

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

STARRED QUESTION NO:214

ANSWERED ON:27.08.2012

INCENTIVES FOR SEZs

Dharmshi Shri Babar Gajanan; Panda Shri Prabodh

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

- (a) whether there has been a decline in the number of requests for setting up of Special Economic Zones (SEZs) in the country;
- (b) if so, the facts and details thereof and the reasons therefor;
- (c) whether the Government proposes to make some amendments in the SEZ Act and if so, the details of the proposals made in this regard along with the progress made so far in this direction;
- (d) whether the Government also proposes to issue free trade and warehousing zone guidelines for establishment and operation of such zones and relaxing SEZ land norms as well as allowing migration of units from one SEZ to another and if so, the details thereof and the time-frame fixed in this regard;
- (e) whether the views of the public as well as State Governments and experts have been considered in this regard; and
- (f) if so, the details thereof and if not, the reasons therefor?

**Answer**

MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 214 FOR ANSWER ON 27TH AUGUST 2012 REGARDING "INCENTIVES FOR SEZs"

(a) & (b): Since the enactment of the Special Economic Zones Act 2005 and the attendant Rules in Feb 2006 a total of 588 SEZs have been approved, of which 386 have been notified as on 25 Aug 2012. Exports from SEZs have increased over ten fold from about Rs. 34,615 Crore in 2006-07 to about Rs. 3,64,478 Crore in 2011-12. SEZs are primarily private investment driven. The number of applications for setting up SEZs received in recent years has shown a decline compared to earlier years. Stakeholder feedback attributes the decline in investor interest to factors like withdrawal of exemption related to MAT and DDT for SEZs, global economic slowdown, difficulty in availability of land parcels for SEZs etc.

(c) to (f): The Government, on the basis of inputs/suggestions received from stakeholders has reviewed the policy and operational framework of the SEZ scheme and is presently engaged in finalization of a proposal for SEZ policy and operational framework reform targeting a more investor friendly environment and smoother operation of the SEZ scheme, including matters relating to Free Trade and Warehousing Zones.