

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

UNSTARRED QUESTION NO:53

ANSWERED ON:05.08.2013

PERFORMANCE OF SEZS

Rama Devi Smt. ;Rao Shri Nama Nageswara;Rathod Shri Ramesh;Sinh Dr. Sanjay;Vijayan Shri A.K.S.

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

- (a) the details of the Special Economic Zones (SEZs) which have been approved, notified and have become operational along with the number of SEZs which are pending for approval with the Board of Approval across the country, State-wise;
- (b) whether the SEZs are causing losses to the farmers and benefitting only industrialists and the traders through tax concessions and if so, the reaction of the Government thereto;
- (c) whether the Government has conducted any study to assess the performance of the SEZs in various States and if so, the details thereof along with their contribution to national trade during each of the last three years and the current year;
- (d) whether these SEZs have been successful in diversifying the export basket and if so, the details thereof and if not, the reasons therefor; and
- (e) whether these SEZs are highly susceptible to external economic environment or slowdown and if so, the efforts made by the Government to protect the SEZs from any such eventuality?

Answer

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

(a) 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, formal approval has been accorded to 576 proposals out of which 392 SEZs presently stand notified. A total of 173 SEZs have commenced export. A list showing State-wise distribution of formally approved, notified and operational SEZs is annexed (Annexure-I). No proposal for setting up of an SEZ is pending for approval by Board of Approval.

(b) No, Madam.

(c) Parameters such as export, investment, employment generated in SEZs are monitored on a regular basis. Specific studies commissioned by the Department of Commerce to assess the socio-economic impact of SEZs 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 positively impacted socio-economic development contributed to creation of social infrastructure such as education, healthcare etc. The contribution of SEZ exports and country's exports during the last three years and the current financial year are as under:

Exports				
Sl. No.	Year	Financial the Country Exports (Value in Rs. Crore)	Total SEZ Exports (Value in Rs. Crore)	% share of SEZ exports in the total exports of the country
1	2010-11	11,42,922	3,15,868	27.64
2	2011-12	14,65,959	3,64,478	24.86
3	2012-13	16,35,261	4,76,159	29.12
4	2013-14#	4,05,105	1,13,299	27.97

April, 2013 to June, 2013

(d) Exports from SEZs today constitute a wide spectrum of goods and services ranging from Engineering, Chemicals, Pharmaceuticals, Petro chemicals, Apparels and Garments, Gems and Jewellery, IT/ITES etc.

(e) Businesses established in SEZs are as susceptible to the external environment similar to businesses in the Domestic Tariff Area of the country. Global economic slowdown has had an adverse impact on SEZs as well. In order to address the challenges being faced by SEZs, certain amendments in SEZ policy and its operational framework have been made with the objective of making SEZs more investors' friendly.