

EPZs and Impact on Poverty Reduction and Trade Facilitation

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Outline

- Overview of EPZs
- Impact on Poverty Reduction
- Impact on Trade Facilitation
- Conclusion

Overview of EPZs



Background

Aims of EPZs:

- Generate employment
- Expand the exports industry
- Attract foreign exchange
- Encourage technology transfer
- Improve human capital
- Develop backward and forward linkages
- Promote economic development in less developed regions within a country

Americas

3.084 million employment

▶ Dominican Republic: 500 in 1970 → 200,000 in 2008

 79.4% of total exports in Nicaragua, 77% in Dominican Republic, 67% in Panama

Europe

- Shannon Free Zone in Ireland
- ▶ Annual zone exports \rightarrow US\$ 2.5 billion
- Pomeranian EPZ in Poland
- US\$ 870 million investment by 2007
- Small impact on employment generation
- 0.001% of total employment

Middle East and North Africa

- Development began in 1960s
- Less emphasis on manufacturing tradable goods like garments, and more emphasis on providing services like packaging and repackaging of goods.
- Roughly 100 zones in entire region
- Small impact on employment: fewer than 2 million workers



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Z employment concentrated in South

tor plays major role in employment in