

BANGABANDHU SHEIKH MUJIB SHILPANAGAR

Mirsarai-Sitakundu-Sonagazi
Chattoqram-Feni





BANGABANDHU SHEIKH MUJIB SHILPANAGAR

Mirsarai-Sitakundu-Sonagazi
Chattogram-Feni

Bangladesh Economic Zones Authority (BEZA)

BANGABANDHU SHEIKH MUJIB SHILPANAGAR

EDITORIAL BOARD

Paban Chowdhury, Executive Chairman, BEZA
Md. Harunur Rashid, Executive Member, BEZA
Mohammad Hasan Arif, General Manager, BEZA
Shenjuti Barua, Deputy Manager, BEZA
Md. Abdul Quader Khan, Social Consultant, BEZA

PUBLISHED IN

May 2020

PUBLISHER

Bangladesh Economic Zones Authority (BEZA)
Prime Minister's Office

DESIGN AND PRINTING

Nymphea Publication

© **Bangladesh Economic Zones Authority (BEZA)**

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying recording or otherwise without prior permission of the publisher. The book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, or otherwise circulated without the publisher's prior consent in any form of binding or cover, other than that in which it is published.







“ মুক্তির সংগ্রামের চেয়েও
দেশ গড়ার সংগ্রাম কঠিন,
তাই দেশ গড়ার কাজে
আমাদের সর্বশক্তি নিয়োগ করতে হবে ”

- বঙ্গবন্ধু শেখ মুজিবুর রহমান

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



PRIME MINISTER

Government of the People's Republic of Bangladesh

MESSAGE

10 Falgun 1426
23 February 2020

I am happy to know that Bangladesh Economic Zones Authority (BEZA) is publishing a book on the development scenario of Bangabandhu Sheikh Mujib Shilpanagar (BSMSN) covering some excellent accomplishments experienced so far.

Bangladesh is moving forward on the development highway. We are now one of the fastest growing economies in the world and have emerged as a new Asian Tiger and development miracle in the world. Awami League government has relentlessly been working to materialize the dream of building a developed-prosperous Bangladesh as dreamt by the Father of the Nation Bangabandhu Sheikh Mujibur Rahman. Visions 2021 and 2041 of our government are working as driving forces to ensure the promised goals through accelerating and nourishing the wheel of the country's economy. The huge inflow of domestic and foreign investment has been working as an accelerator for rapid economic growth of the country.

To ensure investment on a large scale, our government has been setting up 100 Special Economic Zones with one-stop service facilities across the country. This initiative of establishing economic zones with the target of 10 million job creation within the next 15 years will surely change the investment scenario of the country. There is no denying of the fact that

the establishment of Bangabandhu Sheikh Mujib Shilpanagar (BSMSN) comprising Mirsarai, Feni and Sitakunda Economic Zones, on 30,000 acres of land has created a hilarious prospect among the local and foreign investors. The gradual development of BSMSN clearly showcases a transformation of a barren piece of land into the most productive and precious one. It is a commendable initiative of BEZA to make BSMSN as a world class investment destination for many potential investors.

I believe that this publication will create enthusiasm among the domestic and overseas investors to explore the unlimited opportunities of BSMSN.

I wish publication of the book a grand success.

Joi Bangla, Joi Bangabandhu
May Bangladesh Live Forever.

Sheikh Hasina





PREFACE

Bangladesh Economic Zones Authority has re-established the concept of the economic zone in Bangladesh. It was one of the answers the policymakers of this country were long looking for to attract foreign investment and maintain the ongoing economic growth. The goals and strategies laid down in the 'Vision 2021', a charter for moving towards a prosperous future, paved the way to enact Bangladesh Economic Zones Authority Act, 2010 providing the overall framework for establishing economic zones in the country promoting planned industrialization.

Bangabandhu Sheikh Mujib Shilpanagar is the dream project of this authority and since its first Governing Board Meeting in 2013, where Mirsarai Economic Zone (1st phase) was approved, BEZA did not look back. The official development works of the project started in the following year with a piece of only 550 acres of land. It was just the start of a magical beginning, as BEZA always has the vision to transform its small step into a giant leap. The organization not only successfully expanded its Mirsarai project area to an area of 16 thousand acres but also was looking for other opportunities to expand continuously. Soon, an opportunity came to merge Sonagazi EZ of Feni District with Mirsarai. Later, the proposed Sitakunda Economic Zone also received its expected green signal in the sixth Governing Board Meeting of BEZA. Finally, as a tribute to the Founding Father of Bangladesh, BEZA combined all the three economic zones and named the industrial hub as 'Bangabandhu Sheikh Mujib Shilpanagar (BSMSN)', which was approved by the Sheikh Mujibur Rahman Memorial Trust.

BEZA has, at present, 16,000 acres of under-developed and 1,300 acres of developed land for allotment and has already allotted over 6,000 acres to the investors. Many factories are being constructed inside the zone and will go into production this year. So far, local and international

organizations have pledged to invest over \$19.5 billion here which would generate 7,00,000 jobs.

As BSMSN has been conceptualized to be built on a contiguous land of 30,000 acres, it has motivated the organization to dream in a bigger canvas. Instead of focusing only on the concept of economic zone, BEZA decided to utilize this massive project area in such an unprecedented approach that will transform the entire economy of Bangladesh. Thus the idea of developing an industrial city was born which will not only attract local and foreign investments or create millions of job opportunities, but also foster the government's 20-year plan to achieve 'developed nation status' by 2041. BSMSN will not only be an industrial city, but it will also be a green, smart city with all kinds of social infrastructure any metropolis should have.

BSMSN, the first planned industrial city of the country, will pave the way for establishing a truly world-class business and industrial center. It is expected to create employment opportunities for 1.5 million people within the next 15 years and ensure US\$40 billion export from this industrial enclave.

BEZA has received unprecedented support from all the relevant government departments as well as from the local administration to realize its dream of establishing the country's first industrial city. We take this opportunity to appreciate with gratitude for all the support it has received.

This year Bangladesh is celebrating the 100th birth anniversary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman. Publishing this book in this auspicious year is indeed a unique opportunity for us to pay tribute to Bangabandhu.

LIST OF ABBREVIATIONS

BEPZA	Bangladesh Export Processing Zones Authority
BEZA	Bangladesh Economic Zones Authority
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BITAC	Bangladesh Industrial and Technical Assistance Center
BSMSN	Bangabandhu Sheikh Mujib Shilpanagar
CETP	Central Effluent Treatment Plant
DFID	Department for International Development
DPHE	Department of Public Health Engineering
EPZ	Export Processing Zone
EZ	Economic Zone
FDI	Foreign Direct Investment
FTZ	Foreign-Trade Zone
GDP	Gross Domestic Product
GOB	Government of Bangladesh
HFL	Highest Flood Level
JDI	Japan Development Institute
LDC	Least Developed Country
NFL	Normal Flood Level
NAFTA	North American Free Trade Agreement
PMO	Prime Minister's Office
PPP	Public-Private Partnership
PSDSP	Private Sector Development Support Project
PVD	Pre-fabricated Vertical Drain
NGO	Non-Governmental Organization
SBG	Shikder, Bashundhara, Gasmin
SEZ	Special Economic Zones
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development

TABLE OF CONTENTS

MESSAGE FROM THE HON'BLE PRIME MINISTER	6	A PORT DESTINED TO OFFER MYRIAD TRADE BENEFITS	89
PREFACE	9	SBG ECONOMIC ZONE	90
LIST OF ABBREVIATIONS	10	MIRSARAI ECONOMIC ZONE 2	90
BANGLADESH At a Glance	12	POTENTIAL INVESTMENT SECTOR	91
INTRODUCTION Bangladesh Government's Initiative Regarding the Sustainable Development	15	BSMSN: OPENING EXCITING INVESTMENT OPPORTUNITIES Abdullah Al Mahmud Faruk	93
HISTORY OF SPECIAL ECONOMIC ZONES	25	A JOURNEY SHAPING OUR INDUSTRIALIZATION Md. Abdul Quader Khan	99
ECONOMIC ZONES IN BANGLADESH Engine for Growth	31	ONGOING DEVELOPMENT WORKS BY BEZA	102
THE INSPIRER OF OUR SUSTAINABLE FUTURE	39	DEVELOPMENT WORKS UNDERTAKEN BY DIFFERENT GOVERNMENT AGENCIES	106
READY FOR SETTING UP INDUSTRIES Private Economic Zones	40	MAJOR INVESTMENT IN MIRSARAI ECONOMIC ZONE	108
FOREIGN INVESTMENT INITIATIVES IN BSMSN	41	INDUSTRIAL HEARTLAND WITH A GREENER METROPOLIS	111
BANGABANDHU SHEIKH MUJIB SHILPANAGAR From Mud flat to Industrial Zone	45	VOICES OF THE STAKEHOLDERS	117
MIRSARAI, THE LAND I REPRESENT Engineer Mosharraf Hossain	59	POTENTIAL OF ECONOMIC ZONES DEVELOPMENT IN BANGLADESH AND THE ROLE OF BEZA Dr. Ahsan H. Mansur	125
THE SMART CITY SHAPING THE FUTURE OF BANGLADESH	63	SEZS IN BANGLADESH'S DEVELOPMENT: A POTENTIAL GAME CHANGER Professor Mustafizur Rahman	131
BELIEVING IN POSSIBILITY BRINGS PHENOMENAL SUCCESS Paban Chowdhury	69	INCLUSIVE GROWTH: THE ROLE OF SPECIAL ECONOMIC ZONES Mohammad A. Razzaque Dr. Bazlul H. Khondker M. Abu Eusuf	135
BSMSN AT A GLANCE Land, Investments and Employment	76	ECONOMIC ZONES At a Glance	143
ENVIRONMENTALLY SOUND INDUSTRIALIZATION	81		
A PLANNED AND LIVABLE CITY Md. Harunur Rashid	85		

BANGLADESH

At a Glance

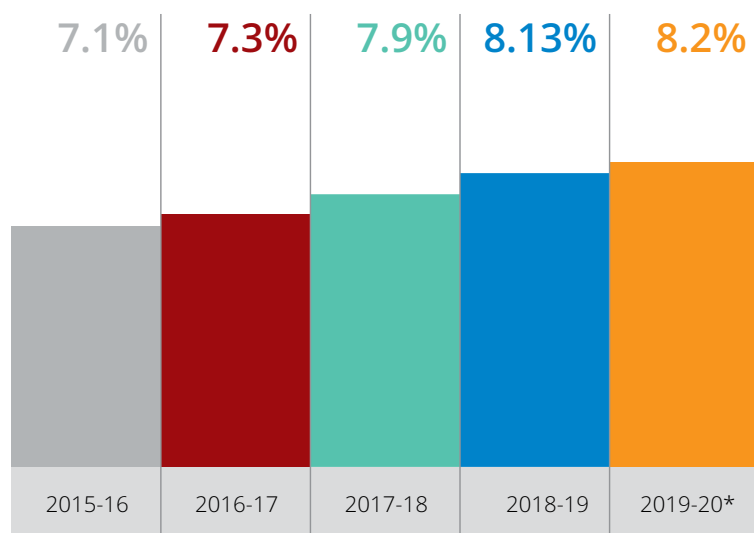
Bangladesh economy continues to grow at an impressive rate and is among the five fastest growing economies of the world.

Driven by export, strong consumption, inflow of remittances and investment spending, the country's GDP (Gross Domestic Product) is expected to grow by 8 percent in 2019.

The Budget deficit remains below 5 percent of GDP and inflation ceases to 5.5 percent. Poverty reduced from 44.2 percent in 1991 to 14.8 percent in 2016-17. Life expectancy has also increased significantly. Steady and sustained growth enabled Bangladesh to reach the lower middle-income country status in 2015. Recently, Bangladesh fulfilled all three eligibility criteria for graduation from the UN's Least Developed Countries (LDC) list for the first time and is on track for graduation in 2024.

GDP Growth Rate (FY)

*Forecast



Source: ADB, World, Bank, Index Mundi, Bangladesh Bank, 2019.

Population
165 Million

Age Structure
15-24 years
19.36%
25-54 years
39.73%

GDP (Nominal)
314.65 Billion
(2019)

GDP Rank (Nominal)
39th

GDP
(Composition by sector)

Agriculture
13.32%
Industry
31.15%
Services
55.53%
(2019)

GDP
Per capita
\$1828
(2019)



GNI per capita

2011-12

\$940

2018-19

\$1909

Poverty Ratio

21.8

(2018)

Life Expectancy at Birth (years)

72.6

(2019)

CO2 Emissions (Metric ton per capita)

0.56

(2019)

Labor force participation rate

58.738%

(2019)

Unemployment rate

4.3%

(2019)

Budget

Taxes and other revenues

10.8%

of GDP (2018)

Inflation rate (CPI)

5.5%

Agriculture (products)

RICE, JUTE, TEA, WHEAT,
SUGARCANE, POTATOES, TOBACCO,
PULSES, OILSEEDS, SPICES, FRUIT;
BEEF, MILK, POULTRY

Industries

JUTE, COTTON, GARMENTS,
PAPER, LEATHER, FERTILIZER,
IRON AND STEEL, CEMENT,
PETROLEUM PRODUCTS, TOBACCO,
PHARMACEUTICALS, CERAMICS,
TEA, SALT, SUGAR, EDIBLE
OILS, SOAP AND DETERGENT,
FABRICATED METAL PRODUCTS,
ELECTRICITY, NATURAL GAS

Exports

\$40.53 billion

(2019)

Exports (commodities)

GARMENTS, KNITWEAR,
AGRICULTURAL PRODUCTS,
FROZEN FOOD (FISH AND
SEAFOOD), JUTE AND JUTE GOODS,
LEATHER PRODUCTS

Industrial sector growth rate

17.38%

(2019)

Exports (partners)

European Union 58.2%, US 16.3%,
Japan 3.1%, Canada 3.0%, India
2.4%, Australia 1.9%, China 1.9%
(2018)

Imports

\$56.06 billion

(2019)

Imports (commodities)

COTTON, MACHINERY AND
EQUIPMENT, CHEMICALS, IRON
AND STEEL, FOODSTUFFS,
PETROLEUM

Imports (partners)

China 21.5%, India 12.2%,
Singapore 9.2%, European Union
6.2%, Hong Kong, 5.5% (2018)

Reserves of foreign exchange and gold

\$31 billion

(August, 2019)

Credit Rating

BB+ (S&P)

Outlook

Stable

Fiscal year

1 July - 30 June

Source: ADB, World, Bank, Index Mundi, Bangladesh Bank, 2018.





An abundance of greenery around the economic zone.

INTRODUCTION

Bangladesh Government's Initiative Regarding the Sustainable Development

Bangladesh has become one of the most successful economic stories of the world and is a prime example of successful development policy. Currently, Bangladesh is on track to reach upper-middle-income country status by 2021, the 50th anniversary of its independence.

The economy of Bangladesh has averaged above 6% annual growth for nearly a decade, reaching 7.86% in FY 2017-18 and achieved over 8% in FY2018-19 for the first time in its history. Per capita income has risen nearly threefold since 2009, reaching \$1,909 in FY2019. And the number of people living in extreme poverty – classified as under \$1.25 per day – has declined significantly, from about 19% of the population to 10.5% over the same period. It is among the 10 fastest growing economies in the world and has made commendable progress on human development.

In early 2018, Bangladesh met United Nations criteria for graduating from “least developed country” status by 2024. The country has seen broad-based gains in health, education, infant mortality reduction and life expectancy and these have in turn driven economic growth and thereby reduced economic vulnerability.

The bold economic development of recent years is based on the growth of agriculture, the export success of the textile industry and the remittances from Bangladeshis. With a national strategy focused on manufacturing, the country has seen exports soared by an average annual rate of 15-17% in recent years and is on track to meet the goal of \$44.44 billion in 2020. The government has also set a target of hitting \$50 billion by 2021.

The government, to continue to grow at an even faster pace, has been creating the favourable conditions for the private sector's dynamism that has boosted economic growth. An ambitious scheme to build a network of 100 economic zones (EZs) around the country is currently being implemented by the Bangladesh Economic Zones Authority (BEZA), the body responsible for establishing and managing EZs. The concept capitalizes the country's record population density and positions itself to attract more investments from manufacturers globally and locally.

'Bangabandhu Sheikh Mujib Shilpanagar (BSMSN)' is being developed as a self-contained industrial city including social infrastructure on a contiguous 30,000 acres of land stretching from Sitakundu Upazila of Chattogram to Sonagazi Upazila of Feni. The economic zones of Mirsarai, Feni, and Sitakundu have been consolidated under the name Bangabandhu Sheikh Mujib Shilpanagar.

BSMSN is situated at the strategic location of Dhaka-Chattogram industrial corridor, making it an attractive destination for setting up industries. The biggest EZ hub has already become a focus of interest of local and foreign investors. BEZA has set a target of creating 1.5 millions of jobs within the next 15 years as well as ensuring \$15 billion worth of exports from this city.

The government of Bangladesh is now formulating a 2021-2041 development plan to make the country a developed and prosperous one by 2041. To reach the next level, policymakers have been initiating policies to decrease its reliance on low-cost exports, such as garments and focusing on areas to create more and better jobs by boosting up private investment and building human capital. The country has also taken initiatives to make sure doing business easier, improve financial sector governance and ensure a reliable supply of electricity.

Bangabandhu Sheikh Mujib Shilpanagar along with other EZs will help to build the 'Sonar Bangla' as dreamt by the Father of the Nation Bangabandhu Sheikh Mujibur Rahman through the development of our industry and economy.



A typical river port in a riverine country.





Construction works of Padma Multi-purpose Bridge, to be completed by June 2021, goes on in full swing.





Port of Chattogram

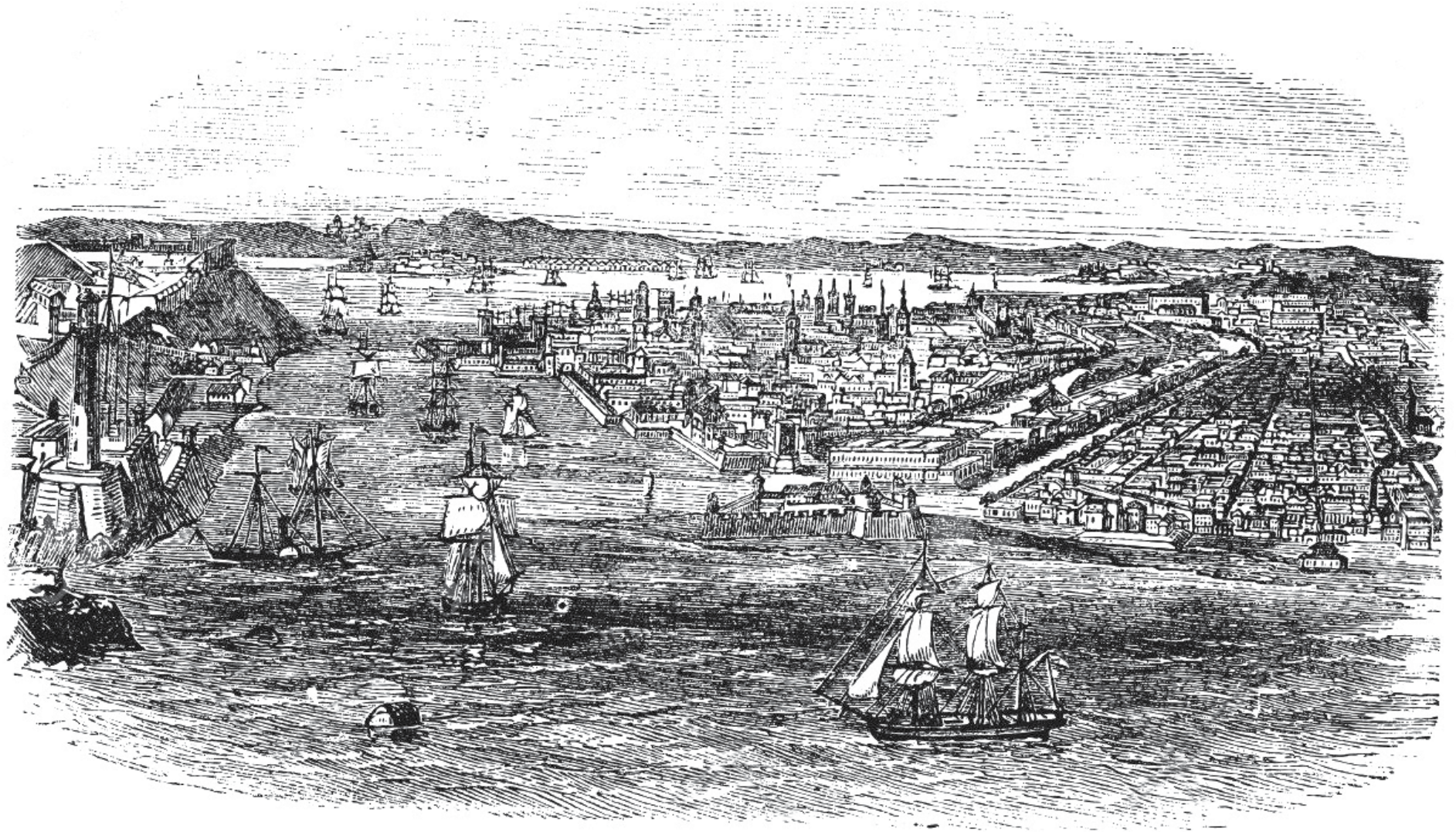




Workers are seen working at a 100% export-oriented garment factory at Bay Economic Zone.



230 KVA Grid Substation / Transmission line in the industrial city.



HISTORY OF SPECIAL ECONOMIC ZONES

Special Economic Zones (SEZs) can be regarded as an investment in industrial infrastructure and service providers to attract and facilitate investment, integrate local firms into global value chains, promote export-oriented growth and generate employment.

During the days of wind-powered shipping, a port, city or trading post was used to guarantee free storage and exchange of goods along trade routes. The growth of long-distance trade helped flourish these trading post or 'Entrepot', meaning warehouse. Merchandises were imported, stored and traded here usually to be exported again.

The rise of mercantile shipping between Europe and its colonial empires in Asia and the Americas made entrepots as an integral part of the trading system. European powers created many free ports to improve trade links between center and periphery. Hong Kong was made into a free port by the British Empire around 1842. Entrepots' presence was especially relevant in the Middle Ages and the early-modern period. In modern times customs areas have largely turned such entrepots obsolete.

In the 1890s, merchants in the United States of America began to press Congress to install free ports along the eastern seaboard. Talk of Germany's Hamburg Free Port was very much alive among the business community. Pressures were on US Congress to pass a resolution allowing free ports. It was not until the economic turmoil of the Great Depression that free trade areas larger than a warehouse were successfully legislated in the US Congress. In 1934, the USA enacted the Foreign-Trade Zones (FTZ) Act, and in 1936 the first Foreign-Trade Zone was built on Staten Island, USA. FTZ regulation allowed for commodities to be 'stored, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, but not manufactured or exhibited.' Later, the US Congress liberalized Foreign-Trade Zone Act with a New Amendment which allows manufacturing. In 1942, the United States signed an agreement with Mexico, allowing undertaking 'Bracero Programme', which was intended to fill the labour shortage in agriculture in America.

Puerto Rico was one of the first developing regions in the world to make use of the principles of SEZs. In the late 1940s, it created dozens of industrial parks to attract foreign investment and encourage economic development.

The EPZs in Puerto Rico called the 'Fomento Program' or 'Operation Bootstrap,' allowed for manufacturing and employment of large amounts of unskilled labourers. In the 1950s, nations around the globe began to

experiment with the idea of free trade. The decade marks the beginnings of isolated cases of free trade experimentation. Singapore showed the way in Asia. In 1951, the country built its first industrial park, inducing other Asian nations to use SEZs as a strategy to industrialization.

Ireland's Shannon Free Trade Zone is considered to be one of the earliest and most influential EPZs after Puerto Rico. In 1959, the government of Ireland renovated Shannon's old airport and the area adjacent to make it a centralized manufacturing plant. By the year 1965, Shannon comprised of one-third of total Irish exported goods. This zone is still in existence and often serves as an example of a successful zone.

The first EPZ of the developing world was established in Kandla, Gujarat in India. Established in 1965, the port of Kandla SEZ is the biggest multiple-product SEZ there. The 'Bracero Programme' was phased out in 1964 and excess Mexican labour was transferred into new factories on the Mexican border. These factories boom with the NAFTA agreement, but lost relevance in the 2000s when cheaper labour becomes more available in other parts of the world and China rises to the SEZ throne. In 1975 countries with EPZs reached to 29 and the number of EPZs in the world stood at 79.

In 1979 Deng Xiaoping unveiled capitalist reform for China in his plan for 'four modernizations.' The following year, China established its first Special Economic Zone in Shenzhen, a fishing village that was to be converted into a contemporary capitalist utopia of technological development. This first SEZ was to be used as a testing ground for China's economic reforms. Indeed, Chinese SEZs served as an experimental economic zone of liberal policies, distinguished them from the EPZs of nearby countries. In 1985, Deng Xiaoping characterized Shenzhen as only an experiment stating that we hope to make it a success, but if it fails, we can learn from the experience.'

The year 1980 was a big year for EPZs. Sir Geoffrey Howe introduced the idea of EPZs to the UK's House of Commons as a way to re-centralize cities around industrial progress.

From the 1980s and onward, there was a mass proliferation of EPZs and the creation of Special Economic Zones. It offered a lucrative gateway to the global market. The rise of EPZs in Africa started in the 1990s. Though, the zones in Asia are the most active and numerous. The second most active area is Latin America and the Caribbean. Mauritius is often cited as a successful EPZ due to its high level of employment creation, export and its ability to receive high levels of foreign direct investment (FDI).

SHENZHEN, the birthplace of China's economic miracle

China pioneered the concept of special economic zones, starting in the 80s. Among all the SEZs they established, Shenzhen is their most remarkable achievement. Today Shenzhen is universally regarded as one of the great success stories of capitalism.

Forty years ago, Shenzhen was a sleepy fishing village of 30,000. It made history as China's first 'special economic zone', where FDI and private enterprises were allowed. The impact was profound and immediate. Its GDP per capita grew a jaw-dropping 24,569 percent between 1978 and 2014, and by 2016 its population stood at nearly 12 million. Shenzhen is the area that inspired architect Rem Koolhaas to coin the term 'generic city' back in 1995, referring to a megalopolis without history that develops randomly.

Before the 1980s, China's economy was almost exclusively based on national self-sufficiency. Its' economic policy was transformed from the closed-door programmes of 1949–1978 to an open and outward-oriented economy since 1978. China's open-door policy and reform were first carried out in Shenzhen. International trade instantly began to flourish and to meet demand, Shekou port in Shenzhen was inaugurated in 1989. By the early 1990s, over 10,000 containers of products manufactured in Shenzhen were being transported daily. When the port of Yantian was established, Shenzhen became the poster child for China's globalization.

Shenzhen took advantage of the situation when Hong Kong's manufacturing industries faced significant problems. The rising cost of wages and production made them less competitive and less profitable. Shenzhen authorities took that chance and persuaded Hong Kong tycoons to invest in the mainland.

Many companies moved their factories across the border that allowed them to reduce production costs. They also lured by the lower taxation. Soon Shenzhen began to supply cheap and abundant labour boosting employment of the newly built city. The ties between the two cities continued to grow stronger, and Shenzhen became known as the backyard of Hong Kong.

Tech giants also shaped Shenzhen, China's Silicon Valley. The special status given to the city helped establish foreign technology companies there. Skilled labour force had been inspired to migrate to the city and helped found major technological development centres such as Huaqiangbei, in Futian District. These initiatives made Shenzhen 'the world's factory.' It is said that when building hardware, all roads lead to Shenzhen. Around

90% of the world's electronics, toys to home appliances, are manufactured in Shenzhen.



Port of Hamburg.



Shanon airport, converted into an economic zone.



Singapore's first industrial park, Jurong in 1960s.

Shenzhen is not only the hardware capital of the world but also the home to some of the biggest tech companies in the world, for example, internet and gaming giant Tencent, telecommunications firm Huawei and smart phone maker ZTE, as well as, the world's largest drone maker DJI and robot kit maker Make block.

Shenzhen is now the model of new China. Many developing countries have adopted this model as their engine for growth and development. Companies have continued to invest in these zones as a source of profit and as a means to implement an efficient global supply chain. Over the last 30 years, SEZs have been widely lauded as the answer to poverty, unemployment, and liberal trade in developing countries.



Shantou Free Trade Zone, world's first Special Economic Zone.



Shenzhen Special Economic Zone





Telecommunication Tower at Banagabandhu Shilpanagar.

ECONOMIC ZONES IN BANGLADESH

Engine for Growth

There is overwhelming evidence that industrialization brings a significant structural change in the economy that leads to a considerable reduction in poverty and large-scale job creation. Industrial sector drives growth and growth has a poverty-reducing impact if it ensures that a country's productive resources (including its labour force) are directed to increasingly high productivity activities. It is because the average productivity of industry is higher than in agriculture or most service-sectors, as people move out of agriculture into the industrial sector, and gross domestic product (GDP) increases.

Bangladesh has undergone some structural changes over the past four decades. As a result, the share of agriculture in the GDP declined from around 60 percent in the early 1970s to less than 15 percent in 2018. The share of the services sector increased from 34 percent to 52 percent while the share of manufacturing also increased from four percent to around 34 percent.

These structural transformations have facilitated growth as the country continues to register growth at a rate of 6.5 percent on average over the decade. Sustained economic growth has enabled Bangladesh to reach the lower middle-income country status in 2015, and the country is now aspiring to be a middle-income country by its 50th birth anniversary. In 2018, Bangladesh fulfilled all three eligibility criteria for graduation from the United Nation's Least Developed Countries (LDC) list and is currently on track for graduation in 2024. Poverty has also been reduced remarkably, from 44.2 percent in 1991 to 20.5 percent in 2018-19.

Though Bangladesh inherited a public sector-led import-substituting industrial regime, the country later shifted its policy framework to promote the private sector and export-oriented activities. Those reform initiatives included some significant measures, such as the divestiture of state-owned enterprises as well as relaxation of rules and procedures for foreign investment. Changes in the incentive structure were brought about through trade liberalization and tariff rationalization, financial sector reforms and specific measures to support exports. These export promoting measures were supported by the establishment of Bangladesh Export Processing Zones Authority (BEPZA) in 1980. The objectives were to foster economic development by encouraging and promoting foreign investment; to diversify the sources of foreign exchange earnings by increasing the exports; to motivate the establishment and development of industries in a zone to widen and strengthen the economic base and generate productive

employment opportunities and to upgrade the skills of labour and management through the acquisition of advanced technology. Under the aegis of the BEPZA, the first EPZ was established in Chattogram in 1983. In 1996, the Government of Bangladesh enacted allowing the establishment of EPZs by the private sector. YoungOne, a South Korean enterprise, set up the country's first private EPZ in Chattogram. In July 2017, BEPZA hosted 463 tenants in both RMG and non-RMG sectors (like chemicals and footwear) —56 percent of which were entirely foreign-owned, 16 percent were joint ventures between foreign and domestic investors and the remaining were local ventures. BEPZA estimates that in the two decades until FY2017, the EPZs attracted US\$4.3 billion of investment (average annual FDI inflows in Bangladesh are about US\$2 billion), contributed to US\$59.4 billion of exports earnings (19 percent of the total in FY2017) and employed 481,000 direct workers (World Bank).

EPZ model has had some success. Now is the time to look beyond this model and cater both to the domestic and export market and also to crowd in more private participation in developing and operating zones. Special economic zones (SEZs) are the answer to spur rapid economic development in a sustainable fashion. Countries around the globe are using SEZs to attract more investments from manufacturers globally and to improve competitiveness as well as employment generation. There are nearly 5,400 zones across 147 economies globally (2018), up from about 4,000 five years ago, and more than 500 new SEZs are in the pipeline (UNCTAD, World Investment Report, 2019). The SEZ boom is part of a new wave of industrial policies and a response to increasing competition for internationally mobile investment.

The Government of Bangladesh (GoB) has adopted proactive policies to promote investment within the country and to foster organized industrialization. To support these policies, the Bangladesh Economic Zones Authority Act was enacted in 2010. The new act led to the creation of Bangladesh Economic Zones Authority (BEZA), tasked to oversee the expansion of economic zones (EZ) in the country.

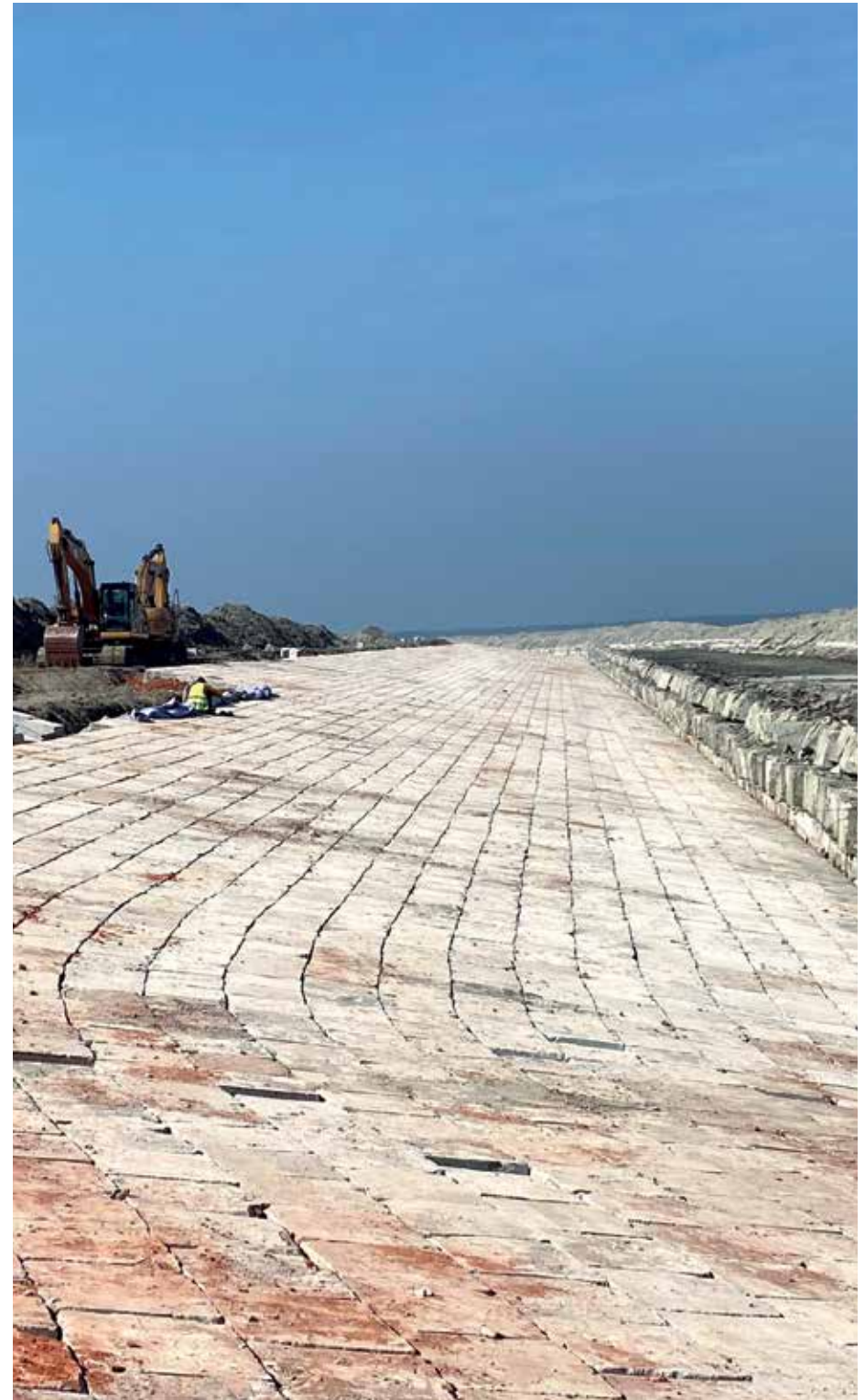
BEZA aims to establish 100 EZs by 2030, including in backward and underdeveloped regions. These economic zones will generate nearly 10 million jobs. By providing attractive fiscal and non-fiscal incentives and serviced industrial plots, these zones are expected to mobilize private investments both from domestic and foreign sources. The seventh five-year plan (FY2016-FY2020) also intends to use SEZs as a policy tool to generate

inclusive growth through promoting development in lagging regions. Till now, BEZA has got approval to establish 88 economic zones countrywide comprising 59 Government and 29 Private EZs on an area of 75,000 acres of land. The authority has set a target of acquiring 100,000 acres of land within the next two years.

Prime Minister of Bangladesh last year inaugurated and laid foundation stones of 24 economic zones. The inaugurated eleven economic zones (suitable for setting up industries) are Mongla Economic Zone at Mongla in Bagerhat district, Meghna Economic Zone and Meghna Industrial Economic Zone at Sonargaon in Narayanganj, Abdul Monem Economic Zone at Gazaria in Munshiganj, Bay Economic Zone at Gazipur Sadar in Gazipur, Aman Economic Zone at Sonargaon in Narayanganj, City Economic Zone at Rupganj in Narayanganj, Kishoreganj Economic Zone at Pakundia in Kishoreganj, East West Special Economic Zone at Keraniganj in Dhaka, Karnaphuli Dry Dock Special Economic Zone at Anwara in Chattogram, and Sreehatta Economic Zone at Moulvibazar Sadar in Moulvibazar. The Premier also laid foundation stones of 13 economic zones and works of five development projects under the initiative of BEZA. These are Mirsarai, Sitakunda and Feni Economic Zones at Bangabandhu Sheikh Mujib Industrial City in Chattogram and Feni districts, Mirsarai Economic Zone-2A at Mirsarai in Chattogram, BGMEA Garments Park at Mirsarai in Chattogram, Mongla Economic Zone-2 at Mongla in Bagerhat, Moheshkhali Economic Zone (Dhalghata) at Moheshkhali in Cox's Bazar, Jamalpur Economic Zone at Jamalpur Sadar in Jamalpur and Sirajganj Economic Zone at Sirajganj and Belkuchi in Sirajganj, Akij Economic Zone at Trishal in Mymensingh, Cumilla Economic Zone at Meghna in Cumilla, Bashundhara Special Economic Zone at Keraniganj in Dhaka, Standard Global Economic Zone at Gazaria in Munshiganj, Hosendi Economic Zone at Gazaria in Munshiganj and Arisha Economic Zone at Keraniganj in Dhaka.

Twelve international companies from Japan, Malaysia, China, United Kingdom (UK), Singapore, UAE, India, Australia and South Korea have signed agreements with BEZA for land allotment, and a few of them have already started land development works. A total of 1,810 acres of land, most of which are located in the Mirsarai and Maheshkhali economic zones, has been allocated to them. These companies would make around \$5.78 billion foreign direct investment (FDI) in EZs, generating 13,000 new jobs for the local people.

BEZA has, so far, made commendable progress in framing laws, rules, policies and guidelines for establishing sustainable economic zones throughout the country. It has been transforming the economic zones with cordial efforts of all allied government agencies. Recently the authority has received an accolade from the World Free and Special Economic Zones Federation (FEMOZA) for its outstanding contribution to the country's economy through developing economic zones.



construction of super dyke for Shilpanagar.



Aman Economic Zone Private Ltd.



Factory of Honda - one of the famous Japanese industries of the world at Abdul Monem Economic Zone.

HONDA





The Karnaphuli Gas Distribution Company Ltd (KGDCL) has upgraded its existing gas distribution network from 350 mmcf/d to 500 mmcf/d to facilitate adequate gas supply to industrial customers.





Hon'ble Prime Minister Sheikh Hasina inaugurates and lays foundation stones of various development projects under the initiative of BEZA through video conferencing.

THE INSPIRER OF OUR SUSTAINABLE FUTURE

Bangabandhu Sheikh Mujibur Rahman, the Father of the Nation, on January 10, 1972, started his journey from "darkness to light" and promised a prosperous Bangladesh. "We will turn this war-ravaged country into a golden one...we will rebuild the country through hard work. Let us work together so that the Golden Bengal (Sonar Bangla) shines again," he addressed the people of the country immediately after stepping foot on the land of independent Bangladesh. His dream was to transform our country into a hunger-and-poverty-free 'Sonar Bangla'. Unfortunately, Bangabandhu's planned journey towards inclusive development, towards a society free from exploitation was cut short by the forces of evil in August 1975.

Today, Bangladesh is not that far from the dream once the Father of the Nation had envisaged. In building the long-cherished Sonar Bangla, our Honorable Prime Minister Sheikh Hasina, the worthy daughter of Bangabandhu, has taken every initiative to materialize it and make Bangladesh as a role model of inclusive development. One of the groundbreaking initiatives was paving the way to establish economic zones in Bangladesh to help spur the economic growth in an investment-friendly environment, as well as diversify our economy. These economic zones are expected to be a significant driver of economic growth and job creation and could be an important factor in lifting Bangladesh into a middle-income country status by 2021, the year Bangladesh is going to celebrate its 50years of independence.

The Prime Minister has been guiding our policymakers to carry forward thoughtful plans for a sustainable future, inspiring to take development policies that would balance industrial development with environmental sustainability. She has also issued directives to the Bangladesh Economic

Zones Authority (BEZA) to create clean and environment-friendly zones emphasizing on planting trees, creating water reservoir, rain-water harvesting infrastructure, establishing waste management facilities, embedding some specific trees and mangrove forest around coastal economic zones and taking initiatives to reclaim more land from the sea. She has also emphasized on constructing dormitories for workers, establishing social infrastructures such as educational institutions, hospitals, commercial centers, shopping malls, entertainment facilities as well.

Formal inauguration for Commercial Production:

- Bangabandhu Sheikh Mujib Shilpanagar
- Mirsarai Economic Zone 2A
- BGMEA Garment Village

Foundation Stone for industries in EZs:

- Asian Paints Limited
- Arman Haque Denims Limited
- Zhuzhou Jinyuan Chemical Industry Co. Limited
- Modern Syntex Limited

Development Works of Bangabandhu Sheikh Mujib Shilpanagar:

- 150 Megawatt Power Plant (BR Power Gen Ltd.)
- Sheikh Hasina Avenue North
- Sheikh Hasina Avenue South
- Sheikh Hasina Shorobor
- Administrative Building



READY FOR SETTING UP INDUSTRIES

Private Economic Zones

1. Meghna Economic Zone at Sonargaon in Narayanganj
2. Meghna Industrial Economic Zone at Sonargaon in Narayanganj
3. Abdul Monem Economic Zone at Gazaria in Munshiganj
4. Bay Economic Zone at Gazipur Sadar in Gazipur
5. Aman Economic Zone at Sonargaon in Narayanganj
6. City Economic Zone at Rupganj in Narayanganj
7. Kishoreganj Economic Zone at Pakundia in Kishoreganj
8. East West Special Economic Zone at Keraniganj in Dhaka
9. Karnaphuli Dry Dock Special Economic Zone at Anwara in Chattogram
10. Sirajganj Economic Zone at Sirajganj
11. Hoshendi Economic Zone at Gazaria in Munshiganj



FOREIGN INVESTMENT INITIATIVES IN BSMSN

Arab Bangladesh Food Ltd. (UAE)

\$12.50 million

Eonmetall Intl. Ltd. (Malaysia)

\$9 million

Asian Paints (BD) Ltd. (India)

\$26 million

Eurasia Food Process Ltd. (UK)

\$30 million

Aust-Bangla Accessories Ltd.

\$12.15 million

Hangzhou Jinjiang Group Co Ltd. (China)

\$2.5 billion

Beijing Zhenyuen Cons Ltd. (China)

\$304 million

Macdonald Steel Bldg Ltd. (JV)

\$59.19 million

Berger Paints (BD) Ltd. (UK)

\$13 million

Merchant Melbourne Ltd. (Australia)

\$3.67 million

Edible Oil Ltd. (Singapore)

\$400 million

Sojitz Group (Proposed)

\$4.6 billion



A construction site inside BSMSN.





*Aerial View of Temporary administration building
at Bangabandhu Shilpanagar.*

BANGABANDHU SHEIKH MUJIB SHILPANAGAR

From Mud flat to Industrial Zone

Although the emergence of economic zones started in the 1950s, the concept has gained momentum in Bangladesh quite recently. It was one of the answers the policymakers of Bangladesh were long looking for, to attract foreign investment and solidify ongoing economic development track. Following the target of becoming a developed nation under the Vision 2041 Plan, the Economic Zones Act was passed in the Bangladesh Parliament in August 2010, providing the overall framework for establishing economic zones throughout Bangladesh. Under this Act, the Bangladesh Economic Zone Authority (BEZA) was established under the Prime Minister's Office (PMO). Although in 2015 the organization set an aim to establish 100 economic zones (EZs) across the country, the organization was not ready to initiate the effort on such a wide scale. As a new organization, BEZA had to tackle some major organizational problems and challenges like lack of funds and manpower during its early years. Nevertheless, BEZA did not stop exploring opportunities to not only develop themselves into an efficient government organization but also fulfilling the objectives for which it was established.

In March 2011, to facilitate investment in growth centers in the emerging manufacturing and services sectors of the economy to generate employment in Bangladesh, the World Bank initiated the Private Sector Development Support Project (PSDSP). One of the objectives of this \$150 million multi-development initiative was to support the development of the economic zone model in Bangladesh as well as using the zones as magnets for attracting forging investments. Under this project, BEZA took the role of piloting economic zone projects in Bangladesh. At first, BEZA attempted to explore the Habiganj district of Sylhet division for a suitable location where an economic zone could be established. The organization was looking for around 500 acres of land and was in discussion to acquire some tea estates for this purpose. However, the discussion did not go far as local tea labor organizations protested against such a project. At the same time, some political movements in the capital Dhaka stood against BEZA's initiative in Sylhet. Such obstacles forced BEZA focus its exploration on other areas and thus the Mirsarai Upazila came into the scene.

The first Governing board of BEZA approved the project (Mirsarai Economic Zone) in 2013 and the official development of the project started in November 2015. The first proposed area of the project site was located at the end of the eastern side of the Bay of Bengal, surrounded by the coast and Mirshorai Town. In 2014, a feasibility study was performed on 7500 acres of land by the PSDSP fund. However, most of the land in that

proposed site was privately owned and BEZA did not have enough funds to acquire all the land at that time. Besides, it was very challenging for a small organization like BEZA to rehabilitate, train and provide employment for the landowners under local and international law. Such a challenge forced BEZA to explore the southern side (Mirsarai Economic Zone 2) of that proposed site where the present industrial city is being developed.

Located at 13 km to the west from Mirsarai Upazila headquarter and about 66 km from Chattogram District Headquarter, this area was not attractive even to the local people due to being barren, remote and marshland. Often the location was flooded by tidal seawater and would stay submerged for months in the rainy season. Further, due to excessive salinity, the area was not suitable for agriculture or any type of commercial farming. Most of the local people were poor fishermen and sometimes they would use this land as a buffalo grazing field. At that time the Forest Department was running a land reclamation project in that coastal area. Usually, by law, the Department makes such reclaimed land usable by tree plantation and other sorts of land development activities. For a certain time, the department nurtures and maintains the land before it becomes fully useable. After that, the land is then sold or leased to other public or private organizations for further utilization. Considering the land comparatively disputeless as it was reclaimed from the sea, BEZA decided to develop the proposed economic zone in this area. Although initially, BEZA owned 550 acres of land, the organization successfully managed to reclaim around 16 thousand acres of sea-land by building dams and embankments. Through this process, BEZA hopes to reclaim some 15-20 thousand acres of land in the next two decades.

Soon after the decision to move into this area, a consultant team was assigned to prepare a pre-feasibility report on the project site. As well as visiting the place thoroughly, the team investigated off/on-site infrastructure and available facilities, land acquisition and resettlement issues, environmental and social/gender aspects, sources of water and power, etc. The team also interviewed local people to assess their socio-economic livelihood and the impact of the proposed project. Hydrological data on the site like Highest Flood Level (HFL), Normal Flood Level (NFL), water level (WL) at low tide and high tide (Full moon), tidal system (tidal oscillations) at and near the site, information regarding cyclonic surges, etc. was collected to prepare a foundation for the land development stage. Information on the existing embankments, the Bamonsundar and Ichhakhali khal flowing across the BWDB embankment were also collected. The team also visited the nearby



(Right) Starting point of the Sheikh Hasina Avenue.

(Bottom) Sheikh Hasina Avenue and its adjacent beauty.



Bamonsundar Forest and up to the 'Char' on the Bay of Bengal by boat; observed the Muhuri/Feni river coming from upstream and flowing across the Muhuri Project embankment at the extreme north of the economic zone site and falling to the Bay of Bengal near the project site to the west. The flow and water level of the river, controlled by a regulator at the intersection of the river and Muhuri Project embankment, were also observed.

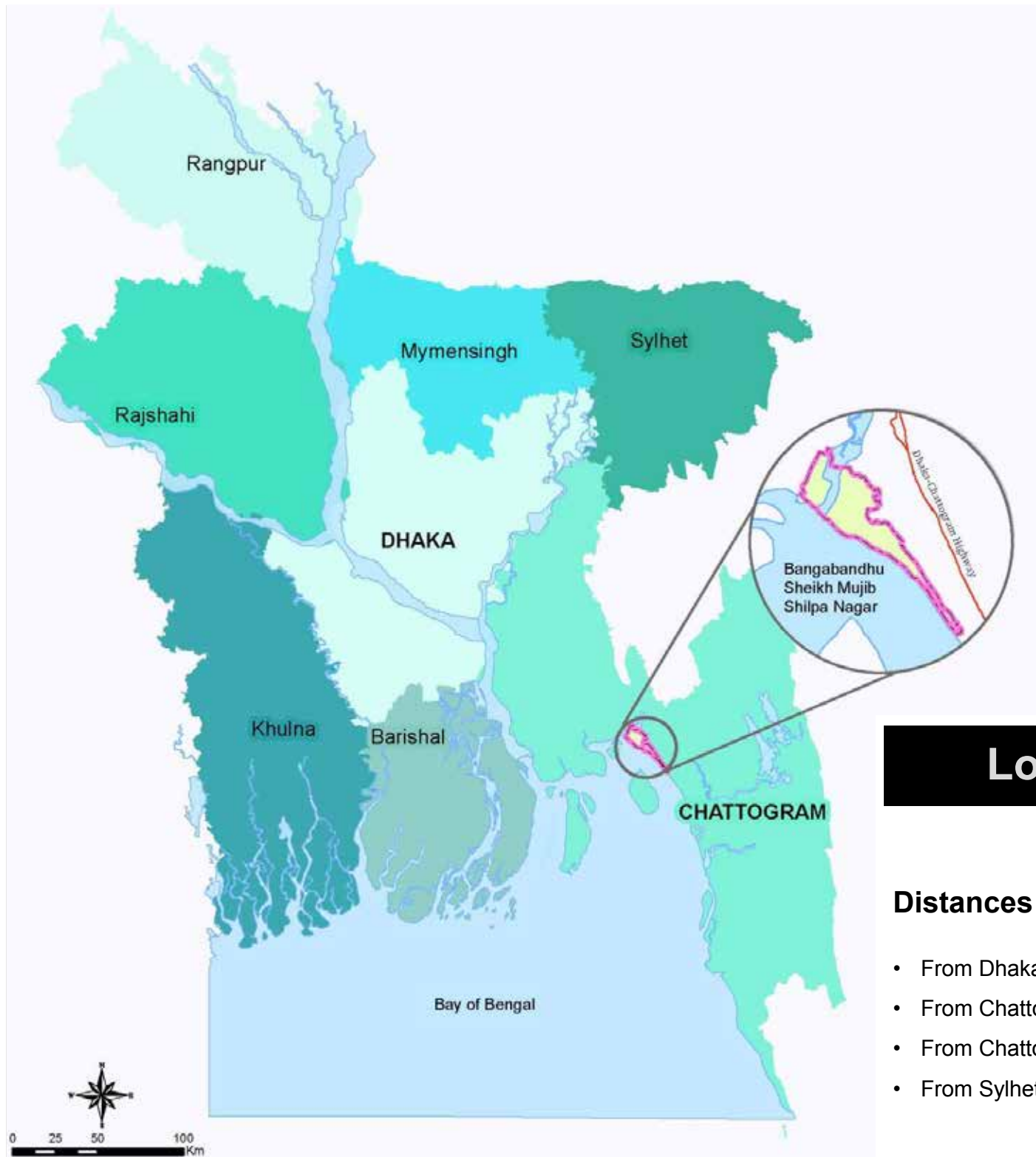
From the establishment as an organization, BEZA was dealing with a severe shortage of funds. This is one of the reasons the organization had to move from the initial proposed site of the Mirsarai Economic Zone. So, BEZA attempted to turn this challenge into an opportunity and came up with an innovative solution to tackle the issue. The organization successfully convinced a few government organizations to initiate some small scale land development projects in that area. Once the projects started, the subsequent construction works in that area drew a lot of attention from other government departments and local media. The media frequently started to cover the progress and construction activities of the project which also raised interest among business communities. With their help, BEZA successfully solved other problems that they were unable to do in the first place. For example, the level of salinity and nature of the soil present in the site also were not in par with the requirements of developing an economic



Soft soil improvement works with pre-fabricated vertical drains is under way.



Construction works of a building inside BSMSN.



Locational Map

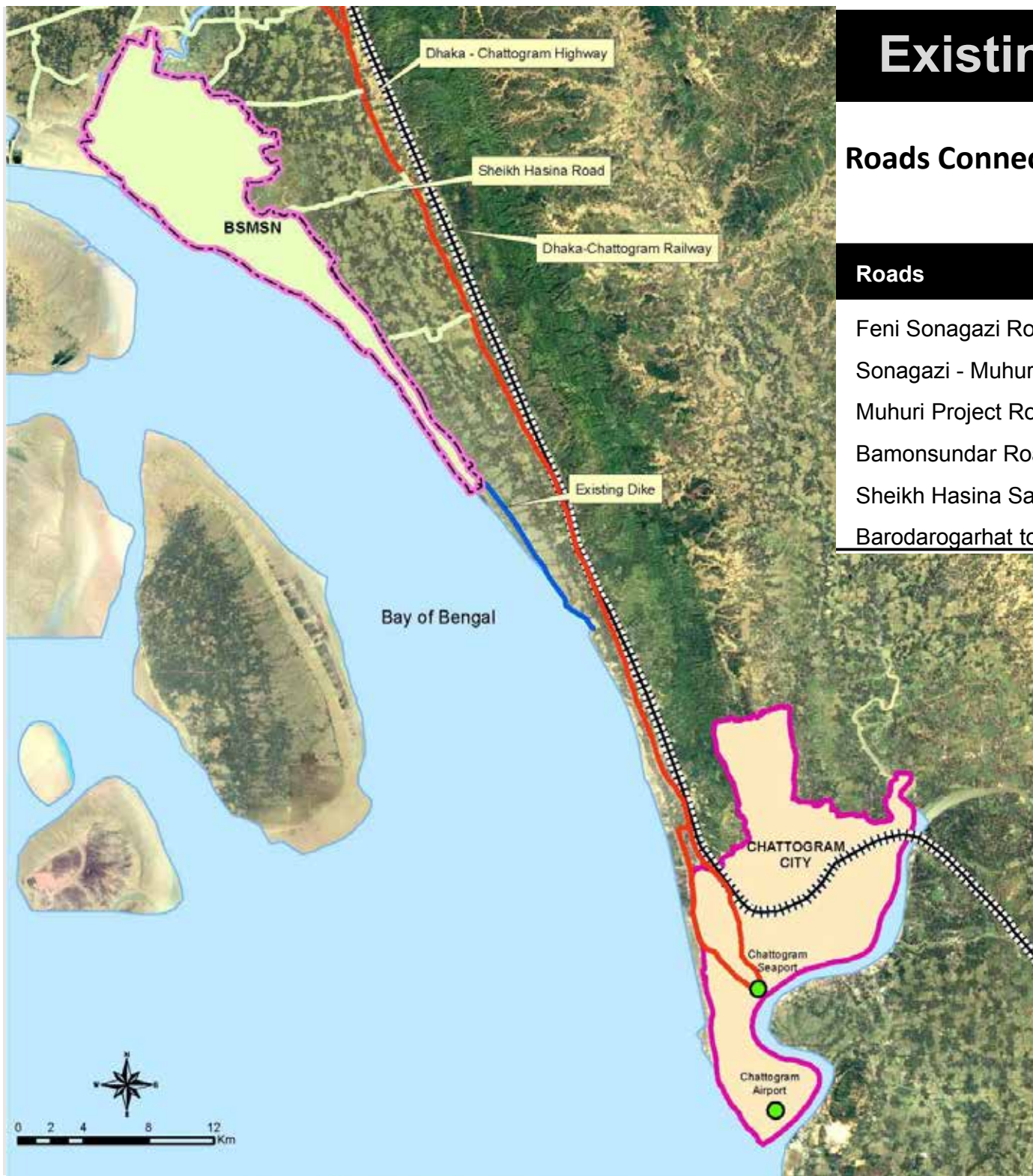
Distances

- From Dhaka : 200 Km
- From Chattogram : 60 Km
- From Chattogram Port/ Airport : 70 Km
- From Sylhet : 330 Km

Administrative Areas



District	Upazila	Union	Area (Acres)
Chattogram	Mirsarai	Saherkhali	6,618.0
		Ichhakhali	10,120.5
	Sitakunda	Muradpur	967.2
		Saidpur	2,160.04
Feni	Sonagazi	Sonagazi	9,236.5
		Char Chandina	1,098.3
Others			72.9
Total			30,173.6



Existing Connectivity

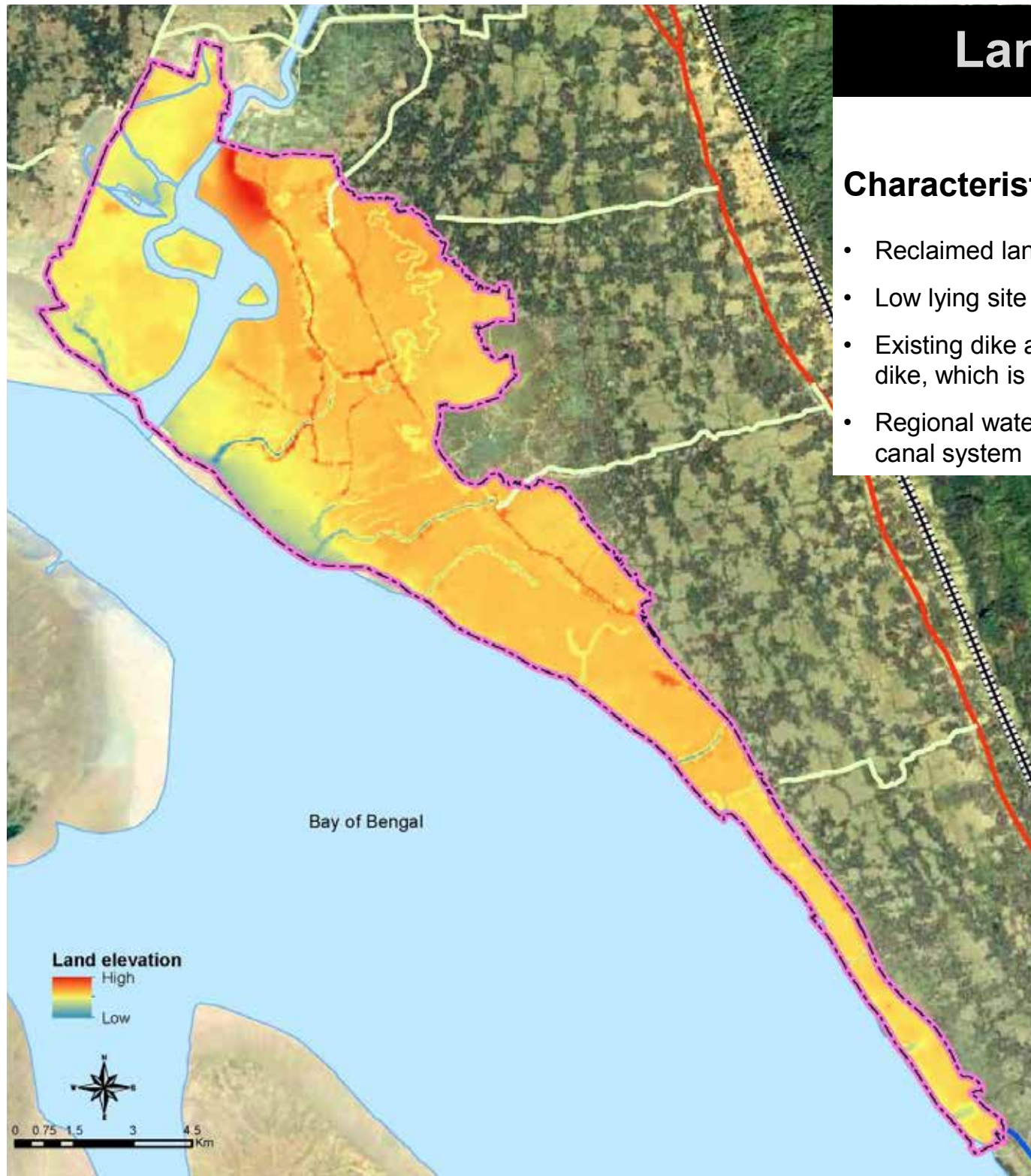
Roads Connecting to the BSMSN Zone

Roads	Length (km)
Feni Sonagazi Road	16.5
Sonagazi - Muhuri Project Road	10.65
Muhuri Project Road	6.93
Bamonsundar Road	7.35
Sheikh Hasina Saroni	10
Barodarogarhat to Mohanagar Road	6.2

Land Elevation

Characteristics

- Reclaimed land
- Low lying site
- Existing dike and construction of a super-dike, which is ongoing
- Regional water catchment location with canal system





Construction of sluice gate at Bangabandhu Shilpanagar.

zone. However, with the help of government experts, this problem was solved by changing the soil structure of the site. At the same time, other government departments like Roads and Highways, Water Development Board, Karnaphuli Gas, etc. started to participate in BEZA's effort to develop the location. Apart from government organizations, some other private companies also had the opportunity to partake in this project. For example, a consortium PowerPac-East West-GasMin JV has been awarded to develop the 610 acres of land under the Public-Private Partnership (PPP) agreement through an international tender.

Although in the beginning, the Mirsarai Upazila was the only location for the proposed economic zone, BEZA always had the vision to transform their small step into a bigger leap. The organization not only successfully expanded its Mirsarai project area to 16 thousand acres but also was continuously looking for other opportunities to expand. That effort took them to the Sonagazi Upazila of Feni district. As a part of the PSDSP, alongside Mirsarai and other proposed locations, BEZA and the World Bank had undertaken a pre-feasibility assessment of the economic zone at Sonagazi. Strategically located between industrial cities of Dhaka and Chattogram and its proximity with Tripura, Feni is in a good position to provide access to markets and industries across Bangladesh and North East India. The preliminary assessment indicates that proposed EZ has access to power, though further assessment needs to be done regarding the identification of a reliable source of water; the gas network is not available at present but is expected to be constructed in the future. Basic social infrastructure is available in this region for unskilled and semi-skilled labor (PwC report on Feni).

Based on this report and considering other viable options, BEZA decided to assimilate the proposed Feni economic zone into their ongoing project in Mirsarai. However, BEZA also faced obstacles while attempting to do so. Historically, there is a boundary dispute between Feni district and Mirsarai Upazila which originated even before the independence of Bangladesh in 1971. This dispute often created violent and legal confrontation between the people of these two localities. Therefore, supposedly, BEZA faced obstacles and interference from the local people while trying to acquire land in Sonagazi Upazila. Fortunately, the Deputy Commissioners of Chattogram and Feni stepped in BEZA's aid. Working together, BEZA and the Deputy Commissioners attempted to change the mindset of local people through numerous discussions and public consultations. Their effort paid off when the local people agreed to sacrifice their land for the greater well-being of the local economy.

Subsequently, in the fourth meeting, the Governing Board of BEZA officially approved the Feni Economic zone. Later, the proposed Sitakunda Economic zone also received its expected green signal in the sixth meeting of the Governing Board of BEZA. Finally, as a tribute to the Founding Father of Bangladesh, BEZA combined all three economic zones and sent a proposal of naming the industrial hub as 'Bangabandhu Sheikh Mujib Shilpanagar (BSMSN)' to the Sheikh Mujibur Rahman Memorial Trust. The trust approved the name on 10 August of 2018.

Land and infrastructure development

Combining the three economic zones, the BSMSN now has around 30,000 acres of land. At the same time, works on reclaiming sea-land are still ongoing which gives the possibility that the industrial zone will have more land in the future. The official land development works of the Mirsarai Economic Zone (1st Phase) started in 2016 on 550 acres and the work is scheduled to be completed by 2021. From the beginning, BEZA has been following a master plan that includes seaport, rail connectivity, marine drive, residential area, tourism park, power plant, hospital, school, and a university. Several government departments and international organizations are now engaged in developing various infrastructure and utility services.

Under a project worth 1657 crore taka, the Bangladesh Water Development Board is now developing a 20-kilometer long super dike with slope protection of 18.488 km. So far half of the construction works have been done and BEZA hopes that by 2020 the dam will be complete. At the same time, another 3-kilometer long dam is currently under construction. Heralded as the 'soul' of Mirsarai Economic Zone, this 10-meter high super dike will protect the Mirsarai Economic Zone from flood, saline intrusion, erosion caused by the tidal surge and natural disaster. Further, a two-lane road will be constructed on this dam to provide additional road connectivity. Another department that was engaged in infrastructure development from the beginning is the Roads and Highways. Under a taka 124 crore worth project, the department has developed a 10 KM long and 4 lane road from Chattogram Highway to Mirsarai EZ. It is a specialized and dedicated roadway that connects the economic zone with the rest of the world. In a separate project, the development works of an 18km-long pavement are also currently underway.

In 2017, a local company BD Powergen undertook a project worth taka 1100 crore to build a power plant. The plant is scheduled to be completed by the end of this year. For now, the plant is designed to produce 150 MW of electricity, although BEZA has a plan to upgrade the capacity up to 500 MW by 2021. Also, the Rural Electrification Board (REB) has already installed a power distribution line and a substation. Last but not least, in 2018 BEZA has signed a Land Lease Agreement with the Rural Power Company Ltd

(RPCL) to establish a power plant with 1800 megawatt power generation capacity to ensure uninterrupted power supply. Overall, a few other power plants with a capacity of 6000 MW are awaiting approval from the government.

At the same time, a state of art 400 kV power distribution line is being developed by the Power Grid Company of Bangladesh (PGCB) under taka 350 crore project. PGCB is constructing a new 230/33 kV GIS grid substation at Mirsarai Economic Zone. Initially, this substation will be connected to the 230 kV GIS grid substation at BSRM. This substation will be operational by the end of 2020. In the future, Mirsarai 230/33 kV GIS grid substation will be upgraded to 400 kV voltage level and eventually will be connected to the upcoming power hub at Karerhat 400/230/132 kV grid substation for a strong tie to the National Grid. On the other hand, with their fund of taka 400 crores, Karnaphuli Gas Distribution Company (KGDCL) took the responsibility to construct the gas supply and distribution system for the Bangabandhu Sheikh Mujib industrial town. One of the key objectives of this project is to upgrade the KGDCL existing gas distribution network capacity from 350 MMSCFD to 500 MMSCFD to facilitate adequate gas supply to bulk and industrial customers of KGDCL.

Apart from these, BEZA has also initiated a few other infrastructure-related projects. Developing a rail network has been given priority and recently a feasibility test has been conducted in this regard. BEZA has already prepared a proposed project worth taka 2500 crore based on that feasibility report. The organization hopes that the proposed project will be approved by the ECNEC very soon. Additionally, Bangladesh Telecommunication Company Limited (BTCL) has been appointed to develop and install the telecommunications network at Mirsarai Economic Zone.

Another essential component of any industrial setup is water. According to BEZA's preliminary study, the industrial city will need around 1500 million liters of water every day which is double the demand of Chattogram city and almost the same as that of Dhaka city. Deep tube wells are surely not a feasible solution to this problem. Therefore, BEZA has teamed up with the Institute of Water Modeling to find a solution to utilizing the adjacent river network. At the same time, BEZA is also working on the possibility of desalinating the seawater and harvesting rainwater by creating a few water reservoirs and lakes. Three lakes, each one having sizes of 100 to 150 acres of land, are going to be excavated in this zone and the first one is in the implementation stage. The lakes have been named after Prime Minister Sheikh Hasina as 'Sheikh Hasina Sarobar' and these lakes will promote tourism assuring environmental protection of the whole zone.

Port facilities are quite an essential part of any industrial infrastructure. Although the Chattogram Sea Port is only 67 kilometers away from the Mirsarai Economic Zone, BEZA has been planning to develop a new port

between Mirsarai and Sitakunda with a capacity of 10 container terminals. Recently, the Chattogram Port Authority has conducted a feasibility test in this regard and the report has been submitted to the BEZA authority.

Along with various government departments, three Chinese companies are assigned to complete some of the important infrastructure works. China Harbour Engineering and Sinohydro are working with land development and road connectivity respectively. On the other hand, China Civil Engineering Construction Corporation is tasked with developing a port and power plant facilities.

Plot allocation and investment offers

At present, BEZA has 16000 acres of under-developed and 1300 acres of developed land for allotment. Both types of land are available for the investors and BEZA has allotted over 6000 acres of land. So far, local and international organizations have pledged to invest over \$17.5 billion in the project. On the other hand, BEZA has approved investments of around USD 12.7 billion.

In the beginning, BEZA did not have any specific plot allocation policy. Although the management has prioritized on eco-friendly high tech industry, they have always followed three key objectives while allocating land: decentralization of economy, foreign investment, and employment



Gas supply facility set up by Karnaphuli Gas Distribution Company Limited (KGDCL).

creation. Now BEZA adopted a plan emphasizing more on technology transfer and dissemination. This means the organization is now more open to those technologies which are not available in Bangladesh. For example, BEZA is encouraging cars and other kinds of vehicle manufacturers to invest in the industrial city so that Bangladesh can gain experience, knowledge, and know-how in this sector. Mobile and cellular technology is another sector that is given priority.

Bashundhara Industrial Park is going to be operated by the country's leading industrial conglomerate Bashundhara Group. They have entered into an agreement with Bangladesh Economic Zones Authority (BEZA) for 500 acres of land in Mirsarai/Feni EZ. Under the land lease agreement, Bashundhara Group will invest US\$ 500 million to set up Industries. The group will set up, among others, an ultra-modern pulp, paper and board mill where 10,000 jobs are expected to be created.

Well Group will establish a Composite Textile Mill in the economic zone at a cost of \$72.412 million. This project will create employment opportunities for 2,834 people and will have an annual export of \$59.283 million.

Ananta Group will also establish six new factories in the Mirsarai EZ for producing fabrics and yarn. The group, one of the leading apparel exporters in Bangladesh, has been allotted 250 acres of land for 50 years. The company will invest Tk 3,500 crore and is expected to generate employment for 25,000 people.

Kunming Iron & Steel Holding Company Limited, a state-owned Chinese company, is going to invest the amount of \$2.13 billion in Bangladesh for establishing the Iron and Steel Industries Park.

Bangladesh Economic Zones Authority has allotted 500 acres of land to Bangladesh Garment Manufacturers and Exporters Association for setting up a well-planned RMG Factory Park in the Mirsarai Economic Zone. BGMEA sought the land from BEZA for relocating the factories that are randomly established at different places in Dhaka. BGMEA will invest \$2 billion for setting up RMG and garment accessories factories at this park to generate employment for 500,000 people. Apparel manufacturers have already booked 441 acres of land for reaping the benefits of the Economic Zone offered by the government. Bangladesh Garment Manufacturers and Exporters' Association (BGMEA) and Bangladesh Export Zones Authority (BEZA) signed a contract for plot allotment in Bangabandhu Industrial Park on March 21, 2018. BEZA has applied for German cooperation to utilize the expertise of GIZ in designing and developing a sustainable EZ for garments.

Additionally, BEZA has allotted 1,141 acres of land to the Bangladesh Export Processing Zones Authority (BEPZA) in Mirsarai Economic Zone. BSRM Steel Re-Rolling Mills Ltd has been allotted 165 acres of land in the economic zone. Besides, Asian Paints was allotted 20 acres, Berger Paints 30 acres

and Arman Haque Denims Ltd was allotted 10 acres of land. Berger Paints Bangladesh will set up its third factory on 30 acres of land at Bangabandhu Sheikh Mujib Shilpanagar in Chattogram at a cost of about Tk 2.5 billion.

A joint venture, Adani Wilmar Limited (AWL), consisting of India-based Adani Group and Singapore-based Wilmar International Ltd, will invest Tk3,350 crore in Chattogram's Bangabandhu Sheikh Mujib Industrial City (Mirsarai Economic Zone) under a joint venture that will produce agro-based foods and allied products. A total of 3,500 employees will be primarily recruited in the 11 industrial units on 100 acres of land. The joint venture project will export its products after meeting the local demand.

Arman Haque Denim will set up the industry on 10 acres of land with investment of around Taka 300 crore to meet the increasing demand for denim products in European countries and the USA.

So far, four Chinese companies have been approved to invest in BSMSN. BEZA has also pledged land to one of the leading Japanese industrial conglomerates Sojitz Corporation. The conglomerate is planning to develop an economic zone with a port of its own. 1054 acres of land has been allocated for 'Indian Economic Zone' where India will invest Taka 720 crores to develop an IT park. Similarly, companies from Singapore, Saudi Arabia, Australia, Malaysia, and South Korea have also pledged to invest in the BSMSN.

Environment protection

Bangladesh Economic Zones Authority has taken a mega plan to plant 20 lacs trees to protect the environment. These trees will be planted along roads, embankments and other selected areas in the economic zones with equal focus on economic development and environmental protection. Initiatives have also been taken to set up a plant museum in Mirsarai and Feni EZ. Planting of trees will be made mandatory for each industrial unit in the economic zones. At least 5% of the land of an industrial unit will have to be used for tree plantation. Fruit-bearing plants, medicinal plants, and timber plants will be planted in the economic zones.

Further, BEZA has been working with the Green Economic Zone Guideline Concept for which a committee has been formed involving the World Bank, Water resources group, IFC, Department of Environment and a few other organizations. The responsibility of this committee is to provide counseling and guideline to BEZA in following an environment-friendly approach to the overall development process.

Rehabilitation and training

Since most of the land in the Mirsarai EZ was reclaimed from the sea, the number of displaced landowners is comparatively low. According to BEZA, around 135 persons have been displaced during the land acquisition and development process. Most of the people were poor fishermen who were living in the government-owned land. However, BEZA has decided to build homes for all of the displaced persons and this decision has been approved in the sixth meeting of the Governing Board. In this regard, BEZA is spending taka 15 lacs from its fund for each displaced person.

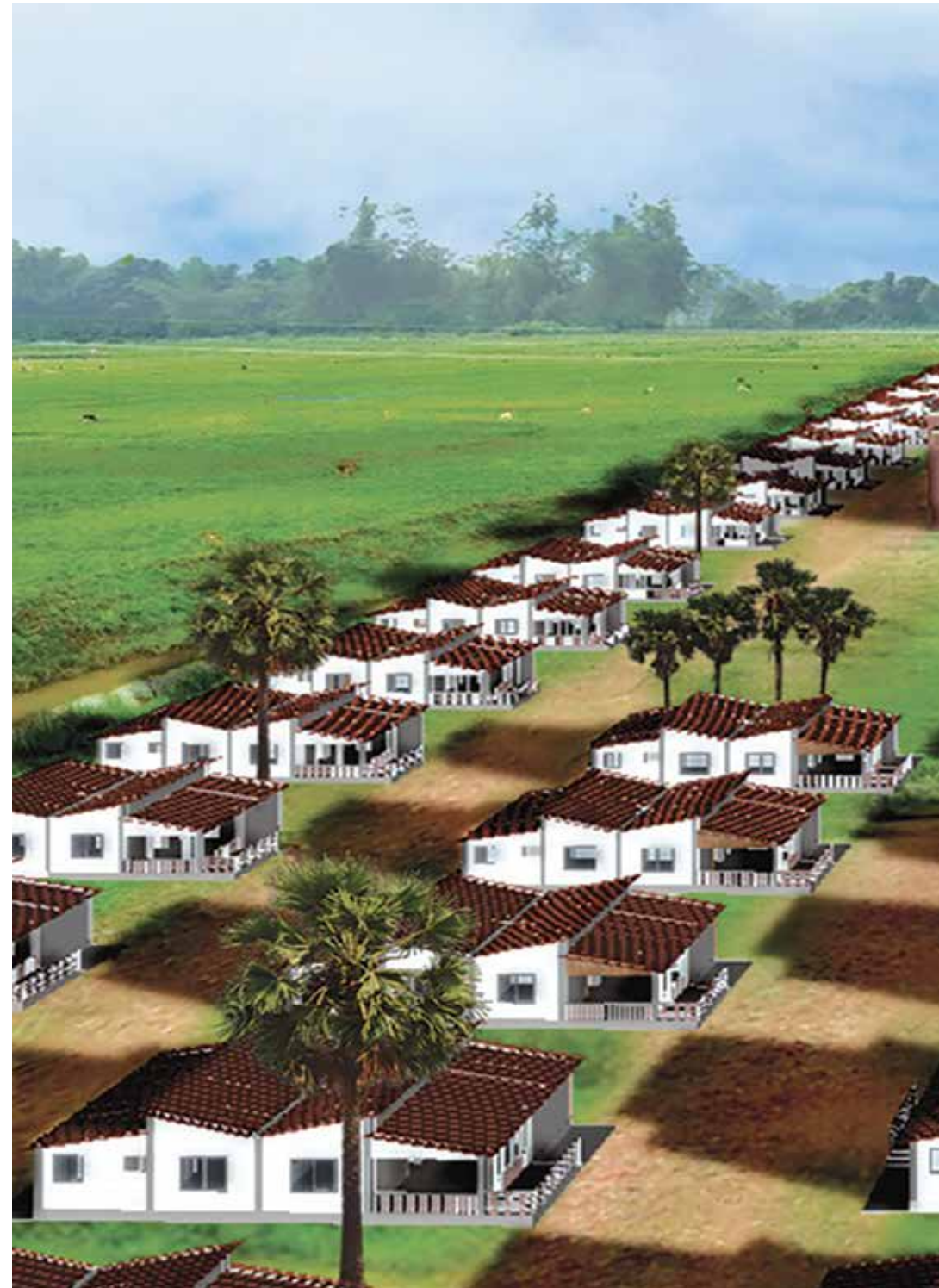
Further, with the help of other government departments, BEZA is providing training to those people so that they can be employed in different sectors of the economic zones. For example, under the Skills for Employment Investment Programme (SEIP) of the Finance division, BEZA has recruited these displaced people after providing them three months long training. Further, the Rural Electrification Board and Bangladesh Technical Education Board have also provided training for the displaced persons.

Not only the displaced home and landowners, BEZA also has plans to train and develop an efficient labor force that will be necessary for the proper functioning of the industrial city. Since a lot of construction works will be implemented during the development phase, with the help of the Rural Electrification Board and House Building Research, BEZA is providing training to interested people intending to build a good number of construction workers, mechanics, and technicians. The role of the Finance Division in this regard has already been mentioned. Also, BEZA has taken initiative to build the industrial workforce base that will be employed in various industries in the economic zones. The organization is already providing training on garments, chemicals, ceramics, and other industrial segments.

According to the feasibility report, at least 1.5 million people will have employment opportunities in the three economic zones. This number could be higher once all the EZs start working with full functionality. It will surely be a challenging task for BEZA to train all of these people. Therefore, Bangladesh Industrial and Technical Assistance Center (BITAC) and other technical training institutes were provided plots in the industrial city. These institutes have already started building and developing training facilities and infrastructures in their allocated lands.

Security

Security is another important concern for such an important industrial city. In this regard, from the beginning, BEZA has had help from several security forces like Police, Ansar, Army, and Navy. At present, 25 polices are deployed in the project zones permanently. However, BEZA has a plan to deploy a full-scale industrial police unit where 500 active servicemen will be on duty. BEZA has already built an accommodation infrastructure for 300 members of the police. Further, the entire industrial city will be surrounded by walls to provide more security to the EZs.



Model of a village to be developed by BEZA for the displaced inhabitants in and around BSMSN.





Construction works of a cut-through road, aimed at connecting different zones, is under way.

MIRSARAI, THE LAND I REPRESENT

Engineer Mosharraf Hossain, Member of Parliament, Chattogram-1

After taking office for the second term, our honourable Prime Minister Sheikh Hasina took the initiative to establish economic zones to drive Industrialization and create employment opportunities. The idea of establishing economic zones motivated me immensely, and I kept on my interest working on it, thinking that one of the zones could be in my electoral constituency too. At that time, I was the president of the Parliamentary Standing Committee on Ministry of Civil Aviation and Tourism.

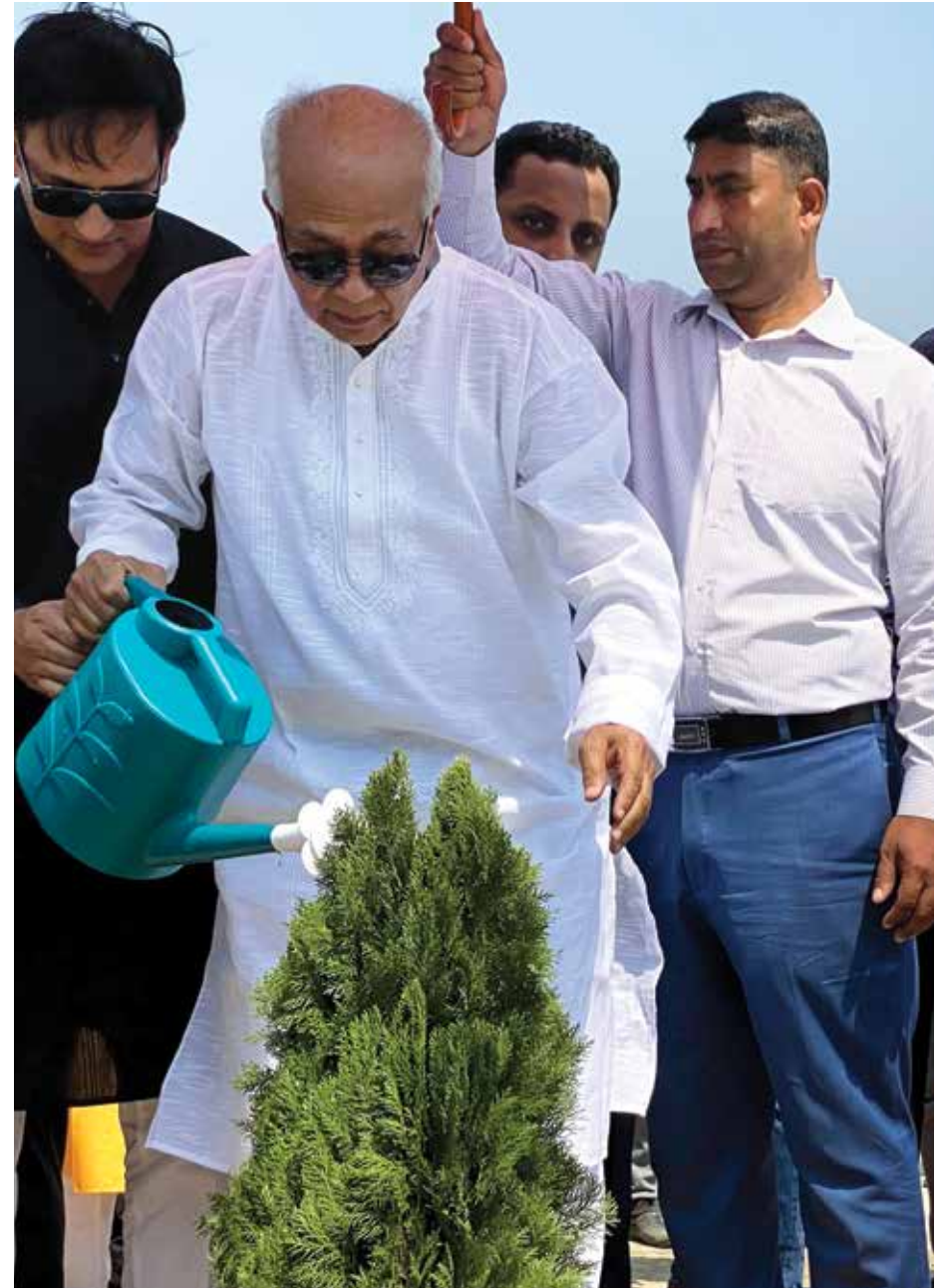
Mirsarai is the place I know like the back of my hands. It has hills on one side and sea on the other. Over the years, sediments deposited by tides have contributed to form mudflats along the coast of Mirsarai. This coastal landform used as a grazing ground for cows and buffaloes brought me the exact opportunity I was looking for.

I started to move on with the idea of the economic zone on my initiative, consulting with experts, measuring the size of the tidal flats, analyzing the condition of the soil etc. A retired BEPZA official helped me, in particular, to conduct a sort of feasibility study. After analyzing all the relevant factors and ascertaining the likelihood of the proposed project, I prepared a report detailing the potential advantages of the site.

I am fortunate that I had the chance of presenting the proposal before Prime Minister Sheikh Hasina. She took some minutes to grasp what the presentation was all about. The details of the plan captured her imagination and prompting her to issue instructions for further evaluation. That is how it was started.

The people of Mirsarai have elected me to represent in the parliament for seven times. I have responsibility for my people, and it was a chance to create better opportunities for the locals and focus on the needs of underprivileged groups. That was the underlying inspiration for me.

If anyone asks me what some of my greatest achievements in life are, I would say my greatest achievement is that I am a Muktijodhha (Freedom Fighter). Secondly, Bangabandhu Sheikh Mujib Shilpanagar (BSMSN), as it is called now is situated in my constituency. I am proud to be part of that. I think the industrial city will provide immense opportunities for the people I represent in the national parliament as well as contribute to the national economy.



Engineer Mosharraf Hossain MP planting trees at Bangabandhu Sheikh Mujib Shilpanagar.



A dredger on a floating platform inside the zone.



HITACHI

SE
30



THE SMART CITY SHAPING THE FUTURE OF BANGLADESH

Bangladesh is one of the fastest-growing economies in the world, coupled with a significant reduction in poverty. With increasing economic prospects, migration of rural population to urban areas has become the country's biggest challenge as the existing urban areas are becoming more concentrated. With a density of 47,400 people per square kilometer, Dhaka remains the most densely populated city on earth. By 2035, nearly 110 million people, about half of its total population, are expected to live in urban areas; currently, more than 60% of Bangladesh's urban population is concentrated mainly in four metropolitan cities- Dhaka, Chattogram, Khulna, and Rajshahi. Given this pace of urbanization, Bangladesh is likely to face challenges in meeting the needs of its growing urban population in terms of housing, transportation, energy and other infrastructure along with employment and other universal services.

A smart industrial city, to address the woes of urbanization, can be the perfect panacea. It propels the growth of an economy and spurs its development. It addresses the immediate need to provide adequate urban infrastructure, meets the needs of present and future generations with respect to economic, social and environmental aspects using Information and Communication Technologies (ICTs) and other means to improve quality of life, the efficiency of urban operation and services and competitiveness.

Smart industrial cities are known to leverage technological advancements using the Internet of Things (IoT) platforms to monitor city infrastructure, overseeing everything from traffic flows, parking, water and even air quality, and using the resulting data to handle long-term planning around environmental sustainability.

Bangabandhu Sheikh Mujib Shilpanagar (BSMSN) has been conceptualized to be built on a contiguous land of 30,000 acres, adjoining the Upazilas of Mirsarai, Sitakundu of Chattogram district and Sonagazi of Feni district. Its strategic location along the Dhaka-Chattogram Highway, advantages of being an ocean-front economic zone has motivated BEZA to dream in a bigger canvas. Instead of focusing only in the concept of economic zone, BEZA decided to utilize this massive project area in such an unprecedented approach that will transform the entire economy of Bangladesh, as well as improve the overall quality of life attracting businesses and citizens to settle in.

To transform BSMSN into a self-contained smart industrial city, BEZA has developed a comprehensive master plan to build a 'Smart City', incorporating seaport, rail and road connectivity, power plant, marine drive and social infrastructures like residential areas, tourism park, hospital, school and

university, etc. The primary goal of the master plan is to ensure that critical infrastructure is economically sustainable and public services are interactive, transparent and responsive, i.e., to improve the environmental, economic and social sustainability.

The comprehensive master plan has been designed addressing five central elements of industrial development: governance, economy, ecology, resources and community. Each component is going to be addressed by a series of objectives and strategies, which, when implemented, can increase the economic prosperity and social benefits and reduce environmental impacts. The city is being designed to be resilient and adaptable, now and in the future, which will add value to business and communities by optimizing the use of energy, materials and resources.

BSMSN, the first planned city of the country, will pave the way for establishing a truly world-class business and industrial centre. It is expected to create employment opportunities for 1.5 million people within the next 15 years and ensure US\$15 billion export from this industrial enclave. The city has started attracting leading companies from around the world to start manufacturing for domestic and export market. Local companies, considered as giants, have also begun establishing factories to commence their operation in the city. It is expected that various types of industries, such as garments and its supporting industries, agro-products and agro-processing products, integrated textiles, leather and leather goods, shipbuilding, motorbike assembly, food and beverage, paint and chemical, paper and products, plastics, light engineering (including auto-parts and bicycles), pharmaceutical products, power and solar parks will be set up in the industrial city.

Though the industrial city is in the development stage, BEZA has already allocated 6,120.9 acres land among the 131 business houses and their proposed investment is around \$19.5 billion.

BSMSN is going to be the country's first 'green' or eco-industrial city harmonizing with nature, energy systems, materials and waste management; water supply and drainage; effective eco-industrial park management; construction/renovation; integration with the local community. It aims to create an advanced recycling-based community in the city by developing a cooperative structure between industrial and residential areas. And to achieve this, BEZA has developed guidelines and policies to ensure the maintenance of existing water and create new water reservoir and lakes, reserve forest and green buffer zone. Three lakes, each one having a size of approximately 100 acres of land, are going to be

developed in this zone, and the first one is in the implementation stage. It has been made mandatory to plant trees in at least 5% area of the allotted industrial plot, and at least 10% area must be open space. Besides, the city aims to increase the transfer, application and dissemination of technology and cleaner production methods to reduce hazardous waste, greenhouse gas emissions in the industrial zone.

The industrial city is planned to be complemented by residential development to meet an anticipated population. All residential areas will be developed with a comprehensive range of community facilities clusters, including schools, medical facilities, neighbourhood retail etc. along with the required open space such that building sustainable communities where walking and cycling is a norm rather than reliance on fossil fuel-based vehicles.

The smart city will unquestionably bring about a paradigm shift in the economic growth of Bangladesh. BEZA is currently engaged with all the stakeholders and aims to harness real-time urban intelligence to power smart mobility, power, utilities, commerce and city applications etc. with ease.



A yard dedicated to building concrete blocks for the superdyke.





Development works are under way inside Bangabandhu Sheikh Mujib Shilpanagar.





Construction of administrative building of BSMSN is under way.

BELIEVING IN POSSIBILITY BRINGS PHENOMENAL SUCCESS

Paban Chowdhury, Executive Chairman, BEZA

Many wonder how a public institution like BEZA became so successful in such a short time. The mantra is pretty simple. When you have an invincible determination, a cause to pursue, a goal to achieve, what else you need to accomplish your mission. We have a clear and specific message, that is, to become a sustainable development driving force and to persistently create value for the investors by establishing attractive investment facilities in the zones through quality services and competitive incentive packages. We concentrate all our energy, focus all our attention on evolving ourselves to be an effective regulator and partner in economic growth and development. Definitely, we are still far away from where we needed to be. The achievement may seem significant due to the numbers on papers, but we still have to go miles if we consider our current capacity and capabilities.

In its early days, BEZA lacked a strong institutional foundation. We neither had an efficient workforce, nor big projects to learn and move forward. It sounds surprising that the organization did not have a bank account even after four years of its inception. Besides, the Act initially enacted to establish BEZA was not competitive enough to attract investors, to protect their rights and interests. But our efforts to build a better, effective and accountable institution ultimately paid off. At the current pace, BEZA is on the right track to be evolved into a full-fledged public organization. On the asset basis, we are now quite robust, and our organogram has been finalized. What we need to make this organization an independent one is to prepare our workforce according to the organogram, at the same time, develop our overall skills and capacities. It was and is still challenging, but we are open to thinking in divergent ways.

Over the years, our accumulated assets have contributed to a strong foundation for our future advancement. Thanks to our skilled planners, we have successfully implemented our ambitious plans in the fields. The Jamalpur economic zone is such an example, where we have allotted 50 acres of land to the Bangladesh Small and Cottage Industries (BSCIC), one of the oldest and organized institutions of this country. In the Mirsarai Economic zone, 1150 acres of land has been allotted to another highly successful public organization Bangladesh Export Processing Zones (BEPZA). These are our achievement which I think phenomenal. Such a tremendous feat has been achieved due to the strong leadership of our Honorable Prime Minister Sheikh Hasina, who is leading our country from the front in our journey to be a developed and prosperous nation. As an organization, BEZA is just trying to implement her philosophy into reality and, in that effort, we continue to flourish ourselves into a responsive and genuinely representative public service provider organization. But, our goal is to prosper way beyond that; not just setting up and implementing some targets. That is the philosophy that worked behind the success of



22 kilometre long superdyke is being built along the Bangabandhu Shilpanagar.



Transmission towers installed by Power Grid Company of Bangladesh (PGCB).

BEZA. Not our dedicated and hard-working officials, some extraordinary people from other public and private organizations have also contributed to our journey. One of them is the Former Principal Secretary and SDG Coordinator at the Prime Minister's Office (PMO) Abul Kalam Azad whose guidance helped us profoundly.

Initially, we selected Anwara, Mirsarai, Moulvibazar and Mongla to start developing economic zones. In Mongla, we received the land from the Port Authority. The Anwara project was abandoned because of the potential risk of displacement of many inhabitants; progress could not be made with the Moulvibazar project as the land was privately-owned and we did not have enough funds to acquire. The lessons we learned from these projects prompted us to adopt a different approach that is, we started to look for Khas lands. Soon an opportunity came, as we learnt that the Chandpur Tea Estate in Habiganj has some 511 acres of Khas lands. But before our move, BEPZA applied for that land. We kept on negotiating, and eventually managed to register that land in favour of us. Then a new situation arose, as we did not have the effective possession of the estate. Some of the labourers of the tea estate opposed our acquiring the land, even though we promised proper rehabilitation programmes for the displaced workers. But they did not trust us. Their mistrust is very usual as they have been deprived of their rights for more than 150 years. While some of the workers and their leaders were convinced that they would be beneficial if industrialization had taken place in that land, some other tea estate owners and political parties joined the protest. Eventually, we had to back off from Habiganj after considering the sensitivity of the issue. During that time, we found some 550 acres of land in Mirsarai, although we did not have any plan for that location. That land is now developed by a joint venture of three companies under the PPP model.

Having faced situations like these, we started to realize that it is not possible to grow up substantially in the way we do business. So, we get going to dream something bigger and looking for unique opportunities. Suddenly, a patch of land (Mirsarai 2A), a submerged low-lying area which would only be seen in low tide and was on the other side of the embankment of Bangladesh Water Development Board, attracted our attention. At first sight, it was not suitable for an economic zone, but we decided to move on with that. We discussed with the Water Development Board and persuaded them to construct a 22 kilometres long super dyke extended to Sitakunda, another proposed area for an economic zone. Luckily, the Board accepted our proposal and started the construction works, which is currently ongoing. We had a scheme to develop an economic zone in neighbouring Feni district. So, we decided to combine all these proposed project locations into a massive industrial city on 30,000 acres of land and suggested to name that city after our honourable founding father of the Nation Bangabandhu Sheikh Mujibur Rahman. Our proposal was accepted, and the Bangabandhu Memorial Trust also approved our initiative. A consultant group of Bangladesh and India has developed the master plan of the Bangabandhu Sheikh Mujib Shilpanagar (BSMSN) with the funding of the World Bank.

Now the question is why Bangladesh would be an attractive destination for investment over many countries of South-East Asia. As we all know, our labour cost is comparatively low, but foreign direct investment (FDI) doesn't only depend on cheap labour. In our understanding, the most significant factor to excite foreign investment is to develop the investment culture, as the branding of a country depends on this culture. That means the overall investment climate of a country is vital for domestic and foreign investment. BEZA aims to emphasize on that investment culture, prioritize to earn the trust of the investors offering a competitive incentive package for the investors, providing one-stop services. We want to develop ourselves as an exceptional public organization as people at home and abroad have a negative impression of our government institutions. That is the reason why, in a short time, BEZA has been able to earn the trust of local and foreign investors. Now, we are experiencing a surge in the amount and number of Chinese investments. Already a specific economic zone has been approved for the Japanese investors; discussion about another one is underway. India, too, has been developing two economic zones. These examples are all reality and success that we have achieved in a short period. Because we believe in our potentials and with that, we are making our dreams a reality.

However, the road ahead is not all rosy. We cannot only depend on cheap labour; we also need to create a skilled labour base. To do that, a close relationship between the industry and the educational institutions is very crucial. This relationship needs to be streamlined according to the need of the ever-changing industrial sector. On the other hand, for the sake of their development and growth, the industrial institutions need to employ more skilled labours. Unfortunately, such initiatives have been taken only on a limited scale. Recently, the Skill Development Authority has been established, but the organization needs additional time. Therefore, to provide skilled labour and workforce for the investors in our industrial city, we are maintaining a good relationship with existing local technical education centres and management institutions. As part of our effort to consolidate our technological foundation, we are developing three technology centres in cooperation with the World Bank. The first one is being developed in the Bangabandhu Sheikh Mujib Industrial City. The Ministry of Commerce is in charge of the implementation process. Moreover, BITAC and some other training institutions have also applied for land in the industrial city. At the same time, with our funds, we are developing two skill development centres in Cox's Bazar. The technical education department of the Education Ministry is also partaking in this approach. Underprivileged Children Educational Program (UCEP) and HSBC, one of the leading financial institutions of the world have recently signed an MoU to establish a skill development centre in Bangabandhu Sheikh Mujib Shilpanagar. However, the overall skill development of the labour base cannot be done by a single organization. There should be a coordinated effort from all the organizations to be involved in this endeavour.



Paban Chowdhury, Executive Chairman of BEZA, during a visit at the early stage of the zone.



Mr. Md. Abul Kalam Azad, the then Principal Secretary to The Hon'ble Prime Minister played a very significant role in establishing Bangabandhu Shilpanagar.



Workers busy at work.

(Top) Foundation stone of Sheikh Hasina Lake, inaugurated by Mr. Md. Abul Kalam Azad, the then Principal Coordinator of SDG to the Prime Minister's Office.

Ongoing development works within the zone.





Construction of entry gate for Sheikh Hasina Avenue.

BSMSN AT A GLANCE

Land, Investments and Employment




Proposed Land: **30,000** acres
The land is being developed on the mouth of Feni river, covering 25 kilometers of coast lines of Sandwip channel



Land owned by BEZA: **16,654** acres



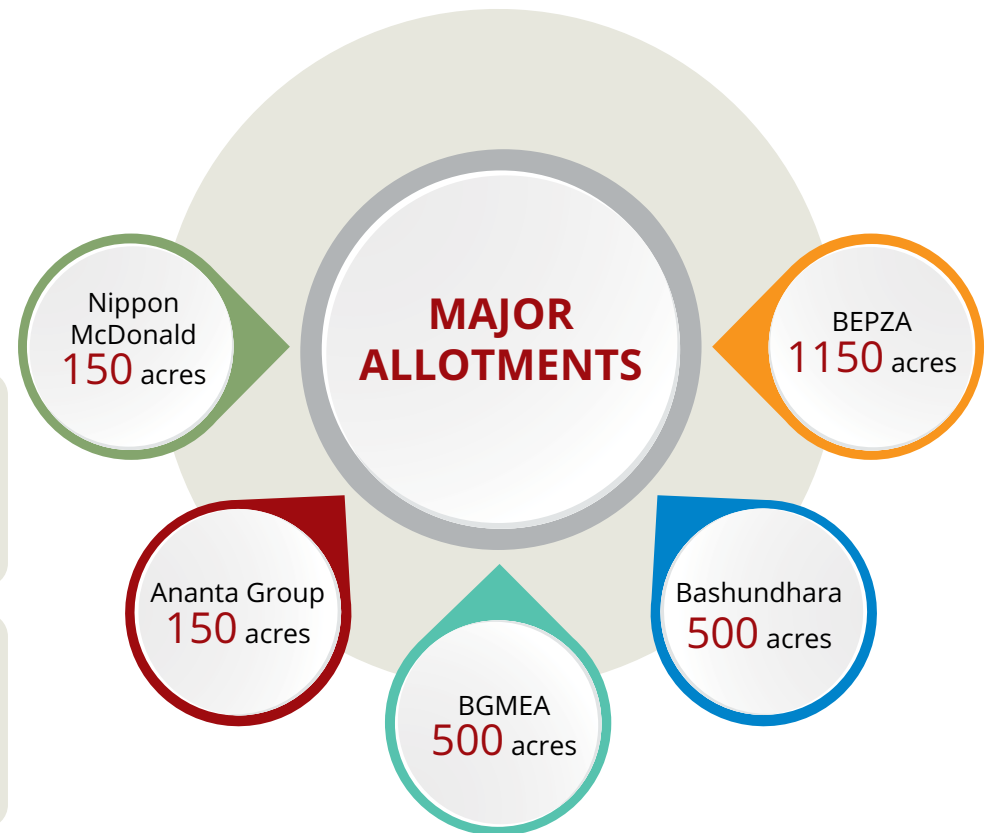
Land allotted to investors: **6120.9** acres




Total application purchased by Unit investors: **160**



Total Approved projects by BEZA: **38**




Approved investment: USD **19.5** billion



Employment by approved projects: **0.4** million



Total employment generation: **1.5** million



*Project map of Bangabandhu
Sheikh Mujib Shilpanagar*







Plantation Program at Banagabandhu Shilpanagar.

ENVIRONMENTALLY SOUND INDUSTRIALIZATION

Industrialization, the social and economic transformation of human society from agrarian to industrial, tends to impose a major negative externality on human society in the form of deforestation, extinction of species, widespread pollution, and excessive waste. The environmental and social risks associated with industrialization are significant. Historically industry and policymakers did not give high priority to managing and mitigating environmental and social impacts. In many cases, air pollution, industrial effluent, and poor management of solid waste from industries have contributed to the deterioration of environmental quality with concomitant effects on human and environmental health, as well as industrial and community safety. Industrialization without transformational changes in production systems places sustainable development at risk.

When it comes to industrialization, there are four primary impact points — air, water, soil and habitat. The biggest problem is air pollution, caused by the smoke and emissions generated by burning fossil fuels. Water pollution occurs when toxins from factories in a variety of forms — solid, liquid or gaseous —contaminate the natural water sources. Even landfills and other waste disposal areas can leach toxins into the local water supply, leading to water pollution. Soil contamination is another problem that goes hand in hand with industrialization. Lead is the most common form of soil contamination, but other heavy metals and toxic chemicals can also leach into the soil and, in turn, contaminate any crops that grow there. The industrialization has also led to dramatic habitat destruction.

The idea of sustainable industrial development or environmentally sound industrialization aims to maintain a balance of meeting the human's economic and social needs while protecting the environment and its natural resources. And here, technological progress is the foundation of efforts to achieve environmental objectives, such as increased resource and energy-efficiency.

Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) is the first public economic zone to go into operation as part of the government plan to set up 100 industrial enclaves across the country to give a boost to industrialization. It is also the largest zone having 30,000 acres of land. A master plan has been finalized to develop it as a state-of-the-art green economic zone which will set an example for sustainable, resilient and environmentally sound industrial development in the country. The city would aid significantly reduce negative externalities from industrial production by helping to optimize the use and cost of utilities and resources and reduce the environmental footprint and operational risks.



A road leads to a village outside the BSMSN.

Integrating resilience and sustainability concepts into the design, the master plan of this green industrial city will have facilities that would reduce the impact of negative externalities. It includes desalination, rainwater capture, water resource management, solid waste management, waste pyrolysis/energy, solar energy production, sewage management, wastewater treatment and flood management.

The Pre-Feasibility Study, commissioned for the development of the Mirsarai 2A Economic Zone, has detail blueprints on the location and process design of the Central Effluent Treatment Plant (CETP). The industrial effluent in the economic zone will be collected from the industries through a sewerage network and treated in the CETP. The factories will be responsible for the preliminary treatment for their industrial effluent. The maximum value parameters for some critical wastewater allowed to be discharged to the central effluent treatment plant will be determined to prevent overloading of the treatment operation.

The location of the CETP will be located within the Processing Area, with a proposed area of 21.925 acres or 8.873 hectares. Support is now being sought to assist BEZA in coming up with a sound business case for the design, build, financing, and possibly operation and maintenance of the CETP for Mirsarai 2A. Furthermore, plans are also in place to expand the CETP service coverage to Mirsarai phase 1 and 2B, as well as to broaden the scope of the scheme to include sewerage network and water supply treatment and distribution facility. This centralized effluent disposal would also increase the appeal of the entire zone to the international crowd.

Besides industrial effluent, solid waste from industries also contributes to the deterioration of environmental quality and, could be of variable nature including industrial non-hazardous waste, hazardous waste, biodegradable, non-biodegradable, e-waste, construction debris, hospital and bio-medical waste. Solid waste to be generated during the construction phase will be collected and segregated at the generating sites itself. Recyclable and Re-usable waste will be separated and sent to the recycler. Rejected waste will be disposed off at the designated location by the local authority. Nature of solid waste generated during the operation phase will be highly variable due to the presence of different kind of industries in the EZ. The solid waste to be generated by the industries will be managed by the industries themselves. A secured scientific landfill will be developed for disposal of municipal solid waste within the EZ site. The landfill site will be connected with the liners and drainage system for leachate. The liners will prevent the entry of leachate that may contaminate the underlying soil and groundwater. A drainage system allows the flow of leachate without

accumulating in the landfill site. The leachate collected will be treated in CETP. Hazardous waste from industries should be disposed off only through authorized hazardous waste handling agencies.

For storing rainwater, several rainwater harvesting ponds or lakes of approximately 100 acres each will be developed within the project site. These lakes will receive the water from the rainfall from the entire zone. Water after treatment from these lakes can also be used for meeting the requirement as per the availability. For managing the stormwater run-off, a stormwater drainage network will be developed at the site. Drainage will be channelized into the lakes proposed for harvesting the rainwater. Moreover, a peripheral drain will also be developed all along the project boundary. It will be connected to Ishakhali channel and lakes both to manage the flow. Sluice gate has been built on the entry point of Ishakhali channel to prevent the flow of saline water in the lakes during high tide.

Protecting the site from cyclone and inundation, construction of a super-dike is underway all along the periphery of the zone. This super-dike will also act as a peripheral road to provide connectivity to the site. A green buffer of 30m width will be created all around the site. Also, the area between the sea and the project boundary (1km zone) will be planted with mangroves. This buffer and mangrove plantation will also reduce the impact of water ingress during the cyclone.

Avenue plantation all along the access roads, bunds cum peripheral roads, and internal roads remains high on the agenda. In addition to this, all industries will create a green belt all around their respective plots. Native plant species consuming less water and requiring less aftercare and monitoring will also be planted, and the species include Neem, Chambal, Sirish, Palms, Gewa, Mango, Mahagony. The green buffer should consist of a minimum of 3 rows of vegetation. The first row of the green buffer should be small shrubs and herbs, the second row of tall shrubs and small/medium-height trees and last row of medium to tall height trees.

Development and climate change are now two interlinked challenges, neither of which can be sacrificed. As a developing country, Bangladesh cannot continue a development paradigm of the past depending on heavy fossil-fuel and green-house gas emissions. BSMSN offers an ideal environment for environmental policy experimentation, as well as fascinating opportunities for innovation in both social and environmental policy. It will play a significant role in advancing industrial development, while ensuring that they comply with environmental sustainability, i.e. managing the whole resource, energy, and environmental impact in an integrated manner.



Livelihood around Bangaabandhu Shilpanagar.



Md. Harunur Rashid, Executive Member (Additional Secretary), BEZA during a visit at the BSMSN.

A PLANNED AND LIVABLE CITY

Md. Harunur Rashid, Executive Member (Additional Secretary), BEZA

It all started with just 550 acres of land in Mirsarai back in 2015. Now, Bangabandhu Sheikh Mujib Shilpanagar (BSMSN) is set to be the largest industrial enclave in Bangladesh with 30 thousand acres of contiguous land. To any parameter, the success achieved so far is phenomenal, though challenges were enormous.

Mirsarai of Chattogram district was selected as a proposed site to establish an economic zone, and a feasibility study was conducted by the Japan Development Institute (JDI) with the fund of the World Bank. However, we could not proceed with it as the entire land was private, and the acquisition cost was too high. So, lack of fund forced us to take the next natural step, which is to look for Khas land to avoid costly acquisitions. We continued to inspect the area and at one point identified 550 acres of land on the coastal side of the upazila. It was the location (Mirsarai Economic Zone-1st Phase) where the beginning of the massive industrial city originated. We started the initial development process and later appointed a consortium (made up of Powerpack, Bashundhara and Jemco) under the PPP agreement to initiate the development activities.

Mirsarai is our second economic zone project, while Mongla was our first successfully developed zone with the funding of the World Bank and the Department for International Development (DFID). But we were not in a mood to limit ourselves within the small piece of land in Mirsarai; we always had the vision to transform our small steps into a huge leap. As we continued to scan the area for land, a swathe of barren marshland attracted our attention. The coastline was flooded by tidal seawater and would stay submerged for months in the rainy season. Locals would use this land as a buffalo grazing field. Therefore, it was quite challenging to develop that site suitable for such a massive infrastructure. At first, we needed to protect the land from the flood. In this regard, the Water Development Board came into our aid and took a massive project to build a super-dike. In this process, we have successfully reclaimed around 16 thousand acres of land from the sea, though most of the reclaimed area is in the Sonagazi upazila of Feni district. A patch of land was also reclaimed in the Sitakunda upazila of Chattogram district. Therefore, we started to think of a massive industrial city on the

contiguous land stretching from Sonagazi to Sitakundu. We decided that naming this industrial city after our honourable founding father Sheikh Mujibur Rahman would be an appropriate decision.

Connectivity, infrastructure and utility services are a precondition to make an economic zone viable. And the fundamental responsibility of BEZA is to develop lands that are suitable for industrial infrastructure. We need to ensure access to the necessary utilities like roads, electricity, water, waste management facilities. In this effort, we have already constructed a road network inside the industrial city. In some parts, we have finished the connectivity and utility infrastructure development works. We hope that the rest of the development activities will also be completed soon.

The industrial city is a very new concept for Bangladesh. Although, an economic zone is itself a city where all kinds of facilities like residential, non-residential, commercial, industrial, recreational are available. But, the BSMSN is probably the largest economic zone in South Asia which is being developed on 30 thousand acres of land. That is why, with the help of the World Bank, we have developed a Master Plan for this massive economic zone which will be transformed into a liveable and planned city. In creating such a gigantic industrial enclave, a small number of people have been displaced. But we have extended our every support to them, from compensation to training for their future employment. Moreover, these displaced people will be given special priority once the city starts operating.

Besides industrial infrastructure, half of this city will be covered by forests and green zones. There will be lakes and open fields that will be available for recreational activities. A 100 kilometers long avenue, named after our Honorable Prime Minister Sheikh Hasina, is being constructed. We have also initiated to develop Common effluent treatment plant (CETP) for solid and liquid waste treatment to prevent pollution in the industrial city.

We believe, BSMSN will soon transform into an industrialized and hyperactive urban environment. No doubt, it will become a better-managed city, more sustainable for livability with adequate infrastructure and high levels of services.



Construction of a 100% export oriented chemical industry Jinyuan Chemical Co. Ltd.



Undergoing construction work of Asian Paints factory.



The designated site for the development of a seaport.

A PORT DESTINED TO OFFER MYRIAD TRADE BENEFITS

The modern global business environment enables international companies to source and manufacture products offshore with final destinations in other countries. This scenario enables a port to represent a strategic node facilitating cargo flows in the international distribution of goods, as a part of an extensive logistic network which allows trade and information flows between different points. Also, a port is generally seen as a catalyst to stimulate economic activity and create employment.

Chattogram, the second-largest economic and financial hub of Bangladesh, hosts the country's significant seaport which handles 90% of the country's export-import business. The strategic importance of Chattogram Port for Bangladesh's industries and the economy is resulting in a steady rise of cargo traffic at the port. In the Fiscal Year 2017-18, the Chattogram Port handled over 2.8 million 20-foot containers, up 12.19%, against 2,503,471 containers in 2016-17. Though, congestion caused by a large number of containers in the quay area, delay in customs clearance, limited space for container storage and uploading activities inside the port contribute to transport inefficiencies.

Bangabandhu Sheikh Mujib Shilpanager (BSMSN) is going to be the largest economic zone in Bangladesh. The industrial city includes industrial, logistics, residential and tourist zones, supported by world-class road infrastructure. The development of integrated trade dynamics such as the economic zones connected to a port can significantly boost port productivity as well as increase the flow of cargo.

To ease the burden on Chattogram Port, the Chattogram Port Authority (CPA) is exploring the potential to develop a new port in Mirsarai (within 60 km of proposed EZ site), which is adjacent to Feni district. The central function of this seaport will be to act as an intermediate port/terminal, which will provide support to Chattogram Sea Port. The prime purpose of this port will be to offer direct sea connectivity for industries that might come up in the region so that early and effortless delivery of container and cargo can be made possible. This project is still at the conceptualization stage. Meanwhile, the CPA carried out a feasibility study to build a terminal near the industrial city. The study indicated the potentiality of constructing a port terminal in that area. With this terminal, the industries in the Bangabandhu Industrial City will be able to directly import and transport their raw materials to their factory instead of going through Chattogram or Mongla port. Also, the industries can use this terminal to export their

products directly from the industrial city. Another positive side is that once completed, the project will open immense job opportunities for the local people.

Also, another proposal is under consideration to develop the Bangabandhu Sheikh Mujib Shilpanager as an ocean-front economic zone, an integration of port and economic zone. The proposed industrial city port and the Matarbari Deep Sea Port (proposed) can create synergy to support the economic growth with seamless operation. To build the seaport Japanese Sojitz Corporation and local Energypac want the Bangladesh government to get involved in their \$2-billion plan under a public-private partnership (PPP). As per the initial feasibility study, the two firms will need to invest \$1.2 billion within 2024 to complete the first phase, and the investment will reach \$2 billion to build the full-fledged seaport. The port would be able to anchor 30,000 to 40,000-tonne cargo vessel, much higher from the present capacity of only 10,000-tonne at Chattogram port. Sojitz and Energypac have already signed a memorandum of understanding with Bangladesh Economic Zones Authority (BEZA) so that the two companies can get the land. Once the deal is inked, Sojitz and Energypac will carry out the final feasibility study and place financing proposal with the World Bank and the Japan International Cooperation Agency for funds.

It is worth noting that Sojitz Corporation is a Japanese multinational trading company based in Tokyo, Japan. The group has a history of more than 150 years and played an instrumental role in the development of modern Japan. It consists of approximately 400 subsidiaries and affiliates and has been operating in more than 50 countries. It is engaged in a wide range of businesses globally, including buying, selling, importing, and exporting goods, manufacturing and selling products, providing services, and planning and coordinating projects in Japan and overseas. Sojitz also invests in various sectors and conducts financing activities. The broad range of sectors in which Solitz operates include automobiles, plants, aerospace, medical infrastructure, energy, mineral resources, chemicals, foodstuff resources, agricultural and forestry resources, consumer goods, and industrial parks. Sojitz has developed several industrial parks in some countries including Long Duc Industrial Park (270ha) and LOTEKO (100ha), Vietnam; Motherson Industrial Park (115ha), India; Deltamas City & Industrial Park (3,000ha), Indonesia. The group has also been working as a container terminal operator in Japan, Spain, Thailand and Cambodia.

SBG ECONOMIC ZONE

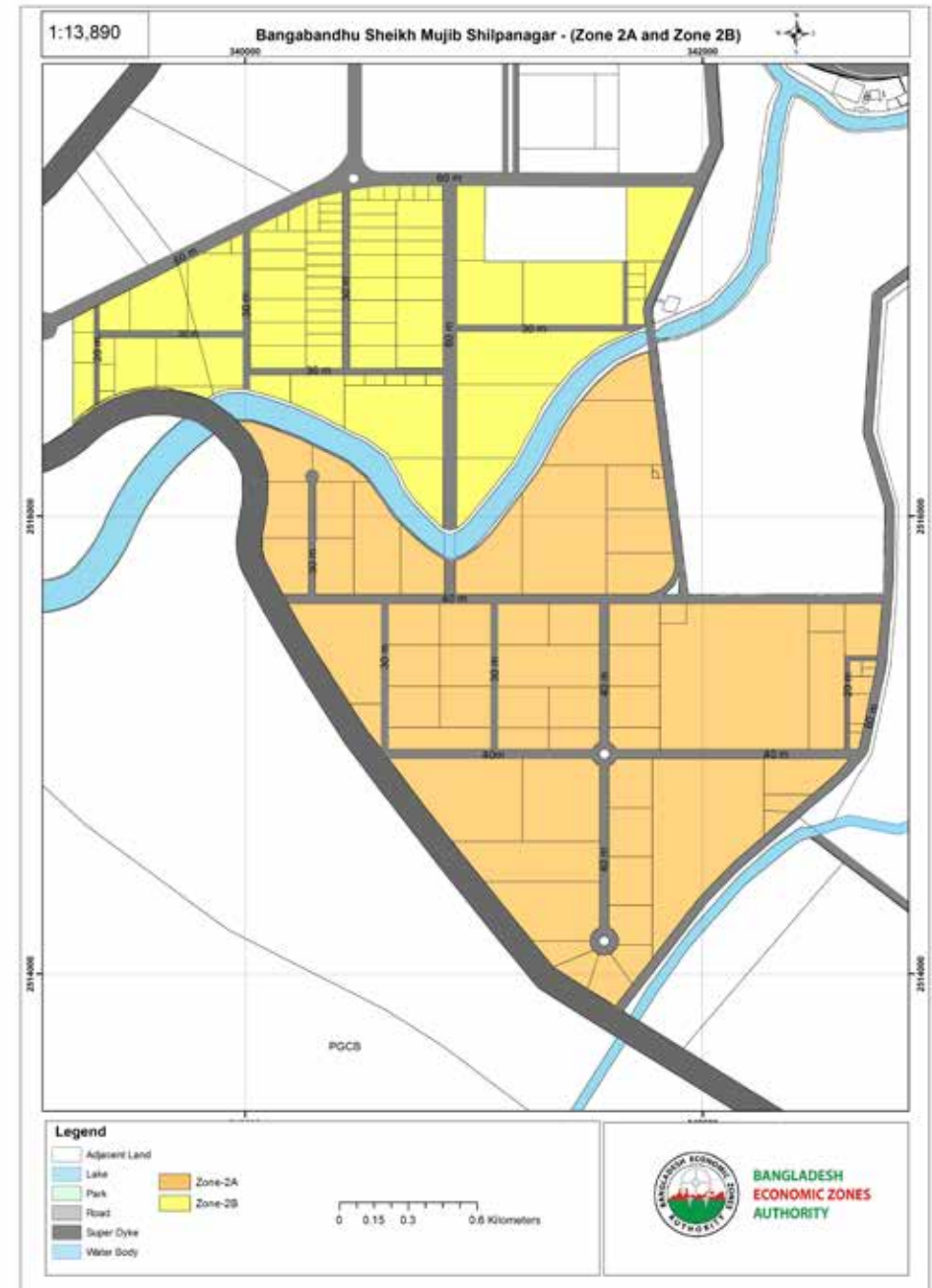
SBG Economic Zone within the Bangabandhu Sheikh Mujib Industrial City is a multi-sector PPP EZ in the country encompassing an area of 550 acres of land. The selection of a developer for this zone has already been completed. The Powerpac-East West-Gasmin JV has been selected as developer for this zone and they are now developing the site for investment.

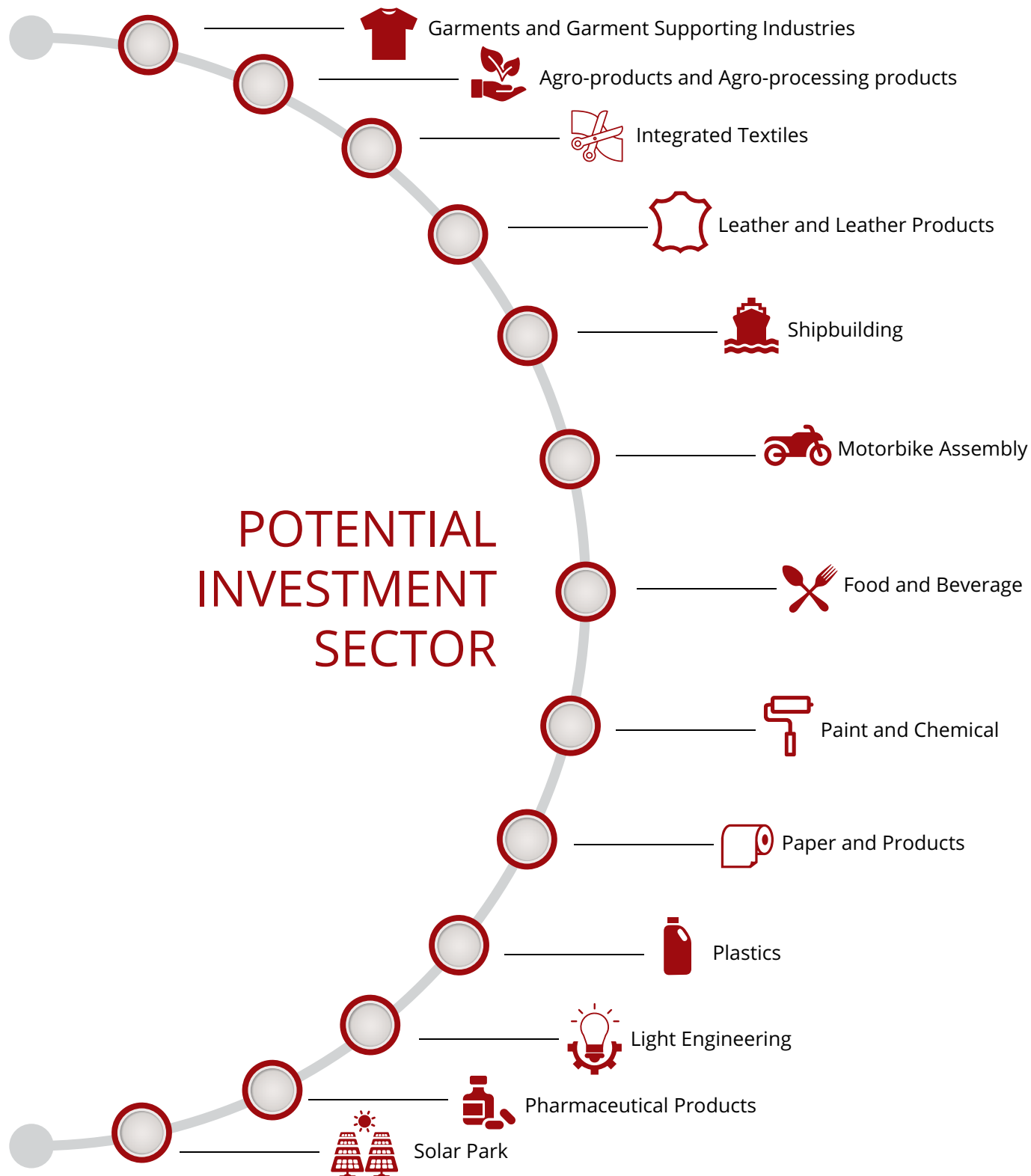


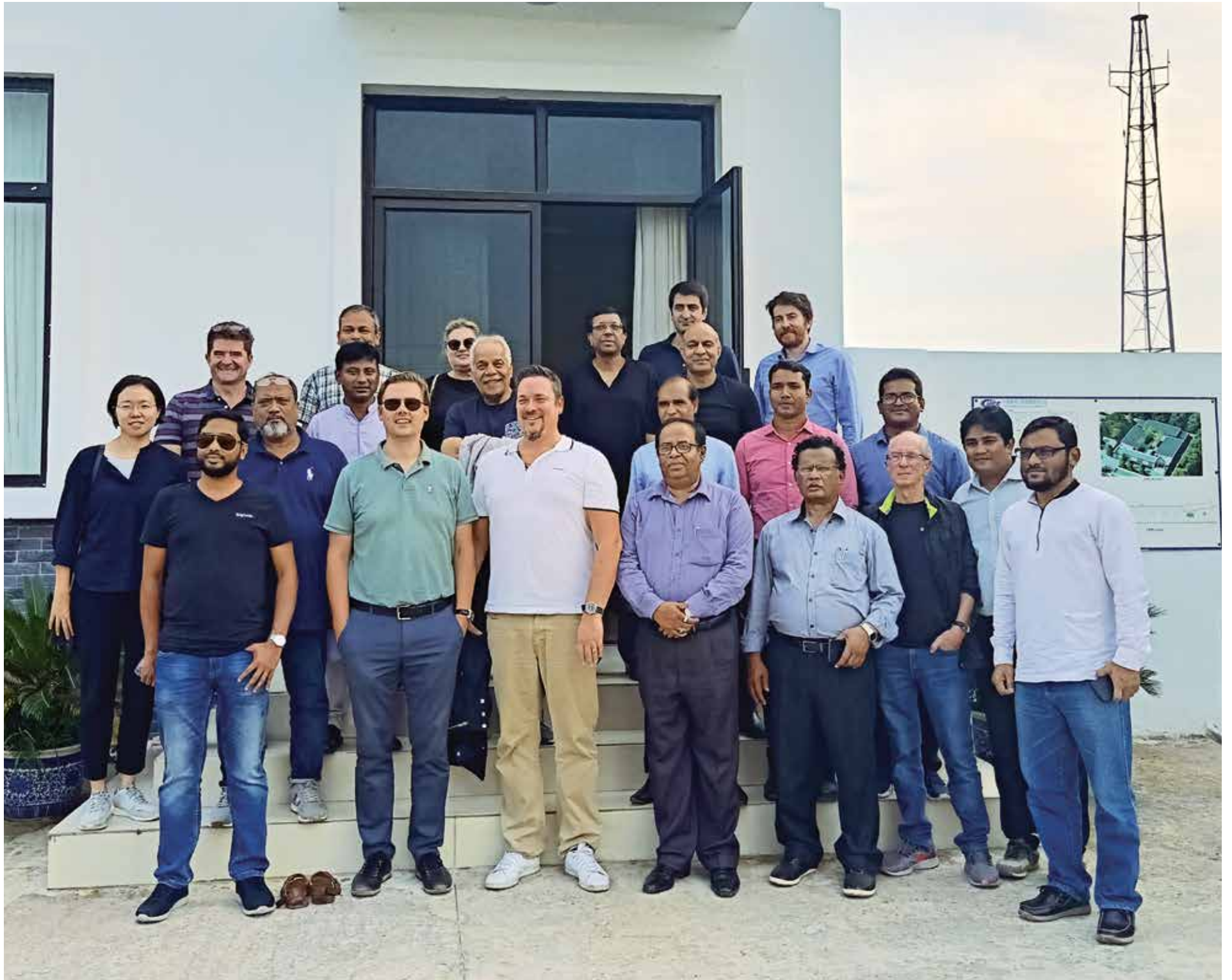
MIRSARAI ECONOMIC ZONE 2

Mirsarai Economic Zone 2 is being developed beside the 1st phase of the zone and its total area is about 900 acres. BEZA has already appointed contractor to develop the land and construct a super dyke for which development works are in progress. Plots in the zone have been allotted to PHP, Nippon & Macdonald Steel Industries Limited, ACI, Asian Paints, Hamko, Green Health, BSRM, Mango Teleservices, Gas-1, Fawn International, Greatwall Ceramic Ind. Ltd., Metro Mills, etc.

Mirsarai Economic Zone (2nd Phase) is located beside the Mirsarai EZ 2A and Mirsarai EZ 1st Phase and total area is about 500 acres. BEZA has appointed contractor for developing this site.







World Bank and BEZA Officials during a visit at Bangabandhu Shilpanagar.

BSMSN: OPENING EXCITING INVESTMENT OPPORTUNITIES

Abdullah Al Mahmud Faruk, Deputy Project Director, BEZDP

Bangabandhu Sheikh Mujib Shilpanagar (BSMSN) opens immense investment opportunities. The industrial city, first of its kind in Bangladesh has 25 zones with 30,000 acres of land, which is half the size of Singapore. About half of the land is in the process of reclamation; mostly submerged low land which could only be seen in low tide. The infrastructure need in this vast area may exceed sources of traditional funding, thus acknowledging the increasing need for enhanced participation of the private sector, both from local and foreign investors, in infrastructure projects.

The project we are currently implementing can be a good example of the increasing infrastructure need in economic zones in Bangladesh. We started the project with an allocation of only 82 crore taka with grants and loan from DFID (Department for International Development) and World Bank respectively, which was launched in January 2014 and scheduled to be completed in 2016. The project was first amended with budget increased to Tk. 122 crore. But, the increasing demand for such projects in economic zones made it amended again and the budget rose to Tk. 905 core.

Under this project, we initiated some development works in Mongla and Mirsarai economic zone. In Mongla, we have built an administrative building, constructed roads and bridges, water supply line and pump houses and finally handed it over to PowerPac, the developer company. In Mirsarai, we have been working in a couple of zones. In zone 1, works as the development of land, construction of embankments and bridges have been completed. For the remaining development works, the zone has been handed over to the consortium SBG (Shikder, Basundhara and Jemco) under a Public Private Partnership (PPP) model. But the progress BEZA anticipated with this model didn't satisfy them as it appeared to be a bit lengthy. Still, the zone isn't ready for allotment. The slow progress in this zone prompted BEZA to take the initiative to develop lands on their own and in this process; Mirsarai Zone 2A and 2B came into being.

BEZA got tremendous success here in these zones. Currently, there is no land available to allot in zone 2A and 2B. Furthermore, allotments have been made in Zone 3, 4 and 5. A number of investors have started to construct their factory building in Zone 2A and 2B, most notably BR Powergen, which is establishing a power plant with a capacity of 150 MW. A Chinese investor is planning to start manufacturing within a couple of months. Most of the companies are busy with completing the construction works of their factory buildings and are planning to start manufacturing at the start of the next year.



Internal road network of Bangabandhu Sheikh Mujib Shilpanagar.



3D view of entry Gate to the Sheikh Hasina Avenue.



The size and scope of projects we have been implementing in Mirsarai zone 2A and 2B vary considerably; some projects are made up of a package of different infrastructure projects, while others are a single part of a larger network. In Mirsarai 2A, the construction work of a five-storied administrative building, with a floor space of 1496 square meter is near completion. Projects aiming to facilitate transportation include construction of road network of varied length are also being implemented. Among these, seven kilometers of Sheikh Hasina Avenue, a connecting road of five kilometers from Sheikh Hasina Avenue to the superdyke, connecting road from zone 2A to 2B with a length of two and half kilometer is under construction. A sluice gate over Ichhakhali Channel and a road of two and a half kilometers along the embankment are almost complete. The road network includes three bridges of different length and a culvert.

Under our project, three kilometers of the 22 kilometer-long superdyke, a 10-meter wide road also, is being built. We needed to treat the soil, as it is being constructed on a mudflat, the soil there is soft. We are using a specific technology called Pre-fabricated Vertical Drain (PVD) to build this superdyke. The remaining part of the dike has been constructed under a different package initiated by the Bangladesh Water Development Board.

Land development works in Zone 2A and 2B are also gaining up the pace. We expect it to be completed in December of this year, well ahead of the scheduled time. A number of other projects like the construction of water supply line, reservoir, pump houses, accommodation shed for the construction workers and a power substation with a capacity of 20 MW

(another 40 MW is in the pipeline) have been implemented under our project. Afforestation is another area we are focusing on. We have a plan to create a green belt, parallel to the superdyke, along the long beach.

We have faced and still facing enormous challenges. One of the major challenges was the sub-soil condition. To overcome it we needed to apply special technology. The location of the site and its geographical nature were other areas of concern. When we started, there was no road connectivity. The construction window was limited as the area is prone to cyclone and heavy rain. Though, we have achieved tremendous progress overcoming the challenges as part of a dream.

The success we have registered so far has begun to attract development partners to participate on a larger scale. World Bank pledges \$500 million in support of the BEZA's efforts to develop the industrial city. BEZA itself is implementing a number of projects including land development. But, all we have been doing is not enough to meet the increasing infrastructure needs of this industrial city. Mega infrastructures like direct and uninterrupted connectivity, new port facility, logistics zones, are needed to be established, so does the participation of the private sector. What we have been ensuring is the basic infrastructure need, the rest lies on the developer companies.

Our achievements so far help build trust among investors. Along the journey, BEZA has established itself as a trustworthy organization ready to support investors around the globe. The initial phase has been completed and the final take-off is going to start very soon.



Land development at Bangabandhu Shilpanagar.



Earthworks going on to construct a road inside BSMSN.



Gas network at Bangabandhu Sheikh Mujib Shilpanagar to serve the investors with quality utility services.

A JOURNEY SHAPING OUR INDUSTRIALIZATION

Md. Abdul Quader Khan, Social Consultant, BEZA

Mongla and Mirsarai, the two economic zones, was in all likelihood when I joined BEZA as a social consultant. It was 2014, and the feasibility study on Mongla and Mirsarai was ongoing. I was assigned to visit the proposed site Mirsarai to assess and collect first-hand information.

My journey to the unknown began with a warning from the local administration, as the site was a remote area without any road network. I somehow managed to get there disguised as an NGO field-worker with the help of a local government representative. The land was used as a buffalo grazing field and inhabited by a few local fishermen. I talked to the locals; got to know them, who, to some extent, were informed about the proposed economic zone. I presented a report based on my visit and observation after getting back to the office.

A couple of months later, the report of the feasibility study was finalized. I was assigned again to visit the site and assess Khas land and land for future acquisition. I was there for over a month. The feasibility study was conducted on 7500 acres of land, and all of it needed to be acquired. And the cost of the proposed project was estimated to Tk. 5200 crores. BEZA at that time was hesitant over what should be the next step, even failed to design any Development Project Proposal (DPP) for the proposed project. It soon lost all the excitement due to the absence of any formal direction.

Every cloud has a silver lining, as the saying goes. During our field visit, we happened to meet Paban Chowdhury, the current Executive Chairmen of BEZA, the then Director-General of the Prime Minister's Office (PMO), as he was in an official tour visiting the Jorarganj Textile College, a nearby site of Mirsarai. While informal discussion, he advised us to map the site with every bit of detail as possible, including charting acquirable and Khas land. We prepared a map and presented it to him through our project director, though were sceptical about the fate of the project.

A few consultants and officers were working in BEZA at that time. The work pressure was nowhere like today. Almost all of them including myself were considering pursuing carrier elsewhere, thinking it is not the right place to hang on. All of a sudden, Paban Chowdury formally joined BEZA as its Executive Chairman. He started to turn things around, and everything appears to change. He began to hire skilled and dynamic executives and initiated the administrative process of the project in an organized manner. A vibrant atmosphere filled with a new spirit began to take shape within BEZA. I was in a mood to leave the organization, but the executive chairman inspired me to work here. With a bit of hesitation, I decided to stay, and the journey began with a clear and concrete vision.

BEZA, at that moment, had no land in its possession, but plans were germinating. We first started a road and bridge development project in the



Md. Abdul Quader Khan briefing World Bank Officials during a visit at Bangabandhu Sheikh Mujib Shilpanagar.

proposed location under the supervision of the World Bank with its fund. However, it was not easy to acquire private land under the World Bank policy. So, we had to back out from that approach since most of the land in the proposed project area was under individual ownership, and it was difficult for BEZA to acquire those lands abiding by the conditions set by the World Bank. This situation prompted the executive chairman to relocate the project to the current location that is now Mirsarai 2A and Mirsarai 2B. At present, half the land of the proposed Bangabandhu Sheikh Mujib Shilpanagar has been reclaimed by building dams and dikes. In total, with the help of Bangladesh Water Development Board, we are in the process of reclaiming 16 thousand acres of land from the sea. Some areas of the reclaimed land have also been developed for further utilization. We are hopeful that in the next 20-30 years, it will be possible to reclaim additional 15-20 thousand acres of land in this process.

However, the land acquisition process has some serious difficulties. As per the rules, the Ministry of Environment, Forest and Climate Change has its rights to reclaimed lands in the coastal belt. Usually, the reclaimed land later is handed over to the Ministry of Land. But, after long discussions and legal procedures, BEZA successfully managed to take possession and ownership of the land. At the same time, there was a historical boundary-related dispute between the Sonagazi and Mirsarai Upazila that delayed the overall development process. The dispute was also resolved with support extended by the Deputy Commissioners of both Feni and Chattogram districts.

After resolving the border dispute, some land from Feni district later was added to the Mirsarai project. However, a complicated situation regarding the name of the project arose when Sitakunda was added to the project. The executive chairman came up with an idea proposing to merge all the three economic zones and naming the entire zone after our founding father Bangabandhu Sheikh Mujibur Rahman. This decision was supported and approved by all the parties involved in the development of the project.

In developing the project site, BEZA used an innovative strategy. The organization got some capital by allocating the reclaimed and developed lands to the investors. With that capital, BEZA then successfully acquired more lands which were later developed for further allocation. This way, BEZA managed to allocate 6000 acres of land in a short period. This particular strategy worked like magic. Now, BEZA has developed a master plan for the country's first planned industrial city. The city aims at making urban systems smarter and more sustainable, improving the quality of life of the city's inhabitants through more efficient and increasingly inclusive ICT-enabled approaches.

BSMSN, with its strategic location and competitive incentive packages, is going to play the catalytic role in shaping our industrialization and economic diversification. It will not only provide a platform for attracting foreign direct investment and supporting the development of the manufacturing sector but also act as an impetus for economic and policy reforms.





Construction of Superdyke cum road to protect Bangabandhu Sheikh Mujib Shilpanagar from natural disaster.

ONGOING DEVELOPMENT WORKS BY BEZA

Construction of the Administrative Building (G+4) in Mirsarai EZ

Budget: 26.12 Crore BDT

Progress: Works are scheduled to be completed by September, 2020

Construction (widening) of access road including 1 (one) 56m bridge and 1 (one) 6m culvert in Mirsarai EZ

Budget: 24.29 Crore BDT

Progress: Works will be completed by September, 2020

Construction (widening) of access road including 1 (one) 51m bridge and 1 (one) 18m bridge in Mirsarai EZ

Budget: 29.80 Crore BDT

Progress: Layout work has been completed and pre-work survey is going on

Construction of 16-vent regulator at the Icchakali channel in Mirsarai EZ

Budget: 26.19 Crore BDT

Progress: Work is ongoing

Supply and installation of 33/11 kV main receiving sub-station in Mirsarai EZ

Budget: 9.51 Crore BDT

Progress: Completed

Widening of embankment and construction of access road for Mirsarai 2A EZ

(Chainage: 0+000 km to 2+250 km)

Budget: 20.98 Crore BDT

Progress: Widening of embankment and construction of access road is ongoing

Widening of embankment and construction of access road for Mirsarai 2A EZ

(CDSP Embankment to 24m bridge)

Budget: 13.89 Crore BDT

Progress: Widening of embankment and construction of access road is ongoing

Construction of accommodation shed in Mirsarai EZ

Budget: 6.00 Crore BDT

Progress: Construction is ongoing

Site development works of 22.07 acres land in Mirsarai EZ

Budget: 11.45 Crore BDT

Progress: Development work is ongoing



Temporary administration building of BEZA at Banagabandhu Shilpanagar.



Supply and installation of 5 (five) Test Tube wells in Mirsarai EZ

Budget: 0.09 Crore BDT

Progress: Installation work is ongoing

Site development and construction of embankment for Mirsarai 2A EZ

Budget: 305.30 Crore BDT

Progress: Development work is ongoing

Site development and construction of embankment for Mirsarai 2B EZ

Budget: 156.24 Crore BDT

Progress: Development work is ongoing

Construction of Underground Water Reservoir in Mirsarai EZ

Budget: 5.39 Crore BDT

Progress: Construction work is going on

Supply and installation of 3 production tube well in Mirsarai EZ

Budget: 2.49 Crore BDT

Progress: Installation work is ongoing

Construction of 2-lane access road including 2 (two) bridges and 6 (six) culvert from Bamonsundor to Domkhali in Mirsarai EZ

Budget: 70.00 Crore BDT

Progress: Construction work will be completed by September, 2020

Water supply pipeline for Mirsarai 2A EZ

Budget: 25.00 Crore BDT

Progress: DPHE is preparing drawing-design and estimate

Site development works of 505 acres land in Mirsarai EZ

Budget: 88.90 Crore BDT

Progress: Development work is ongoing



A water pump inside Bangabandhu Sheikh Mujib Shilpanagar.



Undergoing building works of security shed for the industrial city.

Administrative building of Bangladesh Economic Zones Authority (BEZA) on the left and administrative building of China Harbour Engineering on the right.





DEVELOPMENT WORKS UNDERTAKEN BY DIFFERENT GOVERNMENT AGENCIES

► PROJECT NAME

Mirsarai Economic Zone -Flood Control, Road Cum Embankment Protection & Drainage Project in Chattogram District.

SPONSORING MINISTRY/DIVISION

Ministry of Water Resources

EXECUTING AGENCY

Bangladesh Water Development Board

OBJECTIVES OF THE PROJECT

To construct coastal embankment (super dyke) with slope protection of 18.488 km., hydraulic structures etc. for protection of the project area from flood, saline intrusion, erosion caused by tidal surge and natural disaster.

To safeguard the BEZA area including its infrastructures and communication network for uninterrupted economic development.

To provide safety of human lives, Property from Cyclonic devastation and water congestion.

To increase sustainable socio-economic development by creating job opportunities, enhancing natural security against cyclonic tidal surge & wave and environmental balance.

Progress: Bangladesh Navy in association of CHECL has already started the construction works. Nearly 5% of the total works has been completed.

► PROJECT NAME

Access Road Project to Mirsarai Economic Zone

SPONSORING MINISTRY/DIVISION

Roads and Highway Department

Project Length: 10.00 Km 4-lane

OBJECTIVES

To provide cost effective, safe, less time consuming travel option and logical road network for all road users specially between Mirsarai Economic Zone and the capital Dhaka as well as the port city Chattogram through Dhaka-Chattogram National Highway. It is a specialized and dedicated roadway for carrying goods to economic zone along with transferring finished products from this zone to home and abroad.

► PROJECT NAME

CIVIL WORKS FOR REHABILITATION:

The components of civil works planned under the project are:

- Construction of motorable pavement-18.488 km (from km. 0.00 to km. 18.488) 18.488km
- Construction of Sluice – 9 nos.
- Re-excavation of khal 30.000 km
- Construction of super dyke (Embankment) – 17.872 km
- Slope Protection of Embankment -17.872 km

► PROJECT NAME

BR POWERGEN 50 MW POWER PLANT PROJECT

BR Powergen 150 MW Power Plant has already started its operation which will be upgraded to 500 MW by 2021. The main objectives of the power plant is to ensure reliable and quality electricity to developer and unit investors

► PROJECT NAME

Construction of Gas Pipeline for Mirsarai Economic Zone and KGDCL, Gas Distribution Network Up-gradation Project by KGDCL

SPONSORING MINISTRY/DIVISION

Ministry of Power, Energy and Mineral Resources/Energy and Mineral Resources Division.

OBJECTIVES AND TARGETS OF THE PROJECT

- To upgrade the KGDCL existing gas distribution network capacity from 350 MMSCFD to 500 MMSCFD to facilitate adequate gas supply to bulk and industrial customers of KGDCL.
- To make arrangement for supplying 200 MMSCFD gas to the upcoming industrial customers in Mirsarai Economic Zone (MEZ), Chattogram from national gas network.
- To construct dedicated pipelines to supply of gas from Anwara CGS to three bulk customers like KAFCO, CUFL & Sikalbaha Power Station

(SPS), isolating them from existing ring main, to make necessary arrangements/modifications at Shahmirpur manifold station of KGDCL to receive R-LNG from GTCL's offtake to facilitate supply to the existing ring main.

► **PROJECT NAME**

Power Grid station and line construction by PGCB

OBJECTIVE

PGCB is constructing a new 230/33 kV GIS grid substation at Mirsarai Economic Zone. Initially this substation will be connected to 230 kV GIS grid substation at BSRM. The initial capacity of the substation is 2×120/180 MVA. A 17 km 400 kV double circuit transmission line is being implemented to feed the sub-station. The sub-station is expected to commission in 2020. In future, Mirsarai 230/33 kV GIS grid substation will be upgraded to 400 kV voltage level and eventually will be connected to upcoming power hub at Karerhat 400/230/132 kV grid substation for a strong tie to the national Grid.

This 230/33 kV GIS grid substation will also help in evacuating the huge amount of power generated from upcoming power plants at Mirsarai that will be constructed in the adjacent areas in future.

► **PROJECT NAME**

Installation of Telecommunications Network at Mirsarai Economic Zone in Chattogram by BTCL

IMPLEMENTING AGENCY

Bangladesh Telecommunication Company Limited

A road inside the BSMSN.



MAJOR INVESTMENT IN MIRSARAI ECONOMIC ZONE

BEPZA Economic Zone

BEPZA has been allotted 1150 acres of land in Mirsarai EZ. BEPZA has a wide range of experience in developing, maintaining industrial parks for last 37 years. They have a brand image among the foreign investors. Their proven expertise in setting up EPZs, operational experience and professional knowledge will accelerate the development of the BEPZA Economic Zone. The brand image of BEPZA will play an important role for flourishing investment in economic zone in quicker paces.

BGMEA Garments Village

Bangladesh Economic Zones Authority has allotted 500 acres of land to Bangladesh Garment Manufacturers and Exporters Association for setting up a well-planned ready-made garment factory park in the Mirsarai Economic Zone of Chattogram. BGMEA sought the land from BEZA for relocating the factories randomly established at different places in Dhaka. BGMEA will invest \$2 billion for setting up RMG and garment accessories factories at this park to generate employment for 5 lakh people. BGMEA Garments Park is located beside the Mirsarai EZ 2A and Mirsarai 1st Phase. The total area is about 500 acres. BEZA has appointed contractor for developing this site. BEZA has proposed a TA project for the designing and development of their garments village which has been included in the German cooperation plan. GIZ is interested to share its expertise to help BEZA develop a sustainable economic zone dedicated to garments industry.

Bashundhara Industrial Economic Zone

Bashundhara Industrial Park is going to be setup by the country's leading industrial conglomerate Bashundhara Group. They have entered into an agreement with Bangladesh Economic Zones Authority (BEZA) for 500 acres of land in Mirsarai/Feni EZ. Under the land lease agreement, Bashundhara Group will invest US\$ 500 million to set up Industries. The group will set up, among others, an ultra-modern pulp, paper and board mill where 10,000 jobs are expected to be created.

Industries under construction

BEZA has allotted 6120.8 acres of land to 131 industries and 10 among them are under construction, namely- Jinyuan Chemical Industries, Asian Paints, Modern Syntex, Nippon Steel, McDonald Steel, Bangladesh Auto Industries (electric car), Bashundhara Chemical, Bashundhara Prefabricated Steel, Bashundhara Steel, and SQ Electronics.

Ongoing construction works of Modern Syntex, Nippon Steel, and Bashundhara Chemical Industries.



Modern Syntex



Nippon Steel



Bashundhara Chemical Industries



A 150 MW power plant at Bangabandhu Sheikh Mujib Shilpanagar.

INDUSTRIAL HEARTLAND WITH A GREENER METROPOLIS

Bangabandhu Sheikh Mujib Shilpanagar (BSMSN) is going to be a global showcase of environmental and economic balance. It is being designed as a green, smart industrial city to encourage rapid economic development, commercial innovation and human development. The master plan includes seaport, rail connectivity, power plant, marine drive, tourism parks, skill development centers and social infrastructures like residential areas, hospitals, schools, colleges, universities, shopping centers, fire stations, police station and security centers. This self-contained industrial city will use information and communication technologies and other means to improve quality of life, the efficiency of urban operation and services, and competitiveness while ensuring that it meets the needs of future generations concerning economic, social and environmental aspects.

Here in BSMSN, industrial zones, residential complexes, commercial office space, retail outlets and pleasure zones are going to be integrated into one and enhanced by green features dedicated to sustainable living and working environment. It is going to be an industrial heartland with a greener, cleaner and waterfront metropolis, making the environment healthier and more livable through the improvement of air, water and land.

The industrial city is being designed with a view to ensure and maintain existing water body, create new water reservoirs and rain harvesting infrastructure. BEZA has already launched initiatives to create new water reservoirs and lakes in Mirsarai EZ. Three lakes, each one having a size of hundred acres of land are going to be developed in this zone, and the first one is in the implementation process. The lakes, named as 'Sheikh Hasina Sarobar', will promote environmental protection and tourist attractions.

To promote industrial development and achieve environmental sustainability, BEZA has taken a mega plan to plant 20 lakh trees. These fruit-bearings, medicinal and timber trees will be planted along roads, embankments and other selected areas of the economic zones. The Mirsarai Economic zone Greening and Beautification plan has been developed by the combined team of BEZA and Super Petrochemical (Pvt.) Limited Greening and Beautification Plan committee with a technical team from retired forest officials.

The overall goal of the plan is to identify the needs and implement programmes to develop a green coverage to increase the aesthetic value of the area that will augment the desirability of the commercial estate and residential zone and encourage entrepreneurs to invest in landscaping their properties. Besides, planting of trees has been made mandatory for each industrial unit in the economic zones. At least 5% of the land of an industrial unit will have to be used for tree plantation. Initiatives have also been taken to set up a Plant Museum here.

The other significant goals of the greening and beautification plan are to create a micro-climate conducive to floral and faunal life; to expand the growth of wildlife especially for bird habitat; to conserve biodiversity and restoration of the ecosystem; to improve the stability and enhance reclamation of land; to combat climate change impact by creating carbon sink and to secure livelihood and improve socio-economic condition of local communities.

List of Proposed Tree Species

Ornamental/Avenue

Hoimnati (*Bauhinia tomentosa*), Jhaw (*Allocasuarina littoralis*), Sonalu (*Cassia fistula*), Krishnachura (*Delonix regia*), Radhachura (*Peltophorum pterocarpum*), Jarul (*Lagerstoemia speciosa*), Kadam (*Anthocephalus kadamba*), Palash (*Butea monosperma*), Mahua (*Madhuca indica*), Bakul (*Mimusops elengi*), Kanchan (*Bauhinia purpurea*), Jacaranda (*Jacaranda mimosifolia*), Nagessarrium (*Mesua nagessarrium*) etc.

Timber

Gamar (*Gmelina arborea*), Mahagoni (*Swietenia mahagoni*), Chickrashi (*Chickrasia tabularis*), Telshur (*Hopea odorata*).

Saline tolerant

Chaila (*Sonneratia caseolaris*), Ponial (*Calophyllum inophyllum*), Khoiyababla (*Pithecellobium dulce*), Korancha (*Pongamia pinnata*), Pitali (*Trewia polycarpa*).

Medicinal

Arjun (*Terminalia arjuna*), Ashok (*Saraca indica*), Chalmugra (*Hydnocarpus kurzii*), Nim (*Azadirachta indica*), Ulatcombal (*Abroma augusto*), Shimul (*Bombax ceiba*).

Palm

Narikel (*Cocos nucifera*), Shupari (*Areca catechu*).

Fruit

Kalojam (*Syzygium cumini*), Amloki (*Phyllanthus emblica*), Jolpai (*Elaeocarpus robustus*), Boheda (*Terminalia belerica*), Lotkon (*Baccaura ramiflora*), Tetul (*Tamarindus indica*), Deowa (*Artocarpus lacucha*).



A canal inside the economic zone.



3D VIEW OF SHEIKH HASINA SAROBAR







The early stage of Mirsarai upazila.

VOICES OF THE STAKEHOLDERS

Engineer Mr. A. N. M. Saleh

Project Director, Construction of Gas Pipeline for Mirsarai Economic Zone and KGDCL, Gas Distribution Network Up-gradation Project by KGDCL Karnaphuli Gas Distribution Company Ltd.

I am proud to say that our organization Karnaphuli Gas Distribution Company Ltd. (KGDCL) was involved in the development of the BSMSN. To ensure the availability of gas to the Mirsarai Economic Zone (MEZ), the KGDCL initiated a project in 2017 with its own fund. Later, the up-gradation works of existing gas distribution network capacity were added to the project. Under the project, one City Gate Station (CGS) with the capacity of 200 MMSCFD and two HP-DRSs (50 MMSCFD each) have been installed. Officially, the gas distribution has started on 30 August of 2019. With current capacity, the facility can supply 200 million standard cubic feet of gas per day.

Since Mirsarai is situated in the coastal area, developing the gas distribution system in this area was quite challenging. Due to heavy rainfall and Ebb and flow tide, the construction of pipelines and CGS was delayed. However, with the help of the BEZA authority, we were able to resolve all the challenges and finish the project without additional delay. The organization also helped us in land-related and other administrative issues.

From the beginning of the project, I was very hopeful that if investment increases in the BSMSN, the revenue of KGDCL will also increase. Moreover, since there was no gas connection in the nearby area of Mirsarai Economic Zone, local people are now hopeful that in the distant future they will also have gas facilities. They also believe that the gas connection in the Mirsarai Economic Zone will attract many industries and thus create numerous employment opportunities for them.

Mr. Shah Zulfiqar Haider, PEng, CEA, MBA

Former General Manager
Rural Electrification Board (REB), Chattogram Polli Bidyut Samity-3 (Chattogram PBS 3)

The Rural Electrification Board is tasked to provide all sorts of electrical services for the BSMSN. This is a great responsibility for us and we also need to deal with many organizations which are involved in the development of the industrial city. But, with proper coordination, dedication and control at all level, we have successfully completed our works.

The main driving force behind this well-coordinated effort was the Executive Chairman of BEZA Mr. Paban Chowdhury whose effective decision making, coordination skills and vibrant presence were vital in the overall development of the industrial city. Further, the Former Principal Coordinator (SDG Affairs) of Prime Minister's Office also helped us greatly in resolving various administrative issues. Local people were also happy and hopeful about the scope of employment generation and increased economic activities in the area. Its positive impact now could be seen in Mirsarai and nearby areas.

Apart from installing and providing electrical services, The BREB also built Sub Stations from BEZA fund. Further, the organization is constructing a 10 MVA Sub Station from its own fund for the BSMSN. Although there were challenges like weather, coastal nature of the area, time limitation, etc.; all related organizations had a positive approach in all aspects and with excellent cooperation among us we had successfully resolved all the problems. Additionally, we provided training to the local people as a part of employment generation in the BSMSN. In the last fiscal year (2018-19) 168 Electricians (basic House Wiring course) and 11 Computer Operators passed their respective trainings.

The success of BSMSN is due to leadership at all levels. It is a pride for Bangladesh and is an example for other developing countries to follow. Project funding, field-level decisions and cooperation and advice/instructions all led to the successful development of the area.

Commander Mr. M Arifur Rahman, (H1), psc, BN

Chief Hydrologist
Chattogram Port Authority

To facilitate commercial activities like import, export, raw material transportation etc., BEZA is planning to build a port for the BSMSN. In this regard, the Chattogram Port Authority carried out a feasibility study to build a terminal near the industrial city. The study indicated the potentiality of constructing a port terminal in that area and based on this we are now in a process to acquire land from BEZA. So far, BEZA is very cooperative and eager to extend their support in executing our planned project. We are hoping that with the current pace in the administrative works, we can finish the development of the terminal by 2023.

With this terminal, the industries in the Bangabandhu Industrial City will be able to directly import and transport their raw materials to their factory instead of going through Chattogram or Mongla port. Also, the industries can use this terminal to export their products directly from the industrial city. Another positive side is that, once completed this project will open huge job opportunities for the local people.

However, from the perspective of hydrology, topsoil water will be a little bit salty as the industrial city is located near the sea. In this case, a water purification plant or Reverse osmosis plant can be an option to deal any water crisis. Currently, reverse osmosis plant is a good option for desalinizing seawater. Further, Breakwaters can be constructed as a safeguard from natural disasters. There are many examples in the world where coastal installations are protected by the breakwaters. No one can predict the severity of a natural disaster, but this is one of the best means to protect coastal infrastructures from natural calamities.

But, in my opinion, the greatest challenge will be attracting local and foreign investors to this new industrial area. Providing other utility facilities and skill manpower, building an efficient drainage system, preserving the ecosystem, etc. will be other challenging issues. On the contrary, location, good communication facilities to Dhaka and Chattogram, huge backup areas, etc. will increase its potentiality to contribute to our national economy.

Mr. Sumon Roy

Executive Engineer
Department of Public Health Engineering, Chattogram

Without any kind of water facilities, no social or industrial setup can be established. In this sense, I feel proud that my organization the Public Health Engineering Department is tasked with providing and installing water facilities across the BSMSN. The department has initiated 11 projects in the industrial city, of which 3 projects have been completed.

So far we have finished installing 13 producing and 5 experimental tube wells. At the same time the installation of 2 producing and 5 experimental tube wells, construction of pipelines, a few water bodies and other related works are awaiting approval from higher authorities. I believe, if approved, we can finish the ongoing projects within this fiscal year. But the time frame can be extended if additional projects are initiated or any change is brought in the existing works. The installation works can also be affected by the severity of the challenges that occur during our works. Uneven and irregular terrain, tidal water, excessive transportation costs, shortage of essential commodities, prolonged selection process of proper site selection, etc. are the challenges that we face in the project sites. By taking timely measures under the well-controlled management of our skilled engineers, filling up of soils, utilizing advanced technology and maintaining proper contact with BEZA, I believe we have successfully resolved those problems. BEZA was very helpful in providing the right decision at the right time. However, once completed, our works will not be able to fulfil the entire demand for usable water in the industrial city. In that case, in refining the groundwater a good water management system will be required.

I think BSMSN is an ambitious but timely project in the context of Bangladesh. Because, in transforming our country into a developed one, foreign investment can play an important role and the BSMSN has the potential to attract many investments. As an engineer, the government has given me the responsibility of implementing the work in the face of various challenges and I am determined to keep it going smoothly.

Mr. Md. Ferdous Wahid

Assistant Engineer (Civil), BEZA

As an engineer of BEZA, I was involved in almost all the engineering works of the development of the industrial city. From the beginning, I was involved in developing road networks, super dyke and administrative buildings, land filing activities, providing information to the investors, etc.

I have seen this infrastructure from a vast area of barren land to what it is now. During the early stage of development, this area was very hard to access as there was no road network. The weather was also a problem as this is a coastal area. But the greatest challenge was the massive area of the project site. Developing all the important facilities and infrastructures across the area was challenging and labor demanding. Further, the project site was a low land that had to be filled for development works to continue. Initially, our local engineering companies failed to finish the task. Later, international engineering companies like China Harbor Engineering, China Civil Engineering Construction Corporation (CCECC) and China Railway Construction Corporation (CRCC) have completed the mammoth task of filling the entire project area.

This project is indeed a colossal endeavor for Bangladesh and the government has declared it as a mandate. I am happy and proud that we are on the right track to developing the industrial city according to the master plan. I think our greatest success is that now we can provide all the necessary and important services to the investors without any delay.

Mr. Md. Nazmul Hasan

Surveyor, BEZA

As a surveyor, I was involved in all types of land-related activities that BEZA dealt with during the early development stage of this project. There are two types of land in the project area, acquired and government-owned. I am in charge of overseeing and supervising the process of leasing lands from the Government of Bangladesh. After receiving, we develop and prepare the land for future use. Then we again lease the land to investors or companies. The leasing time is short term (1 year) and long term (50 years). Usually, bigger companies and corporations lease lands for longer term.

When I started working on this project, this place was full of swamp and muddy roads. Not many people would live here and sometimes I had to use boats for travelling. But local people helped a lot when I had to work in that rough terrain. The people understood that the overall effort from BEZA would one day bring a good future for them.

Like them, I was also very optimistic that one day this project will be successful and the entire area would eventually become the proposed industrial city. I had seen that our Chairman and other senior officers were working very hard for this project. Their effort and hard work had a very positive influence on all the BEZA personnel who were working in this project. I am very hopeful that the project will be completed within the time frame successfully and it would be a good destination for domestic and foreign investments.

Mr. Siddiqur Rahman

Former President

Bangladesh Garments Manufacturers
and Exporters Associations (BGMEA)

15 to 20 years ago we, the garments manufacturers and factory owners, applied to the then Bangladesh Government for separate land where a garments village could be developed. But the discussion did not go far. Later, in 2009, we applied again to the newly formed Awami League ruling government. At that time I was the Vice President (Finance) of BGMEA. Based on our application the government proposed to us some land in the Rupganj upazila of Narayanganj district. However, the land was still submerged and not in a suitable condition; nevertheless, we decided to buy the land and signed an agreement with a Chinese company for developing it. But, in our initial estimation, we found that the overall expenditures for developing this land are very high than the land prices in Gazipur where most of the garments industries are situated. Considering other aspects we finally decided not to invest in that land.

In around 2015 or 2016, when our Honorable Prime Minister declared that 100 economic zones will be established in Bangladesh, we applied for land in those economic zones. After that, we were allotted 500 acres of land in the Mirsarai Economic Zone. Notably, Mr. Paban Chowdhury, Mr. Abul Kalam Azad, and Mr. Kamal Abul Naser helped us a lot in allotting that land. Not only them, but all the officials of BEZA were also very cooperative and helpful to us.

Based on our experience with running a garments manufacturing and exporting business in Bangladesh, we asked BEZA to develop the land with all necessary utilities attached to it. We also asked them to include a clause in our agreement which will mention that the land can be transferrable. They agreed to all the requests that we asked.

However, there are still other issues that we need to consider before we move our factories to that land. Water is a very essential utility for any modern industrial setup. During our primary discussion, we were informed that water will be supplied from the nearby Feni River. The progress of this water supply system is vital for our final decision to move in there. Another very important factor is the workers. Unfortunately, the nearby locality does not have enough population to provide necessary workers for our factories. Therefore, we will have to bring our workers with us. BEZA is building dormitories where these workers will live. But it takes time to build dormitories for thousands of workers. At the same time, the garments industry may face any major downturn that could force the companies to leave the place. In my opinion, some villages or localities should be created in nearby areas which will accommodate those workers. A good public transportation also should be developed so that the workers will be able to commute easily. The land is also low comparative to Dhaka or Gazipur. Therefore, it can be affected by heavy rainfall or coastal flooding. BEZA needs to take proper steps to prevent such situations.

At present, countries like Japan, China, Malaysia, etc. are looking for attractive investment destinations around the world. We have to seize this opportunity to advance our economy along with them. Geopolitical location is a great advantage for Bangladesh in the global perspective. Also, we have an abundance of workers and cheap labors. But all these advantages could be futile if we do not focus our effort on country branding. So, apart from developing economic zones across the country, the government should also put an extra effort into raising our country brand.

Mr. Yang Wang

Chairman

Zhuzhou Jinyuan Chemical Industry Ltd.

The Zhuzhou Jinyuan Chemical Industry Co.,Ltd. was formally established in 1994. The most representative products of the company are lead oxide, assay grade, lead nitrate, copper sulphate, and fire assay flux. For decades, the company has kept up efforts on environmental protection and safe production. The company has never ceased the development of potential personnel talents through bottom-up continuous optimization of its unique production management concepts and technological innovation ideas. 100% of our products are exported to Canada, USA, Australia, and Africa.

Indeed profit is one of our key motivations for expanding our business and activities across the globe. But there are many conditions before we ultimately decide to establish our business in any country. Before we came to Bangladesh we have visited a lot of other countries. But one of several reasons for choosing Bangladesh for our next investment destination is the location. The country is only 4 hours away from China by flight, which means the transportation cost and supply time of some raw materials are comparatively lower. Bangladesh also has an attractive investment policy for the foreign investor. Especially, economic zone related incentive policies help reduce cost. At the same time, unlike other countries, Bangladesh has a stable government that is concerned with providing a safe business environment. The export and import rules are also fair and transparent. Further, I must also mention the local people are very friendly and helpful to us.

So far, the construction works of our factories and the production house are almost finished. Now we are working on to obtain other licenses and permits. Hopefully, we can start our production activities at the end of 2020. if everything goes smoothly. In this production line we can create 50 to 60 jobs. We are also planning to construct three more production lines in the future. In that case, there will be employment for 200 workers.

In my opinion, Bangladesh has three key comparative advantages with which the country can attract more foreign investment. First, the country has a large population that is a great source of cheap labour. Also, a good part of this labour force can speak and understand English. Lastly, so far the Bangladesh Government has adopted an investment-friendly policy. This step can show Bangladesh on the radar of foreign investors. However, the rules and procedures to obtain licenses are not simple and sometimes we foreigners do not understand them. If the Bangladesh government can make the process easier, it will save us a lot of time and money.

Mr. Nuruzzaman

Chief Engineer (Retired)
Power Grid Company of Bangladesh Ltd.

Not long ago I came to know about BEZA when I was working in the planning division of the National grid network. On the first meeting with BEZA, I became overwhelmed with their big dream of developing an industrial city. In my opinion, this is the right track and project for our country which has a huge population. Since then our cooperation with BEZA started with the development of infrastructure for providing continuous electricity to the Mirsarai Economic Zone. In this regard, I would like to mention the Executive Chairman Mr. Paban Chowdhury who knew that the principal driving force of any modern economic development is the electricity.

During the initial stage, we were informed that the BSMSN would need 400/500 megawatt of electricity. Later, that demand was raised to 800/900 megawatt. Based on other related information, provided by the BEZA, PGCB initiated a plan to develop a 230 KV grid substation. But after reviewing their plan thoroughly I developed a final plan for a 400KV infrastructure. Now it seems I was right.

This project was accepted in 2017. Under this project, a 17 km long 400 KV double transmission line from Mirsarai to the BSMSN will be constructed. So far 40 of the 55 towers of the transmission line have been completed. At the same time, we will also develop a 230/33 KV GIS substation which will be upgraded to 400 KV in the future. At present BEZA is developing the 50 acres land where this substation will be constructed. The project is scheduled to be completed at the end of 2020.

As I observed, identifying and developing the land for the substation was the most challenging work so far. Also, we faced a lot of difficulties during transporting our construction equipment as the road development activities were still going on.

So far I am happy that I was a part of this effort of transforming Bangladesh into a developed nation. In this regard, BEZA's relentless hard work will be an example for the people of this country towards that dream.

Mr. Julfikor Ahmed

Executive Engineer
Roads and Highways Department (RHD), Chattogram

Currently, the Roads and Highways Department (RHD) has only one ongoing project in the Bangabandhu Sheikh Mujib Shilpanagar (BSMSN). The department is developing a 10 km long road connecting the BSMSN from Baratakia Bazar. The Baratakia Bazar is on the national highway between Dhaka and Chattogram. Therefore, once completed, this road will connect the BSMSN with the rest of the country.

At present, the road is being constructed in two lanes and 100% of the earthworks have been completed so far. Although so far only 65% of the road work has been completed. This is the only connecting road to the BSMSN; all the vehicles will use this road to enter the industrial city. In other words, with the completion of this road, the BSMSN will be finally accessible to the world. We are also hopeful after January we can start our next project under which this road will be upgraded into four lanes.

Although the construction of this road started at the same time when the initial development of the BSMSN was initiated, due to land acquisition-related issues we faced some delays. For the project, BEZA and RHD had to acquire some privately owned land where people used to live. It was very challenging to convince those people to sell their properties for the sake of this road. But they were all given compensation from the GoB fund with the presence of Deputy Commissioner. At the same time, we prepared a list of those people whose lands were acquired and requested BEZA to provide employment or any other assistance to them.

From the technical perspective, the availability of earth for the road was another problem. Most of the earth in the area was being used by BEZA in filling and developing the land. So, the organization did not allow us to use the earth for road construction. But, BEZA later helped us find earth when the Bamansundar Canal was being excavated.

Not only in these two instances, but BEZA has also helped us almost in every project-related activities. As a dynamic organization, BEZA is quite active and efficient in resolving administrative issues. Also, the organization maintains a very good relationship with other government departments. Above all, BEZA is led by an energetic and efficient Executive Chairman, Mr. Paban Chowdhury, who is very skilled in coordinating and solving problems. He was very instrumental in negotiating with the local people on acquiring their lands for this project.

During the implementation stage, I had numerous opportunities to talk to local people about the prospect and future of this industrial city. Like them, I was also not so confident that this mega effort by BEZA will one day become such a reality. But as several government departments got involved in this project and overall development activities were moving at full pace, I became certain that BEZA will be able to turn the concept of the mega economic zone into a reality. Local people are now also hopeful that the industrial city will bring economic prosperity to their livelihoods.

Mr. Ali Zahid

Local dweller

As a local person, I helped BEZA and its personnel from the very beginning of the development of this project. At first, when the name of this industrial city was proposed, I thought it would take 30 years to finish the overall development works. I did not have any idea what an economic zone is and was sceptical about the possibility of developing such a massive economic infrastructure in a place like Mirsarai.

Working with BEZA helped me understand the concept of the Economic Zone and its necessity for the national economy. Yet, I was not fully positive that such an important industrial city can be developed in this area. But when I started to see the pace and extent of the construction works, I became hopeful that within 5 to 6 years this economic zone will start functioning. I would see that important government officers and foreign experts are frequently visiting and overseeing the overall project works. I think the skilled management of BEZA and leadership of its Chairman are the key reasons why the development activities are going in the planned and right direction. Within a very short time, roads and other infrastructure started to become visible. Various government departments and international organizations started to develop other important industrial setups. Witnessing all construction activities made me and other local people believe that this so-called economic zone will surely be a reality.

Before the start of the construction works, this area was quite remote and rough. Not many people used to live here and most of them were fishermen, day laborers or farmers. Livelihoods were tough and we used to depend on the nature for our earnings. Now, almost all of the local people are working in the economic zone as labors, workers or security guards. At the same time, I see visible socio-economic changes in my locality and nearby areas. A lot of new buildings have been built in a very short time and land prices have increased 30 to 40 times.

Mr. Md. Nurul Mostafa

Chairman of Ichhakhali Union Parishad
Mirsarai, Chattogram

The land in which the economic zone is being developed was a grazing ground for water buffaloes, a tide-land for years with limited economic activities.

When we first heard of the proposed economic zone it was beyond our beliefs. Everybody was deeply sceptical. But it started to change when the area was frequented by Paban Chowdhury, executive chairman of BEZA. Every weekend we saw him here with government officials. It was he who instilled the dream among us. He made us believe that the area is going to be transformed into an industrial zone with huge employment opportunities and a better living standard. Former minister and our local Member of Parliament (MP) Eng. Mosharraf Hossain inspired us too. Under his guidance, the local government agencies extended their support and cooperation.

A few numbers of people have been displaced due to the acquisition, though most of the land is Khas. The land has been acquired with due process and compensation to the owners has been made. They made a great sacrifice with the hope that the industrial city will bring prosperity and employment opportunities for the future generation, as well as for the whole nation. BEZA has also taken a number of initiatives to train these people, to make them skilled. Some of them are now employed, capitalizing the know-how they got from these training programmes.

We hope people here as well as the people from other areas are soon going to get the reward from this mega project. We are happy and proud that Mirsarai is leading the way as Bangladesh is on the right path of development under the leadership of our honourable Prime Minister Sheikh Hasina.

Mr. Selim

Local Person

When the Executive Chairman of BEZA Mr. Paban Chowdhury approached us few years ago with an idea of developing a massive industrial setup in this area I thought he was a crazy man. This area was not only remote and barren, but also was frequently inundated by tidal water. Due to salinity, we could not grow many crops and had to rely on fishing in the sea to survive. Besides, as far as I know, government departments work very slow and sometimes postpone their works in the midway. That is why I thought it was quite impossible to build something like that in this area.

But Mr. Paban Chowdhury proved me wrong. Now I see the entire area has been changed and a lot of construction works are happening. It seems, very soon, BEZA will be able to change this location into one of the most economically important places in Bangladesh where many local and foreign companies will open their factories. This in turn also makes me feel hopeful that the local people like me will have greater opportunities to find jobs in those factories.

Mr. Mehedi Hasan

Student of 2nd Year

Department of Disaster Management, University of Dhaka

Village: Kazir Taluk

Union: Mogadia, Mirsarai, Chattogram

Since my childhood, we have been hearing about a gradual formation of a big Charland along the coast of Sandwip Channel due to alluvion. The newly formed land remained uncultivated for so long. Now it is being transformed into an industrial zone which is opening windows of opportunities for the locals.

People across the area are optimistic that industrialization will bring fortune to them in the coming years. Authorities involved in this mega project should focus on the well-being of the local inhabitants as some of them have lost their land. They are part of the big dream and their expectations must be fulfilled.

Mr. Mohammad Alauddin

Assistant Teacher

Badiullah Farah Wali Ahmad Chowdhury Government Primary School

Village: Badiullahpara

Union: Mogadia, Mirsarai, Chattogram

I was born and grew up here. I know this area like the back of my hand. Now a massive transformation is taking place and we are proud to be a part of it. It is true that industrialization affects the local population, has an impact on the environment. In this case, the people of Mirsarai have been affected to some extent. So we expect that people of this area will get priority over people from other areas.

We don't want our cultivable land get acquired, our environment gets degraded. We want sustainable development so that the people living here can enjoy the benefits of industrialization having their nature protected.

Mirsarai economic zone is opening up huge opportunities for us. To seize the opportunities, we need better educational institutions and skill development centers, so that the people of Mirsarai and the future generation can equip themselves with the know-how to earn a decent standard of living.

Mr. Abu Zafar

Buffalo Keeper

I am a buffalo keeper. The land we used for raising buffalo has been acquired. So I had no other option than to reduce the size of the herd.

We have been sacrificing for the sake of the economic development of the country. We expect that the government will take necessary measures to ensure that the people who have been affected get the rewards for their sacrifice.

Mr. Nizam Uddin

Fisherman

I used to be a buffalo keeper, now I catch fish as the grazing land has been acquired for developing an industrial zone. We hope the zone will bring immense opportunities for the people living here and around. But people like me got affected. The government should have a responsibility to support us, help us find a better living.



Pre-fabricated vertical drains with pre-loading of soft clay are being used to improve the soft soil.

POTENTIAL OF ECONOMIC ZONES DEVELOPMENT IN BANGLADESH AND THE ROLE OF BEZA

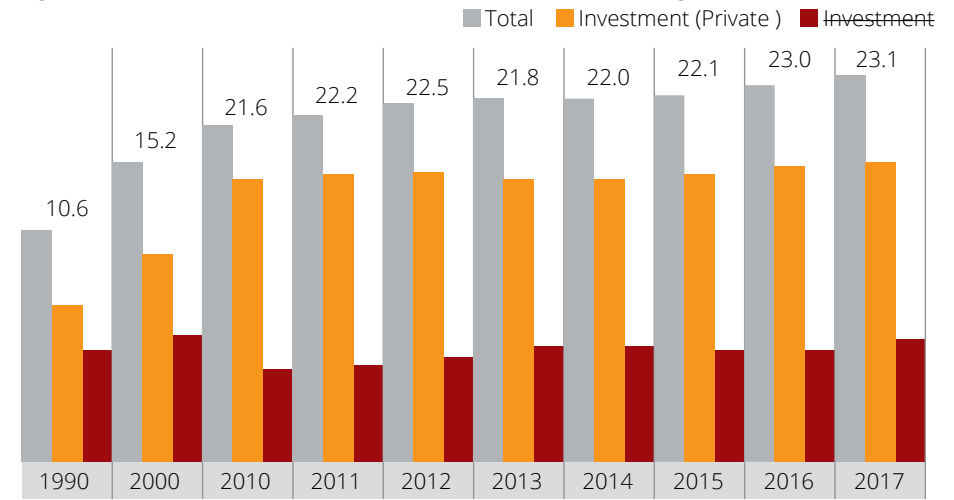
Dr. Ahsan H. Mansur, Director, Policy Research Institute

Bangladesh economy has been experiencing steady acceleration in economic growth over the last several decades. The goals and visions of the Government includes elimination of extreme poverty by 2030 along with achieving other Sustainable Development Goals (SDG), reaching Upper Middle-Income Country (UMIC) status by 2031, attaining High-Income Country (HIC) status and becoming a developed country by the 2040s. The journey to achieving all these targets have major challenges. Attracting investment remains among the major challenges in accelerating growth and income.

Like many other countries, investment and export have been and will remain the key drivers of the successful growth story. The rising investment has contributed to higher growth rate and a shift in the economic structure with manufacturing sector becoming increasingly important and positively impacting Bangladesh's pace of economic and social development. This process is broadly in line with the growth experience of East Asian countries as they started their journey from their initial low-income stages in 1960s. Based on the long-term trend so far, total investment level expanded from 17% of GDP in FY 1990 to 30.5% in FY 2017.

Private investment climbed from a low of 10.6% of GDP in FY 1990 to 23.1% of GDP in FY 2017. In many ways, over the 27-year period Bangladesh has transformed from a public sector dominated, regulated low investment and low growth economy to a private sector led high-growth economy with a respectable level of private investment. This is the most important transformation milestone and it demonstrates that private investment responds well to reforms that improves investment climate leading to ease of doing business, reduces its costs, and brings certainty from any deep policy and institutional reforms. Notwithstanding the favorable long-term trend, in recent years, the actual investment/GDP ratio fell below the targeted rates by large margins. The inability to realize the 8% growth target under the Sixth Five Year Plan was primarily attributable to the shortfall in private investment of both domestic and foreign origins. The lesson from the Sixth Plan is that, if the accelerated growth target of 8% by the end of the 7th Plan is to be realized, the level of investment must go up from 31.5 % of GDP in FY15 to 34.4% of GDP by the end of the Plan in FY20. The lion's share of this desired investment level would have to be generated from the private sector. Historically, the private investment rate has been the most important driver of growth. The noticeable disappointing outcome is

Figure 1: Growth of Investment (% of GDP current prices)



Source: Bangladesh Bureau of Statistics

the near stagnation of private investment effort in recent years. Although, the Sixth Plan had targeted an increase in the investment ratio from 24% of GDP in FY10 to 32% by FY15, the private investment as a share of GDP has remained virtually flat at around 22% since FY12. Except for some noticeable increase in FY16, private investment level in terms of GDP has remained sluggish.

This is worrisome because private investment as a major engine of growth and exports, especially in the manufacturing sector which has been driving the structural transformation of Bangladesh in the past and private investment will also be essential for Bangladesh to transform its economy to a modern manufacturing and services-oriented economy. To overcome the stagnation of private investment both domestic private investment and foreign direct investment (FDI) have to be focused on. A big reason for the stagnation of private investment is the continued high cost of doing business as suggested by international tracking indices such as the World Bank's Ease of Doing Business rankings.

This is worrisome because private investment as a major engine of growth and exports, especially in the manufacturing sector which has been driving the structural transformation of Bangladesh in the past and private investment will also be essential for Bangladesh to transform its economy

to a modern manufacturing and services-oriented economy. To overcome the stagnation of private investment both domestic private investment and foreign direct investment (FDI) have to be focused on. A big reason for the stagnation of private investment is the continued high cost of doing business as suggested by international tracking indices such as the World Bank's Ease of Doing Business rankings.

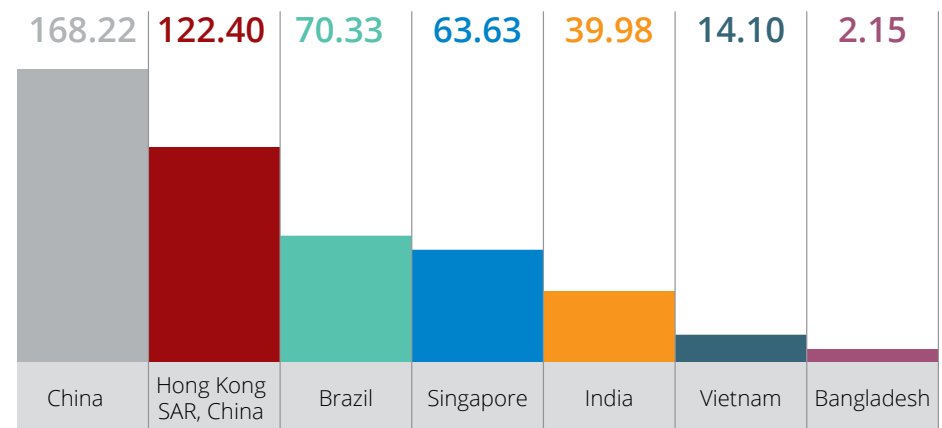
Notwithstanding the favorable long-term trend, in recent years, the actual investment/GDP ratio fell below the targeted rates by large margins. The inability to realize the 8% growth target under the Sixth Five Year Plan was primarily attributable to the shortfall in private investment of both domestic and foreign origins. The lesson from the Sixth Plan is that, if the accelerated growth target of 8% by the end of the 7th Plan is to be realized, the level of investment must go up from 31.5 % of GDP in FY15 to 34.4% of GDP by the end of the Plan in FY20. The lion's share of this desired investment level would have to be generated from the private sector.

Historically, the private investment rate has been the most important driver of growth. The noticeable disappointing outcome is the near stagnation of private investment effort in recent years. Although, the Sixth Plan had targeted an increase in the investment ratio from 24% of GDP in FY10 to 32% by FY15, the private investment as a share of GDP has remained virtually flat at around 22% since FY12. Except for some noticeable increase in FY16, private investment level in terms of GDP has remained sluggish.

This is worrisome because private investment as a major engine of growth and exports, especially in the manufacturing sector which has been driving the structural transformation of Bangladesh in the past and private investment will also be essential for Bangladesh to transform its economy to a modern manufacturing and services-oriented economy. To overcome the stagnation of private investment both domestic private investment and foreign direct investment (FDI) have to be focused on. A big reason for the stagnation of private investment is the continued high cost of doing business as suggested by international tracking indices such as the World Bank's Ease of Doing Business rankings.

In order to spur both domestic and Foreign Direct Investment (FDI), it will be necessary to reduce cost of doing business relative to competing countries. In addition to domestic private investment it is critical that FDI increases significantly to spur private investment in the short and medium term. The FDI flows so far have been inadequate. Although FDI flows have picked up recently, at less than 1% of GDP, it has remained much below its potential. It is in fact miniscule compared to FDI flows in competing countries--\$168.22 billion in China, \$122.4 billion for Hong Kong, \$63.33 billion for Singapore, and \$39 billion for India. The inability to attract adequate FDI is attributed to a poor investment climate.

Figure 2: Inflow of FDI 2017 (USD Billion)



Source: UNCTAD 2017 & Bangladesh Bank

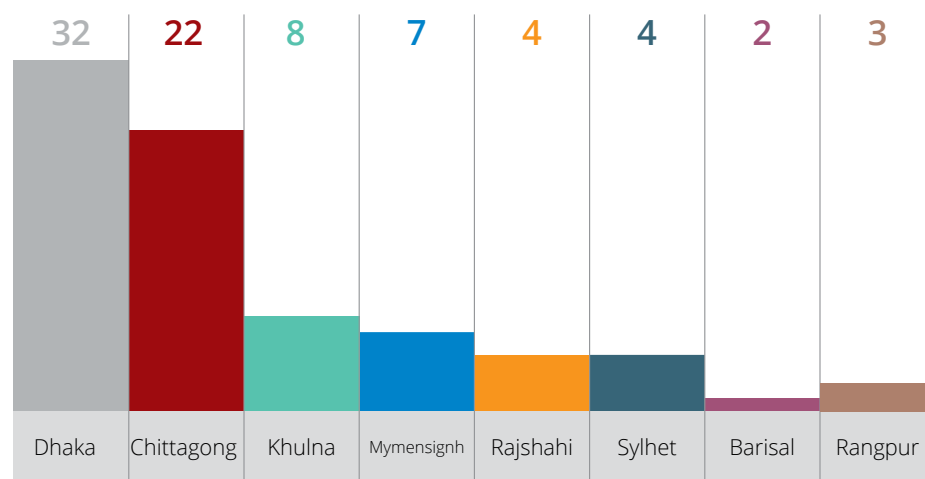
Achieving a 4-5-percentage point of GDP increase in the private investment rate under the Seventh Plan will not be an easy task, especially in view of the stagnation in the investment ratio over the Sixth Plan period. The problems underlying the bad investment climate in Bangladesh are serious and structural. These include lack of serviceable industrial land, poor infrastructure, and an ineffective judicial system in upholding property rights. The poor infrastructure problem is manifested in inadequate and unreliable power supply, a lack of efficient transport networks (such as freeways, railways, river ways, port congestions, and poor conditions of airports). The setting up of Economic Zones (EZs) under the Special Economic Zones Act 2010 is a significant step forward to help catalyze higher levels of new private investments (including significantly higher levels of FDI) both in manufacturing and exports, and also help fill up the resource gap needed to build new infrastructure. Substantial changes in the policy and regulatory framework will be need for private investment to come to the infrastructure sector for making the transformation happen.

Different countries have used different types of Economic Zones. China, for example, has been successfully using different types of zones as demonstration areas to test the impact of new policies and approaches designed to improve the business environment. Economic Zones contributed to 11.1% of China's total GDP, 60 % of China's total exports and accounted for 19 million jobs. Here are a few types of economic zones: free trade zones, industrial estates, special economic zones, export processing zones, technology parks, single factory economic zones, import processing zones, and freeports. Bangladesh started with industrial estates, then built export processing zones (EPZs), and now technology parks, and the special economic zones (SEZs) which are simply popularized as Economic Zones (EZs).

Bangladesh Economic Zones Authority (BEZA) can help in resolving the challenges of investment stagnation. BEZA is endeavored to establish Economic Zones across the country to encourage economic development through diversification of industries and augmentation of employment, production and exports. BEZA plans to set up 100 EZs (of 75,000 acres of land) by 2030, creating 10 million good jobs and adding export production of \$40 billion annually. Currently, 79 EZs have been approved, among which there are private, G2G and PPP models of EZs available. BEZA is also preparing to provide One-stop Service (OSS) facilities for potential investments. Most EZs are planned under coastal Chattogram belt and greater Dhaka areas since these areas are the hotspots of agglomeration of economic activities.

available. BEZA is also preparing to provide One-stop Service (OSS) facilities for potential investments. Most EZs are planned around coastal Chattogram belt and greater Dhaka area since these are the hotspots of agglomeration of economic activities.

Figure 3: Number of SEZs, Division-wise



The government recognizes the issues and has set up three new institutions – the Bangladesh Investment Development Authority (BIDA), Bangladesh Economic Zones Authority (BEZA), and the PPP Office. Along with BEZA, BIDA has been set up with the clear mandate to improve different aspects of business regulatory environment. BEZA and BIDA need to work in complementary terms if the life of investors is to improve in Bangladesh. Policy challenges should be handled upfront and the best approach to reforming policies for improving the investment climate is to focus attention on both the regulatory environment as well as the other enablers. Over time, BIDA needs to work with the concerned infrastructure related ministries, regulators, and agencies to facilitate necessary investments and also introduce regulatory and procedural changes to reduce costs.

However, many of these tasks are institutional and institutional reforms cannot materialize in the short run. Thus, the fastest near-term solution will be to implement the economic zones through BEZA, and if done properly, it will immediately address many of the issues related to the business environment of Bangladesh. EZs can address many of the Business environment and investment climate challenges for industries operating in the zones. EZs can not only help pilot regulatory/institutional reforms that improve business environment and reduces cost of doing business and reduces infrastructure bottlenecks, but can also give unhindered access to serviceable land.

While BEZA has undertaken an ambitious target of implementing 100 EZs in the country in the coming years, there needs to be a cautious approach in selecting the first few zones which should be based on feasibility studies and at the right locations. Successful implementation of the first two or three EZs, for instance Mirsarai EZ, will send positive signal to the world heralding Bangladesh as a competitive destination for investment. Focusing alone on Mirsarai EZ – the largest and the most potential one with 30,000 acres of land will help create 1.5 million jobs and \$15 billion of yearly exports from one single hub. Mirsarai EZ is well situated to get fairly skilled manpower and is also close to Chattogram port. Given the limited capacity, BEZA needs to prioritize and put focus on getting the first two or three zones fully operational, along with necessary one-stop service in place at the shortest possible time and ensure that at least one anchor investor (e.g. Samsung or Toyota type global brand) sets up factory there within 2020, followed by another by 2023.

Focus on quality power, regulatory changes and one stop services will be vital for BEZA. After much delay, it has become critical that the one stop services are implemented as early as possible. Operationalizing OSS will reduce policy/regulatory hassles to investors, as it can conveniently be rolled out and implemented in the limited territory of economic zones. It can thus act as a catalyst for domestic and foreign investment in a more business friendly environment. The OSS should be comprehensive, digitized/automated to provide efficient and timely services.

Currently, it is not clear as to whether the OSS will also be available to the private zones and the G2G Zones. It will be equally important that OSS is extended in equal scale to the private and G2G foreign country zones. In future BEZA should also consider becoming a regulator for all zones and move away from its EZ development role. That way BEZA can perform its regulatory role efficiently within the boundaries of EZs. This will ease the doing business environment within the zones.

While basic work on EZs is progressing well, there are challenges which will have to be urgently addressed. Broadly speaking the challenges would fall into the following three categories:

- Regulatory and Institutional Challenges
- Infrastructural Challenges
- Challenges of getting adequate skilled human resource to meet the different industry demands of the different EZs.

It should be noted that Bangladesh has already gained long experience in setting up successful export processing zones through BEPZA. While BEZA is a relatively new organization, it can learn from BEPZA's experience. A particular area of BEPZA experience that could help BEZA is the PPP contracts that they have been implemented relatively successfully. BEPZA, to ensure 24/7 quality power supply, innovatively implemented PPPs in power generation, and environmental sustainability, used PPPs to build Effluent Treatment Plants (ETPs), and water treatment and supply of quality water in CEPZ and DEPZ. The challenge will be for BEZA to go through a steep learning curve, develop its institutional capacity, and move its plans forward in a transparent way so that investors can see visible progress and find it conducive for investment in Bangladesh.



A 150 MW power plant at Bangabandhu Sheikh Mujib Shilpanagar.





Earthworks being carried out to develop industrial plots inside the zone.

SEZS IN BANGLADESH'S DEVELOPMENT: A POTENTIAL GAME CHANGER

Professor Mustafizur Rahman

Distinguished Fellow, Centre for Policy Dialogue (CPD)

Whilst their origin goes back many years, it is particularly over the past two decades that the special economic zones (SEZs) have come to attract heightened attention of both policymakers and development practitioners in developing countries. This owes largely to the positive narrative concerning the SEZs that is informed particularly by the Chinese experience of recent times. There are several factors which contributed to this narrative: access to unencumbered land; infrastructure support; availability of one stop service facility; ease of doing business within the zone; employment generation; opportunities to develop horizontal and vertical production networks; availability of fiscal, financial and institutional incentives for domestic investors and FDI. Encouraged by favourable experience of China and some of the other early starters, many developing countries are at present pursuing proactive policies and undertaking energetic initiatives to set up SEZs whose numbers are growing at an exponential pace.

In the above context, the decision by the policymakers in Bangladesh to set up one hundred SEZs over the next decade should be viewed as a major step in terms of implementing the country's strategic trade and investment policies, with a view to taking the country forward in the twenty-first century.

As is well-known, a binding constraint that deters Bangladesh from attracting investment, both local and foreign, has been the lack of availability of adequate infrastructure. No doubt, the smart way to address these lacunae would be to attract investment to build the needed infrastructure. As a matter of fact, SEZs are geared to addressing this deficit in particular. From this vantage point, the decision to set up the SEZs, on a priority basis, ought to be appreciated as a timely step in the right direction.

Four types of SEZs are envisaged in Bangladesh: (a) SEZs set up by the government (for leasing out to prospective investors); (b) SEZs set up on Public-Private Partnerships (PPPs) basis; (c) SEZs set up by private entrepreneurs (for investment as also for leasing out); (d) SEZs set up by foreign investors (e.g. Chinese and Indian SEZs which are to be developed by concerned countries for their investors). Excepting the first type, others are geared to attract overseas resources to develop the SEZ and build the infrastructure within the zone, thus freeing scarce domestic resources to address other pressing needs of the economy.

However, implementation of the SEZ strategy will call for careful planning and appropriate execution if Bangladesh is to reap the potential benefits and gain from the expected dividends.

In order for the SEZs to be successful, Bangladesh will need to give careful attention to a number of issues and address a number of concerns. This is especially important at this present juncture since Bangladesh is undertaking a journey of two simultaneous graduations, with attendant challenges – middle income graduation (the journey has started in 2015) and LDC graduation (the journey has started in March 2018 and will culminate with Bangladesh graduating out of the LDCs group in 2024). The journey will be more challenging also because Bangladesh is in the process of implementing the goals and targets of the 2030 Agenda (the Sustainable Development Goals SDGs).

Bangladesh's middle income graduation will entail that the cost of borrowings will go up significantly as Bangladesh transits from concessional, to blending, to non-concessional high cost borrowings. Bangladesh's LDC graduation will mean that the current preferential market access, international support mechanisms, flexible intellectual property rights and other special and differential treatment will not be available beyond 2024 (in some specific cases beyond 2027). Implementation of the SDGs will necessitate triangulation of the three pillars of sustainable development: economic growth, social inclusiveness and environmental sustainability. All these will no doubt pose formidable challenges for our country.

At the same time, Bangladesh's dual graduation and its commendable success in attaining the MDGs reflect our country's remarkable track record in terms of socio-economic indicators and speak of the competitive strength of the economy. This is a good foundation to build on, and to carve out the journey that the country will undertake in future.

At the same time, Bangladesh's dual graduation and its commendable success in attaining the MDGs reflect our country's remarkable track record in terms of socio-economic indicators and speak of the competitive strength of the economy. This is a good foundation to build on, and to carve out the journey that the country will undertake in future.

Implementation of the SEZ strategy could contribute importantly in the above context. The strategy needs to be appropriately aligned with Bangladesh's initiatives to address the challenges associated with the above mentioned graduation journeys. Indeed, Bangladesh's strategies in this regard should be integral to realising her aspirations to be a developed country as is articulated in Vision 2041.

The SEZ strategy will, thus, need to be appropriately crafted. This is particularly important because available evidence suggests that the global experience concerning SEZs has been at best a mixed one. Some countries and some SEZs have been successful; others have failed to live up to their initial expectations and enthusiasm. Bangladesh will need to pay heed to the learnings and draw appropriate lessons in designing its SEZ strategy in order to be able to emulate the best case scenarios.

First, it is to be reckoned that SEZs entail significant investment on the part of the government – on account of land acquisition, incentives provided, taxes foregone, expenditure on account of infrastructure development and the services provided. The results generated downstream through resource creation, employment generation and earnings mobilisation ought to give decent returns on the significant investment.

Second, locational advantage should be given highest priority in setting up the SEZs. Availability and access to labour force, raw materials and good connectivity should be given due importance in this context. At the same time, zoning strategies should be pursued to align SEZs with Bangladesh's spatial development so that these could serve and service the needs of development with equity, fairness, demands of spatial dimension of development and developmental needs of the lagging regions of Bangladesh. Locational considerations should be well-integrated into Bangladesh's medium to long term development strategies e.g. economic corridors, both national, and multi-national such as the BCIM Economic Corridor and Bangladesh's involvement in initiatives such as transport connectivity with India, BBIN Motor Vehicle Agreement and the Belt and Road Initiative.

Third, enterprises in the SEZs can be competitive only if these have good connectivity with ports and markets. Thus, fast and efficient transport connectivity to ports and other international gateways such as airports and land ports, and digital outreach to overseas markets, must be of high quality if the enterprises in the SEZs are to be competitive and are able to operate with reduced lead time.

Fourth, evidence and experience from other countries point to the need for designing SEZs in such a manner that there is a transfer of knowledge, knowhow and technology from the SEZs to the domestic tariff area.

Fifth, SEZs must not be allowed to be used for land speculation. There should be appropriate laws, rules and regulations in place so that enterprises within the SEZs are set up in a time-bound manner.

Sixth, environmentally sustainable and eco-friendly development of the SEZs should be supported with legal measures and targeted incentives. Public-private partnerships could be a good way to ameliorate the negative externalities in this context. As a matter of fact, SEZs could turn out to be the test case for implementing SDGs-oriented industrialization and development praxis in Bangladesh.

Seventh, efficient running of SEZs will also critically hinge on institutional-regulatory support enjoyed by the investors. The national regulatory ecosystem within which the SEZs are to operate is of high relevance in this context. Successful enforcement of legal-regulatory – dispute settlement systems will owe, to a large extent, to the overall good governance at the national level which should be geared to ensure effective and efficient functioning of the SEZs.

Eighth, SEZs should act as a role model for rest of the country by encouraging and incentivising environment-friendly production processes and decent labour practices, and by putting in place appropriate regulations favouring good working environment and enforcement of living wages and labour rights.

Finally, to run the SEZs in an efficient manner, and to generate and ensure the expected positive outcome, Bangladesh must take targeted initiatives to develop the needed human resources, technical personnel, management specialists and put in places appropriate institutions for human capacity building and skill upgrading. Good interface with academic institutions, particularly keeping in the purview the demands of the 'new economy' (as against the 'traditional economy'), will be important.

No doubt, the SEZs have opened up a new window of opportunity for Bangladesh to move forward in realising its aspirations. By contributing to export-orientation and import-substitution, by helping strengthened global integration of the Bangladesh economy and by catering to the growing needs of the domestic market, the SEZs could make an important contribution to Bangladesh's developmental journey. Success of SEZs will, however, hinge to a large extent, on how smartly crafted the design of Bangladesh SEZ strategy is. If we can get it right, SEZs could indeed prove to be a game changer. SEZs could, thus, play a crucial role to help attain the ambition of an economically developed, socially inclusive and environmentally sustainable Bangladesh in line with the objectives set out in Vision 2041.



Construction works of a road is going on.

Ongoing development works.



Ongoing construction works at Bangabandhu Sheikh Mujib Shilpanagar.

INCLUSIVE GROWTH: THE ROLE OF SPECIAL ECONOMIC ZONES

Mohammad A. Razzaque

Economist, Senior Fellow for International Trade & Globalization London School of Business and Management

Dr. Bazlul H. Khondker

Professor of Economics, University of Dhaka

M. Abu Eusuf

Professor of Development Studies, University of Dhaka

Introduction

Eradicating poverty by accelerating economic growth and generating employment opportunities through industrialisation is a key policy priority for Bangladesh. The Government of Bangladesh has decided to establish 100 Special Economic Zones (SEZs) for creating 10 million jobs and generating an additional \$40 billion exports. By offering attractive fiscal and financial incentives, and serviced industrial plots, these economic zones are expected to mobilise investments from both domestic and foreign sources. The Seventh Five Year Plan of Bangladesh suggests using SEZs as a policy tool for inclusive growth by promoting development in lagging regions within the country.

Regions in Bangladesh exhibit significant differences in many respects including terms of location and distribution of economic and industrial activities. For example, employment-intensive manufacturing and export-oriented enterprises are largely concentrated in greater Dhaka and Chattogram regions. One issue is then whether SEZs in disadvantaged regions can generate inclusive growth while not affecting overall economic growth.

Regional inclusivity and the role of policy

Policymakers from all over the world must confront a trade-off between balanced spatial distribution of economic activities and the benefits of agglomeration economies that tend to make industrial production concentrated in a few existing growth poles. The 'new economic geography' model, developed by Nobel laureate economist Paul Krugman, is the most powerful analytical framework to demonstrate how clustering forces

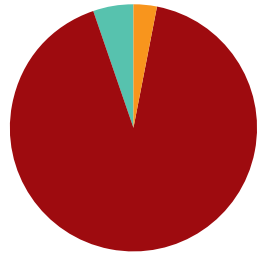
generate an uneven distribution of production and income across regions. The ensuing agglomeration effects arise from interactions amongst scale economies, cost advantages (including trade costs) associated with geographical locations, factor price differences, etc. Because of these factors, economic regions with higher production activities will be more profitable and will therefore attract even more firms. While there are efficiency gains from the concentration of economic activity in a few locations, it is a major contributor to overall inequality within a country. Some economists argue that while private sector firms will tend to concentrate in existing growth centres, state-sponsored industry location decisions consider regional balance as a priority issue. However, as the role of the state has been substantially diminished under policy liberalisation and reform programmes, industries are likely to be more spatially concentrated, accentuating regional inequalities. China offers an example of extensive interventions in addressing regional disparities, diverting economic activities from the coast to interior regions. But, critiques point out that replicating Chinese experience elsewhere might not be possible because of the nature of its political and administrative systems and astounding growth performance, facilitating sustained resource commitments for regional transformation to take place. However, programmes like special economic zones can allow countries containing ever-growing regional disparities.

Spatial variation of development in Bangladesh

In Bangladesh, there is a general perception that the western part of the country (comprising the divisions of Barisal, Khulna, Rajshahi, and Rangpur)

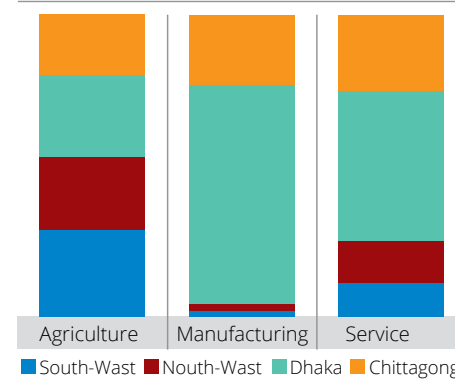
lags its eastern counterpart in most socioeconomic indicators. One problem in capturing regional disparities and understanding the impact of any relevant policy options is data deficiencies. Nevertheless, from the available information it can be inferred that north-west and south-west districts in Bangladesh together account for just about 30% of the country's GDP. The greater Dhaka and Chattogram regions account for 87% of the country's manufacturing GDP. As manufacturing constitutes about 92% of Bangladesh's exports (Figures 1a and 1b), virtually all of it comes from these two regions only. The established economic theories, as alluded to earlier, would suggest worsening of the concentration of economic activities further.

Export share by sectors: Bangladesh (%)



■ Agriculture ■ Manufacturing ■ Service

Export Share of sector by region (%)



Source: Based on authors' data work

Potential impact of SEZ activities in lagging regions: Experimental policy simulations

Although the SEZ development work in a large majority of selected zones is at an early stage, it would be useful to undertake some experimental policy simulations to consider the likely impact of new economic zones. Particularly, it is of interest to know how inclusive economic growth and development can be promoted through SEZs. The simulations are conducted using a specially-constructed four-region Social Accounting Matrix (SAM) for Bangladesh.

Simulation scenario (1) – export growth from the newly set up SEZs based on the existing regional production structures:

As one of the objectives of SEZ policy is to achieve \$40 billion in additional exports by 2030, this simulation assesses the impact considering that the new exports will follow the current regional production patterns. Therefore, an overwhelming majority of export production takes place in greater Dhaka and Chattogram regions with a modest boost for economic activities

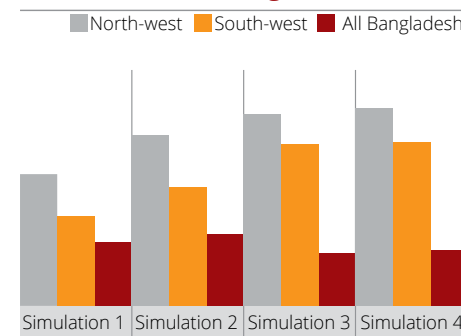
in north-west and south-west regions due to backward and forward linkage effects. Under this simulation, Bangladesh's GDP rises by 5% as against a 3% output growth from north-west and south-west districts. The poverty headcount ratio falls by 1.6 percentage points in the north-west and by 3.2 percentage points in the south-west (Figure 2). A total of 3.4 million jobs are created, of which just over 1 million are in the north-west and south-west regions (Figure 3). Overall, there are an additional 1.1 million jobs for women. Of these, 0.31 million are in western districts.

Simulation scenario (2) – export growth with enhanced participation of north-west and south-west regions in manufacturing activities:

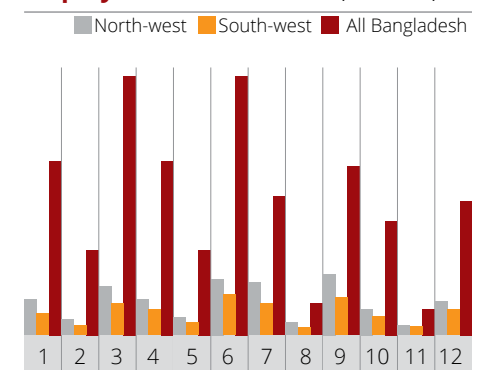
It is hypothesised that \$20 billion manufacturing exports are generated from the north-west and south-west regions (as a contribution towards the target of \$40 billion additional exports). This results in massive growth of manufacturing output (by 15% and 20% in the north-west and south-west, respectively). These two lagging regions benefit from 1.28 million additional jobs, of which 0.43 million are for women. The poverty headcount ratio for the north-west declines by 3 percentage points while the corresponding fall for the south-west is 5.6 percentage points.

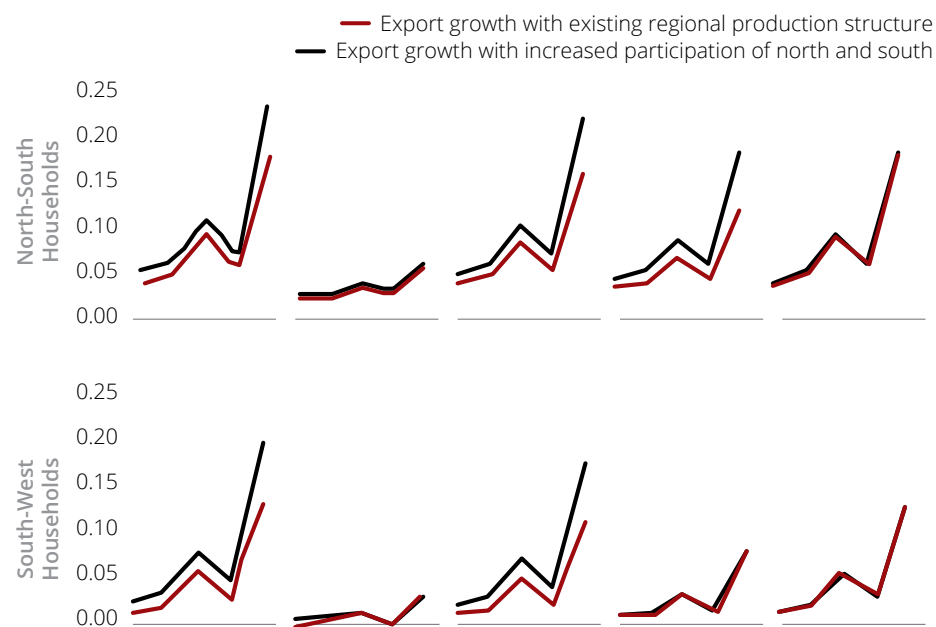
How different types of households participate in economic activities can give important insights into the inclusivity of growth. In simulation 1, most additional production is due to the greater Dhaka and Chattogram regions, but still households in backward regions increase their supplies of labour. However, given increased SEZ production in north-west and south-west regions under simulation 2, small farm and non-farm households in both the regions and lower-skilled households in north-west districts experience much higher demand for their labour (Figure 4). These households are known to comprise much of the vulnerable and excluded groups, and consequently they seem to benefit from the increased SEZ activities in back-ward regions. The overall growth impact under simulation 2 is slightly higher, and thus there is no growth compromising effects of regionally targeted SEZ policies.

Poverty Reduction Under Different Scenarios (Percentage Points)



Employment Generation (Millions)





Note: The figures show changes in labour supplies to different regions from different types of north-west (above) and south-west households.

Source: Authors' simulations

Simulation scenario (3) – export boost of agro-processing from north-west and south-west regions: It is widely regarded that the north-west and south-west regions are more suited for agricultural production. When a \$20 billion agri-export demand shock is generated for these regions, the overall growth impact in the country is 1.65%. This comes with the generation of 2.2 million jobs: 1.31 million for the north-west and south-west districts including 0.27 million women's jobs. Finally, under simulation (4) – SEZs-led investment push – if SEZs lead to doubling investment, the national GDP rises by 2.35%, creating 1.75 million jobs, leading to poverty reduction by 1.71 percent-age points.

It is important to point out that the policy options are not mutually exclusive; i.e. a combination of the scenarios would be feasible and more appropriate. A mix of scenarios 2, 3 and 4 would be most practical in addressing regional inclusivity.

SEZ-led regional development: issues for further consideration

The simulation results above are quite encouraging about the potential impact that SEZs can have on overall output, employment generation and poverty reduction. However, the lagging regions may be subject to certain inherent limitations, yielding less-than-expected outcomes. Bangladesh's experience with export processing zones (EPZs) already provides some

hints in this respect. Three of the eight EPZs are in lagging regions. In terms of investment attracted and employment generated, the performance of these three is relatively weak. Particularly, the one in Mongla with easy access to a seaport has the least investment and smallest workforce employed. There are several other factors that must be taken into consideration to make SEZ-led policy effective for promoting regional inclusivity.

- To be a meaningful pull factor, economic zones in lagging regions must offer incentives that do not exist elsewhere or are significantly better than existing ones. The perceived cost of doing business in these regions are much higher, and investors need to be convinced that incentive margins will at least help offset the extra costs of being located in relatively remote regions.
- The zone development work in lagging regions should get priority. The alignment of the vision in the 7FYP and on-the-ground implementation work will require careful identification of lagging districts and prioritisation of SEZ development in these regions. In stating the ambition of generating \$40 billion additional exports from SEZs, incorporation of one such target from lagging region zones (e.g. \$20 billion exports from lagging region SEZs) could be helpful.

Appropriate, adequate and well-functioning infrastructure cannot be overemphasised for SEZs, and more so in lagging regions. There is cross-country evidence to suggest that infrastructure reliability has a greater impact on SEZ success than other policy incentives. Without the provision of elaborate and functional infrastructure, SEZs in lagging regions would be regarded as a poor choice of location.

In the presence of various industry support systems, coordination amongst institutions will be critical. It is important to strike a balance between industrial growth that takes advantage of the growing domestic economy and growth achieved through an export-led strategy. If SEZs are going to be dominated by firms aiming for local sales only, the policy incentives as well as a highly protected trade regime, as highlighted in the 7FYP, could affect export-oriented firms due to anti-export bias in the overall trade policy regime.

Using agglomeration economies while focusing on regional inclusivity should be given serious consideration. SEZs in lagging regions could suffer from lack of critical mass in attracting firms and investments and creating enough positive spillover effects. Developing too many sub-optimally sized economic zones can also undermine the benefits of economies of scale and externalities. The development of Mirsarai-Feni industrial city could closely resemble the kind of growth centres needed in the north-west and south-west regions for exploiting agglomeration economies.

Developing lagging-region SEZs as part of economic corridors is important. An economic corridor is envisaged in Bangladesh running from the south-

west region of Bangladesh (Khulna Division) to the north-east region of Bangladesh (Sylhet Division) via Dhaka. This can help integrate south-west SEZs with more productive and leading SEZs, particularly in Dhaka. Bangladesh is also pursuing transport connectivity with many Asian countries under various regional initiatives. If they help promote intra-regional trade, investment, and movement of goods through land borders, some of the currently lagging regions in Bangladesh will benefit immensely.

Ensuring fair access to entrepreneurs, including small and medium-sized enterprises, is extremely important. Land is very scarce in Bangladesh, and serviced industrial plots are even scarcer. In many other developing countries, political economy factors are often used in accessing privileges that SEZs confer, including access to cheap land and fiscal incentives. This must be avoided.

Existing opportunities for maximising synergies between EPZ and SEZ regimes should be exploited. By eliminating the restriction on domestic firms' participation, SEZs can potentially boost the possibilities of developing backward linkage capacities directly targeted towards the firms within the same premises. Greater interactions between local and foreign firms will give domestic enterprises better exposure to modern production techniques and management practices. One consideration could be to allow local firms to participate in three EPZs in north-west and south-west Bangladesh. Investment and export response from these establishments have been subdued so far, and opening them to local firms based on SEZs modalities could generate momentum in these lagging regions.

- Ensuring availability of skilled manpower would be a challenge for SEZs, particularly in relatively backward regions. The 7FYP has explicitly suggested supporting lagging regions with skill development, such as by establishing technical and vocational institutes. Implementation of this vision is extremely important. In addition, civic amenities, recreational facilities, and good housing and accommodation will be required to help skilled workers relocate.
- Assessing costs and benefits for any ambitious project like SEZs is important for learning lessons, introducing innovative policy designs and evaluating opportunity costs associated with alternative options. Cross-country studies suggest that, more often than not, economic zones produce much less than expected outcomes. Policy experiments to evaluate the likely impact of different types of investment projects, particularly for ensuring regional inclusivity, are also issues for consideration while assessing costs and benefits.
- Many other general factors that determine the success of SEZs will also be relevant while considering regional inclusivity. Effective institutions, sound and enforceable legal frameworks, transparent decision-

making processes, a business-friendly investment climate, simplified administrative and bureaucratic processes, improved trade facilitation etc. are essential preconditions for promoting industrial growth.

- Finally, there is a need for quality data on a regular interval basis to analyse issues of regional disparities for developing suitable policy options. In the immediate term, it will be extremely helpful to develop a consistent data framework to capture district-level outcomes associated with incomes, social indicators, poverty incidences, and sectoral inter-linkages. This will then allow policy experiments to study impact at the district level. Ideally, efforts should also be made to build at least a few sub-district level (including some for lagging regions) analytical models, to be able to understand the differential effects of different policy options.

Ensuring fair access to entrepreneurs, including small and medium-sized enterprises, is extremely important. Land in Bangladesh is very scarce, and serviced industrial plots are even scarcer. In many other developing countries, political economy factors are often used in accessing privileges that SEZs confer, including access to cheap land and fiscal incentives. This must be avoided.

Existing opportunities for maximising synergies between EPZ and SEZ regimes should be exploited. By eliminating the restriction on domestic firms' participation, SEZs can potentially boost the possibilities of developing backward linkage capacities directly targeted towards the firms within the same premises. Greater interactions between local and foreign firms will give domestic enterprises better exposure to modern production techniques and management practices. One consideration could be to allow local firms to participate in three EPZs in north-west and south-west Bangladesh. Investment and export response from these establishments have been subdued so far, and opening them to local firms based on SEZs modalities could generate momentum in these lagging regions.

Ensuring availability of skilled manpower would be a challenge for SEZs, particularly in relatively backward regions. The 7FYP has explicitly suggested supporting lagging regions with skill development, such as by establishing technical and vocational institutes. Implementation of this vision is extremely important. In addition, civic amenities, recreational facilities, and good housing and accommodation will be required to help skilled workers relocate.

Assessing costs and benefits for any ambitious project like SEZs is important for learning lessons, introducing innovative policy designs and evaluating opportunity costs associated with alternative options. Cross-country studies suggest that, more often than not, economic zones produce much less than expected outcomes. Policy experiments to evaluate the likely

impact of different types of investment projects, particularly for ensuring regional inclusivity, are also issues for consideration while assessing costs and benefits.

Many other general factors that determine the success of SEZs will also be relevant while considering regional inclusivity. Effective institutions, sound and enforceable legal frameworks, transparent decision-making processes, a business-friendly investment climate, simplified administrative and bureaucratic processes, improved trade facilitation etc. are essential preconditions for promoting industrial growth.

Finally, there is a need for quality data on a regular-interval basis to analyse issues of regional disparities for developing suitable policy options. In the immediate term, it will be extremely helpful to develop a consistent data framework to capture district-level outcomes associated with incomes, social indicators, poverty incidences, and sectoral inter-linkages. This will then allow policy experiments to study impact at the district level. Ideally, efforts should also be made to build at least a few sub-district level (including some for lagging regions) analytical models, to be able to understand the differential effects of different policy options.

Conclusion

Special economic zones can be an important instrument for promoting inclusive growth and development. Simulation results show that without any targeted interventions most of the increased production activities will tend to concentrate in the relatively better-off regions given the current excessively skewed distribution of manufacturing production in favour of these regions. While the lagging districts still benefit from economy wide linkages and increased demand for labour, a relatively higher proportion of output when generated from SEZs located in lagging region have stronger impact on poverty reduction and employment generation, including of women's. It also generates greater demand for labour from small farm, non-farm and lower-skilled households. These are the households that are more likely to be associated with vulnerable and excluded groups.

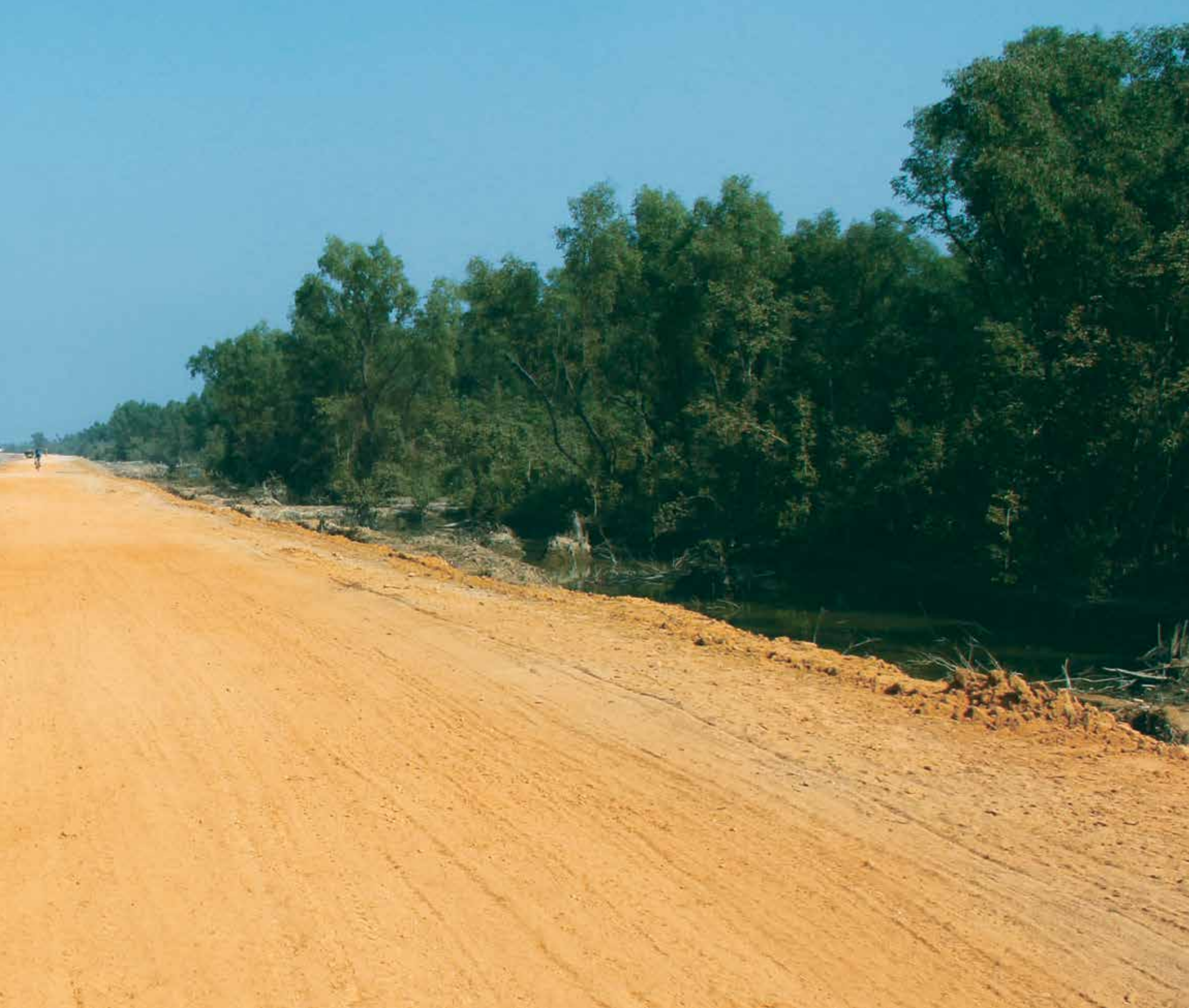
While SEZs can be an appealing policy tool for promoting regional development, and policy simulations can help understand the impact of different policy scenarios under ideal circumstances, there are several factors that must be taken into serious consideration to make it work effectively. There are valuable cross-country experiences and best practices that must also be carefully studied to derive lessons and consider appropriate policy measures.



Land development works to serve investors.



One of the roads under construction leads toward the economic zone.





A typical village road adjacent to the BEZA.

ECONOMIC ZONES: AT A GLANCE

Overall progress report of the 88 economic zones selected and authorized by BEZA.

Sl.	Name of the EZ	District	Upazila
1.	Anowara Economic Zone	Chattogram	Anowara
2.	Anowara Economic Zone-2	Chattogram	Anowara
3.	Mirsarai Economic zone	Chattogram	Mirsarai
4.	Shrihatta Economic Zone	Moulvibazar	Moulvibazar
5.	Mongla Economic Zone	Bagerhat	Mongla
6.	Shreepur Economic Zone	Gazipur	Shreepur
7.	Sabrang Tourism Park	Cox's Bazar	Teknaf
8.	Dhaka SEZ, Keranigonj	Dhaka	Keranigonj
9.	Jamalpur Economic Zone	Jamalpur	Jamalpur
10.	Narayanganj Economic Zone	Narayanganj	Bandar and Sonargaon
11.	Bhola Economic Zone	Bhola	Bhola
12.	Ashuganj Economic Zone	Brahmanbaria	Ashuganj
13.	Panchagarh Economic Zone	Panchagarh	Debiganj
14.	Norshingdi Economic Zone	Norshingdi	Norshingdi
15.	Nilphamari Economic Zone	Nilphamari	Nilphamari

Sl.	Name of the EZ	District	Upazila
16.	Kushtia Economic Zone	Kushtia	Bheramara
17.	Agailjhara Economic Zone	Barishal	Agailjhara
18.	Manikganj Economic Zone (Unused ferryghat and adjacent land of BIWTA)	Manikganj	Shibaloy
19.	Dhaka Economic Zone	Dhaka	Dohar
20.	Habiganj Economic Zone	Habiganj	Chunarughat
21.	Shariatpur Economic Zone	Shariatpur	Jarira
22.	Shariatpur Economic Zone	Shariatpur	Gosairhat
23.	Naf Tourism Park	Cox's Bazar	Teknaf
24.	Cox's Bazar Special Economic Zone	Cox's Bazar	Moheshkhali
25.	Moheshkhali Economic Zone-1	Cox's Bazar	Moheshkhali
26.	Moheshkhali Economic Zone-2, Kalarmarchhara	Cox's Bazar	Moheshkhali
27.	Moheshkhali Economic Zone-3, Dholghata	Cox's Bazar	Moheshkhali
28.	Narayanganj Economic Zone, Sonargaon	Narayanganj	Sonargaon
29.	Natore Economic Zone	Natore	Lalpur
30.	Gopalganj Economic Zone	Gopalganj	Kotalipara

Sl.	Name of the EZ	District	Upazila
31.	Araihazar Economic Zone	Narayanganj	Araihazar
32.	Moheshkhali Special Economic Zone	Cox's Bazar	Moheshkhali
33.	Rajshahi Economic Zone	Rajshahi	Poba
34.	Sherpur Economic Zone	Sherpur	Sherpur
35.	Feni Economic Zone	Feni	Sonagazi
36.	Mongla Special Economic Zone (Indian SEZ)	Bagerhat	Mongla
37.	Gopalganj Economic Zone-2	Gopalganj	Gopalganj
38.	Patia Economic Zone	Chattogram	Patia
39.	Moheshkhali Special Economic Zone, Ghatibhanga-Sonadia	Cox's Bazar	Moheshkhali
40.	Sundarban Tourism Park	Bagerhat	Sarankhola
41.	Bogura Economic Zone-1	Bogura	Shahjahanpur
42.	Khulna Economic Zone-1	Khulna	Batiaghata
43.	Khulna Economic Zone-1	Khulna	Terokhada
44.	Sylhet Special Economic Zone, Gowainghat	Sylhet	Gowainghat
45.	Kurigram Economic Zone-1	Kurigram	Kurigram

Sl.	Name of the EZ	District	Upazila
46.	Netrokona Economic Zone-1	Netrokona	Netrokona
47.	Moheshkhali Economic Zone, Kalarmarchhara	Cox's Bazar	Kalarmarchhara
48.	Mymensingh Economic Zone, Ishwarganj	Mymensingh	Ishwarganj
49.	Mymensingh Economic Zone	Mymensingh	Mymensingh
50.	Alutila Special Tourism Zone	Khagrachari Hill Tracts	Matiranga and Khagrachari
51.	Araihazar Economic Zone-2	Narayanganj	Araihazar
52.	Jamalpur Economic Zone-2	Jamalpur	Jamalpur
53.	Rampal Economic Zone	Bagerhat	Rampal
54.	Gajaria Economic Zone	Munshiganj	Gajaria
55.	Madaripur Economic Zone	Madaripur	Rajoir
56.	Faridpur Economic Zone	Faridpur	Faridpur
57.	Sitakundu Economic Zone	Chattogram	Sitakundu
58.	Chandpur Economic Zone-1 Matlab North	Chandpur	Matlab
59.	Chandpur Economic Zone-2, Haimchar	Chandpur	Haimchar

Private Economic Zones

Sl.	Name of the EZ	District	Upazila
60.	A. K. Khan and Company Ltd. Economic Zone	Narshingdi	Polash
61.	Abdul Monem Economic Zone	Munshiganj	Gozaria
62.	'Garments Industries Park' (Proposed by BGMEA)	Munshiganj	Gozaria
63.	Meghna Industrial Economic Zone	Narayanganj	Sonargaon
64.	Meghna Economic Zone	Narayanganj	Sonargaon
65.	Fomcom Economic Zone	Bagerhat	Rampal
66.	Cumilla Economic Zone	Cumilla	Meghna
67.	Aman Economic Zone	Narayanganj	Sonargaon
68.	Bay Economic Zone	Gazipur	Konabari
69.	Sirajganj Economic Zone	Sirajganj	Sirajganj and Belkuchi
70.	Alliance Economic Zone	Cumilla	Daudkandi
71.	Arisha Economic Zone	Dhaka	Savar and Keraniganj
72.	United City IT Park Ltd.	Dhaka	Vatara and Badda
73.	East-Coast Group Economic Zone	Habiganj	Bahubal
74.	Sonargaon Economic Zone	Narayanganj	Sonargaon

Sl.	Name of the EZ	District	Upazila
75.	Bashundhara Economic Zone	Dhaka	Keraniganj
76.	East-West Special Economic Zone	Dhaka	Keraniganj
77.	City Economic Zone	Narayanganj	Rupgani
78.	City Special Economic Zone	Dhaka	Demra
79.	Akij Economic Zone	Mymensingh	Trishal
80.	Karnaphuli Dry Dock Special Economic Zone	Chattogram	Anwara
81.	Abul Khair Economic Zone	Munshiganj	Gajaria
82.	Kishoreganj Economic Zone (Nitol Motors Ltd.)	Kishoreganj	Pakundia
83.	Hamid Economic Zone	Mymensingh	Trishal
84.	Chhatak Economic Zone	Sunamganj	Chhatak
85.	Standard Global Economic Zone	Munshiganj	Gajaria
86.	Hosendi Economic Zone	Munshiganj	Gajaria
87.	Kazi Farms Economic Zone Ltd.	Chattogram	Chandanaish
88.	Anowar Economic Zone	Munshiganj	Gajaria

MASTER PLAN OF BANGABANDHU SHEIKH MUJIB SHILPANAGAR

