

# Sustainability and Development Framework in Northeast Asia

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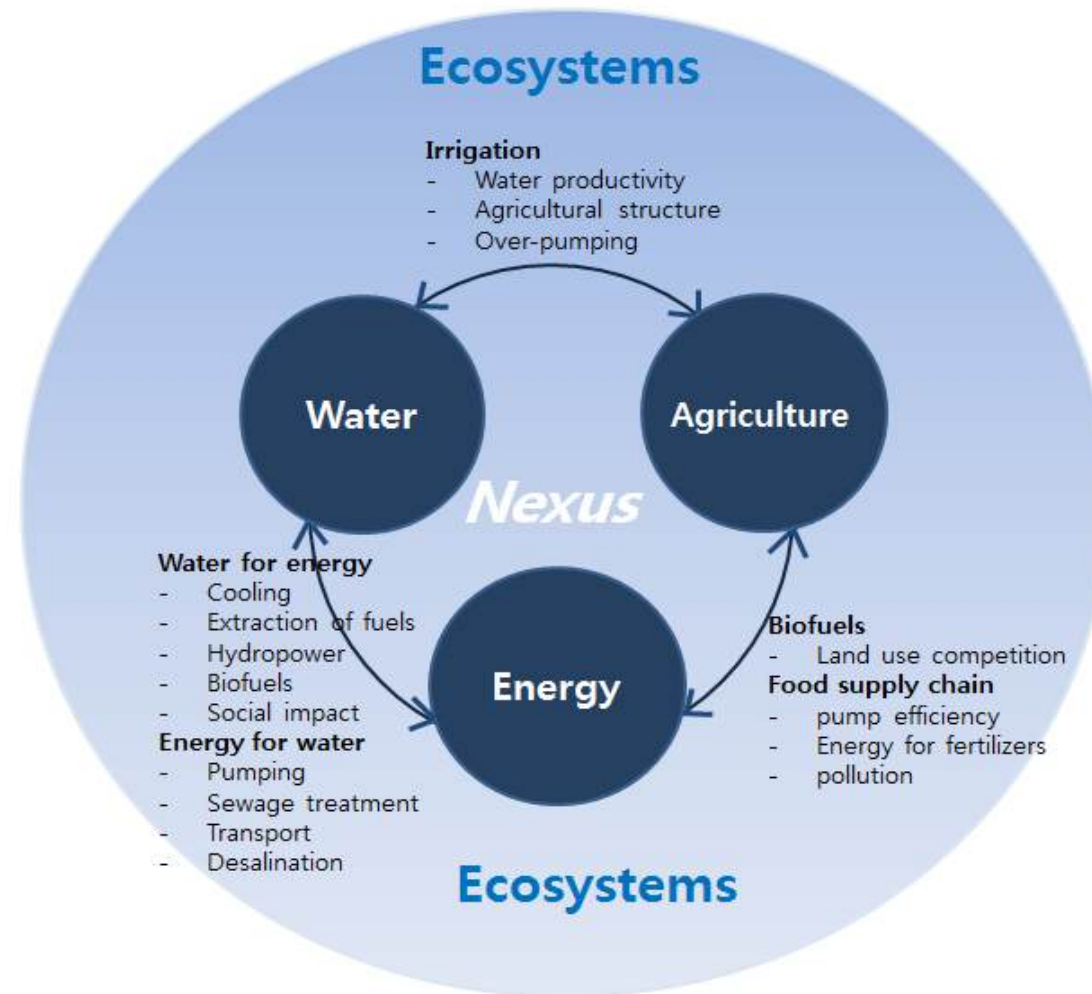
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# Multilateral Collaboration in Northeast Asia

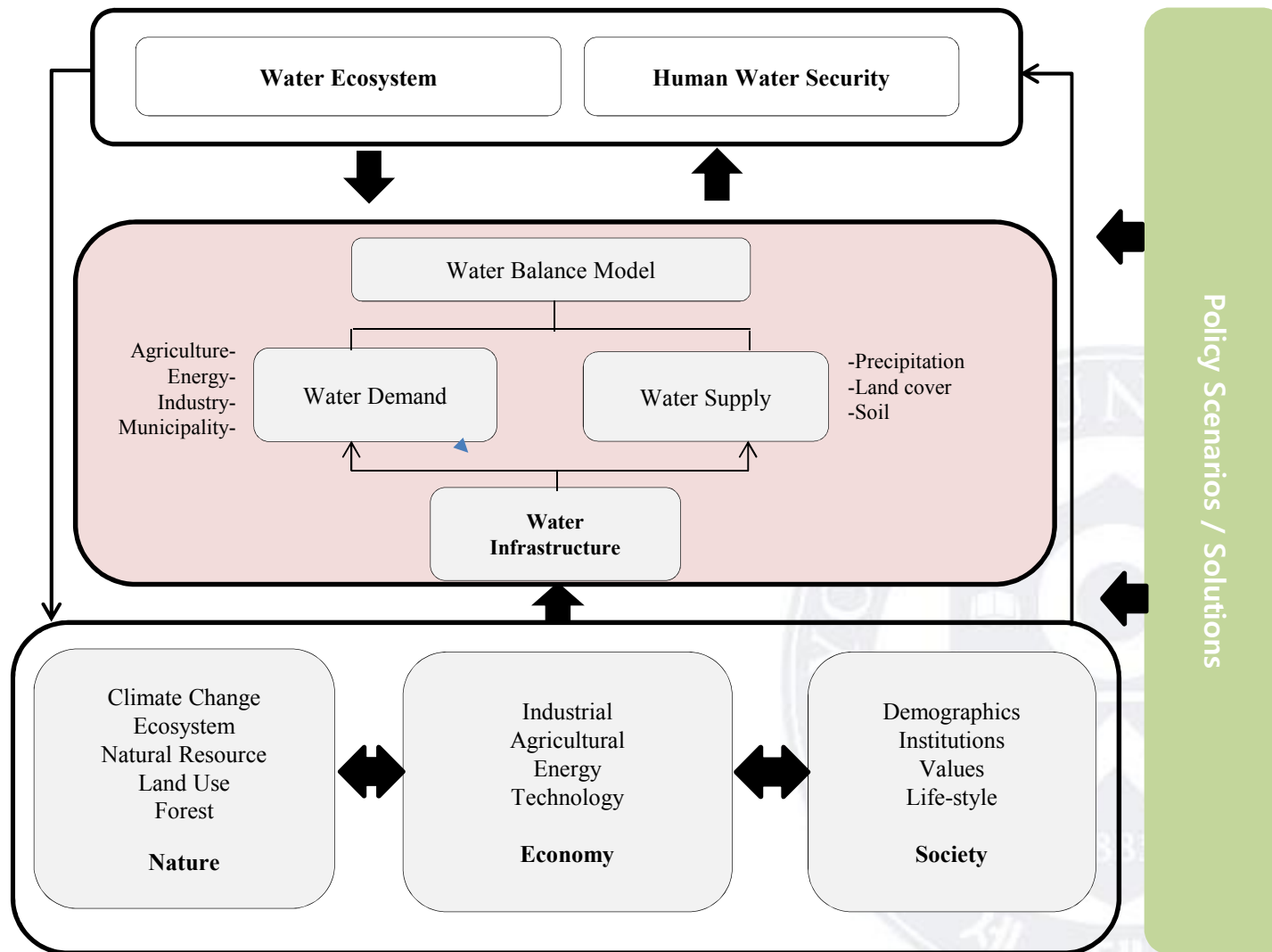


# Framework of Water, Energy and Agriculture Nexus



Sources: UNESCAP. 2013. Water, Food and Energy Nexus in Asia and the Pacific. *Discussion Paper*. The Status of the Water-Food-Energy Nexus in Asia and the Pacific. Thailand

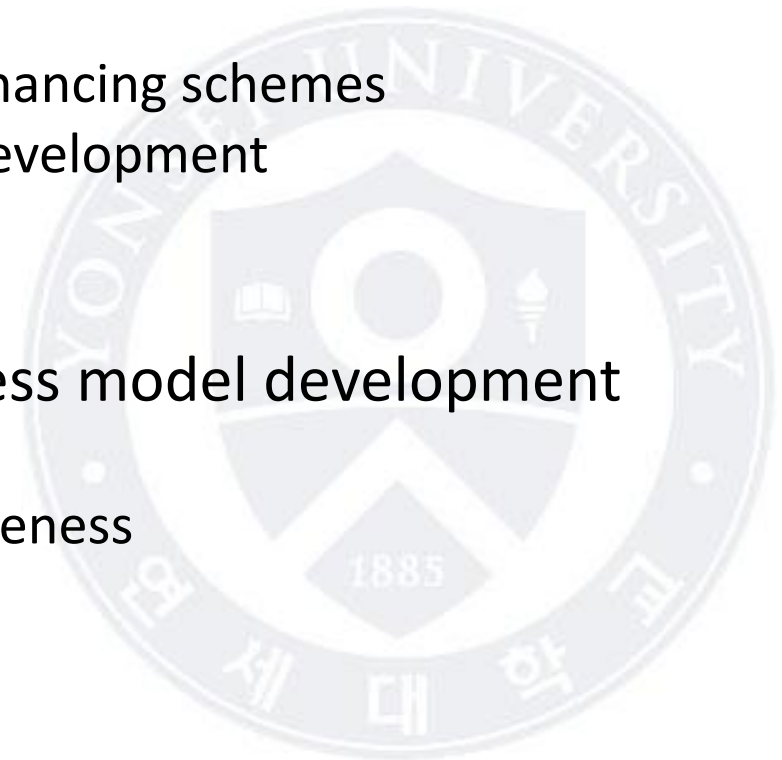
# Conceptual Framework of Integrated Water Approach



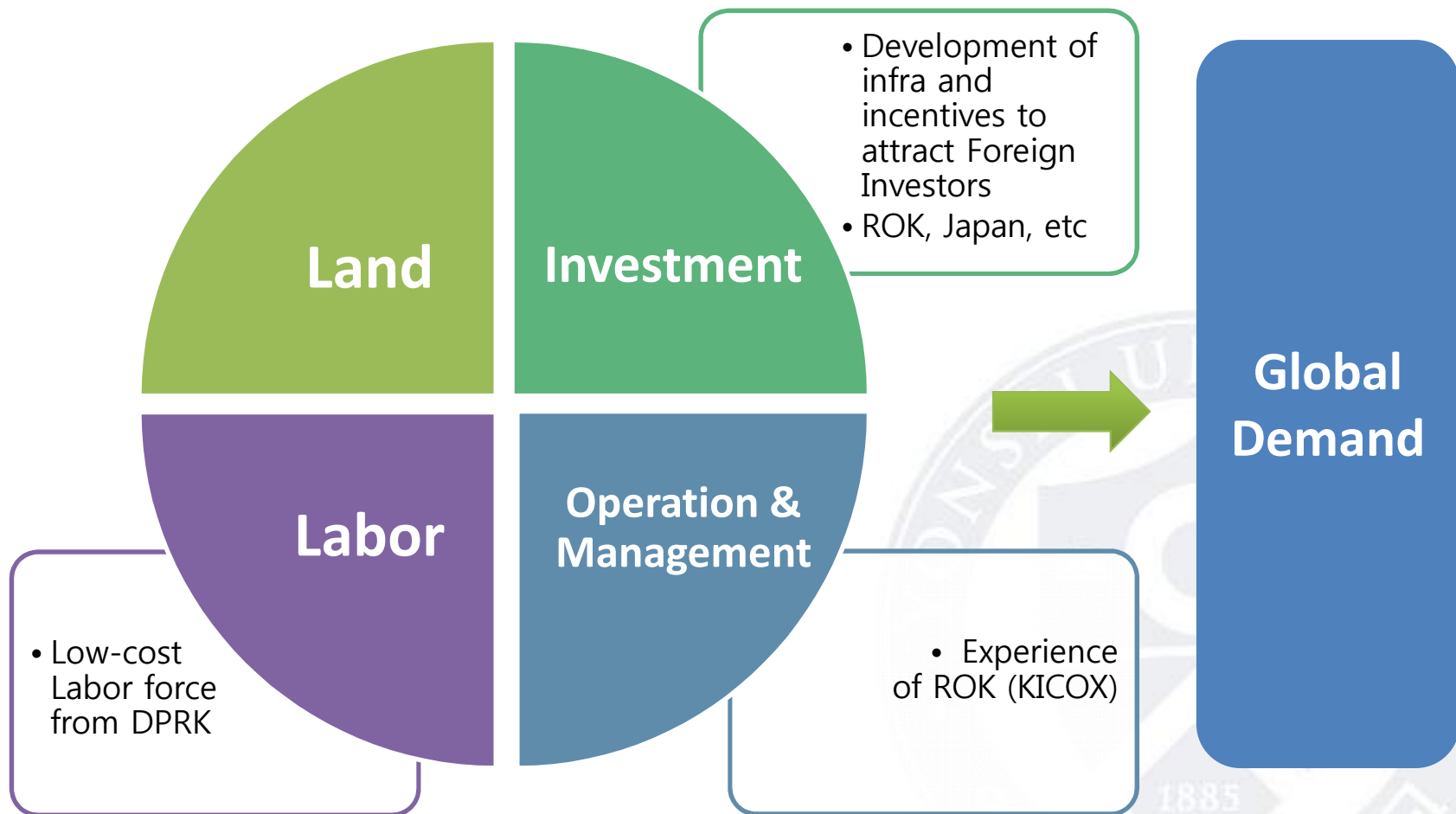
Source: UNESCO. 2013. Water and Solution: World Water Scenarios Initiative. Project Document, Modified by the author

# A Framework for an Industrial Parks (IP)

- **Government Initiatives:** Providing enabling conditions for business development at the boarder areas among Russia, PRC and DPRK
  - Multi-stakeholder's participation
  - Multilateral/public/private (PPP) financing schemes
  - Fiscal/non-fiscal incentives for IP development
  - Business friendly law and acts
- **Business Sectors:** Concrete business model development
  - Market analysis
  - Attractive IP and Global Competitiveness
  - IP Management and Operation



# A Framework for an Industrial Parks (IP)



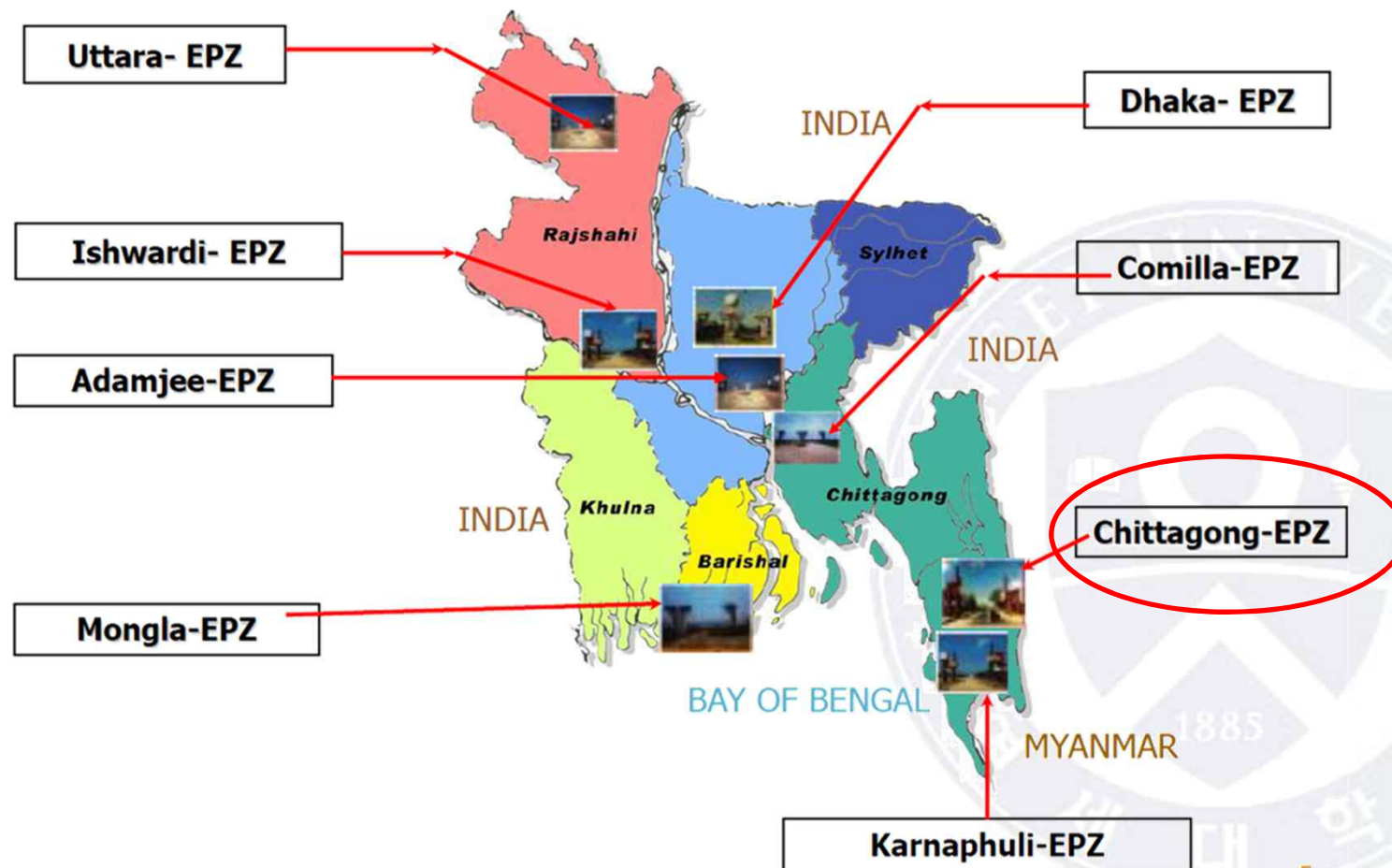
## Chittagong's Case





# Chittagong Export Processing Zone (CEPZ)

- Established in 1983 in South Haliashahar, Chittagong
- The **oldest, largest**, and the **most profitable** EPZ in Bangladesh





# Global Ranking 2011-2012 by FDI Magazine

## Top 10 Free Zones of the Future 2012-13

Rank	Name of Zone	Country
1	Dubai Airport Free Zone	UAE
2	Dubai International Financial Centre	UAE
3	Shanghai Waigaoqiao Free Trade Zone	China
4	Iskandar	Malaysia
5	DuBiotech	UAE
6	Tanger Free Zone	Morocco
7	Free Port of Ventspils	Latvia
8	Clark Freeport Zone	Philippines
9	<b>Chittagong Export Processing Zone</b>	<b>Bangladesh</b>
10	Dubai Media City	UAE

Source: Bangladesh Export Processing Zones Authority (BEPZA)

# Global Ranking 2011-2012 by FDI Magazine

## Top 10 Top 10 Best Cost Effectiveness

Rank	Name of Zone	Country
1	Clark Freeport Zone	Philippines
2	Togo Export Processing Zone	Togo
<b>3</b>	<b>Chittagong Export Processing Zone</b>	<b>Bangladesh</b>
4	Free Port of Ventpils	Latvia
5	International Media Production Zone	UAE
6	Rezekne Special Economic Zone	Latvia
7	San Luis Potosi	Mexico
8	Mauritius Freeport	Mauritius
9	Industrial Estate of Thailand	Thailand
10	Starachowice Special Economic Zone	Poland

Source: Bangladesh Export Processing Zones Authority (BEPZA)

# Package of Incentives BEPZA offers to Investors

## Fiscal:

- Tax holiday period first 2 years 100% exemption, 50% exemption in the 3<sup>rd</sup> and 4<sup>th</sup> years, and 25% exemption in the 5<sup>th</sup> year
- Exemption from income tax on salaries of foreign technician for 3 years (Projects approved before March 22, 2009)
- Duty free import of raw materials, machinery, equipment and construction materials
- Duty free export of finished goods
- Relief from double taxation
- Exemption from dividend tax for tax holiday period
- Duty free import of two/three vehicles for A & B type industries subject to certain conditions (Projects approved before March 22, 2009)
- Full repatriation of profit, capital & establishment

# Package of Incentives BEPZA offers to Investors

## Non-Fiscal:

- No ceiling on foreign investment, 100% foreign ownership permissible
- Enjoys GSP benefits in EU countries, Japan, Australia, USA, Canada, Norway etc.
- Foreign currency loan from abroad under direct automatic route (OBU facilities)
- Non-resident Foreign Currency Deposit (NFCD) allowed for 'A' type industries
- Operation of FC account by 'B' and 'C' type industries allowed
- 100% backward linkage raw materials, accessories are allowed to sell for export oriented industries inside and outside EPZs.
- Receiving and offering sub-contracting with export oriented industries are allowed both inside and outside EPZ
- 10% sale of finished products except garments, defective finished goods and surplus raw materials to Domestic Tariff Area (DTA) is allowed
- Relocation of foreign industries allowed
- Import and Export on CM/CMP/CMT basis allowed
- Import from Domestic Tariff Area (DTA) and 10% export to DTA allowed
- Intra/inter zone sub-contracting & transfer of goods allowed
- Sub-contracting with Export oriented industries inside and outside EPZ allowed
- No UD (utilization Declaration), IRC (Import Registration Certificate), ERC (Export Registration Certificate) & renewal of bond license required

# Sustainability & Development in NE Asia

## Ecosystems

- Transboundary Environmental Impact Assessment near border lines among Russia/PRC/DPRK
  - Joint research team with international organizations
  - Water/Forestry/Other Natural Resources: Inventory and Fact finding → Sharing
- Integrated Water Approach
  - Comprehensive/Scientific Approach on Water Resources in NE Asia
  - Water Supply/Demand/Policy & Solutions in sustainable manner
  - Capacity building programs

## Economic Development

- Water/Energy/Agriculture Nexus
  - Strategic dialogues among relevant countries, international organizations, stakeholders
  - Implementable Action Plan Development → Infrastructures, financing, capacity building programs, laws and regulations, ...
- Industrial Park Development
  - Discussions on Governance Structure with international organizations and private sectors
  - Incentives for IP development



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**Thank you!**

