

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

UNSTARRED QUESTION NO:1823

ANSWERED ON:07.03.2011

PERFORMANCE OF SEZS

Dhruvanarayana Shri R. ;Jaiswal Shri Gorakh Prasad ;Mahtab Shri Bhartruhari;Owaisi Shri Asaduddin;Paranjpe Shri Anand
Prakash;Reddy Shri K. Jayasurya Prakash;Sinh Dr. Sanjay;Thamaraiselvan Shri R.

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

- (a) the details of sanctioned, operational and notified SEZs in the country, sectorwise and State-wise;
- (b) the details regarding exports made from SEZs via-a-vis total exports from the country alongwith the value of export, itemwise and year-wise;
- (c) the details of capital investment, employment generated and land acquired from these SEZs so far;
- (d) the details of total financial assistance provided to these SEZs so far;
- (e) whether the Government proposes to create separate data bank on performance of SEZs for formulating policy guidelines;
- (f) if so, the details thereof;
- (g) whether some developers have requested for additional time/surrender of SEZs due to uncertainty over tax exemptions and draft tax code; and
- (h) if so, the details thereof and response of the Government thereto?

Answer

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

(a): In addition to seven Central Government Special Economic Zones (SEZs) and 12 State/Private Sector SEZs set up prior to the enactment of SEZ Act, 2005, formal approval has been accorded to 582 proposals out of which 374 SEZs have been notified. A total of 130 SEZs have commenced export. Statements containing state-wise and sector-wise distribution of SEZs are enclosed.

(b) to (d): As on 31st December, 2010, an investment of Rs. 1,95,348 crore has been made in SEZs and the total direct employment in SEZs is 6,44,073 persons. The total physical Exports of Rs. 2,20,711 crore approximately have been made from SEZs during the year 2009-10 registering a growth of about 121.40% over the exports for the previous financial year. A statement showing sector-wise distribution of exports for the financial year 2009-10 is also enclosed. Exports from SEZs have been 26.10% of the total exports of the country during the said financial year. The total physical exports from SEZs as on 31st December, 2010 i.e. in the first three quarters of the current financial year, has been to the tune of Rs. 2,23,132 crore approximately registering a growth of 46.7% over the exports of corresponding period of the previous financial year. Total land area of notified SEZs is 44,414 hectares. SEZ being set up under the SEZ Act, 2005 are primarily private investment driven. The fiscal concessions and duty benefits allowed to SEZs are in built into the SEZ Act, 2005.

(e) and (f): The Approval Committees under the Development Commissioners constituted for each Zone, which comprise representatives from Customs, Income-tax, State Governments etc. have been directed to monitor the performance of the SEZ Units. This includes scrutiny of Annual Performance Report (APR), Quarterly Performance Report (QPR) and details of rent recovery. Failure to meet the requirements of the scheme or any violation attracts action under Foreign Trade (Development and Regulation) Act, 1992.

(g) and (h): On a request received from the developer, Board of Approval considers the request of extension of formal approval beyond the period of initial three years on case to case basis.

Citing global economic slowdown as the main reason, the requests for de-notification have been received from the developers. The Board of Approval has allowed 23 such requests in respect of SEZs located in various states and Union Territories. However, the final denotification is allowed only on receipt of certificate from the respective Development Commissioner that the Developer has refunded the duties/benefits, if any, availed by him.