

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

UNSTARRED QUESTION NO:4525
ANSWERED ON:22.04.2013
ASSISTANCE TO STATES FOR SEZs
Singh Shri Sushil Kumar

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

- (a) whether assistance is being provided to the State under Special Economic Zone Act, 2005 in development and promotion of a SEZ policy;
- (b) if so, the details thereof, State-wise;
- (c) whether various fiscal incentives have been introduced for entrepreneurs and developers setting base at the various SEZs and if so, the details thereof;
- (d) whether there have been instances of protests against the setting up of SEZs in various parts of the country and if so, the details thereof; and
- (e) the details of the steps taken by the Government in accomodating the demands of the aggrieved persons and rehabilitating and resettling the farmers displaced from arable land taken of the development of SEZ?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

- (a) & (b): As per the Special Economic Zones Act, 2005, a Special Economic Zone (SEZ) may be established either jointly or severally by the Central Government, State Governments or any person for manufacture of goods or rendering services or for both or as a Free Trade and Warehousing Zone. No direct financial assistance is provided to the States under the SEZs Act, 2005 for development and promotion of SEZs, but the Central Government plays a facilitating role towards establishment and operationalisation of SEZs. Proposals for setting up of SEZs are considered by the Board of Approval only after written consent of the concerned State Government. SEZs being set up under the Act are primarily private investment driven.
- (c): The fiscal concessions and duty benefits allowed to SEZs are in built into the SEZs Act, 2005 and Rules framed thereunder. These exemptions are uniformly applicable to all SEZs and are primarily in the nature of incentives for export and are consistent with the principles that guide export promotion initiatives of the Government in general.
- (d) & (e): Land is a State subject. The Board of Approval approves a proposal for establishment of a SEZ subject to the terms and conditions prescribed under the SEZ Act and Rules. The approval is granted only upon the recommendation of the concerned State Government. Issues related to availability / provisioning of land for SEZs as well as addressing issues related thereto is in the domain of the State Government agencies concerned.