Appendix 13-4: Presentation Materials at the Workshop

Project for Development of Economic Zones and Capacity Enhancement of
Bangladesh Economic Zones Authority (BEZA)

Program for Capacity Enhancement of BEZA

April 22, 2015

Japan International Cooperation Agency (JICA)
World Business Associates Co., Ltd.
Japan Development Institute
RECS International Inc.
Oriental Consultants Global Co., Ltd.

Agenda

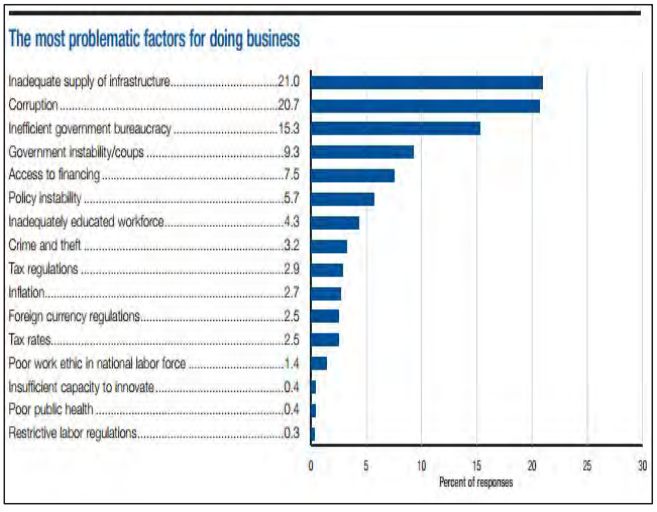
1. Objectives of the Capacity Enhancement Program
2. Approach for the Capacity Enhancement Program
3. Implementation Flow of the Capacity Enhancement Program

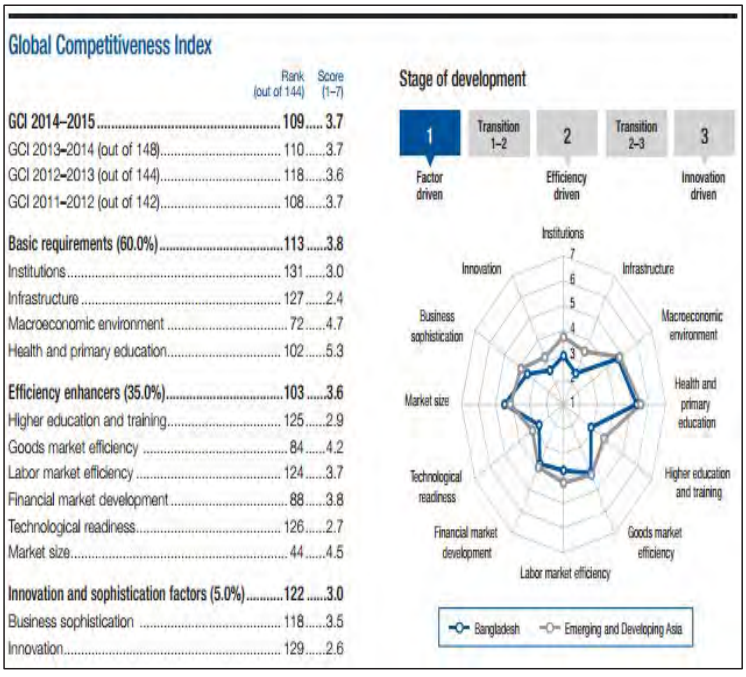
Objectives of BEZA Capacity Enhancement Program undertaken by the Project

1. Preparation of Training Program for Capacity Enhancement of BEZA,
2. Implementation of BEZA Capacity Enhancement Training Program,
3. Implementation of Observation Tour Program to Asian Countries,
4. Preparation of BEZA Capacity Development Action Plan.

The Global Competitiveness Report 2014–2015

Bangladesh in the Global Competitiveness Contest
109th out of 144 Countries



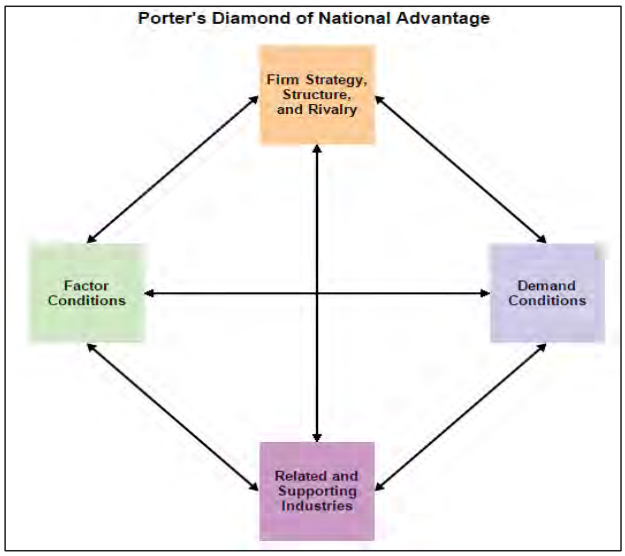


Source: World Business Forum

Diamond of National Advantage Model by Michael E. Porter

The Diamond Model is an economic model developed by Michael E. Porter in his book *The Competitive Advantage of Nations*, where he published his theory of why particular industries become competitive in particular locations.

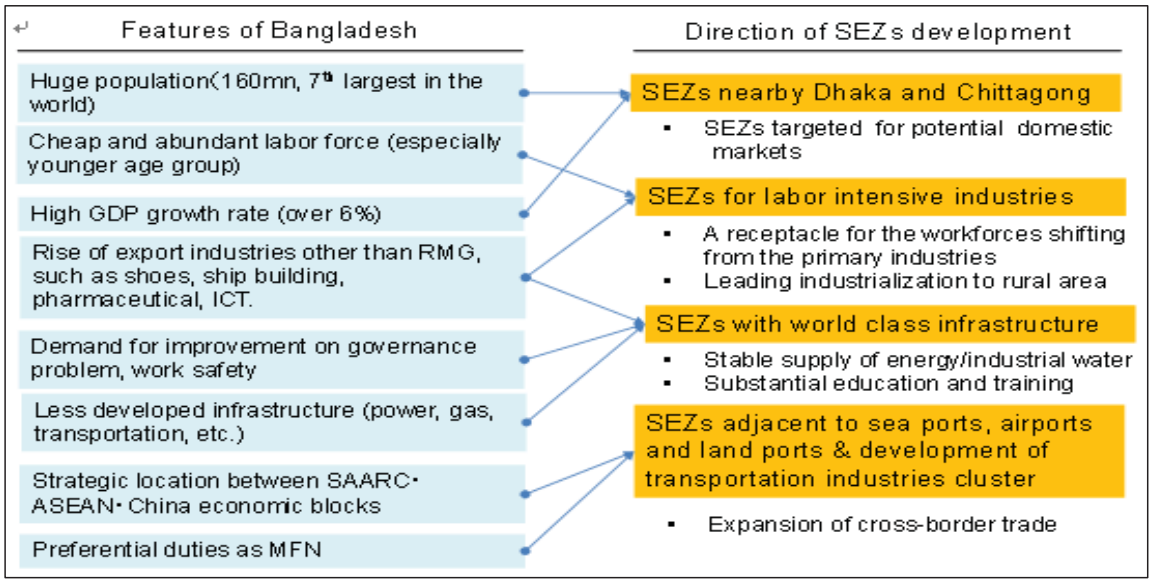
The phenomena that are analyzed are classified into six broad factors incorporated into the Porter diamond, which has become a key tool for the analysis of competitiveness.



Diamond of National Advantage Model by Michael E. Porter

Factor conditions are human resources, physical resources, knowledge resources, capital resources and infrastructure.
Demand conditions in the home market can help companies create a competitive advantage, when sophisticated home market buyers pressure firms to innovate faster and to create more advanced products than those of competitors.
Related and supporting industries can produce inputs that are important for innovation and internationalization. These industries provide cost-effective inputs, but they also participate in the upgrading process, thus stimulating other companies in the chain to innovate.
Firm strategy, structure and rivalry constitute the fourth determinant of competitiveness. The way in which companies are created, set goals and are managed is important for success. But the presence of intense rivalry in the home base is also important; it creates pressure to innovate in order to upgrade competitiveness.
Government can influence each of the above four determinants of competitiveness. Clearly government can influence the supply conditions of key production factors, demand conditions in the home market, and competition between firms. Government interventions can occur at local, regional, national or supranational level.
Chance events are occurrences that are outside of control of a firm. They are important because they create discontinuities in which some gain competitive positions and some lose.

Four Major Directions of EZ Development in Bangladesh

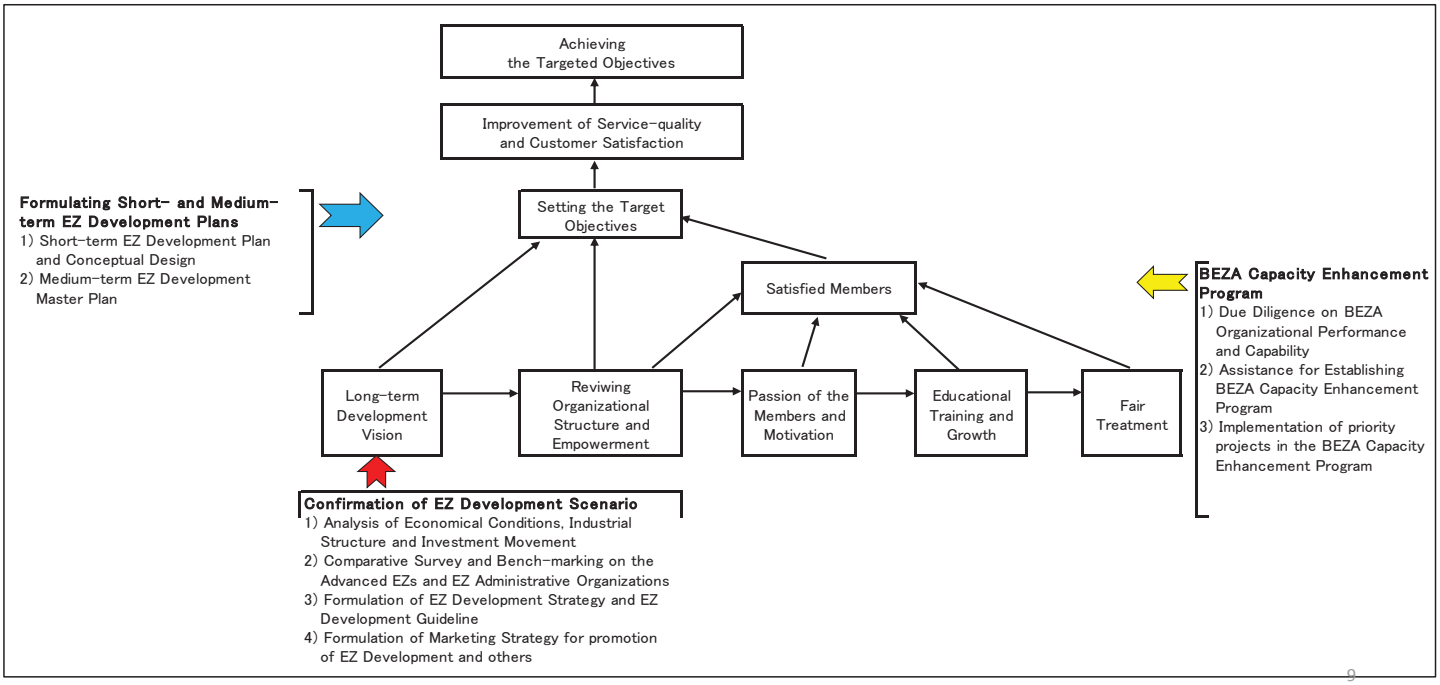


Source: JICA Data Collection Survey on the SEZ in the People's Republic of Bangladesh, August 2013

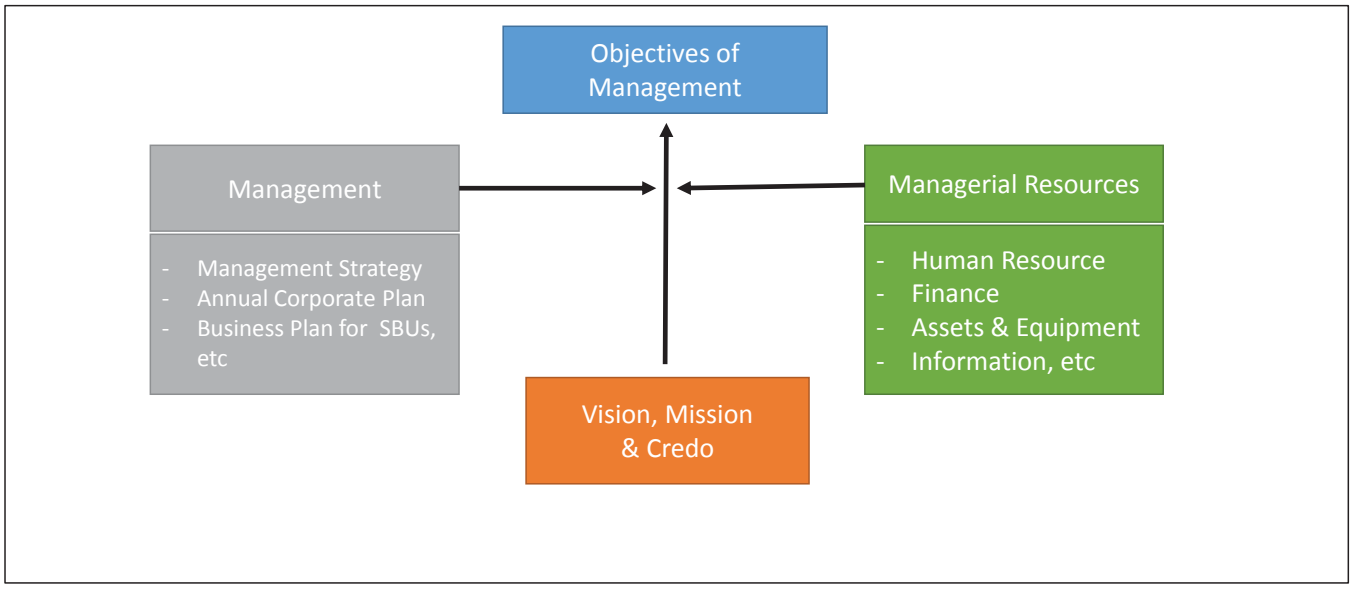
Approaches for BEZA Capacity Enhancement Program

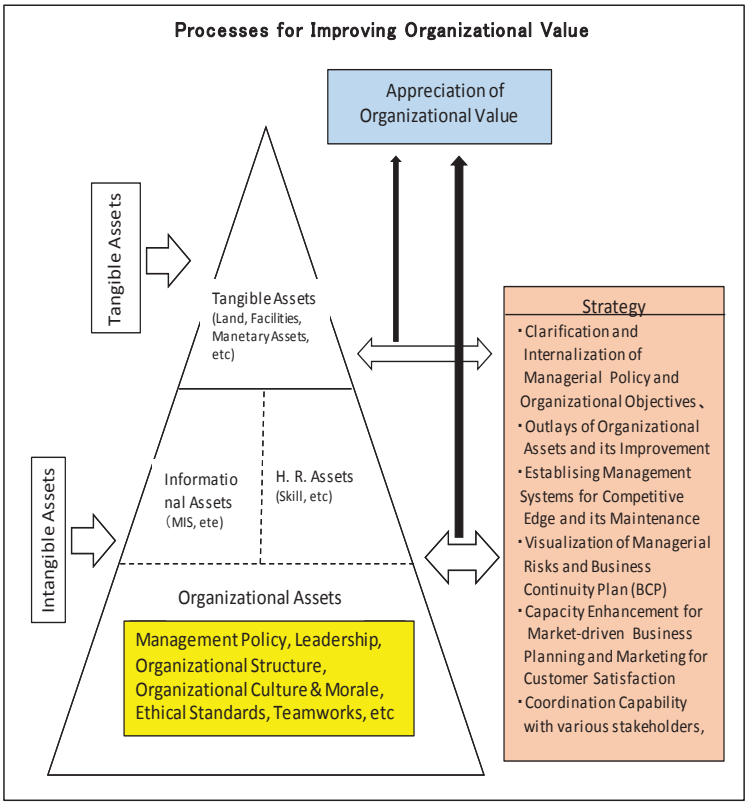
1. Due Diligence on the BEZA Operation Systems,
2. Introduction of Cross-functional Teams (CFTs) and Establishing "the Desired Shape of BEZA",
3. Observation Tour to the EZ Facilities and EZ Administrative Organizations in South-east Asia being identified as the Bench-marks for BEZA,
4. Preparation of the BEZA Capacity Enhancement Trainings and its Implementation Programs,
5. Formulation of BEZA Capacity Development Action Plans.

Application of Organization Development Method in the Private Sector for BEZA



How do you achieve the Managerial Goals ?





How can we improve Organizational Value?

1. Recognizing Importance of Intangible Assets,
2. Shape-up your Organizational Strategy for establishing Competitive Edges,
3. Introduction of sound Management Systems coupled with Financial Allocation,
4. Visualization of Managerial Risks and Business Continuity Plan,
5. Market-driven Business Plan and Marketing Activities for Customer Satisfaction,
6. Proper Coordination Capability with various Stakeholders, etc.

What is the difference between the Management and Manager ?

Management is the group of people who take decisions and plan for the growth of the company, where as the manager is the person appointed by the managing committee to take care of implementation of their decisions on day to day basis.

	MANAGEMENT	MANAGER
Activity	Define the Rules and Goals to be achieved	Implement the tasks/duties given by the Management
Perspective	Wider & Longer range	Narrower & Shorter range
Freehand on Pre-conditions	Larger	Smaller
Authority	Bigger	Smaller
Impact	Wider & Bigger	Narrower & Smaller

Different types of Managers

1. Strategic Managers

The firm's Senior Executives who are responsible for overall management,

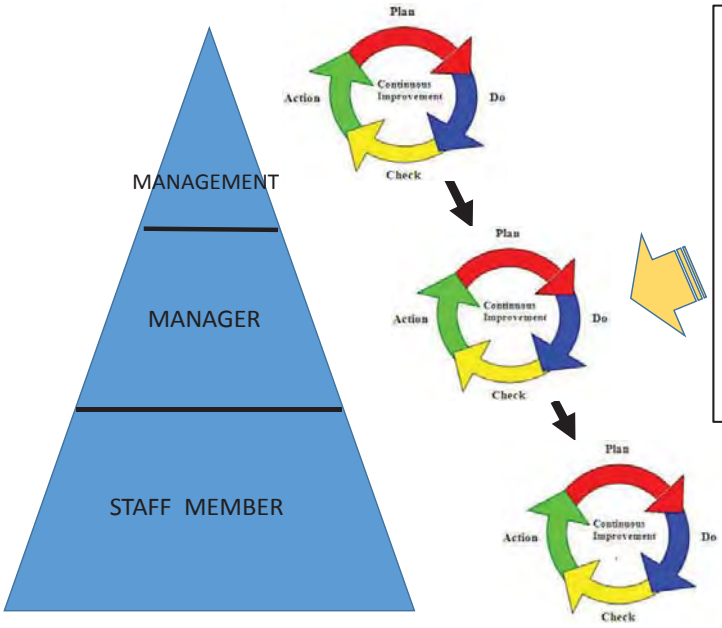
2. Tactical Managers

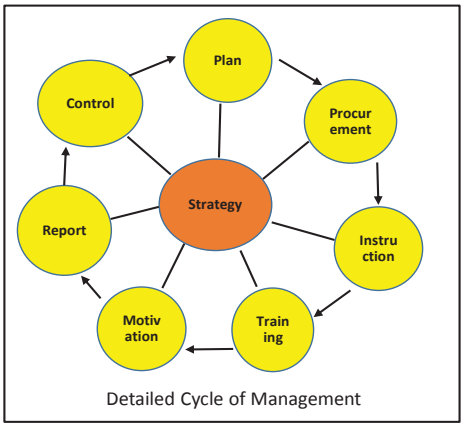
The firm's Management Staff who are responsible for translating the General Goals and Plans developed by strategic managers into specific objectives and activities,

3. Operational Managers

The firm's lower-level managers who supervise the operations of the organization.

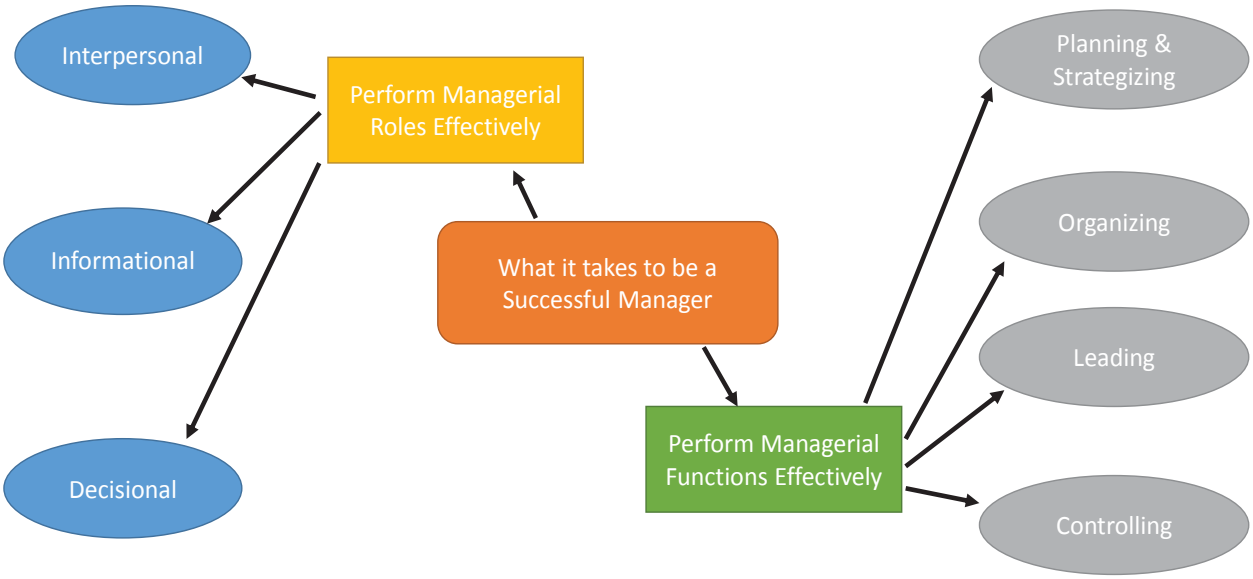
Cycle of Management at each level





Detailed Cycle of Management

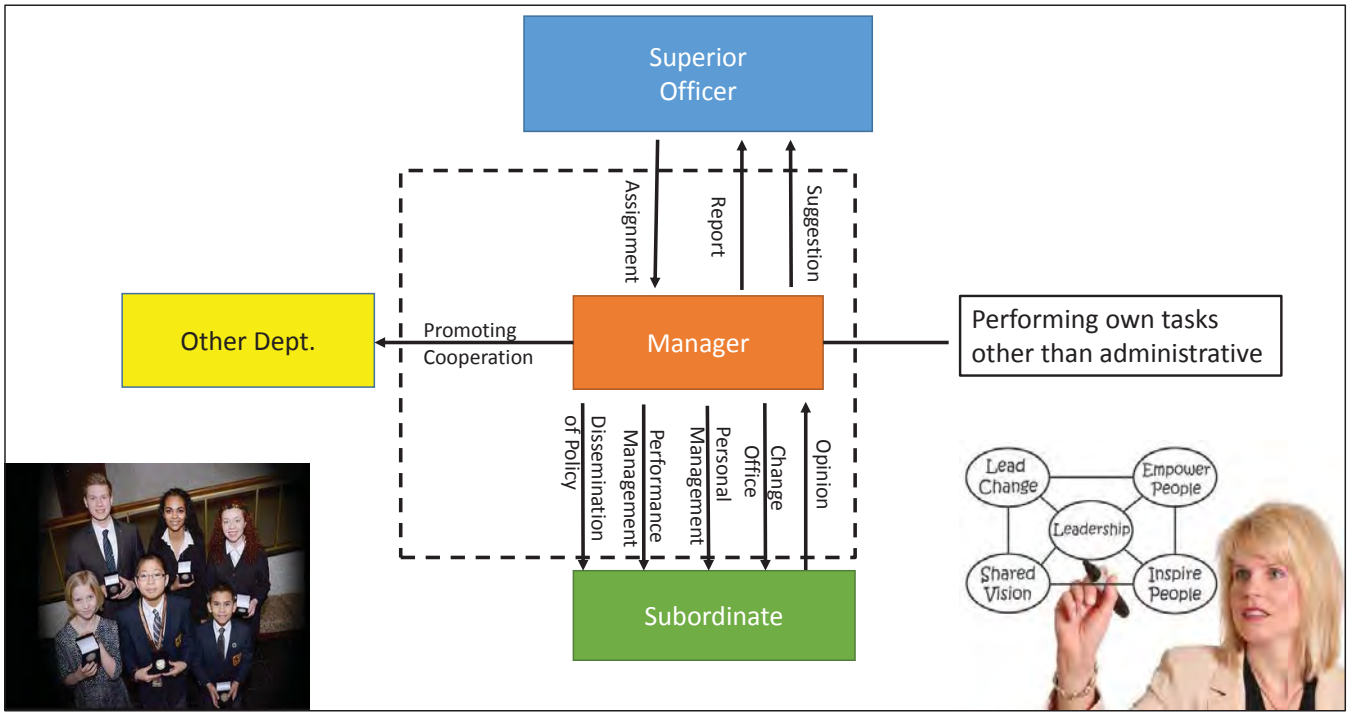
Key Aspects of Managerial Success



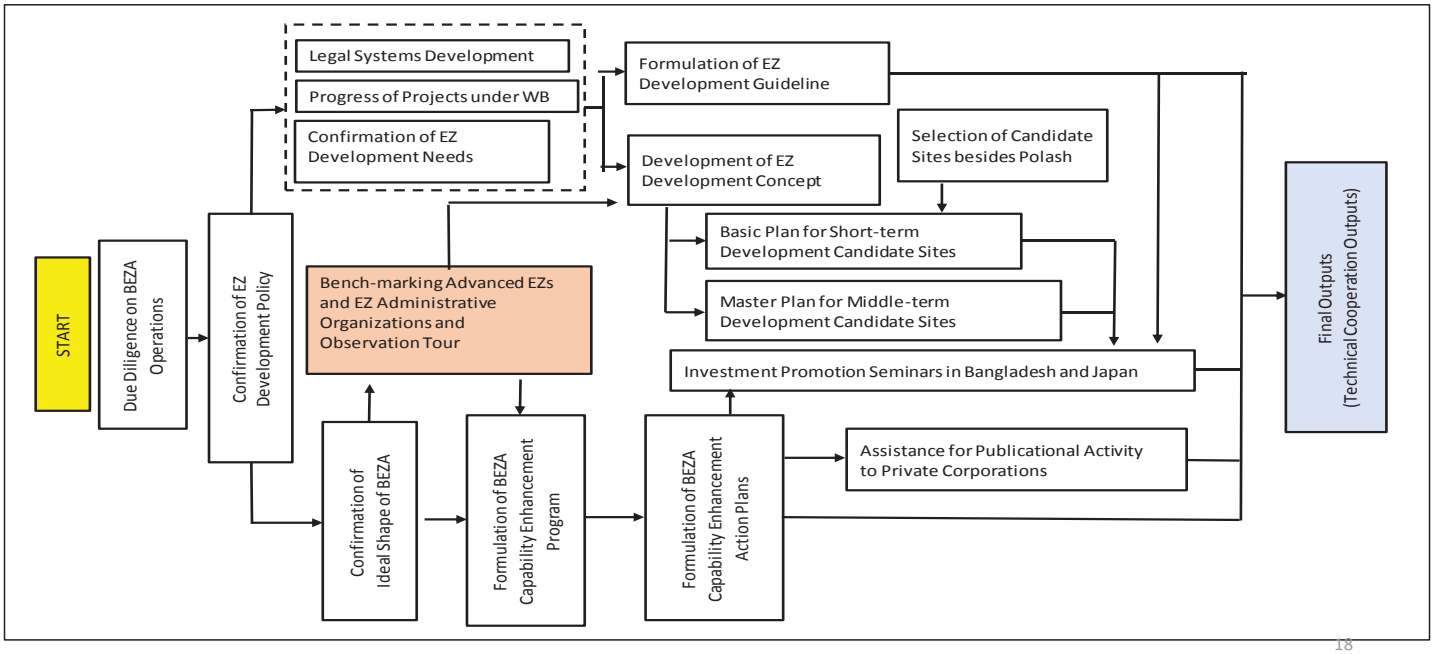
Four (4) Management Functions

1. Planning & Strategizing:
   The Management Function that successes the management environment to set future objectives and map out activities necessary to achieve those objectives,
2. Organizing:
   The Management Function that determines how the firm's human, financial, physical, informational, and technical resources are arranged and coordinated to perform tasks to achieve desired goals; the deployment of resources to achieve strategic goals,
3. Leading:
   The Management Function that energizes people to contribute their best individually and in cooperation with other people,
4. Controlling:
   The Management Function that measures performance, compares it to objectives, implements necessary changes, and monitors progress.

Roles of the Manager



Implementation Flow of the Capacity Enhancement Program As an Integral Part of the Project



Due Diligence on the BEZA Operation Systems

- Checking and understanding the Roles and Functions of BEZA through Interview Surveys to Top-management of BEZA,
- Confirmation of Roles and Functions of BEZA based on the recent Organization Structure of BEZA and by preparation of Job Description of each BEZA Staff,
- Also, check the avail of Operations Manual at BEZA.

Due Diligence on the Administrative Systems of BEZA

- Vision & Mission,
- Annual Business Plan & Medium-term Business Plans,
- Budget Control Systems (Projection vs Actual) for the Business Plans,
- Accounting Systems,
- Human Resources Management Systems,
- Assets Management Systems,
- Status of Management Information Systems (MIS) and its future development plan, if any.

Due Diligence on Management Systems for EZ Development and its administration

- Administrative Systems for Application, Approval and Operation of EZs,
- Present Structure and Function of OSS (Relationship with other Ministries/ Organizations concerned),
- Operation and Administrative Systems for promoting FDI,
- Alliance with other organizations for promoting Business Development Services (BDS) and other activities.

Analysis of Organizational Structure (5 Principal of Organization)

(1) Professionalism

Are Duties distributed along with the group of Professional Trades ?

(2) Span of Control

How many staff member one Manager control ?

(3) Matching the Authority and Responsibility

Authority under the Job Authorization Rule and Responsibility under Job Allocation/Responsibility Rule are matching ?

(4) Integrated Order Systems

Is there any duplication and discrepancy in the line authority ?

(5) Routine and Exceptional Jobs

Are the Routine Job and Non-routine Job distinguished clearly ?

Design of Organization Structure

Design of Organization Structure means to Select the Type of Organization Structure, Define the Functions of each Department/ Section (horizontal Design) and Define the Hierarchical Sequence of Line Authority among each Department/ Section (Vertical Design).

- **Job Description Rule**

  Define the Scope of Job on the activities of Planning, Implementation, Report, Liaison, Investigation, Meeting, Order, Application, Decision-making, Approval and others for each Department/Section.

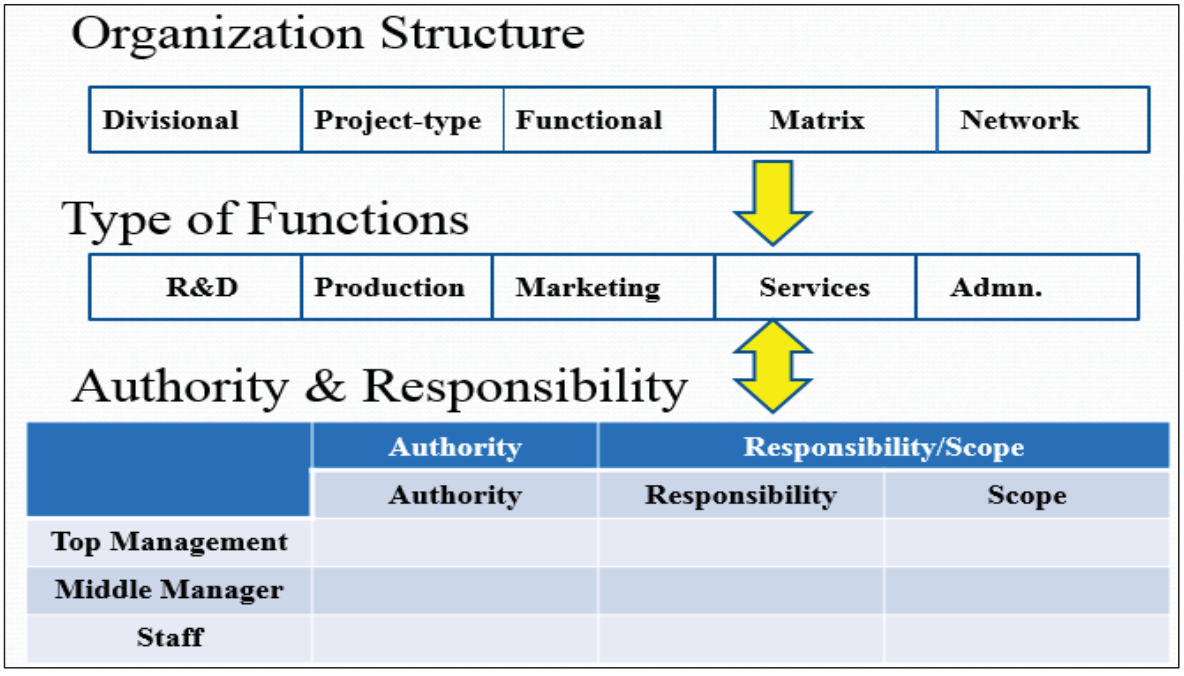
- **Power Authorization Rule**

  - Authorization on Money:
    In and Out of Cash, Procurement, Payment, Finance and Investment, etc
  - Authorization on Human Resources:
    Hiring, Assignment, Payroll, Rewards, Welfare, Working Conditions, Career Development, etc
  - Authorization on Asset:
    Building, Plant, Equipment, Specification for Products, Materials, etc.

- **Other Business Operations:**

  Delineation of Management Policy, Organizational Change, Development of New Customers.

Process of Job Description



	Authority	Responsibility/Scope	
	Authority	Responsibility	Scope
Top Management			
Middle Manager			
Staff			

Redesign of Organization Structure

Redesign of Organization Structure shall be done from the view points of Job Enlargement and Job Enrichment.

(1) Job Enlargement

In order to mitigate the boring derived from the simplified assignment, scope of assignment may be enlarged, then to improve the degree of Employee's Satisfaction. Scope of Job Description may be defined with rather bigger group/boundary.

(2) Job Enrichment

Authority to the vertical process of Planning, Preparation, Control, Adjustment may be extended, then enrich the quality of assignment and enlarge the degree of responsibility, in order to improve the Employee's Satisfaction. Job Authorization Rule may be reviewed along with the sequence of Line Authority (Vertically).

Management by Objectives (MBO)

After the review and redesign of Organization Structure, Manager shall **breakdown the Objectives of Organization into more detailed yet specific Management Tools.**

These Tools are: Long- and Medium- Term Management Plans, Annual Business Plan, Departmental Business Plan, Individual Business Plan.

This Management Systems are called as "Management by Objectives". **PDCA Cycle** such as sequential activities of **Plan, Do, Check,** and **Action** will be applied.

Objectives and Outcomes by MBO

(1) Enforce the Management Strategy/Plan throughout the Organization

[Outcome] Define the Objectives of each Staff and clearly understand the Functions

(2) Improve Mutual Trust by Activate Communications

[Outcome] Create Open Corporate Culture

(3) Positive Participation based on the higher Motivation

[Outcome] Improvement of competency on Self-management

(4) Integrate the Objectives of Organization and Individual Desires and the Performance shall be correctly reflected to the evaluation of Individual.

[Outcome] Fair and Transparent Evaluation and Promotion

(5) Accumulation of Organizational Knowledge

[Outcome] Improvement of Organization-wide Motivation

Basic Procedure for MBO

Objective Setting under MBO

Section (Function)	Outputs (Dept. Level)	Subjective (Middle Mgr)	Process (Operation Level)
MARKETING	•Profit •Turnover •Collection •Market Share •No. of Back log	•Issues overcame •Market Penetration •Client Numbers •Turnover per Client	•Turnover achieved •Repeater ratio •Orders back-log •Percentages achieved •Contract/Proposal Ratio
PRODUCTION	•Operation Ratio •No. of Man/Month •Quality Level •Cost Reduction •Delivery Time	•Issues overcame •Kaizen achieved •Marketing Support provided	•Preparation-work Efficiency •Defect/Failure Ratio •Re-production Ratio •Percentage achieved •Production achieved
R & D	•R&D/Product Ratio •Merchandizing Date •Sales/Back Log	•R&D Achieved •Issues overcame •Kaizen achieved •Marketing/Production Supports provided	•Experiments conducted •Tests conducted •Input/Output Ratio •Percentage achieved
ADMINISTRATION	•Budget Control •H. R. Performance •Adm. Cost Reduction •ROI Ratio	•Kaizen achieved •Issued overcame •Contribution to Line works achieved	•Performance achieved •Assignment achieved •Percentage achieved

Analyzing H.R. Management Systems

Objectives of H.R. Management Analysis are to Analyze and Evaluate how the Systems are efficiently and effectively performed in order to fully utilize the resources of Staff Members available under the existing Organizational Structure.

(1) Classification Systems

Classify the positions based on the Standards for Definition and Boundary of Jobs horizontally and Vertically within an Organization.

(2) Evaluation Systems

Set the Standard Objectives and Level of Performance for Individuals and its Evaluation Systems.

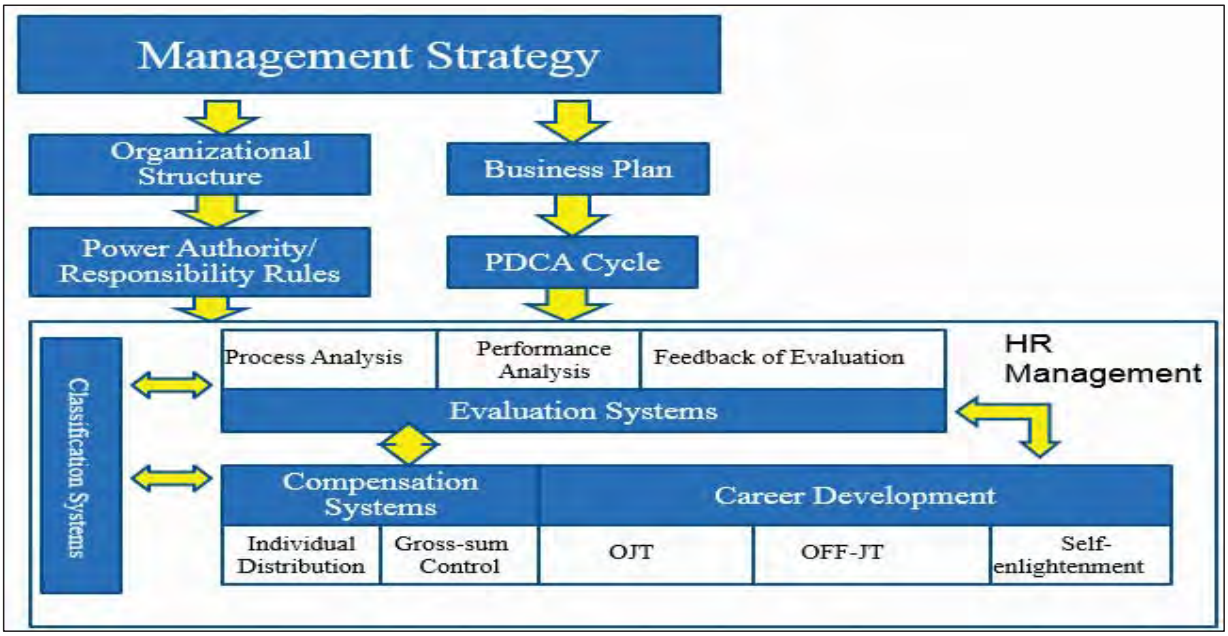
(3) Compensation Systems

Set Standard magnitude of Payroll and other Incentives based on the Evaluation Systems.

(4) Career Development Systems

Design the systems to develop Knowledge and Skill required to achieve Management Objectives and required fulfillment activities.

Organizational Structure for Human Resources Management



About the Innovation

Economic Innovation is realized by **"Creative Destruction"**
to the existing parameters of management.

- Joseph A. Schumpeter –

"There is only one valid definition of Business Purpose;
to **Create a Customer**, and Business has **only two functions; Marketing and Innovation**"

- Peter F. Drucker –

"Innovation is fundamentally doing something differently, and it involves **Radical and Incremental Change**"

- Michael Tushman -

Introduction of Cross-functional Teams (CFTs) and Establishing “the Desired Shape of BEZA”

1) A CFT for solving Issues related to BEZA Administrative Affairs,
2) A CFT for solving Issues related to EZ Development and its administrative affairs,
3) Discussions and making Consensus on “the Desired Shape of BEZA”,
4) Selection of the Desired EZ Facilities and EZ Administrative Organization and set them as “the Bench-mark” for BEZA,
5) Identification of Challenges faced by BEZA by both CFTs (Identification of Gaps between Actual Performance (As is) and the Desired Shape (To be)),
6) Formulation of Projects for resolution of the Challenges identified by the CFTs,
7) Find out Solutions through the Project Management Systems which will finally be integrally managed by the Program & Project Management (P2M) Systems.

Creation of Cross Functional Team (CFT)

Definition:

A Cross-functional team is an organizational team consisting of members at the same level of hierarchy in the organization but serving in different areas.

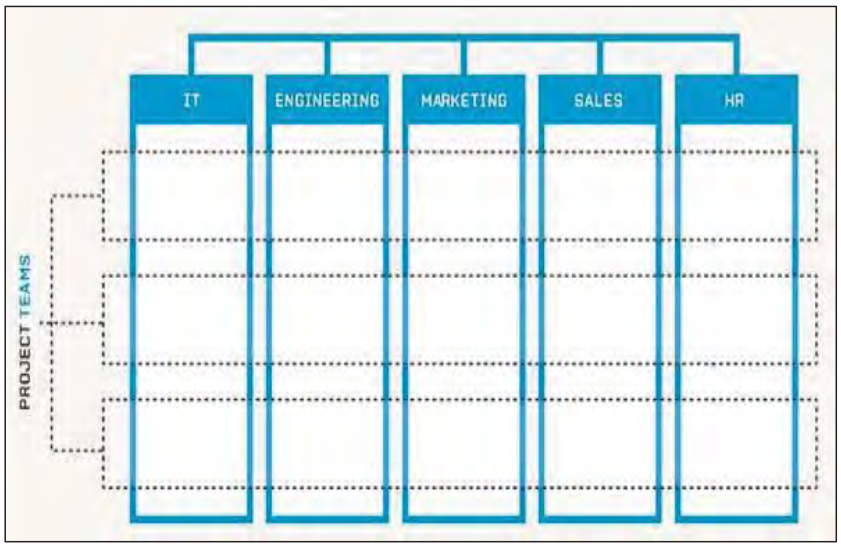
Advantages:

Cross-functional teams provide an organization with some significant advantages. You can greatly increase creativity and problem solving with the use of cross-functional teams because of their composition. Members of cross-functional teams come with a diversity of experiences, expertise and knowledge. This diversity can help broaden perspectives and create a synergy - where interaction of the members create a greater effect than the sum effects of each member acting alone - leading to a high level of creativity.

Disadvantages:

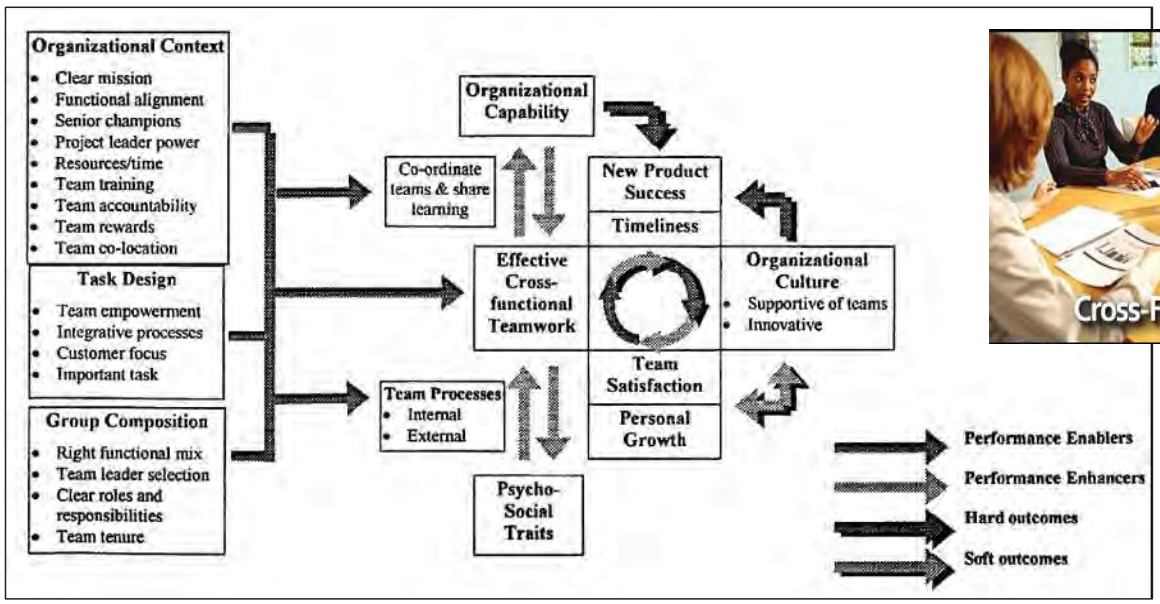
The team can take significantly longer to develop cohesion because members come from different experiences and backgrounds. Moreover, a team leader must take care in managing team relationships carefully because there may be a high level of conflict in these teams due to unit rivalry, egos and possible conflict between the interests of the various parts of the organization represented by team members.

How a CFT is formulated?

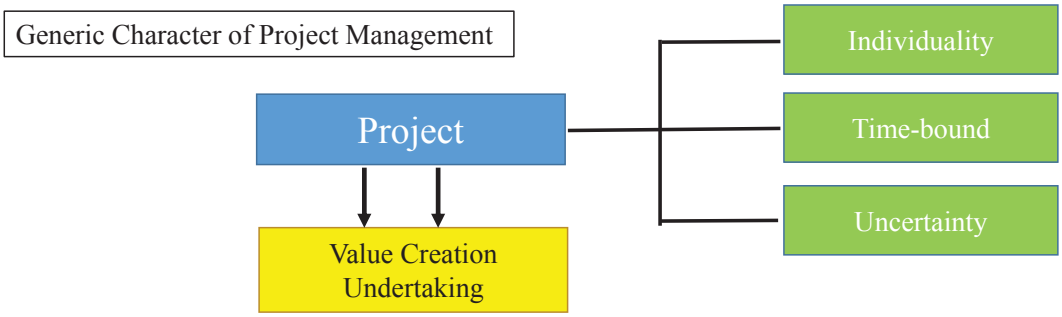


A team consisting of members at the same level of hierarchy in the organization but representing different departments.

Functions of a CFT



What is the Project Management Systems?

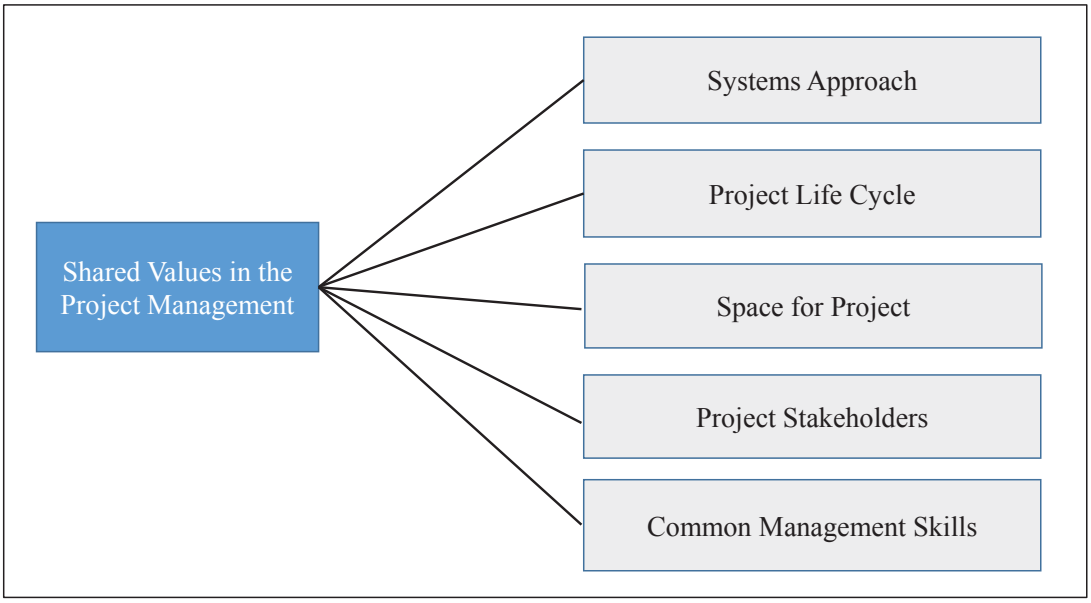


Project Management is a methodical approach to planning and guiding project processes from start to finish.

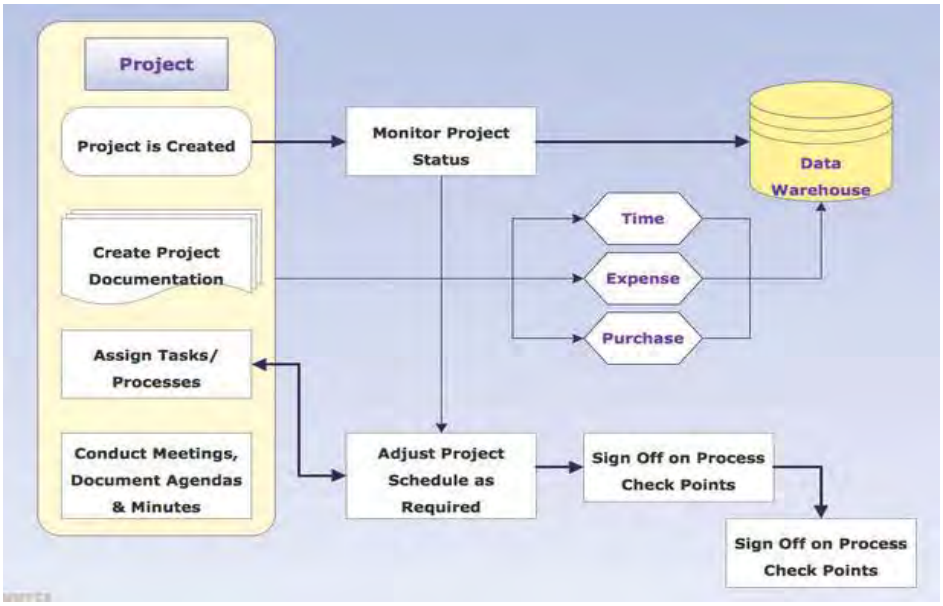
According to the Project Management Institute, the processes are guided through five stages: initiation, planning, executing, controlling, and closing.

Project management can be applied to almost any type of project and is widely used to control the complex processes of software development projects.

Shared Values in the Project Management

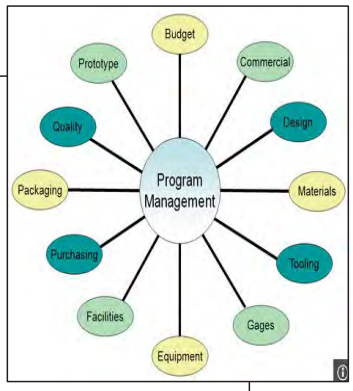


Project Management Process Flow Chart



Project Management Cycle

Program Management



Program management or **programme management**
Is the process of managing several related Projects, Often with the intention of improving an organization's performance. In practice and in its aims it is often closely related to systems engineering and industrial engineering.

In a program there is a need to identify and manage cross-project dependencies and often the PMO (Program or Project Management Office) may not have sufficient insight of the risk, issues, requirements, design or solution to be able to usefully manage these. The Program manager may be well placed to provide this insight by actively seeking out such information from the Project Managers although in large and/or complex projects, a specific role may be required.

How do you find your Problem and Solution ?

Deploy your logical thinking practices !

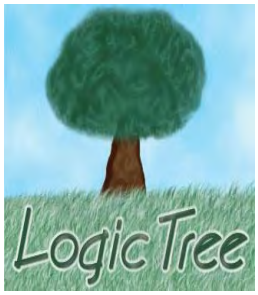
- Look at the facts straightforwardly
- Face towards the Issue without reservation
- Deliberate on the Issue thoroughly
- Pursue the Essence of Issue
- Keep Strong Belief for settling the Issue

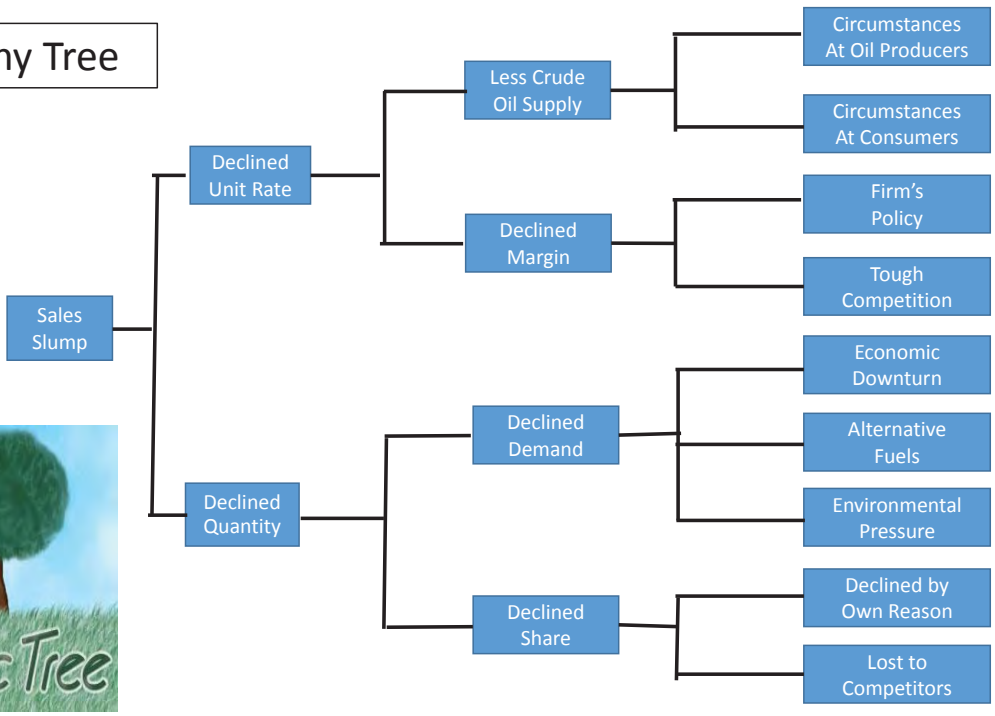
TOYOTA Way: Asking "WHY" 5 times !

	Level of Problem
Why?	There is a puddle of oil on the shop floor
Why?	Because the machine is leaking oil
Why?	Because the gasket has deteriorated
Why?	Because we brought gaskets made of inferior material
Why?	Because we got a good deal (price) on those gaskets
	Because the purchasing agent gets evaluated on short-term cost savings

Classify the Problem (1)

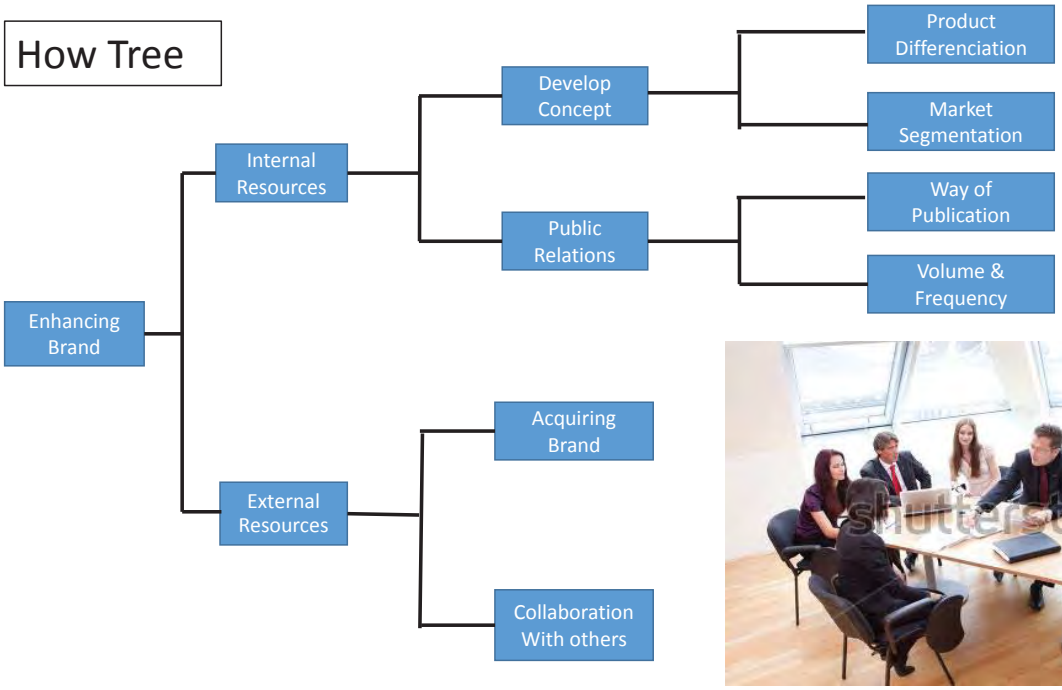
Why Tree





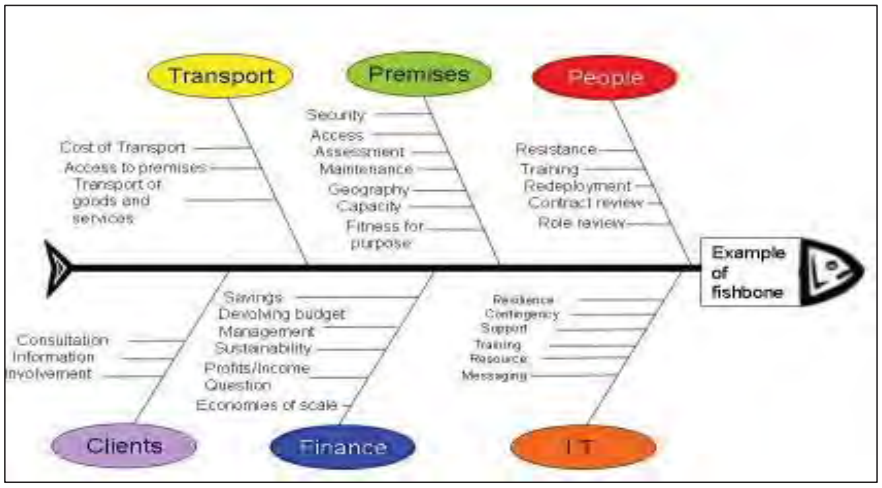
Classify the Problem (2)

How Tree



Fishbone (Ishikawa) Diagram

This Diagram is also called as Cause–and–Effect Diagram and the Diagram identifies many possible causes for an effect or problem. It can be used to structure a brainstorming session. It immediately sorts ideas into useful categories.

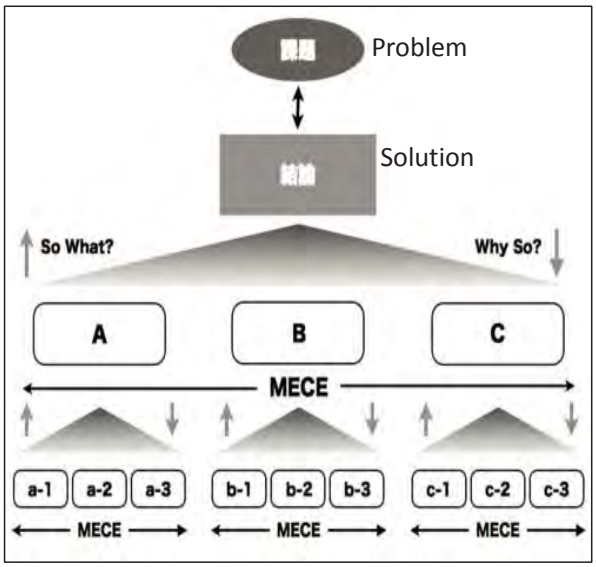


MECE Framework

MECE is a framework used to organize information which is:

Mutually Exclusive: information should be grouped into categories so that each category is separate and distinct without any overlap; and

Collectively Exhaustive: all categories taken together should deal with all possible options without leaving any gaps.



Brainstorming & KJ Method

Brainstorming combines a relaxed, informal approach to problem solving with lateral thinking. It encourages people to come up with thoughts and ideas that can, at first, seem a bit crazy.

Some of these ideas can be crafted into original, creative solutions to a problem, while others can spark even more ideas. Therefore, during brainstorming sessions, people should avoid criticizing or rewarding idea.

Evaluate ideas at the end of the session – this is the time to explore solutions further, using conventional approaches.

The KJ-Method tends to place emphasis on the ideas being relevant, verifiable and important.

Grouping and naming: Cards that look as though they belong together should be grouped, ignoring any 'oddities'. For each group write an apt title and place it on top of its group of cards. Repeat the group making, using new titles to create higher-level groups

Chart making: Now that you have less than 10 groups, arrange them carefully on a large sheet of paper in a spatial pattern that helps you to appreciate the overall picture.

Explanation: Now try to express what the chart means to you, writing notes as you go. Ideas for the solution are often developed whilst explaining the structure of the problem.

From Strategy Formulation to develop a Business Plan

Developing a strategic plan requires you to outline your company's mission, values and goals. When these aspects of your business are clearly defined, managers and employees have a full understanding of what they are contributing to. Strategic planning also helps to boost productivity within your organization. Strategic planning encourages employees to reflect on company goals when making important decisions. Employees are also likely to work harder when they understand how their jobs contribute to your organization.

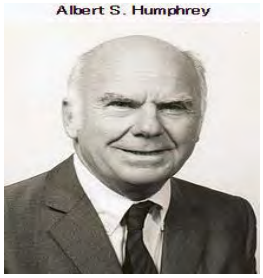
A business plan is an essential roadmap for business success. This living document generally projects 3-5 years ahead and outlines the route a company intends to take to grow revenues. It is not a difficult process and a good business plan focuses the mind as well as helping to secure finance and support.
The business plan will clarify your business idea and define your long-term objectives. It provides a blueprint for running the business and a series of benchmarks to check your progress against. It is also vital for convincing your bank - and possibly key customers and suppliers - to support you.

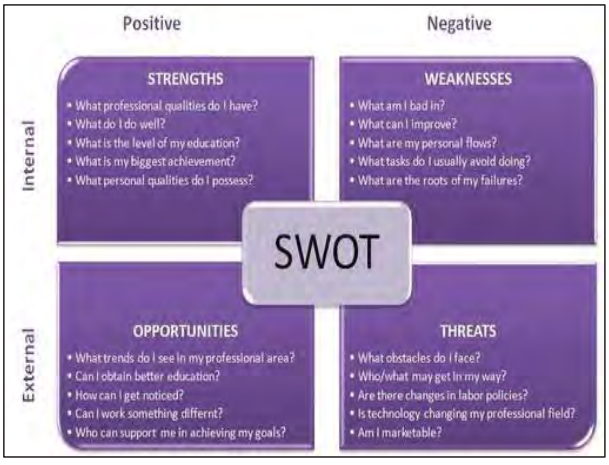
SWOT Analysis

Originated by Albert S Humphrey in the 1960s, A SWOT Analysis (alternatively SWOT matrix) is a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective. The degree to which the internal environment of the firm matches with the external environment is expressed by the concept of strategic fit

Strengths: characteristics of the business or project that give it an advantage over others.
Weaknesses: characteristics that place the business or project at a disadvantage relative to others.
Opportunities: elements that the project could exploit to its advantage.
Threats: elements in the environment that could cause trouble for the business or project.

Identification of SWOTs is important because they can inform later steps in planning to achieve the objective.





Source: http://en.wikipedia.org/wiki/SWOT_analysis

Format of Cross SWOT Analysis

SWOT ANALYSIS & STRATEGY FORMULATION

GROUP No.:

			EXTERNAL ENVIRONMENT	
			OPPORTUNITY(O)	THREAT(T)
INTERNAL ENVIRONMENT	STRATEGIES		(S) X (O) Strategy	(S) X (T) Strategy
	STRENGTH(S)			
	STRATEGIES		(W) X (O) Strategy	(W) X (T) Strategy
	WEAKNESS(W)			

Competitive Strategy by Michael E. Porter

Michael Porter argues that a firm's strengths ultimately fall into one of two headings: cost advantage and differentiation. By applying these strengths in either a broad or narrow scope, three generic strategies result: cost leadership, differentiation and focus. These strategies are applied at the business unit level.

Cost Leadership Strategy:

This strategy calls for being the low cost producer in an industry for a given level of quality. The firm sells its products either at average industry prices to earn a profit higher than that of rivals or below the average industry prices to gain market share.

Differentiation Strategy:

This strategy calls for the development of a product or service that offers unique attributes that are value by customers and that customers perceive to be better than or different from the products of the competitor. The value added by the uniqueness of the product may allow the firm to charge a premium price for it.

Focus Strategy:

The Focus strategy concentrates on a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation. A firm using a focus strategy often enjoys a high degree of customer loyalty, and this entrenched loyalty discourages other firms from competing directly.

Porter's Generic Strategies

Target Scope	Advantage	
	Low Cost	Product Uniqueness
Broad (Industry Wide)	Cost Leadership Strategy	Differentiation Strategy
Narrow (Market Segment)	Focus Strategy (low cost)	Focus Strategy (differentiation)

Source :http://www.quickmba.com/strategy/competitive-advantage/

Balanced Scorecard Method

The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals.

It was originated by Drs. Robert Kaplan (Harvard Business School) and David Norton as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of organizational performance.

It provides a framework that not only provides performance measurements, but helps planners identify what should be done and measured. It enables executives to truly execute their strategies.

Source: Balanced Scorecard Institute

Format of BSC Strategy Map

BALANCED SCORECARD (STRATEGY MAP)

GROUP No.

Members :
1. 5.
2. 6.
3. 7.
4.

Corporate Strategy:
Realizing a higher performing corporation by establishing own brand through the collaboration with foreign aparel markers
- FOCUS to Differenciation (Quality-oriented Products) Strategy -

Finance :
Improving Finalcial Condition (15% higher in the Earnings before Income Tax) and generating a fund for Capital Outlays for modernization of Plant/Factory by introducing Cashflow-oriented Management Systems.

Customer :
- Improve Market Portfolio for 10 points by penetorating into ASEAN and Middle East markets.
- Improve Customer Satisfaction for 5 points by reducing Product Defective Rate.
- Develop 10 New Products every year responding to the market demands.

Business Process :
- Introducing Markeing Data Base by establising network through relatives living in Singapore and Dubai.
- Reducing Product Defective Ratio and stricter Quality Control by capitalizing the benefit of Information Technologies.
- Introducing Activity-based Costing (ABC) Systems for an accurate cost control.
- Introducting H.R. Management Systems which lead to an Employee Satisfaction and higher loyalty to the firm.
- Collecting the most-modern design trends by participating International Trade Fair and joint prototype development with clients.

Learning and Growth :
- Establishing a Marketing Section and commencing career development to the staff.
- Capacity Enhancement on the Managerial Skills and International Trade in close coordination with JETRO, HIDA and other supporting organizations.
- Introduce rewarding systems such as Suggestion Box and Best Performer Contest which encourages the positive participation of the employees to the management.
- Recruiting Industrial Designers and consistent training to them for developing firm's own brand.

Key Performance Indicators (KPIs) to measure the performance

Key Performance Indicators, also known as KPI, help an organization define and measure progress toward organizational goals. Once an organization has analyzed its mission, identified all its stakeholders, and defined its goals, it needs a way to measure progress toward those goals. Key Performance Indicators are those measurements.
Key Performance Indicators are quantifiable measurements, agreed to beforehand, that reflect the critical success factors of an organization. They will differ depending on the organization. A business may have as one of its Key Performance Indicators the percentage of its income that comes from return customers. If a Key Performance Indicator is going to be of any value, there must be a way to accurately define and measure it.

Format of Projected Income Statement

Unit: Mill US$

	2014	2015			2016			2017		
	Actual	Plan	Actual	Variance	Plan	Actual	Vaeiance	Plan	Actual	Veriance
Operating Revenue	73.5									
Cost of Goods sold	47.8									
-Material Cost	31.2									
-Wage & Allowances	13.3									
-Expenses	3.3									
Gross Profit	24.7									
Operating Expenses	14.4									
-Marketing	8.7									
-Administrative	4.6									
-Depreciation	1.1									
Operating Income	11.3									
-Other Revenue	0									
-Loan Interest	2.2									
Earnings before Income Taxes	9.1									

Observation Tour to Advanced EZ Facilities and EZ Administrative Organizations in South-east Asia

1) Comparative Analysis and Discussions on Advanced EZ Development cases in South-east Asia,
2) Comparative Analysis and Discussions on Advanced EZ Administrative Organizations in South-east Asia,
3) Selection of the Best Practices for BEZA through the comparative analysis,
4) Planning of the Observation Tour to the Bench-marked EZ Facilities and EZ Administrative Organizations and Selection of participants (two persons)
5) Implementation of the Observation Tour and Preparation of the Report.

Preparation of the BEZA Capacity Enhancement Training Program and its Implementation

Proposed Capacity Enhancement Training Program (5 Workshops):

First Workshop: "Definition of EZ, Comparative Case Study on the EZ Development Project and EZ Development Policy/strategy in South-east Asia" by Mr. Kurita and Dr. Motoyama, April 22, 2015,

Second Workshop: "Basic Concept of EZ Development and Basic Conditions for a successful development of EZs" by Mr. Kurita, Date is not fixed.

Third Workshop: "Infrastructure and other hardware development in relation to EZ Development" by Mr. Kawabata, Mr. Saji and Mr. Goshima, Date is not fixed.

Fourth Workshop: "Attractive Incentive for EZ Development, Provision of OSS and other software development in relation to EZ Development" by Mr. Otuki and Mr. Kurita, Date is not fixed.

Fifth Workshop: "Effective Marketing Methods and Preparation of BEZA Operation Manual" by Mr. Yasui and Mr. Kurita, Date is not fixed.

Formulation of BEZA Capacity Development Action Plans

1) Status of the Medium-term Human Resources Development Plan in the BEZA Business Plan
2) Formulation of "Human Resources Development Program (HRDP)" on the Recruiting, Education and Training, and Performance Evaluation at BEZA
3) Formulation of Action Plans for the "Human Resources Development Program"
4) Implementation of higher prioritized Action Plans among the HRDP.
(Implementation of On-the-Job Training based on the BEZA Operation Manual developed)

Some Insights for your Quality Life

"Management is doing things right,
Leadership is doing right things"

- Peter F. Drucker –

"**Change will not come**, if we wait for
some other person or some other time.
We are the one we have been waiting for,
We are the change that we seek"

- Barack Obama -

Project for Development of Economic Zones and Capacity Enhancement of
Bangladesh Economic Zones Authority (BEZA)

Program for Capacity Enhancement of BEZA

Thanking you for your Attention !!

April 21, 2015

Japan International Cooperation Agency (JICA)
World Business Associates Co., Ltd.
Japan Development Institute
RECS International Inc.
Oriental Consultants Global Co., Ltd.

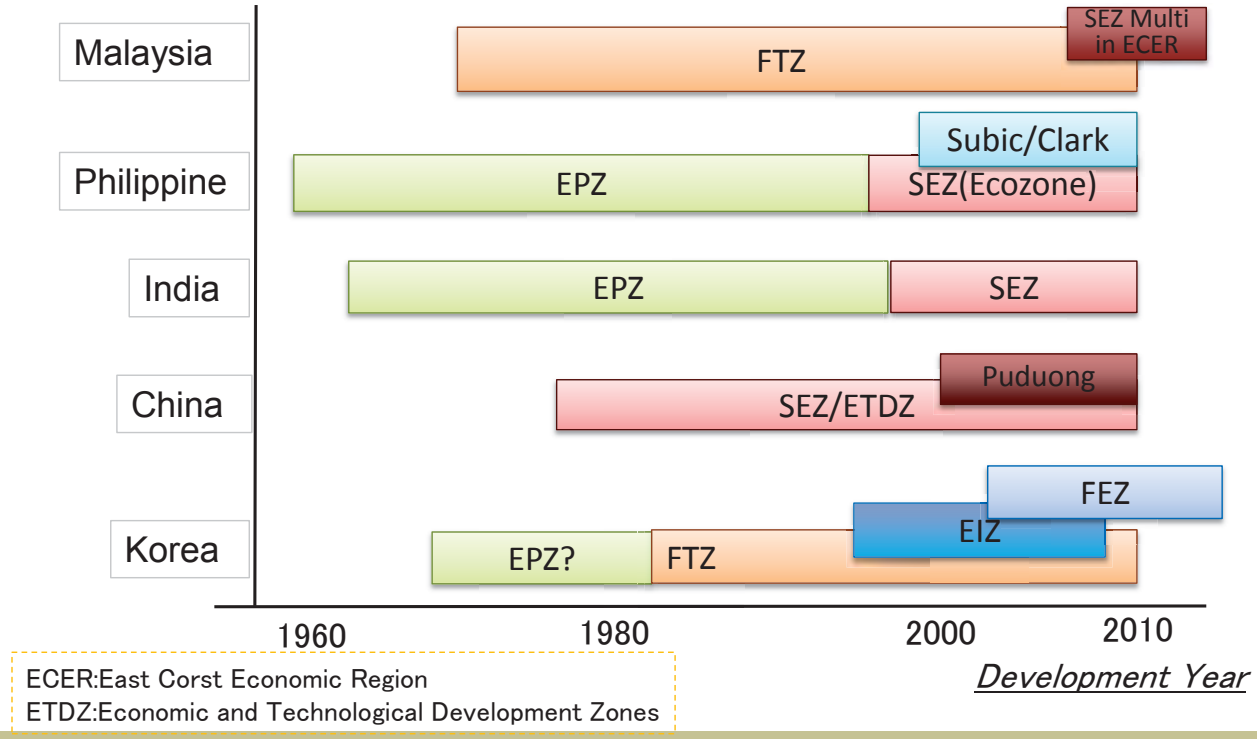
SEZ Development in Bangladesh

By JICA Study Team (K. Kurita)

AGENDA

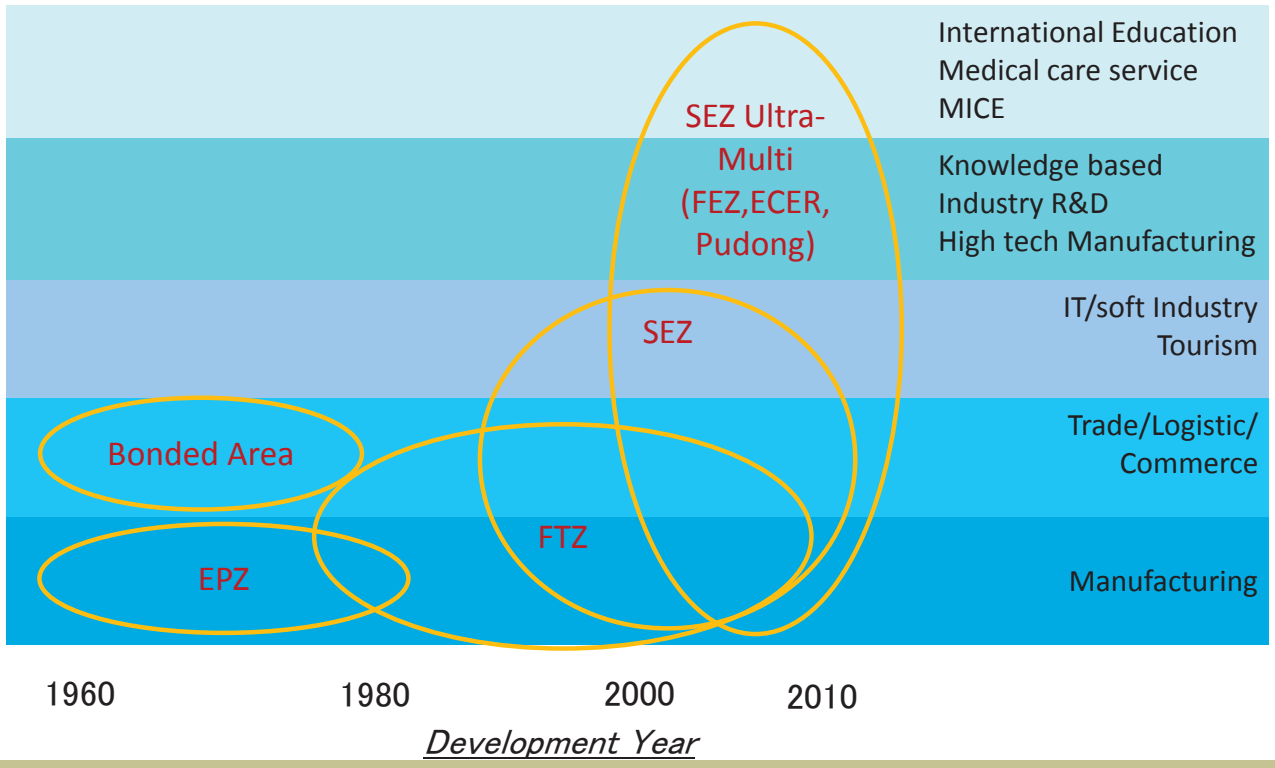
- DIRECTION OF SEZ
- ROLE OF SEZ & INDUSTRIAL PARK
- DEVELOPMENT MEHOD OF SEZ & INDUSTRIAL PARK
- MARKETING WORK
- COMPARISON OF INDUSTRIAL PARKS IN THE WORLD

1. Direction of EPZ/FTZ to SEZ/FEZ
(1) History



ECER:East Corst Economic Region
ETDZ:Economic and Technological Development Zones

(2) Change of Function from EPZ/FTZ to SEZ/FEZ



(3) Function of SEZ

SEZ Type		Role in economic growth	Major activity
SEZ with ultra-multi functions or SEZ+		Strategic and core SEZ for the acceleration of national economy with medium/long term perspective to compete with neighboring countries.	Ultra-multi function SEZ integrating with high-technology manufacture, advanced technology manufacture, R&D, ICT, media service, financial business, high-grade/international education, convention, logistics, recreation and tourism, etc.
Conventional SEZ		This SEZ will be a sort of economic centers.	The SEZ with manufacturing industry of mineral / inter-regional trade, R&D, ICT, etc.
Resourced-based SEZ	-Mineral/Energy resource	This type of SEZ is characterized by the regional resources.	Primary / secondary processing industry of mineral resources and energy center
	-Agro/fishery/ timber resource		Food and wood processing manufacture
	-Tourism		Villa, resort, hotels, tourism destination
	-R&D including ICT		R&D, ICT industry, knowledge based industry complex
	-Logistics		Logistic center, cargo terminal

2. ROLE OF SEZ & INDUSTRIAL PARK

(1) Wording

EXPORT PROCESSING ZONE
FREE ECONOMIC ZONE
FREE TRADE ZONE
SPECIAL ECONOMIC ZONE

INDUSTRIAL ZONE
INDUSTRIAL ESTATE
INDUSTRIAL PARK
HIGH TEC PARK
FREE INDUSTRIAL ZONE

(2) ROLE OF SEZ & INDUSTRIAL PARK

ROLE OF SEZ & INDUSTRIAL PARK

- **Economic Growth**
  - Significant contribution in both developed and developing countries' economic growth
  - Rapid economic growth of some South East Asian countries (Malaysia, Indonesia, Thailand, Philippines, Vietnam)
    - Example: Vietnam (since 1995)

ROLE OF SEZ & INDUSTRIAL PARK

- **Environment Protection**
  - Industrial parks facilitate anti environment destruction facilities, such as: waste water treatment plant, drainage system
  - Protect pollution by industrial park's regulation to tenants
  - Easier to supervise the environment checking by authority

ROLE OF SEZ & INDUSTRIAL PARK

- **Infrastructure Utilization**
  - Efficiently develop infrastructure and utilities:
    - Power Substation
    - Industrial water plant
    - Waste treatment facilities
    - Sewerage treatment system
    - Drainage system
    - Telecommunication System
    - BDS Center, etc.
  - Separated from residence area: protect road congestion from trucks

ROLE OF SEZ & INDUSTRIAL PARK

- **Investment Attraction**

  Investors are encouraged by:

  - Well organized on-site/off-site infrastructures
  - Various one-stop services provided by the developer of industrial park

ROLE OF SEZ & INDUSTRIAL PARK

- **Control industry category classification**
  - —Non-pollution industry
    - High-technology industry
    - Agro-industry
    - Light industry
    - Assembling industry: Parts of vehicle, Electric equipment, Electronics, etc.
  - —Pollution industry
    - Heavy chemical industry
    - Ceramic industry
    - Glass industry
    - Pulp industry, etc. (excluding paper Products)

ROLE OF SEZ & INDUSTRIAL PARK

- **Employment Solution**
  - Create job to the society
  - Especially around the industrial park
    - Example: 300-hectare industrial park in South East Asia can create:
      - Direct employment (workers, engineers, and staffs): more than 50,000
      - Indirect employment impact will be 5 to 10 times of direct employment

ROLE OF SEZ & INDUSTRIAL PARK

- **Increase human resource quality**
  - Enable to educate the staff, engineer and workers in the various fields, such as:
    - Language
    - Trading
    - Quality control system
    - Design and manufacturing skills through on-job-training

ROLE OF SEZ & INDUSTRIAL PARK

- **Technology transfer to local industry**
  - Foreign investors bring along with technology, machines, know-how, etc.
  - On-job training for local employers
  - Create competitive environment which encourages local industry to invest into new technology

ROLE OF SEZ & INDUSTRIAL PARK

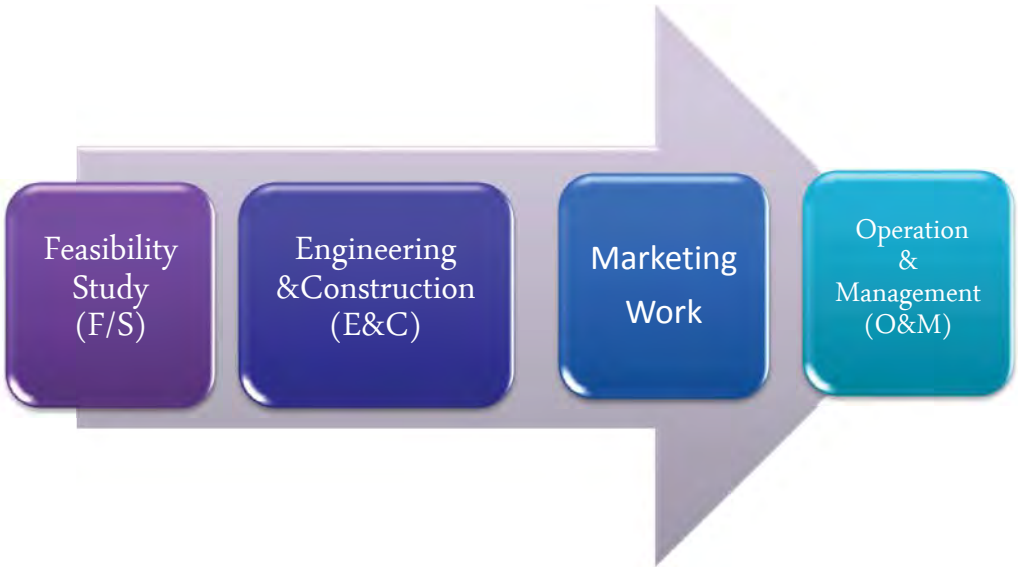
- **Productivity enhancement**

  E.g: If it is rough field of one hectare, there may be 10 families with having only US$500~max. US$1,000 per year for one family in cash which means total US$10,000/year for 10 families while in case of industrial park, factory with having one hectare land may produce value of US$5~10~50 million per year.

ROLE OF SEZ & INDUSTRIAL PARK

Economic Impact	100 Hectares	10,000 Hectares
1. Production	< US$500 mil.	< US$5,000 mil
2. Direct Employment	<20,000 persons	< 200,000 persons
3. Indirect employment impact	< 100,000 persons	<1,000,000 persons
4. Efficiency of Infrastructure	less than 50%	Less than 50%
5. Expected Export	< US$400 mil.	<US$4,000 mil .

3. DEVELOPMENT MEHOD OF SEZ & INDUSTRIAL PARK



METHOD OF DEVELOPMENT OF INDUSTRIAL PARK

- **Necessity of F/S**

BEZA has role in planning and development of industrial park in Palestine. It means BEZA itself must have capability to do F/S under cooperation of experienced international consultant. (to be provided simple sample of preliminary F/S.)

METHOD OF DEVELOPMENT OF INDUSTRIAL PARK

- **Work in F/S**

The following study must be conducted in F/S:

- Necessity of Industrial Park
- Region or location for national benefit and strategy
- Environment assessment
- Type of recommended industry
- Availability of Utilities (water, electricity, telecommunication)
- Scale of Industrial Park (development land area)
- Infrastructure (off-site and onsite)
- Construction Cost
- Construction Schedule
- Fund & Financing Analysis
- Feasibility Result and recommendation

METHOD OF DEVELOPMENT OF INDUSTRIAL PARK

- **Engineering & Design**
  - Done by engineering point of view
  - Reflecting marketing point of view
  - Considering Logistic point of view

DEVELOPMENT METHOD OF SEZ & INDUSTRIAL PARK

- **Development Components** (depend upon type of industry)
  - Demolition and Grading
  - Rain Water Drainage
  - Internal Road
  - Water Supply System
  - Waste Water Treatment System
  - Electrical Supply System
  - Telecommunication System
  - Solid Waste Management System
  - Administration Building
  - Parks & Green belts

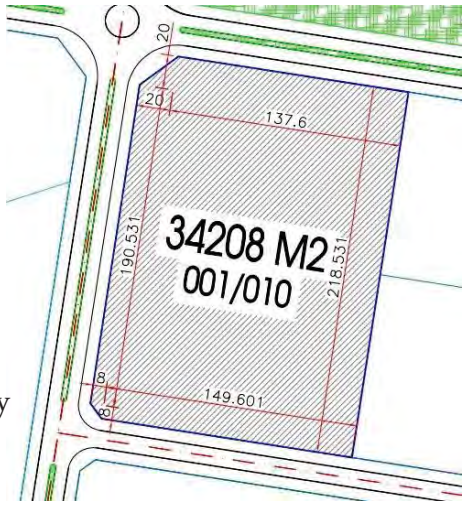
METHOD OF DEVELOPMENT OF INDUSTRIAL PARK

E&C

- **Design Concept**

The following is for reference:

- Development Plan: Usually developer divides development plan into phases
- Sellable Area: to be designed 1st phase: abt. 60%, after 2nd phase: abt. 70%
- Water Supply: to be designed 15~20m3/day/ha
  → 2,000m3/day/100ha
- Waste Water: to be designed as 80% of water supply
- Electricity: to be designed as 1500kwh~ 2500kwh/one factory
- Drainage: to be designed as open pit as usual
- Plot Plan: to be designed from the marketing point of view



METHOD OF DEVELOPMENT OF INDUSTRIAL PARK

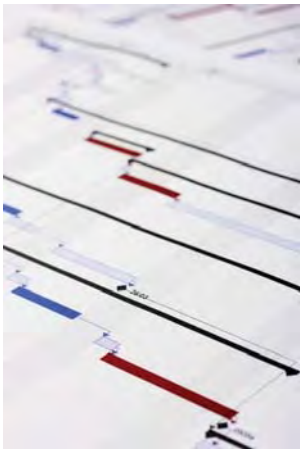
E&C

- **Construction Cost** - Example for 100ha

Cost Factor	Calculation method (estimation)	Total (US$1,000)
Designing Cost	abt. 3~5% for total construction cost	1,000~1,800
Land Development	US$10~15/m2 (in case of flat area) (land reclamation, ground leveling, etc.)	10,000~15,000
Onsite Infrastructure	US$15/m2 (road/electric cable/sub-station/water supply system/waste water treatment/drainage/ telecommunication line)	15,000
Building 1,000m2	US$1,000/m2 ~1,500/m2 (including facilities)	1,500
Offsite facilities	Depend upon the local condition	-

DEVELOPMENT METHOD OF SEZ & INDUSTRIAL PARK

- **Construction Schedule**
  - Depend on the soil condition
  - In general, if land development phase is not to be divided, all construction period will be around within 1.5 years



METHOD OF DEVELOPMENT OF INDUSTRIAL PARK

The operation and management of SEZ and industrial park is conducted by developer but it is a role of BEZA to supervise the developer's work and therefore it is required for BEZA to know what is operation & management of industrial park.

DEVELOPMENT MEHOD OF SEZ & INDUSTRIAL PARK

- **Function of Operation & Management by Developer**
  - Marketing Work:
    - Marketing to find tenants through various method
    - Negotiation and contracting land lease agreement with tenants
    - Customer care such as assisting tenants for various procedures before construction of factory and during operation period (with payment or free service)
    - Receiving various claims from tenants and making solution

METHOD OF DEVELOPMENT OF INDUSTRIAL PARK

- **Function of Operation & Management by Developer**
  - Engineering:
    - To do development plan
    - To assist marketing team to allocate plot in industrial park
    - To coordinate with tenants for construction of factory (connection to onsite infrastructures)
    - To manage operation and maintenance of industrial park

4.MARKETING METHOD

- **Difference of Marketing Work by BEZA and Developer**
  - **BEZA:** to encourage domestic/foreign investors to SEZ with industrial parks for national Interest
  - **Developer:** to encourage investors to industrial park for their own benefit ***but to act for national interest***

MARKETING METHOD

- **Tenant's concerns**
  - Country Risk (specially in case of foreign investors)
  - Incentives given by authority for SEZ and industrial park (various tax and duties)
  - Availability of Work force and Labor cost (specially in case of foreign investors)
  - Land lease cost
  - Availability of Utilities and it's cost
  - Off-site infrastructure
  - Logistic advantage
  - Construction cost
  - Business support service from industrial park

MARKETING METHOD

- **Cost Factors**
  - Land (Lease) Cost: (For reference) Normal Land Cost in the world is US$40/m2~US$60/m2~US$100/m2~
  - Utilities Cost:
    - Water : US$0.20~40~70/m3
    - Electricity: US$0.04~US$0.08 ~max US$0.15/kwh
    - Waste Water Treatment : Max US$0.20/m3
  - Maintenance Cost:

    Yearly US$1.00/m2~ US$0.7/m2~ US$0.4/m2 or included in land lease cost
  - Rental Factory: US$4.5~US$7.0/m2/month. If over US$7.0, it is better for tenant to construct their own factory

MARKETING METHOD

- **Materials for Marketing**
  - Website (to be revised from time to time)
  - Pamphlet
  - Power Point & DVD
  - Internal Marketing Manuals with related laws and data
  - Establishment of World Net-Work (appointing agent for investment promotion)

MARKETING METHOD

- **Follow-up Structure**
  - Filing System
  - Reporting System
  - Internal Manual including
    Frequency Questions and Answer
  - Workshop & Seminar for Investment Promotion

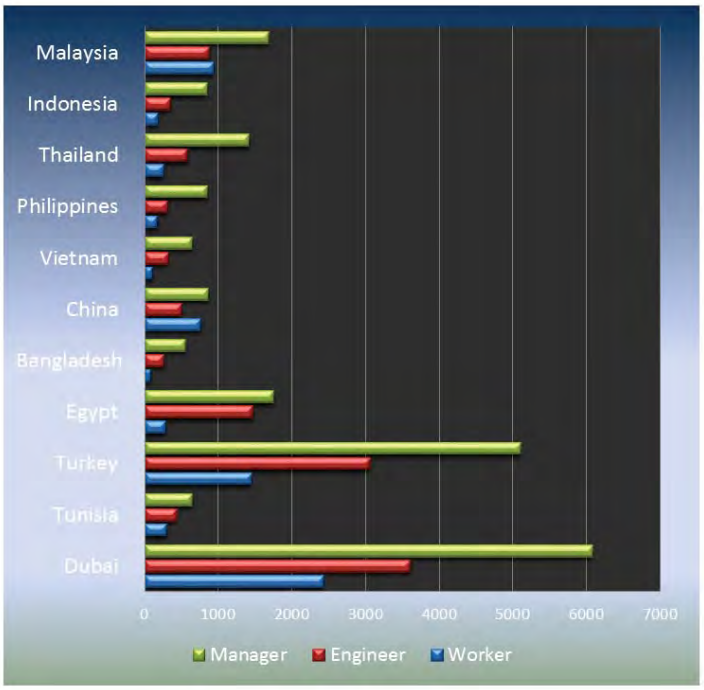
MARKETING METHOD

- **Evaluation System for Investor**
  - Category of Industry
  - Products
  - Financial Status
  - Utilities Consumption
  - Economic Impact
  - Environment Impact
  - Evaluation Form

COMPARISON OF IPs IN THE WORLD

Average wage per month (US$)

Country	Worker	Engineer	Manager
Malaysia	938	878	1,684
Indonesia	186	357	854
Thailand	263	588	1423
Philippines	179	314	858
Vietnam	100-120	150-500	500-800
China	671-867	399-609	650-1,096
Bangladesh	86	264	563
Egypt	284	1,472	1,757
Turkey	433-2,476	1,052-5,075	2,786-7,427
Tunisia	211-401	357-524	478-830
Dubai	2,435	3,612	6,085

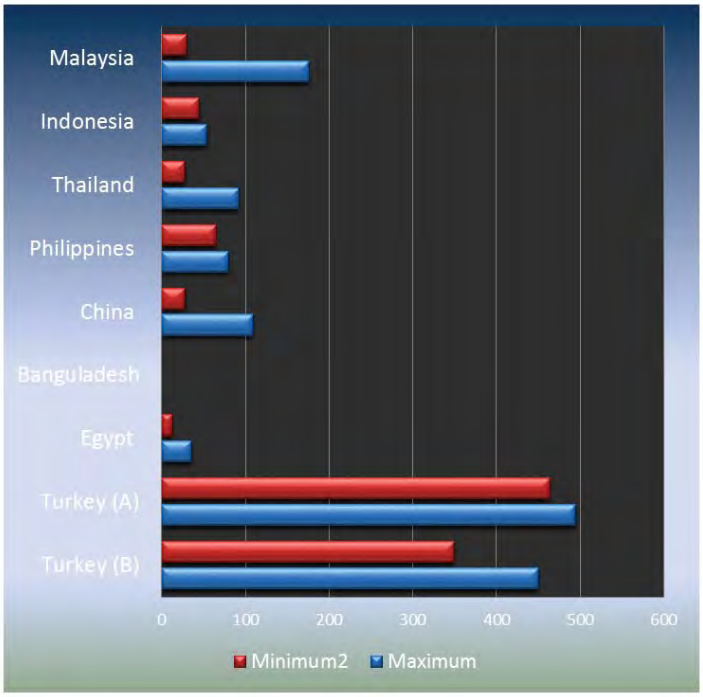


Source: Kurita Marketing & Management Corporation, 2015.4

COMPARISON OF IPs IN THE WORLD

Land Cost (US$/m2)

Country	Min	Max	Note
Malaysia	30	176	
Indonesia	45	54	
Thailand	28	92	
Philippines	65	80	
Vietnam	Not allowed to own land		
China	28	109	
Bangladesh			
Egypt	12.9	36	By IDA
Turkey (A)	464	495	VAT 18%
Turkey B)	350	450	
Dubai	Not allowed to own land		

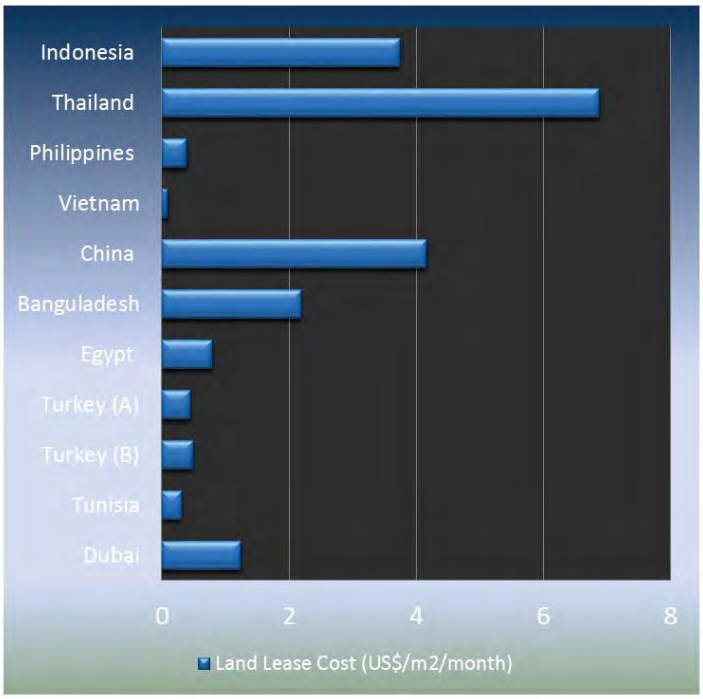


Source: Kurita Marketing & Management Corporation, 2015.4.

COMPARISON OF IPs IN THE WORLD

Land Lease Cost

Country	Actual Payment
Indonesia	$3.5~4.0/m2/month
Thailand	$6.89/m2/month
Philippines	$0.4/m2/month
Vietnam	$50~100/m2/50years (average $60/m2/50years)
China	$1.52~6.83/m2/month
Bangladesh	$2.2/m2/month
Egypt	$1.75~19/m2/year
Turkey (A)	$5.00~6.00/m2/year
Turkey (B)	$3.75~5.00/m2/year
Tunisia	$0.32/m2/month
Dubai	$0.68~1.82/m2/month



Source: Kurita Marketing & Management Corporation, 2015.4

COMPARISON OF IPs IN THE WORLD

Rental Factory (US$/m2/month)

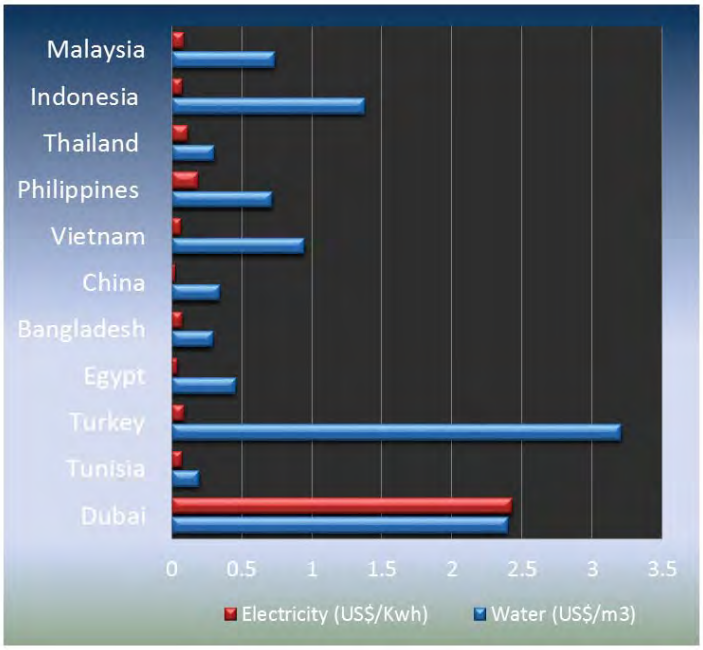
Country	Min	Max
Indonesia	1.53	2.4
Thailand	0.7	5.2
Philippines	2.8	3.0
Vietnam	4.0	6.0
Bangladesh	2.75	

Source: Kurita Marketing & Management Corporation, 2015.4

COMPARISON OF IPs IN THE WORLD

Utilities Cost

Country	Electricity (US$/kwh)	Water (US$/m3)
Malaysia	0.09	0.74
Indonesia	0.08	1.38
Thailand	0.12	0.31
Philippines	0.19	0.34~1.1
Vietnam	0.07	0.4~1.5
China	0.03	0.2~0.49
Bangladesh	**0.08**	**0.3**
Egypt	0.0329~0.0631	0.1292~0.8
Turkey	0.093+1%tax (TEDES)	2.97+8%tax (ISKI)
Tunisia	0.05~0.10 (TEG)	0.20 (SONDE)
Dubai	2.10~2.76	2.4



Source: Kurita Marketing & Management Corporation, 2014.8

Thank you for your attention!

April, 2015

JICA Expert - K. Kurita

Industrial Development and Investment Promotion

- The objectives and activities for the period from April up to June -

The objectives of the task

1. Principal objectives: Foreign Direct Investment shall be increased.

2. Concept of Economic Zones shall be formulated to promote FDI successfully.
   For this purpose, "Enterprise Survey on Potential Investment of Enterprises to upcoming Economic Zones" shall be conducted from April to June, 2015 with following components:
   (1) Type/field of industry shall be identified
   (2) The companies of the identified industry shall be targeted for FDI promotion
   (3) The industrial policy shall be taken into consideration. The FDI strategy (infrastructure, business climate, incentives & benefits) may be strengthened to be more competitive in South Asia and ASEAN market.
   (4) Industrial linkage of FDI industry/company inside Economic Zones with domestic industry shall be considered. Fostering the supporting industry and SME shall be considered to develop the international supply chain linkage together with human resource development.
   (5) Investment promotion seminar shall be held in Dhaka in July and December.

3. The prospected Economic Zones shall be well designed on basis of the concept of each Economic Zone.

Note: "Enterprise Survey on Potential Investment of Enterprises to upcoming Economic Zones" shall be made in Japan, while Investment promotion seminar shall be held in Japan.

Enterprise Survey on Potential Investment of Enterprises to upcoming Economic Zones - Survey Plan: What, How, When and Who

1. Scope of the Survey

1.1 The area where the survey shall be made

The survey shall be made mainly in Dhaka and its outskirts.

1.2 The target enterprises for survey

The target for survey shall be local industries which are registered and incorporated in Dhaka and its outskirts, being located inside EPZ and outside EPZ, including large and medium scale companies and leading trading houses in key sectors.

1.3 The method of Survey

(1) The major target of the industrial field for the survey are to be identified by the analysis after the interview to BEZA, Ministry of Industry, BOI, BEPZA, other government organization, FBCCI, JETRO and Dhaka Japan chamber of commerce and other related organizations.

(2) The questionnaire survey shall be made to local companies and the data collected by the survey shall be analyzed to select the target to which interview survey are to be made one by one.

(3) The number of target companies to which interview survey are made shall be estimated approximately 30. All of them shall be selected from those which have shown an interest and/or positive attitude in investment in questionnaire survey. Out of 30 respondents, 5-7 should be trading houses and the rest shall be industries across the sectors. In addition, 5 professional resources such as engineers, scientists, healthcare specialists and Doctors shall be interviewed using a checklist.

(4) The survey shall be made effectively and efficiently within the agreed period.

1.4 The contents of Survey

(1) The candidate target companies to which the Survey will be made are as below:
Automobile/parts, motorcycle/parts, bicycle, electrics & electronics / parts, general machinery / parts, medical equipment, bio-technology/energy-saving/solar energy products, food & agro-products, plastics, toys, RMG, home textiles, pharmaceuticals & healthcare goods, cosmetics & toiletries footwear & leather products, furniture, ceramics, paper & pulp goods, musical instruments, household goods and others to be identified later.

(2) Basic data of the company
   a. Name of company, address, contact, established year/month, numbers of employment, etc.
   b. Classification of industry, the association that the target company belongs to.
   c. The major business, products, sales figures, classification of (i) export oriented,(ii) domestic market oriented and (iii) both export and domestic oriented
   d. Others

(3) The possibility of investment to the plot inside Economic Zones
   a. Level of possibility (planned, under planning, hope)
   b. The area of Economic Zone (export oriented area, domestic industry area)
   c. Outline of the plan (size of land required, the space of the factory, number of employment, investment amount, if available)
   d. The year in which the investment to plot are to be assumed or estimated
   e. Others

(4) The terms and conditions required by the target companies
   a. Required infrastructure and utility in EZ (electricity, gas, water, communication, effluent treatment, waste disposal, service apartment, residence, amenity and etc.)
   b. Place and location of Economic zone - (i)Dhaka and its outskirts, (ii)Chittagong and its outskirts, (iii) other areas
   c. Access to Economic Zones (distance and time taken from Dhaka to the site)
   d. Investment incentives and benefits for example BEZA incentive package
   e. Quick, transparent and fair procedure for license and approval
   f. Range of the leasing fee to be expected
   g. Length of the leasing period to be expected
   h. Others

(5) The report format of the Survey shall be mutually discussed and agreed.

2. Duration of the Survey

The survey shall be made in the period commencing from 20th April, 2015 and completing in 30th June, 2015.

3. The parties to be engaged in the Survey

(1) JICA consultant

(2) Local consultant as subcontractor

(3) BEZA person in charge of Investment promotion may participate from time to time when required and if available.

4. Schedule of Survey

(1)23rd April to 30th April:

a. Making work plan
b. Interview and analysis to identify the industry to invest to EZ potentially
c. Making the questionnaires

(2) 3rd May to 14th May

a. Collecting and analyzing the questionnaires response
b. Interview to 5 professional resources
c. Interview to target trading houses

(4) 17th May to 31st May

a. Interview to target companies
b. Data analysis

(5) 1st June to 14th June

a. Interview to target companies
b. Data analysis

(6) 15th June to 30th June

c. Supplementary survey if required
d. Making the Survey report

Bangladesh Economic Zones Authority

Selection of Short-term EZ Development Sites in Bangladesh

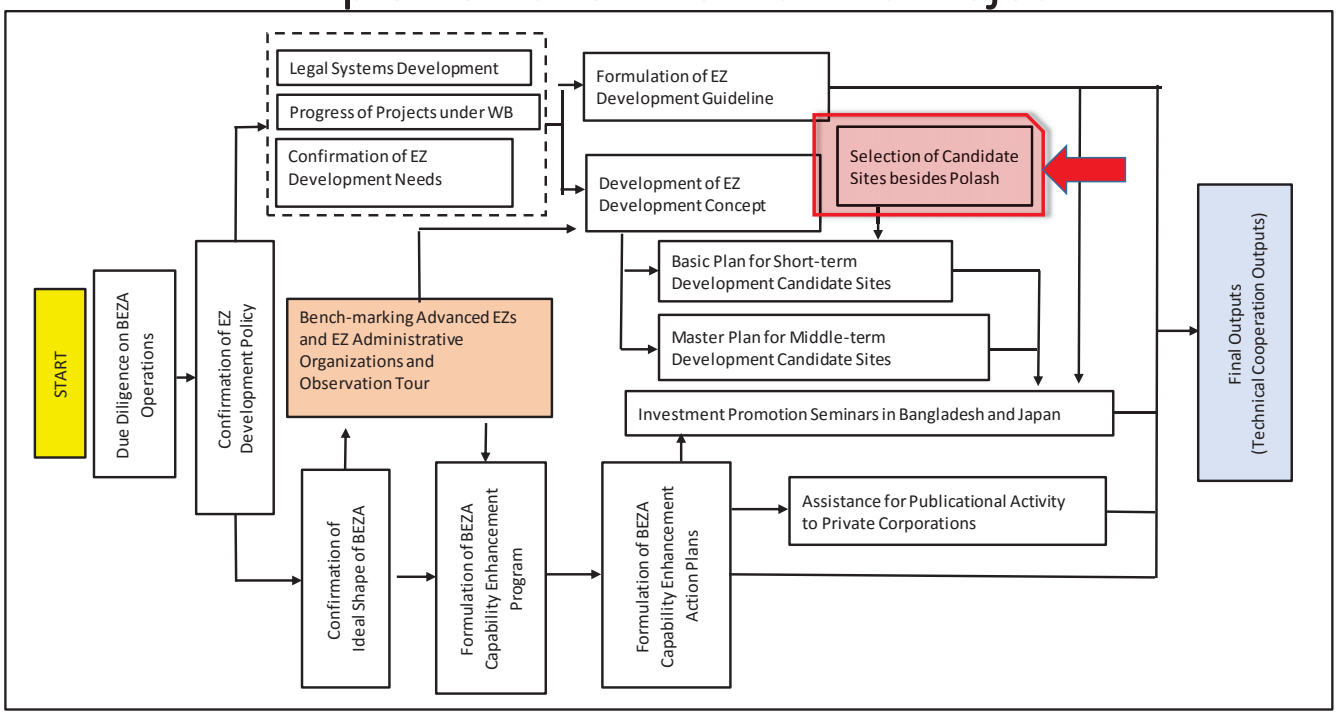
September 30, 2015

Mr. KAWABATA Masayuki (Land Use Planner)

JICA Study Team

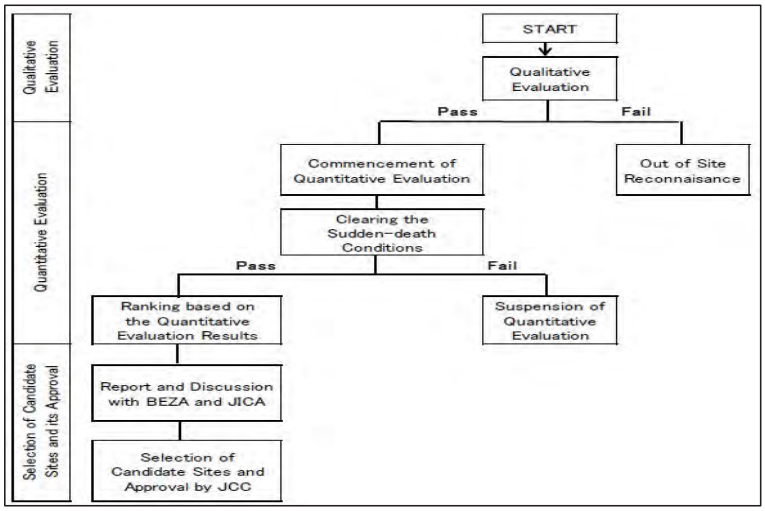
Project for Development of Economic Zones and
Capacity Enhancement of Bangladesh Economic Zones Authority

Implementation Flow of the Project



(1) Selection Method for Evaluation of Candidate Sites for EZ Development

The evaluation of candidate EZ sites for short-term EZ development shall be conducted in two steps: 1) qualitative evaluation and 2) quantitative evaluation as shown below:



Work Flow for the Selection of Short-term EZ Development Sites

(2) Qualitative Evaluation (Step 1)

Any candidate site which did not pass the qualitative evaluation will not be proceeded to the quantitative evaluation. If any conditions are found unsatisfactory in view of the qualitative evaluation for any site through the quantitative evaluation, the quantitative evaluation for the site shall be terminated.

1) Land is to be acquired with the responsibility of the Government of Bangladesh at the reasonable cost.
(considering the range of affordability of Japanese private developers)

2) Land acquisition is expected to be completed within two years.
(the number of landlords and squatters living in the site need to be below controllable level.)

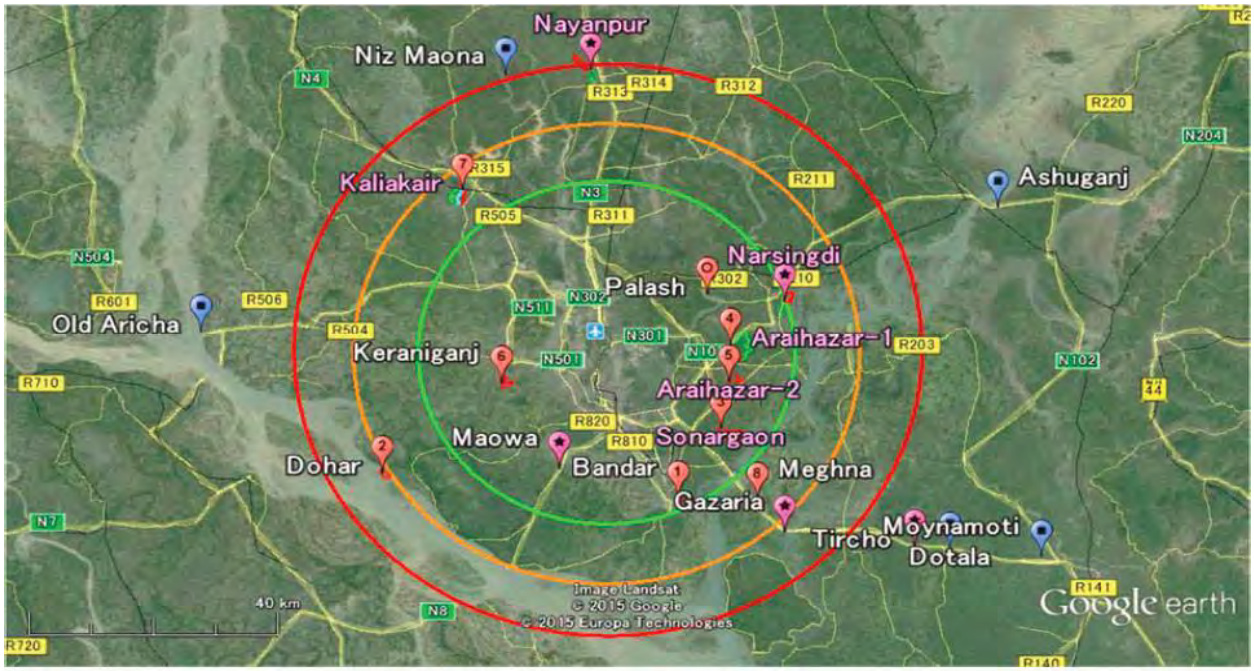
3) Land shall not be identified as a case of dispute.

4) Size of land should be appropriate for EZ development with minimum.

5) Land shall be free from any serious contravention at the conduct of Strategic Environmental Assessment (SEA).

6) Site shall be within 60 km direct distance or one and half hours by a car from the central Dhaka.

Locations of 19 Short-term EZ Development Sites



Note) ○ : 30km distance, ○ : 40km distance, ○ : 50km distance

Results of qualitative evaluation (Step 1)

Table - 1 Result of Qualitative Evaluation on EZ Candidate Sites

Elements of Qualitative Evaluation	RD-1/2	RD-3	RD-4	RD-5	RD-6	RD-7	RD-8	RD-9	RD-10	RD-11	RD-9	Site-1	Site-2	Site-3	Site-4	Site-5	Site-6	Site-7	Site-8
	Nayanpur	Narsingdi	Tircho	Ashuganj	Old Aricha	Maowa	Niz Maona	Moynamati	Dotala	Gazaria	Palash	Bandar	Dohar	Sonargaon	Araihazar-1	Araihazar-2	Keraniganj	Kaliakair	Meghna
1. Land Compensation Cost	○	○	○	–	–	△	–	–	–	△	△	○	○	○	○	○	○	○	X
Remarks	Government	Government				Private Company				Private Company	Private Company	Government	Government	Government	Government	Government	Government	Government	Private Land cost is not affordable
2. Land Acquisition Period	○	○	○	–	–	○	–	–	–	○	○	○	○	○	○	○	○	○	△
Remarks	Confirm to Upazila Office	Confirm to Upazila Office										Confirm to Upazila Office	Confirm to Upazila Office	Confirm to Upazila Office	Confirm to Upazila Office	Confirm to Upazila Office	Confirm to Upazila Office	Confirm to Upazila Office	Not known
3. Land Dispute	○	○	○	–	–	○	–	–	–	○	○	○	○	○	○	○	○	○	○
Remarks	Confirm to Upazila Office	Confirm to Upazila Office										Confirm to Upazila Office	Confirm to Upazila Office	Confirm to Upazila Office	Confirm to Upazila Office	Confirm to Upazila Office	Confirm to Upazila Office	Confirm to Upazila Office	In the river
4. Appropreate Land Size	○	○	○	△	△	○	X	△	△	△	△	△	△	○	○	○	○	○	X
Proposed EZ Development Size	1st phase: 238ha, Total:441ha	1st phase: 185ha, Total:558ha	1st phase: 100ha, Total:200ha	148ha	1st phase: 50ha, Total:120ha	1st phase: 100ha, Total:700ha	15ha only	150ha	100ha	100ha	1st phase: 60ha, Total:100ha	1st phase: 100ha Total:155ha	1st phase: 100ha, Total:195ha	1st phase: 100ha, Total:532ha	1st phase: 250ha, Total:1,050ha	1st phase: 100ha, Total:225ha	1st phase: 152ha, Total:195ha	1st phase: 190ha, Total:485ha	Less than 65ha
5. SEA Issue	○	○	○	–	X	○	–	–	–	○	○	○	○	○	○	○	○	○	△
Remarks					Reclamation in the River. Large impact to SEA														Sandbank in the river need to be filled.
6. Within Commuting Distance	△	○	△	X	X	○	–	X	X	○	○	○	△	○	○	○	○	△	○
Linear Distance from Dhaka / Travelling Time	Distance: 50km, Time:1h 42m	Distance: 34km, Time:1h 03m	Distance: 59km, Time:1h 59m	Distance:47km	Distance:47km	Distance:22km	Distance:52km	Distance:75km	Distance:91km	Distance:42km	Distance: 19km, Time:0h 56m	Distance:20km, Time:1h 10m	Distance:31km, Time:1h 42m	Distance:22km, Time:0h 58m	Distance: 24km, Time:0h 37m	Distance: 19km, Time:0h 46m	Distance: 17km, Time:0h 57m	Distance: 38km, Time:1h 24m	Distance:33km, Time:1h 24m
Evaluation	Pass	Pass	Pass	Fail	Fail	Pass	Fail	Fail	Fail	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Fail

Notes:
1) ○: Good Enough, △ : Fair, X : Failed
2) RD-5 (Ashuganj), RD-6 (Old Aricha), RD-9 (Moynamati) and RD-10 (Dotala) have been failed due to long distance more than 60 km from Dhaka.
3) RD-6 (Old Aricha) have been failed due to the large impact by river reclamation on SEA.
4) RD-8 (Niz Moana) have been failed due to too much small land area with 15 ha.
5) Site-8 (Meghna) have been failed due to small land area with 65 ha and not affordable land price.

Results of qualitative evaluation (Step 1)

Candidate sites which failed to proceed to Step 2

Candidate Site Dropped	Reason for being disqualified
Miz Maona	The development area is limited (15 ha only)
Old Aricha	Flooded throughout the year / 65 KM distance from Dhaka. 10 reclamation needed, if works done, classified as EIA Category-A
Ashugnji	67 KM from Dhaka, more than one and half hours
Moynamati	77 KM from Dhaka, more than one and half hours
Dotala	65 KM from Dhaka, more than one and half hours
Meghna	Privately owned, assumed land compensation cost not in the affordable range , The possible development area is limited (65 ha only)

(3) Quantitative Evaluation (Step 2)

Evaluation criteria for the quantitative evaluation are shown as follows for rating with five (5) evaluation ranks. Thirteen (13) candidate sites which have passed the qualitative evaluation are to be examined by the quantitative evaluation in this step 2.

A. Location & Accessibility
1. Distance from Dhaka
2. Access to major highways
3. Access to Inland Container Terminal and/or River Port
4. Access to Dhaka International Airport
5. Access to major towns

B. Basic Land Information
6. Initial Development Area
7. Current Land Use Pattern
8. Land Ownership
9. Expandability of Land
10. Land Reclamation Cost

C. Surrounding Context
11. Availability of Social/Commercial Facilities
12. Availability of Labor Force
13. Ongoing/Future Development Plan
14. Industrial Cluster

D. Environmental & Social Consideration
15. Number of Resettlement

E. Infrastructure
16. Distance of Access Road
17. Distance to Water Supply Source
18. Distance to Sub-station（132/33kV)
19. Distance to Gas Supply Line

F. Natural Disaster(Countermeasure for Flood and innundation)
20. Risks of Land Erosion by Flood
21. Risks of Flood

G. Land Price to be acquired by Govt.
22. Average Price of Land Aquisition

Results of quantitative evaluation (Step 2)

Table - 3 Result of Assessment Evaluation on EZ Candidate Sites

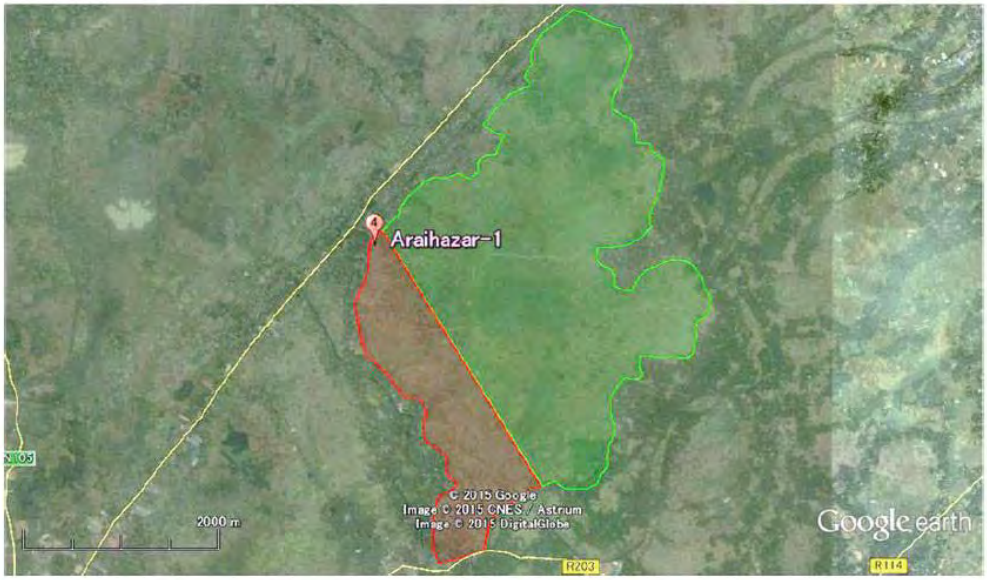
Elements of Assessment	RD-1/2 Nayanpur	RD-3 Narsingdi	RD-4 Tarabo	RD-7 Maowa	RD-11 Gazaria	RD-0 Palash	Site-1 Bandar	Site-2 Dohar	Site-3 Sonargaon	Site-4 Araihazar-1	Site-5 Araihazar-2	Site-6 Keraniganj	Site-7 Kaliakair
A. LOCATION	**14**	**18**	**10**	**22**	**16**	**17**	**19**	**10**	**17**	**22**	**18**	**20**	**16**
1 Distance from Dhaka	1 90 km	1 90 km	1 59 km	4 25 km	1 42 km	5 19 km	5 20 km	2 31 km	4 22 km	5 20 km	5 19 km	5 17 km	2 38 km
2 Access to Main Highway	4 1.5 km	4 2.5 km	5 0 km	5 6 km	5 0 km	1 3.5 km	4 2 km	1 3.5 km	3 1 km	5 0 km	3 3 km	4 5 km	4 2 km
3 Access to Inland Container Terminal/River Port	2 47 km	3 16 km	1 61 km	3 19 km	2 40 km	5 0 km	2 45 km	1 52 km	2 32 km	3 14 km	2 27 km	2 29 km	2 41 km
4 Access to Major Airport	2 55 km	3 46 km	1 69 km	3 24 km	3 48 km	4 34 km	4 39 km	2 52 km	4 32 km	5 30 km	4 17 km	5 19 km	3 46 km
5 Access to Main Town	1 2.5 km	1 3.1 km	1 15.5 km	1 8.4 km	1 5.4 km	2 17.4 km	4 7.3 km	4 7.7 km	4 7.3 km	4 6.4 km	4 6.9 km	4 6.2 km	3 3.5 km
B. BASIC LAND INFORMATION	**12**	**15**	**10**	**13**	**13**	**10**	**12**	**12**	**15**	**17**	**11**	**12**	**13**
6 Approx. Land Area	5 233 ha	4 185 ha	3 100 ha	3 100 ha	2 100 ha	2 60 ha	3 100 ha	3 100 ha	3 100 ha	5 250 ha	3 100 ha	3 132 ha	4 100 ha
7 Current Land Use (Crop pattern)	3 C=2	3 C=1	2 C=2	3 C=1	5 C=0	4 C=0.5	4 C=0.5	4 C=0.5	3 C=1	3 C=1	3 C=1	4 C=0.5	4 C=0.5
8 Land Ownership	1 100=N	1 100=N	1 100=N	1 100=N	4 N=1	1 100=N	1 100=N	1 100=N	1 100=N	1 100=N	1 100=N	1 100=N	1 100=N
9 Expandability of Land	3 208 ha	4 373 ha	2 100 ha	5 600 ha	3 0 ha	1 40 ha	1 55 ha	1 33 ha	3 552 ha	5 820 ha	5 123 ha	2 63 ha	1 295 ha
10 Land Development Cost	1 33.3 $/m2	3 10.7 $/m2	3 –	3 –	3 –	2 18.0 $/m2	3 14.2 $/m2	3 14.3 $/m2	3 14.2 $/m2	3 14.8 $/m2	2 17.4 $/m2	3 14.2 $/m2	1 23.5 $/m2
C. SURROUNDING CONTEXT	**15**	**14**	**10**	**9**	**9**	**13**	**13**	**9**	**14**	**16**	**16**	**13**	**16**
11 Availability of Social/Commercial Facilities	4 Very Good	4 Very Good	2 Poor	2 Poor	2 Poor	3 Good	3 Good	2 Poor	4 Very Good	3 Good	3 Good	3 Good	4 Very Good
12 Availability of Labor Force (Upazila population)	4 493,000	5 708,000	4 350,000	3 288,000	3 138,000	3 213,000	4 313,000	3 226,000	4 400,000	4 377,000	4 377,000	5 704,000	4 483,000
13 Ongoing/Future Development Projects in Adjacent Area	3 Excellent	3 Good	2 Poor	2 Poor	2 Poor	4 Very Good	3 Good	2 Poor	3 Good	4 Very Good	4 Very Good	2 Poor	4 Very Good
14 Industrial Cluster (Industry % in Economic Structure)	2 5.2%	2 6.8%	2 –	2 –	2 –	3 13.8%	3 12.0%	2 5.6%	3 13.8%	5 34.8%	3 24.8%	3 14.8%	4 16.1%
D. SOCIAL & ENVIRONMENT ASSESSMENT	**5**	**5**	**5**	**5**	**5**	**5**	**1**	**5**	**5**	**5**	**5**	**5**	**5**
15 Number of Resettlents (Households)	5 N=0	5 N=0	5 N=0	5 N=0	5 N=0	5 N=0	1 N=200	5 N=0	5 N=0	5 N=0	5 N=0	5 N=0	5 N=0
E. INFRASTRUCTURE	**13**	**14**	**17**	**14**	**16**	**8**	**9**	**8**	**12**	**18**	**11**	**10**	**14**
16 Requirement of Access Road	3 1.2 km	3 2.5 km	5 0 m	5 0 m	5 0 m	1 12 km	1 11 km	1 30 km	3 2.5 km	5 200 m	2 4 km	2 4 km	3 1 km
17 Availability of Water Resources	5 Inside	5 Inside	5 Inside	5 Inside	5 Inside	5 Inside	5 Inside	5 Inside	5 Inside	5 Inside	5 Inside	5 Inside	5 Inside
18 Power Access to National Grid (132/33kv SS)	2 3.4 km	3 1.5 km	3 3 km	3 3 km	3 3 km	1 10 km	1 10 km	1 10 km	1 9 km	3 2.5 km	2 5 km	1 8 km	3 3 km
19 Gas Access to Gas Pipeline	3 1.5 km	3 3 km	4 1 km	3 10 km	3 2 km	1 10 km	2 10 km	1 10 km	3 2 km	5 200 m	2 4 km	2 4 km	3 3 km
F. NATURAL DISASTER	**10**	**5**	**7**	**3**	**2**	**3**	**3**	**3**	**4**	**7**	**7**	**4**	**6**
20 Risk of Land Erosion	5 Very Low	2 High	4 Low	2 High	1 Very High	1 Very High	1 Very High	1 Very High	2 High	4 Low	4 Low	2 High	4 Low
21 Risk of Flood (Flood level from current ground elevation)	5 0 m	3 2 - 3 m	3 1 m	1 6 m	1 5 m	2 3 - 5 m	2 3 - 5 m	2 3 - 5 m	2 3 - 5 m	3 2 - 3 m	3 2 - 3 m	2 3 - 5 m	2 3 - 5 m
G. GOVERNMENT LAND PRICE	**4**	**3**	**1**	**1**	**1**	**1**	**4**	**4**	**4**	**2**	**4**	**3**	**3**
22 Average Price of Land ($/m2)	4 1 - 5 $	3 5 - 10 $	1 20 $ < P	1 20 $ < P	1 20 $ < P	1 20 $ < P	4 1 - 5 $	4 1 - 5 $	4 1 - 5 $	2 16.2 $/m2	4 1 - 5 $	3 5 - 10 $	3 5 - 10 $
TOTAL SCORE	**73**	**74**	**60**	**67**	**62**	**57**	**61**	**51**	**71**	**87**	**72**	**67**	**72**
RESULT	**Pass**	**Pass**							**Pass**	**Pass**	**Pass**		**Pass**

Results of quantitative evaluation (Step 2)

Candidates in the short list and examined by supplementary evaluation

Ranking	Candidate Site	Points	Next Step
1st Rank	Araihazar-1	87 points	To be recommended as 1st rank candidate site
2nd Rank	Narsingdi	74 points	Further examined by the standard of supplementary evaluation
3rd Rank	Nayanpur	73 points	Further examined by the standard of supplementary evaluation
3rd Rank	Kaliakair	73 points	Further examined by the standard of supplementary evaluation
5th Rank	Araihazar-2	72 points	Dropped from the selection because it is located in the same Upazil of the 1st rank candidate (Araihazar-1)
6th Rank	Sonargaon	71 points	Further examined by the standard of supplementary evaluation

Araihazar-1 (the 1st Rank in quantitative evaluation)



: 1st phase （100 + 130 ha）、 : 2nd phase （820 ha）、 Total 1,050 ha

Araihazar-1 (the 1st Rank in quantitative evaluation)

Out line of Araihazar-1	
1. Location	20 km distance from Dhaka. Located in Araihazar Upazila, Narayanganj District.
2. Size	1st phase: 230 ha, 2nd phase: 820 ha, Total: 1,050 ha
3. Access	Road distance form Dhaka: 26.0 km, Travelling time: 37 min. Along the Dhaka – Sylhet Highway.
4. Infrastructure	2.5 km to 132kV/33kV sub-station
5. Land use	Agricultural land (One cropping pattern)
6. Land development	0.6 – 2.6 m fill required (Average height: 1.6 m) - Altitude of low ground: EL. 6 – 8 m - 100-year flood level: EL. 7.52 m in Shitalakshya river or Meghna river - Average filling level: EL. 8.6 m
7. Social environment	No squatter. No resettlement required.

Araihazar-1 (the 1st Rank in quantitative evaluation)

Advantages and disadvantages of Araihazar-1
Advantage The site is located near Dhaka and along the national highway. The site is located near Purbachal new town, where will be the international school. If living in the town, within commuting distance of less than 30 minutes. Large and easy development land available. Low flood risk. Not so high filling. No resettlement required.
Disadvantage A little bit expensive land acquisition cost of 16$/m2. (If the government will concern the land acquisition, this issue will be solved.)

Narsingdi (the 2nd Rank in quantitative evaluation)

: 1st phase (100 + 85 ha), : 2nd phase (373 ha), Total: 558 ha

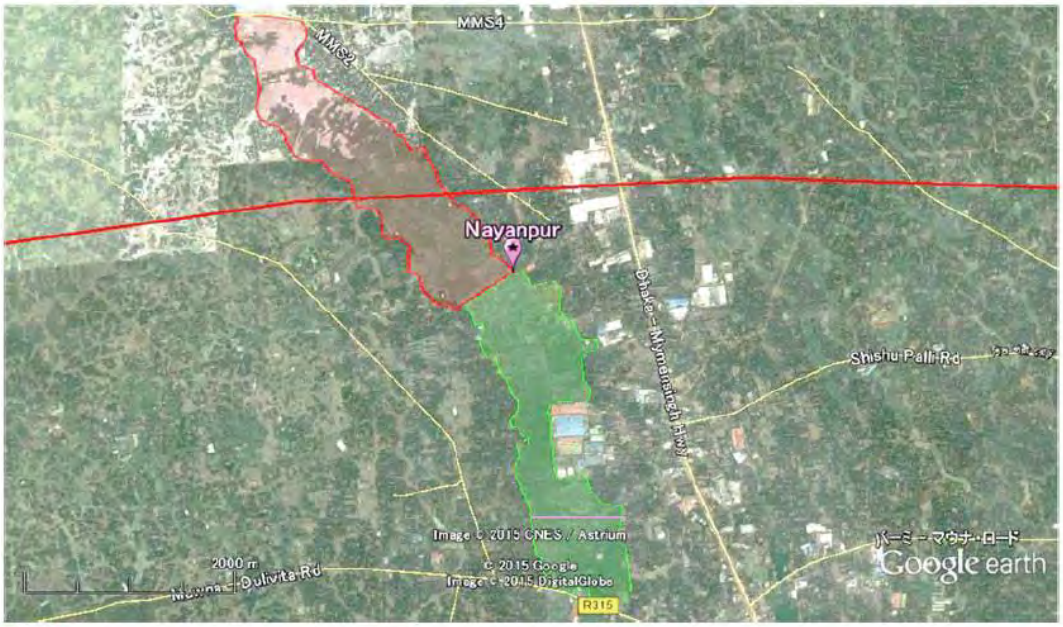
Narsingdi (the 2nd Rank in quantitative evaluation)

Out line of Narsingdi	
1. Location	30 km distance from Dhaka. Located in Narsingdi Sadar Upazila, Narsingdi District.
2. Size	1st phase: 185 ha, 2nd phase: 373 ha, Total: 558 ha
3. Access	Road distance form Dhaka: 41.6 km, Travelling time: 1 h 03 min. 2.5 km access road from the Dhaka – Sylhet Highway required.
4. Infrastructure	3 - 4 km to 132kV/33kV sub-station in Narsingdi. Gas pipeline along the Dhaka – Sylhet Highway.
5. Land use	Agricultural land (One cropping pattern)
6. Land development	1.7 – 3.7 m fill required (Average height: 2.7 m) - Altitude of low ground: EL. 5 – 7 m - 100-year flood level: EL. 7.64 m in Meghna river - Average filling level: EL. 8.7 m Sand deposit available at 1–2 km distance from the site in Meghna river.
7. Social environment	No squatter. No resettlement required.

Narsingdi (the 2nd Rank in quantitative evaluation)

Advantages and disadvantages of Narsingdi
Advantage The site is located near Dhaka and within commuting distance of less than 1 hour in near future. The site is located near Purbachal new town, where will be the international school. If living in the town, within commuting distance of about 40 minutes. Large land available. Good surrounding infrastructure. Good industrial cluster. No resettlement required.
Disadvantage The site is located near the river, so countermeasures for flood is required. And certain amount of filling is also required.

Nayanpur (the 3rd Rank in quantitative evaluation)



: 1st phase (100 + 133 ha), : 2nd phase (208 ha), Total: 441 ha

Nayanpur (the 3rd Rank in quantitative evaluation)

Out line of Nayanpur	
1. Location	50 km distance from Dhaka. Located in Sreepur Upazila, Gazipur District.
2. Size	1st phase: 233 ha, 2nd phase: 208 ha, Total: 441 ha
3. Access	Road distance form Dhaka: 60.8 km, Travelling time: 1 h 42 min. 1.2 km access road from the Dhaka – Mymensingh Highway required.
4. Infrastructure	3.4 km to 132kV/33kV Sreepur sub-station No.1). 1.5 km to gas pipeline along the Dhaka – Maymensingh Highway.
5. Land use	Agricultural land (Two cropping patterns)
6. Land development	0.5 – 2.5 m fill required (Average height: 1.5 m) - Altitude of low ground: EL. 14 – 16 m - No flood influence. (100-year flood level: EL. 10.72 m in Shitalakshya river) - Average filling level: EL. 16.5 m (Minimum level for storm drainage in the basin shall be EL. 16.0 m) Sand deposit available at 17 km distance from the site in Barmi Bazar.
7. Social environment	No squatter. No resettlement required.

Nayanpur (the 3rd Rank in quantitative evaluation)

Advantages and disadvantages of Nayanpur
Advantage The site is located at high level of altitude, so flood risk is very low. The site is located along the development corridor of Dhaka – Mymensingh (National Highway No. 3). Dhaka – Mymensingh Highway is under upgrading with 4 lanes. No resettlement required.
Disadvantage Travelling time from Dhaka is longer than other sites. There is no river for material of filling around the site, so transport distance of sand for embankment become longer with higher land development cost. When filling material is transported by truck, environmental measures are required.

Kaliakair (the 3rd Rank in quantitative evaluation)

: 1st phase (190 ha), : 2nd phase (295 ha), Total: 485 ha , : River

Kaliakair (the 3rd Rank in quantitative evaluation)

Out line of Kaliakair	
1. Location	36 km distance from Dhaka. Located in Kaliakair Upazila, Gazipur District.
2. Size	1st phase: 190 ha, 2nd phase: 295 ha, Total: 485 ha
3. Access	Road distance form Dhaka: 69.7 km, Travelling time: 1 h 38 min. About 3 km access road from the Dhaka – Aricha Highway required.
4. Infrastructure	7 km to 132kV/33kV sub-station. (A new SS with 3 km distance to the site is planned within 3 years.)
5. Land use	Agricultural and swampy land (less than one cropping pattern)
6. Land development	3.6 – 5.6 m fill required (Average height: 4.6 m) - Altitude of low ground: EL. 6 – 8 m - 100-year flood level: EL. 10.56 m in Dhaleshwari river - Average filling level: EL. 11.6 m
7. Social environment	No squatter. No resettlement required. Swampy area.

Kaliakair (the 3rd Rank in quantitative evaluation)

Advantages and disadvantages of Kaliakair
Advantage The site is located near the Dhaka – Aricha Highway (National highway No.4) where industires are clustered along the highway. Labor force potential is high. Large land available.
Disadvantage In the site, there are swamp area and river stream so enough river cross section is required for flood and storm water control. Soil improvement in swamp area and high filling are required.

Araihazar-2 (the 5th Rank in quantitative evaluation)

: Total: 223 ha (100 ha of 1st phase included)

Araihazar-2 (the 5th Rank in quantitative evaluation)

Out line of Araihazar-2	
1. Location	20 km distance from Dhaka. Located in Araihazar Upazila, Narayanganj District.
2. Size	1st phase: 100 ha, 2nd phase: 123 ha, Total: 223 ha
3. Access	Road distance form Dhaka: 32.8 km, Travelling time: 47 min. About 4 km access road from the Dhaka – Sylhet Highway.
4. Infrastructure	5 km to 132kV/33kV sub-station.
5. Land use	Agricultural land (One cropping pattern)
6. Land development	0.4 – 1.4 m fill required (Average height: 0.9 m) - Altitude of low ground: EL. 7 – 8 m - 100-year flood level: EL. 7.36 m in Shitalakshya river or Meghna river - Average filling level: EL. 8.4 m
7. Social environment	No squatter. A little resettlement required.

Araihazar-2 (the 5th Rank in quantitative evaluation)

Advantages and disadvantages of Araihazar-2
Advantage The site is located near Dhaka and near the national highway. The site is located near Purbachal new town, where will be the international school. If living in the town, within commuting distance of about 40 minutes. The development plan is under preparation by the local government. Low flood risk. Not so high filling.
Disadvantage Expandability of the land is smaller than others. There needs a little resettlement to keep efficient development.

Sonargaon (the 6th Rank in quantitative evaluation)

: Total: 652 ha (185 ha of 1st phase included)

Sonargaon (the 6th Rank in quantitative evaluation)

Out line of Sonargaon	
1. Location	22 km distance from Dhaka. Located in Sonargaon Upazila, Narayanganj District.
2. Size	1st phase: 100 ha, 2nd phase: 552 ha, Total: 652 ha
3. Access	Road distance form Dhaka: 35.8 km, Travelling time: 1 h 47 min. About 2-3 km access road from the Dhaka – Chittagong Highway.
4. Infrastructure	9 km to 132kV/33kV sub-station. Gas pipeline along the Dhaka – Cittagong Highway.
5. Land use	Agricultural land (One cropping pattern)
6. Land development	1.2 – 2.2 m fill required (Average height: 1.7 m) - Altitude of low ground: EL. 6 – 7 m - 100-year flood level: EL. 7.19 m in Meghna river - Average filling level: EL. 8.2 m Sand deposit available at 1 km distance from the site in Meghna river.
7. Social environment	No squatter. A little resettlement required.

Sonargaon (the 6th Rank in quantitative evaluation)

Advantages and disadvantages of Sonargaon
Advantage The site is located near Dhaka within one hour and near the National Highway No. 1. Expandable large land. River side road plays the role of the embankment.
Disadvantage Measurement for flood control is required due to close to the river.

(4) Quantitative Evaluation (Step 2: Supplementary Evaluation)

Highly ranked candidates within the narrow range of score in the Step 2 are to be examined here.

Items for evaluation are made, considering important issues for EZ investment decisions by Japanese developers .

Preparatory conditions to proceed to EZ development by Bangladesh side are included in factors of evaluation.

Full Mark is 55 point as below.

Points for supplementary evaluation

1) Risk of Flood	20 points
2) Convenience from Dhaka	10 points
3) Land Development Cost	10 points
4) Preparatory Conditions by Bangladesh side	10 points
5) Industrial Cluster and promotion with main domestic industries in Upazila	5 points

Results of quantitative evaluation (Step 2 - Supplementary)

Ranking	Candidate Site	Point
1st Rank	Nayanpur	35 points
2nd Rank	Narsingdi	34 points
3rd Rank	Sonargaon	26 points
4th Rank	Kaliakair	14 points

Elements	RD-3: Narsingdi	RD-1/2: Nayanpur	Site-7: Kaliakair	Site-3: Sonargaon
Supplement Evaluation (1): Risk of Flood (20)	· Fair: (There is a fear of erosion and inundation by the flood, since it is only 400 m far from the branch of Meghna river.)	· Excellent: (There is no influence of erosion and inundation by the flood from Padma and Meghna rivers, since the altitude of low ground with El. 14-16m is higher than the 100-year flood level of El. 10.72m)	· Fair: (There is a fear of erosion and inundation by the flood, since the small branch of Dhaleshwari river flows in the site.)	· Fair: (There is a fear of erosion and inundation by the flood, since it is only 500 m far from the branch of Meghna river.)
	5	20	5	5
Supplement Evaluation (2): Convenience from Dhaka (10)	· (Present) Travel distance: 29.7km, 1h 04min. · (Future) Improved travel time is reduced at 55min. by highway widening and N301 bypass extension.	· (Present) Travel distance: 60.8km, 1h 51min. · (Future) Improved travel time is reduced at 1h 25min. by highway widening, intersection improvement and flyover construction.	· (Present) Travel distance: 54.5km, 1h 47min. · (Future) Improved travel time is reduced at 1h 25min. by highway widening, flyover construction and access road construction.	· (Present) Travel distance: 35.8km, 1h 01min. · (Future) Improved travel time is reduced at 54min. by highway widening and N301 bypass extension.
	6	2	2	6
Supplement Evaluation (3): Land Development Cost (10)	· Altitude of low ground: El. 5-7m, 100-year flood level: El. 7.64m, Average filling level: El. 8.7m · 1.7-3.7 m filling (Average height: 2.7m) · 3.56$/m3 x 2.7m = 9.68/m2	· Altitude of low ground: El. 14-16m, 100-year flood level: El. 10.72m, Average filling level: El. 16.5m · 0.5-2.5 m filling (Average height: 1.5m) · 13.82$/m3 x 1.5m = 20.7$/m2	· Altitude of low ground: El. 6-8m, 100-year flood level: El. 10.56m, Average filling level: El. 11.6m · 3.6-5.6 m filling (Average height: 4.6m) · 5.87$/m3 x 4.6m = 27.0$/m2	· Altitude of low ground: El. 6-7m, 100-year flood level: El. 7.19m, Average filling level: El. 8.2m · 1.2-2.2 m filling (Average height: 1.7m) · 3.56$/m3 x 1.7m = 6.1$/m2
	8	2	0	8
Supplement Evaluation (4): Preparatory Condition by Bangladesh side (10)	· This site has been approved by BEZA.	· This site has been approved by BEZA.	· Upazila Office has prepared the cadastral map.	· Upazila Office has prepared the cadastral map.
	10	10	6	6
Supplement Evaluation (5): Industrial Cluster in Upazila (5)	· Income ratio of secondary Industry: 6.8% · Main Industries: Textile Mills: 1897 Garments factory: 1 Rice Mills: 34 Jute mill: 2 · Number of Textile industries: 1,900	· Income ratio of secondary Industry: 6.0% · Main Industries: Textile Mills: 19 Garments factory: 25 Rice Mills: 42 Aluminium: 2 Others: 85 · Number of Textile industries: 44	· Income ratio of secondary Industry: 9.8% · Main Industries: Textile Mills: 35 Garments factory: 51 Rice Mills: 45 Steel mills: 2 Aluminium: 1 Jute mill: 2 Others: 17 · Number of Textile industries: 86	· Income ratio of secondary Industry: 8.5% · Main Industries Textile Mills: 30 Garments factory: 82 Rice Mills: 56 Steel mills: 24 Aluminium: 1 Sugar mill: 1 Jute mill: 1 Others: 47 · Number of Textile industries: 114
	5	1	1	1
Total (50)	34	35	14	26

Note : The running speed for Kaliakair is assumed to be improved from about 30km/h to 35km/h, the others are assumed to be improved from about 35km/h to 40km/h.

Recommendation

Ranking	Candidate Site	Results of evluation
1st Rank	Araihazar-1	1st Rank through the quantitative evaluation
2nd Rank	Nayanpur	1st Rank through the supplementary evaluation
Runner Up	Narsingdi	2nd Rank through the quantitative evaluation and 2nd Rank through the supplementary evaluation

Araihazar-1 site and Nayanpur site are to be recommended for the short term EZ candidate sites for basic plan formulation.

Narsingdi site, 2nd rank in both quantitative and supplementary evaluation, is to be the alternative site for the basic plan.

Bangladesh Economic Zones Authority

Selection of Short-term EZ Development Sites in Bangladesh

Thank you for your attention.

For further question, please contact to:
Mr. KAWABATA Masayuki (RECS International Inc.)
E-mail: mk2dps@yahoo.co.jp
JICA Study Team
Project for Development of Economic Zones and
Capacity Enhancement of Bangladesh Economic Zones Authority

END

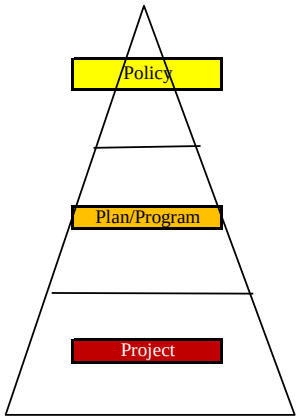
September 30, 2015

Environmental and Social Consideration

in relation to Economic Zone Development

Yoshikazu Tsukidate

Table of Contents

Status of Project	Stage of Plan and Design	Type of Assessment	Scopes and Contents of Assessment done in the JICA's Study
	M/P (B/P) M/P ～Pre-F/S ～F/S (C/D) F/S (B/D)	Strategic Environmental Assessment (SEA)[a)]	(*) The SEA will be a quantitative asessment/study. In Bangladesh, the SEA is not obliged. However, the scopes and conternts are specified by the "Record of Discussions" between BEZA and JICA, Dec. 13, 2014 in the study. The IEE-level study will be also a quantitative assessment/study.
		IEE[b)] and/or EIA[c), d)]	The due IEE and EIA shall be done by BEZA, Japanese investors and/or others apart from the JICA's IEE-level studies.

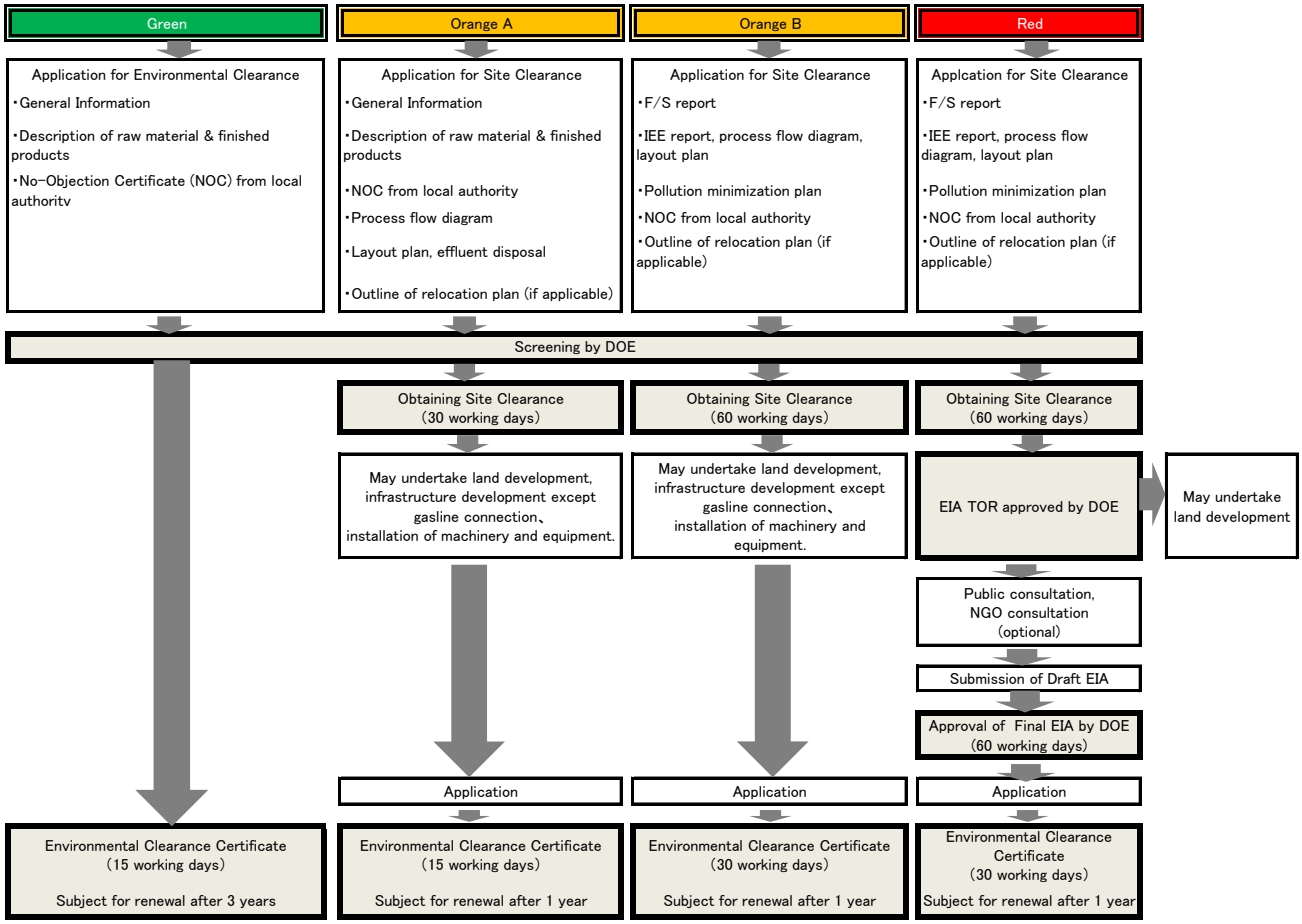
Notes:

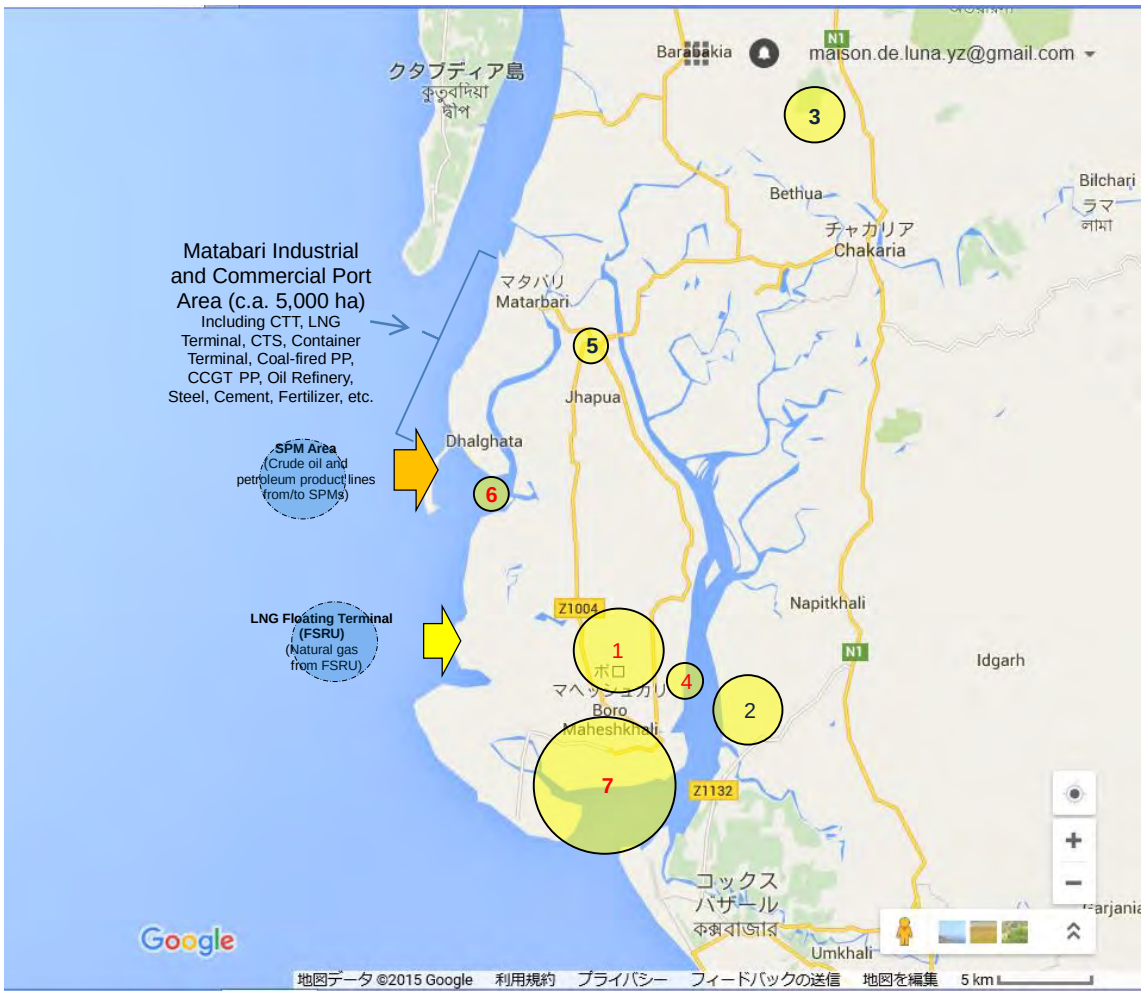
a) The SEA will aim at globally and long-erm pesepcctively checking environmental and social impacts at the stage of superordinate conceptionssuch as policy, plan, program, etc. in order to eliminate, escape and/or minimize anticipated environmental impacts and their risks in advance by screening out not impactive but environmental-friendly routes. sites, etc. for projects.

b) The IEE will be based mainly on existing data and information obtained from such as literature, internet, interview, etc. , aiming at specifying an EIA's S/W (or TOR) and estimating an order of magnitude of EIA's budget .

c) The EIA will be based on actual data and information obtained from subcontracted natural and environmental conditions surveyed miscellaneous, numerical simulation studies, etc. which will be conducted by specialists. Finally the EIA will aim at obtain EIA approval from competent authorities.

d) Whether the project requires IEE and/or EIA depends on types and sizes of the project. For industrial estates, IEE and EIA will be required in Bangladesh. The indutrial estate projects are judged as Category Red which rtequireds IEE and EIA in Bangladesh. Indutrial estete (IE) projects are judged as Category B so far as fatal environmental impacts are not anticipated. The Category B requires EIA.


Green
Orange A
Orange B
Red
Application for Environmental Clearance
・General Information
・Description of raw material & finished products
・No-Objection Certificate (NOC) from local authoritv
Application for Site Clearance
・General Information
・Description of raw material & finished products
・NOC from local authority
・Process flow diagram
・Layout plan, effluent disposal
・Outline of relocation plan (if applicable)
Application for Site Clearance
・F/S report
・IEE report, process flow diagram, layout plan
・Pollution minimization plan
・NOC from local authority
・Outline of relocation plan (if applicable)
Applcation for Site Clearance
・F/S report
・IEE report, process flow diagram, layout plan
・Pollution minimization plan
・NOC from local authority
・Outline of relocation plan (if applicable)
Screening by DOE
Obtaining Site Clearance (30 working days)
Obtaining Site Clearance (60 working days)
Obtaining Site Clearance (60 working days)
May undertake land development, infrastructure development except gasline connection、installation of machinery and equipment.
May undertake land development, infrastructure development except gasline connection、installation of machinery and equipment.
EIA TOR approved by DOE
May undertake land development
Public consultation, NGO consultation (optional)
Submission of Draft EIA
Approval of Final EIA by DOE (60 working days)
Application
Application
Application
Environmental Clearance Certificate (15 working days)
Subject for renewal after 3 years
Environmental Clearance Certificate (15 working days)
Subject for renewal after 1 year
Environmental Clearance Certificate (30 working days)
Subject for renewal after 1 year
Environmental Clearance Certificate (30 working days)
Subject for renewal after 1 year



（Notes）

① Moheshkhali South (1,075 ha)
② Cox's Bazar North (975 ha)
③ Chakaria North (812 ha)
④ Moheshkhali EZ-1 (575 ha)
⑤ Moheshkhali EZ-2, Colarmarchora (331 ha)
⑥ Moheshkahali EZ-3, Dholghata (271 ha)
⑦ Cox's Bazar Free Trade Zone (3,514 ha)

Figure-AAA
Locations and Areas (ha) of Candidate EZ Sites around Mocheshkhali Island

The BEZA and JICA study team have recommended seven (7) of the mid-term project sites of which site and environmental conditions were tabulated on Table-AAA. The following site and environmental conditions are considered as sudden death conditions to be exempted from candidate EZ sites to be studied in the study: In Table-AAA, columns which fall under sudden death conditions have been filled in yellow.

(1) Candidate EZ sites which are more impactive than Category-B among JICA environmental screening categories;
(2) Candidate EZ sites whose shape of the site, etc. are not suitable for EZ site; and
(3) Candidate EZ sites which fall under other project sites to be coordinated by the stakeholders

Table-AAA
Site Conditions and Environmental Assessment (Brief SEA)
At Candidate Economic Zone (EZ) in/near Moheshkali Island (1/2)

Item/Parameter	Location/Name of Candidate Economic Zone (EZ)			
	(1) Mohashkhali South	(2) Cox's Bazar North	(3) Chakaria North	(4) Moheshkhali EZ-1
1. Location and Site Conditions of Economic Zone (EZ)				
1.1 Scale, Shape and Magnitude of Economic Zone (EZ) – Site land area (Phase-1/Phase-2), private and/or khash land	*1,075 ha (In khash lands)*	*975 ha (In private and khash lands)*	*812 ha (Almost in Khash land)*	*575 ha (In long-shaped khash land near mangroves therefore not suitable for EZ's lands)*
1.2 Access to existing main roads and distance from main cities and towns	*Near existing regional road (Z1004) connecting to a national highway (N1)*	*Near existing regional road (Z1132) connecting to a national highway (N1) which needs to be widened.*	*A regional road across the site connecting a national highway (N1)*	*Near a regional road which needs to be widened.*
1.3 Nearest Rives and Seas – Potential of water logging, proximity of sand dredging/unloading areas, etc.	*Moheshkhaali Channel*	*Moheshkhaali Channel, suitable dredged materials available*	*Matamuhuri River*	*Moheshkhaali Channel*
1.4 Other Site Conditions – Climate, terrain, geology, flood & water logging, storm surge by cyclone, geography, neighborhood population, fishery rights & peccaries, reserves, protected species and properties, etc.	*Hot tropical (In reserved forests on hills and mountains, Population:450,000 (3 islands total of kutubdia, Matabari, and Moheshkhali))*	*Hot tropical (Rice paddy near mangroves, Population: 120,000 (Cox's Bazar))*	*Hot tropical (Rice paddy, Population: 410,000 (Chakaria)*	*Hot tropical (Reserved forests exist in the north of the site and adjacent to afforested mangroves and reserved forests, Population:450,000 (3 islands total))*
2. Plants & facilities envisaged in EZ and needed infrastructures				
2.1 Onsite plants and facilities	*Storm drain & retention basin, sewage treatment & sewer lines, water wells, power generation and cable lines,*	*Same as in the left.*	*Same as in the left.*	*Same as in the left.*

Item/Parameter	Location/Name of Candidate Economic Zone (EZ)			
	(1) Mohashkhali South	(2) Cox's Bazar North	(3) Chakaria North	(4) Moheshkhali EZ-1
	buildings, roads, etc.			
2.2 Offsite facilities and infrastructures – Access roads and utilities such as power, gas, water, etc.	*Needed infrastructures and utilities for EZ sites will be provided in the Matabari industrial and commercial port development project.*	*Same as in the left.*	*Same as in the left.*	*Same as in the left.*
3. Contribution to Bangladeshi Economics and Social Life (Wide-area and mid-to-long term Environmental and social impacts)				
3.1 Industrial development and employment promotion	*Highly developed and increased much*	*Same as in the left.*	*Same as in the left.*	*Same as in the left.*
3.2 Enhanced standards of life	*Highly enhanced*	*Same as in the left.*	*Same as in the left.*	*Same as in the left.*
3.3 National land and regional development	*Highly enhanced*	*Same as in the left.*	*Same as in the left.*	*Same as in the left.*
3.4 International contribution - Global warning protection, etc.	*Because of promoted industries, CO_2 emission in Bangladesh will increase to accelerate global warming. → Non-carbon society, de-carbonization and energy saving.*	*Same as in the left.*	*Same as in the left.*	*Same as in the left.*
4. Environmental and social impacts)				
4.1 Pollution – Envisaged tenants which emit and discharge pollutants, etc. (Light industries and/or heavy industries)	*Light industries such garments, fabrics, food processing, electronics, machinery parts, etc.*	*Same as in the left.*	*Same as in the left.*	*Same as in the left.*
4.2 Natural environment – Rice paddy, tideland, marsh, mangroves, choral, etc. (Disaster risks such as erosion & siltation, flood & water logging, adverse natural environmental impacts, etc.)	*Reserved forests*	*Rice paddy*	*Rice paddy*	*A part of reserved forest adjacent to afforested mangroves*
4.3 Social environment – Involuntary resettlement & relocation of people and houses, ethnic minorities, etc.	*No squatters and involuntary resettlement.*	*No squatters and resettlement, but minority(Buddhists) living near the site.*	*No squatters and about 20 families living but not involuntary resettlement*	*Minorities (Hindu) loving at the north of the site can hardly be resettled.*
4.4 Others – Environmental impacts during construction such as nuisance to residents, etc.	*Noise, dust, traffic obstacles, etc. due to transporting a large volume of materials for site filling and embanking.*	*Same as in the left*	*Same as in the left*	*Same as in the left*

Notes: a) Study items and contents will be, as required, changeable during the study. **b)** □**:** Sudden death conditions (or killer conditions) or equivalent (i.e. Issues, events or actions anticipated to be more impactive than JICA's Category-B , **c)** → *: Countermeasures/mitigations or results led to*, ***d)*** **Criteria of scoping of environmental and social impacts: A: Major:** Clearly impactive (Such projects shall not be implemented as far as environmental and social impacts result in being not naturally remediable or negligible by taking enough countermeasures.). **B: Small:** Naturally remediable. **C: None:** Negligible. **D: Not clear:** To be clarified by detailed study and analysis in the full-scale EIA because impacts will not so clear.

Figure-AAA
Site Conditions and Environmental Assessment (Brief SEA)
At Candidate Economic Zone (EZ) in/near Moheshkhali Island (2/2)

Item/Parameter	Location/Name of Candidate Economic Zone (EZ)			
	(5) Moheshkhali EZ-2	(6) Moheshkhali EZ-3 (Dhalghata)	(7) Cox's Bazar Free Trade Zone (Kutubjom)	(8) Zero Option
1. Location and Site Conditions of Economic Zone (EZ)				
1.1 Scale, Shape and Magnitude of Economic Zone (EZ) – Site land area (Phase-1/Phase-2), private and/or khash land	*331 ha (Private land adjacent to South Chittagong Integrated Development Project site)*	*271 ha (Khash, sand bars, private and BEBD-owned lands overlap South Chittagong Integrated Development project site (Matabari Industrial Port)*	*3,514 ha (Covers a vast area of Kutubjun, Ghatibhanga and Sonadia Island)*	*(-)*
1.2 Site Conditions (2) - Access to existing main roads and distance from main cities and towns	*The existing road (R172) passes within the candidate site to lead to a national highway (N1).*	*The planned roads in Sooth Chittagong Development Project can be utilizes for the candidate EZ. Or the roads shall be provides by other projects*	*Same as in the left.*	*(-)*
1.3 Nearest Rives and Seas – Potential of water logging, proximity of sand dredging/ unloading areas, etc.	*Bay of Bengal (Kutubdia Channel)*	*Bay of Bengal*	*Moheshkhali Channel (Suitable sand borrow pits)*	*(-)*
1.4 Site Conditions (1) – Climate, terrain, geology, flood & water logging, storm surge by cyclone, geography, neighborhood population, fishery rights & peccaries, reserves, protected species and properties, etc.	*Hot tropical (Shrimp farms, Population:450,000 (3 islands total of Kutubdia, Marabari, and Moheshkhalo))*	*Hot tropical (Salt fields, Population:450,000 (3 islands total)*	*Hot tropical (Salt fields, mangroves, tidelands, ECZ, etc., Population:450,000 (3 islands total))*	*(-)*
2. Plants & facilities envisaged in EZ and needed infrastructures				
2.1 Onsite plants and facilities	*Storm drain & retention basin, sewage treatment & sewer lines, water wells, power generation and cable lines, buildings, roads, etc.*	*Same as in the left.*	*Same as in the left.*	*(-)*
2.2 Offsite facilities and infrastructures – Access roads and utilities such as power, gas, water, etc.	*Needed infrastructures and utilities for EZ sites will be provided in the Matabari industrial and commercial port development project.*	*Same as in the left.*	*Same as in the left.*	*(-)*
3. Contribution to Bangladeshi Economics and Social Life				

Item/Parameter	Location/Name of Candidate Economic Zone (EZ)			
	(5) Moheshkhali EZ-2	(6) Moheshkhali EZ-3 (Dhalghata)	(7) Cox's Bazar Free Trade Zone (Kutubjom)	(8) Zero Option
(Wide-area and mid-to-long term Environmental and social impacts)				
3.1 Industrial development and employment promotion	*Highly developed and increased.*	*Same as in the left.*	*Same as in the left.*	*(Not developed and increased)*
3.2 Enhanced standards of life	*Highly enhanced*	*Same as in the left.*	*Same as in the left.*	*(Not enhanced)*
3.3 National land and regional development (Wide-area perspectives)	*Highly developed*	*Same as in the left.*	*Same as in the left.*	*(Not developed)*
3.4 International contribution (Global warming protection, etc.)	*Because of promoted industries, CO_2 emission in Bangladesh will increase to accelerate global warming. → Non-carbon society, de-carbonization and energy saving.*	*Same as in the left.*	*Same as in the left.*	*(Global warming will be depressed.)*

4. Environmental and social impacts				
4.1 Pollution – Tenants which issues and discharge pollutants, etc. (Light industries and/or heavy industries)	*Heavy industry support industries, etc. because of proximity of heavy industrial areas.*	*Same as in the left*	*Light industries such garments, fabrics, food processing, electronics, machinery parts, etc.*	*(No pollution)*
4.2 Natural environment – Rice paddy, tideland, marsh, mangroves, choral, etc. (Disaster risks such as erosion & siltation, flood & water logging, adverse environmental impacts, etc.)	*Shrimp farms and salt fields*	*Salt fields*	*Salt field, near the ECZ of Sonadia Island, high storm surge, etc. → Difficult to obtain ECC from DoE. JICA, environmental NGOs, etc. will not allow a such site to be developed.*	*(No impact)*
4.3 Social environment – Involuntary resettlement & relocation of people and houses, ethnic minorities, etc.	*No squatters and involuntary resettlement.*	*Same as in the left.*	*More than 100 families of squatters and settlements of minorities(About 50 Hindu)*	*(No impact)*
4.4 Others – Environmental impacts during construction such as nuisance to residents, etc.	*Noise, dust, traffic obstacles, etc. due to transporting a large volume of sand by pipelines for site filling and embanking.*	*Same as in the left.*	*Same as in the left.*	*(No impact)*

Notes: a) Study items and contents will be, as required, changeable during the study. **b) ☐:** Sudden death conditions (or killer conditions) or equivalent (i.e. Issues, events or actions anticipated to be more impactive than JICA's Category-B , **c)** → *: Countermeasures/mitigations or results led to*, ***d*)** **Criteria of scoping of environmental and social impacts:** **A: Major:** Clearly impactive (Such projects shall not be implemented as far as environmental and social impacts result in being not naturally remediable or negligible by taking enough countermeasures.). **B: Small:** Naturally remediable. **C: None:** Negligible. **D: Not clear:** To be clarified by detailed study and analysis in the full-scale EIA because impacts will not so clear.

People's Republic of The Bangladesh

Project for Development of
Economic Zones and Capacity Enhancement of Bangladesh Economic Zones Authority

Frameworks for an Effective Human Resource Development at BEZA

December 2015

JAPAN INTERNATOPNAL COOPERATION AGENCY (JICA)

World Business Associates Co., Ltd.
Japan Development Institute
RECS International Inc.
Oriental Consultants Global Co., Ltd.

Agenda for Discussions

1. Management Systems required for realizing Organization's Vision,
2. Why Human Resources are the critical factor for a successful operation of any Organization?
3. How a Person is motivated to work as a vital part of Organization and perform their capability well?
4. Strategic Human Resources Management; From Recruitment, Career Development, Evaluating, Compensation and to Retirement,
5. Middle-level Managers; Major Commanders to achieve the Organization's objectives and goals.

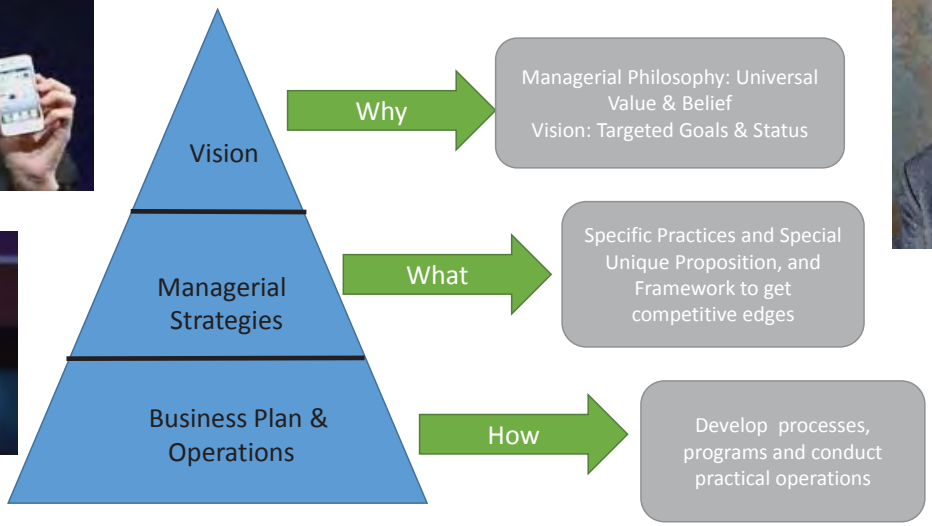
Entire Workshop Program and its Schedule

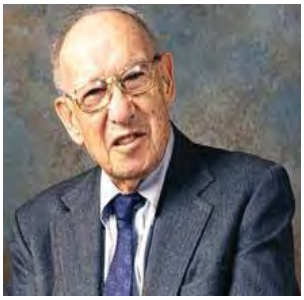
1) First Workshop (April 22, 2015): a. Definition of EZ and EZ Development in South-east Asia
b. Program for Capacity Enhancement of BEZA
2) Second Workshop (September 30, 2015): a. Environmental and Social Consideration in relation to EZ Development.
b. Exploration, Evaluation and Selection of EZ Candidate Site
3) Third Workshop (December 17, 2015): a. Key Success Factors for EZ Development.
b. Frameworks for an effective human resources development at BEZA.
4) Fourth Workshop (To be decided): a. Effective development of EZ Development Concept.
b. Effective formulation of Land Development and Basic Development Plans.
5) Fifth Workshop (To be decided): a. Effective development of On-site and Off-site Infrastructures
b. Strategic procurement of Human Resources and Training Program for Middle Managers (Tentative)
6) Sixth Workshop (To be decided): a. How attractive Incentive Package and EZ Development Guideline are developed?
b. How a Business Plan is developed, reviewed and contributed to an effective management ? (Tentative)
7) Seventh Workshop (To be decided): a. Effective Marketing Activities for BEZA.
b. Introduction of Action Plan for the Capacity Enhancement of BEZA (Tentative)

Management Systems required for realizing Organization's Strategy (Three Managerial Hierarchies)

Steven Paul Jobs

Ricardo Semler





Perter F. Drucker

John Francis "Jack" Welch, Jr.

Why Human Resources are the critical factor for a successful operation of any Organization?
(Competitive Advantage for Corporation)

- Major Resources for Business -

(1) Physical Capital

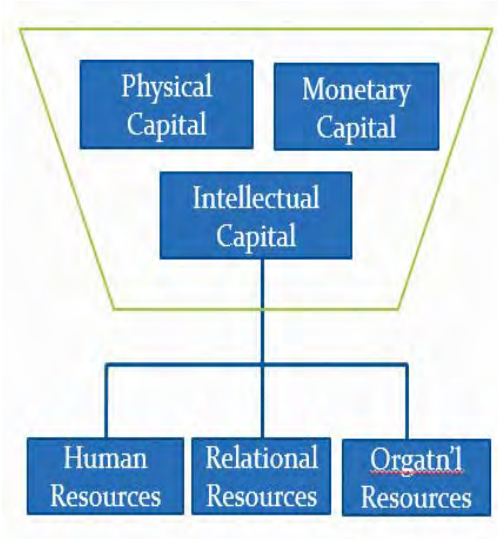
Physical Capital are defined as Tangible assets such as Plant, Equipment, Land, Natural Resources, Structural Layouts, Information & Communication Technologies.

(2) Monetary Capital

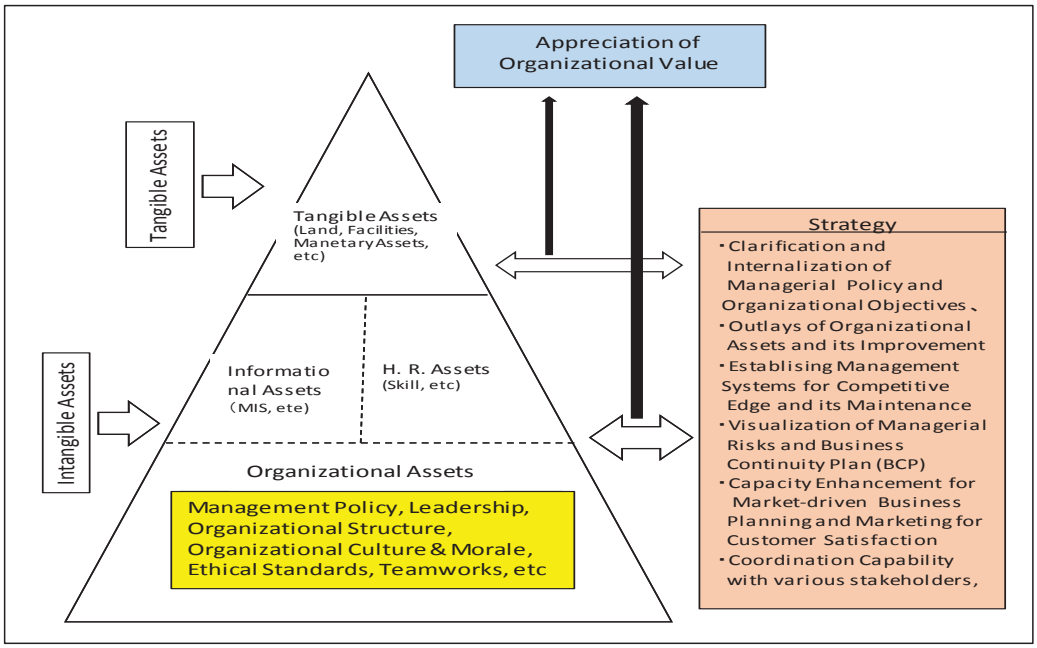
Monetary Capitals have always been a Important asset for organization as Input as well as Output of operations in the form of Cash Flow.

(3) **Human Resources**

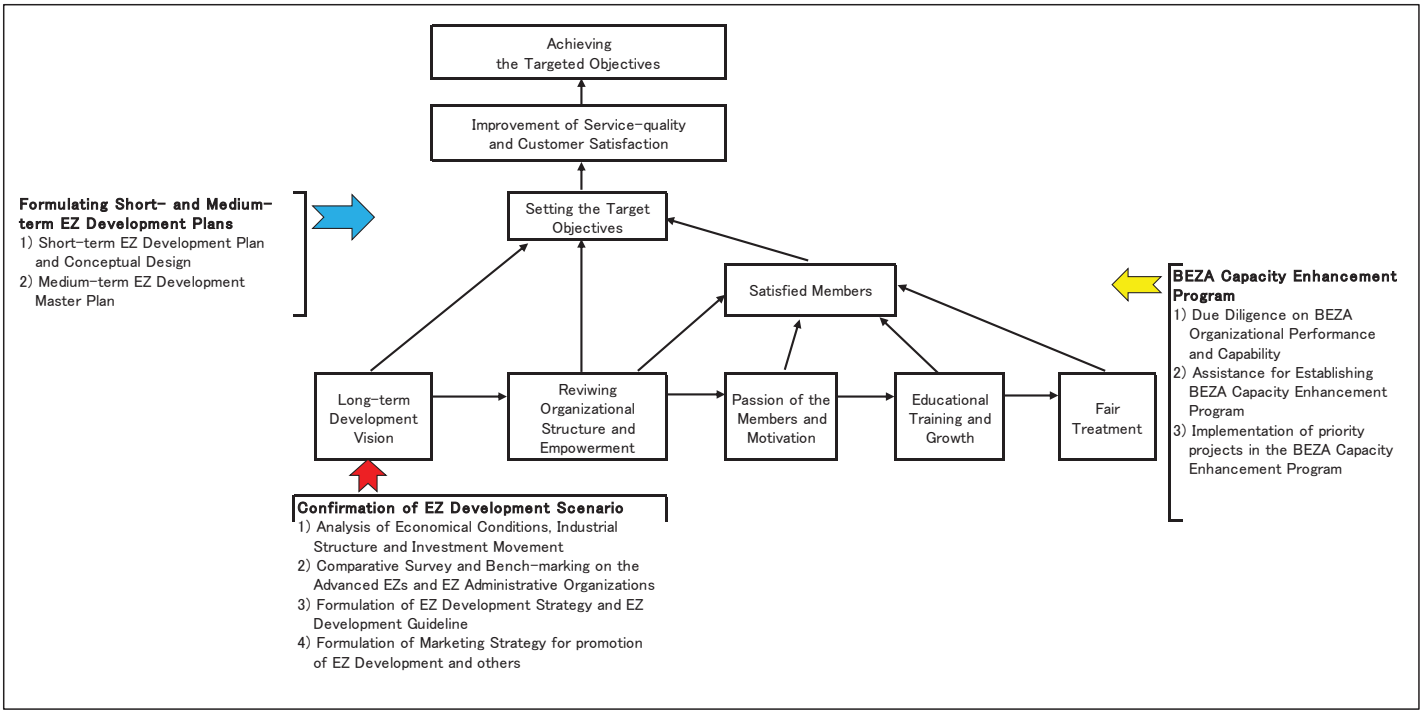
Human Resources comprise skills and know-how, knowledge, experiences, competence, commitment, motivation and loyalty of employees and organization.



Processes for Improving Organizational Value



How BEZA can achieve its Goals?



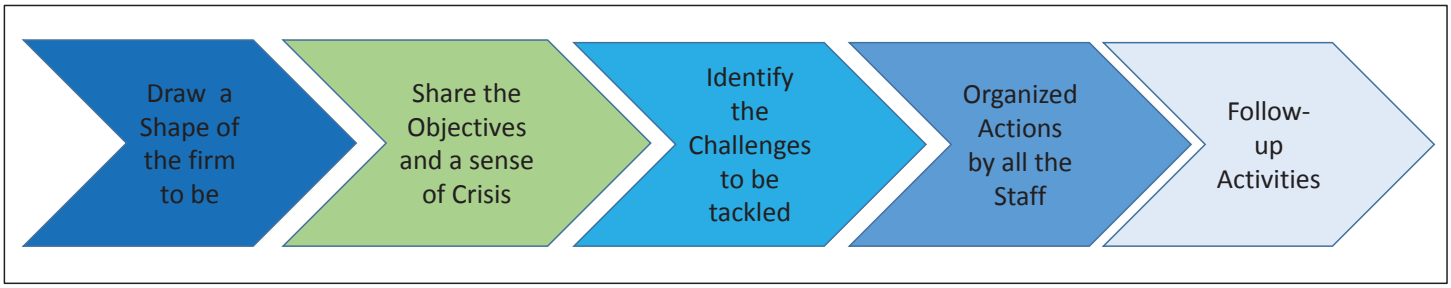
Importance of Employee Satisfaction

Douglas McGregor has introduced Theory X and Theory Y which are theories of Human motivation that can be used for human resource management and organizational development. He grouped the workforce into Two Groups; One for those who have an inherent dislike for work and will avoid it whenever possible. This group must be coerced, controlled, directed or threatened with punishment in order to get them to achieve the objectives, while other group is identified that People will exercise self-direction if they are committed to the objectives (they are not lazy) and the commitment to objectives is a function of the rewards associated with their achievement, thus people learn to accept and seek responsibility. Creativity, ingenuity and imagination are widely distributed among the population, thus people have potential and are capable of using these abilities to solve an organizational problem.

Theory Z was introduced by William G. Ouchi and is called as "Japanese Management" style popularized in 1980s. This Theory focuses on increasing employee's loyalty to the firm by providing a job for life with a strong focus on the well-being of the Employee, both on and off the job.

Source: Douglas McGregor, Theory X and Theory Y,

Recommended Processes to Achieve the Goals



Assessing your External and Internal Environment (1)

(1) External Analysis

Components	Scope
Scanning: Analysis of General Environmental factors directly/indirectly influences for firm's future.	**General Environment:** Demographic Trends, Economic Conditions, Political/Legal Forces, Socio-cultural Conditions, Technical Changes
Monitoring: Observing continuously environmental changes to determine whether the change is emerging.	**Industry Environment:** 5 Forces Analysis(New Entrants, Substitutes, Suppliers, Customers, Competitors)
Forecasting: Predicting what is likely to happen in the future, its intensity, importance and time frame.	**Strategic Group:** Same firms within an Industry that tend to adopt common strategies of Technological leadership, quality standards, Prices, Distribution Channel, and Customer Services.
Assessing: Evaluating data to study the implications	**Competitors:** Data & Information from major competitors.

Assessing your External and Internal Environment (2)

(2) Internal Analysis

Type of Resources	Firm's Capability
Tangible Resources: Financial Resources, Physical Assets, Manpower	**Functional Analysis:** A strategic management approach that establishes organizational capabilities along with the major functional areas of business.
Intangible Resources: Brand, Reputation, Technology, Knowhow, etc.	**Value-chain Analysis:** Strategic management analysis that breaks the firm down into a sequential series of activities and attempts to identify the value-added of each activity.
	Benchmarking: A strategic management approach that assesses capabilities by comparing the firm's activities or functions with those of other firms.

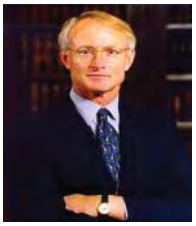
Environmental Assessment: The First Step to be taken

SWOT Analysis: Industrial Development

Strength	Opportunity
• *Strategic location centering South Asia, ASEAN and China* • *Rich labor force with competitive cost* • *Accumulation of industrial activities: garment, leather, pharmacy, light engineering, shipbuilding, etc.* • *Developing production network in garment industry*	• *Progress of regional economic cooperation schemes* • *Development of global supply chain and international division of labor* • *Rapid economic development in India and potential of domestic market of Bangladesh*
Weakness	**Threat**
• *Weak transport and logistics infrastructure (deep sea port, land transport)* • *Insufficient business environment (business permission, taxation etc.)* • *Low level of labor skill and quality control*	• *Depletion of natural gas and delay of preparation of power plants with alternative energy (coal, LNG etc.)* • *Severe competition neighbors to attract FDI and to promote export* • *Exclusion from trade regimes* • *Environmental issues*

Data Source: JICA Survey Team

Michael E. Porter's Diamond Model: Competitive Advantages of Nations (1)

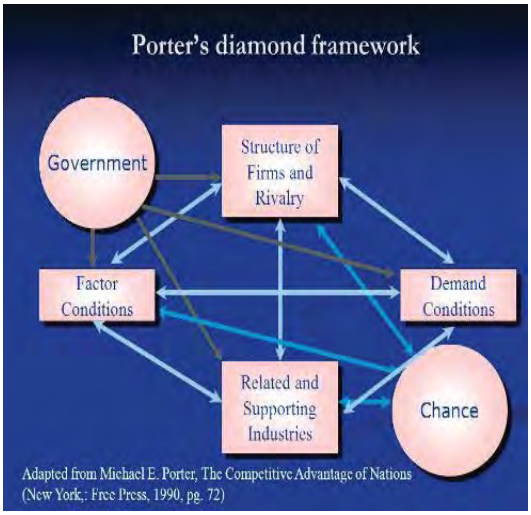


After a four year study of ten major trading nations and 100 industries that covered 50% of total world exports in 1985, Michael Porter has developed the Diamond framework which explain the competitiveness of Nation and International Industries.

According to this theory, Geographic Concentration is vital for firms to efficiently draw on each others resources and capabilities and to benefit from a shared culture and learning experience, supply capabilities and local infrastructure. Industry clusters are geographical concentrations of interconnected businesses, suppliers, and associated institutions in a particular field.

Clusters lead to productivity increases, higher innovation rates and faster new business developments. Porter argued that productivity is the main factor for international competitiveness and that the standard of living of a country's population can be improved as a direct result of increases in that factor.

Clusters may take different forms between firms producing different products across value-added chains or between firms producing similar products at different stages of the same chain.



Source: Michael E. Porter, The Competitive Advantage of Nations,

Diamond Model: Competitive Advantage of Nations (2)

Examples are banking in London and New York, chemical transport in Rotterdam, Houston and Singapore, film in Mumbai and Hollywood and Internet/Software in Silicon Valley and Bangalore.

Porter's Diamond of competitive advantage model of nations consists of four main attributes that shape the national environment in which local, connected firms compete:

1. FACTOR CONDITIONS

The nation's relative position in vital industrial production factors such as skilled labor or infrastructure, are important determinants of national competiveness. Both the level of individual factors and the overall composition of the resource mix must be considered. Factors can be country specific or industry specific. For example, Japan's large pool of engineers -- reflected by a much higher number of engineering graduates per capita than almost any other nation -- has been vital to Japan's success in many manufacturing industries.

2. DEMAND CONDITIONS

The nature of home demand for an industry's products and services requires considering both the quantity and quality of the demand. For example, Japan's sophisticated and knowledgeable buyers of cameras helped stimulate the Japanese camera industry to improve product quality and to launch new, innovative models.

Diamond Model: Competitive Advantage of Nations (3)

3. RELATED AND SUPPORTING INDUSTRIES

The presence or absence in the nation of internationally competitive supplier and related industries is a key factor. Until the mid-1980s for example, the technological leadership in the U.S. semiconductor industry provided the basis for U.S. success in personal computers and several other technically advanced electronic products. Adoption of the automobile took off in the USA after the construction of a national system of highways and gas stations.

4. FIRM STRATEGY, STRUCTURE, AND RIVALRY

The national conditions that determine how companies are created, organized and managed, as well as the nature and extent of domestic rivalry. For example, the predominance of engineers on the top-management teams of German and Japanese firms results in emphasizing the improvement of the manufacturing processes and product design. Furthermore, domestic rivalry creates pressure to launch new products, to improve quality, to reduce costs and to invest in new, more advanced technologies.

Porter stated two additional variables that indirectly influence the diamond:

5. CHANCE EVENTS

Disruptive developments outside the control of firms and governments that allow in new players who exploit opportunities arising from a reshaped industry structure. For example, radical innovations, unexpected oil price rises, revolutions, wars, etc.

Diamond Model: Competitive Advantage of Nations (4)

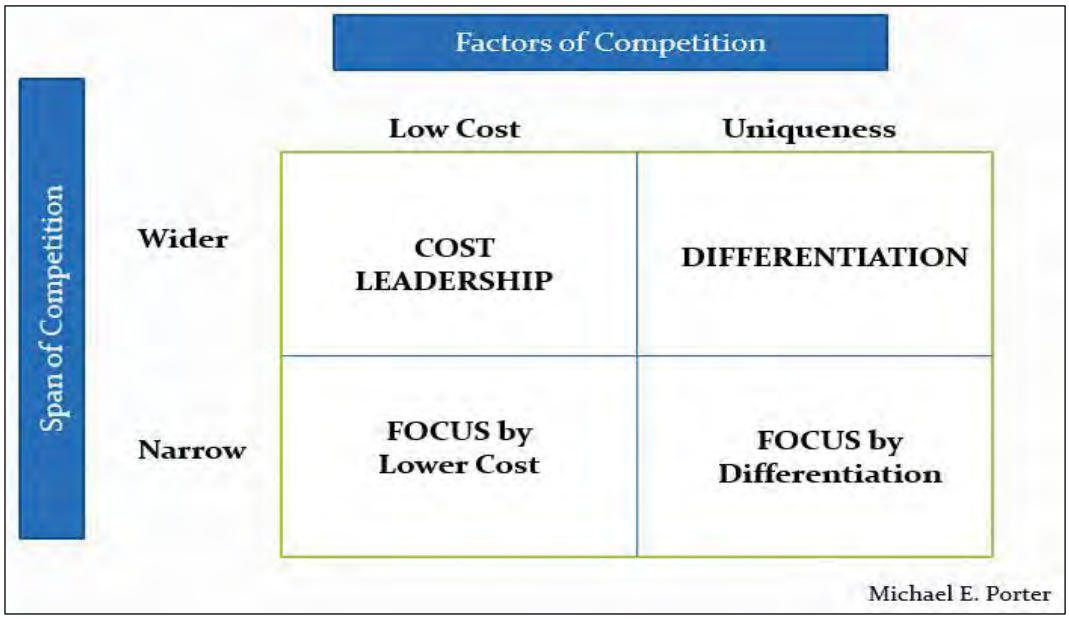
6. GOVERNMENT

Government's choice of policies can influence each of the four determinants. Successful government policies work in those industries where underlying determinants of national advantage are present and reinforced by government actions. Government can raise the odds of gaining competitive advantage but lacks the power to create advantages on its own.

These six attributes promote or impede the creation of competitive advantages of firms, clusters, and nations. All conditions need to be present and favorable for an industry/company within a country to attain global supremacy.

Managers can use the diamond model during their internationalization efforts to determine if the home market can support and sustain a successful internationalization effort or to asses in which country to invest next. The model helps entrepreneurs decide where to start their next venture. Government officials can use the model for guidance on how to best build a supporting policy framework for a given industry.

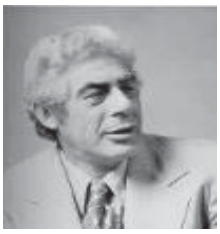
How BEZA fight with Competitors in the Global Market?



Key Activities for an Effective Management for the Organization under the Global Competition

1. Leadership of the top management,
2. Dissemination of corporate philosophy and vision within the organization,
3. Pledge to change the organization for a global operations,
4. Delineation of ideal personality and personal competence of the staff,
5. Creation of a global human resources portfolio,
6. Procurement of diversified human resources,
7. Posting the human resources to the most suitable posts,
8. Fair evaluation and due compensation along the global standards,
9. Human resources development along with global/local employment requirements,
10. Innovation at the office responsible for human resources management.

How a Person is motivated to work as a vital part of Organization and to perform his capability well?



Frederick Herzberg has found the factors causing job satisfaction were different from those causing job dissatisfaction, through his interview survey which has been conducted in order to better understand employee attitudes and motivation.

He developed the Motivation-Hygiene Theory (two factors theory) to explain these results. He called the satisfiers as Motivation Factors and the dis-satisfiers as Hygiene Factors, using the term "hygiene" in the sense that they are considered as maintenance factors that are necessary to avoid dissatisfaction but that by themselves do not provide satisfaction.

In implicating this theory for management, management not only must provide hygiene factors to avoid employee dissatisfaction, but also must provide factors intrinsic to the work itself in order for employees to be satisfied with their jobs. According to him, Job Enrichment is required for intrinsic motivation, and that it is a continuous management process;

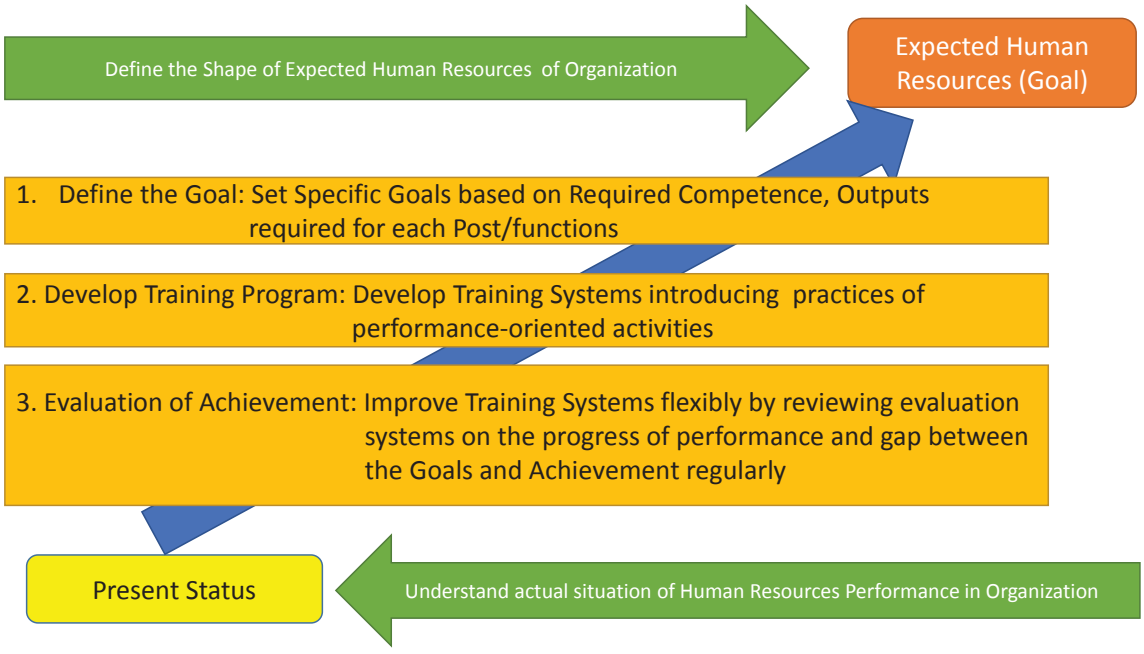
- The Job should have sufficient challenge to utilize the full ability of the employee,
- Employees who demonstrate increasing levels of ability should be given increasing levels of responsibility,
- If a Job can't be designed to use an employee's full abilities, then there will be a motivation problem.

Factors Affecting Job Attitudes

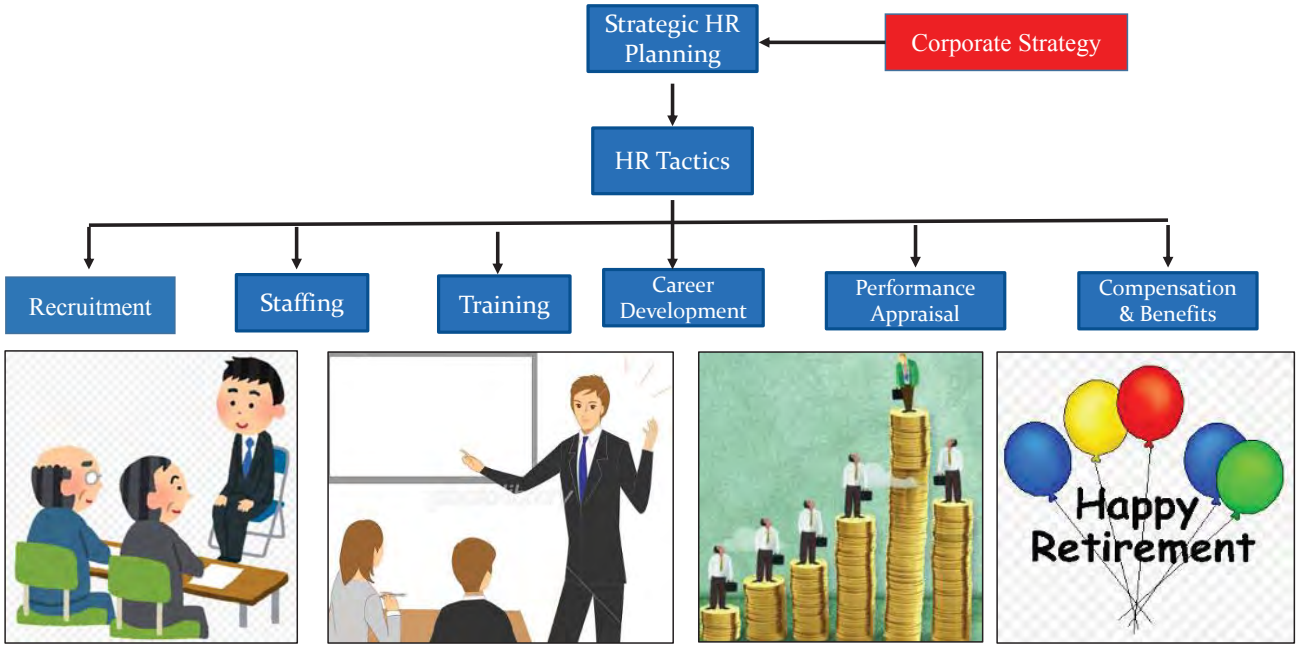
Leading to Dissatisfaction	Leading to Satisfaction
• Company policy	• Achievement
• Supervision	• Recognition
• Relationship w/Boss	• Work itself
• Work conditions	• Responsibility
• Salary	• Advancement
• Relationship w/Peers	• Growth

Source: Frederick Herzberg, Motivation-Hygiene Theory,

Imagery of Strategic Human Resources Development



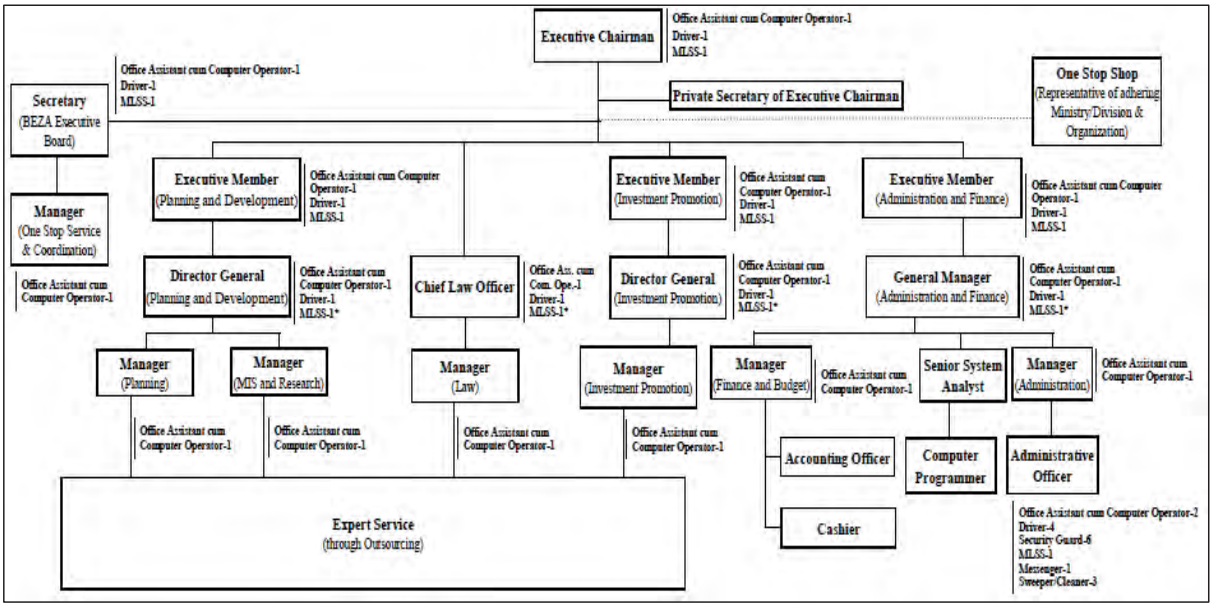
Strategic Human Resources Management; From Recruitment, Career Development, Evaluating, Compensation and to Retirement



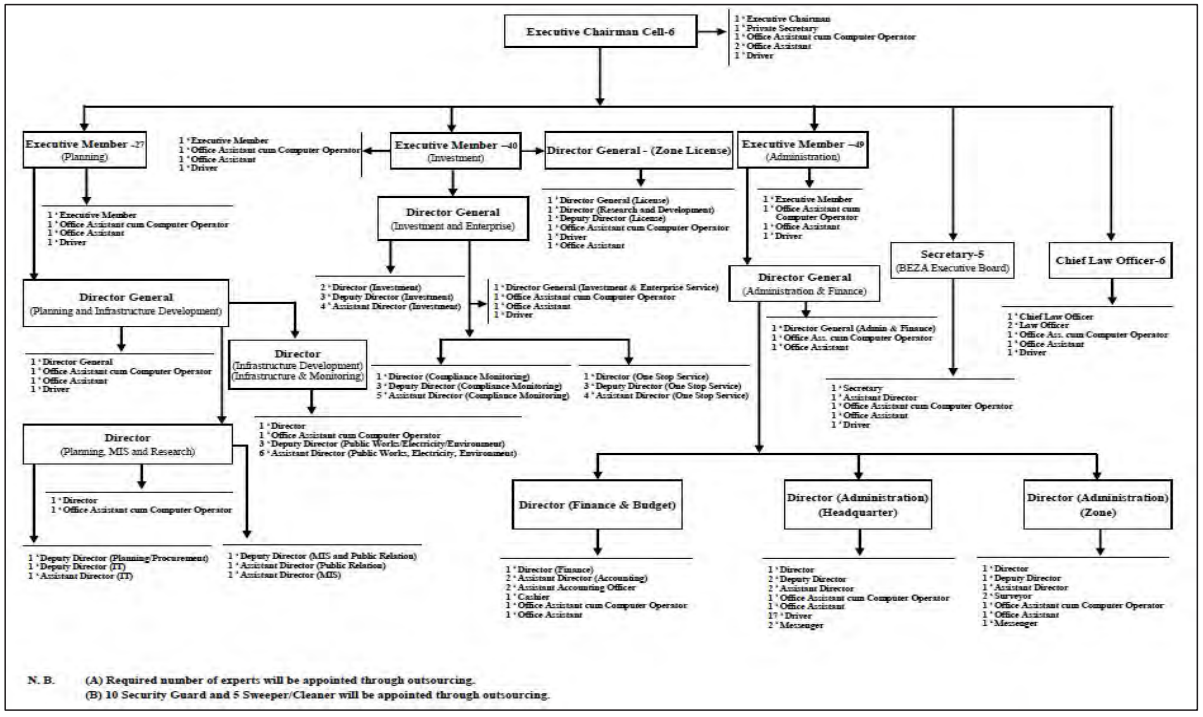
Chain of Human Resource Management and its Programs at different stages

Recruitment	Training	Staffing	Evaluation	Payments	Promotion	Work style	Welfare	Retirement
-Around-year recruitment -Optional Test -Contract Employee -Limited area employment Systems	-Optional Training Systems -Point-based Education Systems -Corporate Business School -Overseas Training	-Self-declaration Systems -Job Request -In-house Recruitment Systems -In-house Venture Systems	-Multipronged Evaluation -Up-ward Assessment -Peer Review -Customer Satisfaction Evaluation	-Annual wage Systems -Advance payment of Retirement Allowance -Stock Option -	-Option in Career Development -Challenge after Retirement -Open hiring for Professional posts	-Open hiring for Project members, -Discretionary Work Systems -Flexible Working Time -	-Cafeteria Plan -Mutual Corporative with point Systems	-Preferential Earlier Retirement -Deleyed Retirement Systems -Re-employment after retirement -Assistance scheme for Self-employment

Existing Organogram of BEZA



Proposed Organogram of BEZA



Increasing Middle Managers : How to Procure and Train them?

Existing Position for Managememt and Major Players	
Executive Chaiman	1
Executive Member	3
Secretary (BEZA Executive Board)	1
General Manager	3
Chief Law Officer	1
Manager	7
Senior System A	1
Administrative Officer	1
Accounting Officer	1
Computer Programmer	1
Private Secretary of executive Chairman	1
	21
Position for Supporting Staff	
Cashier	1
Office Assistant cum Computer Operatoer	18
Driver	13
Security Guard	6
Member of Lower Subcordinate Staff	9
Messenger	1
Sweeper / Cleaner	3
Sub Total	51
Total	72

Proposed Position for Managememt and Major Players	
Executive Chaiman	1
Executive Member	3
Secretary (BEZA Executive Board)	1
General Manager	3
Chief Law Officer	1
Manager	7
Chief Accountant	1
Executive Engineer	1
Deputy Manager	5
Deputy Chief Accountant	1
Human Relation Officer	1
Medical Officer (Part Time)	1
Assistant Manager	13
Assistant Engineer	4
Auditor	1
Budget Officer	1
Account Assistant	1
Administrative Officer	1
Computer Programaer	1
Law Officer	2
Private Secretary	1
System Analyst	1
Sub Asst Eng (Transport)	1
Sub Divisional Engineer	8
Sub Total	61
Position for Supporting Staff	
Casher	1
Kanungor (land specialist)	1
Surveyer (land specialist)	2
Chainman (land Specialist)	4
Stenographer & Computer Operator	8
Office assistant & Computer Operator	1
Office assistant & Stenographer	21
Office Attendant	32
Work Assistant	4
Head Assistnat	2
Driver	22
Security Guard	10
Messenger	5
Cleaner	5
Sub Total	118
Total	179

Difference	
Management & Major Players	+ 40
Supporting Staff	+ 67
Total	+ 107

Strategic Procurement of Human Resources

Globalization of Economic Activities

Fluidization of Human Resources in the Global Scale

Know Global Human Resources Market and your Position

Clearly shape up the Human Resources Requirements based on the Roles & Functions of Organization

Select Right Human Resources Without Compromise

Middle-level Managers; Key Commander to achieve the Organization's objectives and goals

Followings are the main functions of Middle-level Managers:

1. Interpreting Policies:
At this level, policies framed by top-level managers are interpreted. Like the marketing manager introduces his salesmen to the sales policy of the company that at no cost credit sales will be made,

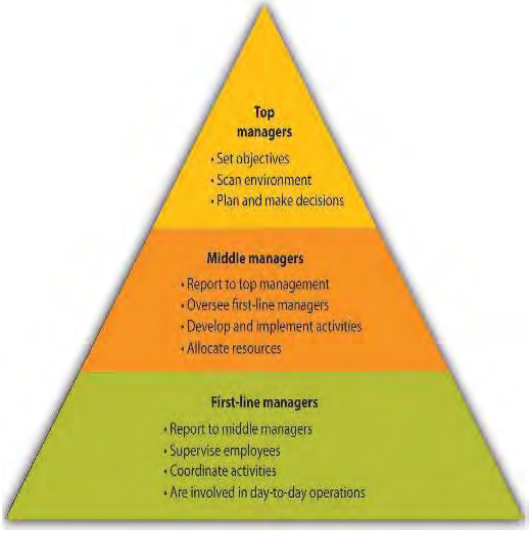
2. Preparing Organizational Set-up:
Every middle-level manager prepares outline of his respective department in accordance with the objectives of the organization.

3. Appointing Employees:
Every departmental manager appoints employees to fulfill the activities of his department.

4. Issuing Instructions:
Departmental managers direct their subordinates about what to do and how they have to do it. Needful resources are made available to subordinates so that they can do the assigned jobs uninterrupted.

5. Motivating Employees:
Middle-level managers motivate their employees by various means so that they work most efficiently to achieve organizational objectives.

6. Creating Cooperation:
Cooperation among different divisions is required to successfully achieve company's objectives and this is done by middle level managers.



People's Republic of The Bangladesh

Project for Development of
Economic Zones and Capacity Enhancement of Bangladesh Economic Zones Authority

Frameworks for an Effective Human Resource Development at BEZA

Thank you for your Attention !

December 2015

JAPAN INTERNATOPNAL COOPERATION AGENCY (JICA)
World Business Associates Co., Ltd.
Japan Development Institute
RECS International Inc.
Oriental Consultants Global Co., Ltd.

Project for Development of Economic Zones and Capacity Enhancement of Bangladesh Economic Zones Authority (BEZA)

Economic Zones Development Concept

Workshop: 3rd March, 2016

Japan International Cooperation Agency (JICA)
World Business Associates Co., Ltd.
Japan Development Institute
RECS International Inc.
Oriental Consultants Global Co., Ltd.

1. The objectives of establishing EZs

SEZ is usually established for the purpose of achieving the policy objectives as mentioned below:

- Attracting FDI
- Increase of employment
- Support to wider economic innovation
- Experimental laboratory to apply new policy

Shenzhen used to be a fishing village located next to Hong Kong. In 1980, SEZ was established in Shenzhen, which attracted huge amount of FDI.

In Shenzhen, manufacturing industries have well developed, and in recent years ITC industries and service industries have expanded.

In 2010, whole area of Shenzhen city was nominated as SEZ. Yantian port in Shenzhen port area is a large port where large container vessels can enter and more than 10 million TEU containers were handled in 2013.

2. Method of Developing EZs

1. PPP (Public-Private Partnership)	Economic Zones established through public-private partnership by local or foreign individuals, body or organization
1. Private Economic Zones	Private Economic Zone established individually or jointly by local, non-residential Bangladeshi or foreign investors, body, business organizations or groups
1. Government Economic Zones	Government Economic Zones established and owned by the Government
1. Special Economic Zones	Special Economic Zones established privately or by public-private partnership or by Government initiative, for the establishment of any kind of specialized industry or commercial organization

The word “Special Economic Zone” is a popular word globally used but in Bangladesh the word “Special Economic Zone” is falling under Category 4 which is different and carries narrow meanings, which is very confusing.

3. Division of an EZ into several areas and development

1. Export Processing Area	Specified for export oriented industries
2. Domestic Processing Area	Specified for industries to be established to meet the demand of the domestic market
3. Commercial Area	Specified for business organizations, banks, warehouses, offices or any other organization
4. Non processing Area	Specified for residence, health, education, amusements, etc.

4. Model and Characteristics of SEZ

Model of SEZ	Objectives of Development	Typical Size	Typical Place	Function	Market	Example
Free Trade Zone (Commercial Free Zone)	Trade promotion	below 50ha	Port, custom procedure	Free port, Trade	Domestic ReExport	Colon Free Zone (Panama)
Traditional EPZ	Manufacturing & export	below 100ha	none	Manufacuturing and prosecing	Mainly export	Bangladesh Vietnam
Free Enterprises (Single Unit EPZ	Manufacturing & Export	No lower limit	Nationwide	Manufacuturing and prosecing	Mainly export	Mauritius Mexico
Hybrid EPZ	Manufacturing & Export	Below 100ha	nil	Manufacuturing and prosecing	Export & domestic	La Krabang (Thailand)
Freeport/SEZ	Integrated development	exceeding 1,00	nil	Multi purpose	International, domestic, transport	Aqaba Shenshen

5. Benchmarking of Economic Zones Development: - A Case of Vietnam

The Government of Vietnam has taken initiatives to attract FDI of export oriented industries to the Special Economic Zones since 1990's that eventually resulted in increasing flow of exports from Vietnam and thus achieving rapid economic growth.

As of September 2013, there are

- 289 **Industrial Parks** (a total space of land exceeding 81,000 ha),
- 15 **Coastal Economic Zones** (a total space of land exceeding 600,000 ha)
- 28 **Boarder Economic Zones** (a total space of land exceeding 600,000 ha).
- The SEZs in Vietnam have been developed in diversified models which meet the local conditions and requirements of the Investors.

6. Model of EZ development in Vietnam

EZ / Industrial park	Feature
THANG LONG INDUSTRIAL PARK	Model of Export oriented, EPZ type developed and managed by Japanese developer in ASEAN
VSIP HAI PHONG	Coastal Economic Zone which integrates the function of industrial park and urban development. VSIP is jointly developed by Vietnamese government and Singaporean government.
DINH VU INDUSTRIAL ZONE	Coastal Economic Zone furnished with free port, chemical complex, heavy industries and light industries, which is developed by Belgian private enterprises with the cooperation of Hai Phong city government (Peoples Committee)

7. Model of EZ development in Vietnam (2)

Thang Long Industrial Park
Industrial Park,,(almost same as EPZ)
Industrial Park of EPZ type targeting export oriented Japanese industries mainly
JV of Sumitomo Corporation (58%) and Dong Aing Mechanical Company (42%)
1st phase 274ha （sales completed）
Located at Honoi city, Dong Ain District, at 16 km distance from central district in Hanosi. It takes about 30 minutes by car
It is 120 km disance to Hai Phong sea port. It takes 3 hours by car.
February, 1997
97 industries including 91 Japanese indutries such as Canon, Panasonic, Denso, Asahi Optical etc.

THANG LONG INDUSTRIAL PARK

8. Model of EZ development in Vietnam (3)

Vietnam Singapore Industrial Park Hai Hpong (VSIP Hai Hpong)
Coastal Economic Zone
SEZ of integrated development of industrial parks and urban city
Central business distirict, 4km waterfront, Finance art district, Future government office district and university (planned), New urban city development in the north of Hai Phong, within Dinh Vu -Cat Hai Economic Zone; Implementing urban development method experienced in Singpore
JV of Sembcorp Singapore (Temasek 49.4%, Public＊ 50.6%) and BECAMEX(Local Construction Company） supported by government of Veitnam and Singpore. Many Japanese enterprises participate in *Public.
Industrial park　500ha, Residential and commercial area 1,100ha
Hai Phong city, Nguyen District, 6km from city central area
Dinh Vu- Cat Hai Economic Zone
January, 2010
Japanese 40%、Fromosa 14%、USA 13%　Others
Electric, electrical, Auto parts, Optical, Medical, Food, Procesing, High-tech

9. Model of EZ development in Vietnam (4)

DINH VU INDUSTRIAL ZONE, DEEP SEA INDUSTRIAL ZONE (DVIZ)
Coastal Economic Zone
SEZ with free port, petro-chemical complex and Heavy industries & light industries
Training system in cooperation with 5 universities
JV of RENT A PORT (CFE 45%, ACKERMANS VAN HAAREN 45%, Management 10%) and Infra Asia Investment & Hai Phong Peoples Committee
2,223ha (DVIZ/Deep C 541ha, Deep C II 645ha, Deep C III 550ha, Deep C IV 487 ha Dinh Vu - Cat Hai Industril Cluster land availability +7,000ha
Hanoi - Hai Phong New Express Highway105km, 3 lane speed 120/km
7km to Hai Phong central district, 3km to Hai Pong Airport, 100Km to Hani Airport
Port Jetty + Pipeline in SEZ
LACH HUYEN DEEP SEA PORT 14M deep, length 1.5km, 2017
Dinh Vu Port (7m deep) 10,000DW 20,000DW x ceach 1berth
Knauf, Bridgestone, Idemitsu, JX Nippon Oil, Chevron, Shell
Heavey industries, Petro-chemical industries, General light industries

DINH VU INDUSTRIAL ZONE

10. Formulating EZ development concept at short-term development candidate site (Araihazar, Nyanpur)

- Bangladesh Vision 2021 and the objectives of BEZA
- The policy of Japanese government (Japan-Bangladesh Public and Private Joint Conference in 2014)
- Competitive EZ with EZ in competing surrounding countries, meeting global standard
- Development Model: Hybrid EPZ model where mostly export oriented industries as well as domestic industries are located.
- Development Method: Government to government development

11. Development Target (Scale, conditions at site, etc.)

- Dimension of development: Phase 1, 100ha, Expansion at Phase 2, 100ha Total 200ha
- Scheduled time to commence sales for the land at Phase 1: assumed to be around 2018
- At Phase 1, the zone will be developed mainly for the tenant which are export oriented.
- The investment will be made along with the phase and progress of development, thus lightning the initial investment costs.
- Land use will be planned in consideration of sufficient flood protection and low cost development.
- The EZ will be a good model as a pioneer of EZ development to be supported by Japan, targeting EZ pursuant to global standard to promote FDI from worldwide.

12. EZ function, facilities and equipment

Bangladesh government and/or BEZA shall provide the followings:

- Acquiring the land for EZ site
- On-site infrastructure (transformer station, etc.)
- Off-site infrastructure (access road to EZ, etc.)
- One-stop-service, etc.

The EZ developer shall plan and execute to furnish EZ functions, facilities and/or equipment as below:

- EZ management office
- Management office provide consulting service to the
- Countermeasure protecting from flood

13. EZ function, facilities and equipment (2)

The EZ developer shall plan and execute to furnish EZ functions, facilities and/or equipment

- Environmental Protection
- Security officer
- Custom officers are to be stationed in EZ management to achieve smooth and efficient custom operation in future.

  (⇒ BEZA/developer and custom office shall discuss.)
- Small clinic is placed in a room of management office to provide medical service
- Bank offices and ATM provide monetary Convenience to tenants
- Logistic Center: In future, it will be considered to place logistic center in EZ or near EZ

14. Industrial sectors to be potentially attracted to EZ

Industrial Sectors	Portion of dimension to be used for each industry
RMG, apparel, textiles	15%
Apparel accessories	25%
Motorcycle assembling	9%
Automobile and parts (including wire harness)	5%
Metal and Iron products and processing	10%
Electric and electronic appliance and parts	10%
Machinery and parts	5%
General assembling	5%
Plastics products and parts	5%
Agro processing, products, food	5%
Medical products, healthy food	5%
Total of available dimension	100%

Thank you for your attention!

Bangladesh Project for Development of Economic Zones and Capacity Enhancement of Bangladesh Economic Zones Authority

Workshop

~ How Economic Zone Development Guideline and attractive Incentive Package are developed?~

JAPAN INTERNATOPNAL COOPERATION AGENCY (JICA)

World Business Associates Co., Ltd.
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March 2016

1. Objective of Industrial Park(IP)/Economic Zone(EZ)

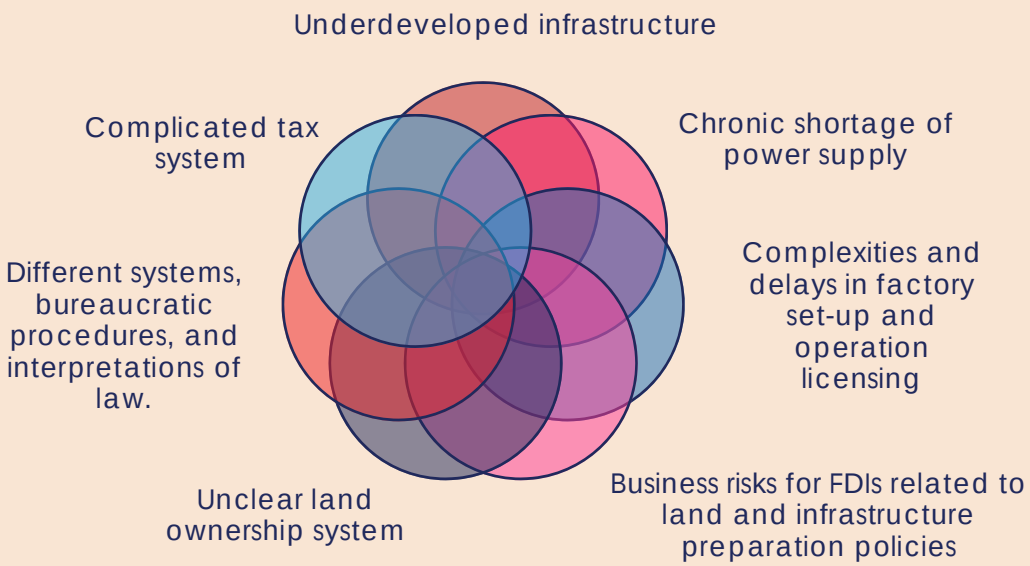
Objective of Industrial Park/Economic Zone

	○ Correct	× Wrong
Industrial Park (IP)/EZ	A zone offering what investors want (Full infrastructure & services)	Offering industrial land
Purpose of IP/SEZ	Creation of new investment & employment by creating an IP/SEZ Market	Industrialization of country by State monopoly

Market Driven : Investors will decide where to invest

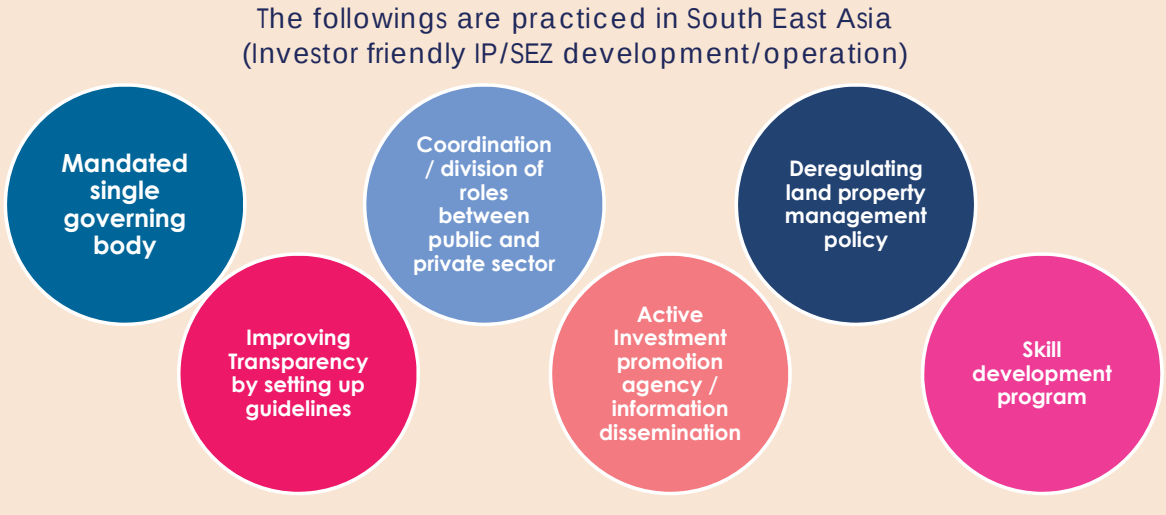
2. Issues/requests to be addressed and mitigated through investor friendly Economic Zone

Issues/requests to be addressed and mitigated in investor friendly Economic Zone



3. For development and operation of investor friendly Economic Zone …

For development and operation of investor friendly Economic Zone …



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Creating special enclaves (Industrial park/SEZ) for Investors

4. Best practices in Southeast Asia (From State Monopoly to PPP/Private IP/SEZ)

Best practices in Southeast Asia (From State Monopoly to PPP/Private IP/SEZ)

Case in Thailand

- Eastern Seaboard
- 1987 Privatization of IP started
- 2 Ports & IP were started by IEAT supported by JICA/JBIC
- Highways, power/transmission line were supported by JICA/JBIC
- More private IP started developed to total of 15 IP with 15,000 hector
- Several new towns were constructed by private developers.
- Eastern Sea Bard region became a Detroit of Asia (over 3 million cars/trucks are manufactured)
- GDP share:27.5%→34.0% (92-'12)

Case in Indonesia

- Bekasi integrated industrial City
- 1989 Bekasi I-I City was initiated
- E-W Expressway was constructed by JICA
- Power /transmission lines were constructed supported by JICA/WB
- Port were expanded to deal with expanding cargo demand
- 5 IP developers initialy now 10 IP in the Bekasi I-I City: total area of 4,000 ha and over 10 new towns with population of over 3.0 million.
- Bekasi I-I City became a simbol of industrialization of Indonesia
- GDP share: 22% → 24% (92-012)

5. How Industrial Parks have worked out in Southeast Asia

How Industrial Parks have worked out in Southeast Asia

Planning & Construction

- Land from local partner
- FS & Master Plan
- IP Permit
- Pre –marketing
- Financing Plan
- Supervision

Operation

- OSS service
- Full utilities
- Logistic service
- Recruit service
- Rental factory

Marketing

- Local & Tokyo offices
- JETRO/JICA support
- Road show Tour
- Seminar & visit

After Service

- Logistic & warehouse
- Courier & Business shops
- Restraunt & catering
- Bank & insurance
- Housing & dormitory

Provide full infrastructure & services plus marketing in accordance with **Technical Guideline** set forth by Regulatory Authorities

6. Setting up Guidelines on industrial park development and operation

Setting up Guidelines on industrial park development and operation

- ✓ Mandated agencies to authorize **all-inclusive required infrastructure development** in industrial zones
- ✓ Tackling problems in **coordination among government agencies**
- ✓ Private zone developers may face difficulties in developing full-fledged infrastructure in comply with the requests from regulators and investors **without provision of Technical Guide**.

  - When each developer has their own standard and procedure in industrial zone development, it would bring about a situation that each industrial zone **varies in availability of infrastructure repertoire**.
  - If there is no regulations/guidelines to request zone developers to offer all required services with particular standardized infrastructure setting, Zone developer is not fully correspond with **required standard/quality of infrastructure and utilities service provision**, namely electricity and wastewater management.
  - In Southeast Asian countries, there are laws and guidelines specifying the role and responsibilities of industrial park developers, which includes private developers, to comply all requirement of infrastructure and utility service standard, hence private zone developer can have **a guidance to follow**, and the government can outsource the development and operation of infrastructure and utility service to private companies in accordance with **the regulations and guidelines**.

7. Why Bangladesh Economic Zone Development Guide is needed?

Why Bangladesh Economic Development Zone Guide is needed?

- There exist Government legal documents and detailed administrative procedures to identify, process and approve an Economic Zone Project.
- However those acts, policy, rules and guidelines are **fragmented** from the viewpoint of Zone developers and **a comprehensive document** to provide a summarized and simplified picture of Bangladesh Economic Zone Development is needed for attracting more Zone Investors, and subsequently Unit Investors.
- There are **no guide for Government officials** to consistently follow in respect of developing and facilitating the progress of these private and PPP Economic Zone projects.
- Consequently, the Guide is formed **to provide consistent principles and procedures** to identify, develop and process Private Economic Zone and PPP Economic Zone Projects in Bangladesh. This document (the "Economic Zone Guide" or "Guide" in short) therefore aims to serve three basic purposes:

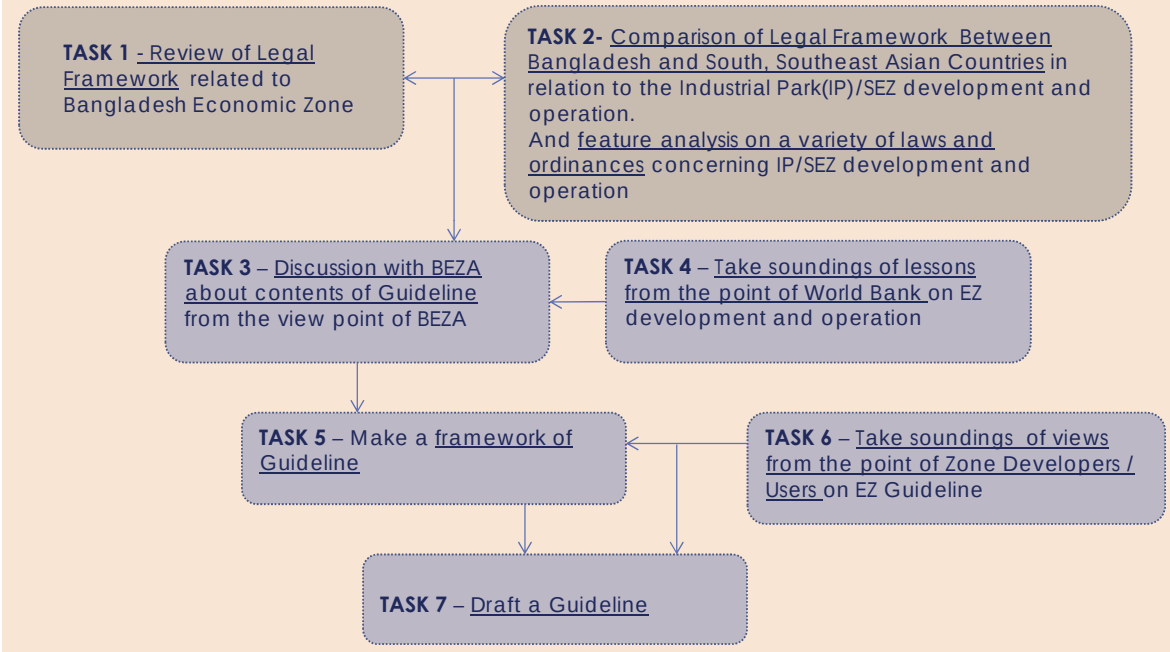
8. Three basic purposes of the Guide

Three basic purposes of the Guide

- to establish within the Government, **clearly recognizable procedures** to identify, process and approve Private and PPP Economic Zone Projects;
- to document a set of practical guide, for both the private sector Investors and Government, enabling **the promotion and implementation** of Economic Zone Projects; and
- to establish **streamlined institutional arrangements** to monitor and expedite the implementation of such projects at a national level.

9. Methodology for Guideline Formulation

Methodology for Guideline Formulation



10. Review of Legal Framework related to Bangladesh Economic Zone

TASK -1 Review of Legal Framework related to Bangladesh Economic Zone

Economic Zone

Act (Establishment scheme of economic zone)
- The Bangladesh Economic Zones Act, 2010

Policy (regarding development, operation, management and control of private economic zones)
- Bangladesh Private Economic Zones Policy, 2014.

Rules (Qualification of developers, developer's right and obligation cancellation of EZ license, etc.)
- Bangladesh Economic Zones (Appointment of Developer, etc) Rules, 2014
- Bangladesh Economic Zones Rules(Appointment of Developer, etc) (Draft – under scrutiny by Inter-ministerial Committee)
- EZ construction and building guidelines (to be prepared)

Regulations (Functions of BEZA office, OSS and coordination with competent agencies, mechanism to create economic zone etc.)
- Bangladesh Economic Zones Operational Regulations, 2012 **-> Suspended**

PPP

Act
- Public Private Partnership ("PPP") Law, 2013

Policy
- Policy and Strategy for PPP, 2010
- PPP Unsolicited Proposal Procedures 2014

Rules

Regulations

Guidelines
- PPP Guidelines 2010
- Guideline for VGF for PPP Project, 2012
- Guideline for PPPTAF 2012 & Scheme for PPPTAF, 2012

11. Comparison of Legal Framework Between Bangladesh and South, Southeast Asian Countries

Comparison of Legal Framework Between Bangladesh and South, Southeast Asian Countries

TASK 2 - Comparison of Legal Framework Between Bangladesh and South, Southeast Asian Countries in relation to the Industrial Park(IP)/SEZ development and operation

- ✓ Comparison on various Code of Conduct among Bangladesh EZ, Bangladesh EPZ, India IP, India SEZ, Thailand, Indonesia, Vietnam and Cambodia
- ✓ Feature analysis on a variety of laws and ordinances concerned in the field of the following:

Industrial park development aspect	Industrial park management aspect	The viewpoint from tenant companies of the Industrial Parks
- Main legal basis - Jurisdictional organization - Number of industrial parks (Operating) - Land acquisition - Zoning - Location - Geographical access factors - Development approval - Entry of private zone developers and incentives - Foreign investment restriction - Department in charge of linked infrastructure/ utility development and adjustment - Environmental Impact Assessment (EIA)	- Tariff (Customs Duty) procedure - Residential/Commercial establishment - Power supply - Water supply - Sewage/waste water treatment - Effluent treatment - Industrial waste disposal - Human resource development - Sales method - One-stop service	- Conditions for Tenancy - Tax Incentives - Lease / Resale Possibility - Regulations and conditions regarding financing - Labor : Dismissal Policy - Environmental Impact Assessment - Any Other Permit - Building Permit - Operation Permit - Electric Power Procurement Method - Industrial Water Securing Method - Industrial wastewater treatment method

12. Matrix of Guide Usages from different viewpoints of interested parties for Economic Zone affairs

Matrix of Guide Usages from different viewpoints of interested parties for Economic Zone affairs

	The point of view of Economic Zone supervisory authority	The point of view of Economic Zone development businesses	The point of view of Economic Zone tenants
Provision of law	・ What is Economic Zone? ・ System of law ・ Legal basis and roles of organizations founded ・ Objectives for development ・ Internal rules ・ Benefits Incentive ⇒ **Chapter 1** (Economic Zone Concept), ⇒ **Chapter 2** (Institutional Framework), ⇒ **Chapter 7** (Tools for Economic Zone Projects)	・ What rights are observed and obligations are required ・ How to participate in the Economic Zone development projects ・ Qualifications required as economic Zone developer ⇒ **Chapter 3** (The Economic Zone Development Process and Contractual Consideration), ⇒ **Chapter 5** (Tender and award process under PPP scheme)	・ Conditions for entry ・ Incentives to be granted ⇒ Chapter 6 (Starting a Project in Economic Zone), ⇒ **Chapter 7** (Tools for Economic Zone Projects)
Development perspective	・ Promotion of synergy with other national projects ・ Development methodologies of Private Economic Zone and PPP Economic Zone ・ Development license and cancellation process (Private Economic Zone) ・ Bidding method and process (PPP Economic Zone) ・ Rights and obligations of Regulatory body and Developers in relation to Economic Zone development projects ⇒ **Chapter 3** (The Economic Zone Development Process and Contractual Consideration)	・ Development license and procedure ・ Documents required for development license ・ Requirements in Master Plan (zoning, infrastructure development plan, etc.) ⇒ **Chapter 3** (The Economic Zone Development Process and Contractual Consideration), ⇒ **Chapter 4** (Master Plan and Feasibility Study)	・ Factory construction procedure ・ One-stop service contents ⇒ **Chapter 6** (Starting a Project in Economic Zone), ⇒ **Chapter 7** (Tools for Economic Zone Projects)
Operation perspective	・ Monitoring technique ・ One-stop service content ・ Relevant ministries and agencies ⇒ **Chapter 3** (The Economic Zone Development Process and Contractual Consideration), ⇒ **Chapter 7** (Tools for Economic Zone Projects)	・ Utility service pricing ・ Sales method ⇒ **Chapter 3** (The Economic Zone Development Process and Contractual Consideration), ⇒ **Chapter 4** (Master Plan and Feasibility Study)	・ Procedures to receive the incentives ・ Procedures necessary for entry ⇒ **Chapter 7** (Tools for Economic Zone Projects)

13. Uncertain points to be addressed in the process of making a Guide under present legal set-up

Uncertain points to be addressed in the process of making a Guide under present legal set-up

NO special rules and procedures for **Environment Clearance** formulated

No legal binding/responsibility of government on **Link Infrastructure**

NO tangible set of rules on **labor force (Human resource) training program** on EZ

NO EZ **construction and building** guidelines formulated

NO clear statement of **on-site custom office**

Weak legal binding formulated for **delivery of OSS** in relation to competent agencies

Detailed regulatory / administrative **jurisdictions among each department and ministry** has NOT yet formalizeda

Electric power generation and distribution operation in Economic Zone through private initiative (IPP) must be carefully structured with proper incentives and regulations

NO clear statement on special financing arrangement of **foreign currency borrowing** in EZ

NO national EZ master plan

There is no concept of **CETP with clear set of outlet standard** in reference to existing guideline set forth by MoEF

Inferior tax incentive and condition for tenancy in comparison to Southeast Asia, and etc.

NO zoning policy

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14. Contents of Bangladesh Economic Zone Development Guide

Contents of Bangladesh Economic Zone Development Guide

The guide is divided into seven main parts:

- **Part 1**: Economic Zone Concept provides an overview of Economic Zone principles and the necessary preconditions.
- **Part 2**: The Institutional Framework describes the role and function of regulatory authority of Economic Zone project
- **Part 3**: The Economic Zone Process describes the different stages in Economic Zone development, with necessary information and required procedures as well as contractual considerations given to Zone Developer
- **Part 4**: Master Plan and Feasibility Study provides an overview of the elements to be included in an Economic Zone plan.
- **Part 5**: Tender and award process under PPP scheme describes the procedure for appointing Economic Zone Developer under PPP scheme
- **Part 6**: Implementing a Project in Economic Zone and residing in Economic Zone
- **Part 7**: Tools for Economic Zone Projects provides facilitation tools (One-Stop Service and Incentives) for Unit Investors

15. Incentive package to attract investors

Incentive package to attract investors

Taking into consideration of what Investors wants … **Incentive is not necessary only fiscal ones.**

Concerns from prospective investors are;

- ✓ There is **no single mandated authority** to deliver all required infrastructure development and utilities service provision in industrial area.
- ✓ **Inadequate level of infrastructure** quality and utilities service provision are sighted.
- ✓ Existing investors and Prospective investors are not up to dated in new taxing and business related regulations due to **inadequate information disclosure system**
- ✓ Plots in industrial zone are **not regarded as commodity property**, which can be freely sold, exchanged, and valued as a collateral for obtaining finance.
- ✓ Business licensing and Customs clearance are prone to **government harassment** such as corruption.
- ✓ Environmental clearance is **lengthy and complex** affairs.

The following can be attractive incentive for investors to come to Economic Zone

- BEZA can **quarantine adequate provision of industrial infrastructure** and **utility services**, in particular power and wastewater management.
- **One-stop service provision** is very significant incentives for investors by blocking governmental harassment.
- Plots in industrial park is regarded as a property, which is going to be developed with value addition to investors, hence the **plots can be sold as a good/commodity** for those who see values in them.
- **Simplified** yet professional protocol for **EIA clearance** for the investors to come to Economic Zone which already obtained clearance.

16. Present Physical Situation of Industrial Park/EPZ in Bangladesh

Present Physical Situation of Industrial Park/EPZ in Bangladesh

Captive Power (On-site and off-site Infrastructure)

Off-site Infrastructure development Not dependable power (Need own generator by investors)

- Basically land, power, water are provided but not other services needed by manufacturing companies such as dependable power, courier, insurance, logistics, banking, insurance, business shops and restaurants
- EPZ is state monopoly not open for private developer/investors
- Off site infrastrucure are in many cases inadequate and poor serivce.
- EPZ land is not transerable to third party and not able to retain the value

CETP

Environment / Energy-saving equipment and facilities

- Environmental management facilities such as waste water treatment plant (CETP) and solid waste treatment plants are not installed in every Industrial Zones.

17. Setting up Regulations/Incentives to encourage captive power station and Common effluent treatment plant (CETP) in industrial parks

Setting up regulations/Incentives to encourage captive power station and common effluent treatment plant (CETP) in industrial parks

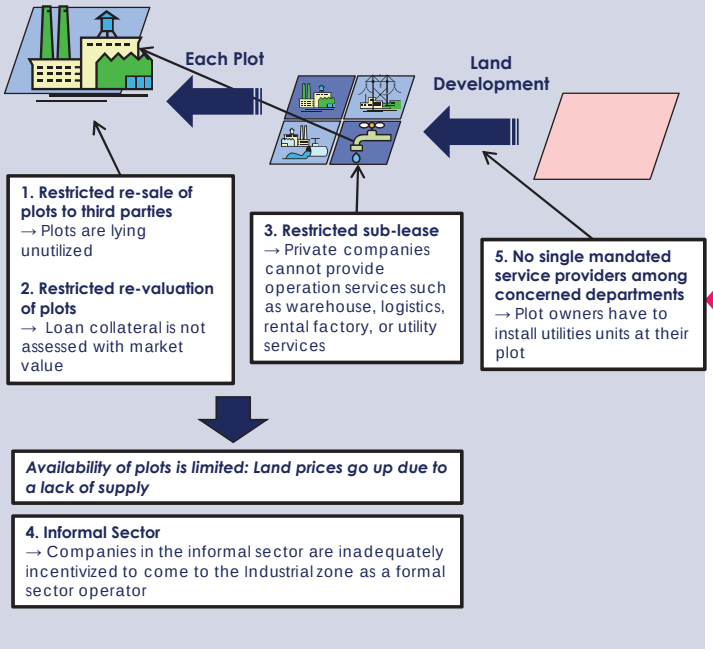
- ✓ Private sector participation in infrastructure / utility development, in particular, for **power generation** and **wastewater treatment project** in industrial area is limited due to high business risk.
- ✓ **High cost** to use power distribution line and sales of power to third party is confined due to high cost to be incurred from regulations.
- ✓ Inadequate business **risk remedies and risk sharing** in Power Purchase Agreement.
- ✓ There is no regulation/guideline for industrial area to have **systematic/common wastewater (sewage and industrial effluent) treatment plant**, and each individual unit shall face difficulty to obtain Consent to Establish and Consent to Operate factory without having their own captive plant, which bring them unnecessary cost in the case of establishing factory in Southeast Asian industrial park.

  - Government should make **a regulation to make mandate** to equip common wastewater (sewage and effluent) treatment plant in each industrial park, which would bring about good effects for both units and government to safeguard environmental protection in much easy manner and reduce cost with efficient resource management.
  - **Incentives for private sectors participation in common wastewater treatment plant** is encouraged.
  - At the initial stage of power generation project at industrial park, the surplus electricity due to not having adequate users in the park needs **to be sold to the external grid**. New set of PPA applicable only for Economic Zone can be a possible measure.

18. Comparison of Land Regulation in Industrial Park Development

Comparison of Land Regulation in Industrial Park Development

Present Case



Thailand/Indonesia

1. Re-sale to a third party is permitted
→ Plots are fluid assets for industries. Industries mix in Industrial Zones are renewed in accordance with market (Promote Industrial advances).

2. Re-value is possible
→ Private entities can raise debt for funding advanced technologies and/or energy-saving facilities for production

3. Sub-leasing is possible
→ Value added to Industrial Zones by providing required services to tenants.

4. Informal Sector to Formal Sector
→ Companies in the informal sector can upgrade to the formal sector through incentives coming to Industrial zone. Training and education is required.

5. Coordination among concerned government departments
→ One single office is mandated to provide all required utilities service for tenants.

19. Privatize or allow private zone developers to participate in the process of industrial zone planning; government role is to regulate development patterns under guidelines and incentives

Privatize or allow private zone developers to participate in the process of industrial zone planning; government role is to regulate development patterns under guidelines and incentives

✓ Private sector participation in infrastructure development and operation in industrial zone project was limited in Bangladesh, in comparison with Southeast Asian cases

- Private zone developers consider that it is their responsibility to guarantee utilities/business service provision to companies/units having come to their industrial park; hence **designing standard and development plan of infrastructure and utility system** are of their utmost importance to be responsive to their performance of services.
- Designing standard and development plan of infrastructure and utility system is also the most crucial phase **for private zone developer** to have ownership and, consequently, to be responsible for marketing the zone.
- With having **government regulations/incentives and guideline** for Economic Zone, private zone developers can follow the standard of development patterns/quality and optimize the time required for development permit.

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Bangladesh Economic Zones Authority

Lessons Learned for EZ Development Planning in Bangladesh – from Eastern Seaboard (ESB) Development in Thailand

June 06, 2016

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JICA Study Team

Project for Development of Economic Zones and
Capacity Enhancement of Bangladesh Economic Zones Authority

Lessons Learned for EZ Development Planning in Bangladesh – from Eastern Seaboard (ESB) Development in Thailand

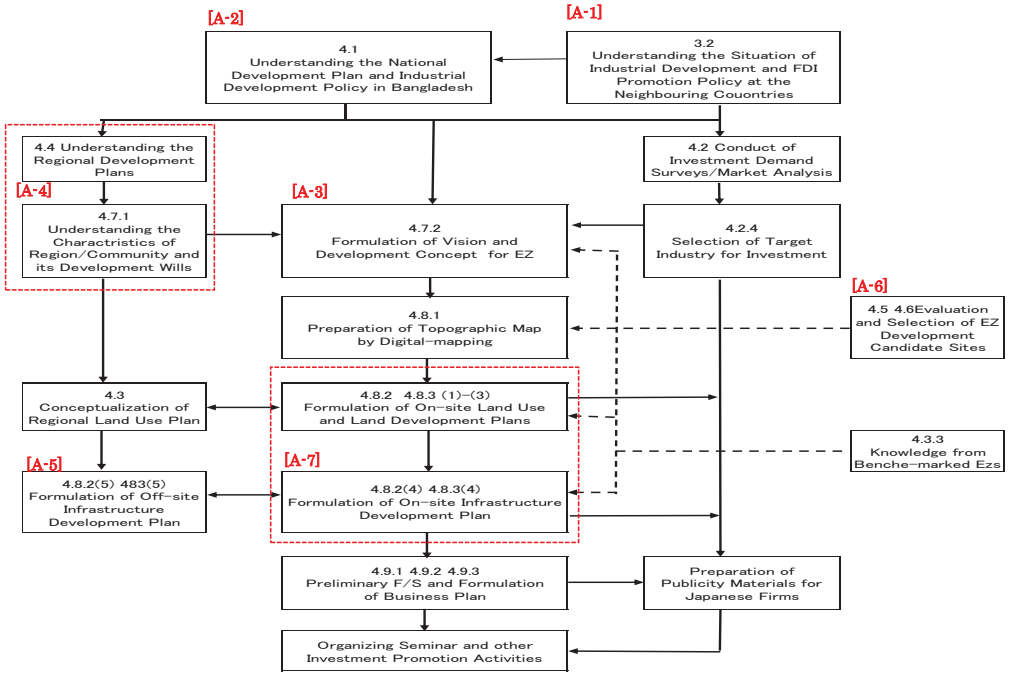
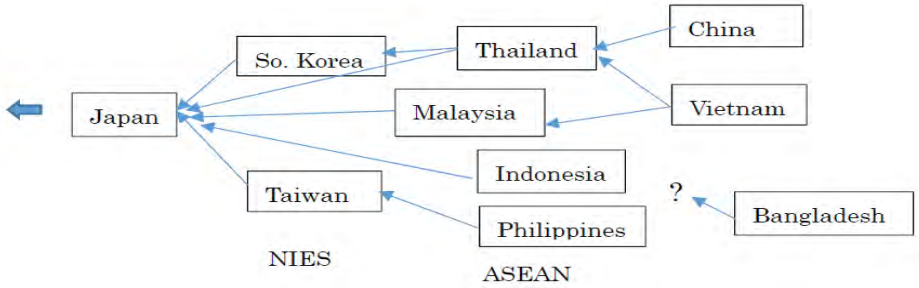


Figure 4.1-1 : Work flow for the formulation of EZ Development Plan

A. FORMULATION OF EZ DEVELOPMENT PLAN

[A-1] Industrial Development and Investment in Neighboring Countries

1. Changes in international division of works during 1970's~90's: Flying geese model



1970's: Transfer by Japanese manufacturers of their production base to NIES
→Japan specialized in technology-intensive industries
NIES developed by production of tradable goods

1980's: Transfer of production base by Japan and NIES to ASEAN countries
→Competition between Japan and NIES for technology-intensive industries
Trade friction due to export-oriented development of Japan and NIES
Currency re-evaluation introducing uncertainties in global economy

→ Establishment of interdependent economic relations with deepening industrial linkages among the Asian economies

- Where should Bangladesh go and how?

2. Change in investment flow in ASEAN, China and South Korea

(US$ million; share %)

		Thailand	Malaysia	Philippines	Indonesia	China	South Korea
Japan	1986	251(43.3)	23(11.1)	22(28.5)	325(40.6)	263(11.7)	138(38.9)
	1990	2,706(19.2)	657(28.5)	306(31.8)	2,241(25.6)	356(10.5)	235(29.3)
NIES	1986	91(15.7)	48(23.7)	8(10.2)	84(10.5)	1,342(59.8)	16(4.5)
	1990	8,794(62.2)	1,100(47.8)	384(39.9)	2,598(29.7)	2,162(63.7)	21(2.6)

1) Investment in Thailand increased more significantly due to provision of the ESB development than in any other ASEAN countries.

2) Investment from Japan to ASEAN increased significantly, but investment from the NIES to ASEAN increased even more, reflecting changes in international division of works.

- Should Bangladesh expect more investment from countries other than Japan?

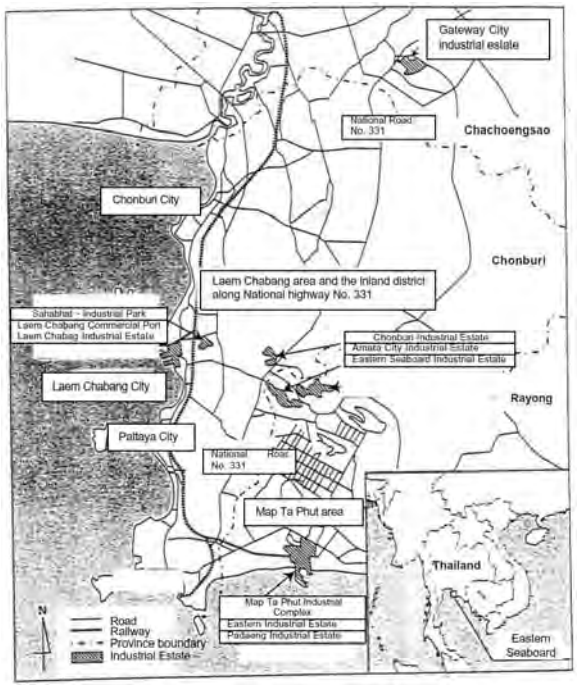
[A-2] National Development Plan and Industrial Development Policy

3. Evolution of development policy and plans for Eastern Seaboard (ESB) development

Month/year	Event
1973	Confirmation of natural gas reserve in the Gulf of Siam for commercial development
December 1980	Establishment of the Committee to Develop Basic Industries on the Eastern Seaboard(CDBIES) chaired by the Prime Minister
January 1981	Expression of support for the Eastern Seaboard development by the Japanese Prime Minister
March 1981	Preparation of strategic paper on heavy industrial development at the Eastern Seaboard development
April 1981	Thai Cabinet approval of the Eastern Seaboard development plan
June 1981	Transformation of CDBIES into the Eastern Seaboard Development Committee (ESDC)
September 1981	Completion of natural gas pipeline from the Gulf of Siam to Map Ta Phut
October 1981	Approval of the 5th Five Year Development Plan with the Eastern Seaboard Development plan
July 1982	Completion of the Eastern Seaboard Development Master Plan by the World Bank and the British Government
November 1983	Completion of the M/P and F/S on the Map Ta Phut Development with the Map Ta Phut port and industrial estate
September 1984	Establishment of the National Petrochemical Corporation (NPC)
1984-94	Phase 1 development

- Where does EZ development in Bangladesh stand with respect to national policy and implementing arrangements?

4. Eastern Seaboard Development Plan



5. Objectives of Eastern Seaboard development

(1) To alleviate the over-concentration of industries and population in the Bangkok metropolitan area (BMA) by establishing a new development area; and

(2) To develop the industry in Thailand to a new stage by providing quality infrastructure to utilize the newly discovered natural gas.

6. Comparison between Bangladesh and Thailand with respect to EZ development

Common factors

1) Need to transform the industrial structure
2) Need to relieve over-concentration of population and industries in the Capital Region
3) Natural gas as a trigger of industrial development
4) Support expressed by the Japan's Prime Minister

Differences

i) Globalization proceeded
ii) Weakening Japanese economy
iii) Increasing uncertainties related to global finance and security
iv) Advancement of ICT application

- Should Bangladesh follow the path that Thailand proceeded some 30 years ago, or are there fundamental differences for Bangladesh to consider due to recent developments of global economy and ICT advancement?

7. Lessons to be learned from Thai case in [A-2]

1) Introduction of technology holds a key for successful industrial development

2) Attraction of foreign investments is facilitated by:
- Preferential treatment for foreign capital and
- Political and administrative stability

3) Fostering SMEs is the way to:
- Utilize newly introduced industries for promotion of domestic industries,
- Reduce dependence on foreign countries for production input, and
- Increase jobs, contribute to narrowing income gap and improve productivity of the national economy as a whole

- How should Bangladesh attain balance between preferential treatment of foreign capital and promotion of domestic industries?

[A-3] Vision and Concepts of EZ Development

8. Vision and concepts of ESB development

Map Ta Phut development

Development of heavy and chemical industries by using the natural gas from the Gulf of Siam:

1) Natural gas refining to produce ethane, propane, LNG etc.
   →Energy supply for Thailand and Development of petro-chemical complex
2) Development of the Map Ta Phut industrial port

Laem Chabang development

Development of a commercial port to complement the Bangkok port and industrial estates for both export-processing and other industries:

1) Export oriented light industries such as food and textile industries in export processing zone, and
2) Other industries in industrial estates

9. Lessons to be learned from Thai case (1) in [A-3]

Production increase of petrochemical products (1,000ton/year)

Products	Year	Domestic demand	Domestic production	Import/export(-)
Ethylene	1985	15	0	15
	1997	1,018	978	40
Polyethylene	1985	82	14	69
	1997	647	764	-117
Polyvinyl chloride (PVC)	1985	65	54	11
	1997	413	484	-71
Polypropylene	1985	73	0	73
	1997	426	588	-162
Polystyrene	1985	14	11	3
	1997	193	241	-48

- Industrial development at Map Ta Phut has satisfied first domestic demand for petrochemical products as well as energy, effectively serving for import substitution.

- Petrochemical in Thailand turned an export industry after satisfying the domestic demand.

- Should Bangladesh's EZ development start also with import substitution leading to export promotion?
- Do we have existing industries to support this strategy?

10. Lessons to be learned from Thai case (2) in [A-3]

Changes in development plan reflecting degrading Thai economy due to global financial crisis.

1) The ESB development was deferred due to degradation of Thai macro-economy affected by the global financial crisis.
2) The fertilizer plant of the National Fertilizer Corporation failed to be realized after several reviews.
3) Production of reduced iron and soda ash was abandoned as it was found infeasible.
4) Instead of food and textile industries planned to be located at the Laem Chabang industrial estate, automobile and electric/electronic assembly and their parts manufacturing established, reflecting the international division of works.
5) The Laem Chabang industrial estate served to receive industries re-located from the Bangkok metropolitan area as the industrialization proceeded along the highway.

- How can Bangladesh anticipate changes in global environment and international division of works?
- How should Bangladesh utilize re-location of existing industries from Dhaka and Chittagong?

[A-4] Regional Development and Community Organizing

11. Regional development

Growth rates of per capita GRDP in related districts (% p.a.)

	Chon Buri (Laem Chabang)	Chachoengsao	Rayong (Map Ta Phut)
1981-86	4.5	8.7	16.0
1986-91	7.0	12.0	9.2
1991-96	14.4	6.9	10.4

・Initial development of Rayong due to Map Ta Phut was based on natural gas production itself; its GRDP growth re-accelerated as the petrochemical complex developed later.

・The growth of Chon Buri due to Laem Chabang was based on relocation of industries in the BMA and steady location of other industries proceeding from the BMA.

- What should be driving forces for Bangladesh's EZ development initially and for medium to long term?

12. Administrative change and community organizing

Population Growth in related districts (% p.a.)

	Chon Buri (Laem Chabang)	Chachoengsao	Rayong (Map Ta Phut)
1981-86	1.7	2.3	0.7
1986-91	2.5	3.0	2.1
1991-96	2.6	0.8	1.9

- Administrative status of Laem Chabang has been upgraded to serve the increasing population better.
- For newly urbanized areas and new town, community organizing proceeded by establishment of community councils with elected councilors, supported by the Social Welfare Department of Laem Chabang municipality.

- How can we strengthen administrative capacity of municipalities and communities hosting EZs in Bangladesh?

13. Lessons to be learned from Thai case in [A-4]

1) EZ development should be planned as part of broader regional development.

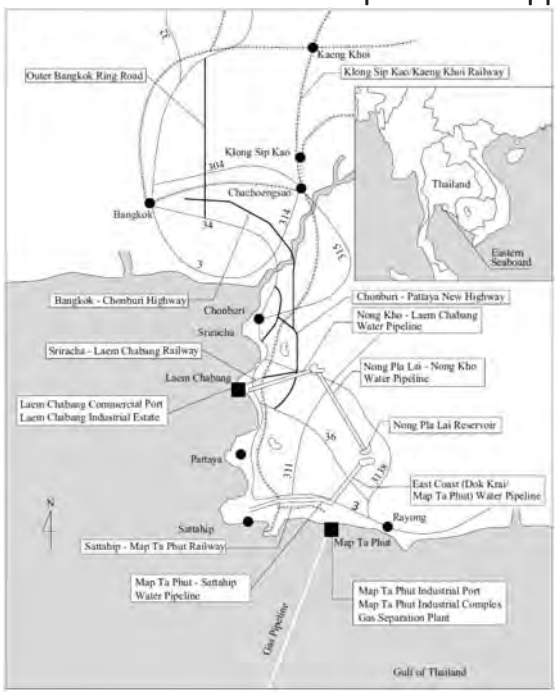
2) Anticipating rapid population increase induced by EZ development, administrative status of host municipalities should be upgraded and new communities should be organized as necessary.

3) To facilitate provision of improved infrastructure and utilities to serve the increasing population, administrative functions and financial capacity of related municipalities should be much strengthened.

- What will be desirable functional division between the Central Government and local administrations for EZ development in Bangladesh?

[A-5] Infrastructure Development Planning (Off-site)

14. Infrastructure development to support the Eastern Seaboard Development



(1) Water resources development and water supply
- East Coast Water Resources Development Project (F/S, 1980-1982)
- East Coast Water Resources Development Project Phase II (F/S, 1981-1983)
- Dok Krai-Map Ta Phut Water Pipeline Project in East Coast Area (D/D 1981-1982)
- Nong Kho-Laem Chabang Water Pipeline Project (F/S, 1983)

(2) Railways development
- Siracha-Laem Chabang railway construction project
- Sattahip-Map Ta Phut railway construction project
- Krong 19-Kenkoi railway construction project

(3) Roads development
- Chon Buri-Pataya road project
- Bangkok-Chon Buri road project
- Bangkok east outer ring road project

(4) Ports development and industrial estates development

1) Needs and functions of the Map Ta Phut port were much disputed while its implementation deferred, and it was finally justified by heavy and chemical industries registered at the Map Ta Phut industrial estate (800ha), including petrochemical and steel products plants.
2) The Laem Chabang port, conceived as an alternative port to complement the existing port at Bangkok, was justified as container cargoes handled at Bangkok increased faster than planned.
3) Cargo demand for railways turned higher than projected for the Siracha-Laem Chabang railway, but lower for the other railway projects.

Cargo demand for the Siracha-Laem Chabang railway (1,000ton)

	Demand projected in 1988	Realized demand
Containers	1,573	2,664
Tapioka	400	-
Sugar & molasses	360	17
Crude oil	-	602
Total	2,333	3,283

4) Most facilities of water resources development and water supply were constructed as planned, but realization of water demand took longer than planned; most facilities are used to satisfy domestic water demand in neighboring communities as well.

- How can Bangladesh attract sufficient foreign investments early by a good master plan and early construction of key infrastructure?

[A-6] Evaluation/Selection of EZ Development Sites

15. Factors making the foreign tenants decide to locate their factories in the Eastern Seaboard area

1) BOI's incentive measure for investments (3.89*)
2) Well equipped infrastructures (3.76)
3) Prospective domestic market (3.64)
4) Low wage (3.41)
5) Political stability (3.39)
6) Well developed supporting industries (3.01)
7) Regional industrial core base for the firms (2.85)
8) Abundant resources (2.34)

*: from interview results to 83 samples among 213 factories in ESB,
5.0 = very important to invest, 0.0 = no contribution to invest.

- How do conditions in Bangladesh at present compare with those in Thailand some 30 years ago?

[A-7] Land Use Planning and On-site Infrastructure Planning

16. Project feature

16.1 Map Ta Phut Area Development

1) Map Ta Phut Industrial Estate Project

- Design and construction period: December 1987 – May 1990
- Total project cost: 2,948 Million Yen
- Development area: 380.8 ha Industrial Estate (Expanded up to 804.8 ha as of 1998), plus 40 ha urban area
- Land development, road, drainage system, water supply system (5,100m3/day), waste-water treatment system (4,000m3/day)

2) Map Ta Phut Industrial Port Project

- Design and construction period: November 1989 – December 1994
- Total project cost: 12,437 Million Yen
- Port area: 3 berths (2 liquid cargo and 1 multi-purpose, total length: 680m, -12.5m water depth

3) Gas Separation Plant Project

- Design and construction period: July 1982 – July 1985
- Total project cost: 14,998 Million Yen
- Construction of plant for separating natural gas into ethane, propane, LPG, etc.
- Processing capacity: 350 million cubic feet/day

16. Project feature

16.2 Laem Chabang Area Development

1) Laem Chabang Industrial Estate Project

- Design and construction period: October 1988 – March 1991
- Total project cost: 6,110 Million Yen
- Development area: 420.0 ha Industrial Estate
- Land development (incl. soil improvement), road and bridge, drainage system, water supply system (27,000m3/day), waste-water treatment system (20,500m3/day), rental factories (19,920m2)

2) Laem Chabang Commercial Port Project

- Design and construction period: December 1987 – October 1991
- Total project cost: 20,161 Million Yen
- Port area: 7 berths (3 container and 4 multi-purpose, total length: 2,000m, 1,425 Million TEU as of 1998)

17. Factors for Success in Eastern Seaboard Development

1) Development of heavy chemical industry in Map Ta Phut area

The development of heavy chemical industry in the Map Ta Phut area was planned as a national project led by the Thai government with success achieved mainly in the petrochemical industry.

2) Industrial development of the Laem Chabang area

The export-oriented light industries (food, textile, etc.) were initially expected to be established in the Laem Chabang area. Yet the experiences show that heavy industries have been mainly established such as automotive assembly and parts, electric and electric sectors, which has satisfied also the domestic demand. The success of the development in the Laem Chabang area is due to the fact that the development provided a receiving area for the expansion of heavy industries.

3) Relationship between donor agencies and Thai government

A key contributor to the success of the industrial development in the Laem Chabang area is cited as the timely construction of the industrial foundation or infrastructure, synchronizing with the beginning of the high growth of Thai economy.

B. OVERALL LESSONS FROM THAI CASE

18. Conditions for success of the Eastern Seaboard development

(1) Prioritization in the national development policy and plans

(2) Preparation of a master plan covering a broad region

(3) Establishment of implementing arrangements

(4) Introduction of incentive measures to attract investments

(5) Procurement of donors support

(6) Donors dialogues with the ownership by the Government

(7) Flexible modification of implementation plans in response to changing macro-economic conditions and global environment

19. Main lessons learned (1) Planning, implementation, donor support and ownership

1) For major industrial estate and/or regional development, preparation of a master plan is a pre-requisite based on the best available information.

2) The plan should be reviewed and modified as necessary with respect to investment scale and timing in order to reflect changes in macro-economic conditions and global environment.

3) In reviewing and modifying the plan, close dialogues between the Government and donors should be undertaken.

4) Throughout the planning, plan review and modification, implementation and monitoring and evaluation, the Government should maintain its ownership for the development.

20. Main lessons learned (2) Environmental and social considerations

1) To minimize possible adverse environmental and social effects of the major development, all the stakeholders including residents to be affected by the development should be involved from an early stage of planning (Strategic environmental assessment; SEA).

2) To clarify possible effects and mitigation measures for adverse effects, stakeholders meetings should be organized at critical stage of planning and implementation by disclosing and sharing relevant information with the stakeholders.

21. Main lessons learned (3) Regional and community development

1) As the major development would involve a large population influx, provision of social services should be much expanded.

2) To ensure adequate and timely expansion of social services, municipalities in the development area should be much strengthened with respect to organization and finance.

3) Proper institutional arrangements should be made at the national level to strengthen local autonomy in general and the municipalities in the development area in particular, together with capacity development measures including training programs.

22. Conditions for successful industrial estate development in the coming decades

In addition to ordinary conditions such as incentive measures for investment and regular infrastructure, the following conditions should better be satisfied.

1) Provision of quality infrastructure including amenity facilities for workers and their families as well as management staff, which may be partly shared with local residents.

2) Establishment of good relationships with local communities and municipalities with respect to procurement and training of workers, provision of social facilities as part of social corporate responsibilities, and participation in community activities.

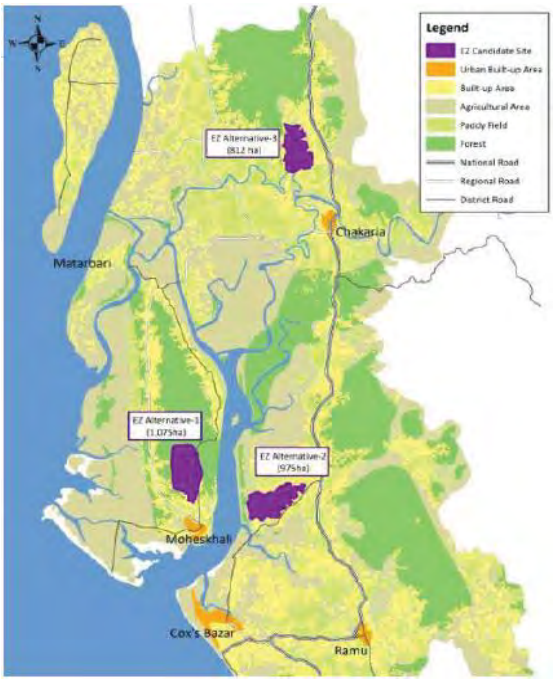
3) Wide application of ICT in all the aspects from labor management to technology development for production and marketing.

4) Resolution of possible adverse environmental effects through involvement of local people and communities in monitoring, evaluation and management.

C. MATARBALI MEDIUM-TERM EZ DEVELOPMENT PLANNING

23. Cox's Bazar Region

Core area	Surrounding area
・Matarbari island ・Moheshkhali island	・Moheshkhali Upazila ・Chakaria Upazila ・Cox's Bazar Sadar Upazila



24. Characteristics of Cox's Bazar region

1) The region is basically rural and agricultural with the agricultural income in 2001 accounting for 61.9% of the total income in Moheshkhali, 53.1% in Chakaria and 34.0% in Cox's Bazar Sadar.

2) Other than rice, characteristic crops are very limited except vegetables and fruits, and pulses in Cox's Bazar Sadar.

3) Cattle and buffalo population in the region is comparatively larger than the national average on a per capita base.

4) Moheshkhali dominates the number of fisher folks, but the per capita fishery production is very small as they are dominantly subsistence-oriented.

5) Very limited manufacturing activities exist in the Cox's Bazar region, and only characteristic industries are cottage industries in Moheshkhali and wooden furniture manufacturing in Chakaria and Cox's Bazar Sadar.

25. Analysis on industrial structure by Upazila of Cox's Bazar region by location quotient

Location quotient= (Share of subsector in Upazila A)/ (Share of subsector in Cox's Bazar)

Sub-sector	Employment share (%)				Location quotient		
	Chakaria	CB Sadar	Moheshkhali	CB District	Chakaria	CB Sadar	Moheshkhali
Textile	0.0	0.0	0.0	0.0	-	-	-
Jute mill	0.0	0.0	0.0	0.1	0.00	0.00	0.00
Handloom	7.5	0.0	9.9	5.0	1.51	0.00	2.01
Cottage	12.8	1.0	39.8	6.7	1.92	0.16	5.96
Bamboo & cane	4.3	29.4	7.0	22.4	0.19	1.31	0.31
Wooden furniture	42.6	40.4	15.9	35.0	1.22	1.15	0.45
Saw mill	1.3	3.9	1.4	2.5	0.51	1.56	0.56
Rice mill	14.1	10.9	15.1	12.0	1.18	0.91	1.26
Oil mill	3.2	0.0	0.0	0.8	3.83	0.00	0.00
Bakery	9.6	3.9	2.5	4.4	2.18	0.89	0.57
Pottery	4.3	10.4	6.5	9.8	0.44	1.07	0.66
Garment	0.0	0.0	0.0	0.0	-	-	-
Flour mill	0.4	0.0	2.0	1.3	0.33	0.00	1.55
Plastic	0.0	0.0	0.0	0.0	-	-	-
Total	100.0	100.0	100.0	100.0	1.00	1.00	1.00

26. Vision and development concepts

(1) A large scale port side development complex is conceived as the South Chittagong regional development in the core area utilizing the Matarbari island and part of the Moheshkhali island immediately opposite of the Matarbari island, comprising:

1) Construction of a deep water sea port by utilizing the water channel between the two islands, and
2) Establishment of an import base for energy resources and large scale power generating plants in the immediate hinterland

(2) Associated with these facilities, a port side EZ and a general EZ are planned to utilize the port and the power plants together with related urban development and major infrastructure development serving these facilities and areas.

(3) South Chittagong regional development is characterized by:

1) Power and energy hub of Bangladesh as a whole,
2) Provision of incubation function and model characteristics for Bangladesh manufacturing sector,
3) Gateway for production and supply chains linked with neighboring countries, and
4) Receiving area for existing industries to be transferred from the Dhaka and the Chittagong areas.

27. Regional development models

Four broad alternatives for regional development

		Market	
		Local	Export
Resources	Local	A	B
	Import	C	D

Alternative:
A: Import Substitution
B: Export Promotion
C: Import Processing
D: Export Processing

Correspondence between the regional development models and EZ types

Main input	Main market	Type of manufacturing	EZ type*	
			Port side	General
Imported raw materials and intermediate goods	Export market	Export processing	○	
	Domestic and Indian markets	Import processing	△	△
Indigenous resources including inexpensive labor	Export market	Export promotion	△	○
	Domestic market	Import substitution		○

Note*: ○: Appropriate; △: Possible

28. Possible industries in view of comparative advantage and national policy

Promising industry in Bangladesh	Main role	Port side EZ*	General EZ*	Explanation
Vegetables & processed products	Import substitution		△	Conditional on production increase of raw materials
Other foods & beverages	Import substitution		△	Conditional on production increase of raw materials
Edible oils	Import substitution			Difficulty in procuring raw materials
Textile	Import substitution		○	Competition with imported textile
Non-metallic mineral products	Import processing	○	△	Glass products, cement
Machinery and parts	Import processing	○		Small machineries, machine parts, light engineering
Electric & electronic goods & parts	Import processing	△	○	Small electrical appliances, electronic equipment & parts
Chemical products, plastics	Import processing	△	○	Increasing domestic demand, expansion of existing industries; fertilizer etc.
Textile products & garment	Export promotion		○	Expansion of existing industries & transfer from Dhaka & Chittagong areas
Ship breaking & building	Export promotion	△	○	Utilization of port facilities, industrial cluster development
Frozen food	Export promotion		○	Processed & frozen fish & other aquatic products
Leather products	Export promotion		△	Conditional on procurement of raw materials
Medicines, health products, cosmetics	Import processing	△	△	Production increase with imported raw materials
Steel & re-rolling	Import processing	○	△	Production increase with imported raw materials
Basic iron & steel	Export processing	○		Utilization of deep sea port
Ceramic & earthen ware	LCLP**			Conditional on procurement of raw materials
Gas chemistry	Export processing			Difficulty in procuring natural gas
ICT related	Import processing		△	BPO of multi-national corporations
R & D	Export processing	△	○	Responding to enhanced industrial linkages
Furniture & wood products	Import processing		○	Production increase with imported raw materials
Cattle, goat & poultry raising & fattening	LCLP**		○	Mainly cattle
Halal industry of meat & dairy products	Export promotion	△	○	Halal industrial cluster development

Note*: ○Promising, △Possible; **LCLP = Local consumption of local product

29. Industrial cluster development strategy

(1) The Bangladesh Government is promoting EZ development to attain high economic growth through the development of domestic industries by effective linkages with export oriented industries mainly by foreign capital.

(2) To establish and strengthen linkages between domestic and export industries, promotion of industrial clusters is effective.

(3) Industrial clusters may effectively link livelihood activities by local people, through indigenous industries to export industries, thus serving for poverty alleviation as well.

30. Industrial clusters promising in the region

(1) Deepening of textile and garment related industrial cluster by
   1) Strengthening upstream industries such as spinning and textile, mechanization of weaving, dying and printing, and other related activities,
   2) Development of design industry and brand development for further value-added, and
   R & D to support these new activities.

(2) Halal industrial cluster encompassing:
   1) Quality control of halal products,
   2) Halal certified laboratory for analysis of ingredient and nutrition composition,
   3) Hygiene control laboratory for quality control of local products, and
   4) Food processing experimental factory for development of new local agro/aqua foods.

(3) Livestock industrial cluster integrating:
   1) Cattle keeping and feed manufacturing to support halal industry,
   2) Fertilizer and animal feed manufacturing, and
   3) Leather products industry in medium to long term.

(4) Aquaculture industrial cluster with:
   1) High value aquaculture for high end markets,
   2) Aqua-processing, ice making and frozen products manufacturing, and
   3) Deepening by multi-trophic aquaculture with multi-layer food chains.

(5) Ship building industrial cluster starting with:
   1) Ship breaking and repair,
   2) Combined with steel making and rolling, and
   3) Deepening by developing machinery and parts manufacturing, light engineering and other related industries.

Bangladesh Economic Zones Authority

Lessons Learned for EZ Development Planning in Bangladesh – from Eastern Seaboard (ESB) Development in Thailand

Thank you for your attention.

For further question, please contact to RECS International Inc.
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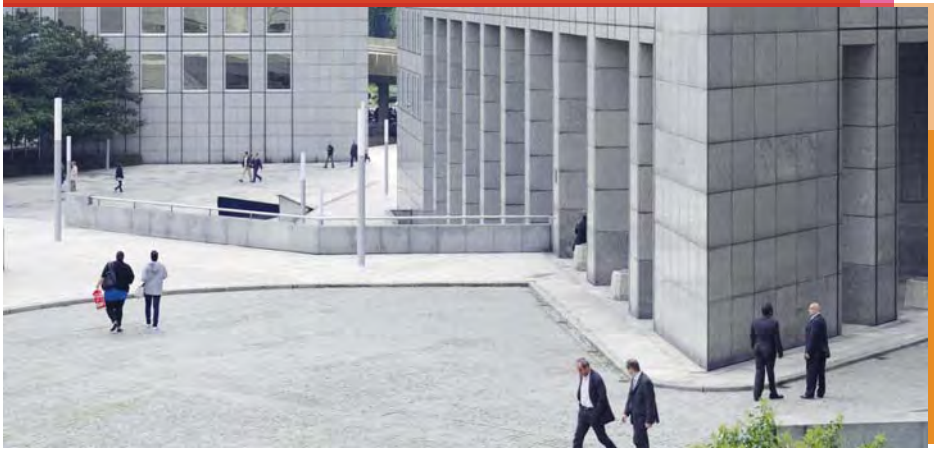
JICA Study Team
Project for Development of Economic Zones and
Capacity Enhancement of Bangladesh Economic Zones Authority

END

Appendix 14：Materials related to BEZA Investment Seminar

How BEZA is poised to facilitate synergy between Bangladesh and Japan in industrial development



BANGLADESH ECONOMIC ZONES AUTHORITY

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Bangladesh has embarked into an ambitious journey of industrial development and economic progress

"**Vision 2021** incorporates participatory democracy and efficient and honest governance, which, drawing upon a vibrant private sector, will transform Bangladesh into a major commercial hub through creating a competitive economic environment sustained by a well-trained, skilled workforce"

1971
Inception

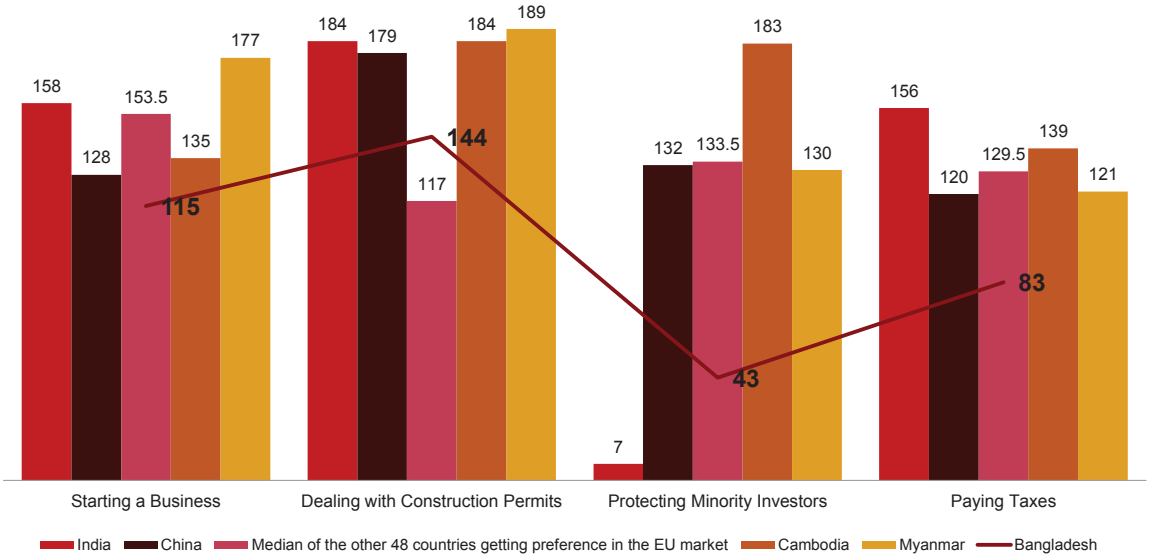
2016
Industrialization

2021
Transformation

Need to transform Bangladesh by 2021 into a middle income country, free from economic disparity, built upon strong democratic foundations and well-governed institutions

Bangladesh not only performs well on several parameters of Ease of Doing Business, when compare to these 49 countries…

Comparison of Bangladesh with 49 other countries enjoying market benefits of EU, India and China

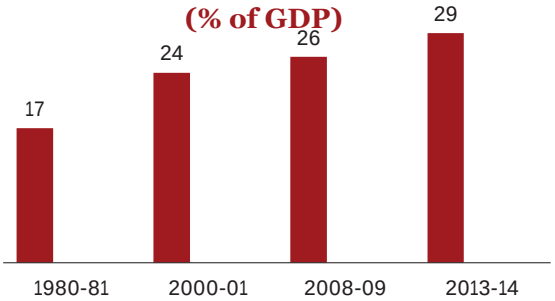


Source : European Union, World Bank's Ease of Doing Business rankings 2015 and PwC Analysis

..but also with countries like India and China on certain aspects

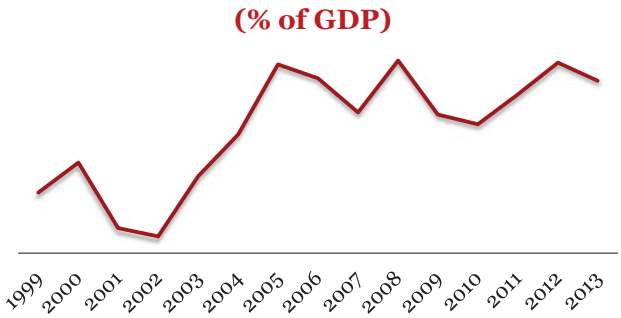
Investment inflow highlights investors confidence in the economy of Bangladesh

Gross Investment (% of GDP)



Source : World Bank

FDI inflow (% of GDP)



Source : World Bank

UNDESA

Bangladesh economy is a rising star of economic growth and fiscal discipline

Goldman Sachs

Investment Fraternity recognized Economy's potential

Goldman Sachs included Bangladesh amongst the Next Eleven Economies of 21st century

Economy's potential is recognized by Investment fraternity as well other international organization

BANGLADESH ECONOMIC ZONES AUTHORITY

Bangladesh therefore possesses the key ingredients for Industrial Development

- Significant access to developed countries
- Access to markets of neighbouring countries

- Consistent GDP growth
- Increase in per capita income
- Rising FDI and foreign trade

- Liberal FDI policy
- Treaties with countries to avoid double taxation
- Industry oriented policy

- Located between India and China
- Well connected to South East Asian Region
- Access to Waterways
- May evolve as Trade Hub

- Demographic Dividend- Youth
- Vibrant pool of talented and qualified young population

- Cost of doing business is low among the developing countries and its South Asian counterparts

Economic Zones are placed to harness the potential of Industrial Development

BANGLADESH ECONOMIC ZONES AUTHORITY

BEZA: Committed to Industrial Development

Responsible for and devoted to **organized industrial development** in Bangladesh

Facilitates private sector participation

Fosters industrialization to promote growth in domestic industrialization, foreign trade, employment generation and improving socio-economic status

Different implementation models of BEZA to deliver on its target and integration of private sector and FDI

1 *Economic Zones*	Established through public and private partnership (PPP) by local or foreign individuals, body or organizations	Private sector can participate as developer &/or unit investor
2 *Private Economic Zones*	Established individually or jointly by local, non-resident Bangladesh or foreign investors, body, business organizations or groups	Private sector owned economic zones
3 *Government Economic Zones*	Established and owned by the Government	Private sector can participate as unit investor
4 *Special Economic Zones*	Established privately or by public-private partnership (PPP) or by the Government initiative, for establishment of any kind of specialized industry or commercial organization	Private sector can participate as developer &/or unit investor
5 *G to G Economic Zones*	To be undertaken at Government to Government Level	Private sector can participate as developer &/or unit investor
6 *Government Enterprises Economic Zones*	On model of BEPZA, where a government entity may act as developer	Private sector can participate as unit investor

Japanese investors can participate via PPP route or Private economic zone development or G2G initiatives of zone development

BEZA extends warm support to private sector and foreign investors; it is committed towards investment facilitation

Strategic benefits of Private Sector by investing in economic zones of Bangladesh

- Hassle free investment procedure and One Stop Service
- Attractive incentive package- monetary benefit, tax benefit and tax exemption for import/ export
- Domestic Tariff Area for domestic investors and entrepreneurs
- Ease in obtaining land and off-site infra development; promotion support

Awarded **license to seven private economic zones** of Bangaldesh in last one year. Construction ongoing in Abdul Monem EZ and AK Khan EZ

Signed developer agreement with PowerPac for developing the **first PPP economic zone** in Mongla; Mirshorai-I economic zone is under development

Signed MoU with China Harbor Engineering Company to develop Anowara-2 EZ in Chittagong

59 approved EZs spread all over Bangladesh- 11 private EZs and 44 PPP EZs

MoU with India, China and Japan government to develop G2G economic zones

Incentives For Developers

BANGLADESH ECONOMIC ZONES AUTHORITY

***Special Tax and Other Incentives** are provided for the **developer** of the Economic Zone*

- Income Tax exemption: first 10 years- 100%, 11th year- 70%, 12th year-30%
- Exemption of stamp duty and registration fees for registration of EZ land but limited to first transaction only
- Exemption from dividend tax
- Exemption from custom/excise duties

For more detailed incentives, please contact to: http://www.beza.gov.bd/contact/

Incentives For Unit Investors

BANGLADESH ECONOMIC ZONES AUTHORITY

***Industrial Units** setting up in the Economic Zones can also avail multiple tax and other incentives*

- Corporate Income Tax Holiday for first 3 years- 100%, 4th year- 80%, 5th year-70%, reduced rate up to 20% in 10th Year
- Duty free import of raw materials, construction materials, capital machineries and finished goods
- Exemption from dividend tax (after tax holiday period is elapsed)
- Full repatriation of capital and dividend
- No ceiling of FDI
- 20% sale of finished product to DTA (from export processing area)
- Sub-contracting with DTA allowed
- 50% Exemption from Income Tax on Salary income for expatriates
- Consider Export Processing Area of Economic Zone as custom bonded area
- Foreign loan is allowed in compliance with existing laws
- FC Account for non-residents
- FC Account for both local and joint venture industry
- Foreign investors to be free to enter into JV

For more detailed incentives, please contact to: http://www.beza.gov.bd/contact/

Japan: A reliable Business Partner

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Japan-Bangladesh Bilateral Relationship

- Bangladesh-Japan bilateral relations were established in February 1972.
- Japan is the largest bilateral development partner of Bangladesh
- Japan is Bangladesh's 11th-largest export market
- By 2004, Japan had become Bangladesh's fourth-largest source of foreign direct investment
- Japan extended a total amount of about US$ 12 billion till date as grants, loans and technical assistance.

Location Map of Japan-Bangladesh GtoG Economic Zone

BANGLADESH ECONOMIC ZONES AUTHORITY

Japan-Bangladesh GtoG Economic Zones are planned to be developed by the joint initiatives of private developer from Japan and BEZA.

Location Map of Araihazar/Nayanpur EZ

Notes. Radius distance ○ : 30km ○ : 40km ○ : 50km

Araihazar Economic Zone
(A Japan-Bangladesh G2G Economic Zone)

BANGLADESH ECONOMIC ZONES AUTHORITY

Location Details

Initially 567 acres land parcel in Araihazar, Narayangonj

~Road sides of Dhaka-Sylhet Highway

~About 30 km away from International Airport

~About 275 km away from Chittagong Sea Port

~Complete Infrastructure shall be developed by ODA funds of Japan

For further details, please contact to : http://www.beza.gov.bd/contact/

Nayanpur Economic Zone
(A Japan-Bangladesh G2G Economic Zone)

BANGLADESH ECONOMIC ZONES AUTHORITY

Location Details

Initially 575 acres land parcel in Nayanpur, Sreepur, Gazipur

~Road sides of Dhaka Mymensingh Highway

~About 55 km away from International Airport

~About 330 km away from Chittagong Sea Port

~Complete Infrastructure shall be developed by ODA funds of Japan

For further details, please contact to : http://www.beza.gov.bd/contact/

Recommended Industries to be located in Bangladesh

BANGLADESH ECONOMIC ZONES AUTHORITY

- RMG, apparel, textiles
- Apparel accessories
- Motorcycle assembling and parts
- Automobile and parts (including wire harness)
- Metal and Iron products and processing
- Electric and electronic appliance and parts
- Machinery and parts
- General assembling
- Plastics products and parts
- Agro processing, products, food
- Medical products, healthy food

BANGLADESH ECONOMIC ZONES AUTHORITY

Bangladesh and Japan are already sharing cordial relationship of shared growth and mutual benefits

BEZA extends warm welcome to Japanese investors for investing in economic zones of Bangladesh and leverage the potential of industrial development

Bangladesh: Next Investment Destination

BANGLADESH ECONOMIC ZONES AUTHORITY

BEZA stays for responding all the investment requirements at one shot and to keep all the investors happy.

- Growing interest among Japanese enterprises in doing business in Bangladesh
- Strategic importance of Bangladesh in the global supply chain
- Difficulties among Japanese investors in finding plots in the existing EPZs
- Intention of the Bangladeshi Government to establish EZ
- Dialogues held between the Prime Ministers in both the countries and necessity of promoting investment in Bangladesh

BANGLADESH ECONOMIC ZONES AUTHORITY

Economic Zones in Bangladesh

Your Investment... Our Care...

Thank You

BANGLADESH ECONOMIC ZONES AUTHORITY

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BANGLADESH ECONOMIC ZONES AUTHORITY

Annex:
Ready for Investment
Key Economic Zones near Dhaka

BANGLADESH ECONOMIC ZONES AUTHORITY

Abdul Monem Economic Zone

Location Details

216 acre land parcel in Gazaria, Munshiganj (option to expand up to 300 acres)

~37 km from capital city, Dhaka

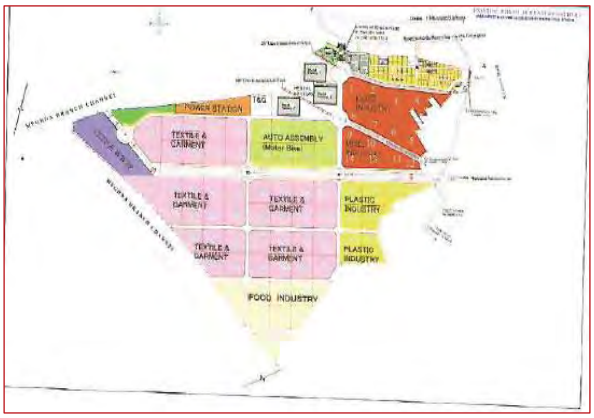
~70 m from Dhaka Chittagong Highway

~61 km from Hazrat Shah Jalal Internaional airport, Dhaka and ~240 km from Chittagong Port

Potential Industries

Textile & Garment and accessories, Leather products and shoe industry, pharmaceuticals, food processing, plastics and other consumer goods, machinery parts and light engineering, automobile & accessories

Abdul Monem EZ is open for investment



BANGLADESH ECONOMIC ZONES AUTHORITY

A K Khan Economic Zone

Location Details

200 acre land parcel in Danga, Palash, Narshingdi

~56 km from capital city, Dhaka

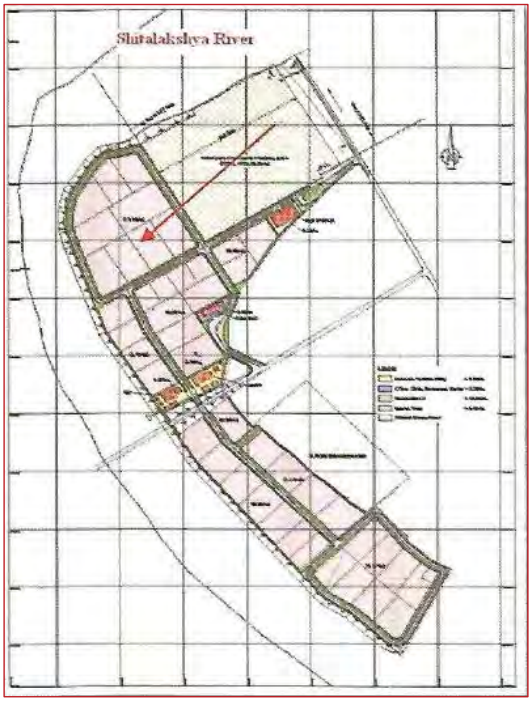
~57 km from Narayanganj

~270 km from Chittagong Port; direct connection with Meghna River

Other Key Information

Riverside Inland Container terminal, as an integral part of the EZ will cater port services to all industries and factories

A K Khan EZ is open for investment



BANGLADESH ECONOMIC ZONES AUTHORITY

Aman Economic Zone

Location Details

150 acre land parcel

Accessible from Meghna Bridge on Dhaka Chittagong Highway

Well connected to Dhaka and Chittagong

Convenient access through Meghna River

Potential Industries

Cement, Packaging, Ship Yard, Foods & Beverages, Poultry, Cattle and Fish Feeds, Steel Mills, Power Plant

Aman EZ is open for investment

Meghna Economic Zone

Location Details

245 acre land parcel in Meghnaghat, Sonargaon, Narayanganj

~38 km from Dhaka Airport and ~230 km from Chittagong Port

~27 km from Kamalapur rail station and ~1 km from Dhaka Chittagong Highway

Well connected to Dhaka and Chittagong

Potential Industries

Pulp and Paper, Tissue, Sanitary Napkin, Baby Diaper, Power Plant, Oil Refinery, Flour mill, PVC plant, Petrochemicals, Ceramics, LPG plant etc.

Meghna EZ is open for investment

BANGLADESH ECONOMIC ZONES AUTHORITY

WELCOME To Economic Zones of Bangladesh

Mohammed Ayub
Secretary
Bangladesh Economic Zones Authority
BDBL Bhaban, Level 15
12 Karwan Bazar, Dhaka 1215
Bangladesh
Website: www.beza.gov.bd

Why Bangladesh is your optimal Destination for investment

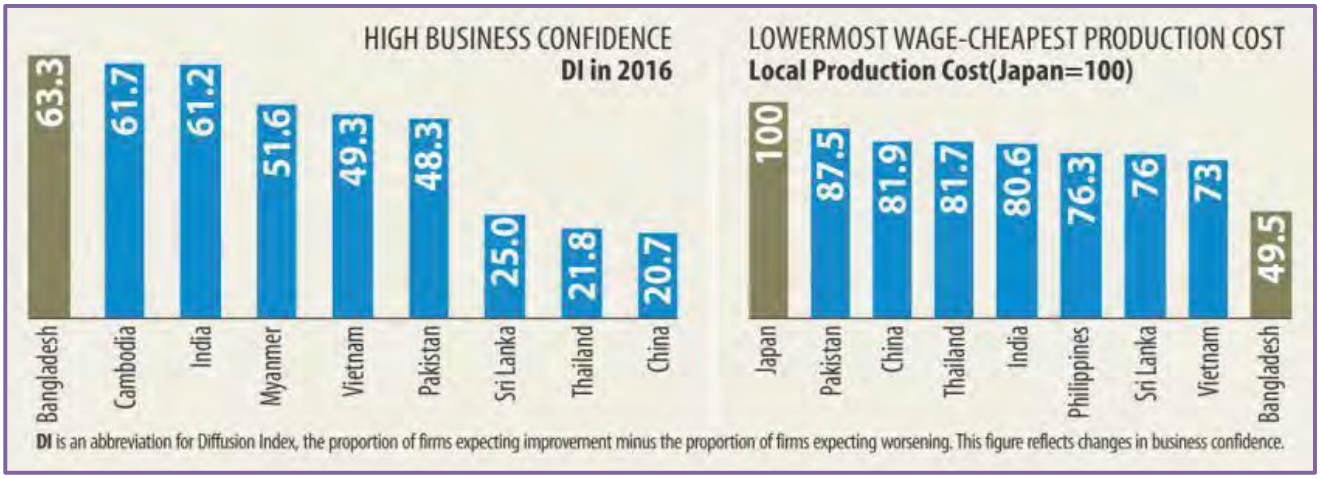
- Consistent Economic Growth.
- Industrious low-cost work force.
- Low Cost Energy
- Strategic location of Economic Zones.
- Competitive Incentives to the Economic Zone Developers and Units Established in the Economic Zones.
- Polices and reforms.

Why Bangladesh is your optimal destination of investment

- Market Access.
- According to doing business report 1014 Bangladesh stands in the south Asian region in the following positions.
- The 2nd easiest place for Doing Business in the SA region
- 2nd easiest place in the region to do business.
- 2nd in region on 'starting a business'.
- 1st in region on 'protecting investors'
- 1st in region on 'ease of paying tax'

How Bangladesh is attractive ?

Japan External Trade Organization (JETRO) in its 2014-15 survey mentioned t... Bangladesh has continued to be an attractive destination for Japanese companies to do business due to its lower production cost and labor wage compared to those of 19 countries in Asia and Oceania. In comparison to Japan, the cost of production in Bangladesh is less than half, (49.5 percent), while it is 81.9 percent in China, 73 percent in Vietnam and 80.6 percent in India.



Objectives of BEZA

BEZA was established by the Bangladesh Economic Zones Act 2010 with broad the objective of structural transformation of the economy of Bangladesh through:

- Attracting FDI
- Developing and diversifying export
- Promoting skill, Sharing knowledge and Generating employment
- Ensuring dynamic economic benefits for the domestic industry
- Social and Environmental sustainability

Message from the Executive Chairman

- *BEZA is committed to attract foreign*
- *irect investment, promote export and create employment through the establishment of Economic Zones and making the zones as an engine of inclusive economic growth,*
- *BEZA is to carry out the vision of BEZA by establishing Economic Zones in 30,000 hectares of land, create 10 million employment opportunity, and realize export of extra US$40 billion per year within 15 years,*
- *Taking the opportunity of Bangladesh Investment Seminar in Japan, BEZA wishes to highlight the latest policy development for the private sectors growth, foreign direct investment to showcase the investment opportunities prevailing in Bangladesh and also to build a Network between potential investors and the public/ Private sectors in Bangladesh and Japan.*

BEZs are Regionally Competitive...

Fiscal Incentives For Developers

- Income Tax exemption: First 10 years 100%, 11th year 70%, 12th year 30%
- Exemption from custom duty on all imports for development of economic zone
- Exemption from stamp duty and registration fees for land registration for the first time
- Exemption from tax on dividend income for 10 years

For more detailed incentives, please contact to: ***http://www.beza.gov.bd/contact/***

Incentives for Unit Investors(1/2)

- Tax Holiday for 10 years
- Duty free import of raw materials
- Exemption form dividend tax
- Full Repatriation of capital and dividend
- No ceiling of FDI
- 100% Backward linkage raw-materials and accessories to sell for EOI in DTA
- 20% sale of finished product to DTA by EPA

For more detailed incentives, please contact to: ***http://www.beza.gov.bd/contact/***

Incentives for Unit Investors (2/2)

- Sub-contracting with DTA allowed
- Exemption of stamp duty and registration fees
- Exemption of VAT on all utility services
- Duty exemption on export
- Exemption of Custom Duty for import of vehicles
- Exemption of double taxation subject to Double taxation agreement
- Exemption of Salary income from IT for expatriates

For more detailed incentives, please contact to: ***http://www.beza.gov.bd/contact/***

Potential Sectors For Investment In Economic Zones

- *Shipbuilding & Ship Repairing, Steel Rerolling Plants*
- *Light Engineering & Auto Parts*
- *Pharmaceuticals*
- *Large-scale Export Oriented RMG*
- *Jute and Jute-based product*
- *Leather Goods*
- *Power*
- *Telecommunication IT-enabled services*
- *LNG Terminal & Petro-Chemical Plants*
- *Agro-Processing including Fish Processing & Cold Chain*

Location Map of Japan-Bangladesh GtoG Economic Zone

Japan-Bangladesh GtoG Economic Zones are planned to be developed by the joint initiatives of private developer from Japan and BEZA.

Location Map of Araihazar/Nayanpur EZ

Notes. Radius distance ○ : 30km ○ : 40km ○ : 50km

Araihazar Economic Zone

(A Japan-Bangladesh G2G Economic Zone)

Location Details

Initially 567 acres land parcel in Araihazar, Narayangonj

~Road sides of Dhaka-Sylhet Highway

~About 30 km away from International Airport

~About 275 km away from Chittagong Sea Port

~Complete Infrastructure shall be developed by ODA funds of Japan

For further details, please contact to : http://www.beza.gov.bd/contact/

Nayanpur Economic Zone

(A Japan-Bangladesh G2G Economic Zone)

Location Details

Initially 575 acres land parcel in Nayanpur, Sreepur, Gazipur

~Road sides of Dhaka-Mymensingh Highway

~About 55 km away from International Airport

~About 330 km away from Chittagong Sea Port

~Complete Infrastructure shall be developed by ODA funds of Japan

For further details, please contact to : http://www.beza.gov.bd/contact/

Realizing the Industrialization of Bangladesh with Japanese Partners

You are most welcome to the land of Golden Bengal !

Bangladesh and BEZA wish to invite and work together with Japanese Industries and learn core values which are essential for industrialization of the Nation; Advanced Technologies, Productivity, Human-resources Centric Management, and more, based on our long-lasting friendship between Bangladesh and Japan maintained since the independent of Bangladesh in 1971 !

Thank You