

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

LOK SABHA
UNSTARRED QUESTION NO. 2698
TO BE ANSWERED ON 04th DECEMBER, 2019

DEVELOPMENT OF SEZ

2698. SHRI PARTHIBAN S.R.:
DR. UMESH G. JADHAV:

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 and location-wise including Karnataka, particularly in the Hyderabad Karnataka Region and Tamil Nadu along with the details of goods for which these SEZs are functioning;
- (c) the details of the funds sanctioned, allocated and utilized for development of SEZs under this policy during each of the last three years and the current year along with the percentage of share fixed for the Union and the States therein;
- (d) the location-wise details on the productivity of the above-mentioned SEZs during each of the last three years; and
- (e) the details of the targets set, actions taken and achievements made under the policy so far?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(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) SEZ units will have 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 12 State/Private Sector SEZs set-up prior to the enactment of the SEZs Act, 2005, approvals have been accorded to 417 proposals for setting up of SEZs in the country. Presently, out of 349 notified SEZs a total of 238 SEZs are operational. There are no SEZs in the Hyderabad Karnataka Region area. States/Union Territories-wise distribution of SEZs established in the Country including Karnataka and Tamil Nadu and details of locations of these SEZs are available at www.sezindia.nic.in.

(c) to (e): SEZs being set up under the SEZs Act, 2005 and SEZs Rules, 2006 are primarily private investment driven initiatives. 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 30.09.2019, exports from SEZs was Rs. 3,81,912 crores and employment generation was about 21.94 lakh persons and investment of Rs. 5,21,631.44 crores has been made.
