

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

UNSTARRED QUESTION NO:76

ANSWERED ON:01.08.2011

SETTING UP OF NEW SEZs

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

- (a) the criteria for identifying the sectors, locations and setting up of the Special Economic Zone Act, 2005 and the details of the approved and proposed Export Processing Zones (EPZs), Foreign Trade Zones (FTZs) and Agriculture Export Zones (AEZs);
- (b) the number of Special Economic Zone proposals sanctioned by the Government after enactment of the Special Economic Zone Act, 2005 that have become operational;
- (c) whether there are number of sanctioned SEZs which are yet to become operational and if so, the details thereof and the reasons therefor and the steps taken by the Government to operationalise these SEZ projects in a time bound manner;
- (d) the details of the performance of these SEZs with reference to targets achieved vis-a-vis the amount of investments made, employment and revenue generated by these SEZs during the last three years, State-wise and sector-wise;
- (e) whether the Government has received any fresh proposals for setting up of new SEZs and if so, the details, State-wise and sector-wise thereof and the reaction of the Government to such proposal thereto; and
- (f) whether any assessment or survey has been done to assess the impact of these SEZs and if so, the details thereof?

Answer

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

- (a)and (e): In terms of the SEZ Act, 2005 a SEZ may be set up either jointly or severally by the Central Government, State Govt. or any person for manufacture of goods or rendering services or for both or as a free trade warehousing zone. Such proposals duly recommended by the concerned State Government are considered by the Board of Approval for SEZs.
- (b): 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 585 proposals out of which 381 SEZs have been notified. A total of 143 SEZs have commenced export.
- (c): In terms of Rule 6 of the SEZ Rules, validity of approval is for a period of three years within which time effective steps are to be taken by the developer to implement the approved proposal. On a request received from the developer, the Board of Approval, can extend the validity period. The SEZ Act, 2005, provides for setting up of Single Window Clearance Mechanism for speedy implementation of SEZ Projects. Accordingly, the State Governments are also requested regularly to finalize their SEZ Act to provide hassle free environment to the investors. SEZ rules and procedures are reviewed from time to time to facilitate speedy implementation of SEZ projects.
- (d): As on 30th June, 2011, an investment of Rs. 2,12,914 crore approximately has been made in SEZs and the total direct employment in SEZs is 7,14,412 persons. The total physical Exports of Rs. 3,15,868 crore approximately have been made from SEZs during the year 2010-11 registering a growth of about 43.11% over the exports for the previous financial year.
- (f): Studies commissioned by the Department of Commerce have shown that in addition to earning of foreign exchange and development of infrastructure, SEZs have also created a significant local area impact in terms of direct as well as indirect employment, emergence of new activities, changes in consumption pattern and social life, human development facilities such as education, healthcare etc.