

Minutes of the Pre-bid meeting held on 10 December 2015 for the Potential Bidders for Selecting a Developer to for Mirshorai Economic Zone based on Design, Build, Finance, Own, Operate, Transfer (DBFOOT)

Name of Package : Selecting a Developer to for Mirshorai Economic Zone Based on Design, Build, Finance, Own, Operate and Transfer (DBFOOT)
(International Competitive Bidding)

Bid Reference No. : No: 03.761.011.01.11.037.2015-1413, Date: 23 September 2015

A pre-bid meeting was organized by BEZA on 10th December 2015 at Hotel Pan Pacific Sonargaon, Dhaka towards attracting prospective bidders for “Selecting Economic Zone developer to Design, Build, Finance, Own, Operate and Transfer (DBFOOT) of Mirshorai Economic Zone”.

The meeting was chaired by Paban Chowdhury, Executive Chairman of Bangladesh Economic Zones Authority (BEZA) while S M Shawkat Ali, Executive Member, BEZA and Md. Harunur Rashid, Project Director (Joint Secretary) “Support to Capacity Building of Bangladesh Economic Zones Authority Project” were present. Eighteen prospective bidders attended the pre-bid meeting. The list of participants is given in Appendix 1. Mr. Nazrul Islam, Managing Director, Infrastructure Investment Facilitation Company (IIFC), on behalf of the Consortium of Transaction Advisory Firm lead by PricewaterhouseCoopers Private Limited (PwC), Mahindra Consulting Engineers Limited (MACE) and IIFC, anchored the entire event.

The session commenced with welcome address by Md. Harunur Rashid, Project Director, BEZA. He outlined BEZA’s role in development of economic zones all over Bangladesh and how PPP model is crucial for industrial development. He described about the attractiveness of the site and also mentioned that already a number of foreign and local investors have directly communicated with BEZA for expressing their interest in the zone. Mr. Rashid also elaborated about the BEZA’s plan for 20,000 acres of development in Mirshorai in which BEZA has already completed acquisition of 6,320 acres. Proposed EZ in Mirshorai spread over 550 acre land area is the first footstep towards this overall development. He apprised that the off-site infrastructure development (such as land development, building of embankment and sluice gate etc.) have already been taken up. Mr. Rashid depicted how BEZA is more than a traditional government office, comparable to a private sector business outpost. He informed that the authority is planning to generate 10 million employments of over 15 years. He briefed that around 20-30 economic zones are planned in and around Mirshorai and BEZA is envisaging to carry out an integrated master plan to develop the entire area as an industrial city with world-class residential, commercial and social amenities. He also mentioned that the site and the off-site infrastructure including 6.5 km approach road will be ready by June 2016. A DPP was



prepared by RHD for constructing 10 km road from Dhaka-Chittagong road to the approach road. He also explained that the main guiding laws for this project are: BEZ Act 2010 and Bangladesh Economic Zones (Appointment of Developer, etc.) Rules, 2014. The deadline for submission of the Bid is 18th January 2016 and the last date for site visit is up to 17th January 2016, he informed. He also mentioned that the last date of submission of written questions is 17 December 2015 and all queries will be answered within 24 December 2015 and it will be uploaded to BEZA website.

The consortium of the TAS firm lead by PwC presented a brief presentation on the proposed Mirshorai Economic Zone. The presentation focused on the following aspects:

- Salient Features of the project site in Mirshorai
- Proposed industry mix and the potential of the project site
- Location details, connectivity features, availability of utility connection and off-site infrastructure
- Timelines of bidding process
- Key ingredients/ documentation required for the bid

After the presentation, a detailed question and answer session was conducted by BEZA and the TAS firm. The participants of the Pre-bid meeting raised their queries and concerns by turn. Mr. Paban Chowdhury, the Executive Chairman of BEZA, graced the meeting by patiently addressing all queries raised by prospective bidders in the pre-bid meeting. The details question and answer session is provided in Appendix 2.

The Honorable Chairman, Mr. Chowdhury provided closing remarks. He concluded the session by mentioning about how BEZA started its journey with less manpower and funds, which rose sharply during the last one year. He elaborated about the constant guidance and support received from PMO. Mr. Chowdhury also outlined, the shift from EPZ regime to EZ regime was necessary because the spill-over effect from EPZs was not significant and in terms of attracting investment, the country was not progressing. He assured to the investor fraternity that BEZA is committed to ensure easiest availability of land to the investors. It was also informed to the investors that the authority is also planning to develop an integrated economic zone in Moheshkhali spread over an area of 50,000 acres.

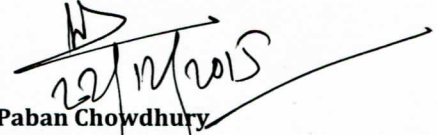


Mr. S M Shawkat Ali, Executive Member, BEZA delivered the Thanks Giving speech and he also assured about all possible support from BEZA to the potential investors.



22.12.15

Md. Narunur Rashid
Project Director (Joint Secretary)
"Support to Capacity Building of Bangladesh
Economic Zones Authority Project"



Paban Chowdhury
Executive Chairman
Bangladesh Economic Zones Authority (BEZA)

Appendix 1

List of Participants

Bangladesh Economic Zones Authority (BEZA)	Transaction Advisor (TA)
<ol style="list-style-type: none"> 1. Paban Chowdhury, Executive Chairman 2. S M Shawkat Ali, Executive Member (P&D) 3. Muhammad Abdus Samad, Member (Investment Promotion) 4. Jyoti Lal Kuri, Joint Secretary, General Manager 5. Md. Harunur Rashid, Project Director 6. ABM Abdul Fattah, Project Director 7. Khokan Biswas, Deputy Project Director 8. Shoelhur Rahman Chowdhury, Manager 9. AKM Mahabur Rahman, Zone Development Consultant 10. Md. Nurul Huda, Procurement Specialist 11. Md. Abdul Quader Khan, Social Specialist 12. Md. Boni Amin Bin Hashim, Manager (Admin) 13. Simon Kuntal Biswas, System Analyst (IT Consultant) 	<ol style="list-style-type: none"> 1. Mr. Sonal Mishra, PwC 2. Mr. Abhishek Mukherjee, PwC 3. Mr. K Manivannan, MACE 4. Mr. Nazrul Islam, IIFC 5. Mr. Muhammad Shamsur Rahman, IIFC 6. Mr. Emtiazul Hassan Mazumder, IIFC
Private Sector	
<ol style="list-style-type: none"> 1. K A Moin, General Manager, KhanSons Group 2. Md. Mostafa, KhanSons Group 3. Morshad A Chowdhury, General Manager, Finaly Tea Co. 4. Shamsul Haque Ahmed, CEO, Finaly Tea Co. 5. Jasim Jewef 6. Rumi Talukder 7. Md. Momum Islam 8. Md. Nayim Chowdhury, Gas Fields 9. Afsar Kamal Siddiqui 10. Farrukh Babu 11. Representatives from EnergyPac Power Generation Co. 12. Anangam M Das, BEST Holdings Ltd. 13. Anisul Haque, BEST Holdings Ltd. 14. Joynal Abedin Talukder, Advisor, Concord 15. Lanezuo 16. Shahnawaz, China Merchant, SHR Group 17. ASM Jurrat Hossain, Shanta Holdings 18. Shamafanan Chepa, KPMG Bangladesh 19. Md. Muqtadir Ali, Dipon Group 20. Abul Hasnat, Dipon Gas Co. Ltd. 21. Rahat Bin Kamal, United Group 22. Saquib Ahmad Khan, United Group 23. Harun Taviaul Chow, General Manager, DDC Ltd, Consultant- Energypac 24. Md. Hasan Sarwar, Deputy Manager, PPPA 25. Md. Shafiqul Islam, Manager, PowerPac Holdings Limited 26. Dewan Md. Refaur Rahman, Assistant Manager, R&R Holdings Limited 27. Emrul Hasan, Bengal Group of Industries 28. Takagki Oshiro, Consultant/ JDI 29. Rifat raykar, Sales Engineer 30. L Islam 31. Abu Reza Khan, MD, Summit Group 32. Prasanta Bhushan Barua, MD & CEO, Shihab Corporation 	

33. Shoich Kobayush, JDI 34. S M Hossain, SMH Engineering Ltd. 35. Nawin Layla, Architect, Summit Group 36. S K Bhowmick 37. Md. Ashraful, Concord Group 38. Md. Jaman 39. Md. Zokir, Abdul Monem Limited 40. Riaz Uddin Mollah, TITL 41. Md. JA Patwary, Anwar Group 42. Ruhul Amin, Anwar Group 43. Farid Uddin Ahmed, MD, Ji. Saf Construction Co. Ltd.	
Government of People's Republic of Bangladesh	Media
1. Shaikh Yusuf harun, Director General, PMO Bangladesh 2. Nafiul Hasan, Director, PMO	1. Alauddin Chowdhury, Daily Ittefar 2. Nazmul Shuvo, Staff Reporter, Samakal 3. Monira Munni, The Financial Express 4. Sejan, 71 TV 5. MH Robin, Staff Reporter, Daily Amadershoumay 6. Kaz Suman, Photo Journalist



Appendix 2

Question and Answer Session

Q1: Extension of deadline for submission of bid has been requested from multiple private sector participants?

Ans: BEZA communicated that already deadline of submission has been extended and no further extension of the same is possible.

Q2: Whether IEE has been conducted and ToR has been approved by DoE for Mirshorai Economic Zone

Ans: Environmental Clearance formalities is already completed for Mirshorai Economic Zone

Q3: What is the status of The RHD project of 10 km stretch from Dhaka-Chittagong Expressway to Abu Terab Market? Also, what is the status of the off-site infrastructure works for Mirshorai Economic Zone?

Ans: DPP for the 10 km road by RHD has been approved. The road has 4 lane provisions in which initially carpeting will be done for two lanes. In future, BEZA intends to widen the road into 4 lanes on its own. It was also informed that BEZA has alternative plans, if there is delay of RHD to do the work, BEZA will do it by deposit money. Land filling contractor for the site has already been mobilized and it is expected that by May it will be completed including sluice gate and dyke.

There is a buffer zone of 60 acres in addition to 550 acres for the site and a lake of 200 acres beside the site. In addition DPHE will provide water from Durgapur from underground water source.

Q4: Revenue sharing should have separate components for land, building etc. and whether upfront payment can be waived.

Ans: Upfront payment is justified for BEZA as this forms part of the initial investments. Revenue sharing shall be in % form on the basis of gross revenue &/or net profit.

Q5: What is the status of power availability for Mirshorai Economic Zone?

Ans: BEZA will construct a sub-station to draw power from REB distribution. For this purpose a 33KVA line will be drawn from existing 132 KV grid substation.

Q6: Is there any limitation on the categories of industry for the Mirshorai Economic Zone?

Ans: There is no limitation on the categories/ types of industries potential for Mirshorai Economic Zone. The developer is free to choose the industry mix as per its master planning.

Q7: What is the status of gas connection to the economic zone?

Ans: Gas line is planned to be drawn from Moheshkhali LNG terminal by January 2017 with first right to Mirshorai Economic Zone. Gas shall be provided to the economic zone with reduced tariff. Further to the same, BEZA has already submitted proposal to Petro Bangla for development of another pipeline which may cater to the gas requirements of the economic zone.

Q8: What is BEZA's role in marketing of the economic zone?



Ans: BEZA will provide proactive support in marketing the economic zones and it will be a joint effort of BEZA and the developer. The consultant (TAS firm) is readily available to support BEZA in any domestic/ international marketing/ investment promotion activity. On behalf of TAS firm, Mr. Sonal Mishra expressed readiness to support the potential developers as long as it does not hamper transparency of the deal. He also communicated that in addition to providing support to the developers, TAS firm would also support in marketing the project sites.

Q9: Can BEZA's role be further defined about marketing of the project sites?

Ans: Executive Chairman, BEZA responded that there will be separate marketing wing within BEZA to support the developers. He also informed that the developers will be a key part of the investment promotion activities organized by BEZA.

Q10: Enquiry about lease tenure – it was cited that economic zones usually take 15 years to start full-fledged operation. Therefore, the tenure of developer agreement should be more than 50 years.

Ans: BEZA responded that in India as per SEZ Act, lease period is 25 years, though some special cases have more land lease period. He stressed that the government has approved 50 years (increased from earlier 30 years) for the sake of development of the zones. After successful completion of this term, the lease period may be extended for any period on mutual consensus.

Q11: If the STP, WTP, ETP etc. will be central or unit based in Mirshorai Economic Zone?

Ans: BEZA responded that STP, WTP, ETP etc. can be separate for separate industries or can be central depending upon case to case. BEZ also suggested that the CETP being an on-site infrastructure falls under the discretion of the developer.

Q12: Power prices should be cheaper in economic zones.

Ans: BEZA replied that the power prices in Sri Lanka, Thailand and other countries are even higher. However, to enhance competitiveness, the zone is planned to be connective with the planned marine drive within 10 km from the zone. Also the zone will be competitive in international standard, due to relatively cheaper land rents.

