

## DEVELOPMENT OF EPZS IN BANGLADESH

Md. Abdul Aziz Sarkar

Member (Investment Promotion) BEPZA.

With a view to accelerating the pace of industrial development and generating productive employment opportunities in the country, the decision was taken by the govt. as back as in 1978 to set up EPZ in the country. Two years later an Act was passed in the parliament known as Bangladesh Export Processing Zones Authority Act 1980 (Act No. XXXVI of 1980). Initially it was decided that the Chittagong EPZ shall be taken up first and on the basis of its success the decision for creation of other EPZs will be taken into consideration. After completion of the 1st phase of development work, Chittagong EPZ started its operation in 1983. Overcoming the initial difficulties in attracting foreign investment, the Authority started receiving good response for Chittagong EPZ both from local and foreign investors since 1989. A total of 422 industrial plots were created for allotment in Chittagong EPZ and allotment has been completed for all the plots by now. As many as 13 Standard Factory Buildings with 56,838 M2 of floor space are now fully occupied by the investors. Presently 98 industries are in operation and 12 more industries are expected to start functioning very soon. The export, employment and investment in Chittagong EPZ are all progressing very fast. Employment to this zone has already reached to the size of more than 57000 workers.

Considering the successful operation of

Chittagong EPZ, the government decided later to set up another EPZ at Savar near the capital city of Dhaka. After completion of the development work, Dhaka EPZ started its operation in 1993. The original area of Dhaka EPZ was 141 acres only with 123 industrial plots. The response from the foreign investors was very much encouraging for Dhaka EPZ from the very inception of its operation. All the industrial plots were allotted within two years of its operation. The need for its extension was severely felt. In order to cater to the needs of the investors and to increase their confidence for investment in Bangladesh, the present government approved the extension Project of Dhaka EPZ in 1996. Thereafter 260 industrial plots were created in the extension area of Dhaka EPZ and almost 3/4th plots of the extension area in Dhaka EPZ have been allotted by now to different local and foreign investors and many of them have already started commercial production after construction of their own factory building. Investors from 18 different countries of the world including Korea, Japan Italy, UK, USA etc. have so far invested in Chittagong and Dhaka EPZ. Investment in Chittagong EPZ has reached to US\$ 283 million while investment in Dhaka EPZ stands at US\$ 144 Million as on

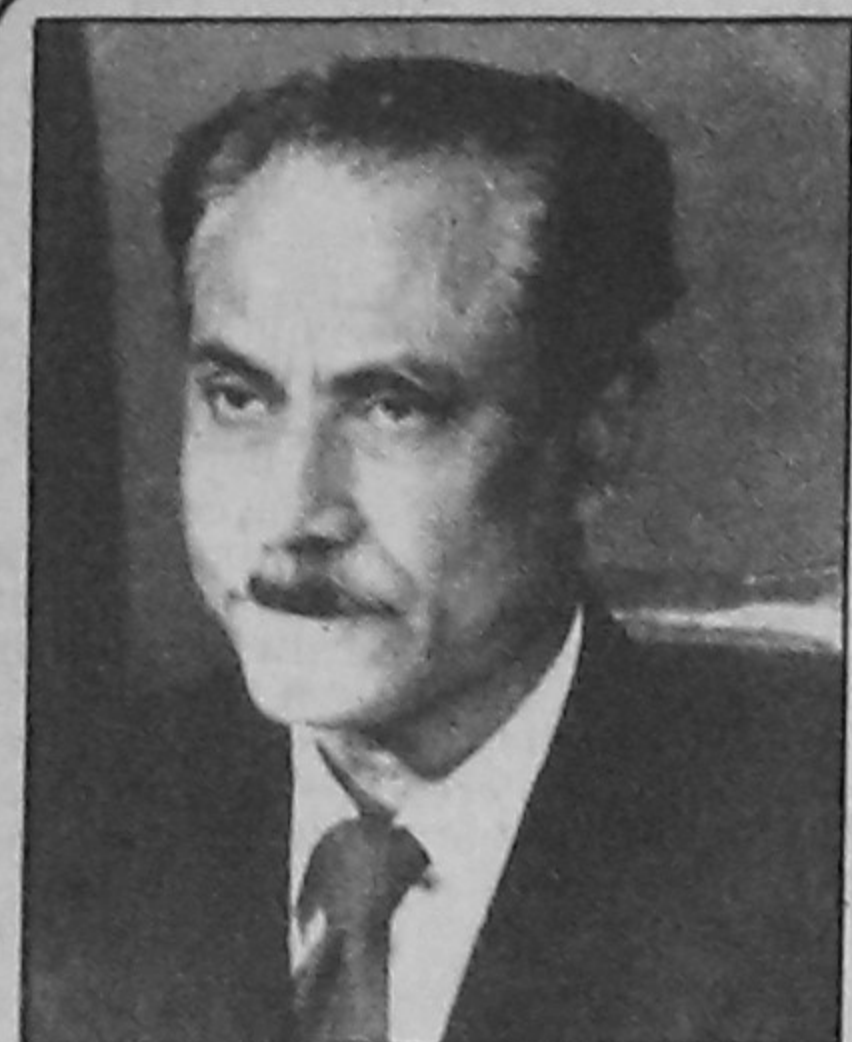
30th June 2000. The investment in both the Zones has increased by 22% on an average during the last four years. The export from the Zones is very much encouraging. Goods worth US\$ 891 million have been exported from the existing two EPZs in the last financial year as against US\$ 711 million in 1998-99. The average growth rate of export of the two EPZ stands at 37% during the period of last four years. A total of 93,964 numbers of local employment has been created by the two existing EPZs. Out of this Chittagong EPZ created jobs for 57,707 workers while Dhaka EPZ generated employment of 36,257 persons. The average growth rate of employment during the last four years is 22%. It is expected that when all the projects will come into operation and run as per their projected capacity, the total employment of Dhaka and Chittagong EPZ shall rise upto 150,000.

With the successful operation of Chittagong and Dhaka EPZ, the present government decided to set up some more EPZ's in other parts of the country. Accordingly foundation stone of Mongla EPZ was laid by the Hon'ble Prime Minister in 1998. This EPZ is located just by the side of the Mongla port area. The investors of Mongla EPZ may find it easy to handle their export consignment with minimum time and cost. The construction work of Mongla EPZ is

going on in full-swing. It is expected that the plots shall be made available for allotment to the potential investors by the end of this year.

The present government has also decided to set up another EPZ in Ishurdi in the northern district of pabna for balanced regional development of the country. Various Textile and agrobased industries is expected to be set up in this zone. The Zone covers an area of 309 acres with 166 industrial plots. It will also have 4 Standard Factory Buildings for allotment to the local and foreign investors. The plots are expected to be ready for allotment within the next six month's time

The present government has also decided to set up another EPZ in Comilla. This EPZ is going to be set up in the old Airport area and very near to the Dhaka-Chittagong Highway. After completion of allotment of industrial plots in Dhaka and Chittagong EPZs, the potential investors may prefer to set up their industries in Comilla in view of its location advantage i.e. almost exactly in between Dhaka & Chittagong. Comilla EPZ shall cover an area of 258 acres of land with 208 industrial plots. It will have 6 Standard Factory Building with 27,00 M2 of floor space for allotment to the investors. It is expected that 60 industries shall be set up in Comilla EPZ with an investment of about taka 360 crores. It is also expected that the zone shall create more than 40,000 jobs for the local people. The plots of the zone shall be



**President**  
People's Republic of  
Bangladesh  
15 July 2000

### Message

I am pleased to know that an Export Processing Zone is being established at Comilla. Establishment of more EPZs will pave the way of economic development of the country. The Chittagong and the Dhaka EPZs have already been known as the low cost production bases in the world. Bangladesh has abundant supply of disciplined, productive and easily trainable work force. That is why the EPZs of Bangladesh are considered to be the ideal places for industrial production.

I wish overall success of the Bangladesh Export Processing Zones Authority in its efforts to accelerate the pace of industrial development and create employment opportunity for a vast number of unemployed youths of Bangladesh

Justice Shahbuddin Ahmed



**Executive Chairman**  
Bangladesh Export  
Processing Zones  
Authority

### Message

Foundation laying ceremony of Comilla EPZ has added a new chapter in the venture of Bangladesh Export Processing Zones Authority (BEPZA). Although this expansion of activities indicates the development of the organization, at the same time reminds the higher responsibility to be shouldered by the organization. I personally believe that BEPZA will be able to shoulder this additional responsibility.

It should be mentioned that proper guidance and policy decision of the present Government has made it possible to lay the foundation stone of Comilla EPZ. BEPZA is fully committed to continue its endeavour for implementation of Comilla EPZ with the blessing and guidance of the government in future.

I wish every success of Comilla EPZ as a fourth EPZ of the country.

Brig. M A B Siddique Talukder

fully serviced by electricity, water, gas and telecommunication facilities. The plots shall be made ready for allotment hopefully by early next year.

The present government has also approved the 6th EPZ in Syedpur, Nilphamari. The acquisition of land and other development works in this zone is underway. Therefore,

four new EPZs are coming up within the next 1/2 year (s) time. With the growing response received from the foreign and local investors, the other EPZs shall also remain busy with investment related matters in the years to come. The Authority is trying very hard to attract the foreign investment and maintain a

peaceful and production-oriented atmosphere in the zones. Mention may be made that the contribution of EPZs towards total national export is increasing every year. In 1998-99 the share of EPZ's was 13.4% of the total national export which is expected to exceed 15% in 1999-2000. Development of the new EPZs shall create a scope for further

enhancement of export from EPZ's. Considering all these, the Authority is taking all necessary steps to attract investment in the zones by providing all sorts of support and cooperation to foreign & local investors. The Authority is fully committed to achieve its desired objectives.

অঙ্গসজ্জা ও পরিকল্পনায় ৪ দিনিউ এ্যাড মিউজিয়াম



**Prime Minister**  
Government of the  
People's Republic of  
Bangladesh  
31 Ashar 1407  
15 July 2000

### Message

I am pleased to learn that the foundation stone of the fourth Export Processing Zone (EPZ) of the country is going to be laid at Comilla.

Our government has offered a lot of incentives to attract foreign investment. Investors can avail those by setting industries in the EPZs. I believe Comilla EPZ will be able to contribute substantially to attract investment for the enhancement of business & socio-economic development of the area.

I wish all the success of Comilla EPZ.

Joi Bangla, Joi Bangabandhu  
May Bangladesh live forever

Sheikh Hasina

### COMILLA EPZ AT A GLANCE

- |   |  |
|---|--|
| 1. Project  | : Comilla EPZ  |
| 2. Location   | : Airport area, Comilla.   |
| 3. Date of commencement of the Project                                  | : April, 1999.   |
| 4. Date of Completion   | : June, 2001   |
| 5. Cost of the Project  | : Tk. 8356.20 lac  |
| 6. Total area of the Project  | : 258 acres.   |
| 7. Number of industrial plots to be created                             | : 208  |
| 8. Number and area of Standard Factory Building (SFB) to be constructed | : 6 SFB having a total of 27,000 Sq. meter floor space   |
| 9. Project investment   | : Tk. 360 crores   |
| 10. Projected export  | : Tk. 590 crores   |
| 11. Projected employment  | : 40,500 workers   |
| 12. Number of Industries to be set up                                   | : 60   |
| 13. Nature of Industries to set up                                      | : Textiles be/Ready made Garments having backward linkage facilities, I.T/ Software, Shoe, Handicrafts Electronics etc.  |
| 14. Establishment of support services                                   | : a) Medical Center<br>b) Fire Station<br>c) Police Outpost<br>d) Customs Office<br>e) Security Barrack<br>f) Residential accommodations<br>g) Rest house / Investors Club<br>h) Zone Services Building<br>i) Post Office, Banks |
| 15. Utility Services  | : a) Water<br>b) Electricity<br>c) Gas<br>d) Telecommunication Services  |