

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

UNSTARRED QUESTION NO:1469

ANSWERED ON:03.12.2012

EOUS

Jawale Shri Haribhau Madhav

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

- (a) whether the Government provides incentives under the Export Oriented Units (EOUs) Scheme;
- (b) if so, the details thereof;
- (c) whether there has been an increase in the number of Export Oriented Units during the last three years;
- (d) if so, the details thereof;
- (e) whether the number of people employed by these units has decreased during the said period; and
- (f) if so, the reasons therefor and the steps being taken by the Government to ensure adequate employment generation in EOUs?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(DR. D. PURANDESWARI)

(a) & (b) :Yes, Madam. The EOU Scheme introduced in 1981, is complementary to the erstwhile EPZ scheme. It adopts the same production regime but offers a wider option in location with reference to factors like source of raw materials, port of exports, hinterland facilities, and availability of technological skills, existence of industrial base, and the need for a larger area of land for the project. Under this scheme, the units undertaking to export their entire production of goods, except permissible sales in Domestic Tariff Area (DTA) as per Exim Policy/Foreign Trade Policy, are allowed to be set up. These units may be engaged in the manufacture, services, development of software, agriculture including agro-processing, aquaculture, animal husbandry, bio-technology, floriculture, horticulture, pisciculture, viticulture, poultry and sericulture. Facilities / incentives available to EOUs include duty free sourcing of inputs including capital goods, procurement of goods from DTA without payment of Central Excise Duty, reimbursement of Central Sales Tax, DTA sale (including advance DTA Sale) upto 50% of F.O.B. value of physical exports permitted on payment of concessional rate of duty and income of EOUs was exempted from payment of Income Tax upto 31.3.2011.

(c) to (f): No, Madam. The number of units and the people employed during the last three years by the EOUs is given below:

2008-09 2009-10 2010-11 2011-12#

No. of EOUs 2556 2578 2446 2311

Employment 313003 300831 220435 236892

#provisional