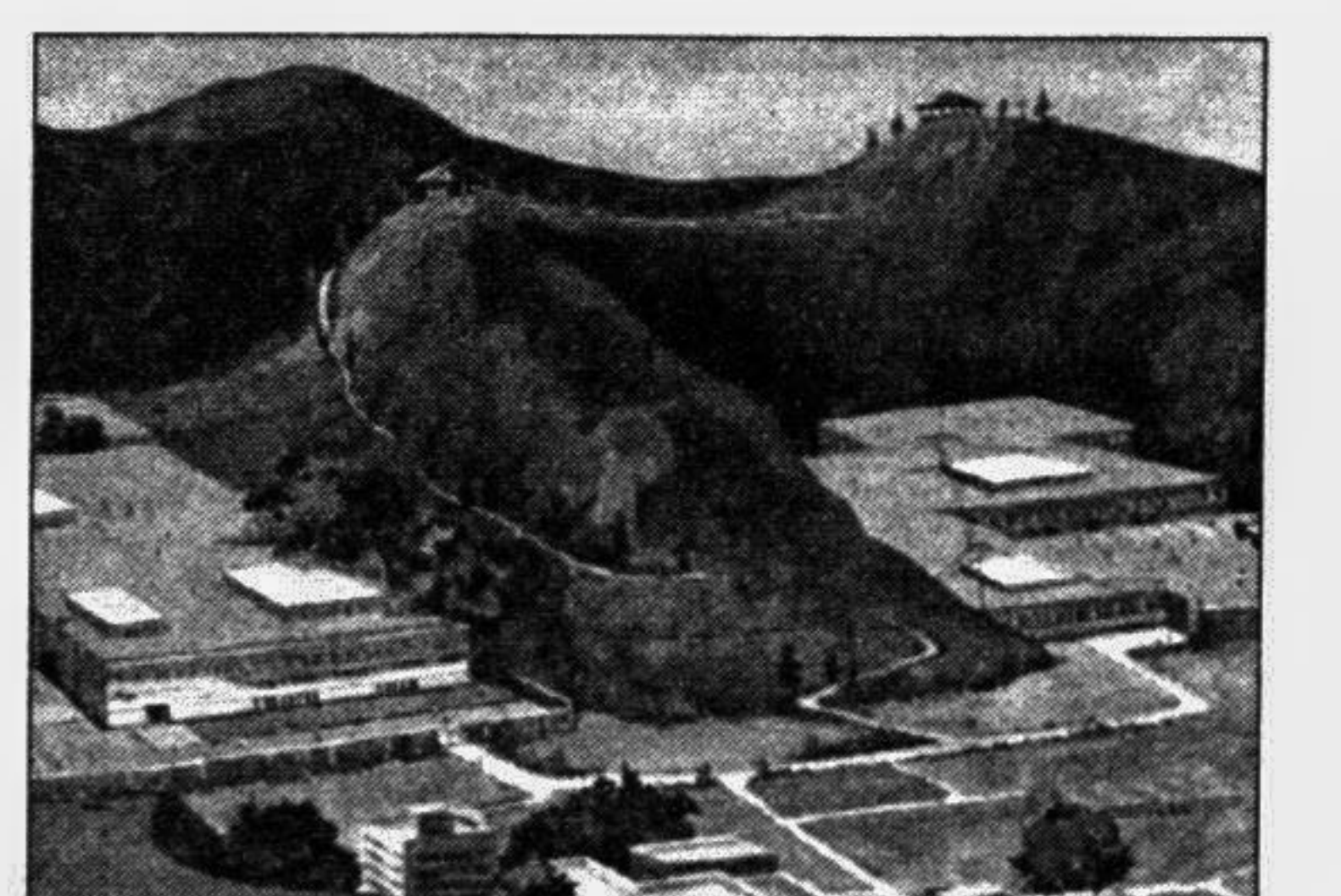
Artist's impression of proposed EPZ



Artist's impression of proposed EPZ



Artist's impression of proposed EPZ



Artist's impression of proposed EPZ

বাণী

বেসরকারি খাতে প্রথম রঙানি প্রকিয়াকরণ অঞ্চলের ভিত্তি প্রস্তর স্থাপন উপলক্ষে চিটাগাং ইন্ডাস্ট্রিয়াল পার্ক একটি শ্রবণিকা প্রকাশ করছে জেনে আমি আনন্দিত।

আন্তর্জাতিক বাণিজ্য টিকে থাকার জন্য আমাদের সীমিত সম্পদের সর্বোচ্চ ব্যবহার নিশ্চিত করতে হবে, আর তা বাস্তবায়নের জন্য সরকার ব্যাপক ভিত্তিতে দেশী ও বিদেশী বিনিয়োগ। বর্তমান সরকার দায়িত্ব গ্রহণের পরপরই বাণিজ্য ও বিনিয়োগ সম্প্রসারণের লক্ষ্যে জাতীয় সংসদে প্রাইভেট ইপিজেড আইন পাশ করেছে। সরকারী খাতের পাশাপাশি বেসরকারি খাতেও যাতে ইপিজেড গড়ে উঠতে পারে সেজন্য সরকার এ আইন করেছে। ইতোমধ্যে সরকারী খাতে স্থাপিত ইপিজেডগুলোতে ব্যাপক হারে বিনিয়োগ হয়েছে এবং কর্মসংস্থানও হয়েছে অনেকের।

আমাদের রয়েছে বিপুল জনশক্তি। উৎপাদনশীল খাতে এ জনশক্তিকে কাজে লাগাতে বেসরকারি ইপিজেড প্রতিষ্ঠা একটি গুরুত্বপূর্ণ পদক্ষেপ। প্রধানমন্ত্রী শেখ হাসিনার নেতৃত্বে বর্তমান সরকার দেশে একটি সম্প্রসারিত ও দক্ষ বেসরকারি খাত গড়ে তুলতে সার্বিক সহযোগিতা দিয়ে যাচ্ছে। আমি আশা করি দেশের আর্থ-সামাজিক উন্নয়নে বেসরকারি খাতে প্রতিষ্ঠিত এ ইপিজেড ইতিবাচক ভূমিকা রাখবে। দেশের বাণিজ্য ও বিনিয়োগ বাড়াতে বেসরকারি খাতের অন্যান্য উদ্যোক্তারাও এগিয়ে আসবেন বলে আমার বিশ্বাস।

আমি রাসুনীয়া রঙানি প্রকিয়াকরণ অঞ্চলের সার্বিক সাফল্য কামনা করছি।

জয় বাংলা, জয় বঙ্গবন্ধু  
বাংলাদেশ চিরজীবী হোক

তোফায়েল আহমেদ

বাণিজ্য মন্ত্রী

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

- No double taxation.
- No duty on import of machinery, equipment and raw materials.
- No duty on import/ export.
- No duty on import of construction materials for construction of factory buildings in the CIP.
- Inter-Zone export permitted
- Sub-contracting within CIP allowed
- Re-location of existing industries from abroad allowed
- Formation of trade union by the workers strictly prohibited.

## Summary of the Highlighted Factors of the Zone those are UNIQUE in nature :

1. Encourage Free Market Economy to attract investment in Private Sector :  
Expected Investment US\$ 500 million.
2. Job Opportunities for Local Rural & Tribal people of neighbouring region of the Chittagong Hill Tracts.
3. Tap the Global Emerging Market of Information Technology by setting up of fibre optic network in the Zone for Exporting of Computer Software with help of an Independent Earth Station in the Zone.
4. Tap the opportunities of Processing and Value Addition of Local Agro-based Raw Materials from the vast available area of adjoining Chittagong Hill Tracts as an unique Backward Linkage opportunity for Export Oriented Agro-based Industries and Food Processing Plants of the Zone.
5. Rapid Urbanization & Industrialization in rural areas.

COURTESY:

**Seacom Shipping Limited**  
Taher Chamber (2nd Floor) 10 Agrabad Commercial Area Chittagong 4100  
Telephone: 711611-5, 711911-3 Fax: (880 31) 710612-3  
Telex: 633069/677006 Seacom BJ E-mail seacom @ spnetctg.com

**Pacific Oil Co Ltd**  
100, Palm View, Agrabad C/A, Chittagong  
Tel: 724434/713830

**Valiant Garments Ltd**  
260, Majirghat Road, Chittagong  
Tel: 616163