

10th Meeting of the COMCEC Trade Working Group:
Special Economic Zones in the OIC Member States

WELCOME
To
Economic Zones of Bangladesh



BANGLADESH
ECONOMIC ZONES
AUTHORITY



Bangladesh at a Glance



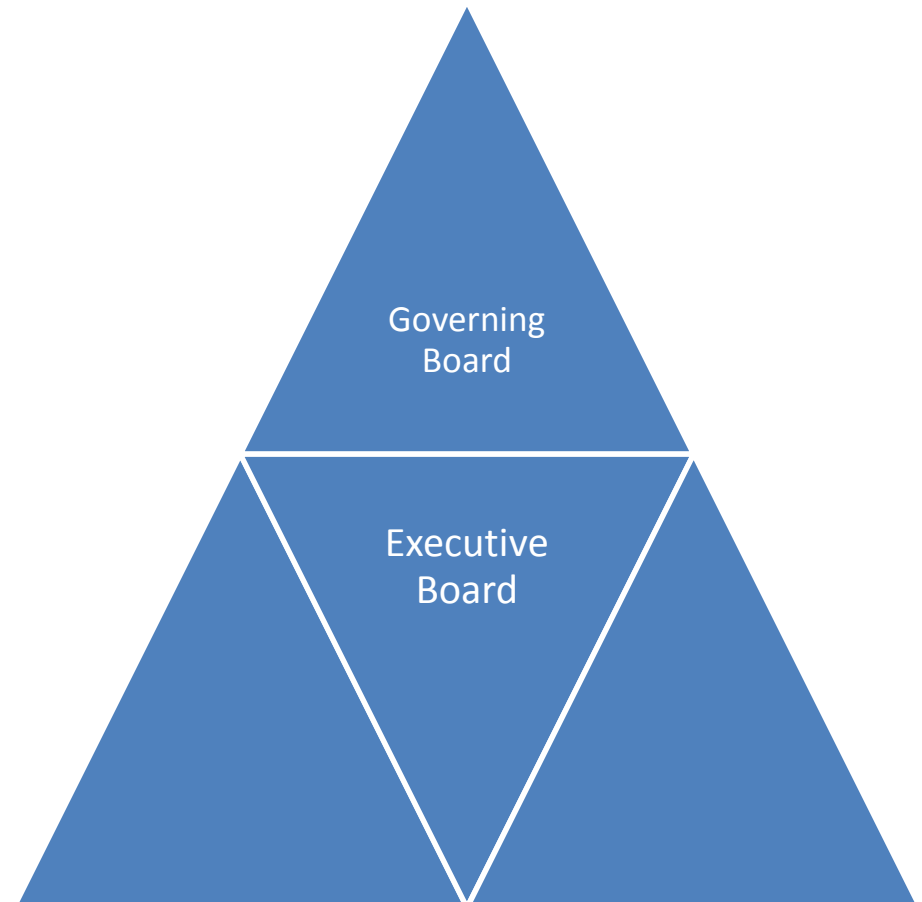
- **Official Name: The People's Republic of Bangladesh**
- **Capital: Dhaka**
- **Political System: Parliamentary Democracy**
- **Area : 147,570 sq. km.**
- **Population : 160 million**
- **GDP Growth Rate: 7.11 percent (last year)**
- **GDP Per Capita : USD 1465**
- **Total Exports : USD 31 billion (2015-16)**
- **Total Imports : USD 40 billion (FY2015-16)**
- **Forex Reserve : USD 30 billion (Feb 2016)**

Bangladesh Economic Zones Authority (BEZA): Committed to Customer Satisfaction

Bangladesh Economic Zones Authority was established by the Bangladesh Economic Zones Act 2010 with broad objectives to:

- Attract FDI
- Develop and diversify export
- Promote skill development, knowledge sharing and generate employment
- Ensuring dynamic economic benefits for structural change
- Social and environmental sustainability

BEZA is governed by a 2-tier management structure.



Our Mission



Develop 100 EZs
in the next 15
years



Create 10 million
employment
opportunities



Foster
industrialization
by increasing
additional export
of USD 40 billion



BEZA moves on ...

Number of Economic Zones: 79

Private Economic Zones: 20

Land Area: 36,000 hectares

The Regulatory Framework

Act (Establishment scheme of economic zone)

- The Bangladesh Economic Zones Act, 2010
- One Stop Services Act (placed before the parliament)

Policy (regarding development, operation, management and control of private economic zones)

- Bangladesh Private Economic Zones Policy, 2014.

Rules (Qualification of developers, developer's right and obligation cancellation of EZ license, etc.)

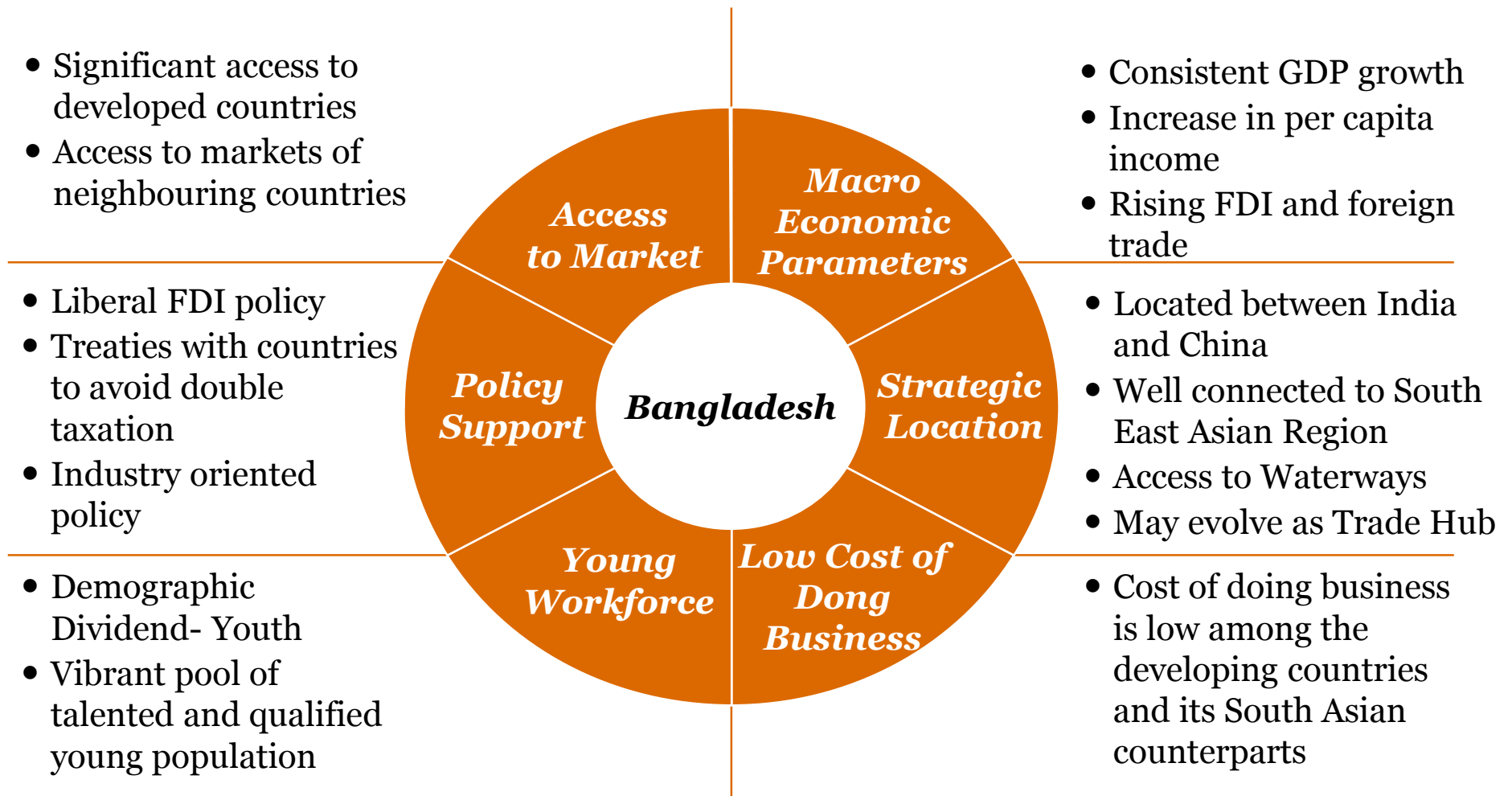
- Bangladesh Economic Zones (Appointment of Developer, etc.) Rules, 2014
- Bangladesh Economic Zones (the Procedure of Appointment of Developer) Rules 2016
- EZ construction and building guidelines

Guidelines

- Bangladesh Economic Zones Development Guidelines (draft)

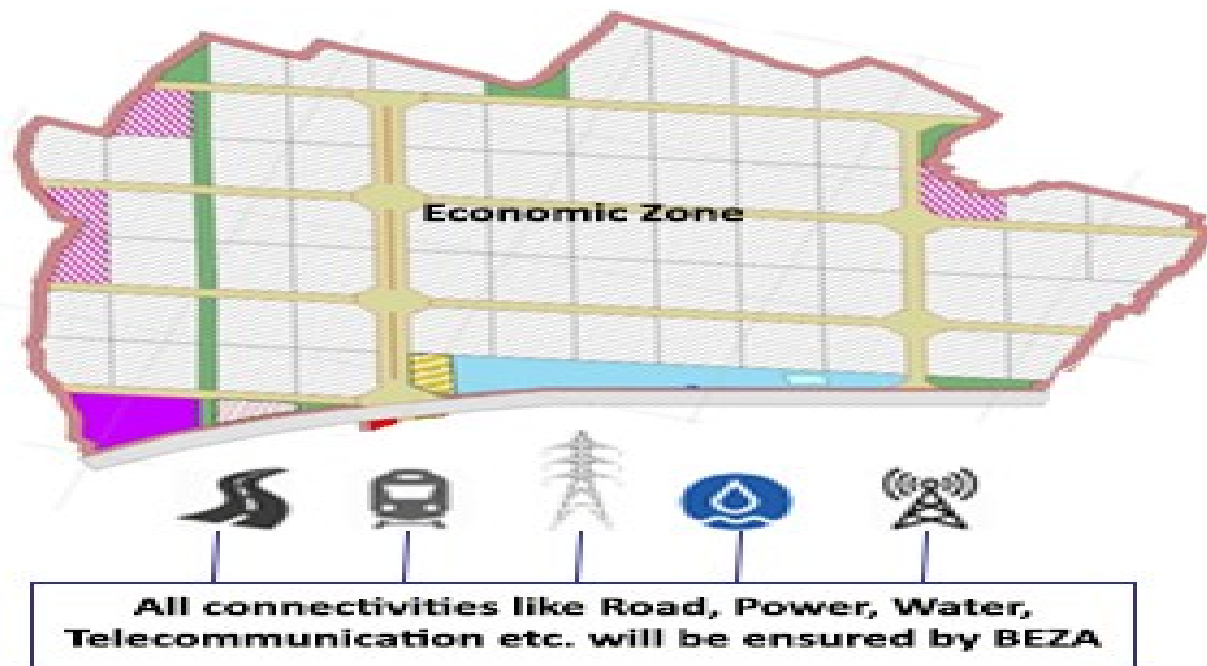
Statutory Regulatory Orders for incentives

Why Bangladesh?



Economic Zones are placed to harness the potential of Industrial Development

All off-site infrastructure & utility services will be ensured by BEZA



Bangladesh Economic Zones: Incentives

Incentives For Developers



Income Tax exemption : 100% for the first 10 years; 70% for 11th year; 30% for the 12th year.

Exemption from import duty, regulatory duty, supplementary duty and VAT on all goods for development of economic zone (except locally available construction goods)

Bangladesh Economic Zones: Incentives

Incentives For Developers



Exemption of stamp duty and registration fees for land registration

Exemption of stamp duty and registration fees for registration of loan/credit document

Exemption from dividend tax

Bangladesh Economic Zones: Incentives

Incentives For Unit Investors



Income Tax exemption : 100% for first 3 years;

80% for 4th year; 70 % for 5th year; 60% for 6th year; 50% for 7th year; 40% for 8th year; 30 %for 9th year and 20% for 10th year.

Exemption from import duty, regulatory duty, supplementary duty and VAT on all capital machinery and raw materials (except locally available construction goods)

Bangladesh Economic Zones: Incentives

Incentives For Unit Investors



Tax exemption on royalties, technical fees etc.

Duty exemption on export

Tax exemption on capital gains from transfer of shares

Important non-fiscal incentives

100% foreign
ownership
permissible

Foreign currency
loan allowed in
compliance with
existing laws

Sub-contracting
with Domestic
Tariff Area
allowed

No ceiling on
foreign
investment

Full repatriation
of capital and
dividend

50 years land
lease period with
scope of
extension

Transfer of
shares of foreign
shareholders
allowed

Ezs will enjoy
MFN status and
DFQF access to
many countries

Hold nonresident
foreign currency
deposit account

Important non-fiscal incentives

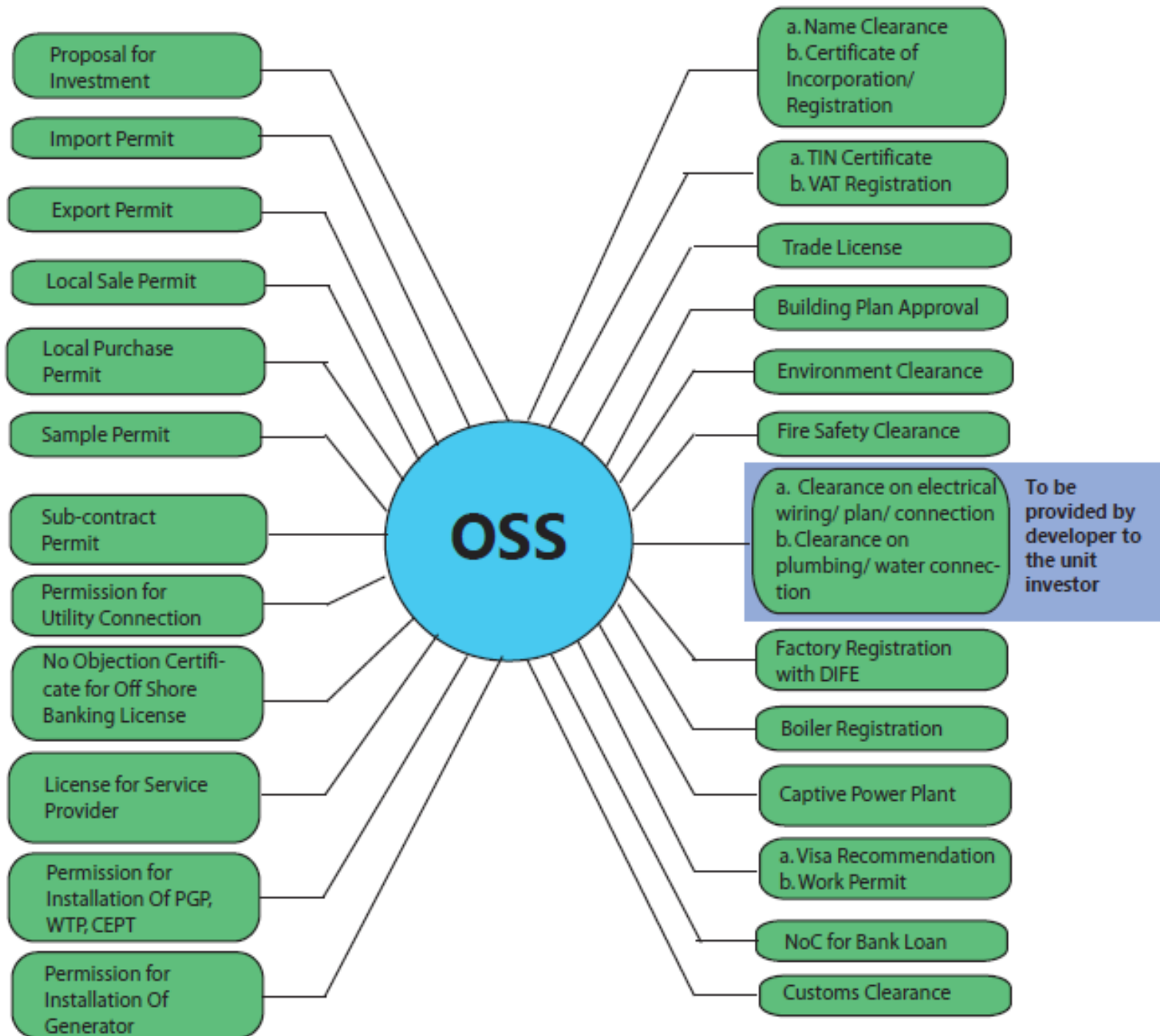
Transfer of shares to
foreign and local
investors

Issuance of work
permits up to 5%

20% sale to domestic
tariff area

100% selling of
backward linkage raw-
materials to export
oriented industries in
domestic tariff area

One Stop Service



Potential Sectors For Investment In Economic Zones

*Shipbuilding & Ship
Repairing, Steel
Rerolling Plants*

*Light Engineering &
Auto Parts*

Pharmaceuticals

*Large-scale Export
Oriented RMG*

*Jute and
Jute-based product*

Leather Goods

Power

*Telecommunication
IT-enabled services*

*LNG Terminal & Petro-
Chemical Plants*

*Agro-Processing
including Fish
Processing & Cold Chain*

Thank You

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