

# SEZ POLICY REVIEW COMMITTEE REPORT

Relevant for: Indian Economy | Topic: Investment Models: PPP, SEZ, EPZ and others

Ministry of Commerce & Industry

## SEZ Policy review committee report

Posted On: 12 DEC 2018 4:35PM by PIB Delhi

The Government had constituted a Group of eminent persons under the Chairmanship of Baba Kalyani, Chairman M/s. Bharat Forge to study the Special Economic Zone (SEZ) Policy of India on 04.06.2018. The Group submitted its report to the Government last month. The key recommendations of the Group are as under:

- Framework shift from export growth to broad-based Employment and Economic Growth (Employment and Economic Enclaves-3Es).
- Formulation of separate rules and procedures for manufacturing and service SEZs.
- Shift from supply driven to demand driven approach for 3Es development to improve efficiency of investment-based on certain industries, current level of existing inventory in the region.
- Enabling framework for Ease of Doing Business (EoDB) in 3Es in sync with State EoDB initiatives. One integrated online portal for new investments, operational requirements and exits related matters.
- Enhance competitiveness by enabling ecosystem development by funding high speed multi modal connectivity, business services and utility infrastructure. Critical to provide support to create high quality infrastructure either within or linked to the zones eg. High Speed Rail, Express roadways, Passenger/Cargo airports, shipping ports, warehouses etc.
- Promote integrated industrial and urban development- walk to work zones, States and center to coordinate on the frame work development to bring linkages between all initiatives.
- Procedural relaxations for developers and tenants to improve operational and exit issues.
- Extension of Sunset Clause and retaining tax or duty benefits.
- Broad-banding definition of services/allowing multiple services to come together.
- Additional enablers and procedural relaxations.
- Unified regulator for IFSC.
- Utilizing Multi Services SEZ IFSC for all the inbound and out bound investment of the country.
- Incentives for availing services from IFSC SEZ by domestic institutions.

- Extension of benefit under services Export incentives scheme.
- Allowing alternate sectors to invest in sector specific SEZs/ 3Es.
- Flexibility of long term lease for developers and tenants.
- Facility of sub-contracting for customers outside 3Es/SEZs without any restriction or cap at any level.
- Specified domestic supplies supporting 'Make in India' to be considered in NFE computation.
- Export duty should not be levied on goods supplied to developers and used in manufacture of goods exported.
- Flexibility in usage of NPA by developers and sale space to investors/ units.
- Infrastructure status to improve access to finance and enable long term borrowing.
- Promote MSME participation in 3Es and enable manufacturing enabling service players to locate in 3E.
- Dispute resolution through arbitration and commercial courts.

This information was given by the Minister of State of Commerce and Industry, C. R. Chaudhary, in a written reply in the Rajya Sabha today.

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**MM/SB**

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