

Groundbreaking Ceremony Korean Export Processing Zone

A Venture of Youngone Corporation

Designed and Prepared by media mode




**Prime Minister
Government of the People's
Republic of Bangladesh**

Message

I congratulate the sponsors of the Korean Export Processing Zone, which begins a challenging journey of investment in our country. This is the first time in Bangladesh that a project of this nature and size has been undertaken by a foreign investor.

I hope that the KEPZ, as planned, will be a model for many others to emulate. I assure the sponsors and entrepreneurs investing capital in Bangladesh our support and commitment towards realising their goals.

I believe the Youngone Corporation venture will also give strong inputs towards strengthening the bonds of friendship between Bangladesh and the Republic of Korea.

Joy Bangla, Joy Bangabadhu
Long Live Bangladesh


Sheikh Hasina

Another Bold Beginning Youngone's latest venture in Bangladesh

The Korean Export Processing Zone (KEPZ) is sponsored by Youngone Corporation, a company incorporated in Republic of Korea.

Korean EPZ (BD) Ltd., a wholly-owned subsidiary of Youngone Corporation incorporated in Bangladesh in May 1996, will however develop, manage and operate the project, the first of its kind in Bangladesh.

About Youngone Corporation

The company, headquartered in Seoul, Korea, was launched in 1974 as a private limited company. Over the years, the company has earned a global recognition as one of the largest and the most capable sports apparel makers. The company is recognised as a leading sports apparel exporter and a prominent retailer of sporting goods in Korea.

Youngone operates factories and marketing offices in the following countries: U.S.A., Italy, Switzerland, China, Thailand, Hong Kong, Singapore and Nepal. As early as 1980, the company established its overseas production in Chittagong, Bangladesh. As the first jacket maker for export, Youngone pioneered in hiring women workforce in the country, which has brought a major social impact to the country.

... employs 22,000 people ... in 1,800,000-square foot manufacturing space

Youngone moved its operation in Chittagong EPZ in 1988 and today owns 13 factories with 22,000 workforce under 1,800,000 square feet built-up manufacturing space with modern, welfare-focused facilities. It has five factories in Dhaka EPZ in Savar. The products manufactured are sports apparel, shoes, gloves, bags, nylon fabrics and polyester fabric products.

... investments in Bangladesh reaching over US\$ 100 million

The company's whole manufacturing unit in Chittagong was damaged by cyclone of April 1991. With reinforced commitment from its employees who were so dedicated to the recovery operation, the company has brought in a significant foreign direct investment of over US\$ 100 million to the country so far.

About KEPZ Project

Following the agreement in the summit between the heads of Government of Bangladesh and Republic of Korea in May, 1995, Mr. Kihak Sung, Chairman of Youngone Corporation, sought permission of the government of

Bangladesh for setting up the Korean Export Processing Zone (KEPZ). The Prime Minister's Office issued a letter of approval in this regard in early August, 1995 and a site for the project was almost finalised in Bhatiyari, Chittagong, about 15 kilometres from Chittagong Port, on the Dhaka-Chittagong Highway. But the site was later on found to be too small for the project. Youngone Corporation then decided to move to the second alternative site on the left bank of the Karnaphuli river, where a major chunk of land happens to be unproductive khas land.

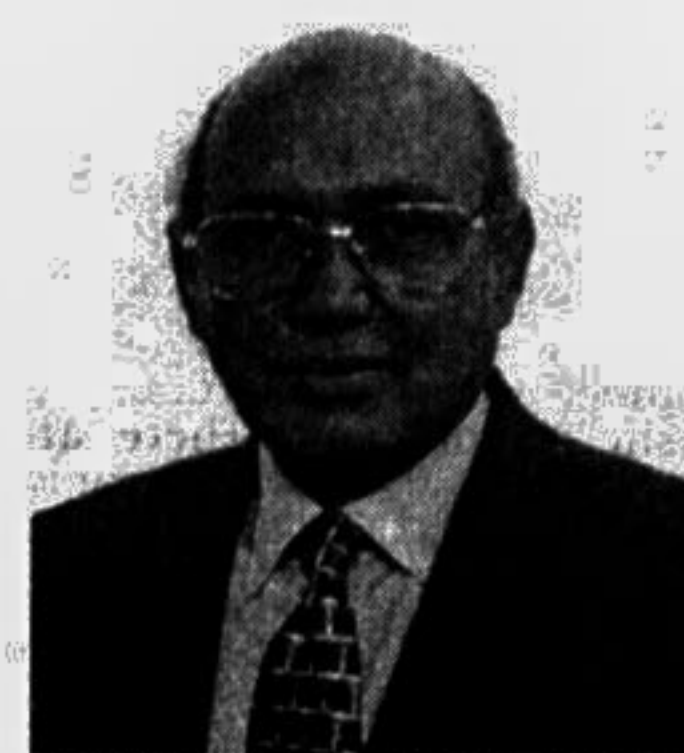
The first private EPZ to receive government permission

Immediately after the enactment of *The Private Export Processing Zone Act 1996*, the Board of Governors, in its first meeting held in October 1996, approved the proposal of Youngone Corporation. A formal permission was given from the Prime Minister's Office on November 24, 1996 to set up the Korean Export Processing Zone in its present site on the left bank of the Karnaphuli river in Chittagong.

... long experience operating in diverse situations

The company's years-long experience of operating in a number of free-trade zones, special economic development areas, export processing zones and industrial complexes is the key asset in providing customer-oriented services required by investors to operate in KEPZ.

The company's management has special commitment to developing and preserving a good environment in and around the KEPZ area to lead the country's EPZs and industrial complexes, setting a good example for others to follow.



Message

The Minister of State for Commerce and Industries

It is difficult to create good examples which others are keen to follow. It has been quite encouragingly done in Bangladesh by Mr Kihak Sung and his Youngone Corporation, the largest foreign company in terms of employment and investment in Bangladesh.

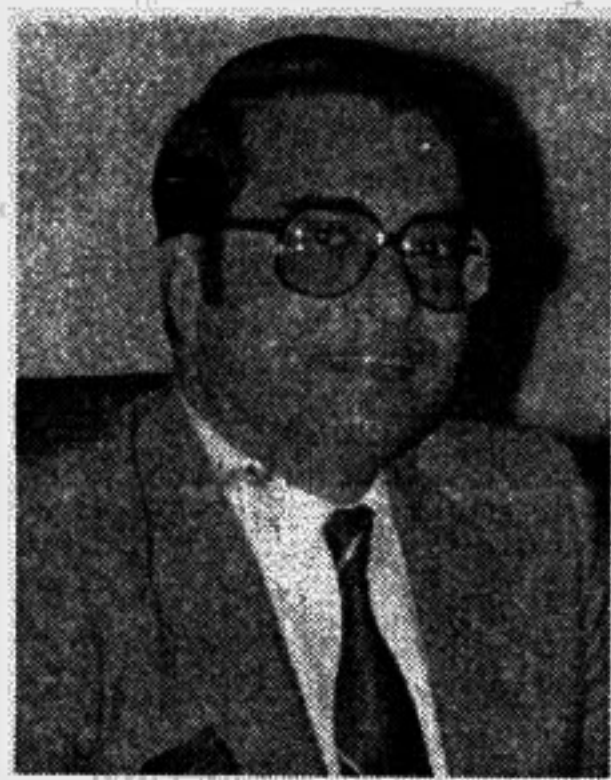
As they take up their 14th venture in this country, it is with a deep sense of satisfaction that we congratulate them and, obviously, promise our support.

Such a huge initiative -- that the 2492-acre Korean Export Processing Zone is -- is another fascinating example of Bangladesh's capability to host mega-projects with foreign direct investment. The government takes note of all these facts and would eagerly expect the project to become one of the vehicles for us to travel through the tunnel to industrialised Bangladesh.

Youngone Corporation is already an epitome of friendship and cultural bonds between the peoples of Bangladesh and Republic of Korea. The new project will only strengthen that. I wish the company all the success in its noble and challenging venture.

Joy Bangla, Joy Bangabadhu
Long Live Bangladesh


Tofail Ahmed, MP



Message

**The Executive Chairman
The Board of Investment**

The groundbreaking ceremony of the Korean EPZ on the left bank of the river Karnaphuli, with the occasion graced by Honourable Prime Minister Sheikh Hasina as the Chief Guest, will usher in a new era of foreign investment in Bangladesh.

The Republic of Korea holds a remarkable position in the foreign direct investment portfolio of Bangladesh. I do believe that the success of the Korean EPZ would encourage other investors to follow suit.

The initiative of the KEPZ Corporation (BD) Ltd. is praiseworthy. I wish it an all-out success.

M Mokammel Haq



Message

The Minister for Trade, Republic of Korea

I offer my heartiest congratulations to Mr. Kihak Sung, Chairman of Youngone Corporation, the sponsor company of the Korean Export Processing Zone (KEPZ) Project, and the Government of the People's Republic of Bangladesh to be able to launch such a significant project.

This is a tremendous step towards industrial development of Bangladesh by private sector initiative, which is a very opportune decision of Government of Bangladesh. I am very sure that this project will strengthen the ties of investment and economic cooperation between Korea and Bangladesh.

In light of this auspicious event, I would like to request the Bangladesh Government and the people, from the bottom of my heart, the full support and cooperation for the successful promotion of this KEPZ Project.

I would like to express my deepest gratitude to the Honourable Prime Minister Sheikh Hasina, the Honourable Commerce and Industries Minister Tofail Ahmed, and many individuals who have made this project a reality.


Dr. Han Duck-Soo

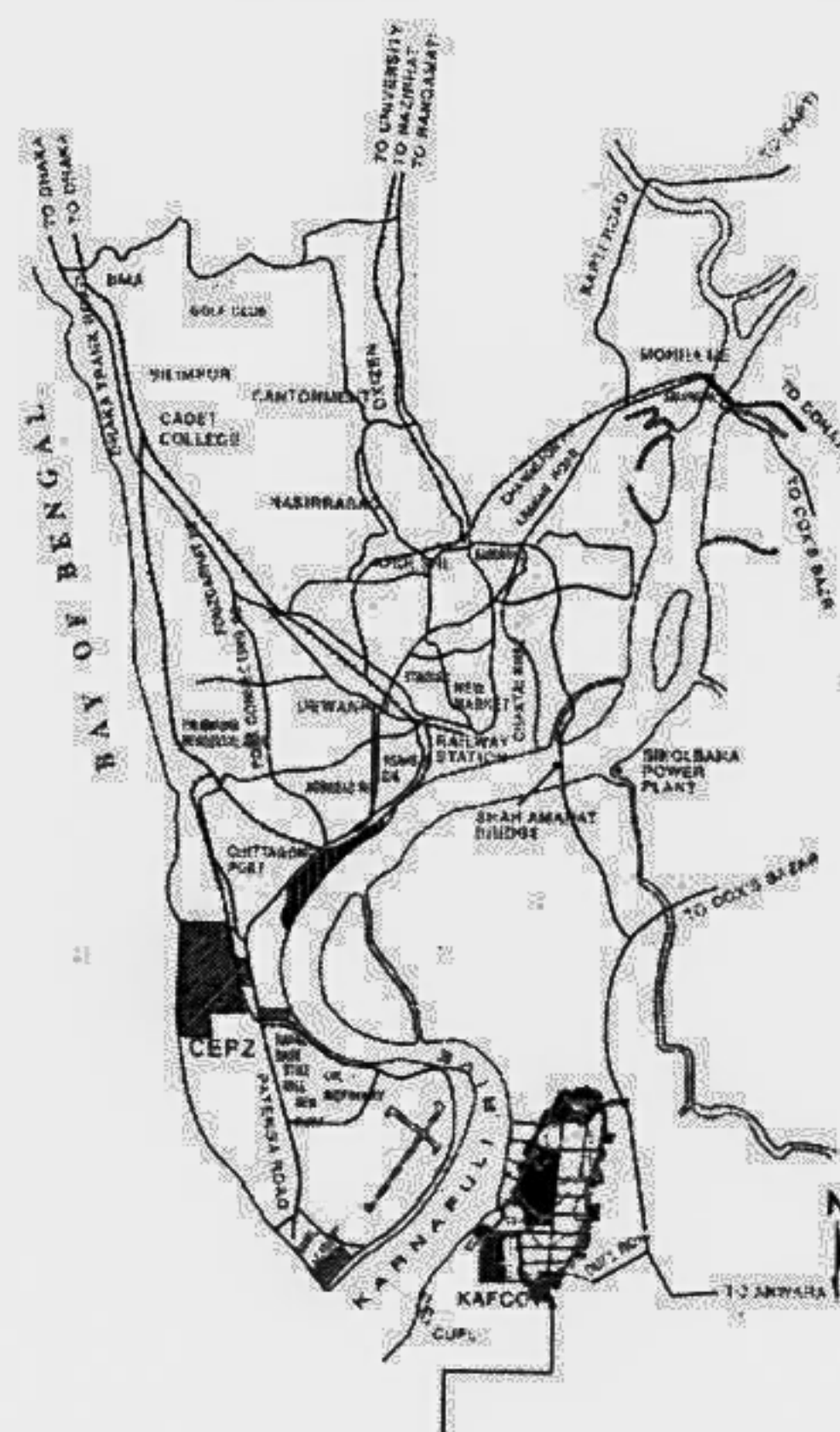
Message

The Minister of State for Land

I am very pleased to know that Honourable Prime Minister Sheikh Hasina is going to unveil today the groundbreaking plaque of Korean EPZ, the biggest export processing zone in the country with private sector initiative, on the left bank of the river Karnaphuli on the outskirts of the port city, Chittagong. There is no denying the role of EPZs in economic development. It is my hope that the Korean EPZ would play a significant role in helping Bangladesh earn foreign exchange, create opportunities for more investment, generate jobs for thousands of people, and in other economic activities.

I would like to call upon the KEPZ authorities to make optimum use of land keeping an eye on the environment.

Alhaj Rashed Mosharraf



Message

**The Chairman, Youngone Corporation &
Korean EPZ Corporation (BD) Ltd.**

We are extremely happy that the groundbreaking ceremony of the Korean Export Processing Zone (KEPZ) is being held today with the Honourable Prime Minister Her Excellency Sheikh Hasina as the Chief Guest. This is the first major step forward in the development of industrial estates in Bangladesh through private sector initiative.

This environment-friendly industrial complex, with EPZ facilities on the other side of the Karnaphuli River opposite the Chittagong Airport, will be instrumental to the development of the Chittagong region in particular, and the country in general.

We shall endeavour to make the KEPZ a fine example of industrial development in Bangladesh, significantly contributing to regional economic prosperity. We count on the support and cooperation, not only of foreign direct investors, but also of the Bangladesh government and the local people who would be the major beneficiary of the project.

We offer our hearty appreciation to Her Excellency Sheikh Hasina for the total commitment to this project making it a reality today. We also offer our sincere gratitude to all those who helped the project come up so far.


Kihak Sung

Types of industries expected to come to KEPZ

- ▶ Accessory and backward linkage industry for ready-made garments and knitwear export business
- ▶ Sport shoes industries
- ▶ Manufacturing of all types of sporting goods
- ▶ Manufacturing of leather products
- ▶ Agro-based industries
- ▶ Assembly of machines/machine parts manufacturing/semi-conductors
- ▶ Electronics assembly industries/ electronic parts manufacturing
- ▶ Petro-chemical industries based on natural gas
- ▶ Supporting industries for gas/oil exploration projects
- ▶ Chemicals, ceramic industries
- ▶ Production of building and construction raw materials

The expected investment by sponsor companies and investors to flow into KEPZ is approximately US\$ 1.2 billion

KEPZ Facility/Service Highlights

- ▶ Fully-serviced industrial plots of different sizes, standard factory.
- ▶ Building and space for supporting/sub-contracting industries
- ▶ Commercial/financial service facilities
- ▶ Sports and recreational facilities including a golf course
- ▶ Humanitarian/educational facilities such as school, technical colleges and on-the-job training centres
- ▶ Research Institutes for national/regional economic development
- ▶ Science & techno park to accommodate R&D institutes

▶ The KEPZ will be developed, managed and operated by a private enterprise, namely, the Korean EPZ Corporation (BD) Ltd., a company owned by Youngone Corporation.

The Korean Export Processing Zone will be open to eligible investors from all over the world, with priority given to Bangladeshi investors seeking joint venture opportunities.

All fiscal, non-fiscal incentives, benefits and concessional facilities available to the investors in the Government EPZs are also available to the investors in KEPZ, according to the Private Export Processing Zone Act 1996. KEPZ is keen to offer further services and incentives to investors in the zone based on its long and vast experience of operating in similar facilities around the world.

The KEPZ Project In Brief

Name Korean Export Processing Zone (KEPZ)
Sponsor Company Youngone Corporation
Location Left bank of the Karnaphuli, north of KAFCO and CUFL, in mouzas Daulatpur and Barouthan of Patiya police station, mouzas Bairag and Guapanchak of Anwara Police Station and mouzas Shahampur, Rangadia, Bandar and Badalpara of Bandar Police Station in the District of Chittagong, Bangladesh.
Area Total 2,600 acres approximately. Approximately 2,492 acres already acquired.

Approximate number of jobs to be created

Direct 100,000 jobs
Indirect 50,000 jobs

Approximate production & export volume at its completion of project US\$ 1.25 billion/annum

Time frame for project implementation: 1999-2009

Operation of the KEPZ is expected to start during year 2000 as it develops in phases.