

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO.1058(H)
TO BE ANSWERED ON 17th DECEMBER,2018

DEVELOPMENT OF SEZs

1058(H). SHRI PARBHUBHAI NAGARBHAI VASAVA:
SHRI GEORGE BAKER:

Will the Minister of **COMMERCE & INDUSTRY (वाणिज्य एवं उद्योग मंत्री)** be pleased to state:

- (a) the salient features of the Special Economic Zone (SEZ) policy;
- (b) the details of the SEZs identified and established under this policy in the country, State/UT-wise including Gujarat particularly in the far flung areas;
- (c) the details of the funds sanctioned, allocated and utilized for development of SEZs under this policy during the last three years and the current year along with the percentage of share fixed for Union and the States therein;
- (d) the details of the targets set and achievements made under the policy so far; and
- (e) the steps taken/being taken by the Government to make it WTO compatible?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

(a): The Special Economic Zones (SEZs) policy was launched in April, 2000. The Special Economic Zones Act, 2005, was passed by Parliament in May, 2005 which received Presidential assent on the 23rd of June, 2005. The SEZs Rules, 2006 came into effect on 10th February, 2006. The salient features of the SEZ scheme are:-

- (i) A designated duty free enclave to be treated as a territory outside the customs territory of India for the purpose of authorised operations in the SEZ;
- (ii) No licence required for import;
- (iii) Manufacturing or service activities allowed;
- (iv) The Unit shall achieve Positive Net Foreign Exchange to be calculated cumulatively for a period of five years from the commencement of production;
- (v) Domestic sales subject to full customs duty and import policy in force;
- (vi) Full freedom for subcontracting;
- (vii) No routine examination by customs authorities of export/import cargo;
- (viii) SEZ Developers /Co-Developers and Units enjoy Direct Tax and Indirect Tax benefits as prescribed in the SEZs Act, 2005.

(b): In addition to Seven Central Government Special Economic Zones (SEZs) and 11 State/Private Sector SEZs set-up prior to the enactment of the SEZs Act, 2005, approvals have been accorded to 420 proposals for setting up of SEZs in the country. Presently, out of 355 notified SEZs a total of 230 SEZs are operational. States/Union Territories-wise distribution of SEZs established in the Country including Gujarat is at **Annexure**.

(c) and (d): SEZs being set up under the SEZs Act, 2005 and SEZs Rules, 2006 are primarily private investment driven. No funds are sanctioned by the Central Government for setting up of SEZ, however, the fiscal concessions and duty benefits have been allowed to developers/units as per the SEZs Act, 2005 and Rules thereunder. As on 30.09.2018, exports from SEZs was Rs. 3,33,661 crores and employment generation was about 19.96 lakh persons and investment of Rs. 4,92,312 crore has been made.

(e): The Government had constituted a Group of eminent persons under the Chairmanship of Shri Baba Kalyani, Chairman M/s. Bharat Forge to study the Special Economic Zone (SEZ) Policy of India on 04.06.2018. One of the terms of the reference for the group was to make the SEZ Policy WTO compatible. The Group submitted its report to the Government on 19.11.2018. Recommendations of the Group are being examined by way of Inter-Ministerial consultations.

Annexure to the Lok Sabha Unstarred Question No. 1058 for 17th December, 2018.

States/Union Territories-wise distribution of SEZs established in the Country including Gujarat					
States/UTs	Central Government SEZs set up prior to the enactment of SEZs Act, 2005	State Government/ Private Sector SEZs set up prior to the enactment of SEZs Act, 2005	Formal Approvals granted under the SEZs Act, 2005	Notified SEZs under the SEZ Act, 2005	Total Operational SEZs (Including prior to SEZs Act + under the SEZs Act)
Andhra Pradesh	1	0	32	27	19
Chandigarh	0	0	2	2	2
Chhattisgarh	0	0	2	1	1
Delhi	0	0	2	0	0
Goa	0	0	7	3	0
Gujarat	1	2	28	24	20
Haryana	0	0	24	21	6
Jharkhand	0	0	1	1	0
Karnataka	0	0	62	51	31
Kerala	1	0	29	25	19
Madhya Pradesh	0	1	10	5	5
Maharashtra	1	0	56	50	30
Manipur	0	0	1	1	0
Nagaland	0	0	2	2	0
Odisha	0	0	7	5	5
Puducherry	0	0	1	0	0
Punjab	0	0	5	3	3
Rajasthan	0	1	5	4	2
Tamil Nadu	1	4	50	47	39
Telangana	0	0	63	57	29
Uttar Pradesh	1	1	24	21	12
West Bengal	1	2	7	5	7
GRAND TOTAL	7	11	420	355	230
