

**GOVERNMENT OF INDIA  
LABOUR AND EMPLOYMENT  
LOK SABHA**

UNSTARRED QUESTION NO:114  
ANSWERED ON:05.07.2004  
EXEMPTION OF SPECIAL ECONOMIC ZONES  
Radhakrishnan Shri Varkala

**Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:**

- (a) whether the Government have taken a decision to exempt the Special Economic Zones from the provisions of Employee's Provident Fund Act;
- (b) if so, the details thereof;
- (c) whether the decision amounts to infringement of the rights of the workers;
- (d) whether the Government have evolved any alternative mechanism to ensure the social security measures for such employees; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF LABOUR AND EMPLOYMENT (SHRI SIS RAM OLA)

- (a) & (b): Yes Sir. It has been decided that in respect of Special Economic Zones, the State Government may apply for exemption, to the Central Government under Section 16(2) of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 from the applicability of the provisions of the Act to SEZ for 5 years. The decision shall be taken on a case-to-case basis.
- (c): No Sir.
- (d) & (e): Does not arise, in view of (c) above.