

ANNEXES

Annex 1:

PROPOSED PROJECT PROFILE

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(1/2)

Project No.: URBAN.01	Project Title: A New CBD Development on the South Bank of the Karnaphuli	Sector: Urban Development
Project Location: South Bank of Karnaphuli	Project Priority: <input type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input type="checkbox"/> Long-term	Duration: 1996-2010
Objectives and Description of Project: <ul style="list-style-type: none"> • To support and cater for Chittagong Special Economic zone and future industrial development activities on the South Bank of the River and aims to be a "self-contained "sub-centre" • To supplement the existing Central Business District in Chittagong City 		Type of Project: <input checked="" type="checkbox"/> "Hardware" Type <input checked="" type="checkbox"/> "Software" Type
Major Components: <ul style="list-style-type: none"> • Commercial facilities development project, including major producers services like banking service, law, management, insurance, and realtors, and other business support services. • Infrastructure development project (gas, water, power, roads, telecommunication) • Housing development project • Establishment of Liason offices of necessary governmental agencies. • Other amenity facility like parks projects 		Beneficiaries: <ul style="list-style-type: none"> • Every business on the South Bank of the Karunaphuli • Citizens on the South Bank of the Karnaphuli Expected Benefits: <ul style="list-style-type: none"> • Improvement of Public services on the south bank • Establishment of Support services to business and citizens
Estimated Project Cost (in 1995 prices): Total Project Implementation Cost _____ Mil. Tk Annual Recurrent Expenditure for O&M _____ Mil. Tk		Technical and Financial Assistance Technical Asst. <input checked="" type="checkbox"/> Required <input type="checkbox"/> Not required Financial Asst. <input type="checkbox"/> Grant <input type="checkbox"/> Loan
Ministry in Charge :	Section:	Development Body : New Development body
Relevant Agencies to be Coordinated:		Operation Body:
		Private Sector Participation: Related businesses

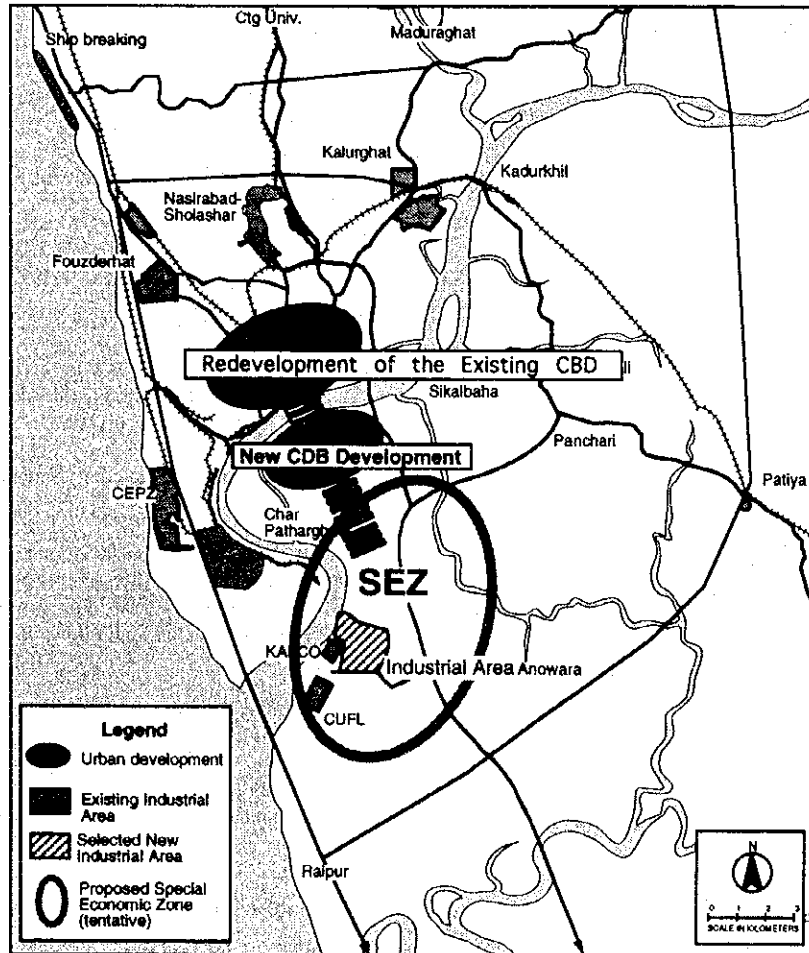
PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(2/2)

Project No. URBAN.01	Project Title A New CBD Development on the South Bank of the Karnaphuli
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Verifiable Indicators / Information / Drawings

URBAN DEVELOPMENT CONCEPTS AND SEZ DEVELOPMENT



Necessary Inputs/Arrangement

- National Government Involvement
- Initiatives of Local Government Units (CCC, District)
- Institutional Arrangement at Local Level
- Special Financial Building at Local Level
- Special Fund Allocation by Central Government
- Private Sector Participation in Funding
- Maximum Utilization of Local Technologies and resources
- Others (as specified in right column)

Special Considerations

To develop the new CBD, a development body or local government must be newly set up or designated. And the organisation will take initiatives, make a development plan, and implement the development project. The area for the new CBD development must be delineated and designated by the national government, the local government or whatever has the authority.

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(1/2)

Project No.: URBAN.02	Project Title: A Large-scale Urban Renewal of the Existing Central Business District (CBD) in Chittagong	Sector: Urban Development	
Project Location: Chittagong City Central Business District (Mainly Chaktai/Sadarghat and Agrabad Areas)	Project Priority: <input type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input type="checkbox"/> Long-term	Duration: 1996-2010	Type of Project: <input checked="" type="checkbox"/> "Hardware" Type <input type="checkbox"/> "Software" Type
Objectives and Description of Project: This project is to redevelop, improve, and revitalise the existing central business district (CBD) mainly comprising prestigious commercial areas of Chaktai/Sadarghat and Agrabad, so that the CBD should turn to the urban space of amenity, efficient business environment as a gateway to "BIPP."		Beneficiaries: <ul style="list-style-type: none"> • City dwellers • All visitors • Related governmental agencies • Private businesses 	
		Expected Benefits: <ul style="list-style-type: none"> • Amenity in the city • Better living and working environment • Efficient business performance • More business chances • More visitors attractions 	
Major Components: <ul style="list-style-type: none"> • Mixed development including high-rise office buildings, commercial centre, hotels, housing, parks, etc. <p>The following projects are closely related to the above and need to be taken into account:</p> <ul style="list-style-type: none"> • Slum/squatter improvement programs • Improvement of city roads and traffic congestion • Improvement of utilities supply • Telecommunication upgrading • Chaktai and Sadarghat Commercial area redevelopment project • Agrabad Commercial Area Development considering CCCI's "World Trade Centre development project" and "Exhibition Center project." • CCC's New City Hall and a 5-star hotel development projects • Market place improvement 		Specific Issues Related: <ul style="list-style-type: none"> • The project lies across various sectors and requires well-coordinated efforts among the related agencies and bodies both public and private. • Land-owners' consent, including National Railway, is prerequisite. • It should be taken into consideration that the new development of Chittagong Special Economic Zone, and Industrial Estate and EPZ in it, as well as the new CBD construction on the South Bank of the Karnaphuli. • The twin-City-Centres must be complementary to each other, and become integrated in the long-run. • This redevelopment project must be based on the urban development plan in the CDA's structure plan. 	
Estimated Project Cost (In 1995 prices): Total Project Implementation Cost _____ ML Tk Annual Recurrent Expenditure for O&M _____ ML Tk		Technical and Financial Assistance Technical Asst. <input checked="" type="checkbox"/> Required <input type="checkbox"/> Not required Financial Asst. <input type="checkbox"/> Grant <input checked="" type="checkbox"/> Loan	
Ministry in Charge : CCC, CDA and Various agencies		Development Body : CCC, CDA and Various agencies	
Section:		Operation Body: Various agencies	
Relevant Agencies to be Coordinated: Various agencies		Private Sector Participation: Chittagong Chamber of Commerce and Industries (CCCI) and other private businesses	

Note: 1 US\$ = 40.0 Taka
Source: JICA Study Team

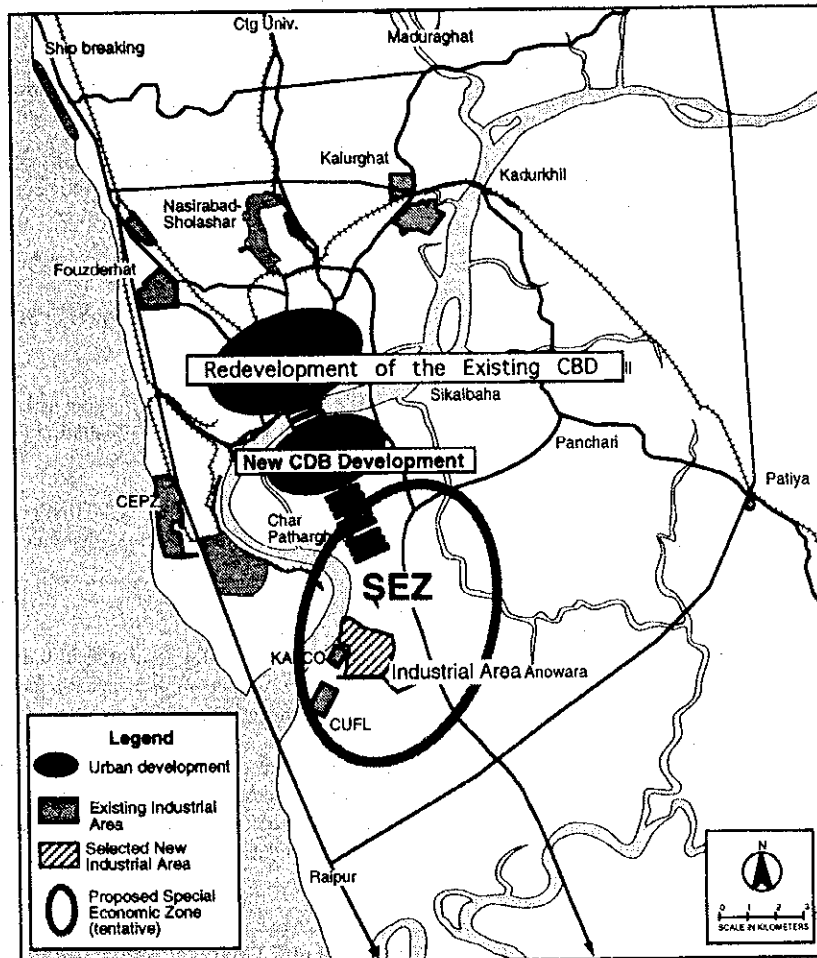
PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(2/2)

Project No.	Project Title
URBAN.02	A Large-scale Urban Renewal of the Existing Central Business District (CBD) in Chittagong

Verifiable Indicators / Information / Drawings

URBAN DEVELOPMENT CONCEPTS AND SEZ DEVELOPMENT



Necessary Inputs/Arrangement	Special Considerations
<input checked="" type="checkbox"/> National Government Involvement	
<input checked="" type="checkbox"/> Initiatives of Local Government Units (CCC, District)	
<input type="checkbox"/> Institutional Arrangement at Local Level	
<input type="checkbox"/> Special Financial Building at Local Level	
<input checked="" type="checkbox"/> Special Fund Allocation by Central Government	
<input checked="" type="checkbox"/> Private Sector Participation in Funding	
<input checked="" type="checkbox"/> Maximum Utilization of Local Technologies and resources	
<input type="checkbox"/> Others (as specified in right column)	

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(1/2)

Project No.: IND 01	Project Title: CLUSTER DEVELOPMENT OF SMALL AND COTTAGE INDUSTRIES (SCIs)	Sector: Industrial Sector
Project Location: Chittagong District	Project Priority: <input checked="" type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input type="checkbox"/> Long-term	Duration: around the year 1996-2010
Objectives and Description of Project: <ul style="list-style-type: none"> The existing industries in Chittagong District comprise mostly SCIs, which have many internal problems and are more sensitive to external constraints. This project aims at the formation of a production centre with specific products and high productivity by structuring integrated division of works in a cluster through SCI's specialisation. 		Type of Project: <input checked="" type="checkbox"/> "Hardware" Type <input checked="" type="checkbox"/> "Software" Type
Major Components: <ol style="list-style-type: none"> Establish cooperatives as a receiver of public support measures Carry on bulk buying of raw materials, marketing, selling, capital raising, technology development, manpower training, relevant office/documentation works etc. Accommodate common service facilities such as some of storing/production process, pollution control, employee welfare-related etc. Develop the Expert System specific to a specified cluster for skills development and bringing up successors 		Beneficiaries: <ul style="list-style-type: none"> food processing/agri-industries including tea blending, frozen shrimps, edible salt refining, edible oil garments, dyeing, handloom, furniture/wood processing, leather goods, handicrafts like ceramics or pottery, plastic products metal and machined processing estate including tools, rickshaw, bicycle, electrical/electronic products. toys, precious metal/stone processing
		Expected Benefits: <ol style="list-style-type: none"> Strengthening competitive power of SCIs as a whole Simultaneous realisation of social and industrial integrations through the formation of production centres Increase in businessmen of the first generation and concomitantly of the second generation
		Specific Issues Related: <ol style="list-style-type: none"> Support measures for industries in Bangladesh has attached too much importance to the public sector, the manufacturing public corporations (MPCs). A strong bias against the private sector deeply discourages especially small private enterprises, and therefore the emphasis is to be placed on their integrated development.
Estimated Project Cost (in 1995 prices) Total Project Implementation Cost Mil. Tk Annual Recurrent Expenditure for O & M Mil. Tk		Technical and Financial Assistance: Technical Asst. <input checked="" type="checkbox"/> Required <input type="checkbox"/> Not required Financial Asst. <input type="checkbox"/> Grant <input checked="" type="checkbox"/> Loan
Ministry in Charge: Bangladesh Small and Cottage Industries Corporation (BSCIC) Section:		Development Body: SCIs cooperatives Operation Body:
Relevant Agencies to be Coordinated: Ministry of Industry		Private Sector Participation: This programme is to assist the private sector's self-reliance.

Note: 1 US\$=40.0 Taka
Source: JICA Study Team

Project No.: IND 01	Project Title: CLUSTER DEVELOPMENT OF SMALL AND COTTAGE INDUSTRIES (SCIs)
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Verifiable Indicators / Information / Drawings

The Bangladesh Small and Cottage Industries Corporation (BSCIC) is organised under MOI and responsible exclusively and comprehensively for development of SCIs as shown below.

- 1) Sourcing and Marketing
 - Recommendation of import entitlement for importation of raw materials
 - Marketing assistance of products
 - Market survey and market feasibility studies
 - Preparation of feasibility studies and project profile
 - Area potential, growth potential and subsectoral studies
 - Promotion of sub-contracting linkage among small, medium and large industries
 - Arrangement of fair and exhibition for SCI products
- 2) Finance, Information etc.
 - Provision and arrangement of credit
 - Supervision and monitoring of credit utilization
 - Industrial information system service
- 3) Manpower and Start-up
 - Manpower training and skill development
 - Scouting and identification of entrepreneurs
- 4) Technology upgrading
 - Product & process development and extension service
 - Development and distribution of new and innovative designs and prototypes
 - Adoption and transfer of new technology
 - Quality control and improvement
 - Productivity promotion and development
- 5) Modernisation, Investment Promotion and Location
 - Preparation of Investment Schedules
 - Pre- and post- investment counselling
 - Recommendation for duty exemption and tax holiday
 - Development of Industrial Estate
 - Rehabilitation of sick industries
 - Sanction for establishment of new industries and balancing, modernisation, replacement and expansion (BMRE) of existing enterprises
- 6) Regulation, Procedures etc.
 - Registration of enterprises
 - Recommendation for preparing regulated list of industries.

Necessary Inputs/Arrangement

- National Government Involvement
- Initiatives of Local Government Units (CCC, District)
- Institutional Arrangement at Local Level
- Special Financial Building at Local Level
- Special Fund Allocation by National Government
- Private Sector Participation in Funding
- Maximum Utilisation of Local Technologies and Resources
- Others (as specified in right column)

Special Considerations

1. Combined development with tourism
2. Mobilisation of NGOs active in Bangladesh for the successful development of SCI cluster

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(1/2)

Project No.: IND 02	Project Title: SPECIAL MODERNISATION PROGRAMME FOR SPECIFIC INDUSTRIES	Sector: Industrial Sector
Project Location: Chittagong SEZ and other areas	Project Priority: <input type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input type="checkbox"/> Long term	Duration: around the year 2001-2010
Objectives and Description of Project: <ul style="list-style-type: none"> • Obsolete production facilities and lack of economies of scale in production are the serious internal problems faced by many industries in Chittagong. • This programme aims to mobilise strong support measures for industries for which both, modernisation of production facilities and relocation of factory are imperative to survive. 		Type of Project: <input checked="" type="checkbox"/> "Hardware" Type <input checked="" type="checkbox"/> "Software" Type
Major Components: <ol style="list-style-type: none"> 1. Identify and organise the beneficiaries with a strong need for modernisation and relocation 2. Establish cooperatives of the beneficiaries assigned to build up the modernisation plan 3. Develop the relocation sites within CSEZ and other areas 4. Establish an incentive package containing public loan at low interest rate, compensation for scraped facilities in place of large scale production, reduction in taxes on income to be generated from site conversion for relocation 		Beneficiaries: <ul style="list-style-type: none"> • Existing industries such as edible salt refinery and other industries with a strong need for modernisation and relocation Expected Benefits: <ol style="list-style-type: none"> 1. Increase in productivity through ensuring economies of scale in production 2. Rational land use of urbanised area wherein the beneficiaries located before
Estimated Project Cost (in 1995 prices) Total Project Implementation Cost Mil. Tk Annual Recurrent Expenditure for O & M Mil. Tk		Specific Issues Related: <ol style="list-style-type: none"> 1. Support measures for industries in Bangladesh has attached too much importance to the public sector, the manufacturing public corporations (MPCs). 2. This tendency is not yet significantly changed in the 1994-96 Three Year Rolling Investment Programme wherein investments to MPCs accounts for about 80% of the total budget. 3. The World Bank reported that 78.5% of industrial investments in Bangladesh (1990-91) was originated from the private sector. 4. Such inequity between the national budget allocation and industrial investments deeply discourages private enterprises, and therefore the emphasis is to be placed on their development/modernisation.
Ministry in Charge: Board of Investment (BOI) Bangladesh Small and Cottage Industries Corporation (BSCIC) Section:		Technical and Financial Assistance: Technical Asst. <input type="checkbox"/> Required <input type="checkbox"/> Not required Financial Asst. <input type="checkbox"/> Grant <input checked="" type="checkbox"/> Loan
Relevant Agencies to be Coordinated: Chittagong Development Authority (CDA) Chittagong City Corporation (CCC)		Development Body: Chittagong Development Company (CDC) Operation Body:
		Private Sector Participation: This programme is to assist the private sector's self-reliance.

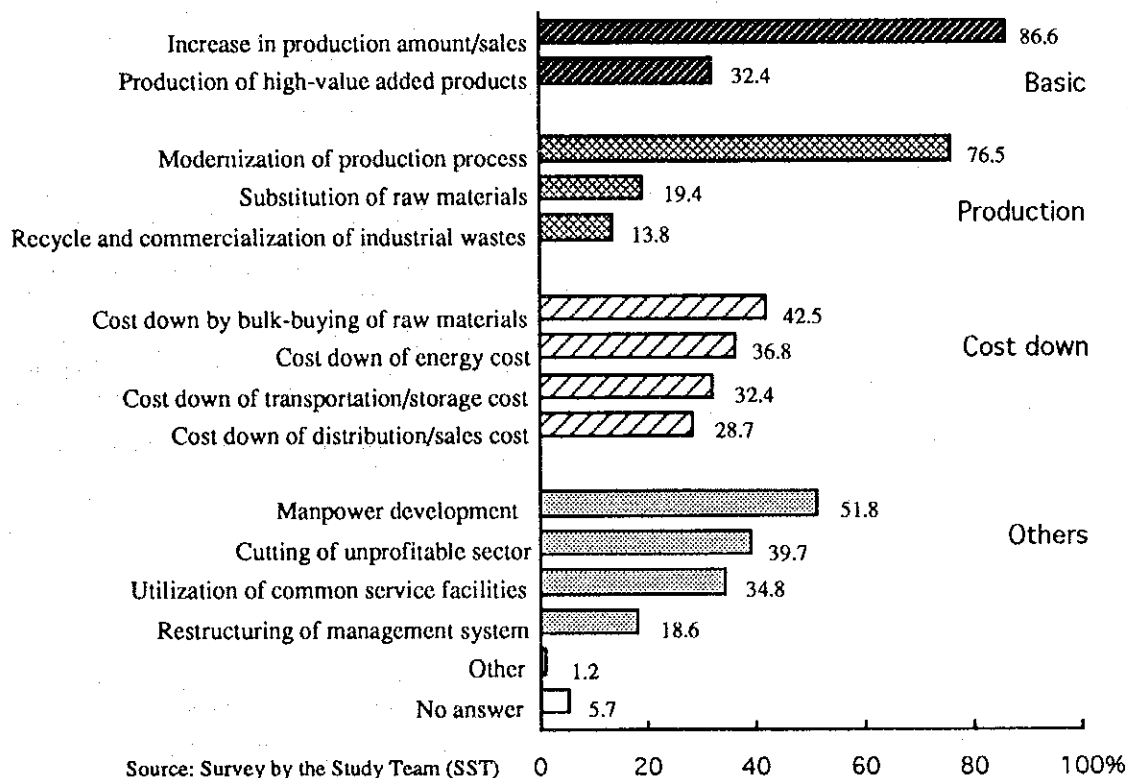
Note: 1 US\$=40.0 Taka
Source: JICA Study Team

Project No.: IND 02	Project Title: SPECIAL MODERNISATION PROGRAMME FOR SPECIFIC INDUSTRIES
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Verifiable Indicators / Information / Drawings

Modernisation of production process has strategic importance for the survival of the existing enterprises in Chittagong District. A questionnaire survey conducted by the Study Team reveals that a 76.5% of the respondents prioritises the modernisation. This may be closely related to the fact that obsolete production facilities is one of the most critical internal problems in the existing industries.

Basic Strategies for Business Management by Existing Industries in CTGD (excluding EPZ enterprises, multi-answers within 6 items)



Necessary Inputs/Arrangement	Special Considerations
<input checked="" type="checkbox"/> National Government Involvement <input type="checkbox"/> Initiatives of Local Government Units (CCC, District) <input checked="" type="checkbox"/> Institutional Arrangement at Local Level <input checked="" type="checkbox"/> Special Financial Building at Local Level <input type="checkbox"/> Special Fund Allocation by National Government <input checked="" type="checkbox"/> Private Sector Participation in Funding <input checked="" type="checkbox"/> Maximum Utilisation of Local Technologies and Resources <input type="checkbox"/> Others (as specified in right column)	

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(1/2)

Project No.: IND 03	Project Title: CSEZ MANPOWER TRAINING & TECHNOLOGY EXTENSION CENTRE (CMTTEC)	Sector: Industrial Sector
Project Location: Chittagong SEZ	Project Priority: <input type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input type="checkbox"/> Long-term	Duration: around the year 2001-2010
Objectives and Description of Project: <ul style="list-style-type: none"> Chittagong SEZ with three sites and their totaled factory site area of 750ha will have around 127,200 workers comprising 90,700 for EPZ and 36,500 for GIE in 2010. This project aims to establish a manpower training and technology extension centre as a link of investment promotion for CSEZ, and for upgrading or transfer of technology in Chittagong District. 		Type of Project: <input checked="" type="checkbox"/> "Hardware" Type <input checked="" type="checkbox"/> "Software" Type
Major Components: <ol style="list-style-type: none"> Provide assistance for the training of workers including potential or candidate workers whom the locators at the CSEZ, especially the EPZ, will employ Provide indigenous industries including ones located or relocated at the GIE with consultancy and testing services for product and production technology together with dissemination of the information related to R & D The CMTTEC should be staffed with appropriate trainers and advisors, and equipped with appropriate testing facilities. 		Beneficiaries: Locators at CSEZ and manufacturing enterprises in Chittagong District
		Expected Benefits: <ol style="list-style-type: none"> Promotion of investment in CSEZ and smooth starting-up of factory operation Efficient technology upgrading and transfer conducive to high productivity and sustainable growth of industries
		Specific Issues Related: <ol style="list-style-type: none"> Apart from on the job training, manpower training is undertaken by organisations such as BSCIC, training centres and industrial associations like one for garments. However, it is pointed that public training is not need-oriented. On the other hand, lack of R & D staffs is one of the most critical problems in Chittagong's industries partly reflecting weak support from the public sector. Therefore, strong public support for manpower training and technology development is needed.
Estimated Project Cost (in 1995 prices) Total Project Implementation Cost Mil. Tk Annual Recurrent Expenditure for O & M Mil. Tk		Technical and Financial Assistance: Technical Asst. <input checked="" type="checkbox"/> Required <input type="checkbox"/> Not required Financial Asst. <input type="checkbox"/> Grant <input checked="" type="checkbox"/> Loan
Ministry in Charge:		Development Body: Chittagong Development Company (CDC)
Section:		Operation Body: Chittagong Development Company (CDC)
Relevant Agencies to be Coordinated: Board of Investment (BOI) Ministry of Industry Bangladesh Small and Cottage Industries Corporation (BSCIC)		Private Sector Participation:

Note: 1 US\$=40.0 Taka
Source: JICA Study Team

Project No.: IND 03	Project Title: CSEZ MANPOWER TRAINING & TECHNOLOGY EXTENSION CENTRE (CMTTEC)
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Verifiable Indicators / Information / Drawings

The areas of manpower training undertaken by BITAC and TTC do not match partly to the need of industries to be located at EPZ within the CSEZ. In order to address this situation, one way is to establish need-oriented courses by the existing training organisations, the other to establish a new centre like CMTTEC assigned to training specific to expected new locators at the EPZ.

The CMTTEC is an organisation integrating supports for manpower training and technology development while there is no such organisation in Chittagong District except for BSCIC responsible exclusively for development of small and cottage industries.

Overview of Main Existing Organisations for Manpower Training, R & D and Testing

BITAC/CTG: Bangladesh Industrial and Technical Assistance Centre, Chittagong

TTC/CTG: Technical Training Centre, Chittagong

BMDC/CTG: Bangladesh Management Development Centre, Chittagong

BCSIR/CTG: Bangladesh Council for Scientific and Industrial Research, Chittagong

BSTI/CTG: Bangladesh Standard and Testing Institute, Chittagong

	Manpower Training			R & D	Testing
	BITAC /CTG 1972	TTC /CTG 1962	BMDC /CTG 1980	BCSIR /CTG 1965	BSTI /CTG 1966
1. Year Established					
2. Number of Staff: Total	172	91	14	182	9
Training staff	147	53	3	108	4
3. Budget in 1994-95 (Taka)	22.6 Mil	3.2 Mil.	1.2 Mil.	15.2 Mil.	0.55 Mil.
4. Building Floor (m2)	3,974	7,577	508	9,814	199 (Rented)
5. Facilities or Equipment					
Auditorium/Class room	○	○	○		
Library		○	○		
Workshops	○	○			
Others		○	○		
6. Number of Trainees/Students	120/year	350/year			
7. Courses/Areas	(capacity)	(capacity)			
Training:					
Mechanical	○	○			
Industrial spares	○				
Fabrication of machines & system	○				
Engineering	○				
Electrical	○	○			
Electro-plating	○				
Heat-treatment	○				
Foundry	○				
Drafting		○			
Welding		○			
Automechanics		○			
Industrial Sewing		□			
Others	○	(under consideration)			
Management			○		
Consultancy	○		(10 courses)		
Inspection & supervision					
Research for indigenous medical plants				○	○

Source: Interview Survey by the Study Team

Necessary Inputs/Arrangement

- National Government Involvement
- Initiatives of Local Government Units (CCC, District)
- Institutional Arrangement at Local Level
- Special Financial Building at Local Level
- Special Fund Allocation by National Government
- Private Sector Participation in Funding
- Maximum Utilisation of Local Technologies and Resources
- Others (as specified in right column)

Special Considerations

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(1/2)

Project No.: IND 04	Project Title: ESTABLISHMENT OF CHITTAGONG MERCHANDISE MART (CMM)	Sector: Industrial Sector
Project Location: Chittagong SEZ	Project Priority: <input type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input checked="" type="checkbox"/> Long-term	Duration: around the year 2001-2020
Objectives and Description of Project:		Type of Project: <input checked="" type="checkbox"/> "Hardware" Type <input checked="" type="checkbox"/> "Software" Type
<ul style="list-style-type: none"> Chittagong is the transshipment hub and processing trade centre (THPTC) in Bangladesh facilitated by its good geographical location and port condition. Chittagong will be the THPTC in South Asia through the expansion of economic exchange or transaction with SAARC countries (India, Pakistan, Sri Lanka, Nepal, Bhutan and Maldives other than Bangladesh). This project aims to establish the CMM as the core or symbol facility of the THPTC in South Asia. 		Beneficiaries: Not specified but small enterprises will more benefits than big ones since they will be able to get market channels.
Major Components:		Expected Benefits:
<ol style="list-style-type: none"> Conduct the feasibility study Establish the development corporation with the public and private partnership Construct shopping (including wholesaling) centre, consisting of mart, showrooms, antenna shops, representative offices and other business supporting facilities Construct the CMM complex with good business environment comprising five star hotels, exhibition/convention/meeting facilities, amusement facilities and security guard system. 		<ol style="list-style-type: none"> Activation and vitalisation of Chittagong's economy through increase in borderless flow of human, goods, capital, information etc. Channel and streamline of business activities
Specific Issues Related:		Technical and Financial Assistance:
<ol style="list-style-type: none"> There is a lot of business chance in Chittagong but informal business is prevailing. Informal business distorts normal flow of capital and discourages investment in manufacturing. In order to address this situation, informal business should be formalised through establishing "Free Trade" like Hongkong and Singapore under strong control. 		Technical Asst. <input type="checkbox"/> Required <input type="checkbox"/> Not required Financial Asst. <input type="checkbox"/> Grant <input checked="" type="checkbox"/> Loan
Estimated Project Cost (In 1995 prices)		Ministry In Charge:
Total Project Implementation Cost	Mil. Tk	Development Body: CMM corporation
Annual Recurrent Expenditure for O & M	Mil. Tk	
Section:		Operation Body: CMM corporation
Relevant Agencies to be Coordinated:		Private Sector Participation:
Ministry of Commerce Ministry of Finance/Customs Department Export Promotion Bureau Chittagong Development Company (CDC)		The Chittagong Chamber of Commerce and Industry will take initiative and organise enterprisers.

Note: 1 US\$=40.0 Taka
Source: JICA Study Team

Project No.: IND 04	Project Title: ESTABLISHMENT OF CHITTAGONG MERCHANDISE MART (CMM)
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Verifiable Indicators / Information / Drawings

Chittagong is designated to be "Commercial Capital" in Bangladesh and the World Trade Centre (WTC) will be constructed both in Dhaka and Chittagong.

Construction cost of Chittagong's WTC will be shared by local enterprises. On the other hand this CMM is positioned as one of the core facilities in CSEZ and the scale is larger than the WTC.

Merchandise mart functions will give larger merit to small enterprises as well known by the examples in foreign countries. Manufacturing enterprises in Bangladesh are heavily dependent on wholesalers in procuring their raw materials and marketing. However, merchandise mart as well as strengthening capability of wholesalers is needed strongly to establish the export-oriented industrial clusters.

Necessary Inputs/Arrangement

- National Government Involvement
- Initiatives of Local Government Units (CCC, District)
- Institutional Arrangement at Local Level
- Special Financial Building at Local Level
- Special Fund Allocation by National Government
- Private Sector Participation in Funding
- Maximum Utilisation of Local Technologies and Resources
- Others (as specified in right column)

Special Considerations

Cordination between already planned Chittagong WTC and the CMM

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(1/2)

Project No.: IND 05	Project Title: CSEZ MANPOWER TRAINING & TECHNOLOGY EXTENSION CENTRE (CMTTEC)	Sector: Industrial Sector
Project Location: Chittagong SEZ	Project Priority: <input type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input type="checkbox"/> Long-term	Duration: around the year 2001-2010
Objectives and Description of Project: <ul style="list-style-type: none"> Chittagong SEZ with three sites and their totaled factory site area of 750ha will have around 127,200 workers comprising 90,700 for EPZ and 36,500 for GIE in 2010. This project aims to establish a manpower training and technology extension centre as a link of investment promotion for CSEZ and for upgrading or transfer of technology in Chittagong District. 		Type of Project: <input checked="" type="checkbox"/> "Hardware" Type <input checked="" type="checkbox"/> "Software" Type
Major Components: <ol style="list-style-type: none"> Provide assistance for the training of workers including potential or candidate workers whom the locators at the CSEZ, especially the EPZ, will employ Provide indigenous industries including ones located or relocated at the GIE with consultancy and testing services for product and production technology together with dissemination of the information related to R & D The CMTTEC should be staffed with appropriate trainers and advisors, and equipped with appropriate testing facilities. 		Beneficiaries: Locators at CSEZ and manufacturing enterprises in Chittagong District
		Expected Benefits: <ol style="list-style-type: none"> Promotion of investment in CSEZ and smooth starting-up of factory operation Efficient technology upgrading and transfer conducive to high productivity and sustainable growth of industries
		Specific Issues Related: <ol style="list-style-type: none"> Apart from on the job training, manpower training is undertaken by organisations such as BSCIC, training centres and industrial associations like one for garments. However, it is pointed that public training is not need-oriented. On the other hand, lack of R & D staffs is one of the most critical problems in Chittagong's industries partly reflecting weak support from the public sector. Therefore, strong public support for manpower training and technology development is needed.
Estimated Project Cost (In 1995 prices) Total Project Implementation Cost Mil. Tk Annual Recurrent Expenditure for O & M Mil. Tk		Technical and Financial Assistance: Technical Asst. <input checked="" type="checkbox"/> Required <input type="checkbox"/> Not required Financial Asst. <input type="checkbox"/> Grant <input checked="" type="checkbox"/> Loan
Ministry In Charge:		Development Body: Chittagong Development Company (CDC)
Section:		Operation Body: Chittagong Development Company (CDC)
Relevant Agencies to be Coordinated: Board of Investment (BOI) Ministry of Industry Bangladesh Small and Cottage Industries Corporation (BSCIC)		Private Sector Participation:

Note: 1 US\$=40.0 Taka

Source: JICA Study Team

Project No.: IND 05	Project Title: CSEZ MANPOWER TRAINING & TECHNOLOGY EXTENSION CENTRE (CMTTEC)
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Verifiable Indicators / Information / Drawings

The areas of manpower training undertaken by BITAC and TTC do not match partly to the need of industries to be located at EPZ within the CSEZ. In order to address this situation, one way is to establish need-oriented courses by the existing training organisations, the other to establish a new centre like CMTTEC assigned to training specific to expected new locators at the EPZ.

The CMTTEC is an organisation integrating supports for manpower training and technology development while there is no such organisation in Chittagong District except for BSCIC responsible exclusively for development of small and cottage industries.

Overview of Main Existing Organisations for Manpower Training, R & D and Testing

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TTC/CTG: Technical Training Centre, Chittagong

BMD/CTG: Bangladesh Management Development Centre, Chittagong

BCSIR/CTG: Bangladesh Council for Scientific and Industrial Research, Chittagong

BSTI/CTG: Bangladesh Standard and Testing Institute, Chittagong

	Manpower Training			R & D	Testing
	BITAC /CTG	TTC /CTG	BMD /CTG	BCSIR /CTG	BSTI /CTG
1. Year Established	1972	1962	1980	1965	1966
2. Number of Staff: Total	172	91	14	182	9
Training staff	147	53	3	108	4
3. Budget in 1994-95 (Taka)	22.6 Mil	3.2 Mil.	1.2 Mil.	15.2 Mil.	0.55 Mil.
4. Building Floor (m2)	3,974	7,577	508	9,814	199 (Rented)
5. Facilities or Equipment					
Auditorium/Class room	○	○	○		
Library		○	○		
Workshops	○	○			
Others			○		
6. Number of Trainees/Students	120/year	350/year			
7. Courses/Areas	(capacity)	(capacity)			
Training:					
Mechanical	○	○			
Industrial spares	○				
Fabrication of machines & system	○				
Engineering	○				
Electrical	○	○			
Electro-plating	○				
Heat-treatment	○				
Foundry	○				
Drafting		○			
Welding		○			
Automechanics		○			
Industrial Sewing		□			
Others	○	(under consideration)			
Management			○		
			(10 courses)		
Consultancy	○				
Inspection & supervision					
Research for indigenous medical plants				○	○

Source: Interview Survey by the Study Team

Necessary Inputs/Arrangement

- National Government Involvement
- Initiatives of Local Government Units (CCC, District)
- Institutional Arrangement at Local Level
- Special Financial Building at Local Level
- Special Fund Allocation by National Government
- Private Sector Participation in Funding
- Maximum Utilisation of Local Technologies and Resources
- Others (as specified in right column)

Special Considerations

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(1/2)

Project No.: TRANS.01	Project Title: CONSTRUCTION OF NEW CROSSING OVER THE KARNAPHULI	Sector: Transportation	
Project Location: Chittagong Metropolitan area, SEZ	Project Priority: <input checked="" type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input checked="" type="checkbox"/> Long-term	Duration: 1996-2020	Type of Project: <input checked="" type="checkbox"/> "Hardware" Type <input type="checkbox"/> "Software" Type
Objectives and Description of Project: <ul style="list-style-type: none"> - To facilitate access to the proposed Chittagong Special Economic Zone (CSEZ) - To induce future urban and industrial developments on the South of the Karnaphuli - To contribute to develop sound modernization of the chittagong Metropolitan area - To cater for the traffic to be generated from urban and industrial developments on the South bank 		Beneficiaries: <ul style="list-style-type: none"> · Road users · Local area with SEZ potential 	
Major Components: <ol style="list-style-type: none"> 1. To build new crossing of international standards across the River 2. The projects begin with a comprehensive feasibility study at first. <main study item> <ol style="list-style-type: none"> 1) determination of crossing location with consideration of Road Network 2) structural type (Bridge and immersed tunnel system) 3) geometric configuration 4) approach alignments 5) construction cost and maintenance cost 6) Cost Benefit Analysis (economic benefit) 3. Detailed Design of the new crossing including the approach roads 		Expected Benefits: <ul style="list-style-type: none"> - shortening travel time - mitigating traffic congestion - increasing investment - developing business functions 	
Specific Issues Related: <ol style="list-style-type: none"> 1. The acquisition of the land for new crossings and approach road right-of-way should be prepared. 2. Making bridge at downstream or port area in extremely difficult. <ol style="list-style-type: none"> 1) making high bridge to allow sufficient clearance for large marine vessels to sail underneath during high monsoon tide is extremely expensive 2) very high bridge is a hazard to aircraft approaching Patenga air port and a hindrance to radio communication between aircraft and the ground station 3. Upstream location is inadequate for speedy and efficient transportation from southern Bank of the Karnaphuli to the airport and the SEZ. 			
Estimated Project Cost (in 1995 prices): Total Project Implementation Cost $\frac{Br L=2.6 km}{Tr L=1.8 km} \frac{11,400}{13,000}$ Mil. Tk Annual Recurrent Expenditure for O & M: _____ Mil. Tk <small>note: at location NO. 3</small>		Technical and Financial Assistance Technical Asst. <input checked="" type="checkbox"/> Required <input type="checkbox"/> Not required Financial Asst. <input type="checkbox"/> Grant <input checked="" type="checkbox"/> Loan	
Ministry in Charge : Ministry of Communications, Roads and Road Transportation Division		Development Body : Roads and Highways Department	
Section: Roads and Highways Department		Operation Body: Roads and Highways Department	
Relevant Agencies to be Coordinated: Chittagong Development Authority, UNDP, Chittagong Port Authority Bangladesh Water Development Board		Private Sector Participation:	

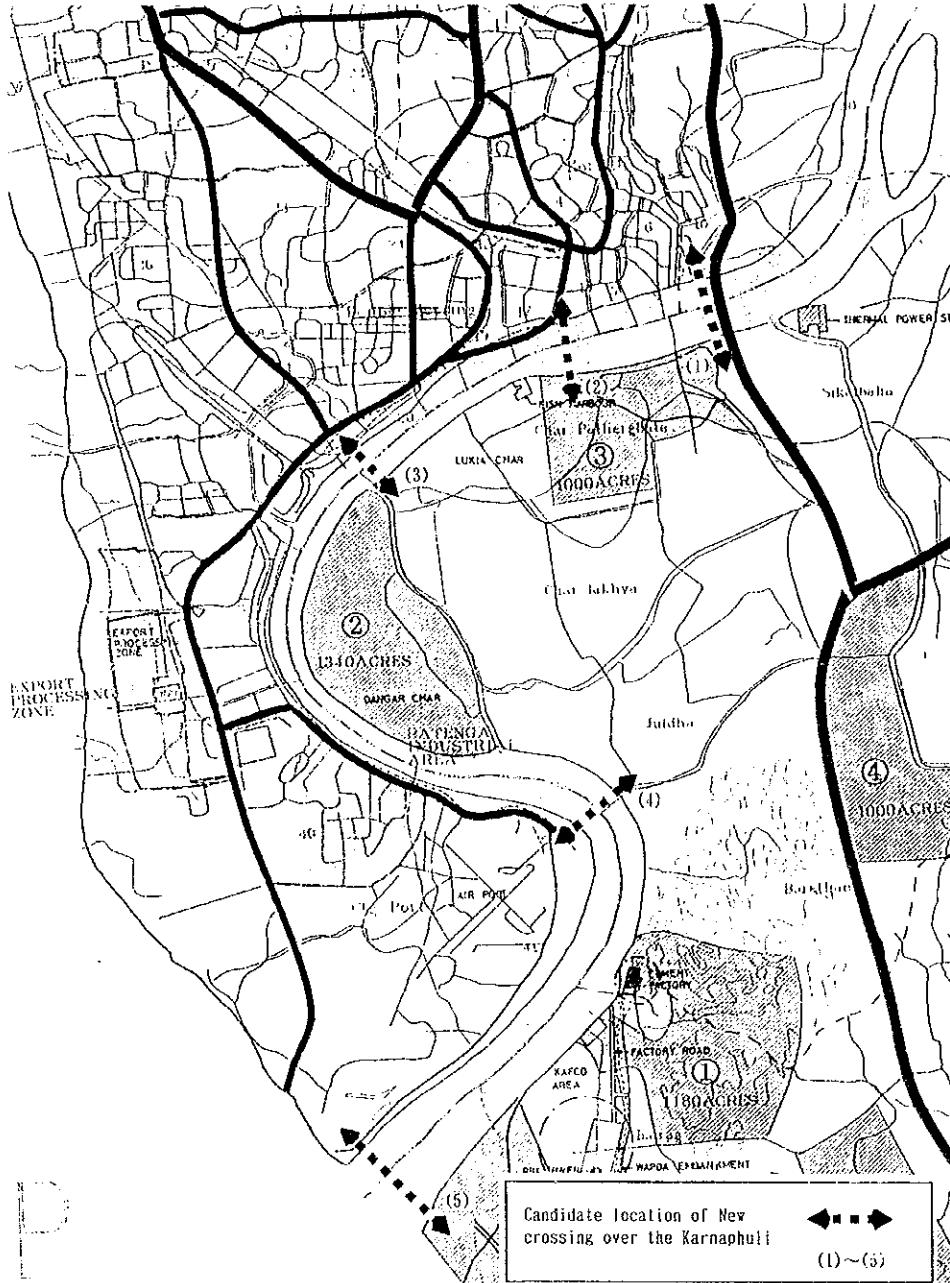
Note: 1 US\$=40.0 Taka
Source: JICA Study Team

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(2/2)

Project No.	Project Title
TRANS.01	CONSTRUCTION OF NEW CROSSING OVER THE KARNAPHULI

Verifiable Indicators / Information / Drawings



Necessary Inputs/Arrangement

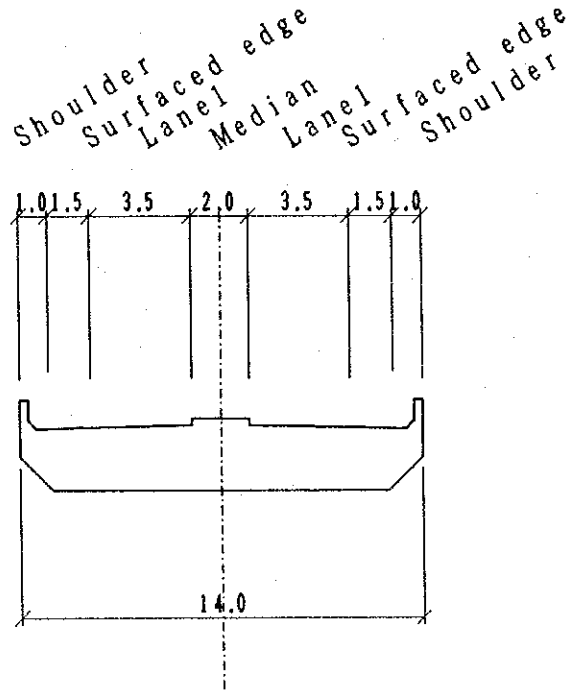
- National Government Involvement
- Initiatives of Local Government Units (CCC, District)
- Institutional Arrangement at Local Level
- Special Financial Building at Local Level
- Special Fund Allocation by Central Government
- Private Sector Participation in Funding
- Maximum Utilization of Local Technologies and resources
- Others (as specified in right column)

Special Considerations

1. Area 50 yards from the river bank are belonging to the chittagong Port Authority.
2. Pieces of the immersed tunnel are prefabricated like large concrete pipes.

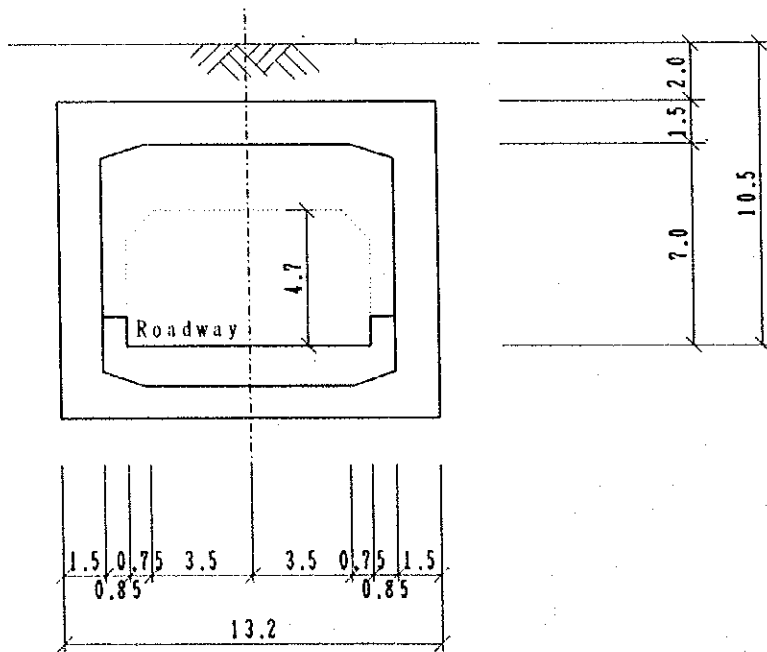
Typical Cross-Section Of Bridge

Scale: 1:250



Typical Cross-Section Of Tunnel

Scale: 1:250

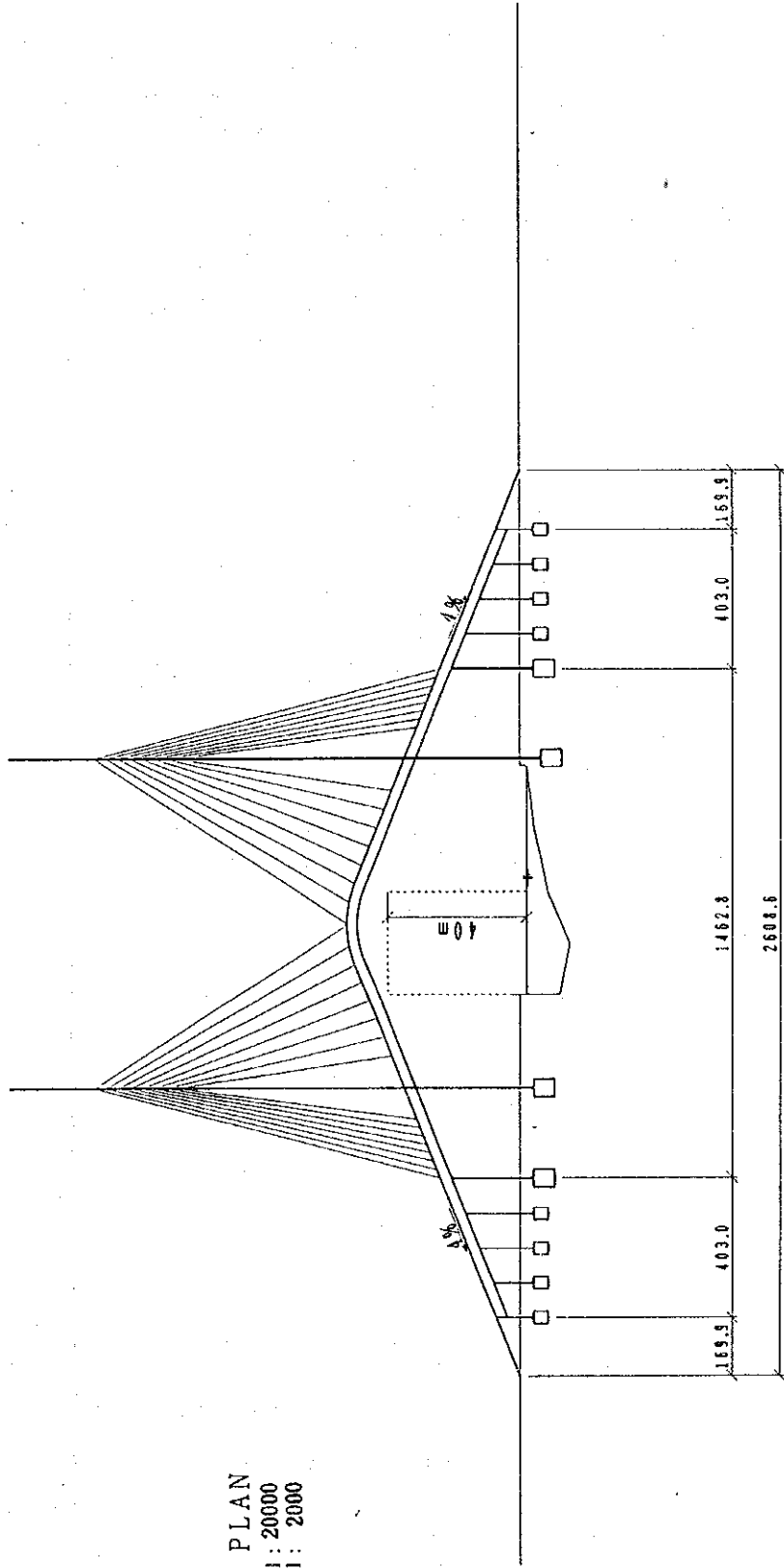


LOCATION NO. 3

BRIGDE PLAN

Scale: H=1: 20000

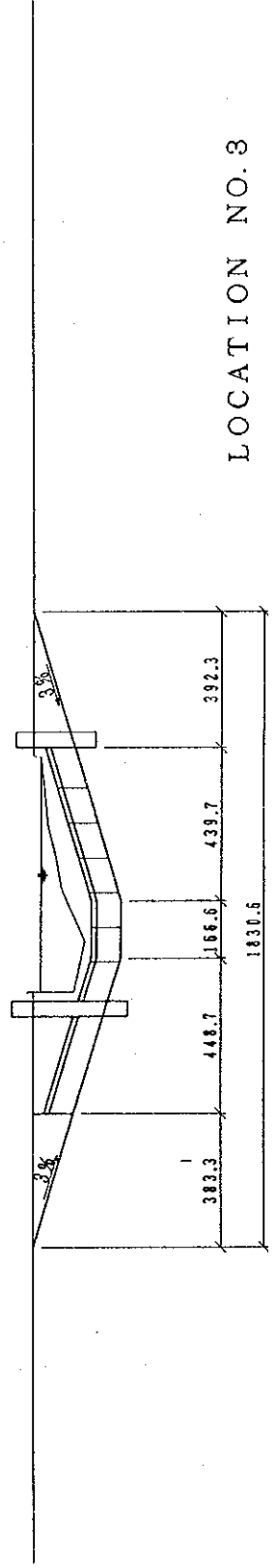
V=1: 2000



IMMERSED TUNNEL PLAN

Scale: H=1: 20000

V=1: 2000



LOCATION NO. 8

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(1/2)

Project No.: TRANS.02	Project Title: IMPROVEMENT OF MAJOR ARTERIAL ROADS IN CHITTAGONG	Sector: Transportation	
Project Location: Whole Chittagong district	Project Priority: <input checked="" type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input checked="" type="checkbox"/> Long-term	Duration: 1996-2020	Type of Project: <input checked="" type="checkbox"/> "Hardware" Type <input type="checkbox"/> "Software" Type
Objectives and Description of Project: To develop sound city activities (especially industrial activities) in Chittagong, it's necessary to improve the functionality of road transportation networks such as ring roads (inner, middle, outer) and Highways - To cope with increasing traffic demand - To promote divided introduction of incoming and outgoing traffic - To eliminate transit traffic - To eliminate "bottle-necks" to traffic		Beneficiaries: · Road users · Greater Chittagong district's people	
Major Components: To make better use of the existing road Network and road space, encourage the development of feeder Roads to serve the growth centers outside the city. 1. 1st 5year plan (1996-2000) (1) Road improvement in existing urbanized area focusing on solution of bottle-necks (strengthen existing inner ring road) 2. 2nd 5year plan (2001-2005) (1) Inner ring with a new crossing 3. 3rd 5year plan (2006-2010) (1) Middle ring with a new crossing 4. 4th 5year plan (2011-2015) (1) Regional highway linkage (outering) 5. 5th 5year plan (2016-2020) (1) Establishment of proper operation and maintenance system (2) Strengthen of outer ring road		Expected Benefits: - shortening travel time - mitigating traffic congestion - creating a balanced urban environment - dispersing introduction of traffic - eliminate transit traffic	
Specific Issues Related: 1. The proposed network plan should be integrated with the structure plan ("Long-Term Development Strategy for Traffic and Transportation in Chittagong") undertaken by CDA. 2. Prioritization of road development and road improvement projects should be undertaken in close CDA's proposal. 3. Conservation and creation of a Road side living environment.			
Estimated Project Cost (In 1995 prices): Total Project Implementation Cost <u>36,000</u> Mil. Tk Annual Recurrent Expenditure for O & M: _____ Mil. Tk		Technical and Financial Assistance Technical Asst. <input checked="" type="checkbox"/> Required <input type="checkbox"/> Not required Financial Asst. <input type="checkbox"/> Grant <input checked="" type="checkbox"/> Loan	
Ministry In Charge : Ministry of Communications Roads and Road Transport Division Ministry of Local Government Section: Roads and Highways Department CDA, CCC		Development Body : Roads and Highways Department CDA, CCC Operation Body: Roads and Highways Department CDA, CCC	
Relevant Agencies to be Coordinated: CDA, UNPP, CPA, CCC, BWDB (Bangladesh Water Development Board)		Private Sector Participation:	

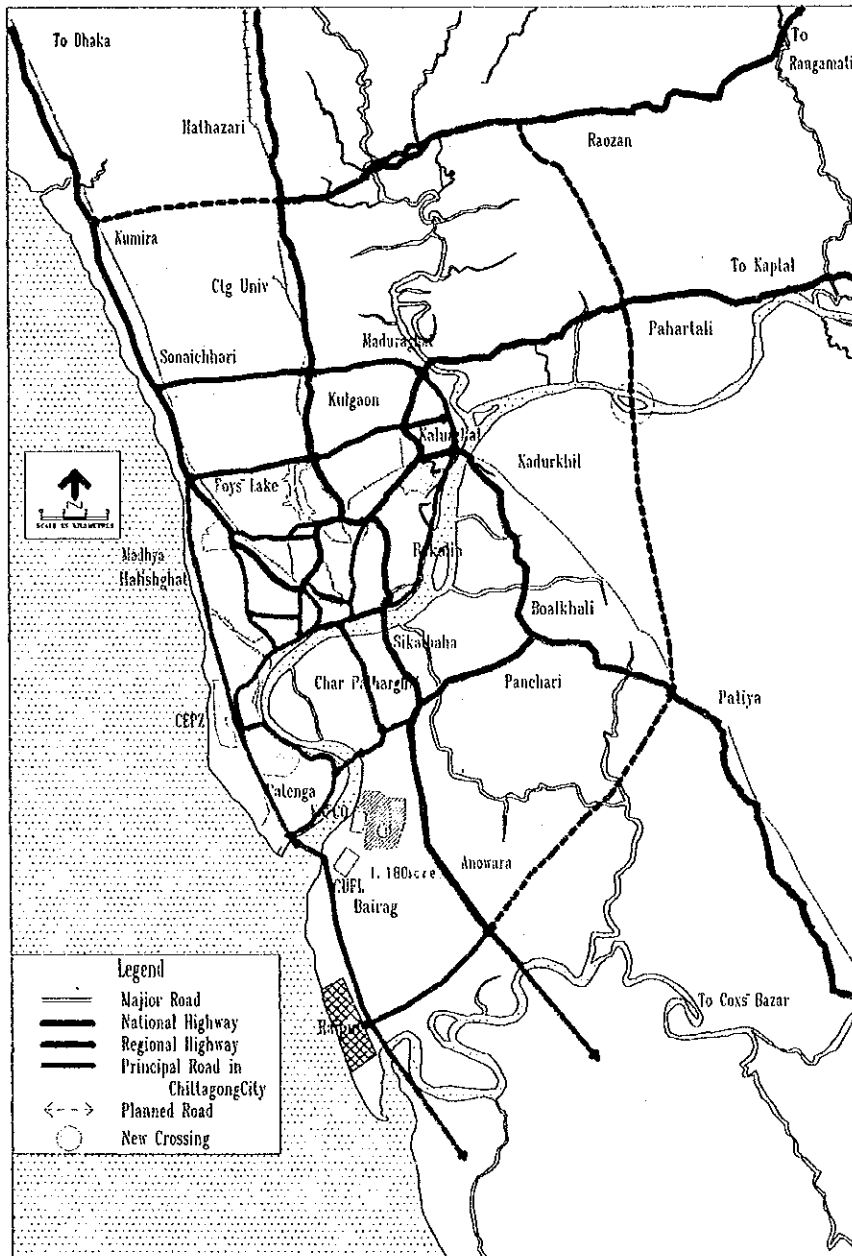
Note: 1 US\$=40.0 Taka
Source: JICA Study Team

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(2/2)

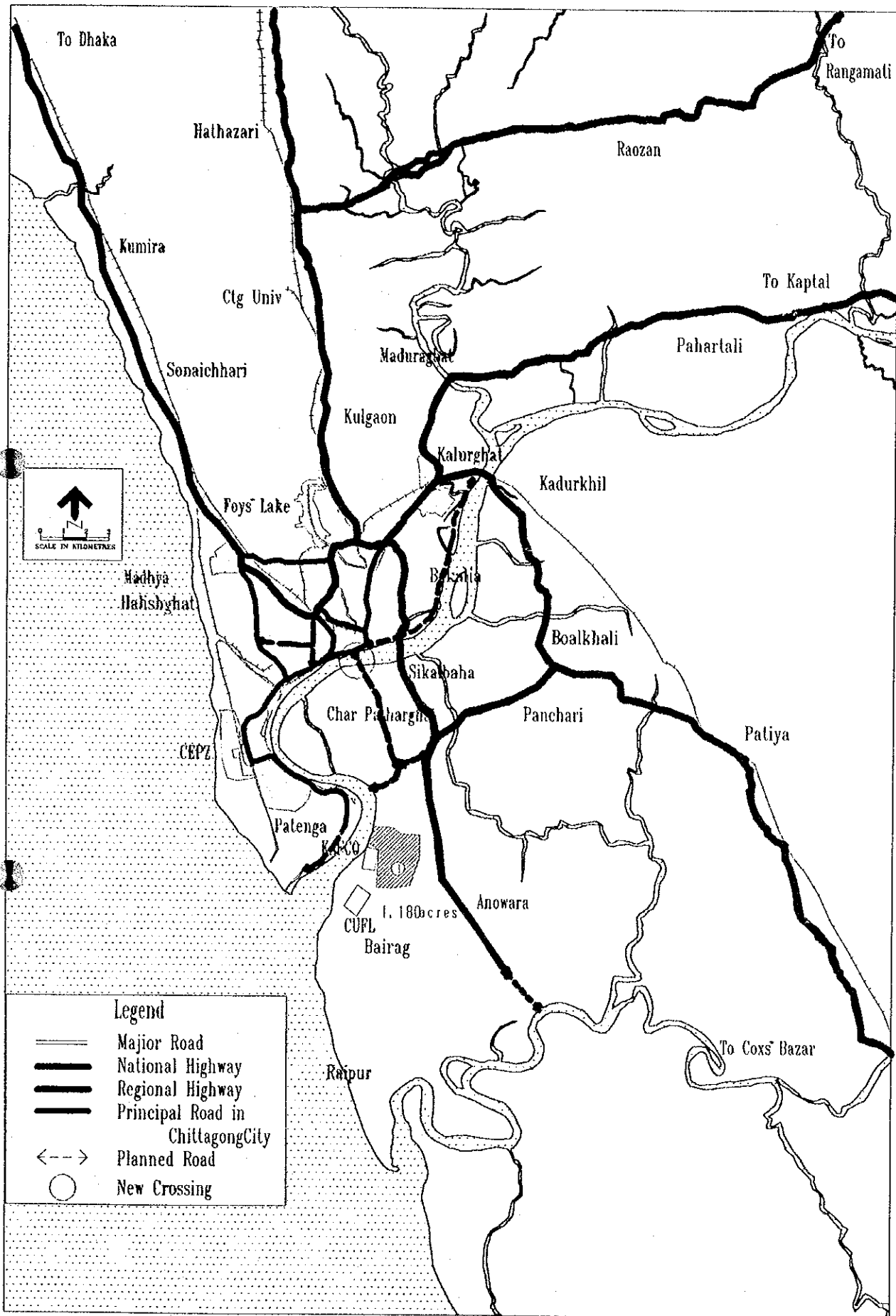
Project No.	Project Title
TRANS.02	IMPROVEMENT OF MAJOR ARTERIAL ROADS IN CHITTAGONG

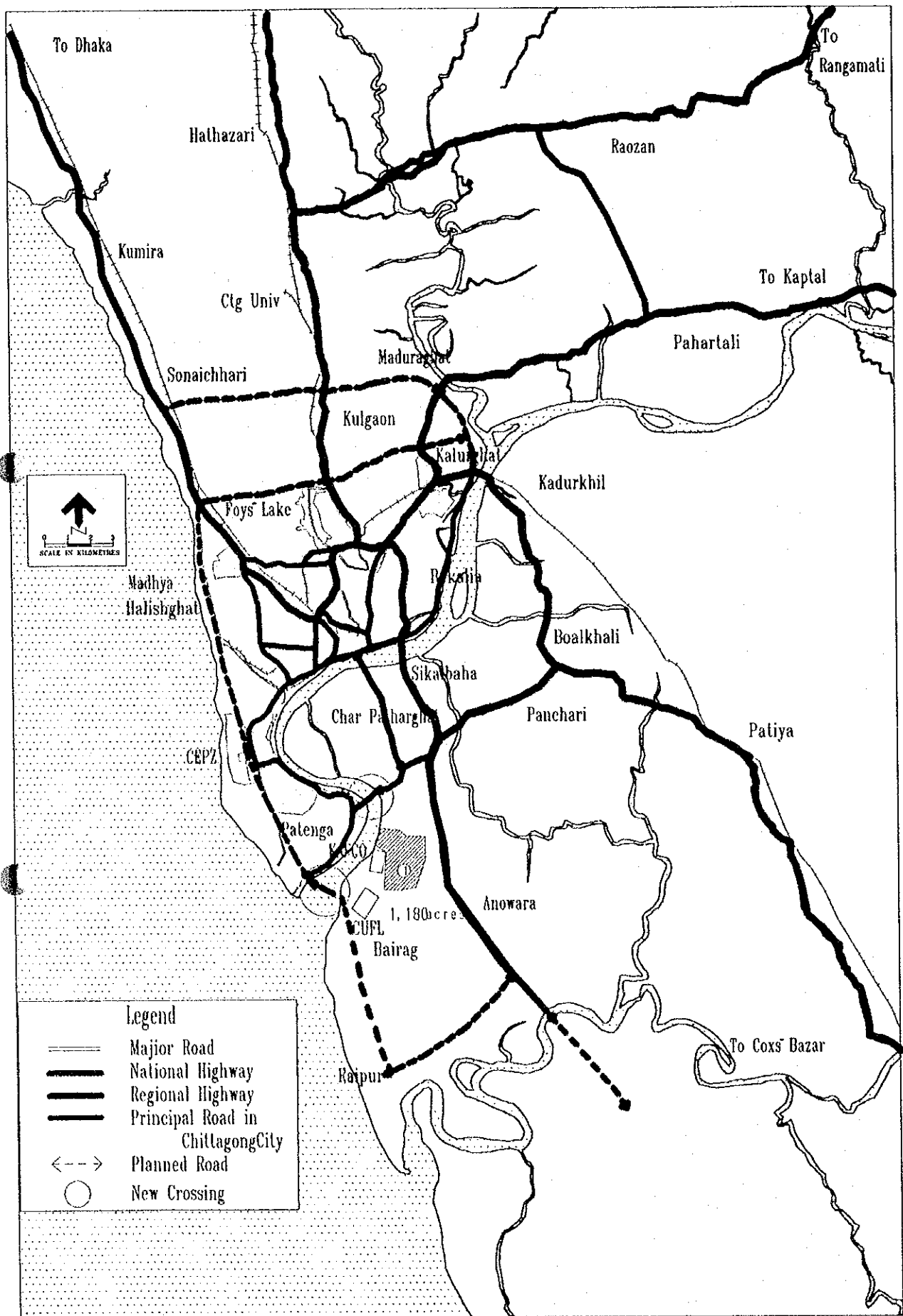
Verifiable Indicators / Information / Drawings

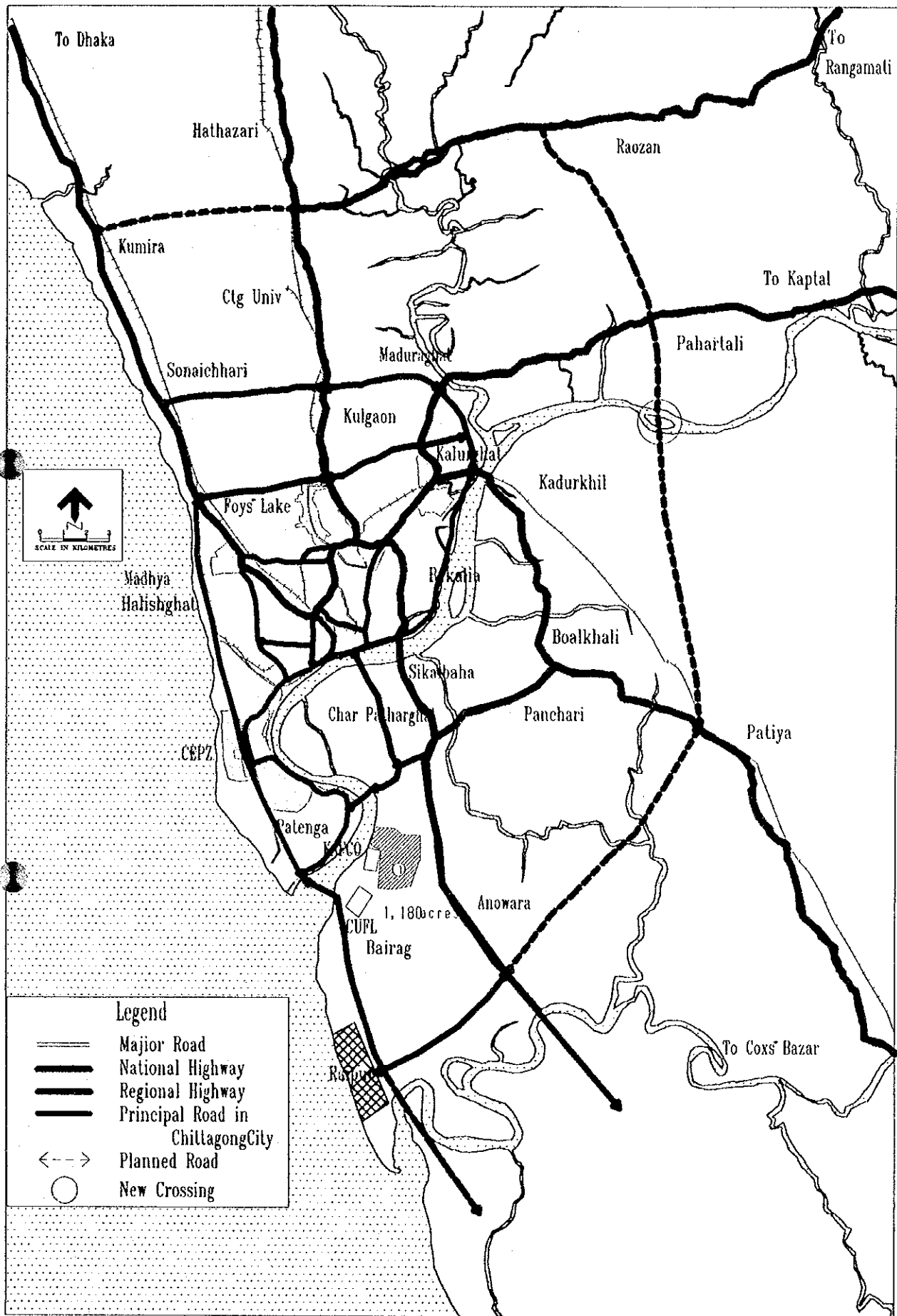


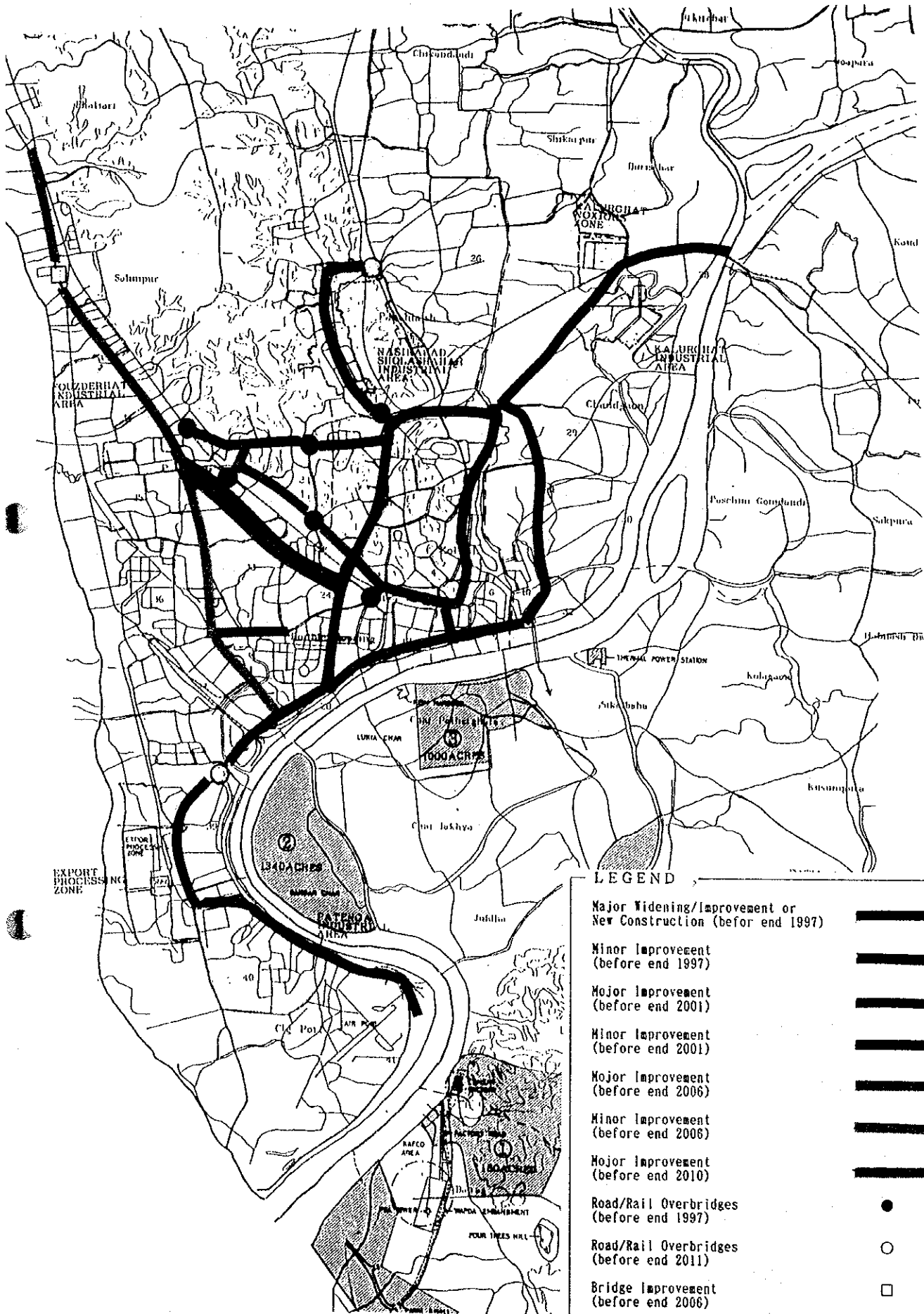
2020

Necessary Inputs/Arrangement	Special Considerations
<input type="checkbox"/> National Government Involvement <input type="checkbox"/> Initiatives of Local Government Units (CCC, District) <input type="checkbox"/> Institutional Arrangement at Local Level <input type="checkbox"/> Special Financial Building at Local Level <input type="checkbox"/> Special Fund Allocation by Central Government <input type="checkbox"/> Private Sector Participation in Funding <input type="checkbox"/> Maximum Utilization of Local Technologies and resources <input type="checkbox"/> Others (as specified in right column)	





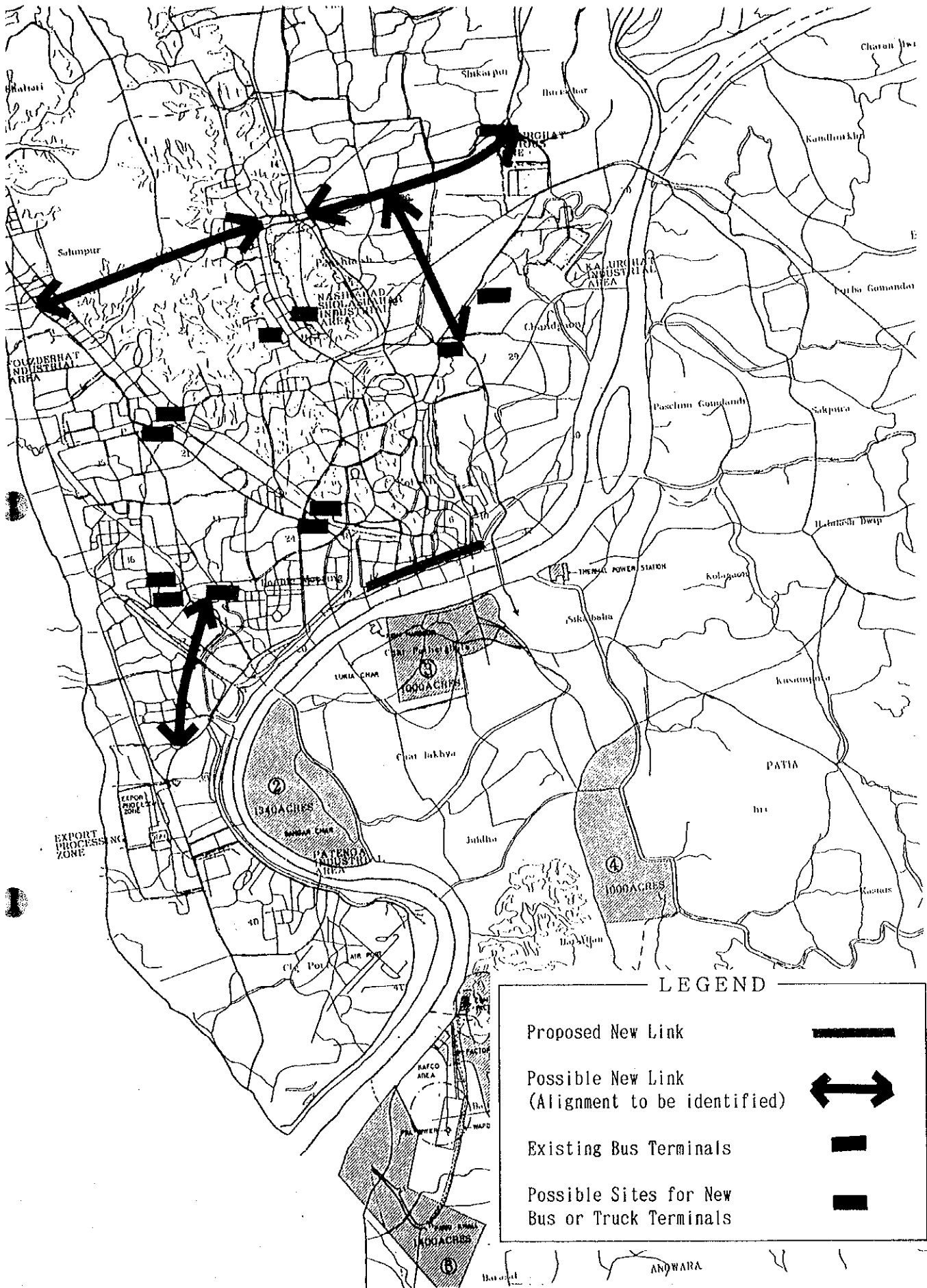




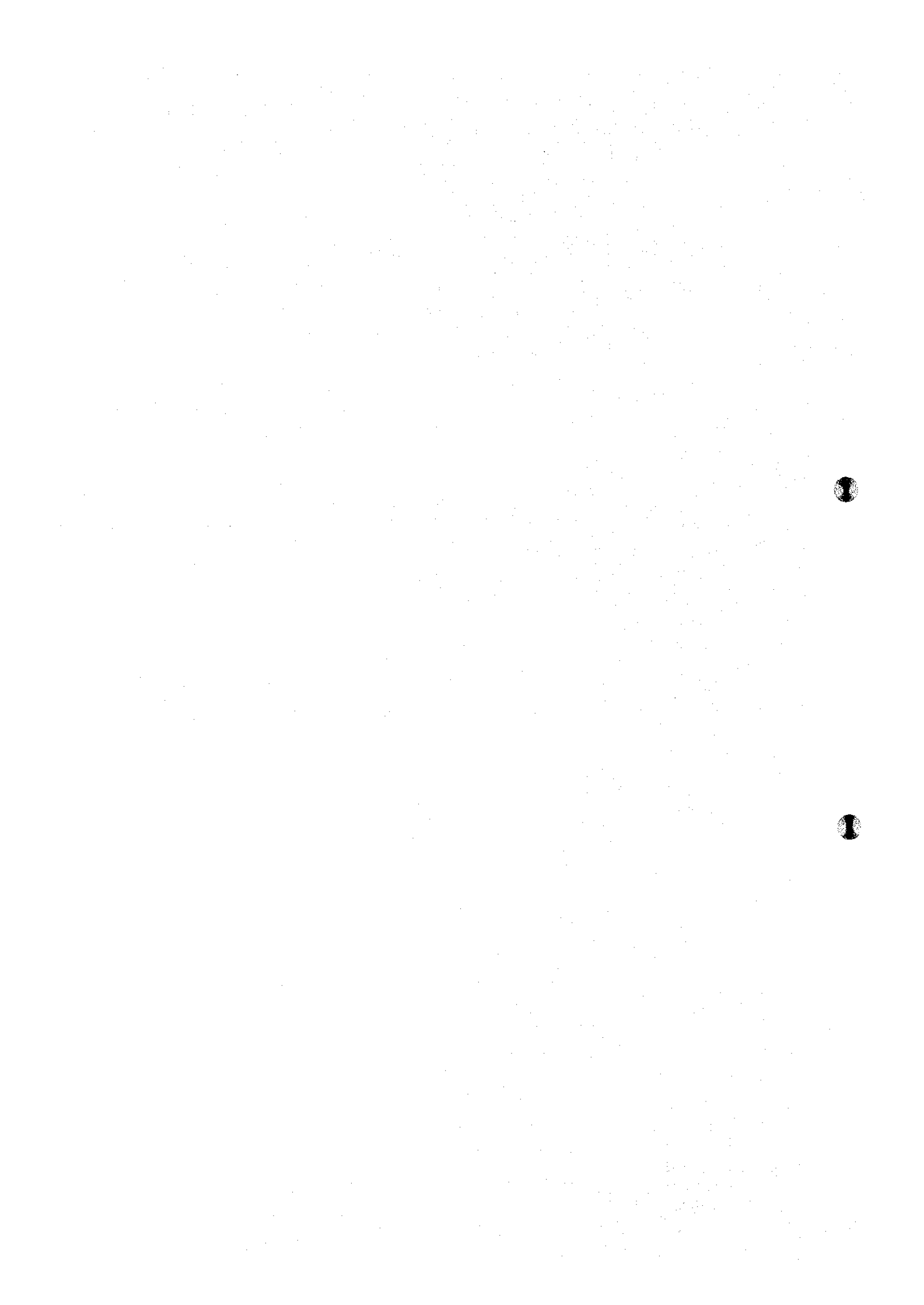
LEGEND

- Major Widening/Improvement or New Construction (before end 1997)
- Minor Improvement (before end 1997)
- Major Improvement (before end 2001)
- Minor Improvement (before end 2001)
- Major Improvement (before end 2006)
- Minor Improvement (before end 2006)
- Major Improvement (before end 2010)
- Road/Rail Overbridges (before end 1997)
- Road/Rail Overbridges (before end 2011)
- Bridge Improvement (before end 2006)

SOURCE: LONG TERM DEVELOPMENT STRATEGY FOR TRAFFIC AND TRANSPORTATION IN CHITTAGONG (UNDP)



SOURCE: LONG TERM DEVELOPMENT STRATEGY FOR TRAFFIC AND TRANSPORTATION IN CHITTAGONG (UNDP)



TRANS 02 - FUTURE DEMAND OF ROAD TRANSPORT IN BANGLADESH

According to the Road Master Plan Project (1991, July, ADB), the future road traffic volume are estimated by trend of annual growth rate.

1) ROLE OF ROAD TRANSPORT

According to the estimate of Bangladesh Road Master Plan (BRMP) Study in 1990-91, road transport accounts for about 66% of ton-km by mechanised transport (5 billion) and about 73% of passenger-km by mechanised transport (37 billion). For developing industry of the chittagong region, with the expansion of road network and increase of vehicular traffic on roads, road transport has turned out to be the dominant mode in carriage of freight and passenger traffic.

2) GROWTH OF FREIGHT AND PASSENGER TRAFFIC

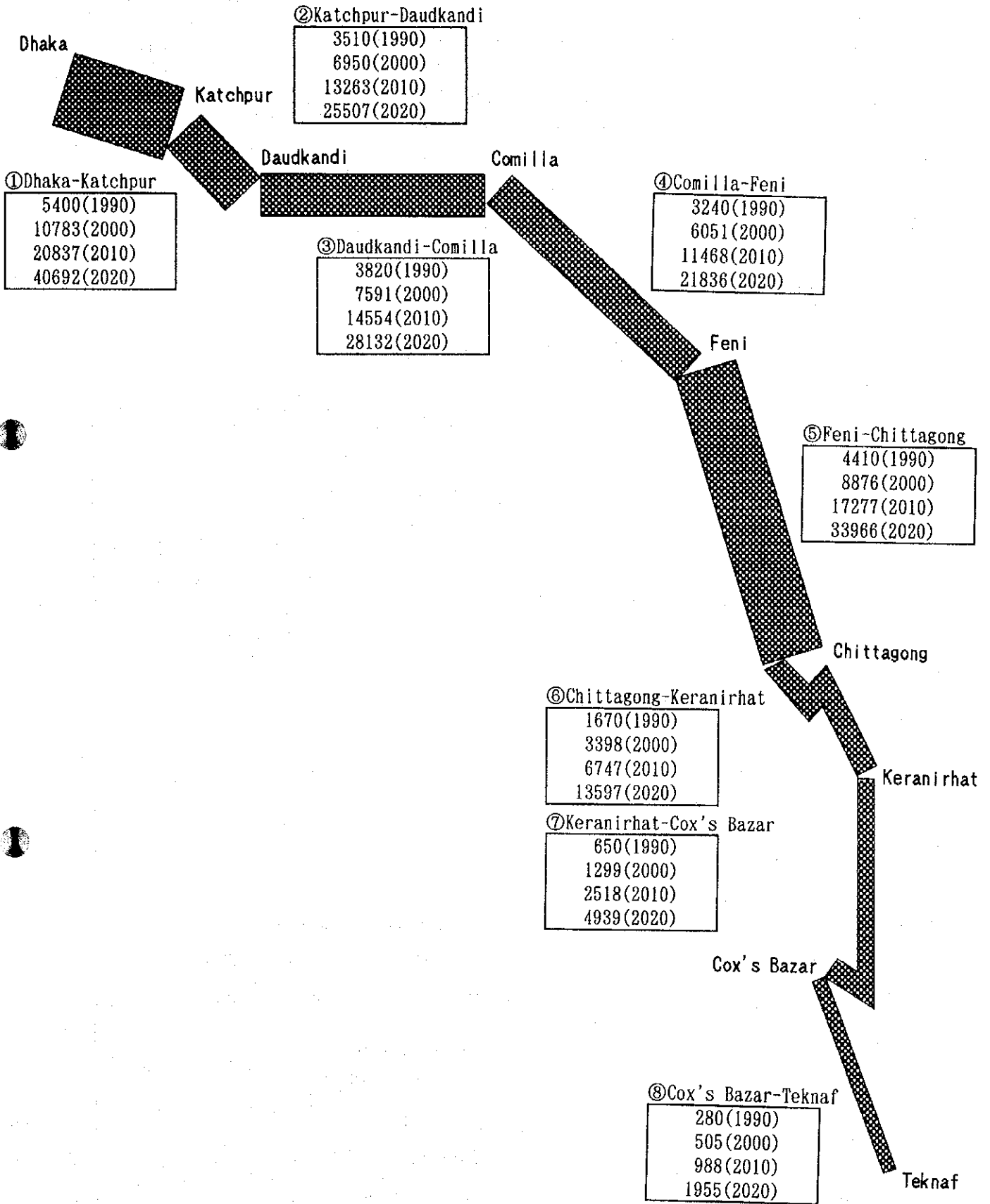
BRMP Study estimated that in recent years the overall growth of both freight and passenger transport seems to have been 5-6% a year. The study emphasized that the rate of growth of water transport.

After examination of national economic parameters and historical traffic growth, Bangladesh Road Materials and Standards Study (BRMSS) made in 1990-92 estimated that annual average growth rates of traffic on roads for the period 1992-2000 would be as follows :

- a) Freight Traffic 7.7%
- b) Passenger Traffic 8.3%

The forecasted annual growth rates for the different categories of motorised vehicles are given in below table.

	1990-2000	over 2000
Truck	7.0	6.5
Bus	6.5	6.0
Utility	9.0	8.5
Car	9.0	9.0
Motorcycle	9.0	9.0
Autorickshaws	6.5	6.0
Rickshaws	5.0	5.0
Bicycles	5.0	5.0
Carts	3.0	3.0



PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(1/2)

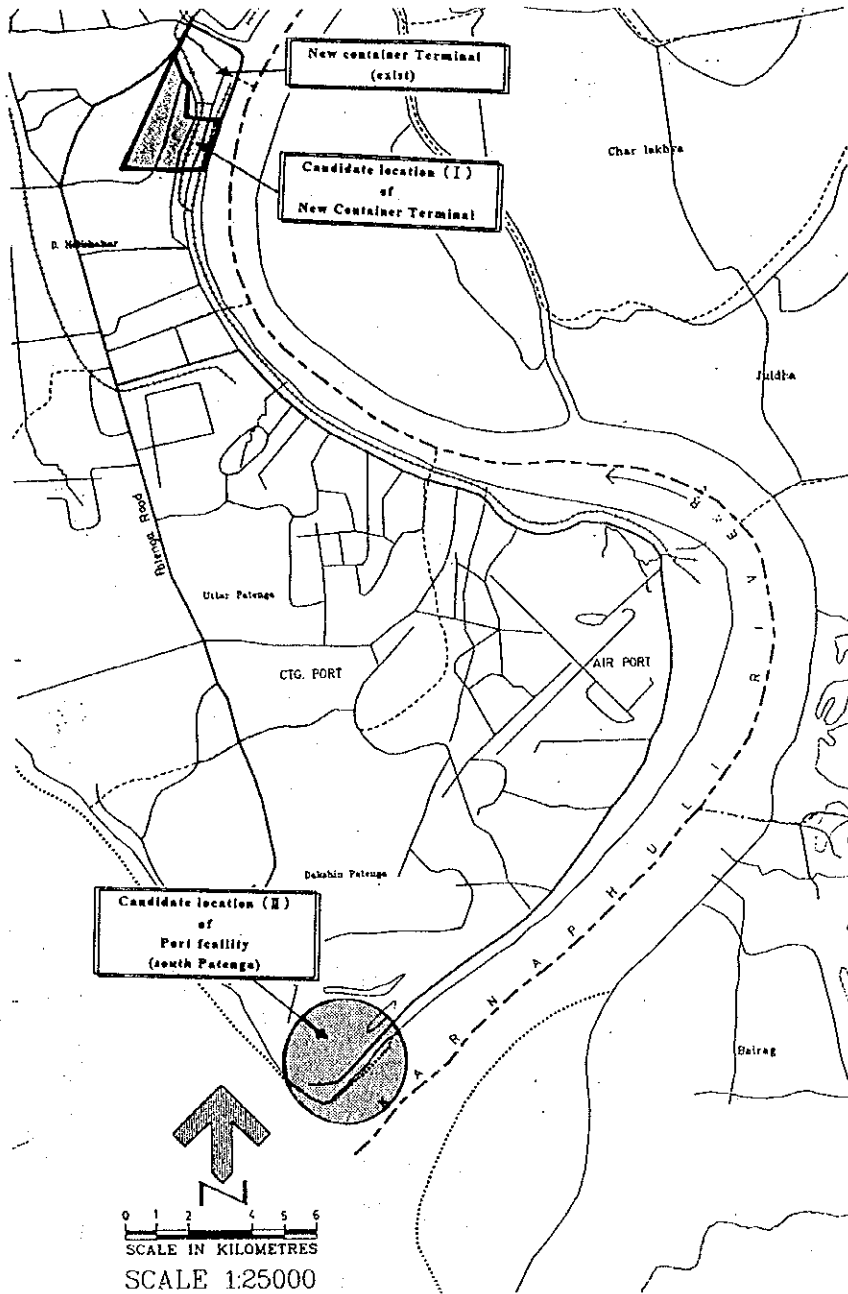
Project No.: TRANS.03	Project Title: MODERNISATION AND/OR EXPANSION OF THE CONTAINER HANDLING FACILITIES OF THE CHITTAGONG PORT	Sector: Transportation	
Project Location: Chittagong district, SEZ	Project Priority: <input checked="" type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input type="checkbox"/> Long-term	Duration: 1996-2010	Type of Project: <input checked="" type="checkbox"/> "Hardware" Type <input checked="" type="checkbox"/> "Software" Type
Objectives and Description of Project: 1. The container handling Capacity and facility at the Chittagong Port are lacking behind to support the rapid increasing of container traffic. 2. The existing container handling capacity should be urgently improved and expanded according to the plans and programs prepared by the Chittagong Port Authority.		Beneficiaries: · container user · port user	
		Expected Benefits: - shortening travel time - shortening waiting time for handling - increasing volume of handling container	
Major Components: - To construct a multi-purpose berth with adequate facilities. - Procurement of cargo handling equipment - Feasibility study of the location of the facility new container handling - Procedure the improvement of Dhaka ICD expansion plan - Developing a port management information system and training staff for its operation		Specific Issues Related: 1. The proposed network plan should be integrated with the structure plan ("Long-Term Development Strategy for Traffic and Transportation in Chittagong") undertaken by CDA. 2. Expansion of the present ICD is very much needed for the interest of Railway freight traffic.	
Estimated Project Cost (In 1995 prices): Total Project Implementation Cost _____ Mil. Tk Annual Recurrent Expenditure for O & M: _____ Mil. Tk		Technical and Financial Assistance Technical Asst. <input checked="" type="checkbox"/> Required <input type="checkbox"/> Not required Financial Asst. <input type="checkbox"/> Grant <input checked="" type="checkbox"/> Loan	
Ministry in Charge : Ministry of shipping		Development Body : Chittagong Port Authority	
Section: Chittagong Port Authority		Operation Body: Chittagong Port Authority	
Relevant Agencies to be Coordinated: Chittagong Development Authority Chittagong Port Authority		Private Sector Participation: Consideration should be given for establishing private sector ICDS around chittagong Port for export consolidation.	

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(2/2)

Project No. TRANS.03	Project Title MODERNISATION AND/OR EXPANSION OF THE CONTAINER HANDLING FACILITIES OF THE CHITTAGONG PORT
--------------------------------	--

Verifiable Indicators / Information / Drawings



Necessary Inputs/Arrangement

- National Government involvement
- Initiatives of Local Government Units (CCC, District)
- Institutional Arrangement at Local Level
- Special Financial Building at Local Level
- Special Fund Allocation by Central Government
- Private Sector Participation in Funding
- Maximum Utilization of Local Technologies and resources
- Others (as specified in right column)

Special Considerations

STATEMENT OF FORCASTED TONNAGE(*) AND LOADED
TEUS (IMPORT AND EXPORT) AND EMPTY TEUS

YEAR	IMPORT		EXPORT		EMPTY		TOTAL TEUS		THROUGHPUT
	TON	TEUS	TON	TEUS	IMPORT	EXPORT	IMPORT	EXPORT	
93-94	1005045	77366	621430	65613	11830	19948	89196	85561	174757
94-95	1155182	88928	671960	70957	11276	25780	104204	99538	203742
95-96	1279863	98526	748198	79007	16925	28705	115451	107712	226300
96-97	1422057	109473	833852	88052	18805	31992	128278	120044	248322
97-98	1580599	121678	929155	98116	20905	35648	142580	133764	276344
98-99	1798340	138440	1038500	109662	23782	39843	162222	149505	311727
99-2000	1959402	150839	1160481	122543	25911	44523	176750	167060	343816

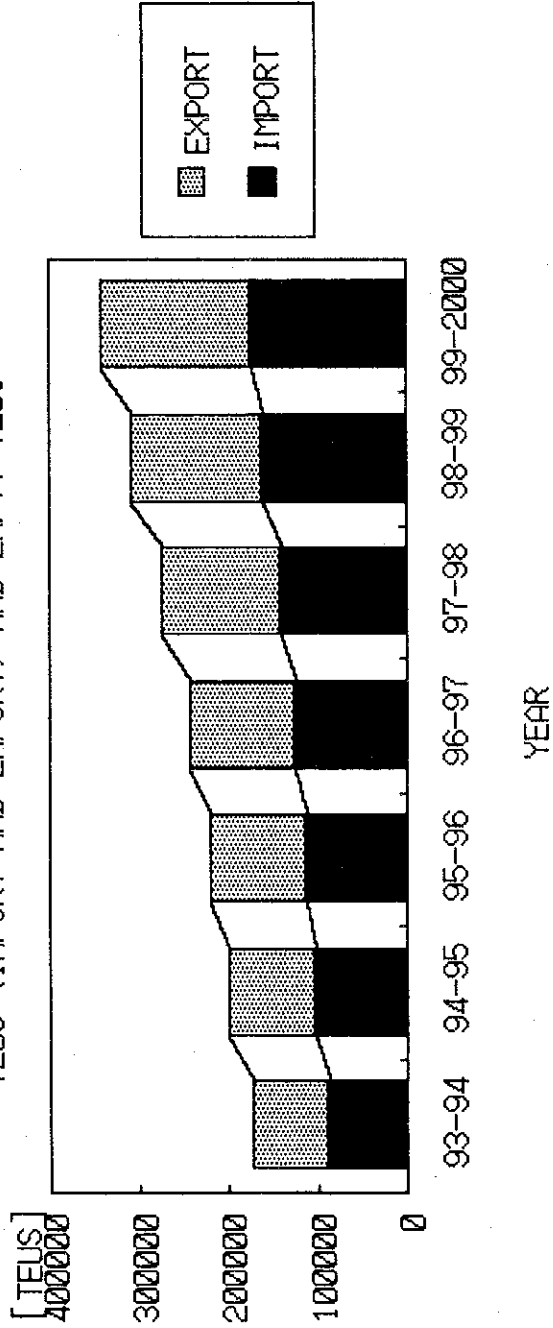
*AVERAGE TONNAGE PER TEUS HAS BEEN TAKEN TO BE 11.42 TON.

FORECAST OF IMPORT CONTAINER CARGO ON THE BASIS
OF GROTH RATE & PENITRATION RATE AND FORECASTING OF
EXPORT CARGO ON THE BASIS OF GROWTH RATE

YEAR	I M P O R T		E X P O R T
	PROBABLE TONNAGE ON GROWTH RATE	FORECASTED TONNAGE WITH PENITRATION RATE (4%)	FORECASTED TONNAGE ON GROWTH RATE
93-94	10,05,045	-	6,21,430
94-95	11,14,080	11,55,182	6,71,960
95-96	12,35,264	12,79,863	7,48,198
96-97	13,72,647	14,22,057	8,33,852
97-98	15,25,694	15,80,599	9,29,155
98-99	17,37,313	17,98,340	10,38,500
99-2000	18,89,910	19,59,402	11,60,481

NOTE: IT IS APPRENHENDED THAT THERE WILL BE NO FURTHUR PENITRATION OF CARGO FROM BREAK-BULK TO CONTAINER IN CASE OF EXPORT IN FUTURE. HENCE, PENITRATION RATE HAS BEEN APPLIED ONLY IN CASE OF IMPORT CARGO.

STATEMENT OF FORCASTED TONNAGE(*) AND LOADED
TEUS (IMPORT AND EXPORT) AND EMPTY TEUS



PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(1/2)

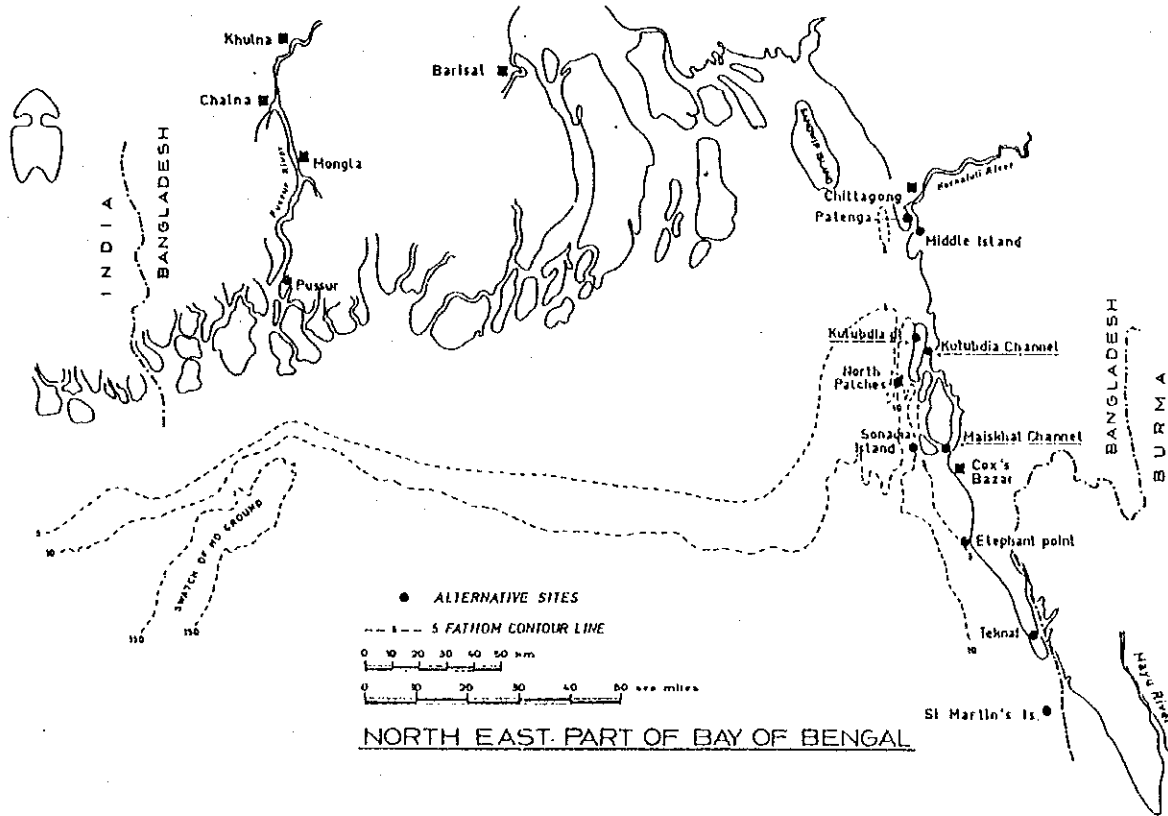
Project No.: TRANS.04	Project Title: A NEW DEEP-SEA PORT DEVELOPMENT IN CHITTAGONG	Sector: Transportation	
Project Location: Chittagong district, SEZ	Project Priority: <input type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input type="checkbox"/> Long-term	Duration: 2000-2010	Type of Project: <input checked="" type="checkbox"/> "Hardware" Type <input checked="" type="checkbox"/> "Software" Type
Objectives and Description of Project: - The capacity of the existing port of chittagong has a limit for its future expansion. (river port) - The main port can handle vessels of up to 9.1 meter draft carrying general cargo and container. - To require drastic of port operations which would be even accelerated if Chittagong should play a role of a regional transshipment hub and a transit trading functions in the region of the Bay of Bengal.		Beneficiaries: - Container user - Port user	
		Expected Benefits: - shortening travel time - increasing of container handling volume - reducing the waiting time for handling	
Major Components: 1. To make the new master plan of all covered of Chittagong Port. 2. A Feasibility study is to be made of various alternatives for a deep-sea port. - Kutubdia Channel - Sonadia Island - Elephant Point - St. Martin's Island - Mayu River - Bay of Teknaf - North Patches - Kutubdia Point - Pussur River 3. From a technical point of view and on a preliminary basis there are potential sites along the coast and across the Karnaphuli. However, also the vicinity of Cox's Bazaar may meet requirements for deep sea harbor developments. 4. Operation system, Navigation system, Computer Containerisation.		Specific Issues Related: 1. A National Level Master plan and trade facilitation study should be covered Chittagong Port, Mongla & Dhaka-Narayangong for integrated development of port system. 2. Major problem is sand accumulation which requires regular and costly by dredging.	
Estimated Project Cost (In 1995 prices): Total Project Implementation Cost _____ Mil. Tk Annual Recurrent Expenditure for O & M: _____ Mil. Tk		Technical and Financial Assistance Technical Asst. <input checked="" type="checkbox"/> Required <input type="checkbox"/> Not required Financial Asst. <input type="checkbox"/> Grant <input checked="" type="checkbox"/> Loan	
Ministry In Charge : Ministry of shipping		Development Body : Chittagong Port Authority	
Section: Chittagong Port Authority		Operation Body: Chittagong Port Authority	
Relevant Agencies to be Coordinated: CDA, BIWTA, BIWTC		Private Sector Participation:	

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(2/2)

Project No.	Project Title
TRANS.04	A NEW DEEP-SEA PORT DEVELOPMENT IN CHITTAGONG

Verifiable Indicators / Information / Drawings



SOURCE: 「CHITTAGONG PORT ENTRANCE STUDY」
Netherlauds Economic Institute, May 1978

Necessary Inputs/Arrangement

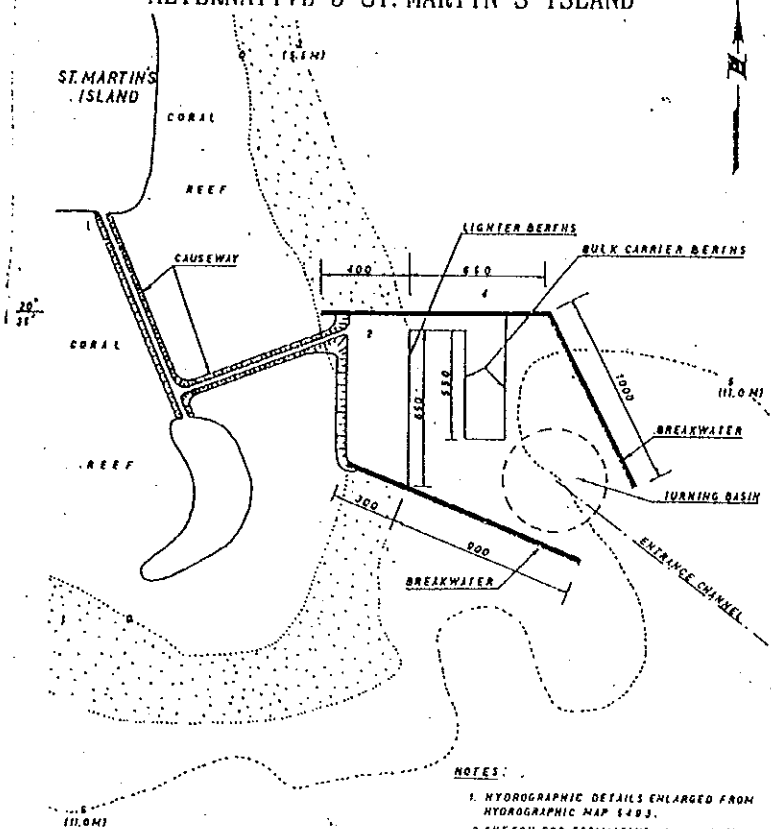
- National Government Involvement
- Initiatives of Local Government Units (CCC, District)
- Institutional Arrangement at Local Level
- Special Financial Building at Local Level
- Special Fund Allocation by Central Government
- Private Sector Participation in Funding
- Maximum Utilization of Local Technologies and resources
- Others (as specified in right column)

Special Considerations



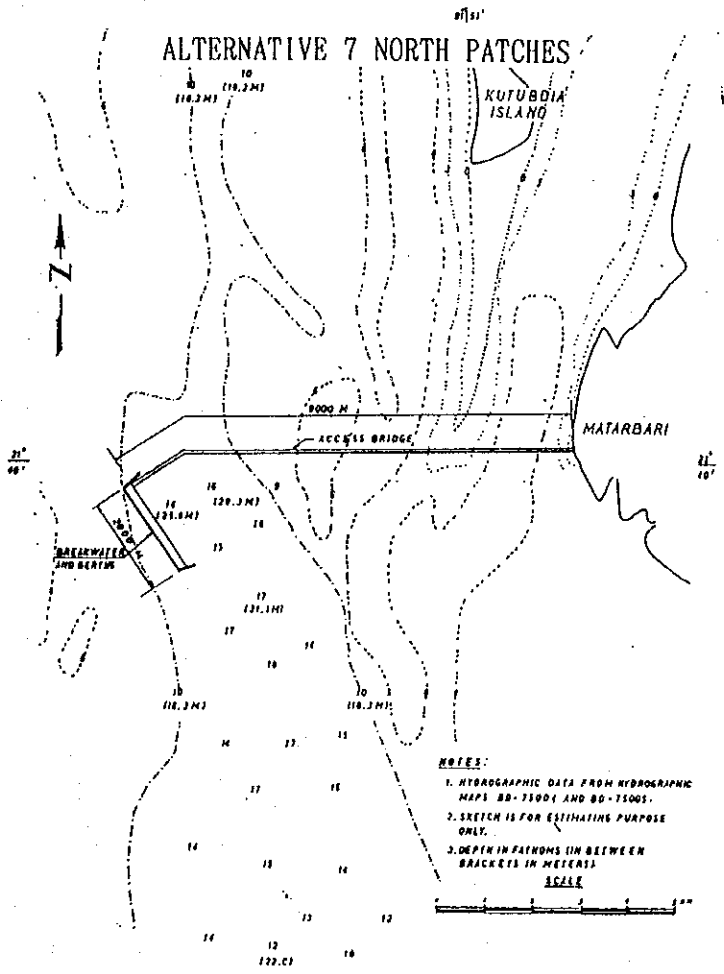


ALTERNATIVE 5 ST. MARTIN'S ISLAND

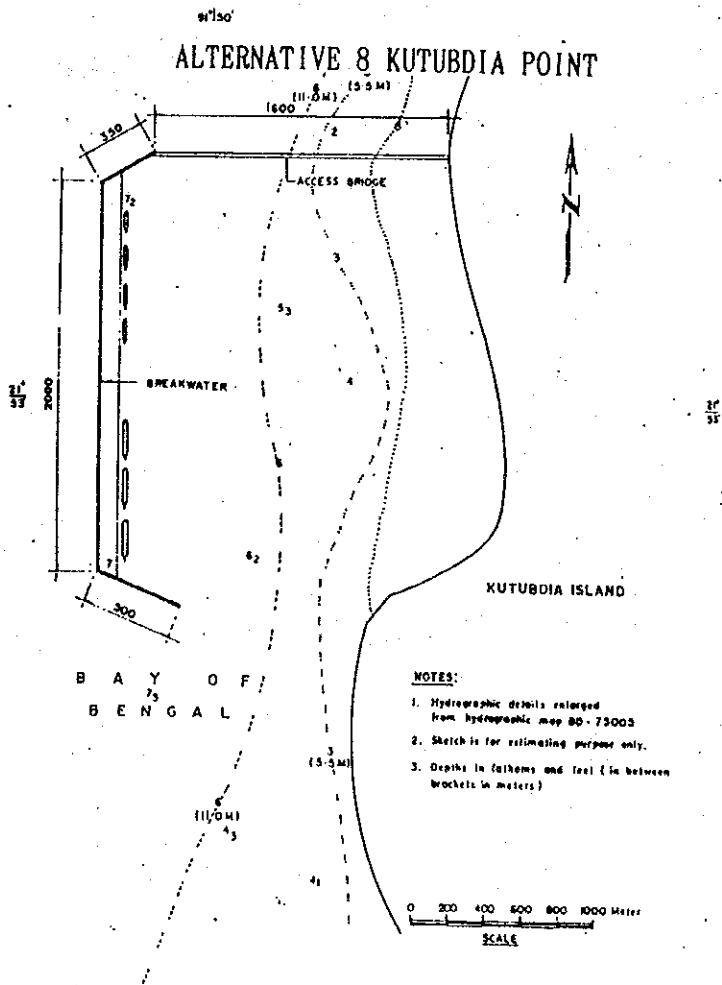


NOTES:
 1. HYDROGRAPHIC DETAILS ENLARGED FROM HYDROGRAPHIC MAP 5493.
 2. SKETCH FOR ESTIMATING PURPOSE ONLY.
 3. DEPTH IN FATHOMS (IN BETWEEN BRACKETS IN METERS)

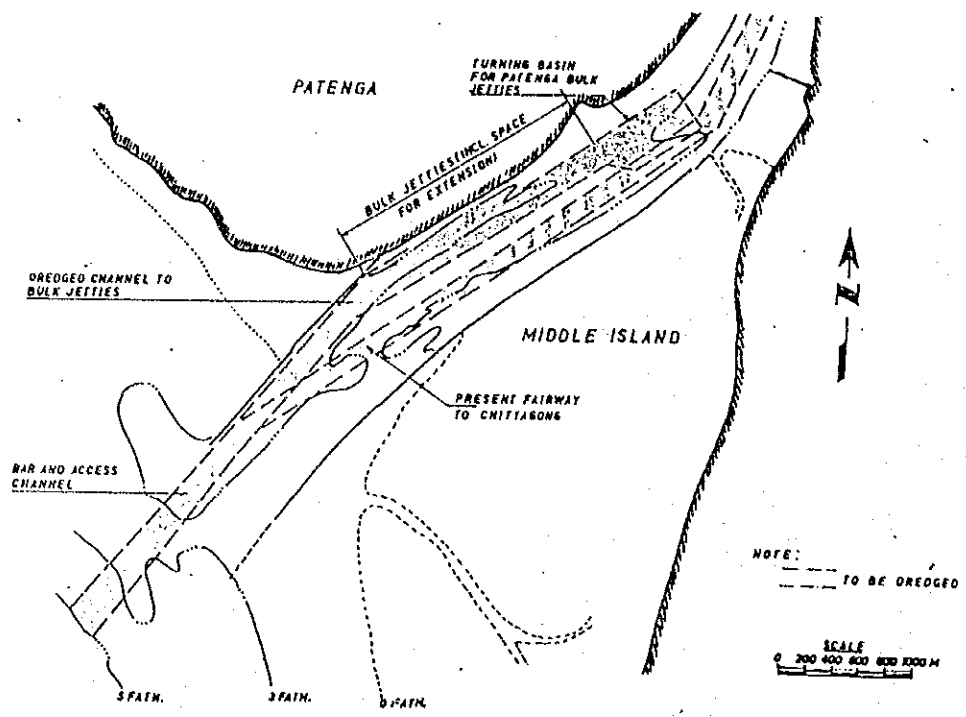
ALTERNATIVE 7 NORTH PATCHES



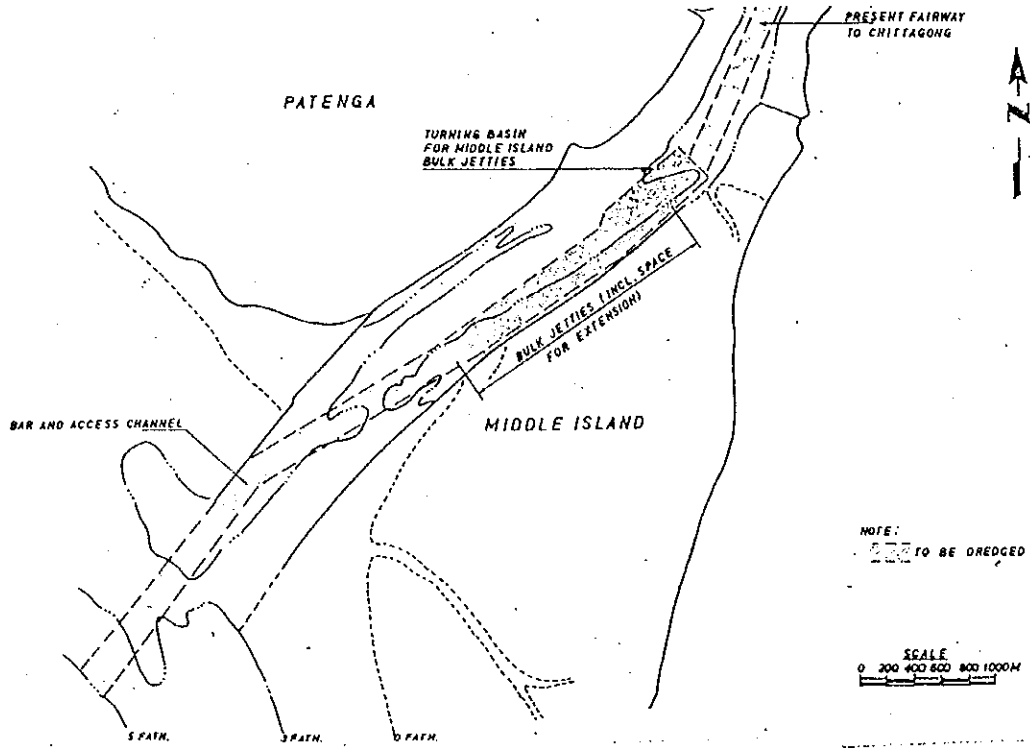
NOTES:
 1. HYDROGRAPHIC DATA FROM HYDROGRAPHIC MAPS 88-75001 AND 88-75005.
 2. SKETCH IS FOR ESTIMATING PURPOSE ONLY.
 3. DEPTH IN FATHOMS (IN BETWEEN BRACKETS IN METERS)

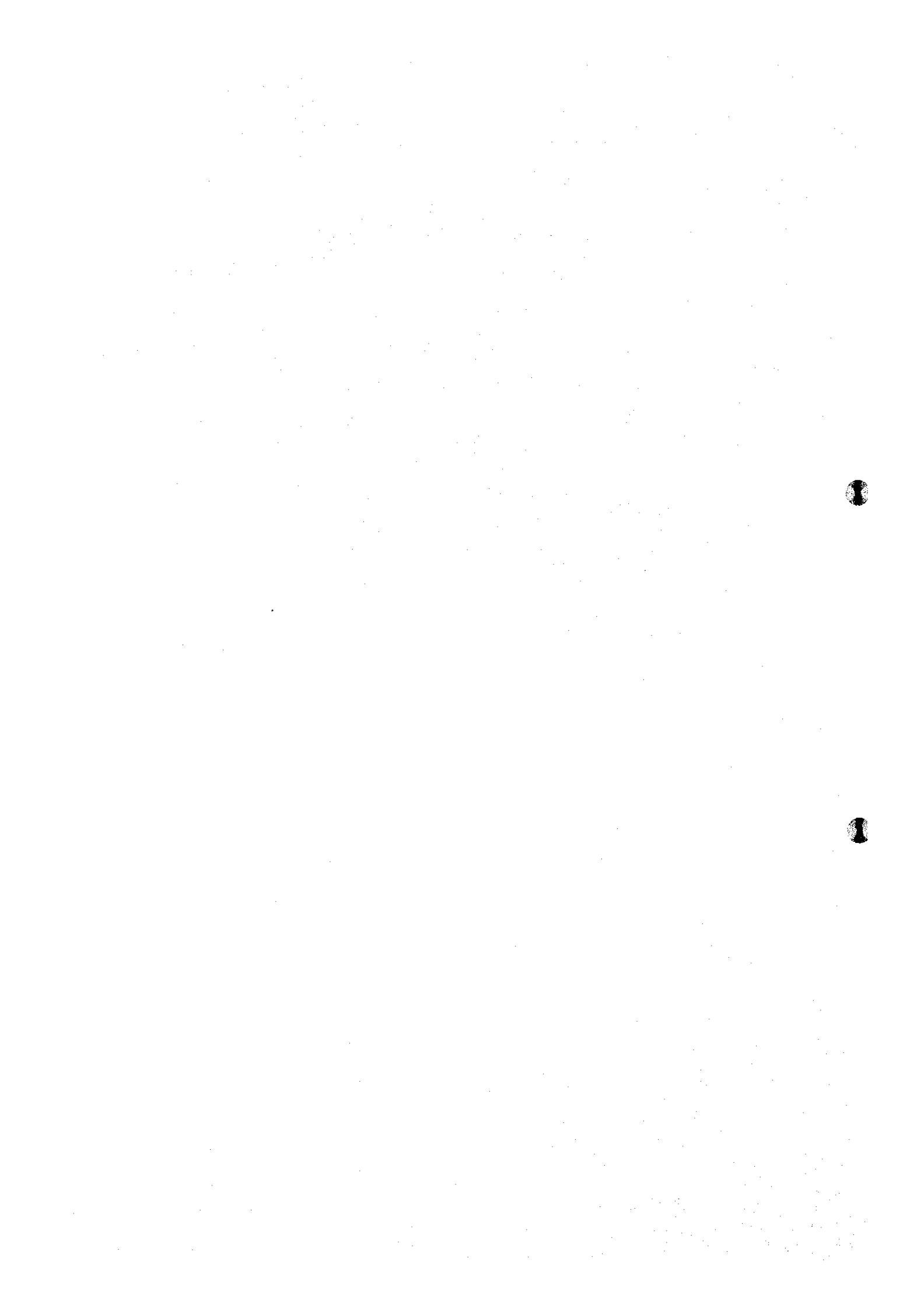


ALTERNATIVE 10 PATENGA



ALTERNATIVE 11 MIDDLE ISLAND





Total investment and annual operating costs of 50,000 DWT ports (min \$:1977 price)

Alternative	Kutubdia Channel		Malskhal Channel		Elephant Point		St. Martin's Island		Teknaf Bay		North Patches		Kutubdia Point		Pussur		Patenga		Middle Island	
	invest-ment	per year	invest-ment	per year	invest-ment	per year	invest-ment	per year	invest-ment	per year	invest-ment	per year	invest-ment	per year	invest-ment	per year	invest-ment	per year	invest-ment	per year
Dredging	18.9	6.0	16.4	6.0	2.8	6.0	4.3	6.0	26.0	9.2	-	-	2.8	6.0	72.0	20.0	11.2	6.0	10.2	6.0
Port facilities																				
breakwater	128.6	0.5	437.3	1.7	114.6	0.4	102.3	0.4	-	-	142.8	0.5	123.2	0.5	-	-	-	-	-	-
ocean berths	20.8	0.3	20.8	0.3	21.6	0.3	20.8	0.3	20.8	0.3	22.4	0.3	23.2	0.3	20.8	0.3	20.8	0.3	20.8	0.3
- civil works	23.2	2.3	23.2	2.3	23.2	2.3	23.2	2.3	23.2	2.3	23.2	2.3	23.2	2.3	23.2	2.3	23.2	2.3	23.2	2.3
- equipment	11.8	0.2	11.8	0.2	12.3	0.2	11.8	0.2	11.8	0.2	12.7	0.2	13.2	0.2	11.8	0.2	-	-	-	-
lighter berths	10.2	1.0	10.2	1.0	10.2	1.0	10.2	1.0	10.2	1.0	10.2	1.0	10.2	1.0	10.2	1.0	-	-	-	-
- civil works	-	-	-	-	20.4	0.2	-	-	-	-	113.4	1.1	14.5	0.2	-	-	-	-	-	-
- equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
access bridge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
sandfill,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
pavement	-	-	-	-	10.0	0.2	8.2	0.2	-	-	12.4	0.2	10.7	0.2	-	-	-	-	-	-
Storage																				
civil works	21.2	0.4	21.2	0.4	21.2	0.4	21.2	0.4	21.2	0.4	21.2	0.4	21.2	0.4	21.2	0.4	5.4	0.1	5.4	0.1
equipment	5.5	0.3	5.5	0.3	5.5	0.3	5.5	0.3	5.5	0.3	5.5	0.3	5.5	0.3	5.5	0.3	5.0	0.5	5.0	0.5
Transport (cheapest way)	11.3	(IWT)	13.3	(IWT)	14.3	(IWT)	18.6	(IWT)	19.4	(IWT)	10.9	(IWT)	9.4	(IWT)	26.7	(IWT)	3.8	1.1	26.6	2.9
Total (rounded)	240	22	546	26	242	26	208	30	119	33	364	17	248	21	165	51	69	10	91	12

Total costs of 100,000 DWT ports (min \$:1977 price)

Alternative	Kutubdia Channel		Malskhal Channel		Elephant Point		St. Martin's Island		Teknaf Bay		North Patches		Kutubdia Point		Pussur		Patenga		Middle Island	
	invest-ment	per year	invest-ment	per year	invest-ment	per year	invest-ment	per year	invest-ment	per year	invest-ment	per year	invest-ment	per year	invest-ment	per year	invest-ment	per year	invest-ment	per year
Dredging	27.9	6.0	33.4	9.2	18.5	6.0	19.6	9.2	-	-	-	-	18.5	6.0	160.0	36.0	-	-	-	-
Port facilities																				
breakwater	128.6	0.5	437.3	1.7	114.6	0.4	102.3	0.4	-	-	142.8	0.5	123.2	0.5	-	-	-	-	-	-
ocean berths	28.1	0.4	28.1	0.4	29.2	0.4	28.1	0.4	28.1	0.4	30.2	0.4	31.3	0.5	28.1	0.4	-	-	-	-
- civil works	25.5	2.6	25.5	2.6	25.5	2.6	25.5	2.6	25.5	2.6	25.5	2.6	25.5	2.6	25.5	2.6	-	-	-	-
- equipment	11.8	0.2	11.8	0.2	12.3	0.2	11.8	0.2	not	not	12.7	0.2	13.2	0.2	11.8	0.2	-	-	-	-
lighter berths	10.2	1.0	10.2	1.0	10.2	1.0	10.2	1.0	not	not	10.2	1.0	10.2	1.0	10.2	1.0	-	-	-	-
- civil works	-	-	-	-	20.4	0.2	-	-	applicable	applicable	113.4	1.1	14.5	0.2	-	-	-	-	-	-
- equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
access bridge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
sandfill,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
pavement	-	-	-	-	10.0	0.2	8.2	0.2	-	-	12.4	0.2	10.7	0.2	-	-	-	-	-	-
Storage																				
civil works	28.4	0.6	28.4	0.6	28.4	0.6	28.4	0.6	28.4	0.6	28.4	0.6	28.4	0.6	28.4	0.6	-	-	-	-
equipment	5.5	0.3	5.5	0.3	5.5	0.3	5.5	0.3	5.5	0.3	5.5	0.3	5.5	0.3	5.5	0.3	-	-	-	-
Transport (cheapest way)	11.3	(IWT)	13.3	(IWT)	14.3	(IWT)	18.6	(IWT)	14.3	(IWT)	10.9	(IWT)	9.4	(IWT)	26.7	(IWT)	-	-	-	-
Total (rounded)	266	23	580	29	275	26	240	34	119	33	381	18	281	22	270	68	-	-	-	-

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(1/2)

Project No.: TOUR 01	Project Title: Tourism Development in Chittagong Region	Sector: Tourism Development	
Project Location: Kaptai Lake, Rangamati and Cox's Bazar Chittagong Region	Project Priority: <input type="checkbox"/> Short-term <input checked="" type="checkbox"/> Medium-term <input type="checkbox"/> Long-term	Duration: 10-15 Years	Type of Project: <input type="checkbox"/> "Hardware" Type <input checked="" type="checkbox"/> "Software" Type
Objectives and Description of Project: -to provide the amenity for recreation, leisure, and tourism for the people of Chittagong including expatriate residing in the city -to enhance the position of Chittagong as attractive area for private investment and tourism development		Beneficiaries: -whole Chittagong District -All Communities adjacent to the project -Tourism-related private sectors, such as hotels, resorts, coach operators	
		Expected Benefits: -Job/revenue for project locations -New tourist attraction for local/regional tourism -Incentives for private sector investment	
Major Components: Creation of recreational park with guest house/dormitory and meeting room suitable for social group/summer school/seminar Access road improvement for Kaptai Lake Provide tourism support facilities to facilitate tourist visit, such as tourist pier, catering, transport etc. Build/provide tourist service amenities with beautification of the area		Specific Issues Related: Lack of domestic investment Lack of incentives for investment	
Estimated Project Cost (In 1995 prices): Total Project Implementation Cost _____ Mil. Tk Annual Recurrent Expenditure for O & M: _____ Mil. Tk		Technical and Financial Assistance Technical Asst. <input checked="" type="checkbox"/> Required <input type="checkbox"/> Not required Financial Asst. <input checked="" type="checkbox"/> Grant <input checked="" type="checkbox"/> Loan	
Ministry In Charge : Ministry of Civil Aviation and Tourism Section:		Development Body : Operation Body:	
Relevant Agencies to be Coordinated: Min. of Environment and Forestry, Min. of Youth and Sports, Min. of Cultural Affairs		Private Sector Participation:	

Note: 1 US\$=40.0 Taka
Source: JICA Study Team

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(1/2)

Project No.: ENV. 01	Project Title: ENVIRONMENTAL MANAGEMENT CENTER DEVELOPMENT IN THE CHITTAGONG CITY	Sector: Environment
Project Location: Chittagong	Project Priority: <input checked="" type="checkbox"/> Short-term <input type="checkbox"/> Medium-term <input type="checkbox"/> Long-term	Duration: 1996-1997
Objectives and Description of Project: DOE hasn't the sufficient environmental monitoring system. DOE can't enforce the environmental law on the polluter, because they don't grasp the monitoring data. So, the untreated industrial waste water is discharged directly into the ditches and rivers resulting about in gross pollution in canals and the river Karnaphuli. The center should take roles for pollution control center providing law enforcement agencies with necessary technical assistance to control industrial emissions generated from potential polluters.		Type of Project: <input type="checkbox"/> "Hardware" Type <input checked="" type="checkbox"/> "Software" Type
Major Componests: 1. Establish the environmental management center in Chittagong city area. 2. Building the laboratory equipment for environmental monitoring and analyses. 3. Building the data base of monitoring results. 4. Transfer the environmental monitoring expertise through technical assistance programmes.		Beneficiaries: Expected Benefits:
Estimated Project Cost (in 1995 prices): Total Project Implementation Cost _____ Mil. Tk Annual Recurrent Expenditure for O & M: _____ Mil. Tk		Technical and Financial Assistance Technical Asst. <input checked="" type="checkbox"/> Required <input type="checkbox"/> Not required Financial Asst. <input type="checkbox"/> Grant <input checked="" type="checkbox"/> Loan
Ministry in Charge : Ministry of Local Government, Regional Development & Cooperative Government Section: Department of Environment		Development Body : Department of Environment Operation Body: Department of Environment
Relevant Agencies to be Coordinated:		Private Sector Participation:

Note: 1 US\$=40.0 Taka
Source: JICA Study Team

PROPOSED PROJECT PROFILE
(CHITTAGONG INDUSTRIAL DEVELOPMENT PLAN)

(2/2)

Project No. ENV. 01	Project Title ENVIRONMENTAL MANAGEMENT CENTER DEVELOPMENT IN THE CHITTAGONG CITY
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Verifiable Indicators / Information / Drawings

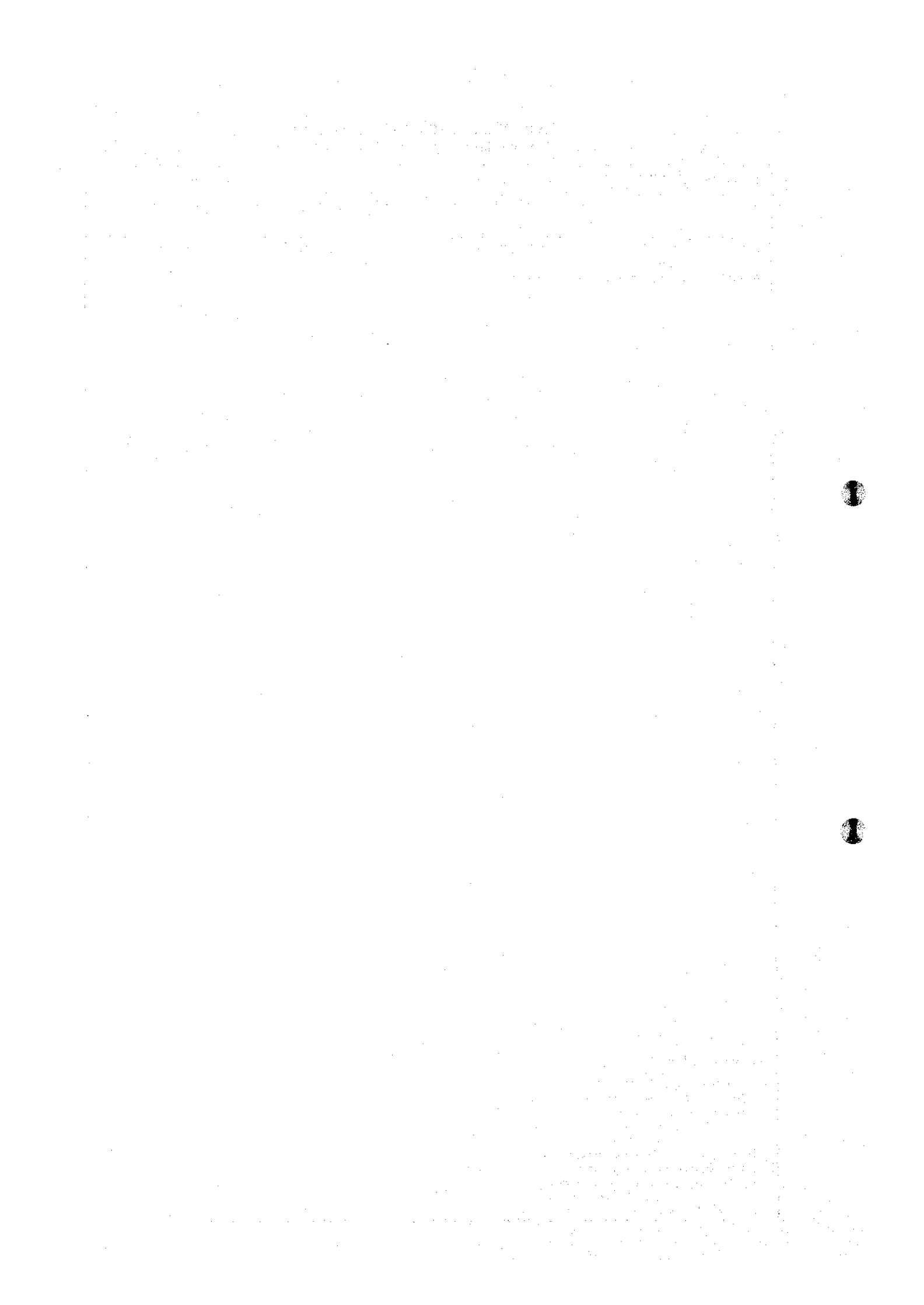
[Empty space for Verifiable Indicators / Information / Drawings]

Necessary Inputs/Arrangement

- National Government Involvement
- Initiatives of Local Government Units (CCC, District)
- Institutional Arrangement at Local Level
- Special Financial Building at Local Level
- Special Fund Allocation by Central Government
- Private Sector Participation in Funding
- Maximum Utilization of Local Technologies and resources
- Others (as specified in right column)

Special Considerations

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Annex 2:

**THE COMPARISON OF
FOREIGN DIRECT INVESTMENT IN
ASIAN COUNTRIES**

The Comparison of Foreign Direct Investment in Asian Countries (1/8)

Items	Myanmar	Malaysia	Thailand	China	Viet Nam
General	<p>The Government of Myanmar encourages the international cooperation through a direct investment of foreign capital so as to introduce advanced technologies into her domestic industries and to increase both productivity and competitiveness, aiming at the production and exportation of advanced industrial products.</p> <p>A foreign investor company is authorised to invest from 35% to 100%.</p> <p>Myanmar's policy on foreign investment is an important component of the overall restructuring and development policy of the Government. The main components of the policy are:</p> <ul style="list-style-type: none"> (a) adoption of market oriented system for the allocation of resources. (b) encouragement of private investment and entrepreneurial activity. (c) opening of the economy for foreign trade and investment. <p>The policy objectives of the Foreign Investment Law are:</p> <ul style="list-style-type: none"> (a) promotion and expansion of exports. 	<p>To join in developed countries by the year of 2020, Malaysia has placed her first Priority on the challenges for an advancement of industries and for an increase in added value. The country is willing to accept investments in the processing and manufacturing sector and in R&D organizations as well as in her infrastructure buildup. An sport incentive system, in particular, is provided in favor of those manufacturers who are making the products to be sold on the export market. Those companies which are exporting 80% or more of their products and 50 thru 79% likewise are allowed to be owned 100% by a foreign capital, provided that they satisfy a certain level of requirements.</p> <p>To promote investments in Borneo Island, Provinces of Saba and Sarawaku and in the area along the east coast of Malay Peninsula, a favorable incentive taxation system has been established in her efforts to reduce the difference existing from region to region. To foster supporting industries, the investments at indirect</p>	<p>To provide the Thai people with more investment opportunities while promoting the capitalization in Thailand, a foreign enterprise cannot mandatorily establish a local legal person in the country without getting 51% or more of the capital stock borne by a Thai citizen. It is evaluated that direct foreign investments have been significantly contributing to the growth of Thai economy. Consequently, the Thai Government will take the basic policy to promote the national development by continuing to invite the foreign capital there in the future, too.</p> <p>The new investment promotion policy announced in April 1993 has placed emphasis on the export-oriented enterprises and infrastructure developments while encouraging the regional difference to be reduced by transferring factories locally.</p> <p>As countermeasures to prevent a polarized concentration on Capital Bangkok and to reduce environmental problems, the Thai Government has begun to take such</p>	<p>China has placed the main objective of foreign enterprises direct technology transfer and foreign currency acquisition. Those special districts in which foreign enterprises are preferentially treated have been being gradually expanded while China has been striving to invite the direct investments. A foreign capital is required to have an investment ratio of 25% or more, which is allowed to increase up to 100%, too. A preferential treatment level of foreign enterprises varies from district to district, from enterprise type to business line and/or from business type to business type. Under those circumstances in which the investment environments to invite foreign enterprises had not been built up yet, the Economy Wards was located. Later in the stage on which the environments have been progressively built up, the "Economy/Technology Development Ward" was provided. In addition, China has designated the</p>	<p>After adopting "Doi Moi" in 1986, Viet Nam has overcome the hyper inflation, and achieved a favorable economic growth in 1990s. Foreign investment has been increased since the foreign investment law promulgated in 1987 and accumulated approved amount of capital exceeded 10 billion dollars in 1994. Although the legislative system have been gradually established to encourage foreign investment, investors have still claimed more improvement of legal and administrative system and infrastructure.</p> <p>"Doi Moi" is moving into a new stage to transform state owned enterprises end to increase the capacity of capital to accelerate industrialisation and improvement of infrastructure.</p>

The Comparison of Foreign Direct Investment in Asian Countries (2/8)

<p>General (cont'd)</p>	<p>(b) exploitation of natural resources which require heavy investment. (c) acquisition of high technology. (d) supporting and assisting production and services involving large capital. (e) opening up of more employment opportunities. (f) development of works which would save energy consumption. (g) regional development.</p>	<p>exportation are mandatorily required, in principle, to be made in a joint venture.</p>	<p>investment-related policies as to promote investments in local areas and to invite knowledge incentive enterprises. To foster supporting industries, moreover, Thailand has been expanding a range of designated business lines and incentive measures.</p>	<p>"Economy-Liberalized Ward" and the "Special Economy Wards later. In terms of enterprise categories, "export type and advanced technology type enterprises are treated with special preference. In terms of business line and business type, furthermore, those types which conform to the Chinese industrial policy are treated preferentially.</p>	
<p>Investment related Basic Law</p>	<p>Foreign Investment Law (1988)</p>	<p>Promotion of Investment Act. (1986) Industrial Coordination Act. (1975)</p>	<p>Investment Promotion Act. (1977). Alien Business Law (1972). Working of Alien Act. (1978)</p>	<p>China-foreign Capital Managed Enterprises Law (1979) China-foreign Joint Venture Managed Enterprises Law (April, 1988) and Foreign Capital Enterprises Law (enterprises 100% owned by foreign capital) (July, 1986)</p>	<p>- Law on Foreign Investment in Vietnam (1987). - Decree Providing Regulations on Foreign Investment in Viet Nam - Law on Domestic Investment - Statute of export processing zones (Oct., 1991)</p>
<p>Investment Application Window (Responsible Agency):</p>	<p>Foreign Investment Commission (FIC). It has been legally provided that two vice prime ministers are to act as chairman and assistant chairman while other ministers are to work as commission members. And the investment application secretarial is the Ministry of National Planning and Economic Development.</p>	<p>Malaysia Industrial Development Authority: such sectors as processing and manufacturing, agriculture, and sight-seeing. Foreign Investment Committee: any sectors other than processing and manufacturing, agriculture and sight-seeing</p>	<p>Board of Investment (BOI): investments to which a certain incentive measure is applicable, Registration Office of Ministry of Commerce: investments to which only incentive measure are not applicable</p>	<p>Foreign Trade Economy Joint Venture Dept.: as far as a certain extent of investments are concerned, however, the authority to approve such investments is entrusted to the foreign economy trade committee in each local government.</p>	<p>State Committee for Cooperation and Investment (SCCI) which was established in 1989 and directly under the Prime Minister as a unified government agency to manage foreign investment in Viet Nam</p>

The Comparison of Foreign Direct Investment in Asian Countries (3/8)

<p>Encouraged Fields and Enterprises</p>	<p>(Industrial sectors only referred to hereunder) The industrial sectors in which foreign investments are encouraged are foodstuffs, textiles, general daily merchandise manufacturing, leather product manufacturing, and such traffic machinery manufacturing as motor vehicles, bikes and bicycles, including building material manufacturing, pulp and paper making, chemicals production, pharmaceuticals production, iron and steel making, machinery and equipment production, construction contracting, etc.</p>	<p>(Encouraged Fields) processing and manufacturing, agriculture, agriculture-related industries, sightseeing-related industries, Malaysian natural resources utilizing industries, high-technology industry and enterprises conducting environment conservation activities (Enterprises to Receive Incentive Measures <conditional>) pioneer enterprises, export undertakings, RHC (regional headquarters of conglomerates), small-sized enterprises and venture capitals</p>	<p>(Encouraged Fields <to be reviewed from time to time>) Business which distributes its operating offices regionally, develops the industries underlining an industrial development, develops the infrastructure, conserves natural resources and/or protects environments against depletion, and contributes to the substitution of energy and to the enhancement of the country's international trade balance. (Industries of Special Importance) basic transport systems, public-benefit services, environment conservation and recovery, technology development and basic industries (with metal molds, forging, castings, etc. designated).</p>	<p>(Investment-Encouraged Fields <main industrial sectors>) such industries as textiles, petrochemicals, chemicals, pharmaceuticals, plastics, leather products, black skin metal refinery and rolling, glassware, non-ferrous metal refinery and rolling, electric household appliances, industrial exclusive equipment, daily use machines, construction equipment, motor vehicles, ships, electronics, lighting fixtures and the like (Encouraged Enterprises) export-oriented enterprises, advanced technology companies, productive type firms, and undertakings located in investment-encouraged regions</p>	<p>(Promoted projects are as follows) - Export oriented industries and import substitutive industries. - Hi-tech industries which employ skilled workers, development of potential resources, integrated investment to improve efficiency of existing industries. - Labor intensive industries which are based on domestic materials and natural resources. - Service industries which contribute to increase foreign exchange reserve, for instance, improvement & development of infrastructure, tourism, ship repairing, and construction of ports & airports.</p>
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The Comparison of Foreign Direct Investment in Asian Countries (4/8)

<p>Foreign Capital Participation- Controlled Field</p>	<p>The sectors to be controlled are the following twelve: 1. Deforestation and sale of teakwood. 2. Forestry (except for the forests owned by villagers). 3. Mining and refining the oil and natural gas. 4. Collecting, producing and exporting pearls and other jewels. 5. Fishery within the waters surveyed. 6. Postal and communication services. 7. Air transport service and railway transport service. 8. Banking and insurance business. 9. Broadcasting and television business. 10. Mining and exporting minerals. 11. Power generation, except, however, for the power generated by legally authorized private enterprises and/or cooperatives, and 12. Producing military provisions</p>	<p>(Items in which Foreign Capital is not Allowed to Participate unless 80% or more of its Products are Exported) condensed milk, cement, clinker, 1300 thru 1600cc class passenger cars, oil refinery, electric power, communication cable, etc. (Items Allowing Foreign Capital to Occupy Majority of Capital Stock only when 100% of its Products are Exported) plastics, injection moldings, presses, packing materials, wire harnesses and fisheries</p>	<p>(Industrial Fields Closed to Foreigners) Building construction (Industrial Fields Closed to Foreigners other than Those Receiving Investment encouraged Measures) pharmaceuticals, wood workings, gold and silver products, Buddhist image production, castings, soda ash, cement, plywood, clothes, silk products, etc. (Industrial Fields in Which Foreign Capital is Allowed to Participate only unless it Competes with a Thai Enterprise) livestock feed production, vegetable oil expression, embroidery and knitting, bulbs and glassware, etc.</p>	<p>Since no legal regulations have been expressly available, a list was placed on the market in 1988, defining the specific lines of business encouraged, restricted, prohibited and permitted. According to this list, foreign capital is restricted or prohibited from participating in such sectors as vegetable oil processing, confectioneries, chocolate production, beer, fruit spirits, soft drinks, cigarettes, primarily processed cotton knitting and textiles, lifts, small construction machines, monochrome CRTs, medium-density ICs, arts and crafts, and so on.</p>	<p>Foreign investors should be approved by the Prime Minister in following fields: - production and transaction of explosives and toxic substances - exploitation of rare and valuable mineral resources - power generation and waterworks - manufacturing of communication equipment, postal & communication services, radio & TV broadcasting and publishing - marine and air transportation - imports and exports - international tourism (The share of foreign partners in joint venture projects should be more than 30 %, but there is no maximum limit on foreign share identified.)</p>
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The Comparison of Foreign Direct Investment in Asian Countries (5/8)

<p>Investment Guarantee</p>	<p>The Law guarantees that foreign investments undertaken under the FIL shall not be nationalized. It also guarantees the repatriation in foreign currency the rightful entitlement of the foreign investor after the termination of the business. The repatriation of savings of the foreign employees engaged by the foreign investor is also allowed.</p>	<p>No investment guarantee is provided for in the Investment Promotion Law. Nevertheless, Article 13 of the Constitution provides for the guaranty of ownership to every investor.</p>	<p>It is guaranteed that the encouraged enterprises authorized by BOI are allowed to bring out or remit foreign currency and are not to be nationalized.</p>	<p>It is legally guaranteed that a joint venture and a 100% foreign capital enterprise may remit the surplus funds to the exterior after settling down the profits and income. Joint ventures and 100% foreign capital enterprises are not to be nationalized or taken over by the Government. A reasonable compensation would be available if a foreign capital were taken over by the Government under special circumstances.</p>	<p>Article 20 of "Foreign Investment Law" guarantees that foreign organisations and foreign individuals shall be provided fair and equal treatment. Article 21 of "Foreign Investment Law" guarantee that any property shall never be commandeered, confiscated or nationalised. - Life period of Joint ventures and 100 % foreign owned enterprises have been extended to 50 years by revision of (cont.) Foreign investment Law in December 1992.</p>
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The Comparison of Foreign Direct Investment in Asian Countries (6/8)

<p>Industrial Estates and Free trade Zone, etc. in which Foreign Investments are encouraged</p>	<p>(Regions, Industrial Estate/Free Trade Zone, etc. where Foreign Investments are Encouraged) A concept has been worked out to locate an industrial complex in the district of Tila to the south of Yangon. The project, however, does not seem to proceed concretely. Hlinsatharyar Myothit, Mingaradon, Dagon North and Dagon South in peripheral area of Yangon City are newly developed zones and establishment of business facilities is encouraged.</p>	<p>(Industrial Estates) 234 locations and 81 locations being planned (Free Zone - FZ) 15 locations in Penang, Maraca, Seran Goal and Johore Provinces, etc. Import duties, etc. are exempt. (Bonded Factories) To promote the distribution of enterprises' locations, export product manufacturing factories are authorized to be located outside the FZ. (Development Areas) Borneo Island, Saba and Sarawak Provinces and area along the east coast of Malay Peninsula</p>	<p>(Industrial Estates) 40 locations or more including those under construction and being planned. Every industrial complex has an export processing zone (EPZ). (Export Processing Zone - EPZ) This zone is located in every industrial complex developed or co-developed by the Thai Industrial Corporation. And it is a bonded zone, too. To occupy a location in the industrial complex, a foreign capital is required to export 100% of its products. The added-value tax and import duties on the materials and equipment required to construct a factory are exempted.</p>	<p>Under those circumstances in which the investment environments to invite foreign enterprises had not been built up yet, the "Economy Zone" was located. Later in the stage on which the environments have been progressively built up, the Economy Technology Development Zone" was provided. In addition, China has designated the "Economy-Liberalized Zone and the "Special Economy Zone" later. What is encouraged varies from region to region and from business line to business line.</p>	<p>Export Processing Zone (EPZ): - The government has promoted to develop EPZs as joint venture projects. Then, SCCI has provided licenses to the development projects of EPZs by foreign investors in cooperation with Vietnamese partners. - 6 EPZs have ever been licensed in Hanoi, Ho Chi Minh City(2), Hiphong, Da Nang and Can Tho. Regulation on EPZ rules privileges including exemption of (cont.) reduction of corporate tax for investors in EPZs . - Favorable privileges have also been given to the Investment in remote rural regions.</p>
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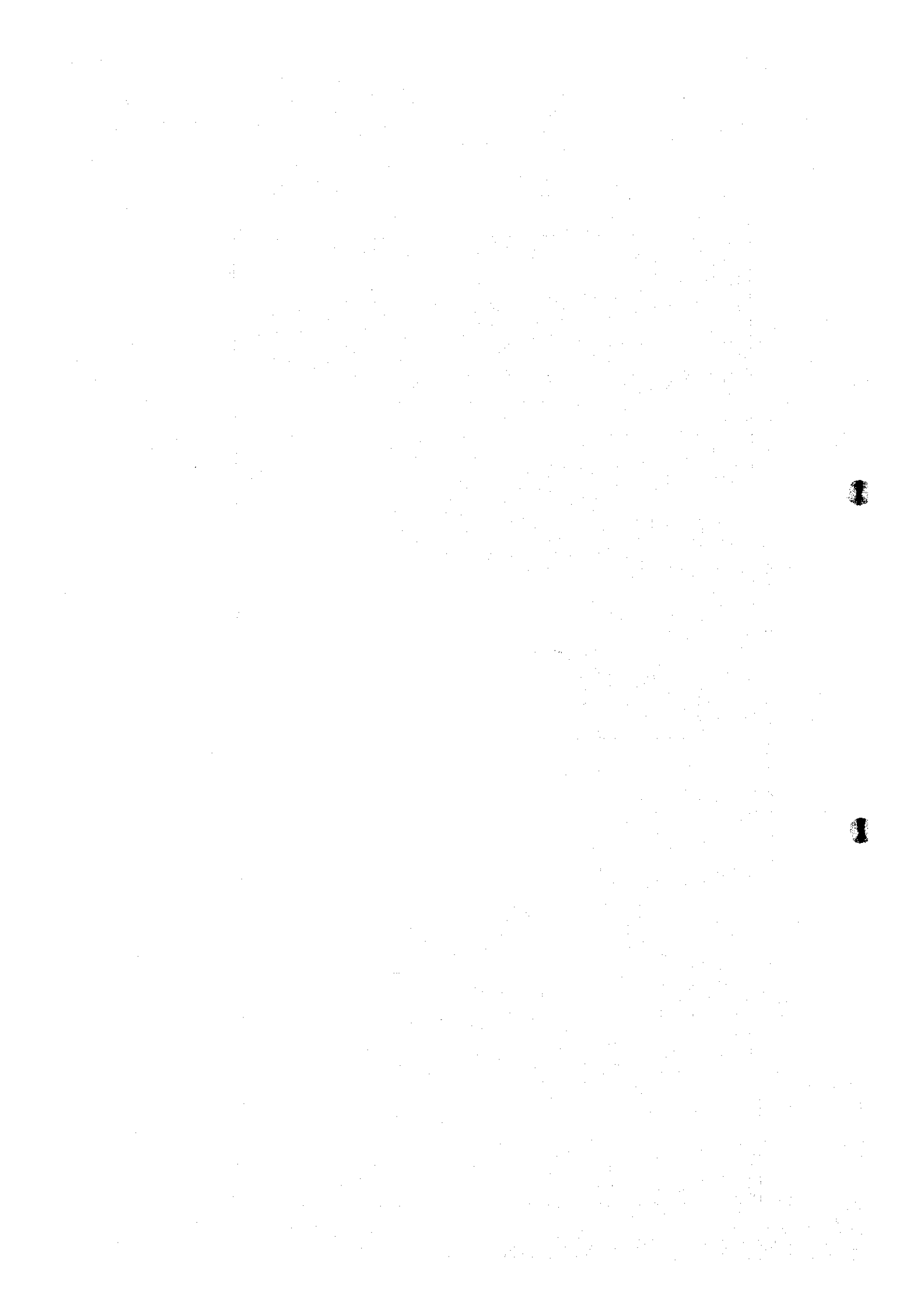
The Comparison of Foreign Direct Investment in Asian Countries (7/8)

<p>Incentives</p>	<p>(1) Preferential Taxation System An investing foreign capital is exempt from the income tax for a period of three years after starting its operations. An exemption of taxes on the income from the benefit of exportation is allowed up to a maximum of 50%. Those machines and apparatuses which have been imported during the construction period will have their custom duties exempted. Besides, custom duties will be exempt on the importation of those raw materials which are to be imported for production during a period of the first three years after completion of the construction. (2) Remittance The foreign currency which a person has personally</p>	<p>Incentives for manufacturing industry (a) Pioneer-status companies are granted corporate income tax credit of 70% (b) Companies granted investment tax credit are granted credit of 60% of their qualified capitals. (2) Manufacturing industry companies located in industry promotion areas can enjoy the benefit of these incentives for 5% deduction from their incomes over a period of five years. (3) Export encouragement system (a) An export credit refinance system is available, in which The Central Bank of Malaysia Finances exporting companies at a preferential interest rate.</p>	<p>(1) Common preferential treatment (a) Encouraged enterprises are exempted from corporate tax for three to eight years. (b) Import tax and enterprise tax exemptions for facilities, equipment, and raw materials required for plant construction approved by the BOI. (2) Preferential treatment is available for investments in investment promotion areas. (3) Incentives for plant location in remote areas vary in the three areas. (4) Export tax, import tax, and enterprise tax exemptions for raw material imports and product exports by the exporting industry. (5) Remittances and foreign currency exceeding foreign currency exceeding expatriation</p>	<p>(1) Corporate income tax (a) Productive enterprises are exempted from corporate income tax for two years after they show profits, and 50% exempted for the following three years. (b) Advanced technology enterprises are 50% exempted for a further three years. (c) Export enterprises are 50% exempted for an indefinite period. Exempted for an indefinite period. (2) Local income tax (a) Special economic economy and development districts: from local income tax (b) Open economic districts and other areas: 3/0 taxation depending on the district (3) Customs duty</p>	<p>(1) Corporate Tax: - Tax rate: 25 % (and more than 25 % for petroleum, gas, and exploitation of rare or valuable natural resources) - Capital gain and dividend received shall be included into taxable income. - Losses are possible to carry forward for 5 years in principle. Depreciation on fixed rate method are as follows: - 30 % for intangible assets - 5 to 15 % for building and structures - 10 to 20 % for machine and equipment - 10-18 % for vehicles - 20 % for office equipment (2) Sales Tax: - 1 to 40 % of sales tax shall be imposed for every transaction of goods and services except for subjects of agricultural tax and special sales tax.</p>
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The Comparison of Foreign Direct Investment in Asian Countries (8/8)

<p>Incentives (cont'd)</p>	<p>carried in the country, an after-tax profit, a liquidated surplus fund and an after-tax salary for a foreign worker may be remitted to the exterior. (3) In case of export oriented commodities, Commercial tax levied on these commodities may be exempted on application. (4) In addition to these incentives foreign investors will be able to lease land and immovable property at reasonable rates from the government. As Myanmar is classified as a least developed country it is also entitled to tariff privileges such as the generalized system of preferences. The incentives provided are reviewed and adjusted to be inductive and competitive with other countries.</p>	<p>(b) A double tax exemption system is available for such expenses as export credit insurance premiums and export promotion expenses of exporting companies. (4) Remittances exceeding 10,000 M dollars are free. Remittances exceeding 10,000 M dollars require approval.</p>	<p>(a) Remittances or expatriation US\$50,000/person/year requires permission. (b) Foreign currency expatriation by resident representatives upon returning home requires permission. (c) Expatriation of foreign currency deposits requires no permission.</p>	<p>(a) Special economic districts and economy and technology development districts: Construction materials and raw materials for use by companies themselves are free from customs duty. (b) Open economic districts and other districts: The above duty exemption is allowed for initial investment or plant expansion only. (4) Remittance (a) Remittance is free for trade transactions, but remittance exceeding foreign currency account balance requires permission. (b) Personal remittance of more than 50% of income requires Permission.</p>	<p>(3) Special Sales Tax: - 20 to 70 % of tax shall be imposed for transaction of such specific goods as liquor and tobacco & cigarettes. However, exports shall be excluded. (4) Tax on Exploitation of Resources: 1 to 40 % of tax on the amount of production shall be imposed for exploitation of crude oil, gas and mineral resources. (5) Tax on Remittance of profits: Joint venture enterprises shall have to pay tax on their remittance of profits at following rates depending on the amount of invested by the remittance. - 5 % for more than 10 million US \$ of contribution to investment - 7 % for more than 5 million US \$ of contribution to investment - 10 % for less than 5 million US \$ of contribution to investment.</p>
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Source : Engineering Consulting Firms Association and IICA Study Team



Annex 3:

**TABLE
COMPARISON OF INDUSTRIAL ESTATE
IN SOME ASIAN COUNTRIES**

Table Comparison of Industrial Estates in Some Asian Countries

Country	Industrial Estate Name	Location	Industrial Water			Power Supply						
			Capacity	Unit	Charge	Unit	Capacity	Unit	Voltage	Phase	Charge	Unit
Indonesia	Kalim Industrial Estate	Bontang, Kalimantan			1.00	\$/m ³	121	MW				
	Pt. Kawasan Industrial Medan	Jo Medan, North Sumatra	1,080	m ³ /h	1850.00	Rp./m ³	830	MW	380V/20KV	3		
	Pt. Krakatau Industrial Estate Cillegon	Gatot Subroto Kav. Jakarta	2.00	m ³ /sec.	1500.00	Rp./m ³				3		
	Ngoro Industrial Park	Ngoro, Mojokerto	0.03	m ³ /sec.	1000.00	Rp./m ³	10	MVA	220/380V	3		
India	Faridabad Ind. Area-58/59	Faridabad, Haryana										40*/50** Rp./kWh
	*: less than 70kWh **: more than 70kWh											
Pakistan	Multan Industrial Estate	Multan, Punjab			70A: 300*	Rp./m ³						
Sri Lanka		*: dependent on thickness of the pipe										
	Industrial Estate Karadeniya	Karadeniya, Ambalangoda	10,000	gallon/day	2.22	Rp./m ³	250	kVA	400V	3		
	Pallekelle Free Trade Zone	Pallekelle, Kandy			0.41	\$/m ³	12MVA					
	Industrial Estate Pallekelle	Pallekelle, Kandy	100,000	gallon/day	5.00	Rp./m ³	1,250	kVA	400V	3		

Source: Industrial Estates in the World (Vol. Asia & Oceania), JETRO, Information Service Division, March 1995

Note: Currency exchange rate as of 1 Jan. 1995

Thailand: 1 Baht = 4.02 Yen
 Malaysia: 1 M\$=39.34 Yen
 Philippines: 1 Peso=4.13 Yen

Indonesia: 1 Rupiah = 0.0465 Yen
 India: 1 Rupee = 3.51 Yen
 Pakistan: 1 Pakistan Rupee = 3.45 Yen

Sri Lanka: 1 \$=99.55 Yen

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