

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:2819

ANSWERED ON:12.12.2006

SPECIAL ECONOMIC ZONES

Chowdhury Shri Adhir Ranjan;Nikhil Kumar Shri ;Oram Shri Jual

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether the IMF's Chief Economist has cautioned the Indian Government on the huge revenue losses on account of Special Economic Zones(SEZs);
- (b) if so, the facts and the details thereof;
- (c) whether the Indian Government has proposed to seek the views of the several State Governments on the setting up of SEZs;
- (d) if so, the details thereof;
- (e) whether the Government proposes to make some change in the Special Economic Zone Act; and
- (f) if so, the details thereof and the reasons therefor?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a)&(b): No such formal communication has been received by this Department. However, comments made by the International Monetary Fund's (IMF's) Chief Economist on tax incentives given to the Special Economic Zones (SEZs) have come to notice through media reports.

(c)&(d):As per the provisions of the SEZ Act, 2005 and the SEZ Rules 2006 the concerned State Government's recommendations are required for approval of the SEZ.

(e)&(f) :There is no such proposal to amend the SEZ Act 2005.