

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

UNSTARRED QUESTION NO:3588

ANSWERED ON:16.08.2010

CHANGE IN SEZ NORMS

Krishnaswamy Shri M.;Ponnam Shri Prabhakar;Sinh Dr. Sanjay

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

- (a) whether the norms for setting up SEZs in small towns are proposed to be changed;
- (b) if so, the details thereof alongwith other changes in norms proposed by the Ministry in this regard;
- (c) whether certain actions are proposed against non-serious players; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JYOTIRADITYA M. SCINDIA)

(a) and (b): A Special Economic Zone may be established either jointly or severally by the Central Government, State Govts. or any person for manufacture of goods or rendering services or for both or as a Free Trade and Warehousing Zone. There is no proposal to relax norms as envisaged in the SEZ Act, 2005. However, Rules 5(b) of the SEZ rules has been amended to relax the condition regarding minimum built-up area. While in respect of A1 and A cities, there is no change in the requirement, in respect of SEZs located in B1 category cities, the minimum built up area has been reduced to 50% of the requirement prescribed in the SEZ Rules and in respect of SEZs located in B2 category cities, it has been reduced to 25% of the area prescribed.

(c) and (d): In terms of Rule 6 of the SEZ Rules, validity of approval is for a period of three years within which time at least one unit should commence production to make SEZ operational. Further extension of validity of approval is granted by the Board of Approval on merits keeping in view the efforts made by the developer to implement the project.