

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

UNSTARRED QUESTION NO:89

ANSWERED ON:01.08.2011

DEVELOPMENT OF SEZS

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Dhurve Jyoti;Gaikwad Shri Eknath Mahadeo;Pathak Shri Harin;Rao Shri Sambasiva Rayapati;Yaskhi Shri Madhu Goud

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

- (a) whether a large number of export panels have stated that Special Economic Zones (SEZs) are exporting only 25 percent of their total production and capacity;
- (b) if so, the details of these panel reports and the average exports from these Special Economic Zones during each of the last three years;
- (c) whether the Government has identified the SEZs that have failed to meet the stipulated targets and if so, the details of the penalties levied on such SEZs;
- (d) whether the Government has assessed the impact of setting of SEZs on agricultural lands on the farmers from whom the land have been acquired and on issue such as food security and if so, the details thereof and action taken thereon;
- (e) the details of the various parties and developers that have been allotted land for development of SEZs during the last three years, State-wise and the time frame within which the SEZs are to be developed and the action taken against those who fail to perform within the stipulated time period; and
- (f) whether the Government proposes to bring any amendment to the present SEZ Act and if so, the details thereof?

Answer

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

(a)and (b): The 30th Report of the Public Accounts Committee (2010-11) on performance of SEZs has, inter-alia, observed that out of an overall export of Rs. 7,149.23 crore made by 22 SEZ units, the actual export content was only Rs. 1,999.27 crore (28 per cent) and the remaining Rs. 5,149.96 crore (72 per cent) related to Domestic Tariff Area (DTA) earnings.

Exports from the SEZs during the last three years are as under:-

Year	Value of exports in Rs. crore	Growth over previous year
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2008-2009	99,689	50%
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2009-2010	2,20,711	121%
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2010-2011	3,15,867.85	46.11%
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(c): SEZ units are required to achieve positive Net Foreign Exchange (NFE) earnings within a period of five (05) years cumulatively from the date of commencement of commercial production. No export targets are set for SEZ units.

(d) & (e): Land is a state subject. Land for Special Economic Zones (SEZs) is procured as per the policy and procedures of the respective State Governments. State Governments have been advised that in case of land acquisition for SEZs, first priority should be for acquisition of waste and barren land and if necessary single crop agricultural land could be acquired for the SEZs. If perforce a

portion of double cropped agricultural land has to be acquired to meet the minimum area requirements, especially for multi-product SEZs, the same should not exceed 10% of the total land required for the SEZ. The Board of Approval on SEZs only considers those proposals, which have been duly recommended by the State Government. Further, pursuant to the decision of Empowered Group of Ministers (EGOM) in its meeting held on 5th April, 2007, the State Governments have been informed on 15th June, 2007 that the Board of Approval will not approve any SEZs where the State Governments have carried out or propose to carry out compulsory acquisition of land for such SEZs after 5th April, 2007.

(f) There is no proposal for the present to bring any amendment in the SEZ Act, 2005.