

CENTRE TO SOON FREE UP UNTAPPED SPACE IN SEZs

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

The government will soon free up unused built-up area worth about Rs. 30,000 crore and idle land inside Special Economic Zones (SEZs) for other economic activity, Commerce Secretary B.V.R Subrahmanyam said on Wednesday at a CII event.

The move to free up unutilised land parcels is likely to be operationalised by the end of August, as part of a simpler regulatory regime that the government is ringing in for SEZs, which account for about 30% of India's exports.

“There's a lot of space within SEZs, including land that is free. We are going to ease up the process for denotification of that land. As long as you can use that land for some industrial purposes, we will allow SEZ land to be hived out,” Mr. Subrahmanyam said, adding that a similar change would be introduced later for denotifying unused space in SEZ buildings.

“You built a building for an IT SEZ — half of it is being used and half is not. The figures are astounding. We have 10 crore square feet of space idle in built-up accommodation in over 250 SEZs. In money terms, at Rs. 3,000 per square foot, that is Rs. 30,000 crore of built-up area idle, which can be brought into play for anything else,” he pointed out.

Import monitoring cell

The top trade official also said an import monitoring cell had been set up this month to track any spurts in an item's inflows and flag it to the concerned ministries. “We are not looking at controlling imports... but these can be potential areas for manufacturing within the country,” he asserted.

The ministry has also kicked off a restructuring exercise for the Directorate General of Foreign Trade. “They should actually become a trade promotion organisation from an incentive-distribution one. I think a change in mental make-up is required,” Mr. Subrahmanyam said.

Pending dues to be paid

The government will remit about Rs. 50,000 crore of pending export benefits over a two-year period and notify the RoDTEP scheme rates awaited by exporters by Friday or the weekend, Mr. Subrahmanyam said, even as he red-flagged ‘a massive increase’ in incentives paid out on exports.

“There is something that worries the government — how are export incentives being drawn at three times the figure over five years, with exports being roughly constant,” he wondered. “Any incentive should lead to better performance, so that genuine exports are promoted,” he added.

Exporters have been complaining about their inability to price orders effectively in the absence of the notification of rates under the RoDTEP (Remission of Duties and Taxes on Export Products) scheme, which in January replaced the earlier export incentive schemes that were not compliant with WTO rules.

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