

Giving priority to establish EZs at khas land, says Beza chief

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The government is giving priority to develop economic zones on khas or state-owned fallow lands to reduce pressure on the public exchequer in acquiring land from individual owners, according to the Bangladesh Economic Zones Authority (Beza).

“We have already fixed our priority. We will advance works in those zones that have a higher amount of khas land,” Beza Executive Chairman Shaikh Yusuf Harun said in an interview with The Daily Star.

As such, the agency is focusing on developing economic zones in various districts, namely the western district of Kushtia, southwest district of Satkhira, and northwest district of Panchagarh.

There is a high amount of khas land that Beza got from the government in the southern district of Bhola and northwest districts of Naogaon and Nilphamari.

In total, the agency tasked with developing economic zones to accelerate organised industrialisation has got 61,000 acres of khas or state-owned fallow land.



Shaikh Yusuf Harun, Executive Chairman, Beza

“We can easily set up 17 more economic zones on the land,” Harun said.

In addition, Beza has granted licences to private businesses to set up 12 economic zones apart from issuing pre-qualification licences to eight others.

Factories in a couple of private economic zones have started operations, according to the agency.

Once the private economic zones along with government-owned ones start operation, there will be a positive impact on the economy and jobs, he added.

Having begun the journey in 2013, works for the establishment of 28 economic zones are currently underway.

Of those, 16 are being developed by the government either on its own or under government-to-government contracts and public-private partnership (PPP) agreements.

Of those, the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) is going to be the biggest with a planned area of

33,000 acres. The economic zones have so far received investment proposals of \$26 billion.

And 29 factories have started production while 61 other units are under construction.

“We have received an investment of \$6 billion during the pandemic,” Harun said.

There has been progress too in the construction of economic zones under state-to-state arrangements. For example, the special economic zone developed by Japan in Araihaazar of Narayanganj is advancing.

To speed up the development of the Chinese Economic and Industrial Zone under Anwara of Chattogram, Beza teamed up with the China Road and Bridge Corporation (CRBC) in August this year.

The zone will be set up on 780 acres of land under a government-to-government arrangement.

Beza also looks to sign a commercial agreement with India by this year for establishing the Indian Special Economic Zone at BSMSN in Mirsarai, Chattogram as negotiations in this regard are almost complete.

Beza and India’s Adani Ports had signed a term sheet agreement for the development of a special economic zone for Indian companies at the BSMSN in April this year.

The stalemate in developing an economic zone at Mongla, the southwest port town, under the PPP is over too.

“We got clearance from the Department of Environment nearly a month ago,” said Harun.

“We are also working to make the BSMSN a green and resilient zone,” he said, adding that the World Bank is providing a \$500 million loan to build various infrastructure and establish an effluent treatment plant.

Under the project, a desalination facility, and rooftop and floating solar power plants are planned to be set up under PPP arrangements as well.

Beza has taken several initiatives to ensure water at the BSMSN from various channels, including the Matamuhuri irrigation project of Feni, and Meghna river.

Only 0.5 per cent of the water from a reserve of Meghna will be drawn, Harun said.

The Beza chairman then said 12 factories at the BSMSN will begin operation in the next one year.

To reduce investors’ hassle, the Beza is providing 48 of its 125 services online through the One-Stop Service (OSS) Centre.

“We are trying to make OSS effective. Hence, a proactive effort from other related agencies of the government is necessary to provide quick services to investors and facilitate investment,” he added.

The beginning of a new chapter in industrialisation



PHOTO : NAIMUR RAHMAN

Construction work going on at Bangabandhu Sheikh Mujib Shilpa Nagar

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As of now, development work for the establishment of 28 economic zones is underway. And four government-owned zones -- the BSMSN, Jamalpur Economic Zone, Sabrang Tourism Park, Maheshkhali Economic Zone, and Shreehatta Economic Zone -- have received \$22 billion in investment proposals.

Also, \$4 billion has been invested so far in 12 private economic zones, said officials of BEZA, which has also granted permission for four economic zones under state-to-state contracts with Japan and China, two with India, and one under public-private partnership.

The economic zones are expected to be the catalyst for Bangladesh’s aspirations to become an industrial and advanced economy.

The share of manufacturing as a percentage of Bangladesh’s gross domestic product (GDP) is now over one-fifth of the country’s total \$465 billion GDP.

At its independence in 1971, Bangladesh’s economy was highly agriculture-driven. The share of manufacturing was just four per cent of the total output at the time, according to World Bank data.

Beza said the BSMSN, being developed in areas under Mirsharai, Sitakunda, and Sonagaziupazila, will attract the highest amount of investment among the economic zones.

As of now, it has received \$18.5 billion in investment proposals, including \$1 billion in foreign investment.

The total area of the BSMSN has already surpassed the combined 8,360 acres of industrial area developed by the Bangladesh Export Processing Zones Authority and Bangladesh Small and Cottage Industries Corporation.

As of now, nearly 10,000 acres of land have been developed at the BSMSN. Some 147 local and foreign businesses have leased 5,369 acres of land from Beza to establish factories and market products at home and abroad.

The investment by these businesses is expected to create 765,000 jobs in the BSMSN alone, Beza said.

“The economic zones will be industrial hubs if the authority ensures all the infrastructure and other supports,” said M Anis UdDowla, chairman of ACI Group, which operates in diversified areas from retailing, food, agribusiness and pharmaceuticals to consumer goods.

ACI has got 100 acres land on lease to set up production units at the BSMSN. Dowla said the company is participating in the zones as all the facilities required by industries will be there.

“We will be taking full advantage of that,” he said. “We are hopeful that the economic zones will succeed and contribute to the economic advancement of Bangladesh.”

“Besides, the outputs that will be produced in the economic zone will be helpful for export,” he added.

Dowlathen said ACI will set up its plants as fast as possible.

Meanwhile PHP, a Chattogram-based business house engaged in the float glass, steel and shipbreaking industries, has got a lease of 500 acres of land in the BSMSN.

PHP plans to establish a basic steel factory at the economic zone, Sufi Mohamed Mizanur Rahman, founder chairman of PHP, told The Daily Star last month.

With an investment of \$4 billion, the factory in the economic zone will have the capacity to produce 30 lakh tonnes of steel.

“We will have our jetty there to handle goods,” he added.

Connected by water and road with the country’s largest seaport in Chattogram, the BSMSN will produce numerous import substitutes and export-oriented products, and provide opportunities for entrepreneurs to transport raw materials and finished products by water and road.

Two concerns of TK Group, another big business house based in Chattogram, are going produce import-substitute items at the BSMSN.

Samuda Construction, a concern of TK Group, is making Precast High-Performance Concrete (PHC) pilings that are used for building and bridge construction.

At present, a good volume of PHC

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is imported into the country to build infrastructure, including the third terminal of the HazratShahjalal International Airport, said Md Mustafizur Rahman, a director of TK Group.

“It has use as protection for river banks and shores, and various public and industrial construction too,” he said, adding that the company is using these piles in its own factories.

The PHC pilings will enable builders to reduce the time taken for manually making pilings during the construction of buildings and other infrastructure such as bridges, according to officials of Samuda.

“This is handy and does not have hassle,” Rahman added.

TK Group is also establishing another factory, Modern Syntax Ltd, to make textile-grade PET chips at the BSMSN to cater to the requirement of yarn-making mills.

The factory will produce various textile-related products, such as drone textured polyester yarn, polyester staple fibreand PET chips as import-substitutes.

With an investment of \$155 million,

Modern Syntax wants to start commercial operation by March 2023, Rahman said.

Once it starts production, it will be able to meet 38 per cent of the annual demand for PET chips and other products.

Modern Syntax has a 460-tonne production capacity while the annual demand for such items is 12,250 tonnes, the official of TK Group said.

He urged the National Board of Revenue (NBR) to frame the import duty structure in a way that encourages entrepreneurs to establish import substitute industries and make locally made goods competitive with their imported counterparts.

While the BSMSN is going to see rising industrial activities, private economic zones are also advancing as the production of seven factories in the Meghna Industrial Economic Zone (MEZ), a concern of Meghna Group of Industries (MGI), is going to be inaugurated today.

This includes the biggest PVC factory, Meghna PVC Ltd, which will produce petrochemical products that Bangladesh currently depends on imports for.

The factory will manufacture Polyvinyl Chloride (PVC) resin and Polyethylene Terephthalate (PET) resin (bottle grade) for selling among makers of wires and cables, floor paving materials, artificial leather, toys and shoemakers as well as carbonated beverage and drinking water bottlers.

“We are the first local company coming to the petrochemical industry,” said MGI Chairman and Managing Director Mostafa Kamal.

He said every country in the world has economic zones and the establishment of organised industrial enclaves should have been done earlier.

“We are on right track though. Economic zones will be instrumental in accelerating investments and industrialisation. We have already got a dozen foreign investors, and they have come because we have economic zones,” he added.

Kamal went on to say that 14,000-15,000 jobs have already been created by the three private economic zones being developed by MGI.

“There will be value addition because of the establishment of industries and scope for exporting goods produced in the economic zones,” he said.

Shaikh Yusuf Harun, executive chairman of Beza, said exports by factories under the export processing zones make up one-fifth of the country’s total annual export earnings.

Besides, the total area of export processing zones is much larger than that of economic zones.

“So, if factories from a small area can contribute 20 per cent of the export earnings, think about the impact of the BSMSN, which alone will be 33,000 acres,” he added.

In 2015, Bezahad set an ambitious target of establishing 100 economic zones.

Harun said they plan to set up the economic zones by 2041 with Beza expecting the industrial enclaves to create jobs for one crore of people.

Of them, there will be 50 private economic zones while the rest will be government-owned under the public-private partnership arrangement and government-to-government contracts.

“Bangladesh will become a developed country if we can properly develop and run economic zones, hi-tech parks, and export processing zones,” he added.



ACI Enabling Bangladesh through Quality and Technology

Advanced Chemical Industries Limited (ACI) is a leading conglomerate in Bangladesh. ACI started its journey with a unique mission - to improve the quality of life of the people through responsible application of knowledge, skills and technology. ACI is committed to the pursuit of excellence by developing world-class products, innovative processes and empowered employees, to provide the highest level of satisfaction to its customers.

ACI has successfully infused ethical work culture, professionalism and advanced management processes in all its business operations. As a result, ACI has become one of the most respected business organizations in Bangladesh.

ACI has two publicly listed companies and 18 subsidiaries with diverse businesses, ranging from pharmaceuticals, consumer goods and agribusiness.

ACI has three joint venture companies, namely Tetley ACI (Bangladesh) Limited, a Tata-ACI Joint Venture; Asian Consumer Care Private Limited, a Dabur-ACI Joint Venture and ACI Godrej Agrovet Private Limited, a Godrej-ACI Joint Venture.

ACI is a founding member of the Community of Global Growth Companies, which was set up by the World Economic Forum, the leading business networking organisation. ACI is one of the six companies in Bangladesh that adopted UN Global Compact Principles in September 2003.

ACI secured the ISO 9001 certification, the international standard for quality management system, in 1995, the first for a Bangladesh company. In 2000, ACI obtained the ISO 14001 certification, which is a global standard for environmental management, again a first for the country which reflects its environmental concern.

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