



PRIVATE ECONOMIC ZONES THINGS TO KNOW

- Total zones:** 12 (running and under-construction)
- Investment proposals:** \$4.26b so far
- Investment realised so far:** Around 70%
- First one in the country:** Meghna Economic Zone
- Commercial production running at:** 20 factories
- Factories under-construction:** 35

CHALLENGES THEY FACE

- Not getting gas connections
- Facing bureaucratic complexities in getting utility services
- Beza one-stop service not fully effective

RECOMMENDATION

PMO should issue order to expedite utility connection

Meghna Group of Industries, TK Group enter rice milling

SOHEL PARVEZ

Meghna Group of Industries (MGI) and TK Group, two major commodity processors in Bangladesh, are set to enter into the milling and marketing of rice, a move that may intensify competition but drive small operators out of the market.

MGI has established an automatic rice and rice bran oil plant in Bogura, a northwestern district, with an investment of Tk 700 crore. TK Group has already bought land in another northwestern district of Naogaon to set up a rice mill.

MGI looks to begin marketing rice in the middle of 2023, said its Chairman and Managing Director Mostafa Kamal yesterday.

"We had been marketing rice through contracts for the last couple of years and we have gained the confidence of customers. Now, if we buy paddy and mill the grain on our own, we will be able to provide better quality to our customers."

MGI has established an automatic rice and rice bran oil plant in Bogura at Tk 700 crore, while TK Group has already bought land in Naogaon to set up a rice mill

Tanvir Food Ltd, a concern of MGI, has established the mill with an annual production capacity of 3.5 lakh tonnes.

According to Kamal, MGI will make rice bran oil to sell in both domestic and export markets.

TK Group plans to launch rice milling by the end of 2023.

"We will operate both in parboiled and aromatic rice segments. We plan to market rice in packaged form, but in bulk," said Md Shafiul Ather Taslim, director of TK Group's finance and operation.

Bangladesh is the third-biggest rice producer in the world and produces 3.8 crore tonnes of rice annually. Farmers sell the grains in the market after keeping a portion for their own consumption.

Nearly 18,000 automatic, semi-auto and husking mills and thousands of traders operate in the supply chain, according to insiders.

In recent years, a number of big players -- City Group, Akij and ACI Ltd -- entered into the milling and marketing of parboiled rice. Pran, Square, Bangladesh Edible Oil and several others market aromatic rice.

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Masrur Reaz

Private economic zones gasping for gas

They lament utility service providers' bureaucratic delays

Ensure full infrastructure facilities at EZs Says an economist

JAGARAN CHAKMA

Operators of private economic zones in Bangladesh should review their infrastructure and logistic masterplans to ensure the maximum utilisation of the existing facilities, according to M Masrur Reaz, chairman of the Policy Exchange of Bangladesh.

"It is also crucial to ensuring that multiple businesses have access to the facilities rather than a single large investor," he said in a recent interview with The Daily Star.

He emphasised better connectivity and warehouse management to maintain a smooth supply chain for raw materials and finished products.

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JAGARAN CHAKMA

Developers of a number of private economic zones are finding it hard to implement plans for a lack of gas connections.

They apprehend that the entrepreneurs are drawing in to invest in setting up factories inside the zones would incur losses if they cannot start operations at the earliest.

Even the Bangladesh Economic Zones Authority (Beza) has expressed frustration at the shortcomings.

Up until now, 12 private economic zones have got the final approval to start running operations.

Over the past six years, their developers have been able to draw investment proposals amounting to \$4.27 billion from local and foreign entrepreneurs.

The proposals involve sectors such as automobile, chemical, pharmaceuticals, light engineering, hospital, plastic, edible oil and food.

More than 20 factories are already into commercial production and exporting products from Meghna, City, Abdul Monem,

Bay and other economic zones, according to the Beza.

Another 35 are under construction and are expected to go into commercial production within one and a half years.

Sirajganj Economic Zone,

Hossain said he faced bureaucratic delays when working with other government service providers.

Investors do not want to waste time but the reality is different in Bangladesh. Starting a business



situated around 155 kilometres northwest of Dhaka, sought gas connections from Pashchimanchal Gas Company two years ago.

The utility service provider is yet to take any initiative, the zone's director, Sheikh Monowar Hossain, told The Daily Star recently.

"We have allocated land to 18 factories but they cannot start running for the absence of gas connections," he said.

is a severe hassle here due to bureaucratic delays, said Hossain. "We have taken a licence from the Beza to create employment in the northern area of Bangladesh through industrialisation but our efforts are yet to become a success."

However, Hossain, also the chairman of Sirajganj Trade International, lauded the Beza for being proactive in promoting investment in the zone.

Another industrial area that is

yet to get gas connections from state-run Titas Gas Transmission & Distribution Company is Abdul Monem Economic Zone, situated around 49 kilometres southeast of Dhaka.

Already two investors have established factories here, said the zone's managing director, ASM Mainuddin Monem.

One of them is Bangladesh Honda Private Limited, a joint venture of Honda Motor Company Limited, Japan and state-run Bangladesh Steel and Engineering Corporation. The factory is manufacturing and assembling motorcycles for the local market.

The zone aims to be home to environment-friendly factories dealing with high-value garments, textile and apparel, electronics, ICT, food processing, plastic, furniture, pharmaceuticals, and light engineering.

An official of the Meghna Group of Industries, which has three private economic zones, said they had submitted applications and paid necessary government fees over the last couple of years.

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STOCKS	
DSEX ▲	CASPI ▲
0.44%	0.54%
6,291.30	18,558.20

COMMODITIES	
Gold ▲	Oil ▲
\$1,936.1	\$81.94
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.06%	▲ 1.46%	▲ 0.54%	▲ 0.76%
60,978.75	27,299.19	3,293.71	3,264.81



Fair Technology Limited at its factory at the Bangabandhu Hi-Tech Park in Kaliakoir of Gazipur has already produced 100 units of Hyundai Creta, officials said.

PHOTO: COLLECTED

Local production to cut Hyundai SUV price by 21%

STAR BUSINESS REPORT

Fair Technology Limited, the assembler of Hyundai in Bangladesh, said it would offer locally made Creta, a sport utility vehicle (SUV), at Tk 34.50 lakh to customers, nearly 21 per cent lower than the price of the imported ones.

Fair Technology initiated the production at the Hyundai automobile factory in Dhaka's northern district of Gazipur last week and the cars have already hit the showroom.

The company, which has formed a strategic partnership with the South Korean car maker to establish the manufacturing facility in Bangladesh, made the disclosure at a press conference at Hyundai 3S Center in the capital.

"The price is very competitive," said Mutassim Daiaan, director and CEO of Fair Technology.

Hyundai Creta customers will get warranty benefits for five years or up to one lakh kilometres mileage, up from three years for imported cars. The company is also offering a buy-back facility in order to boost customer confidence.

Fair Technology guarantees a buy-back facility of up to 60 per cent of the purchase price within three years of the buying of the car or if the customer has driven it less than 40,000 kilometres, Daiaan said.

Hyundai is the third automobile brand that began making cars in Bangladesh in the last couple of years thanks to VAT and tax benefits offered by the National

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Digital fair kicks off tomorrow

MAHMUDUL HASAN

The three-day Digital Bangladesh Mela 2023, where more than 50 telecom and ICT companies will showcase their products and services, is all set to kick off at the Bangabandhu International Conference Center in Dhaka's Agargaon tomorrow.

Prime Minister Sheikh Hasina is expected to inaugurate the fair through a video message.

"The main aim of this fair is to highlight the progress of Digital Bangladesh with technology and connectivity," said Telecom Minister Mustafa Jabbar.

"We started the fair in 2020 but were unable to organise it for the last two years due to Covid-19. This time, we will show how connectivity can improve peoples' lives," he added.

The main theme of this year's fair is "Digital Bangladesh: Empowering Lives".

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