

AWARDS SPECIAL

fdi

Magazine

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Global Free Zones of the Year 2019

RECOGNISING THE WORLD'S
BEST FREE ZONES FOR FDI



WHY INVEST IN SEZ TURKISTAN?

- Governmental support
- Multifunctionality
- Tax and customs preferences, free land lease
- Young and skilled workforce
- Well-developed transport systems
- Abundant natural resources
- Ease of access to Europe and Asia

A NEW DEVELOPMENT VECTOR OF ANCIENT TURKISTAN

Being the cradle of the Turkic culture, Turkestan offers high-potential investment opportunities in Central Asia

Known for its extensive natural resources and the highest population density in Kazakhstan, Turkestan has an immensely rich history and welcomes the foreign investors to execute projects in tourism, manufacturing, agribusiness, and civil construction.

According to the business risk analysis made by A.T.Kearney consulting company, Turkestan region is the safest location for investing in the country.

Last year Turkestan became the administrative center of the Turkestan region, given both new opportunities and challenges to boost the infrastructure development and urbanization. In order to promote competitive opportunities of the region and increase investment attractiveness, the Government on October 28, 2018, established the "TURKISTAN" special economic zone.

STRATEGIC IMPORTANCE

Nursultan Nazarbayev, the First President of the Republic of Kazakhstan, sets an ambitious goal for the "TURKISTAN" SEZ to become the regional economic driver by creating attractive investment conditions and promoting the brand of Turkestan as the ancient clerical capital of the Turkic world. Having solid credentials, it is considered as the instrument to get things done in accordance with the long-term economic strategy of Kazakhstan.

According to the Government's Comprehensive Plan for the Socio-Economic Development of the Turkestan Region until 2024, 116 projects worth 3.1 billion US dollars from the republican and local budgets including modern infrastructure development will be implemented in a five year period.

TOURIST ATTRACTION

Turkestan is one of the ancient and sacred cities in Central Asia. The entire city center built as the unique architectural complex consisted of the tomb of Rabia Sultan Begim, Timur's granddaughter, the tombs of the Kazakh khans and the representatives of the nobility, and Khoja Ahmed Yasawi Mausoleum, the UNESCO World Heritage site. Being a major stopover on the Great Silk Road, throughout its history the city has always attracted pilgrims and tourist from all over the world.

It is still one of the most attractive tourism anchors for foreign visitors. The region played as a good host for almost 1.2 million tourists in 2017, 1.5 million tourists in 2018, and 2 million visitors in the first half of 2019.

The Government targets the increase in the number of foreign visitors up to 5 million people by 2025. The foreign direct investment in the tourism sector is considered as a cornerstone of economic development.

INVESTMENT INCENTIVES

Turkistan SEZ consists of five zones: historical center (297 ha), administrative and business center (1350 ha), logistics hub (967 ha), industrial zones with available greenfields (365 ha) and brownfields (35 ha). Commanding 3014 hectares worth territory, it is a great asset for those who value flexibility and professionalism.

SEZ welcomes the investors who are interested to give their commitments to invest in infrastructure, tourism, civil construction, manufacturing of building materials, and agribusiness.

In return, any investor will enjoy the variety of opportunities with no restrictions to capital and all types of tax and customs exemptions

for 25 years. Investors also get a free land lease with modern infrastructure until 2043 and governmental stability guarantees.

The residents of SEZ will avoid all bureaucratic barriers and will get instant access to the single-window system, that runs all registration and licensing procedures and provides 24/7 support.

Investors can also take advantage of the Turkestan's strategic location, which provides easy access to the largest and most dynamic markets in the world via the international transport corridor "Western Europe-Western China" and Russia-Central Asia railroad.

HONORING THE PAST, CREATING THE FUTURE

Currently, 123 projects for a total of \$703m are being implemented on the territory of the special economic zone "TURKISTAN". The projects include the construction of hotels, touristic sites, residential, sports and administrative complexes, manufacturing plants, and infrastructure.

The SEZ management company commits to fostering private-sector development and attracting FDI while holding in high regard to Turkestan's rich history and spiritual importance for the Turkic world.

Sponsored by



TURKISTAN
SPECIAL ECONOMIC ZONE

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chief executive of the World
Free Zone Organization

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fdi
FREE ZONES
OF THE YEAR
2019

Global Free Zones of the Year 2019 – Winners

THE UAE'S DMCC TAKES HOME THE TOP PRIZE IN **fdi**'S
GLOBAL FREE ZONES OF THE YEAR FOR A FIFTH CONSECUTIVE YEAR.
NAOMI DAVIES REPORTS

Winners – global



“CUSTOMER-CENTRICITY IS AT THE CORE OF OUR APPROACH, AND TODAY WE ARE PROUD TO HELP OVER 16,000 COMPANIES GROW THEIR ENTERPRISE. TO BE OFFICIALLY RECOGNISED AS THE NUMBER ONE FREE ZONE IN THE WORLD IS SOMETHING SPECIAL, AND SUGGESTS THAT OUR STRATEGY IS WORKING”

Ahmed Bin Sulayem, executive chairman and CEO, DMCC

Winner: Global
DMCC, United Arab Emirates

For the fifth consecutive year, DMCC of the United Arab Emirates has outperformed all other entrants to be awarded the title of **fdi**'s Global Free Zone of the Year for 2019. The zone is home to more than 16,000 companies, which employ some 60,000 people, and is strategically located in the heart of Dubai, offering investors a broad range of potential customers and service providers on their doorstep. The collective economic impact of DMCC's member companies represents a contribution of more than 10% towards Dubai's GDP.

Several prestigious multinational companies across a range of sectors joined DMCC in 2018, including Edelman, AmCham, Kentech, Mahindra and Engie. DMCC is committed to converting leads into licences by investing heavily in its digital transformation strategy, prioritising customer services and drastically reducing the bureaucracy connected with setting up a business. Its Sales Transformation initiative was launched in 2018, shortening onboarding turnaround time, documentation requirements, the know your customer process, and automated third-party approval processes. Other initiatives launched in 2018 include the DMCC Help Centre, a one-stop online platform through which members can find all relevant frequently asked questions, guidelines, videos and policies, and the Cost Calculator tool, which helps estimate the cost of setting up a business in the free zone.

Highly commended
Katowice Special Economic Zone, Poland

Katowice Special Economic Zone has been highly commended in this year's awards. Since the beginning of 2018, the zone has attracted 66 new projects and €1.14bn in new investment across a range of sectors including automotive, metallurgical, chemical, plastics and food processing. The zone, which is located in the Slaskie and Opolskie provinces, benefits from robust logistics infrastructure, including two motorways, a railway network, three international airports, an inland port and a transshipment terminal nearby. It also cites its highly qualified labour market, investment land infrastructure and availability of industrial and office buildings as reasons to invest. In the past year the zone, in co-operation with local partners, has invested more than €14m in preparing investment land and extended its properties by 30% (the equivalent of 773.4 hectares).

Winners – regional



Winner: Africa
Tanger Med Zones, Morocco

Tanger Med Zones has been crowned Africa's winner. Strategically located on the Strait of Gibraltar and at the conjunction of major maritime routes, the zone offers access to target

markets in both Europe and Africa. It is home to more than 900 companies in various sectors such as automotive, aeronautics, logistics and textiles. Tanger Med Zones attracted several new investments from companies including Valeo, Magneti Marelli and Varroc. Investors continue to settle in the zone due to its 'plug and play' policy, highly skilled and multilingual talent pool and attractive tax regime exoneration.

Highly commended: Africa

Djibouti International Free Trade Zone, Djibouti

A newcomer to fDi's Global Free Zones of the Year awards, Djibouti International Free Trade Zone (DIFTZ) has been highly commended among African zones. Since opening in July 2018, DIFTZ has welcomed more than 50 companies working in the logistics, manufacturing and energy sectors including Safa Group, Soram Industries and China Merchants. The overall vision is to develop further complementary services and initiatives for those operating in DIFTZ, including a major industrial zone, a financial zone and a business leisure district. The first of these to come to fruition will be the industrial zone, which will include a ship repair facility, dry docks and a multipurpose port. It will also enhance trade in the Horn of Africa and expand the country's economic diversification, building on five major pillars of industry: energy, petrochemicals, metal forging, maritime and building materials.

Winner: Asia-Pacific

Subic Bay Freeport Zone, Philippines

Subic Bay Freeport Zone has been named the top free zone for the Asia-Pacific region. The former US naval base is a hub for tourism, industrial, commercial and financial investment, and multinationals including Hitachi Mechatronics, Citic Hotel and PTT Thailand have chosen to locate in the zone. In order to facilitate future expansion, the Subic Bay Metropolitan Authority (SBMA) sought the co-operation of neighbouring local government units to secure additional areas for development. After a series of dialogues and consultations, the SBMA received pledges to allocate more 21,000 hectares for the zone's expansion.

Highly commended: Asia-Pacific

Mundra Special Economic Zone, India

Mundra Special Economic Zone is India's largest port-based, notified and functional, multi-product special economic

fDi Global Free Zones of the Year – Top 10 Zones Globally



Rank	Freezone	Country
1	DMCC	United Arab Emirates
2	Katowice Special Economic Zone	Poland
3	Subic Bay Freeport Zone	Philippines
4	Zona Franca de Bogotá	Colombia
5	Tanger Med Zones	Morocco
6	Jebel Ali Free Zone	UAE
7	Panamá Pacífico	Panama
8	Łódź Special Economic Zone	Poland
9	Mundra Special Economic Zone	India
10	Djibouti International Free Trade Zone	Djibouti

zone. Located on the western coast of India in the Gulf of Kutch, the zone is home to major multinationals such as Thermax and Britannia Industries. Initiatives have been taken to further bolster logistics infrastructure at the site, including the establishment of a new liquefied natural gas- and liquefied petroleum gas-handling terminal, which ensures the availability of raw material for the units. In addition, a 21-kilometre railway connection has been established to connect Mundra SEZ to the nearest railway head and to Adani Logistics, a sister company of the zone. Sector-specific clusters for textiles, chemicals, electronics and warehousing are currently being developed within the zone.

Winner: Europe

Katowice Special Economic Zone, Poland

(See Global awards)

Highly commended: Europe

Łódź Special Economic Zone, Poland

Łódź Special Economic Zone's forward-thinking approach to increasing tenant numbers is evident in its initiatives, which include the StartUpSpark2.0 accelerator, Strefa RozwoYou training programme and the implementation of 5G technology. In 2018, one-third of investment projects in the zone were from existing clients, further bolstering its reputation as a place where investors want to expand their business. Germany-based Haering, a producer of detailed parts for major automotive brands including Mercedes, BMW, Audi and Volkswagen, invested almost €58m to expand its operations and now employs more than 2150 workers in the zone. Investment shows no sign of slowing and, within the next three to four years, the zone is planning to fully use the 8000-square-metre investment plot located next to its headquarters in ►

Winners



OVERALL WINNER

DMCC, UAE

Highly commended

Katowice Special Economic Zone, Poland

REGIONAL WINNERS

Winner – Africa

Tanger Med Zones, Morocco

Highly commended – Africa

Djibouti International Free Trade Zone, Djibouti

Winner – Asia-Pacific

Subic Bay Freeport Zone, Philippines

Highly commended – Asia-Pacific

Mundra Special Economic Zone, India

Winner – Europe

Katowice Special Economic Zone, Poland

Highly commended – Europe

Łódź Special Economic Zone, Poland

Winner – Americas

Zona Franca de Bogotá, Colombia

Highly commended – Americas

Panamá Pacífico, Panama

Winner – Middle East

DMCC, UAE

Highly commended – Middle East

Jebel Ali Free Zone, UAE

SME WINNERS

Winner – Global

DMCC, UAE

Highly commended – Global

Łódź Special Economic Zone, Poland

Winner – Africa

Tanger Med Zones, Morocco

Highly commended – Africa

Djibouti International Free Trade Zone, Djibouti

Winner – Asia-Pacific

Turkistan Special Economic Zone, Kazakhstan

Highly commended – Asia-Pacific

Subic Bay Freeport Zone, Philippines

Winner – Europe

Łódź Special Economic Zone, Poland

Highly commended – Europe

Free Port of Ventspils, Latvia

Winner – Americas

Corporación Zona Franca Santiago, Dominican Republic

Highly commended – Americas

Zona Franca de Bogotá, Colombia

Winner – Middle East

DMCC, UAE

Highly commended – Middle East

Kizad, UAE

LARGE TENANT WINNERS

Winner – Global

Free Port of Ventspils, Latvia

Highly commended – Global

Tanger Med Zones, Morocco

Winner – Africa

Tanger Med Zones, Morocco

Highly commended – Africa

Onne Oil & Gas Free Zone, Nigeria

Winner – Asia-Pacific

Shanghai Waigaoqiao Free Trade Zone, China

Highly commended – Asia-Pacific

Special Economic Zone Pavlodar, Kazakhstan

Winner – Europe

Free Port of Ventspils, Latvia

Highly commended – Europe

Walbrzych Special Economic Zone Invest-Park, Poland

Winner – Americas

Zona Franca de Bogotá, Colombia

Highly commended – Americas

Panamá Pacífico, Panama

Winner – Middle East

Jebel Ali Free Zone, UAE

Highly commended – Middle East

Ras Al Khaimah Economic Zone, UAE

SPECIALISMS WINNERS

Agribusiness ZPE Uberaba, Brazil

Aluminium Special Economic Zone Pavlodar, Kazakhstan

Appliances Łódź Special Economic Zone, Poland

Automotive Tanger Med Zones, Morocco

Aviation Liepaja Special Economic Zone, Latvia

BPO Zona Franca Santander, Colombia

Financial and professional services

Birmingham City Centre Enterprise Zone, UK

IT Innopolis SEZ, Russia

KPO and IT outsourcing Zona Franca de Bogotá, Colombia

Logistics Liepaja Special Economic Zone, Latvia

Medical devices Coyoil Free Zone, Costa Rica

Oil and gas Onne Oil & Gas Free Zone, Nigeria

Pharmaceuticals Special Economic Zone St Petersburg, Russia

Robotics Daegu Gyeongbuk Free Economic Zone, South Korea

Steel Arvand Free Zone, Iran

Textiles Special Economic Zone Ontustik, Kazakhstan

Łódź city centre to construct additional office and conference space.

Winner: Americas

Zona Franca de Bogotá, Colombia

Zona Franca de Bogotá has been named the leading free zone for the Americas. In 2018, more than one-quarter of all companies in the zone were multinationals from a range of industries including business, IT and knowledge process outsourcing, data centre services and the industrial sector. The zone has launched a portfolio of consulting and training programmes aimed at strengthening the competitiveness of companies in Zona Franca de Bogotá and other free zones. Through its Unifranca educational alliance with seven universities and the National Learning Service, 24 titled training programmes are offered as well as the ZFB Bilingual Programme

and more than 2500 people are trained in areas including updating tax, logistics and foreign trade issues. Employees in the zone also have access to the 'Rutas Tu Zona' shared mobility programme and a wellness centre, which features a gym and leisure classes. In terms of sustainability, the zone forms part of the steering committee of the local network of the UN Global Compact in Colombia.

Highly commended: Americas

Panamá Pacífico, Panama

More than 280 companies, ranging from start-ups to multinationals, have established operations in Panamá Pacífico and employ more than 10,000 staff. Due to the zone's public-private partnership, investors are afforded comprehensive government support with 17 entities in situ for administrative, fiscal, customs, migratory and labour procedures. The ►

Methodology

fDi's Global Free Zones of the Year Awards 2019 acknowledge the most promising free zones across the world. For this year's awards, fDi invited free zones, government entities and investment promotion bodies to complete a short survey detailing their zone's attractiveness, facilities and incentives offered to investors. In total, 85 entries were received from free zones across the world. A panel of judges from fDi was appointed and studied each location.

Judges nominated their winning and runner-up locations in each region, as well as their top zones for SME and Large Tenant categories. In addition, some locations which were particularly outstanding have been acknowledged with honourable mentions and bespoke awards. We have also compiled a top ten ranking of zones, based on the weighting model as follows.

	WEIGHTING
% increase in occupied space 2017-2018	10
Number of SMEs 2018	1.25
% increase in SMEs 2017-2018	2.5
Nominal increase in SMEs 2017-2018	2.5
Number of large tenants 2018	1.25
% increase in LTs 2017-2018	2.5
Nominal increase in LTs 2017-2018	2.5
Total number of employees 2018	2.5
% increase in number of employees 2017-2018	5
Nominal increase in employees 2017-2018	5
Total scores of judges' results	65

quality of infrastructure within the zone ranks consistently among the highest in Central America, with ports, airports, continental highways and the Panama Canal in close proximity. The zone also offers residential benefit programmes with access to beaches, restaurants and national parks among other recreational activities.

Winner: Middle East
DMCC, UAE

(See Global awards)

Highly commended: Middle East
Jebel Ali Free Zone, UAE

Jebel Ali Free Zone (Jafza) contributes more than 23.8% to Dubai's GDP, generating \$93bn-worth of trade and sustaining more than 135,000 jobs. As a leading business hub between Asia, Europe and Africa, and with a history of more than three decades, Jafza focuses on long-term customer relationships. Jafza builds alliances with global investors by providing them with world-class infrastructure and support. Major names include Adidas, ArcelorMittal, General Motors and Siemens. About 460 tenants

have expanded their facility sizes over the past year. Its Workforce Protection Programme will bring added benefits to employees across the zone and infuse \$354m back into Dubai's economy. Jafza has also waived \$9.53m in customer fines to create a business environment that promotes growth and reduces costs and is now offering five- and 10-year visas to entrepreneurs and specialist in-demand talents, which will bolster workforce retention.

**Winners –
SMEs**



Winner: Global
DMCC, UAE

DMCC recognises that SMEs are the backbone of Dubai's economy and as such has accelerated efforts to attract and support them. The zone launched several key initiatives in 2018 to enhance choice and efficiency for its members, including its Made for Trade Live international roadshow, its Sales Transformation scheme, and the online DMCC Help Centre. DMCC has also collaborated with leading property developer Emaar to introduce the United Arab Emirates' first work-from-home project. This unique opportunity allows investors in Emaar co-living communities to obtain a company incorporation and a three-year business licence residence visa and operate their business from the comfort of their own home. With the rise of freelancers and flexible working schedules, this ownership scheme has already had more than 200 investors involved to date. DMCC also hosts Astrolabs, the only Google tech hub in the Middle East and north Africa region, which is home to more than 160 start-ups and entrepreneurs.

Highly commended: Global
Łódź Special Economic Zone, Poland

In 2018, Łódź Special Economic Zone completed construction of a 12,270-square-metre warehouse and production space consisting of eight 1270-square-metre modules to fulfil SME demand for light production space. Due to growing demand from investors, including Japan-based food manufacturer Takaokaya, the zone is already planning to build another facility. Łódź SEZ also bolsters support through its Strefa RozwoYou training programme, which distributes training vouchers to cover up to 80% of financ-

ing for training, coaching and/or post-graduate studies for SME employees. Start-ups can also benefit from financial assistance and business expertise through the StartupSpark2.0 and S5 accelerators.

Winner: Africa
Tanger Med Zones, Morocco

Tanger Med Zones has been named Africa's best free zone for SME companies and hosted more than 54 new SME projects in 2018. It provides small rental spaces dedicated to start-ups in its off-shoring services area and has organised multiple workshops and fairs to help foster growth and enhance their business network connections. Tanger Med Zones also offers access to its freight community exchange website, a new mutual service that simplifies the connection between SMEs and tenants already set up for logistic services.

Highly commended: Africa
Djibouti International Free Trade Zone, Djibouti

Djibouti International Free Trade Zone has a range of initiatives and incentives designed to support new companies, including SMEs, and ensure they are fully integrated into, and benefit from, Djibouti's infrastructure network. Its Port Community System programme, launched in July 2018, offers a paperless tool for single-point entry, thus reducing regulatory burdens on smaller companies. Tenants in Djibouti Free Trade Zone benefit from: 0% tariff measures; 0% corporate income tax; 0% personal income tax for foreign employees; 0% VAT; 0% property tax; 0% dividend tax; and a stable local currency pegged to the US dollar.

Winner: Asia-Pacific
Turkistan Special Economic Zone, Kazakhstan

Turkistan Special Economic Zone has been named the leading free zone in the Asia-Pacific region for SME tenants. The zone offers several programmes specifically for SMEs, including 21 state grants and five regional grants, as well as support programmes and loans with low-interest rates and deferred payment options. Initially, the industrial zone of the SEZ consisted of 36.67 million square metres of greenfield land but in order to attract start-ups and SMEs, an additional 343,741 square metres of old factory space was adjoined, which has ready-to-use buildings and is currently undergoing modernisation. ▶

Editor's Choice Awards



Export boosters

Free Port of Ventspils, Latvia
Sohar Free Zone, Oman
Tanger Med Zones, Morocco

Freezone 4.0

Zona Franca de Bogotá, Colombia

Gateway award

Djibouti International Free Trade Zone,
Djibouti

Hamriyah Free Zone Authority, UAE
Sohar Free Zone, Oman

Investment retention

Inhdelva Free Trade Zone, Honduras

Maximising resources

Free Zone Sabac, Serbia

Ones to watch

Djibouti International Free Trade Zone,
Djibouti

Navoi Free Economic Zone, Uzbekistan
Turkistan Special Economic Zone,
Kazakhstan

Overcoming adversity

FEZ Gomel-Raton, Belarus

Site conversion

Subic Bay Freeport Zone, Philippines

Supporting surrounding area

Free Zone Pirot, Serbia

Highly commended: Asia-Pacific

Subic Bay Freeport Zone, Philippines

Subic Bay Metropolitan Authority partnered with the Land Bank of the Philippines to provide loan facilities to SMEs and other logistics-focused companies as part of the agency's port marketing initiative.

Winner: Europe

Łódź Special Economic Zone, Poland

(See Global awards)

Highly commended: Europe

Free Port of Ventspils, Latvia

Free Port of Ventspils offers municipality support and business incubation services for start-ups and SMEs. This includes round-the-clock free service at the zone's Business Support Centre and Business Incubator, and a support package including access to co-working space and office premises. Free Port of Ventspils has a close co-operation with its local government, which provides a good foundation for entrepreneurship and for implementing business-friendly policies. The zone is currently implementing an ICT industry growth strategy to support ICT start-ups.

Winner: Americas

Corporación Zona Franca Santiago,
Dominican Republic

Corporación Zona Franca Santiago was judged the best free zone in the Americas region for SMEs. The zone offers a specific entrepreneurship programme for SMEs as well as the Altice StarLab Bootcamp, which aims to support those with entrepreneurial spirit to transform their technology-based ideas into businesses. Its annual 'Futuros Empresarios' programme is aimed at the children of employees of companies in the Víctor Espaillat Mera Industrial Park and other northern free zones. Zona Franca Santiago also supports clients throughout the legal and permitting process and its Cegesta Talent Management Centre aims to simplify and accelerate the recruitment process for companies in the zone.

Highly commended: Americas

Zona Franca de Bogotá, Colombia

In 2018, Zona Franca de Bogotá launched its 'Zona de Enlace' initiative, which aims to help 41 small businesses from five locations across western Bogotá to reach their potential. With the support of local experts from the Bogotá Chamber of Commerce, the companies focus on strengthening their administrative, financial and innovation capabilities, before establishing commercial ties to sell their products and services to the companies in the zone.

Winner: Middle East

DMCC, UAE

(See Global awards)

Highly commended: Middle East

Kizad, UAE

In the third quarter of 2018, Kizad launched its Entrepreneurship and Incubation Centre, offering cost-effective work spaces, offices and licensing options to enhance the entrepreneurship and SME ecosystem in the United Arab Emirates and support Abu Dhabi's economic vision. Businesses can be set up at the centre in just 24 hours, then connect with like-minded individuals to collaborate and innovate at a competitive cost. Following local government directives, to support start-ups and SMEs, Kizad now offers business licences at no cost for the first two years of operations. In addition, the dual-licensing system enables free zone companies to apply for an additional domestic economic zone licence at a nominal cost so they can offer their services outside the zone.

Winners – Large tenants



Winner: Global

Free Port of Ventspils, Latvia

Free Port of Ventspils has been named the top global free zone for large tenants, following a 46% increase in its industrial output compared with 2017. Ventspils is part of one of the most cost-effective territories in Europe and offers several tax incentives. The zone also provides tailor-made facilities and ready-for-development sites for potential clients, plus user-specific infrastructure including all underground infrastructure, fibre-optic cables and approach roads. Construction of new units will increase the zone's rentable industrial space by 25%, and represents an investment of \$12.9m.

Highly commended: Global

Tanger Med Zones, Morocco

Tanger Med Zones is a global logistics gateway connected to 186 ports worldwide and provides a processing capacity of 9 million containers, 7 million passengers, 700,000 trucks and 1 million vehicles. The zone is currently developing an additional 220-hectare extension to be delivered by the end of 2019, and has more than 45 plants under construction for its tenants.

Winner: Africa

Tanger Med Zones, Morocco

(See Global awards)

Highly commended: Africa

Onne Oil & Gas Free Zone, Nigeria

Onne Oil & Gas Free Zone is a hub for oil and gas activities in sub-Saharan Africa and has attracted several of the world's largest oil companies, including Total and ExxonMobil. Investors have access to numerous business, financial, customs and immigration incentives, including zero corporate tax, 100% foreign ownership and free movement in and out of the zone. Onne Oil & Gas Free Zone promotes its activities by attending and organising oil and gas-related conferences and exhibitions.

Winner: Asia-Pacific

Shanghai Waigaoqiao Free Trade Zone, China

Shanghai Waigaoqiao Free Trade Zone has been recognised as the best free zone for large tenants in the Asia-Pacific ▶



Commissioner / Inseon Lee

DGFEZ MAKES THE GRADE

Daegu-Gyeongbuk Free Economic Zone Authority ranked at the top grade in the evaluation of 7 free economic zones nationwide

Q1. IN 2019, THE DAEGU-GYEONGBUK FREE ECONOMIC ZONE AUTHORITY (DGFEZA) ACHIEVED THE HIGHEST RATING, S, IN THE KOREAN GOVERNMENT'S FREE ECONOMIC ZONE PERFORMANCE EVALUATION. WHAT KIND OF EVALUATION IS IT?

The Free Economic Zone Performance Evaluation, which was first introduced in 2010, is annually conducted on all free economic zones nationwide by the Ministry of Trade, Industry and Energy. It evaluates the overall performance of the free economic zones in the previous year.

The evaluation committee consisting of 16 private experts conducts the evaluation in the order of written review, on-site inspection and main evaluation during February to June, 2019, and the contents is composed of 14 items in 2 areas, including organization operation, leadership of the head, development business and investment attraction strategy, investment attraction of foreign and domestic companies, and the number of jobs of resident companies.

Q2. WHAT IS THE BACKGROUND OF THE SELECTION OF THE TOP RATING?

In this evaluation, DGFEZA was ranked in the top grade by acquiring the S ratings in 8 items, including development strategy, leadership of the head and development busi-

ness strategy, which evaluate the organization's vision and core values.

The continued promotion of comprehensive support policies that meet the needs of the company such as preemptively establishing mid- and long-term development strategies that include innovative growth strategies to lead the 4th industrial revolution in accordance with the Ministry of Trade, Industry and Energy's Second Basic Plan for Free Economic Zones, and generating joint ventures through export consultations and investment briefings to support resident companies seem to have been ideal factors.

Q3. YOU ARE STRATEGICALLY PROMOTING JOINT VENTURES. IN THIS ASPECT, WHAT KIND OF ADVANTAGES DOES DGFEZ HAVE?

Twenty-three out of 27 DGFEZ overseas investment cases have been or are currently in the form of joint venture. To attract more joint venture types, DGFEZ has been promoting excellent investment conditions in the regions by continuously identifying demands for joint ventures with foreign companies and holding joint briefing sessions with local companies. Foreign companies unfamiliar with domestic laws, norms and procedures can quickly enter the overseas market with partners that can compensate for their weaknesses. Another advantage is that it is rela-

tively easy to finance capital through mutual cooperation and the risk of sole investment can be largely dispersed.

Q4. WHAT HAS BEEN THE RESULT OF PROMOTING THE JOINT VENTURE AS AN ATTRACTION STRATEGY?

The most representative case is DGFEZ linking Tae Gang Steel, an auto part company that participated in CES (Consumer Electronics Show) in the US in January this year, and Cartech, located in Opelika, Alabama, USA. Tae Gang Steel and Cartech have invested USD8 million in the Yeongcheon District to build a new plant and introduce new facilities. Commissioner Inseon Lee personally visited Opelika and searched for American companies that could invest in Korea, and produced the joint investment between Cartech and Tae Gang Steel. She prepared the connection with the companies in Daegu-Gyeongbuk through going back and forth between Opelika and Yeongcheon.

Moreover, two or three companies that showed interested in investing in Daegu-Gyeongbuk during DGFEZ's investment attraction activities in Southeast Asia last year are currently reviewing joint investment in the Suseong and Gyeongsan Districts.

Q5. WHAT ARE YOUR FUTURE PLANS AND DEVELOPMENT DIRECTIONS BASED ON THE ACHIEVEMENTS UNTIL NOW?

The reason for the existence of free economic zones lies in the globalization of regional economies. We plan to focus on attracting foreign companies to provide good jobs to local youths and leading the advancement-globalization of local companies through providing the optimal management environment and settlement conditions so that foreign-invested companies can freely conduct economic activities.

At the moment, there are resident smart factory companies in Yeongcheon, Gyeongbuk and the robotics-related companies, such as Hyundai Robotics, have settled into Daegu Technopolis so the city has been acting as a catalyst for improving the corporate environment of Daegu-Gyeongbuk to the global standards. DGFEZA will strive to become an forward base so that these companies will revitalize the local economy and become a base for Korea's innovative growth.

Sponsored by



region. Located in one of the fastest growing regions in China, the Yangtze River Delta, the zone attracted investment from several multinationals including Siemens, Mitsubishi, RWE and Arrow Electronics. The zone aligns its development with China's national strategic plan to develop Shanghai into an international economic, financial, trading and shipping centre and makes determined efforts to facilitate business registration, operation and retention. By the end of the first quarter of 2019, 99 multinational corporations had set up their Asia-Pacific headquarters in the zone, more than anywhere else in mainland China.

Highly commended: Asia-Pacific
Special Economic Zone Pavlodar, Kazakhstan

Special Economic Zone Pavlodar is one of the largest and most successful investment areas in Kazakhstan. The zone spans 1200 hectares and is home to 30 companies including the multinationals Chimec, Posco and China Machinery Engineering Corporation. Investors benefit from tax exemptions, provision of land for free, low tariffs for public utilities, proximity to the Russian, Chinese and central Asian markets, and accessibility to mineral resources. In May 2019, SEZ Pavlodar became the regional office for the World Free Zones Organization in Central Asia.

Winner: Europe
Free Port of Ventspils, Latvia

(See Global awards)

Highly commended: Europe
Wałbrzych Special Economic Zone Invest-Park, Poland

The automotive industry is the leading sector in Wałbrzych Special Economic Zone Invest-Park, securing investment from corporations including Toyota, Mercedes-Benz and Volkswagen. Located in south-west Poland, the zone benefits from a long regional tradition of industrial production and proximity to Germany and the Czech Republic. In addition to income tax exemptions and attractive investment plots, Wałbrzych SEZ offers administrative, human resources and accounting support and access to a network of reliable professional suppliers and partners.

Winner: Americas
Zona Franca de Bogotá, Colombia

Zona Franca de Bogotá has been named best free zone for large tenants in the

Americas. The zone plays host to numerous industrial companies such as Daimler, DHL and Fibertex. In 2018, the zone received the 'Partners in Logistics' award from Kuehne + Nagel in recognition of its work on the challenges posed by the logistics sector on the global environment. It is the largest free zone in Latin America in logistics processes and, by the end of 2018, had originated more than 237,000 foreign trade operations.

Highly commended: Americas
Panamá Pacífico, Panama

Various multinationals including Maersk, PPG Industries, Dell, FedEx, Lacoste and PepsiCo have operations in Panamá Pacífico. Investors benefit from good telecommunications and logistics infrastructure as well as class A offices and warehouses. The PanAmerican Corporate Centre, an industrial area of 96 hectares located in the western area of the zone, is home to international companies in the hi-tech manufacturing and logistics services sectors, such as 3M, J Cain, 3PL, BASF and TLA, among others. The project has developed about 210,000 square metres of space. An additional 15-hectare area is currently being developed, about 85,000 square metres of which will be arranged into six warehouses that will have access roads, loading platforms and parking lots for employees.

Winner: Middle East
Jebel Ali Free Zone, UAE

Jebel Ali Free Zone (Jafza) has been crowned the Middle East's best free zone for large tenants. Multinationals such as BASF, China Cosco Shipping, Ericsson, Hitachi and Indian Oil have operations in the zone, whose quality-driven value-added services and incentives enable customers to access huge business opportunities in the region with ease and efficiency. Jafza's integrated one-stop shop for trade and logistics has helped it repurpose its value proposition for companies operating out of the zone and is now an integral part of DP World's strategic focus on a phased growth journey across its business divisions globally.

Highly commended: Middle East
Ras Al Khaimah Economic Zone, UAE

Ras Al Khaimah Economic Zone (Rakez) is home to more than 14,500 companies spanning 100 different countries including Ashok Leyland, Franke and Knauf. Multinationals have chosen Rakez due to its cost-effectiveness, since setting up

and operating in the zone can be up to 50% cheaper than in other zones in the region. Investors can also benefit from fully customisable support based on their own needs. In 2018, Rakez implemented measures to improve the ease of doing business in the zone, including opening three new service centres providing a one-stop experience, and the launch of Portal 360, an online self-service platform that offers clients access to its services 24/7.

Winners – Specialism Awards



Agribusiness
ZPE Uberaba, Brazil

More than 100 companies in ZPE Uberaba work in the meat business, from livestock genetic improvement, products and services to commodities and technology. Well-known fertiliser brands Yara, Mosaic and FMC have also invested in the zone, while VLI is also planning to open a new intermodal hub specifically designed to handle cargo such as grains and sugar.

Aluminium
Special Economic Zone Pavlodar, Kazakhstan

Kazakhstan's aluminium production is centred in the Pavlodar region due to an abundance of bauxite. Special Economic Zone Pavlodar has attracted numerous investors in the aluminium sector including Kazfoil, a manufacturer of aluminium foil with an annual production capacity of 25,000 tonnes, and JSC Aluminum of Kazakhstan, which produces 1.5 million tonnes of aluminium oxide a year.

Appliances
Łódź Special Economic Zone, Poland

Since the zone's launch in 1997, more than 20 companies from the household appliances sector have invested in the Łódź Special Economic Zone, including Whirlpool, Miele and BSH, creating more than 5000 jobs. Łódź SEZ actively aims to attract new companies and their suppliers to the zone. In 2018, UK-based Hellyar Plastics invested more than €4.2m in a new factory, stating that the Łódź region is the centre of home appliances production in Poland and throughout Europe. In May 2019, the zone co-organised the second Household Appliance Congress, the largest CEO summit in the industry. More than 300 guests attended the event

to exchange ideas and discuss topics crucial for the sector with important representatives and experts, including government representatives.

Automotive

Tanger Med Zones, Morocco

Tanger Med Zones hosts the Renault Nissan Mitsubishi Alliance Plant, which is Africa's largest automotive plant with a total production capacity of 450,000 cars a year. Thanks to Tanger Med Zone's automotive cluster, Morocco is the top country in Africa in the automotive industry and fifth largest automotive exporter to Europe worldwide.

Aviation

Liepaja Special Economic Zone, Latvia

Liepaja International Airport is integrated with Liepaja Special Economic Zone and offers daily flights operated by airBaltic airlines. In connection with the airport's runway renovation and upcoming technical training programme, airBaltic Pilot Academy has decided to open a new flight base and aircraft maintenance

centre in the coming years to service Boeing aircraft.

Business process outsourcing

Zona Franca Santander, Colombia

Two of the largest companies in Zona Franca Santander are in the customer services sector. Majorel (formerly Arvato) was the zone's first foreign investor and anchor company in the global services sector, while Accedo was the first major English-speaking operation in the region, providing live chat and telephone support to companies in Europe and the US. Under agreements established by Majorel, Accedo, SENA and the government of Santander, several bilingual courses have been introduced, improving the offering of qualified staff for its call centres.

Financial and professional services

Birmingham City Centre Enterprise Zone, UK

Birmingham City Centre Enterprise Zone has been instrumental in supporting the expansion of key growth sectors in the city. In October 2018, banking giant ▶

"THE TWO **fDi** AWARDS FOR THE BIRMINGHAM CITY CENTRE ENTERPRISE ZONE UNDERLINE OUR POLICY OF BACKING HIGHLY DELIVERABLE, INFRASTRUCTURE-LED PROJECTS FOCUSED ON GROWING OUR ECONOMY"

Tim Pile, chair, Greater Birmingham and Solihull Local Enterprise Partnership

SPOTLIGHT ON LIEPAJA SEZ ADVERTISEMENT FEATURE



INDUSTRIAL TRADITIONS IN LIEPAJA

The main factor for sustainable growth

Liepaja Special Economic Zone (LSEZ) is among top free zones in Baltics recognized by international industry players.

Combination of a growing ice-free port, an international airport and developing industrial areas provides unique location for sustainable growth. Five new factories completed during last year, five under construction, and 7 are in design phase. Investment of 45 million euro in the port infrastructure like dredging deeper access channels, building new access roads and railway parks.

There are 5 active business parks operating in the Liepaja SEZ, offering almost 400,000m² of production facilities. Port stevedoring companies are building new warehouses, open storage areas and are able to provide multimodal logistics solutions.

The Liepaja Port is the fastest growing port in the Baltic Sea region. In the last two years, the Liepaja Port has made an increase of its cargo turnover by more than ten per cent and has reached a record cargo turnover of 7,54 million tons. Regular ferry line departures between Liepaja and Lubeck in Germany makes Liepaja port a gateway of new German car deliveries to the Baltic states.

AirBaltic airline operates daily flights to Liepaja International Airport. Besides there is another international airport just 60 km away. The Liepaja airport is main flight base for the AirBaltic Training Pilot Academy. In the upcoming years there will be built an aircraft

technical MRO hangar to service Boeing aircrafts. This is a result of complex offer formation to investors consisting of available location, infrastructure and specialist training program proposal. Liepaja SEZ has a unique employment attraction program in cooperation with the industrial tenants.

As main upcoming project is creation of new industrial 120 ha park in former territory of metallurgical plant with 120 MW electricity, gas, rail network and close proximity to the port. This will be excellent location for energy consuming manufacturing.

Liepaja – a city that combines global scope with the benefits of a small town.

Learn more about Liepaja:

lsez@lsez.lv

www.liepaja-sez.lv

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Winners – Editor's Choice Awards

Export boosters

In 2018, **Free Port of Ventspils** saw a 46% increase in its industrial output compared with 2017 and experienced the highest growth of exports per capita out of all of Latvia's major cities. Almost 90% of all production was exported, the zone's best performance since 2002 when its industrialisation policy was launched.

Oman's **Sohar Free Zone** has also been highlighted as an export booster, having recently signed an agreement with Al Tamman Indsil FerroChrome for the expansion of the company's facility in Sohar to produce 112,500 tonnes of ferrochrome per year, and with Sanvira Industries for the construction of a new calcined petroleum coke plant. The zone's Port South expansion boosts the zone's reputation as a logistics hub in the region and will increase trade flows in Oman.

Tanger Med Zones in Morocco has grown its total export turnover from €7.2bn in 2017 to €8.3bn in 2018. Major manufacturers currently destock in the zones, including brands in the automotive, aeronautic, renewable energy, textile and logistics sectors such as Bosch, Siemens, Valeo, Renault, Magneti Marelli and Denso.

Freezone 4.0

Zona Franca de Bogotá has been awarded the Freezone 4.0 award. During 2018, the zone started the Free Trade Zones 4.0 movement, with the objective of transforming free zones into maximum competitive environments through AI, automation and analytical projects. The zone also received a Building Performance Institute certification from Icontec and the Chamber of Commerce of Bogotá for its innovative practices, the first and only free-trade zone in Colombia to do so. Zona Franca de Bogotá has high levels of connectivity, with 15 broadband operators, and offers flexible, scaleable and turnkey real estate solutions for business process outsourcing, IT outsourcing and knowledge process outsourcing companies. It also has five data centres, four of which have been granted three certification by the Uptime Institute.

Gateway award

The inauguration of **Djibouti International Free Trade Zone** in 2018 has placed Djibouti at the forefront of the African continental free-trade movement. Positioned on the world's busiest maritime trade routes, the zone has received the Gateway award in recognition of its facilitation of global trade to reach the African continent. Supported by the country's \$15bn world-class multimodal

infrastructure network, Djibouti International Free Trade Zone offers companies access to at least 13 landlocked African countries and free trade networks across Africa.

Hamriyah Free Zone, the second largest and fastest growing industrial free zone in the United Arab Emirates, is spread across 30 square kilometres of land and has a 14-metre deep-water port and a seven-metre deep inner harbour. The zone is uniquely located at the intersection between three continents, is connected to 230 global cities by land, sea and air and allows investors to serve a growing market of 2 billion people.

The Sohar Port South expansion will increase trade flows in Oman, allowing ships to directly call at the port, and welcome a greater variety of customers in the future. The added land area at the port will additionally support the creation of new and sustainable jobs in **Sohar Free Zone**. Sohar has established itself as a gateway to the booming markets of the Persian Gulf through excellent road systems, international airports and key rail links.

Investment retention

Following the post-election riots of 2017, **Inhdelva Free Trade Zone** in Honduras had to work strenuously to retain investors. In order to secure investment from a US-based sports apparel company, the zone offered a comprehensive support plan from the offset including access to 21 engineers, its best law firm and insurance companies, as well as establishing partnerships with electrical; heating, ventilation and air-conditioning; and telecommunications companies. As a result, the company has already started its pre-construction process and is due to open at the end of 2020.

Maximising resources

The success of **Free Zone Sabac** in Serbia is a result of years of continuous efforts by the local authorities, from planning to land acquisition and infrastructure development. The zone is run by a management team of just four people, and over the years has been completely structured, implemented and financed by the city of Sabac. Free Zone Sabac is the result of a structured and organic growth based on understanding company needs.

Ones to watch

Launched in July 2018, **Djibouti International Free Trade Zone** has been highlighted as 'one to watch.' In less than a year, the zone has welcomed more than 50 companies from around the world, working in the logistics, manufacturing and energy sectors.

According to a decree by the president of Uzbekistan on May 15, 2019, the procedure for selecting investment projects was

simplified, meaning companies in the **Navoi Free Economic Zone** have additional customs privileges. Today, tenants of the zone are exempted from customs duties for imported equipment, raw materials and production components. Over the past year, the territory of the economic zone has been increased twice and the full Navoi region has been declared a free economic zone.

Established in October 2018, **Turkistan Special Economic Zone** in Kazakhstan has already made major development strides, offering undisturbed access to the west Europe-west China transnational transport corridor, preferences and incentives, free land and governmental guarantees. Investors can also take advantage of the Eurasian Union and other Kazakh trading partnerships.

Overcoming adversity

The Gomel region in Belarus suffered heavily due to the Chernobyl disaster in 1986, with many people choosing to relocate and foreign investors apprehensive about lingering radiation. **FEZ Gomel-Raton** was established to overcome this stigma and bring jobs back to the area. In 2018, 48.1% of all investments made in the Gomel region were in the free economic zone and 43.8% of all goods exported from the region were made by its residents.

Site conversion

Subic Bay Freeport Zone in the Philippines is recognised as one of the world's most successful military base conversions. Established in 1992 following the pullout of the US Navy from what was the biggest American military base outside of continental US, the zone was created to generate alternative employment to some 25,000 former base workers. With employment figures now running at 135,000, and cumulative investments at about \$10bn, Subic has proven to be a forward-looking free zone grounded on a mission to bring about a sustainable local economy and promote inclusive growth among its stakeholders. Currently, Subic Bay Freeport continues this mission to include nearby communities in its development by serving as an anchor destination for investment and tourism, and by creating opportunities for employment.

Supporting surrounding area

Free Zone Pirot in Serbia has been credited for supporting its surrounding area. For the first time, 11 hectares of free zone territory is being extended to the underdeveloped and devastated neighbouring municipalities of Dimitrovgrad and Babušnica. The expansion will see the creation of 121 jobs. Eco Rubber will start production in Dimitrovgrad in 2019, investing €2.5m in a new plant recycling waste tyres.

DR SAMIR HAMROUNI

What makes a successful free zone?

THE CEO OF THE WORLD FREE ZONES ORGANIZATION OUTLINES THE ATTRIBUTES THAT ARE ESSENTIAL TO FLOURISHING FREE ZONES

Every free zone is unique, designed for different purposes depending on the host territory. A developing landlocked country will not look for the same benefits as a mature coastal economy. Socioeconomic conditions will define the government's goals for its free zone. These will shape the free zone's structure, target clients and scope.

The success of a free zone is defined by the level of business excellence it achieves and by its economic contribution to its host government's goals. These can range from boosting exports and jobs, to knowledge transfer and secondary benefits beyond the free zone itself. There are, however, core elements that a free zone must provide to fulfil its purpose.

A good match

The basic principle is to match the free zone's design to the country's development priorities and to the means a government can access. This requires prudent investment in a specific industry sector that is sustainable over time, possibly with a private development partner. Free zone benefits can sometimes take longer to materialise than initially expected and careful investment planning will account for that. The aim is for long-term benefits to flow smoothly and continuously into the host economy.

It is also important to set up a free zone within easy reach of reliable infrastructure that is relevant to the industry sector served. This includes adequate physical as well as human assets, along with efficient administrative procedures. For example, a hi-tech-focused free zone in a country with poorly trained labour resources will fail, as will a manufacturing free zone without effective transport routes to ports and cities.

Moreover, in the digitisation era, it is equally crucial to offer simple administrative processes that leverage technology to better serve free zone clients. Without these elements, a free zone may fail before it even starts.

Reliable regulation

Finally, a free zone is only as strong as the regulation it provides. A reliable legal framework is



"THE BASIC PRINCIPLE IS TO MATCH THE FREE ZONE'S DESIGN TO THE COUNTRY'S DEVELOPMENT PRIORITIES"

essential to convince clients to set up in a free zone. This demands good governance tools to ensure adequate compliance. Important rules to define include environmental policies, labour standards and even safety. Along with concrete incentives, specific regulation is one of the most effective tools to attract investors. The key is to structure these advantages to ensure everyone extracts appropriate benefits in a sustainable way.

Free zones can only prosper if marketed properly. This requires an adequate budget for regional promotion to encourage collaboration and synergies, and global promotion to attract investment from multinational enterprises active in the global value chain. Only then can free zones truly deliver the local prosperity that they are meant to foster. ■

Dr Samir Hamrouni is CEO of the World Free Zones Organization.

HSBC relocated its UK headquarters from London to Birmingham and already employs more than 2500 staff at the new head office. In 2019, multinational professional services company PwC will relocate to the One Chamberlain Square building in the Paradise development, attracted by the high-quality office space, central location and support from the zone's relocation service. Projects such as these contribute to the city's position as a leading business, professional and financial services hub.

IT
Innopolis SEZ, Russia

More than 16,000 highly skilled IT specialists nationwide are willing to relocate to Innopolis and are awaiting jobs and housing to become available. More than 150 IT specialists graduate from Innopolis University every year, 95% of whom take up their first employment with a company in the zone. A new industrial park is currently under development that aims to attract IT-related manufacturing companies in areas such as robotics, microelectronics, additive technologies and prototyping.

Knowledge process outsourcing and IT outsourcing

Zona Franca de Bogotá, Colombia

Zona Franca de Bogotá offers flexible, scaleable and turnkey real estate solutions for business process outsourcing, IT outsourcing and knowledge process outsourcing companies. Investors including UK-based multinational telecoms company BT, Spain-based business process management company Digitex and Brazil-based IT management company Tivit have established operations in the zone.

Logistics

Liepaja Special Economic Zone, Latvia

Liepaja Port is the fastest growing port in the Baltic Sea region. Its cargo turnover increased by 16% in 2017 and 14.4% in 2018 to reach a record 7.53 million tonnes. There are five active business parks, offering almost 400,000 square metres of production facilities. The port's stevedoring companies have built new warehouses and open storage areas and can provide multimodal logistics solutions. Production output in ▶

"OUR INNOVATIVE ENVIRONMENT BRINGS TOGETHER WORLD-CLASS SOCIAL AND BUSINESS INFRASTRUCTURE WITH UNIQUE TAX PREFERENCES PROVIDED BY THE SPECIAL ECONOMIC ZONE"

Renat Khalimov, CEO, Innopolis SEZ

TURKISTAN
SPECIAL ECONOMIC ZONE

The "TURKISTAN" special economic zone is located in Turkistan, the spiritual capital of Turkic World. It aims to create a favorable investment climate and realize high potential of the Turkistan region. SEZ includes historical center, administrative center, two industrial zones, and logistics hub. Turkistan is notable for its population density, favorable climatic conditions, effective logistic capabilities, as well as high potential in tourism.

TOTAL AREA S= 3014 Ha

PROJECTS 123
JOB CREATED 2260
INVESTMENT \$703 MLN

HISTORICAL CENTER S=297 HA
ADMINISTRATIVE BUSINESS CENTER S= 1350 HA
INDUSTRIAL ZONE S=400 HA
AIRPORT (LOGISTICS HUB) S= 967 HA

PROJECTS 11
PROJECTS 103
PROJECTS 7
INVESTMENT \$ 175 MLN

INVESTMENT \$70 MLN
INVESTMENT \$413 MLN
INVESTMENT \$45 MLN

0% UNTIL 2043

BENEFITS FOR TENANTS
• Import tax
• Profit tax
• Land tax
• Corporate income tax

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Bespoke Awards



5G readiness

Łódź Special Economic Development Zone, Poland

Academic collaboration

Panamá Pacífico, Panama
Skopje, North Macedonia
Special Economic Zone Production and Industrial Type Alabuga, Russia

Access to raw materials

Special Economic Zone Pavlodar, Kazakhstan

Cluster development

Free Port of Ventspils, Latvia
Special Economic Zone St Petersburg, Russia

Connectivity

Djibouti International Free Trade Zone, Djibouti
Free Zone Pirot, Serbia
Łódź Special Economic Zone, Poland
Panamá Pacífico, Panama

Crossborder collaboration

Free Port of Ventspils, Latvia
Special Economic Zone Ontustik, Kazakhstan
Special Economic Zone Production and Industrial Type Alabuga, Russia
Panama Pacífico, Panama

CSR initiatives

Corporación Zona Franca Santiago, Dominican Republic
Parque Central Zona Franca, Colombia

Deployment of technology

Cayman Enterprise City, Cayman Islands
Jebel Ali Free Zone, UAE
La Lima Free Zone & Business Park, Costa Rica

Lipetsk Industrial Special Economic Zone, Russia

Mahindra World City, Chennai, India

Zona Franca de Bogotá, Colombia

Diversity initiatives

Cayman Enterprise City, Cayman Islands
Zona Franca de Bogotá, Colombia

Economic impact

Djibouti International Free Trade Zone, Djibouti

Gabon Special Economic Zone, Gabon
Jebel Ali Free Zone, UAE

Efforts to improve transparency

Shanghai Waigaoqiao Free Trade Zone, China

Expansions

Atlantic Free Zone, Morocco
Balti, Moldova
Cayman Enterprise City, Cayman Islands
Coyol Free Zone, Costa Rica
DMCC, UAE
Dubna Special Economic Zone, Russia
Free Port of Ventspils, Latvia
Free Zone Pirot, Serbia
FTZ 78, US
Hamriyah Free Zone Authority, UAE
Industrial Park Great Stone, Belarus
Industrial Special Economic Zone Togliatti, Russia
Inhdelva Free Trade Zone, Honduras

Katowice Special Economic Zone, Poland
Kizad, UAE

Klaipeda Free Economic Zone, Lithuania
La Lima Free Zone & Business Park, Costa Rica

Liepaja Special Economic Zone, Latvia
Lipetsk Industrial Special Economic Zone, Russia

Łódź Special Economic Zone, Poland
Panamá Pacífico, Panama
Panapark Free Zone, Panama

Parque Central Zona Franca, Colombia
Ras Al Khaimah Economic Zone, UAE
Rezekne Special Economic Zone, Latvia

Shanghai Waigaoqiao Free Trade Zone, China
Skopje, North Macedonia

Special Economic Zone Pavlodar, Kazakhstan

Special Economic Zone St Petersburg, Russia

Walbrzych Special Economic Zone Invest-Park, Poland

Zona Franca del Pacífico, Colombia
Zona Franca Tayrona, Colombia

Facilities upgrades

Cayman Enterprise City, Cayman Islands
Dubna Special Economic Zone, Russia
Las Americas Free Zone, Dominican Republic

Lipetsk Industrial Special Economic Zone, Russia
Ramanujan IT City SEZ, India

Flexible space

Klaipeda Free Economic Zone, Lithuania

Incentives

Free Economic Zone Taraclia, Moldova
Free Zone Pirot, Serbia
Rezekne Special Economic Zone, Latvia
Sohar Free Zone, Oman

Industry 4.0

Daegu Gyeongbuk Free Economic Zone, South Korea
Innopolis SEZ, Russia

Katowice Special Economic Zone, Poland
Łódź Special Economic Zone, Poland

Infrastructure upgrades

Arvand Free Zone, Iran
Free Port of Ventspils, Latvia
Hamriyah Free Zone Authority, UAE

Jebel Ali Free Zone, UAE
Las Americas Free Zone, Dominican Republic

Liepaja Special Economic Zone, Latvia
Panamá Pacífico, Panama
Skopje, North Macedonia

Subic Bay Freeport Zone, Philippines
Zona Franca Tamboril, Dominican Republic

International expansion

Jebel Ali Free Zone, UAE

Local transport

Klaipeda Free Economic Zone, Lithuania

Marketing slogan

DMCC, UAE
Turkistan Special Economic Zone, Kazakhstan

New investments

Daegu Gyeongbuk Free Economic Zone, South Korea
Dubna Special Economic Zone, Russia

Industrial Special Economic Zone

Togliatti, Russia

Katowice Special Economic Zone, Poland

Lipetsk Industrial Special Economic Zone, Russia

Sharjah Airport International Free Zone Authority, UAE

Skopje, North Macedonia

Special Economic Zone Pavlodar, Kazakhstan

Tanger Med Zones, Morocco

Zona Franca de Bogotá, Colombia

Port development

Liepaja Special Economic Zone, Latvia

PPP

Gabon Special Economic Zone, Gabon

Real estate flexibility

Panapark Free Zone, Panama

Recruitment assistance

Coyol Free Zone, Costa Rica

Red tape reduction

Cayman Enterprise City, Cayman Islands
Djibouti International Free Trade Zone, Djibouti

Kizad, UAE

Lipetsk Industrial Special Economic Zone, Russia

Subic Bay Freeport Zone, Philippines

Relocation services

Birmingham City Centre Enterprise Zone, UK

Smart strategies

Jebel Ali Free Zone, UAE

Start-up support

Free Port of Ventspils, Latvia
Łódź Special Economic Zone, Poland
Tanger Med Zones, Morocco

Skills development

Cayman Enterprise City, Cayman Islands
Łódź Special Economic Zone, Poland
Panamá Pacífico, Panama

Skopje, North Macedonia

Special Economic Zone Production and Industrial Type Alabuga, Russia

Zona Franca Santander, Colombia

Supplier development

Balti, Moldova

Sustainability

Corporacion Zona Franca Santiago, Dominican Republic
DLF Cybercity Chennai, India
DLF Cybercity Gurugram – Bldg 14 and 6, India

Mahindra World City, Jaipur, India

Talent pool

Rezekne Special Economic Zone, Latvia

Tech transfer

Katowice Special Economic Zone, Poland

Thought leadership

DMCC, UAE

Trade facilitation

City of El Paso – FTZ 68, US
Industrial Park Great Stone, Belarus
Shanghai Waigaoqiao Free Trade Zone, China

Workforce amenities

DLF Cybercity Gurugram – Bldg 14 and 6, India

Katowice Special Economic Zone, Poland

Klaipeda Free Economic Zone, Lithuania

Liepaja SEZ is growing on average by more than 10% annually, and reached €271m in 2018.

Medical devices

Coyol Free Zone, Costa Rica

Since its launch in 2007, Coyol Free Zone has hosted 28 leading global companies, seven of which were ranked among the top 30 medical device companies in the world. Coyol Free Zone has the highest concentration of the top medical devices companies in all Latin America and exported more than \$1.98m in 2018, representing 1.2% of Costa Rica's GDP. Medical devices are the top export product in Costa Rica and the zone represents 63% of all medical device exports, a figure that is expected to grow.

Oil and gas

Onne Oil & Gas Free Zone, Nigeria

Onne Oil & Gas Free Zone is the only free trade zone dedicated exclusively to the oil and gas industry. Several oil majors have established operations in the zone, including Royal Dutch Shell, Total, Chevron and ExxonMobil. These multinationals benefit from the zone's strategic location adjacent to the Niger Delta, which holds one of the world's largest reserves of oil and gas, and easy accessibility to other production locations in sub-Saharan Africa. The zone is near an international airport and boasts a helipad to sustain its daily offshore operations.

Pharmaceuticals

Special Economic Zone St Petersburg, Russia

Novartis is one of the largest companies in Special Economic Zone St Petersburg, investing more than \$150m in its production complex. At total capacity, the factory can produce 1.5 billion units of solid dosage forms per year and in the future, will develop more than 20 innovative drugs and generics. Currently, the factory employs 174 people, and eventually expects to employ more than 350 staff.

Robotics

Daegu-Gyeongbuk Free Economic Zone, South Korea

South Korea-based robot company Samick THK has recently agreed to invest \$15m in Daegu-Gyeongbuk Free Economic Zone. As demand for its products grows, the company expects to establish a robotics cluster in Daegu.

Steel

Arvand Free Zone, Iran

Steel is a priority sector for the Arvand Free Zone. Kaveh Arvand Steel Co is planning to expand its operations in the zone and will construct direct reduction units with a steel-making capacity of 2 million tonnes and heavy rolling stock, with a capacity of 1.4 million tonnes per year.

Textiles

Special Economic Zone Ontustik, Kazakhstan

Special Economic Zone Ontustik, located in the Yenbekshy district of Shymkent, is fast becoming a hub for the textiles industry, attracting investment from companies in various sub-sectors. These include Ekohim, a manufacturer of synthetic ropes, cords, laces and netting; Azala Cotton, a producer of mixed yarn; SG Style, which sews men's suits; and Ongud Group, a manufacturer of footwear and other leather goods.

Winners – Bespoke Awards



Academic collaboration

■ **Panamá Pacífico** has excellent partnerships with universities and institutions. Local companies and residents have access to the Aden and Incae post-graduate programmes as well as the Inadeh technical training courses. Five schools are located within the zone, including French High School, currently under expansion; Magen David; Knightsbridge School; Saint Mary's College; and Howard Academy, which has a cultural collaboration agreement with a primary school in Dayu, China.

■ Tailor-made programmes have been created at the University of St Cyril & Methodius and the University of Bitola to develop potential employees for four organisations that have invested in **Skopje** in North Macedonia: Adient, Johnson Matthey, Kromberg & Schubert and Dräxlmaier. These programmes are predominantly focused on mechanical and electrical engineering, as well as computer science, and have resulted in many student scholarships and internships throughout the years.

■ In 2018, the first 100 specialists graduated from Alabuga Corporate University, the education project launched by **Special Economic Zone Production and Industrial Type Alabuga** in 2016 to help find the zone's most ambitious executives. This year's group was the fourth to

graduate from the university, and since the first class, 70% of graduates have received employment offers. In April 2019, the Agency for Strategic Initiatives named Alabuga Corporate University among the top three HR development projects in Russia.

Cluster development

■ **Free Port of Ventspils** is focused on developing its ICT cluster to support the development of ICT start-ups. The zone's comprehensive ICT development strategy is supported by the Business Support Centre, Ventspils University College and the Digital Centre. The Free Port Authority recently started construction on a new science and innovation centre, which will encourage engineering and digital thinking among children, and facilities for ICT business offices and other support measures.

■ A pharmaceutical cluster was established in **Special Economic Zone St Petersburg** in 2013 following the implementation of a state programme to develop the pharmaceutical and medical industry in Russia. The cluster continues to grow, as shown by biotechnology company CJSC Biocad, the zone's largest resident, which is due to open a new phase of its pharmaceutical complex in 2019. The zone also plans to open a new innovation centre by 2021 in order to attract more residents.

Connectivity

■ Djibouti's multimodal infrastructure network includes the Doraleh Multipurpose Port, which has the fastest TEU rate in Africa, and the continent's first transnational train line, the Addis Ababa-Djibouti railway. Over the coming months, the railway will also be connected to **Djibouti International Free Trade Zone**, creating an unprecedented link for companies in the zone to both global maritime trade routes as well as one of the most dynamic economies in the world.

■ Construction of the Pan-European Corridor X, which connects the city of Belgrade to Sofia and Istanbul, will bolster **Free Zone Piro**'s strategic position in the Balkans. The interchange that connects the Corridor X highway and the zone is located 300 metres from the entrance to Free Zone Piro. A logistics centre has also been constructed with two main infrastructural parts: a railroad terminal plus 35 hectares of infrastructure land for warehouses, plants and other supportive facilities, which will enable haulers to shift transit goods from road to railway.

■ **Łódź Special Economic Zone** is the world's first 5G economic zone. The zone

implements 5G technology at investors' headquarters and, through its S5 programme, educates enterprises on the potential of 5G and then supports developing applications for the 5G network that will accelerate their business.

■ Strategically located just minutes from ports, airports, continental highways and the Panama Canal, **Panamá Pacífico** is ideally located to serve national and international markets. The zone boasts an airport within its limits in addition to the Hub of the Americas at Tocumen Airport, just 28 kilometres away. Moreover, two of the three largest ports in the Americas region are within a 10-kilometre radius of the zone as well as a railroad that carries cargo and passengers from the Pacific to the Atlantic and back again.

Crossborder collaboration

■ Latvia's **Free Port of Ventspils** is proactively working on its signed co-operation agreement with Industrial Park Great Stone in Belarus, and is an active member of the Belt and Road International Transport Alliance, which aims to strengthen regional co-operation with countries in Asia.

■ As part of a working visit to the Special Economic Zone Production and Industrial Type Alabuga in Russia, the managing company of Kazakhstan's **Special Economic Zone Ontustik** met with Alabuga's representatives and with the Investment Development Agency of the Republic of Tatarstan.

■ **Special Economic Zone Production and Industrial Type Alabuga** is continuing to execute its joint partnership project with TEDA, one of the largest special economic zones in China. Negotiations first started in 2016, and in 2018 the joint project's business plan was presented to TEDA management during Tatarstan president Rustam Minnikhanov's visit to China.

■ **Panamá Pacífico** has extensive programmes with PSA Port and Balboa Port (also in Panama) to expand commercial relations between them and companies in zone. PSA Port completed its second expansion phase in 2018 with a capacity of 2.5 million TEUs and several companies such as J Cain, BP Logistics, Alliance Transport Logistics, 3M, LAPP, KPMG, Arturo Araúz Customs Agency and TLA Group meet periodically to understand this new ▶

"MODERN FREE ZONES HAVE TO OFFER THEIR USERS COMPREHENSIVE CONDITIONS FOR CONTINUOUS INNOVATION, AND PROGRESS, FOR THE OVERALL BENEFIT AND PROSPERITY OF SOCIETY"

Dragan Kostic, director, Free Zone Pilot



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FDI FREE ZONES OF THE YEAR 2018

BESPOKE AWARDS FOR

- ★ EXPANSIONS
- ★ FACILITIES UPGRADES
- ★ RED TAPE REDUCTION
- ★ SKILLS DEVELOPMENT
- ★ DIVERSITY INITIATIVES
- ★ DEVELOPMENT OF TECHNOLOGY



CAYMAN ENTERPRISE CITY
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“OUR RED TAPE REDUCTION AWARD VALIDATES OUR COMMITMENT AND THE COMMITMENT OF ABU DHABI TO MAKE POLICIES, SYSTEMS AND PROCESSES SIMPLE AND BUSINESS-FRIENDLY”

Samir Chaturvedi, CEO, Kizad

business synergy and exchange market updates.

CSR initiatives

■ The corporate social responsibility programme in the Dominican Republic’s **Corporación Zona Franca Santiago** allows employees, their families and nearby residents to benefit from opportunities that support their well-being. The zone’s **Cooperativa La Aurora** initiative was launched to help provide a better quality of life for Zona Franca employees, with help for savings, loans and basic needs. Its breast cancer awareness campaign is held annually and has seen more than 4400 studies carried out.

■ **Parque Central Zona Franca** has implemented a number of corporate social responsibility initiatives in the fields of sport, education and community management activities, among others.

Deployment of technology

■ In December 2018, **Cayman Enterprise City** launched an online community for its members with the aim of supporting innovation and providing engaging opportunities to collaborate. As a practical resource and attractive online platform, the website enhances the overall zone experience with features including community polls, competitions, event calendars, club pages, discounts and special offers.

■ DP World’s flagship **Jebel Ali Port** is on schedule to become the first in the world to install a new, intelligent high bay storage system called **Boxbay** that will be ready in time for the **Dubai Expo 2020**. The pilot project under way at **Jebel Ali Terminal 4** is a fully automated stacking system for containers up to 11 storeys high, capable of delivering the capacity of a conventional terminal in one-third of the surface area.

■ **La Lima Free Zone & Business Park in Costa Rica** has implemented a QR code system for reporting anomalies at the park. If employees see that something is not working properly, they can scan the code to report it.

■ In 2018, **Lipetsk Industrial Special Economic Zone** launched a new digital platform enabling companies to apply for tenancy online.

■ **Mahindra World City** in Chennai, India, has developed an app for the city that offers information for companies and their employees such as cab bookings, handyman services, train and bus times, emergency contacts and ambulance support.

■ As part of its **Free Trade Zones 4.0** movement, **Zona Franca de Bogotá** uses AI, automation and analytical projects to

reach its maximum potential. **Piciz**, the free zone management software developed by **ZFB**, is the latest leading technology software in the Colombian market. There is a solid internationalisation plan, that will open doors to countries such as the Dominican Republic, Costa Rica, Panama, Guatemala, Mexico, Argentina and Peru.

Diversity initiatives

■ In 2018, **Cayman Enterprise City** was involved in the launch of **Women Code Cayman**. The initiative set out to support women in technology to become active contributors to the Cayman Islands’ digital economy, to empower women who code to pursue creative technology-driven careers, and to nurture support networks that foster leadership and encourage professional growth in technology. Due to overwhelming interest in the free code education programme, the initiative was incorporated as non-profit and a curriculum was formalised. The zone continues to prioritise quality experiences, develop innovative opportunities, and deliver first-rate programming to ensure that Caymanians and residents of all backgrounds receive the right support and encouragement to develop into leaders and active contributors to the evolving global economy.

■ **Zona Franca de Bogotá** runs the **Initiate ZFB Diversity and Inclusive** programme that seeks employment inclusion with a difference. In total, 65 companies located in the zone were informed about the equal opportunity programme, 23 were trained and a job fair was held, which registered more than 2000 participants.

Economic impact

■ On a domestic level, the pilot phase alone of **Djibouti International Free Trade Zone** has boosted Djibouti’s GDP by 11%. With hopes to become the largest free-trade zone in Africa, the zone is set to generate more than 350,000 jobs in the next 10 years, most of which will be taken up by Djiboutians.

■ In an effort to encourage long-term sustainability, Gabon is seeking to diversify its economy away from being primarily oil dependent. **Gabon Special Economic Zone** is a catalyst in this journey, generating close to 5000 direct jobs and an equal number of indirect jobs. The zone has a 38% share in the total containers exported out of the country and has seen FDI flows of close to \$1.7bn.

■ **Jebel Ali Free Zone** contributes to almost one-quarter of Dubai’s GDP, generating \$93bn-worth of trade and sustaining more than 135,000 jobs. According to a report from Boston ▶



COYOL FREE ZONE

A SMART-PARK WHERE INNOVATION, EXPERIENCE
AND ADAPTABILITY CONVERGE

With more than 20 years of experience developing and managing industrial parks, and 12 years since the commencement of this successful project, Coyol Free Zone does business in a sustainable way and in a privileged location.

Consistently awarded and recognized as a Top Free Zone in Latin America and The Caribbean, Coyol Free Zone offers much more than tax incentives and outstanding infrastructure. It is the base of manufacturing operations for 7 of the top 30 medical devices companies in the world, currently integrated in an ecosystem of 29 companies. This proves our proven know-how in the construction of buildings for the Life Sciences Industry, and offers the services required to support the successful operation of a Life Sciences company in Costa Rica.

During the last years, the Life Science Industry has become a strategic sector for Costa Rica's economy showing a consistent dynamism. Today, Medical Devices Sector is the most important manufacturing export of Costa Rica, and Coyol Free Zone represents 63% of them with more than US\$1,976 million in exports during 2018.

WHAT IS OUR SECRET?

Costa Rica stands out, among other attributes, for its talented people, a preferential access to two

thirds of the world market, a stable democracy and the commitment to promote education.

With an extension of 264 acres of land, Coyol Free Zone excels for its proximity to the Juan Santamaría International Airport, direct access to the main highways and the most important seaports in the country offering a privileged geographical destination for companies to establish their operations. Today, Coyol Free Zone hosts the operations of 29 companies, 7 of them among the top 30 Medical Device companies in the world: Abbot, Phillips, Medtronic, Coopervision, Smith&Nephew, Hologic and beyond. Also offers a strong synergy with a key player: Steris, a company which provides electron beam sterilization services within the park. Consequently, exports go directly to end markets with a Certificate of Origin of Costa Rica, resulting in significant savings in duties, transportation and warehousing.

By developing a Life Sciences cluster with on-site suppliers and contractors, Coyol Free Zone provides the ideal conditions for Original Equipment Manufacturers (OEMs) to operate and an important market for suppliers of the medical devices industries.

WE ALSO DEVELOP OUR HUMAN TALENT

All of the previous success wouldn't be possi-

ble if the appropriate human talent does not exist. Every day, more than 15,000 employees works in Coyol Free Zone, 54% of them are women and more than 50% of them uses Coyol Free Zone transportation services.

In order to facilitate the availability and accessibility of this talented workforce and balance their capabilities with the needs of the industry, Coyol Free Zone has developed strategic programs that satisfy the Sourcing, Training and Selection needs of the companies creating the right conditions for their success, including bus transportation and people sourcing, preselection and training programs.

Due to the strategic location, positive social progress indexes, average length of schooling and the high rate of people with concluded university studies around the area of influence, companies have access to the largest trained, competitive and committed human talent pool in Costa Rica.

INFRASTRUCTURE, INNOVATION AND EDUCATION, PILLARS OF THE FUTURE

Coyol Free Zone is the first and best at one-stop-shop solution by offering our clients the convenience of a one-stop-service provider that coordinates with an open book concept all the pre-construction, execution, budget control, and delivery processes, throughout an experienced construction management team. As a result, our clients will receive a tailor-made turn-key building to comply with strict international quality standards, among them FM Global, ISO: 9001 and LEED Certification.

Providing a fully redundant electrical grid, intelligent digital meters, renewable sources for generation and storage of electricity, and the most innovative trends of A/C systems, Coyol Free Zone has become the first Smart Park in Costa Rica and has the capacity to offer the best and most efficient quality of energy to ensure success of the operations of its established companies.

The digital economy, innovation and higher value added of its production processes are the challenges of the medical and technological industry, and Coyol Free Zone is responding by creating an important Innovation and Training Center which will permit not only training and education from the basic fundamentals to advanced manufacturing MSc programs by the TEC University, to the design and developing of prototypes of the newest medical devices and parts of the world.

All of the above are the reasons why our clients have chosen us and 70% expand their operations in Coyol Free Zone in the last 12 years.

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"FIFTY-FIVE RUSSIAN AND FOREIGN COMPANIES HAVE SUCCESSFULLY RUN THEIR BUSINESSES IN SEZ ST PETERSBURG AND THE NUMBER OF RESIDENTS IS CONSTANTLY GROWING"

Tamara Rondaleva, general director, SEZ St Petersburg

Consulting Group, the economic activities of Jebel Ali Port and Jebel Ali Free Zone are also helping the United Arab Emirates to reduce its economic dependence on the fossil fuel industry by contributing 14.9% to the UAE's non-oil GDP in 2017. DP World's Parks & Free Zones, comprising Jafza, the National Industries Park and Dubai Auto Zone, account for almost 24% of Dubai's FDI flows.

Expansions

■ **Atlantic Free Zone**, Morocco: Saint Gobain expanded its facility three times, to reach a total area of 92,905 square metres.

■ **Balti**, Moldova: Dräxlmaier has extended its presence in the zone by almost 4645 square metres since 2016, reaching a total 6700 employees by the end of 2018 and a turnover of more than €500,000.

■ **Cayman Enterprise City**, Cayman Islands: Maples Technology SEZC began with a team of three developers in 2012 and is now a team of 39. The company has recently taken on more space to enable it to reach 51 employees by the end of 2019 and 69 in just over 745 square metres of office space within the next two years. The zone is fitting out and furnishing Maples Technology's serviced office expansion space on its behalf as well as upgrading its current space, which will include an investment from the zone of more than \$400,000.

■ **Coyol Free Zone**, Costa Rica: In 2018, Medtronic began producing spinal orthopaedic products in a building spanning 2915 square metres. It is currently in the process of expanding, with a building of 6610 square metres.

■ **DMCC**, UAE: Astrolabs, the only Google tech hub in the Middle East and north Africa region, expanded its office to add 670 square metres of co-working space. Astrolabs is now home to more than 160 start-ups and entrepreneurs.

■ **Dubna Special Economic Zone**, Russia: Anchor resident Promtech-Dubna JSC, a manufacturer of cables and harnesses, units and other components of electrical equipment and pipe systems for the aviation, space and defence industries, is building its seventh production facility in Dubna SEZ.

■ **Free Port of Ventspils**, Latvia: Immer Digital will build a second factory, covering 6000 square metres, doubling manufacturing power, increasing sales volume and almost tripling the number of employees.

■ **Free Zone Pirot**, Serbia: In the past few years Tigar Tires has invested €250m in production facilities, warehouses, offices, machinery and equipment. In 2019 it will invest an additional €49m in

equipment for the production of radial automotive tyres and inner tubes.

■ **FTZ 78**, Tennessee, US: In April 2018, FTZ 78 invested in a \$50,000 warehouse at its site 2 Decherd Plant, which added an additional 8000 square metres of activated area. In December of 2018, it expanded Stamping Bay 8 at its Site 1 Smyrna Plant, adding 4000 square metres of activated space. This has allowed tenant Nissan to work more effectively.

■ **Hamriyah Free Zone Authority**, UAE: SOEX invested \$5.64m in a new plant on a 30,000-square-metre site. The company markets and recycles used textiles and plans to export 50% of its products to Africa and 25% each to the Middle East and eastern Europe.

■ **Industrial Park Great Stone**, Belarus: In 2017, IPG Photonics Corporation (US) acquired a land plot of 3.6 hectares for the construction of a laser equipment assembly plant. During the construction it was decided to expand the project and in 2018 an additional land plot of 6.9 hectares was purchased.

■ **Industrial Special Economic Zone Togliatti**, Russia: In June 2019, the zone approved a new resident, pharmaceutical production company Ozon Medica. This is Ozon Group's third project in the zone and it is the largest non-automotive investor in SEZ Togliatti.

■ **Inhdelva Free Trade Zone**, Honduras: Grupo Logistico América is currently in the process of expanding its operations by 7200 square metres.

■ **Katowice Special Economic Zone**, Poland: Rockwell Automation will invest €26m in the construction of a new building to increase the production capacity of industrial automation elements.

■ **Kizad**, UAE: DHL started with 1395 square metres and within 10 months expanded to a 6040-square-metre facility.

■ **Klaipeda Free Economic Zone**, Lithuania: Albright International, an automotive electronic switches producer, has completed its 1800-square-metre plant extension, in addition to the existing 2200 square metres with an investment of €3m. This led to a production capacity increase of at least 30%.

■ **La Lima Free Zone & Business Park**, Costa Rica: Zollner, which makes printed circuit boards for the automotive industry and specifically for brands such as Tesla and BMW, plans to double its footprint in the zone. It currently occupies 4830 square metres.

■ **Liepaja Special Economic Zone**, Latvia: DG Terminals invested €2.6m to build new liquid cargo storage tanks. In doing so, the total liquid cargo storage capacity in the port of Liepaja has reached 75,000 cubic metres.

■ **Lipetsk Industrial Special** ▶



"WE ARE MORE THAN GLAD TO BELONG TO THIS GLOBAL COMMUNITY OF FREE ZONES RECOGNISED BY fDi MAGAZINE"

Guillermo Kattan Salem, president, Inhdelva Free Trade Zone

Economic Zone, Russia: Fondital plans to expand through building a new \$22m casting facility.

■ **Łódź Special Economic Zone, Poland:** UMA Investments, a subsidiary of Kellogg, will invest about €75m to expand its operations in the zone and create 40 new jobs, bringing its total number of staff in the zone to about 500.

■ **Panama Pacífico, Panama:** FedEx is expanding its storage facility to include new pharmaceutical operations. In 2019, the company added new business lines and will also take on an additional 5600 square metres for a new client in the technological industry.

■ **Panapark Free Zone, Panama:** International Bottling Services, which already occupies one hectare in the zone, plans to expand by 9200 square metres. By early 2019, 4600 square metres had already been developed.

■ **Parque Central Zona Franca, Colombia:** In June 2017, O-tek moved its third pipeline of production to the zone. The expansion represented an investment of \$15.3m and saw employee numbers increase from 60 to 160.

■ **Ras Al Khaimah Economic Zone, UAE:** Nordic Energy FZC, an oil field equipment manufacturer, moved from a shared workstation facility to a land space of 10,000 square metres.

■ **Rezekne Special Economic Zone, Latvia:** Woodworking company Verems, the largest tenant in the zone, launched a new expansion project in 2018. The company plans to build a new 10,000-square-metre plywood facility and to increase plywood production from 46,000 cubic metres to 85,000 cubic metres by 2020, thus increasing plywood production volume by 85%. In total, it is planned that long-term investments will total up to €49.8m.

■ **Shanghai Waigaoqiao Free Trade Zone, China:** Glencore Co increased capital by \$510m.

■ **Skopje, North Macedonia:** Kemet is expanding with a new R&D and global customer service centre that will employ 50 people and offer support in 20 languages.

■ **Special Economic Zone Pavlodar, Kazakhstan:** Giessenhaus, a manufacturer of alloyed aluminium, plans to implement three additional projects to produce aluminium profiles, refractory materials and hot dip galvanisation in 2019. The project represents a total investment of \$65m and will potentially create 150 jobs.

■ **Special Economic Zone St Petersburg, Russia:** CJSC Biocad plans to open the second phase of its pharmaceutical complex for the development and production of biological substances and finished pharmaceuticals of biological

nature. The total area of the new facilities will be about 30,860 square metres and represents an investment of Rbs3.72bn (\$57m).

■ **Wałbrzych Special Economic Zone Invest-Park, Poland:** Daimler plans to open a plant producing batteries for electric vehicles in the zone, in addition to its existing investments.

■ **Zona Franca del Pacífico, Colombia:** In the first quarter of 2019, Furukawa decided to expand its operational area by 40% to meet demand in Latin America due to the zone's strategic location and closeness to Buenaventura, the principal seaport of Colombia on the Pacific Ocean.

■ **Zona Franca Tayrona, Colombia:** Carport has expanded its enlistment centre to 1100 square metres.

Facilities upgrades

■ In November 2018, **Cayman Enterprise City** officially broke ground on the first phase of a new 21.5-hectare mixed-use development. The 25-year, \$500m development project will create about 92,905 square metres of world-class office space, residential areas, restaurants and amenities, which will create a variety of job opportunities for Caymanians and help to further diversify the Cayman economy. The new urban campus will provide a purpose-built hub for digital businesses across a variety of sectors including fintech, blockchain, biotech research, envirotech, media and digital marketing, among others.

■ In 2018, **Russia's Dubna Special Economic Zone** started construction on two new innovative and technological centres, each composed of a production area and office and administrative premises. The resident companies plan to invest more than \$11m into their projects and create almost 400 jobs.

■ **Las Americas Free Zone** in Dominican Republic has started construction on a new 50,000-square-metre business park. The zone will also invest about \$4.3m in the construction of a new 4090-square-metre industrial warehouse and refurbishment of more than 13,005 square metres of existing warehouses.

■ In 2018, **Lipetsk Industrial Special Economic Zone** in Russia launched a specialised engineering centre designed for the automated management of remote facilities and technological processes. It provides 24/7 operational dispatch management of all engineering systems on site, including those of its resident manufacturers. It has significantly enhanced network reliability and reduced costs.

■ **India's Ramanujan IT City SEZ** has established a new convention centre that can accommodate 1500 people for meetings and training programmes. ▶



TANGER MED ZONES: FIRST FULLY INTEGRATED PLATFORM IN AFRICA AND MEDITERRANEAN REGION

The combination of cutting-edge technology and geographical proximity to Europe result in creating a competitive proposal that helps investors to strengthen their position with both existing and future customers

Thanks to its unique position – strategically located on the Strait of Gibraltar, 14km away from Spain, at the conjunction of major maritime routes– Tanger Med offers extensive access to target markets through Tanger Med Port, working in perfect synergy with the industrial platform that comprehends parks and free zones under the umbrella of Tanger Med Zones.

Tanger Med Zones, the industrial platform of Tanger Med, constitutes a logistics and industrial hub that is fully connected to global trade flows and beyond, providing a platform for competitiveness. Developed over a total area of 16 million square meters, Tanger Med Zones has successfully attracted today 900 multinational companies from 30 nationalities all over the world, creating 90 000 Jobs.

Tanger Med Zones has capitalized on its proximity to Europe, and relatively economical human resources skills and experience to work towards building a strong, open, and market-oriented economy. The Moroccan experienced workforce has pulled many global firms attention as they regularly choose to conduct their activity within.

Tanger Med Port, a global transshipment gateway, with 9 million TEU of container capacity, is connected to 186 ports worldwide



across 77 countries and five continents. The following strong fundamentals have enabled Tanger Med Zones to meet the expectations of global players and successfully attract first-class international players from Germany, Japan, Korea, France, China, India, UK, and the USA among others.

The flourished business environment makes Tanger Med today the ideal place for successful foreign investments.

Tanger Med Zones offers a value proposition for these companies:

- A one-stop-shop for registration and incorporation process
- 25 Km from-to Tanger Med Port
- 24-hour customs services
- Additional established 500 Ha free zone land.

- Build to suite option lease setup
- Ready-to-use industrial plots for sale
- Ready-to-use modular warehouse units for lease
- Specialized import-export access inside Tanger Med Port

TANGER MED ZONES INCENTIVES:

Today, Tanger Med Zones is a base to many international companies who enjoy both a stable, efficient, and robust economic environment, and a competitive combination of incentives, and benefits. This includes total exemption from the VAT, patent and urban taxes, dividend and profit shares, registration fees and stamp duty on capital operations; plus five years' exemption from corporate tax (with a rate of only 8.75% after that).

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“THESE ACCOLADES ARE CLEAR STATEMENTS OF OUR COMMITMENT TO FACILITATE THE GROWTH OF BUSINESSES FROM ALL OVER THE WORLD”

Ramy Jallad, group CEO, Ras Al Khaimah Economic Zone

Taj serviced apartments have also been established in the zone, which clients can book for a long or short stay.

Incentives

■ **Free Economic Zone Taraulia** offers various incentives including exemption from income tax for three years when investing \$1m in the fixed capital of the company and/or the development of the zone’s infrastructure; exemption from income tax for five years when investing \$5m and 0% VAT for equipment, machinery, raw materials and goods.

■ Investors in Serbia’s **Free Zone Pirot** have access to general country-level incentives including low tax rates; no VAT and customs duty on imported raw materials; no customs duty on imported machinery and spare parts; and no customs duty and VAT on construction materials. Companies also benefit from incentives provided by the city of Pirot including no local taxes.

■ **Rezekne Special Economic Zone** in Latvia offers competitive operating costs, favourable tax incentives and other state aid measures that enhance return on investment. Companies can apply for an immovable property tax discount ranging from 80% up to 100%, as well as setting up free customs zones to ease logistics of services/products and customs procedures within the EU.

■ Oman’s **Sohar Free Zone** offers a corporate tax holiday of up to 25 years; 0% personal income tax; 100% foreign ownership; no sales restrictions to the Gulf Co-operation Council on payment of local duty; and no minimum capital requirements.

Industry 4.0

■ **Daegu Gyeongbuk Free Economic Zone** in South Korea has strategically

developed projects and support for tenants adapting to Industry 4.0. Each district specialises in four major industries, namely IT convergence, advanced medical, advanced parts/materials and energy.

■ **Innopolis SEZ** in Russia is developing a new industrial park that aims to attract big manufacturing companies in IT-related industries such as robotics, microelectronics, additive technologies, prototyping and others.

■ Poland’s **Katowice Special Economic Zone** offers various engineering programmes in automation, robotics and innovations. In 2018, the zone launched the Silesian Competence Centre of Industry 4.0 in collaboration with the Silesian University of Technology. The centre guides investors through the digital transformation process; raising awareness about the benefits of digitalisation and helping investors establish more dynamic companies.

■ In September 2019, **Łódź Special Economic Zone** in central Poland launched the first and only Technical School of Automation & Robotics in Poland in collaboration with Ceramika Tubadzin, Delia Cosmetics and Miele Technika. Supported by the Ministry of National Education, the school will provide training for automation and robotics technicians. In 2019, the zone also launched the StartupSpark2.0 accelerator and scouts for start-ups with products/services within the Industry 4.0 sector (for example, AI, virtual reality, augmented reality, robotics, automation and cybersecurity). In its first round, 20 start-ups were matched to business partners.

Infrastructure upgrades

■ Iran’s **Arvand Free Zone** has invested in various infrastructure projects in the past 12 months including the development of a new \$1.47m industrial site, \$1.76m improvement in electricity infrastructure and \$434,000 in equipping schools and education centres in the region.

■ **Free Port of Ventspils** on Latvia’s western coast is investing in new rental production space. The zone will invest \$12.9m in three new buildings spanning 11,000 square metres, generating an increase of 25% in the Free Port Authority’s supply of rental industrial real estate. It is currently in the process of renovating access roads to the port and industrial sites as part of a five-year project representing \$23.3m as well as constructing three new parking lots, upgrading its general port infrastructure and constructing a new storage area.

■ **Hamriyah Free Zone Authority** in the Sharjah emirate of United Arab Emirates will carry out the third phase of its zone expansion, increasing the total area of

the zone to about 30 square kilometres. Infrastructure improvements are also being carried out, including new custom-built warehouses, a new container terminal and container depot. Onsite labour accommodation capacity will also increase to more than 25,000 workers with the addition of a new Accommodation City facility.

■ Despite the challenging global trade outlook, DP World, the owner of **Jebel Ali Free Zone** in the United Arab Emirates, plans to invest up to \$370m in 2019, as much as half of it going towards new equipment, warehousing, accommodation, land development and roads.

■ **Las Americas Free Zone** on the southern coast of the Dominican Republic is investing in the installation of a new two-way fibre optic link with GPON technology.

■ In addition to its port development plan and airport renovation, **Liepaja Special Economic Zone** in Latvia is planning to transform a former metallurgical plant into a business park with excellent infrastructure. The land area of 120 hectares together with the production facilities amounts to 85,000 square metres.

■ The Panamanian government is currently developing infrastructure that will make **Panama Pacífico** the best-connected area in the country. The expansion of the Pan-American Highway to eight lanes is already under construction as well as a fourth bridge over the Panama Canal, which will be ready in 2024. The zone has also just inaugurated the ‘Borinquen Highway,’ an exclusive cargo way that will save time and money for all logistics companies in the Pacific area.

■ Due to increased interest from foreign companies, **Skopje** in Macedonia has started construction on the new Skopje 3 zone, spanning 48 hectares. Skopje has also been working on developing the infrastructure at remaining zones across the country; an interconnect is currently being built in the Prilep Free Zone and an interchange in the Struga/Ohrid Free Zone.

■ In the final quarter of 2018, the **Subic Bay Metropolitan Authority** rolled out a massive infrastructure programme to rehabilitate existing facilities in the Subic Bay Freeport Zone in the western Philippines, and developed new ones to boost its attractiveness. These included a 14.35m peso (\$276,000) slope protection project and 9.3m peso El Kabayo road rehabilitation project.

■ **Zona Franca Tamboril** has started work on two major expansion projects. The first zone is in its second stage and involves investing in 37,160 square metres of rent space and about 1000 new jobs. The second initiative is a second- ▶



THE KATOWICE SPECIAL ECONOMIC ZONE (KSSE)

No. 1 in Europe!

Katowice Special Economic Zone – known as KSSE – is one of the most successful SEZs in Poland, covering a 2750-ha area and having created 80,000 jobs since it was established in 1996.

Located in the country's south around the cities of Katowice, Kraków, Gliwice, and Opole, the zone was ranked by **fDi** Magazine as the overall best economic zone in Europe for 2019 and number two globally. It also won the top spot in the magazine's European rankings for the years 2015 to 2017.

It is the leading SEZ in Poland in terms of the total number of investment projects and jobs created. Almost 400 companies now operate at KSSE and small- and medium-sized enterprises account for 40% of the investment made there. It is regarded by experts as the 'driving motor of the automotive sector' and the automotive sector makes up 60% of the total investment there.

"For many years the Katowice Special Economic zone has been a leader in attracting FDI in Poland," says Dr Janusz Michałek, president of KSSE.

"We have recently attracted a record number of new investments in which SMEs have a growing part. We focus on the development of entrepreneurship, which has been confirmed by our results.

Companies have already invested €8.14bn at KSSE."

The zone attracts investors from all over the world who represent many industries, including metals, plastics, electric and electronic, glass products, household equipment, and food, as well as automotive. Prestigious companies operating there include: Opel Manufacturing Poland, FCA Poland, Mokate, Electrolux, TRW, Magna, and Żywiec Zdrój.

KSSE is also popular with many family

"WE HAVE RECENTLY ATTRACTED A RECORD NUMBER OF NEW INVESTMENTS IN WHICH SMALL AND MEDIUM-SIZED ENTERPRISES HAVE A GROWING PART. WE FOCUS ON THE DEVELOPMENT OF ENTREPRENEURSHIP, WHICH HAS BEEN CONFIRMED BY OUR RESULTS"

DR JANUSZ MICHAŁEK, PRESIDENT OF THE KATOWICE SPECIAL ECONOMIC ZONE

firms, including Szcześniak Pojazdy Specjalne, which makes vehicles for the army and fire service, and ZU Rosa, which produces lamps and street illumination.

This year the zone has attracted a key new investor to the region: SK Innovation, a South Korean company coming to Poland for the first time. It plans to invest more than 1bn Polish zloty in a manufacturing plant for lithium-ion battery separators at Dąbrowa Górnicza. It expects to employ at least 300 new staff by the end of 2021.

"At KSSE we know what our competitive advantage is and we look after it," says Barbara Piontek, a professor at WSB University and vice-president of KSSE. "It is the perfect location; well prepared infrastructure; professional investor services; availability of contractors; sales markets, including internal demand; relations with public institutions; the environment of business institutions; as well as creative and well educated staff, which meet the needs of the market and our investors."

Other big investments made at the zone

this year include: Fossung Poland, a South Korean company planning to invest 368m Polish zloty and employ at least 80 people at Kędzierzyn-Koźle; Cobex Polska, a Germany company planning to invest 175m Polish zloty and take its headcount up by at least 24 people to almost 320 employees; Kirchhoff Polska, a German company planning to invest more than 172m Polish zloty and to take on 10 new employees to maintain its headcount at 666 staff; and Sokpol, a Polish company expecting to invest 124m Polish zloty and to hire 15 new staff to keep its headcount at 314 individuals.

The zone has developed an automotive cluster, called Silesia Automotive and Advanced Manufacturing (SA&AM), which acts as a platform for cooperation and the exchange of ideas and experience among automotive companies. It organises regular meetings around various themes, including e-mobility and Industry 4.0. The cluster has attracted around 100 companies and institutions from the automotive and electro-mobility sectors already.

Omron Electronics, a Japanese company, has set up a 'laboratory of industrial robots' that is the first of its kind in Poland and unique in Europe – a further sign of KSSE's status as a centre of innovation.

Sponsored by





“WE CELEBRATE THE FACT THAT THE EXCELLENT PERFORMANCE OF LIPETSK SPECIAL ECONOMIC ZONE GAINS DESERVED RECOGNITION IN fDi’s RANKINGS”

Dmitriy Dudarev, CEO, Lipetsk SEZ

ary free zone park located in the north-west part of the Dominican Republic near the port of Manzanillo, covering more than 929,030 square metres.

Marketing slogan

DMCC, UAE: ‘Made for trade’

Turkistan Special Economic Zone, Kazakhstan: ‘Honouring the past, creating the future’

New investments

■ **Daegu Gyeongbuk Free Economic Zone**, South Korea: Samick THK plans to invest \$15m in the zone. As the display market grows in China and South Korea, the demand for linear motion guide products has soared and the company is expected to establish a robotic cluster in Daegu.

■ **Dubna Special Economic Zone**, Russia: PSK Pharma opened a facility for manufacturing products for the treatment of asthma and chronic obstructive pulmonary diseases in January 2019. The project represents an investment of about \$31m.

■ **Industrial Special Economic Zone Togliatti**, Russia: Gomma Line, a company specialising in the production of rubber and metal parts and tools, is the first Serbian investor in SEZ Togliatti. The company plans to produce car components in the zone and its key customer is Avtovaz-Renault-Nissan.

■ **Katowice Special Economic Zone**, Poland: SK Innovation is investing €335m in a new factory producing lithium-ion battery separators and ceramic coated separators used in electric cars. It is expected to create 300 jobs.

■ **Lipetsk Industrial Special Economic Zone**, Russia: Syngenta has invested more than \$23m in a new facility for plant protection substances.

■ **Sharjah Airport International Free Zone Authority**, UAE: Rexton Technologies will open a Dh60m (\$16.3m) light-emitting diode (LED) light manufacturing plant and laboratory at its headquarters in SAIF Zone. The firm, the manufacturing arm of Kingston Holdings, said the development will be the largest LED light factory in the Middle East and north Africa.

■ **Skopje**, North Macedonia: Gerresheimer is investing \$30m in a new plant, the largest investment to date in the zone. The project will be developed in five phases, with 400 jobs created during the first phase. The company plans to hire highly skilled engineers, computer scientists and electrical engineers.

■ **Special Economic Zone Pavlodar**, Kazakhstan: China Machinery Engineering Corporation, a construction and engineering company, is opening a new

facility together with Ferro Mining HK CAG and the Metallurgical Corporation of China. The plant will produce titanium dioxide, silicon dioxide, vanadium pentoxide and alloyed steels, and represents a total investment of \$2.5bn.

■ **Tanger Med Zones**, Morocco: Hands Corporation is investing €400m in a new factory and creating 1000 direct jobs. It will be built on an area of 26 hectares.

■ **Zona Franca de Bogotá**, Colombia: Global Training Aviation is establishing its first training centre for the aeronautical sector in South America in the zone on an area of 1812 square metres.

Red tape reduction

■ **Cayman Enterprise City** has developed a comprehensive support programme, including a client experience team that helps new tenants and their employees settle into life in the Cayman Islands. A minimum capital investment is not required and permits, visas, trade certificates and turnkey office solutions are conveniently bundled into affordable serviced packages and delivered by the zone via a streamlined process, which removes bureaucratic red tape.

■ Launched in July 2018, The Port Community System is a paperless tool available to all companies in **Djibouti International Free Trade Zone**. It provides a 24/7 single point of entry for import and export information exchange, processing documentation online at any time for businesses requiring it and ensuring smooth coordination between air, sea, land and rail trade.

■ **Kizad** focuses on four key elements – speed, cost, scale and simplicity – to ensure that business can be conducted smoothly and reliably. Businesses can be set up within 24 hours with onsite paperwork processing for licensing, clearances, approvals and permits. Kizad ensures easy and convenient access to key markets in the Middle East through multimodal connectivity which includes immediate access to Khalifa Port with more than 1000 port-to-port connections, five international airports, uncongested highways and an upcoming railway network.

■ In 2018, **Lipetsk Industrial Special Economic Zone** launched a new digitalised procedure for companies applying for tenancy. The new format compresses application processing time to just one day. The zone has also developed voting software for its expert council members in collaboration with one of its tenants, Digital Tech.

■ The Subic Bay Metropolitan Authority has implemented several in-house measures to speed up transactions for companies in the **Subic Bay Freeport Zone**, including paperless transactions;



“IT IS A TRUE PRIVILEGE TO BE ACKNOWLEDGED BY fDi. OUR NEXT MAJOR AMBITION IS STRENGTHENING OUR PORTFOLIO OF ELECTRIC VEHICLES AND RENEWABLE ENERGY COMPANIES”

Eimantas Kiudulas, general manager, Klaipeda Free Economic Zone

increased frequency of bids and awards committee meetings; continuous training of personnel; and monitoring of compliance to ISO certifications.

Start-up support

■ **Free Port of Ventpils** has launched the Business Support Centre, a newly created entity dedicated to servicing new start-ups. It will offer access to consultations, project managers, legal advice, accountant services and mentoring. The facility will feature co-working space and office premises and host networking events.

■ In 2019, **Łódź Special Economic Zone** launched StartupSpark2.0, an accelerator combining the potential of start-ups with the experience, resources and infrastructure of 11 corporations including Airbus, Procter & Gamble, Ericsson, PwC, Siemens and Bosch. Through the programme, the zone aims to accelerate more than 65 start-ups by 2021, offering €40,000 of financial support, technological and legal assistance and access to clients. The project is three times as big as had previously existed in terms of the amount of money granted for start-ups.

■ **Tanger Med Zones** provides small rental spaces dedicated specifically to start-up companies in its offshoring services zone. It also organises multiple workshops and fairs aimed at start-ups, to enhance their business network connections.

Skills development

■ **Cayman Enterprise City** actively connects special economic zone companies with local talent through a number of initiatives: an online jobs portal; access to the zone’s marketing platform for recruitment services; code workshops

and training sessions; school visits; science, technology, engineering and mathematics programming; an annual internship programme, and other activities that highlight the Cayman Islands’ local workforce.

■ **Łódź Special Economic Zone** is the only zone in Poland distributing training vouchers through its Strefa Rozwoju training programme. These vouchers enable companies to receive up to 80% of financing for training, coaching and/or postgraduate studies for SME employees. More than 1000 companies have benefited from the subsidy, with 6000 employees taking part in 2623 development services. In 2018, the zone allocated funds worth almost €6m and the second edition, which started in July 2019, will distribute almost twice as much, at €10m. Beneficiaries were trained in a range of areas including team management, law, streamlining logistics and several vocational courses such as industrial pneumatics, construction and the operation of bearings and lean manufacturing.

■ **Pánama Pacífico** maintains strong partnerships with universities, institutions and recruitment firms, in order to provide a pipeline of talent to resident companies. There are several free courses and training programmes on offer. Technical training is provided in shared services, logistics and maritime sectors, among other areas. An alliance for intern recruitment for companies, Explorer Works, has been established.

■ The government in **Skopje** is willing to aid investors with their labour force requirements through customised vocational training programmes. Additionally, Germany-based Kostal, one of the zone’s resident companies and a supplier of technologically advanced electronic, electromechanical and mechatronic products, offers a recruitment programme for engineering positions by offering high school and college students internships, with the possibility of future employment.

■ In 2018, Russia’s **Special Economic Zone Production and Industrial Type Alabuga** launched a training project for manufacturing industry workers in Tatarstan. Research showed that the four most in-demand professions at local factories were mechatronics, automation of management systems, energetics and chemistry. The zone then decided to implement educational programmes for these professions at Yelabuga’s engineering college. The team also launched the 100 Executives programme, as part of which SEZ experts visited 23 Russian universities and held intensive courses for soft skills and leadership skills

enhancement. Participants with the highest results were offered internships in the zone.

■ **Zona Franca Santander** in Colombia provides a wide range of training courses with a focus on bilingualism in the English language; safety culture and protection of international trade; operational training; changes and opportunities in new free-trade zone regulations; and analysis and visualisation of data with a view to developing new business models in big data.

Sustainability

■ In the past year, **Corporación Zona Franca Santiago** has installed the Dominican Republic’s largest rooftop photovoltaic power plant, generating two megawatts of clean energy for park users.

■ **DLF Cybercity Chennai** aims to be one of the greenest and safest workplaces in India. The zone is self-sustainable and has been awarded with an LEED platinum certification by the US Green Building Council.

■ **DLF Cybercity Gurugram – Bldg 14 and 6** has received LEED platinum certification from the US Green Building Council as well as the ‘Sword of Honour’ from the British Safety Council in Occupational Health and Safety. The self-sustainable zone is supported by best-in-class infrastructure aimed at energy efficiency including a captive power station and solar power panels.

■ **Mahindra World City** in Jaipur has introduced a public bicycle-sharing service. A fleet of 50 bicycles is now available at convenient docking stations for shared use by associates and visitors. An integrated app-based sharing system will also be rolled out at a later point. A highly efficient irrigation management system using 100% recycled water has been implemented to reduce water consumption and maximise coverage at minimal cost. Street lights will also be retrofitted with smart LED lights for more precise control of illumination management, to use less energy and reduce the zone’s carbon footprint.

Trade facilitation

■ As part of a \$250,000 improvement project, **El Paso International Bridges** recently augmented access from US Customs and Border Protection to better facilitate the traffic flow for cargo imports into the area on the US/Mexico border. A \$96m project has been launched to improve access for commercial cargo traffic into and out of Mexico and the US, which will facilitate future expansion in **City of El Paso FTZ 68**. This project includes 16 new bridges, installing retaining walls, installing an intelli-

gent transportation system, and erecting large overhead sign structures. This project will optimise the traffic connecting the Cordova Bridge to US Interstate 10 and US Highway 54, and alleviate the major congestion that affects the cargo and private transportation from this international port of entry.

■ In 2018, for the convenience of existing and potential investors, **Industrial Park Great Stone** opened a new customs clearance point, allowing all customs procedures to be carried out directly in the park.

■ **Shanghai Waigaoqiao Free Trade Zone** has established a trade supervision system to reduce red tape and paperwork for business registration and operation, as well as a regulatory system focused on transforming government functions, to provide a stable regulatory environment. In addition, its financial innovation system is aimed at capital account convertibility and opening up the financial services sector to attract foreign capital and help domestic companies to go global.

Workforce amenities

■ **DLF Cybercity Gurugram – Bldg 14 and 6** is working to provide a best-in-class workplace experience with a strategic location, plus future-ready infrastructure and transport systems, combined with bespoke leisure amenities. Competitive rates for day care help provide a work-life balance while safety and security measures have garnered ‘Sword of Honour’ recognition from the British Safety Council in Occupational Health and Safety.

■ In 2019, **Katowice Special Economic Zone** announced plans to open a new programme called ‘Employee+ Apartment+’. The zone will invest €4.65m in 100 fully furnished apartments within two years.

■ **Klaipeda Free Economic Zone** has launched the FEZ Exchange, a series of seminars, events and workshops for members of the local community. The events cover topics such as production automation, marketing, HR, finance and industrial real estate. The zone’s current members and external speakers take part and the initiative seeks to foster knowledge and expertise sharing.

Special Economic Zone Pavlodar, Kazakhstan

Special Economic Zone Pavlodar has been acknowledged for its **access to raw materials**. The Pavlodar region has huge reserves of mineral resources, including 12.7 billion tonnes of coal, 3.5 million tonnes of copper, 150 tonnes of gold, 14,000 tonnes of cobalt, 251,000 tonnes of

nickel, 70,000 tonnes of manganese, 700 million tonnes of refractory clay, 315 million tonnes of oil and 148 billion cubic metres of natural gas. The total value of balance reserves of solid minerals in the Pavlodar region is estimated at \$460bn.

Shanghai Waigaoqiao Free Trade Zone, China

Shanghai Waigaoqiao Free Trade Zone has awarded for its **efforts to improve transparency**. The zone has been strengthening its efforts to open up and attract international investors by exploring institutional innovations in the fields of investment, trade, finance and regulation. An investment management system was built on pre-establishment national treatment and a negative list to improve openness and transparency. In addition, temporary adjustments have been made on both national and local levels to laws and regulations to provide legal guarantees for the zone.

Klaipeda Free Economic Zone, Lithuania

Klaipeda Free Economic Zone has been recognised for its **flexible space initiatives**. The zone will invest €4.5m to launch FlexStart 2, a larger successor to FlexStart, its universal rentable manufacturing space launched in 2017. FlexStart projects can be adapted to suit individual manufacturing, warehousing or retail clients in one to two months. Klaipeda Free Economic Zone has also won an award for **local transport**, after negotiating with CityBee, a car- and bicycle-sharing scheme provider, to make bicycles free to use for all employees in the zone. It has also successfully negotiated a new public transport route. From now on, two bus routes covering most of Klaipeda will connect the zone to the city, running from the early to late hours and in line with companies’ most popular shifts.

Jebel Ali Free Zone, UAE

Jebel Ali Free Zone has been awarded for its **international expansion capabilities**. Over the past 18 months, owner DP World has expanded its global portfolio with acquisitions from India to Chile and the Caspian Sea to the Russian Arctic in multiple, yet related, businesses. Companies based in the zone will be able to plug into this expanding network of more than 150 operations such as marine and inland terminals, maritime services, logistics and ancillary services, supported by technology-driven trade solutions. Jebel Ali Free Zone’s **smart strategies** have also been recognised. The zone recently introduced a new system in collaboration with the Dubai Chamber that allows all free ►



“TO BE RECOGNISED AS A SPECIALIST IN BPO AND SKILLS DEVELOPMENT ENCOURAGES US TO CONTINUE TO GENERATE GREATER OPPORTUNITIES FOR THE DEVELOPMENT OF BUSINESSES AND HUMAN TALENT”

Margarita María Herrera Calle, CEO,
Zona Franca Santander



“FREE ZONES NOWADAYS SHOULD SHAPE THEIR SOURCES OF COMPETITIVENESS IN ORDER TO LEVERAGE THE OPPORTUNITIES COMING FROM THE FOURTH INDUSTRIAL REVOLUTION”

Sandra Ezmale, CEO, Rezekne SEZ Authority

zone-based companies, from SMEs to large enterprises, to obtain a Dubai Chamber membership certificate. The integrated system is aimed at improving the ease of doing business in the city, and offers smart online services that add value to companies.

Liepaja Special Economic Zone, Latvia

Liepaja Special Economic Zone has been recognised for its **port development** activities. The zone is currently investing €25m in developing infrastructure including dredging the port waterway access canal and inner port to reach a depth of 14 metres for servicing Panamax-type vessels; constructing a new berth to service Panamax vessels; and implementing the breakwater repairs. New railway tracks will also be installed to increase rail carriage speed and reduce turnaround time in the port.

Gabon Special Economic Zone, Gabon

Gabon Special Economic Zone has received an award for its **public-private partnerships** (PPP), one of the few successful PPP policies in Africa. The zone started as a partnership between the government of Gabon and Singapore-based food and industrial raw materials company Olam International. The zone has since generated almost 5000 direct jobs, 5000 indirect jobs and close to \$1.7bn in FDI.

Panapark Free Zone, Panama

Panapark Free Zone has been commended for its **real estate flexibility**. Its

real estate offer is designed for all types and sizes of clients and their needs. Through the Build To Suit programme, the zone can construct buildings tailored to the needs its customers, ranging from 2500 square metre to one hectare for medium or large customers, and macro lots served from more than one hectare for large companies to multinationals. The zone also provides support through consultations and expert professional advice on topics such as obtaining a business licence, legal, tax, labour, logistics, customs, foreign trade and payroll management.

Coyol Free Zone, Costa Rica

Coyol Free Zone has been awarded for its **recruitment assistance**. In May 2019, Coyol Free Zone launched a recruitment data base with more than 39,000 potential candidates. Access is offered to its resident companies' HR teams, to help them find potential candidates to fit their job requirements

Birmingham City Centre Enterprise Zone, UK

Birmingham City Centre Enterprise Zone has been acknowledged for its **relocation services**. The Enterprise Zone Programme Board recently approved an additional two-year extension to the Relocation Services Project, extending it to March 31, 2020. The project was launched in 2015 to support Birmingham's inward investment proposition to provide both an incentive to relocate on enterprise zone sites and an aftercare service. The project continues to support businesses relocating in the area, such as PwC, which will be relocating and taking occupancy of all four floors of 1 Chamberlain Square on the Enterprise Zone Paradise site.

Balti, Moldova

Balti has been credited for its efforts to improve **supplier development**. It offers a programme that connects local SMEs with multinational companies' supply chain in the automotive sector. The aim of the initiative is to provide support and assistance for local companies, to meet the quality and reliability required of multinationals and to help them to get in contact as suppliers.

Rezekne Special Economic Zone, Latvia

Rezekne Special Economic Zone offers investors access to a well-educated and highly skilled **talent pool**. The Rezekne Academy of Technologies, and vocational training institution the Rezekne Technical School, produce graduates in a diverse range of subjects including science, technology, engineering and math-

ematics as well as economics. The local community is multilingual, with more than 85% of people speaking Russian, and about 70% up to the age of 40 having a good command of English.

Katowice Special Economic Zone, Poland

Katowice Special Economic Zone has been recognised for its **tech transfer** activities. The zone has extended the scope of its pre- and post-investment services and has been facing new challenges related to the passing of new regulations on the special economic zone. Katowice SEZ has been concentrating on FDI with a high engineering potential, the implementation of which will enable the transfer of technology. It has also actively helped the implementation of new automation processes and robotics at companies operating in the region. One example is Poland's first Innovation Lab by Omron, which provides robotised production objectives and support for specialists in robotics.

DMCC, UAE

DMCC has been recognised for its **thought leadership**. The zone launched the second edition of its thought leadership report, The Future of Trade, generating more than 20,000 downloads and placing Dubai in a strong position as a world authority on global trade as well as providing the market with a view of how trade will unfold over the next 10 years. The zone organises a series of international events annually, as well as hosting the Knowledge Series, a regular programme of lectures, workshops and seminars exclusively for DMCC members. These events help to educate professionals working across the free zone about the most pressing current issues in business and society. Through its international engagement strategy, DMCC promotes not only itself but also free zones as an economic concept, with the ultimate goal of driving trade through Dubai.

Łódź Special Economic Development Zone, Poland

In recognition of its status as the first 5G economic zone worldwide, Łódź Special Economic Zone has been recognised for its **5G readiness**. The zone runs the S5 accelerator programme, together with industry, start-ups, administration and academia, to develop the first industrial use cases of 5G technology. Łódź Special Economic Development Zone received more than €3m in EU funding to reach out to start-ups and SMEs in order to create and commercialise 5G solutions. ■



ATLANTIC FREE ZONE: A HUB OF INVESTMENT OPPORTUNITIES

Atlantic Free Zone (AFZ) is an integrated industrial zone that primarily targets automotive suppliers and subcontractors, industrial logistics and industry support services

WINNER AWARD FOR: "Bespoke - Award Expansions"

A STRATEGIC LOCATION

Atlantic Free Zone is located at the heart of Rabat-Kenitra region, between Casablanca et Tangier, the most important economic areas of Morocco. This is an exceptional geographical location to develop its business, thanks to several assets:

- Proximity to Western markets, reinforced by several free trade agreements that give access to one billion consumers market.
- 3 hours from the main European capitals and close to the kingdom's main ports and airports.
- Excellent connectivity to major transport routes.
- Available and qualified human resources, at a competitive cost.
- Presence of natural gas through a 55-kilometer pipeline.

AN ATTRACTIVE INDUSTRIAL PARK

Atlantic Free Zone is structured around 3 zones, with a total area of 500 hectares:

- A free zone dedicated for exporting companies.
- The extension of this free zone, which

houses a complex car manufacturer and its local suppliers.

- An open zone dedicated for the local market.

In the free zone, very advantageous administrative, customs and tax incentives are granted, including:

- Exemption from Corporate Tax for the first 5 years.
- Reduction of the corporation tax to 8.75% for the next 20 years.
- Exemption from the Value Added Tax and customs duties.
- Simplification of customs procedures.
- Free repatriation of profits and capital.

A TAILOR-MADE OFFER AND MANY ASSETS THAT FAVOR COMPANIES' COMPETITIVENESS

Atlantic Free Zone offers a competitive and flexible offer, through:

- Equipped plots of land, from 1,700 to 26,000 m².
- Turnkey buildings.
- Rental of office desks.
- Intermediary services: construction services, the connection with real estate companies...

ABOUT MEDZ

MEDZ is a subsidiary of CDG Group, Morocco's first institutional investor, that supports sectoral policies launched by public bodies. MEDZ has set up more than 20 business parks (including AFZ) in high-potential sectors, such as automotive, aeronautics, agro-industry, offshoring and tourism, to provide quality infrastructure for firms and attract foreign investment. MEDZ has provided space to over 300 firms and about 100 multinationals, such as PSA, Eaton, Aerolia, Lear, Delphi, DELL, IBM... Today, MEDZ parks employ more than 85,000 people, meaning that the company has enabled profitable foreign investments in Morocco.

"Receiving the "Bespoke - Award Expansions" is an honor for MEDZ. This award is testimony to the attractiveness of Morocco and Atlantic Free Zone, corroborated by the steady increase in investments that have given convincing results in terms of jobs created (more than 30,000).

These achievements motivate us to improve our offer within the park and our services to support industrial operators in their business and their growth. We will continue to work to create sustainable conditions of competitiveness for our customers and maintain their trust." – **M. Omar Elyazghi**, Chairman of MEDZ

In addition, Atlantic Free Zone offers:

- International standing infrastructures.
- A competitive real estate offer.
- Varied range of services: facility and property management (infrastructure maintenance, safety, waste management, car parks...) and support services.
- One-stop shop, with key administrative services: customs office, investment regional office, municipality...
- An integrated training offer: creation of a specialized training institute in the automotive trades.
- State aid for investment and training.
- Professional and pleasant work environment.
- A solar farm that supplies part of the plants on green energy.

Contact us and learn more about AFZ:
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www.medz.ma

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