

STATEMENT

The incentives and facilities suggested by the Advisory Committee for rapid development of Falta Export Processing Zone (FEPZ), broadly are as under:—

- (1) Net foreign Exchange Earnings, irrespective of area of export should be the basis of value addition atleast for next five years.
- (2) REP licence should be extended to FEPZ.
- (3) CCS should be paid at full rate limiting it to 50% of Net Foreign Exchange Earnings.
- (4) FEPZ should be exempted from matching of Foreign Exchange expenditure with Foreign Exchange Earnings and export to GCA lowered to 25%—30%.
- (5) Assembly operation should be allowed in FEPZ where high level of technology is involved.
- (6) Construction Materials, Office Equipments should be exempted from excise duty, sales tax, other central and local taxes.
- (7) Rent at FEPZ for land and built up space should be reduced 25% for the rental structure at SEEPZ and security deposit halved with retrospective effect.
- (8) Transport Subsidy should be extended to FEPZ at the rates given to Kandla Free Trade Zone.
- (9) Government of India should declare Tax Holiday as a long term measure and taxes on dividends to NRI, Royalty, Technical Know-how and Salary for foreign technicians should be exempted.

(10) Expansion of capacity should be allowed irrespective of area of export for a period of 5 years from the date of production of expanded capacity.

(11) The levy of overtime fees by Customs for working after office hours and beyond the Zone should be dispensed with.

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Transport of Iron Ore to Paradeep Port

2719. SHRI LOKANATH CHOU-DHURY: Will the Minister of COMMERCE be pleased to state:

(a) whether the MMTC propose to transport iron ore and manganese ore to Paradeep Port from Barajamda Sector through the Bunsapani-Daitary Railway link;

(b) if so, the steps taken in this regard; and

(c) the estimated cost of transport by rail through Bunsapani-Daitary Railway link as compared to other modes of transport?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI ARANGIL SHREEDHARAN): (a) and (b) MMTC propose to transport iron ore to Paradeep Port from Barajamda Sector through Bunsapani-Daitary Railway Link, when constructed. The Ministry of Railways has updated the Feasibility Report in respect of Bunsapani-Daitary Railway Link.

(c) At present the Railways are charging a concessional rate of Rs. 142 to Rs. 147 PMT (against the normal rate of Rs. 207 PMT). The normal railway freight through the proposed Bunsapani-Daitary link is anticipated around Rs. 122 PMT.