

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

UNSTARRED QUESTION NO:1274

ANSWERED ON:08.08.2011

SHIFT IN THE POLICY OF SEZ

Bhujbal Shri Sameer ;Biswal Shri Hemanand ;Harnsrajbhai Shri Radadiya Vitthalbhai ;Joshi Shri Pralhad Venkatesh;Khaire Shri Chandrakant Bhaurao;Swamygowda Shri N Cheluvaraya Swamy ;Vasava Shri Mansukhbhai D.;Yadav Shri Om Prakash

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

- (a) the total area of agricultural land that have been diverted for developing Special Economic Zones (SEZs) in different States and the price paid to the land owners for such acquisition during the last three years, State-wise;
- (b) whether the process of setting up of SEZs have been slow during the said period and if so, details thereof and the reasons therefor;
- (c) whether the Government has formulated any action plan regarding acquisition of land for the SEZs and for providing proper compensation to the land owners;
- (d) the total number of SEZs that have been set in the country during the said period and those which have been sanctioned to be set up during the next three years and the commercial activities which are likely to be promoted through these SEZs;
- (e) the names of the industrial houses and industrial groups to whom these SEZ have been allotted during the said period;
- (f) the total Central aid sanctioned and released for the purpose during the said period; and
- (g) whether the Government is contemplating any changes in the present SEZ policy allowing migration of units from one SEZ to others and fixing of the limit on the number of SEZs and if so, the details thereof?

Answer

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

(a) & (c): 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 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. As per information made available in respect of 381 SEZs, 82.3% of land is waste/barren/dry/industrial, 15% of land is single crop and 2.7% of land is double crop. A statement containing state-wise land area of notified Special Economic Zones is annexed.

Relief and rehabilitation package for any affected person varies from State to State depending upon the provisions of the State policies.

(b), (d) & (e): In terms of the SEZ Act, 2005, 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.

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, 381 SEZs have been notified under the Act. Out of these, a total of 143 SEZs have commenced export.

The number of SEZs notified during the last three years has been as under:

Year	Number of SEZs notified
2008-09	79

2009-10	65
2010-11	27

The Details such as name of the developer, location, sector and area etc. about these SEZs are available on the website www.sezindia.nic.in.

(f): SEZ being set up under the SEZ Act, 2005 are primarily private investment driven. No Central aid is sanctioned for the purpose.

(g): Government has been receiving requests for shifting of units from one SEZ to another SEZ. The matter was placed before Board of Approval for directions. It has been decided by the Board that in principle there is no objection for such shifting. However, all proposals for shifting of units must be placed before the Board for its consideration and decision on merits.