

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

UNSTARRED QUESTION NO:620

ANSWERED ON:09.12.2013

PERFORMANCE OF SEZS

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

(a) the details of the Special Economic Zones (SEZs) approved/notified and operational along with the number of SEZs which are pending for approval with the Board of Approval across the country, State-wise;

(b) the land acquired and utilised, people displaced, tax concessions and other related benefits provided to the units located in the Special Economic Zones (SEZs) during each of the last three years and the current year, State-wise;

(c) whether the share of the companies located in Special Economic Zones (SEZs) has declined in the overall exports from the country and revenue generation during the said period and if so, the details thereof and the reasons therefor along with the exports made during each of the last three years and the current year, State-wise;

(d) whether it is proposed to create more employment opportunities and to increase the turn-over of units in the SEZs and if so, the measures taken in this regard along with the employment generated during each of the last three years and the current year, State-wise; and

(e) whether there are instances of certain units in the SEZs violating laws/laid down procedures and if so, the details thereof and the action taken by the Government in this regard?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN)

(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 574 proposals out of which 391 SEZs presently stand notified. A total of 175 SEZs have commenced export. A list showing State-wise distribution of formally approved, notified and operational SEZs is at Annexure-I. No proposal for setting up of an SEZ is pending for approval by Board of Approval.

(b): As per Entry No. 18 of the State List in the 7th Schedule to the Constitution of India, land is a State subject. The Board of Approval approves a proposal for establishment of a SEZ subject to the requirements of minimum area of land and other terms and conditions prescribed in the SEZ Act and Rules. The approval for setting up of a SEZ is given on the recommendations of the State Government. Issues related to availability/provisioning of land for SEZs are in the domain of the State Government concerned. As on 5th December, 2013, 574 formal approvals for SEZs covering a total area of 61,545 hectares have been granted. Further, the issues relating to the displaced population, if any, are addressed by the respective State Governments. A statement showing the State-wise details of land area in SEZs is at Annexure -II.

(c): The contribution of SEZ exports to overall country's exports during the last three years and the current financial year are as under:

Exports (in Rs. Crore)

Sl. No.	Financial Year	Total exports of the Country	Total exports of SEZ	% 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#	9,01,195	2,46,646	27.37

# April, 2013 to September, 2013

(d): The employment generated in SEZs during the last three years and the current financial year are as under:

Financial Year	Employment# (number of persons)
2010-2011	6,76,608
2011-2012	8,44,916
2012-2013	10,74,904
2013-2014	11,56,677

(April, 2013 to September, 2013)  
# calculated on cumulative basis.

A statement showing the State-wise details of employment generated in SEZs is at Annexure -III.

(e): As per Rule 53 of SEZ Rules 2006 the SEZ units are under an obligation to achieve positive Net Foreign Exchange (NFE) earnings to be calculated cumulatively for a period of 5 years from the commencement of production. Further, the Approval Committees under the respective Development Commissioners constituted for each Zone, which comprise representatives from Departments of Customs and Income-tax, State Governments etc. monitor the performance of the SEZ Units. Such monitoring includes scrutiny of Annual Performance Report (APR), Quarterly Performance Report (QPR) and other details furnished by the SEZ units. Failure to meet the requirements of the SEZ Act and Rules or any violation of its provisions attracts action under Foreign Trade (Development and Regulation) Act, 1992.