

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

STARRED QUESTION NO:259

ANSWERED ON:12.12.2011

DEVELOPMENT OF SEZS

Dhotre Shri Sanjay Shamrao;Pandey Shri Ravindra Kumar

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

- (a) the details of the number of proposals received and sanctioned for setting up Special Economic Zones (SEZs) alongwith the number of SEZs set up across the country during each of the last three years and the current year, State-wise;
- (b) whether the Government is considering any proposal for setting up SEZs in States like Jharkhand having large area of wasteland and if so, the details thereof, State-wise and if not, the reasons therefor;
- (c) whether any special packages have been announced for the various SEZs in the country during each of the last three years and if so, the details thereof, State-wise and project-wise alongwith the reasons therefor;
- (d) whether the SEZs have been able to fulfil the objectives for which they were created and also have been able to facilitate the development of the local area in which it had been set up; and
- (e) if so, the details thereof, State-wise and if not, the reasons therefor?

**Answer**

MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 259 FOR ANSWER ON 12.12.2011 REGARDING "DEVELOPMENT OF SEZs"

(a): In addition to seven Central Government Special Economic Zones (SEZs) and twelve State/Private Sector SEZs set up prior to the enactment of SEZ Act, 2005, till November 2011 formal approval has been accorded to 582 proposals out of which 382 SEZs have been notified. A total of 148 SEZs are already exporting. A statement containing state-wise distribution of SEZs is Annexed.

(b): 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. One such proposal received from Govt. of Jharkhand has already been approved and notified by the Central Government. However, no fresh proposal recommended by the Govt. of Jharkhand has been received in this Department.

(c): The fiscal concessions and duty benefits allowed to SEZs are inbuilt into the SEZ Act, 2005. These exemptions are in the nature of incentives for export and are consistent with the principles that guide export promotion initiatives of the Government in general. Investment made in the SEZs is primarily private investment driven. No special package has been announced by the Department of Commerce for various SEZs in the country.

(d) & (e): The main objectives of the SEZ Act, 2005 are:

- i. generation of additional economic activity
- ii. promotion of exports of goods and services
- iii. promotion of investment from domestic and foreign sources
- iv. creation of employment opportunities
- v. development of infrastructure facilities

As on 30th September, 2011, SEZ have provided direct employment to 7,32,839 persons. Physical exports from the SEZs have increased from Rs. 2,20,711 crore approx. in 2009-10 to Rs. 3,15,868 crore approx. in 2010-11, registering a growth of 43.11%. The total physical exports from SEZs as on 30th September, 2011 i.e. in the first half of the current financial year, has been to the tune of Rs. 1,76,478 crore approx. registering a growth of 26.20% over the exports of corresponding period of the previous financial year.

The total investment in SEZs till 30th September, 2011 is Rs. 2,77,259 crore approx., including Rs. 2,58,485 crore in the newly notified zones. 100% FDI is allowed in SEZs through automatic route.

Studies commissioned by the Department of Commerce have shown that SEZs have 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.