

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

LOK SABHA
UNSTARRED QUESTION NO. 2115
TO BE ANSWERED ON 24th DECEMBER,2018

INVESTMENT IN SEZs

2115. DR. KIRIT P. SOLANKI:

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

- Whether the imposition of Minimum Alternate Tax (MAT) on Special Economic Zone (SEZ) units and developers has contributed towards the reduction of investments in SEZs and if so, the details thereof;
- Whether the Government has taken steps to enhance investment in SEZs and if so, the details thereof;
- Whether the Government plans to launch an online platform for SEZs to facilitate ease of doing business for developers and units and if so, the details thereof;
- the details of alternative measures undertaken by the Government for the development of SEZs; and
- Whether SEZs have contributed towards infrastructure and economic development of their respective regions in the past two years and if yes, the details thereof?

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(a): The Government has withdrawn exemption from Minimum Alternate Tax (MAT) on Special Economic Zones (SEZs) with effect from 1st April, 2012. The details of investment in SEZs post introduction of MAT is as below:

Sl. No.	Financial Years	Investment * (Rs. Crore)	Increase in Investment (Rs. Crore)
1	2012-2013	2,36,717	-
2	2013-2014	2,96,663	59,946
3	2014-2015	3,38,794	42,131
4	2015-2016	3,76,494	37,700
5	2016-2017	4,23,189	46,695
6	2017-2018	4,74,917	51,728
7	2018-2019 (upto 30.09.2018)	4,92,312	17,395

*Calculated on cumulative basis.

(b) and (d): The following initiatives have been taken in recent years for promotion of investment in SEZs:

- i. The Government periodically reviews the policy and operational framework of SEZs and takes necessary measures so as to facilitate speedy and effective implementation of SEZs.
- ii. Minimum Land Area requirement for setting up of new SEZs has been reduced to 50% for Multi-product and Sector-specific SEZs.
- iii. Sectoral broad-banding has been introduced to encompass similar / related areas under the same Sector.
- iv. Dual use of facilities like Social & Commercial infrastructure by SEZs and non-SEZs entities has been allowed in order to make SEZ operations more viable.
- v. State Governments have been advised to make their own Single Window Clearance mechanism more effective.
- vi. Review meetings with the Development Commissioners of SEZs are held regularly.

(c): In order to facilitate paperless transaction for movement of goods for imports and exports from SEZs, a web-based platform - SEZ Online system has already been implemented. Further, a Mobile app named “SEZ India” having four sections SEZ Information, SEZ Online Transaction, Trade Information and Contact details was launched on 06.01.2017 to facilitate SEZ units/developers.

(e): Investment made, employment generated and exports from SEZs are the quantifiable criteria for assessing development of infrastructure and economic development. Details of investment, employment generated and exports from SEZs during the past two years and current financial year are shown below:

Financial Years	Investment* (Rs. in crore)	Employment* (Persons)	Exports (Rs. in crore)
2016-2017	4,23,189	17,31,641	5,23,637
2017-2018	4,74,917	19,77,216	5,81,033
2018-2019 (April to September, 2018)	4,92,312	19,96,610	3,33,661

* calculated on cumulative basis.
