

EXPORTS FROM SEZs AT RS. 3.33 LAKH CRORE; EMPLOYMENT GENERATION AT 19.96 LAKH PERSONS

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Ministry of Commerce & Industry

Exports from SEZs at Rs. 3.33 lakh crore; Employment generation at 19.96 lakh persons

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The Special Economic Zones (SEZs) policy was launched in April, 2000. The Special Economic Zones Act, 2005, was passed by Parliament in May, 2005 which received Presidential assent on the 23rd of June, 2005. The SEZs Rules, 2006 came into effect on 10th February, 2006. The salient features of the SEZ scheme are:-

- i. A designated duty free enclave to be treated as a territory outside the customs territory of India for the purpose of authorised operations in the SEZ;
- ii. No licence required for import;
- iii. Manufacturing or service activities allowed;
- iv. The Unit shall achieve Positive Net Foreign Exchange to be calculated cumulatively for a period of five years from the commencement of production;
- v. Domestic sales subject to full customs duty and import policy in force;
- vi. Full freedom for sub-contracting;
- vii. No routine examination by customs authorities of export or import cargo;
- viii. SEZ developers, co-developers and units enjoy direct tax and indirect tax benefits as prescribed in the SEZs Act.

In addition to seven Central Government Special Economic Zones (SEZs) and 11 State/Private Sector SEZs set-up prior to the enactment of the SEZs Act, approvals have been accorded to 420 proposals for setting up of SEZs in the country. Of 355 notified SEZs, 230 SEZs are operational.

SEZs being set up under the SEZ Act, 2005 and SEZs Rules, 2006 are primarily private investment driven. No funds are sanctioned by the Central Government for setting up of SEZ. However, fiscal concessions and duty benefits have been allowed to developers and units as per the SEZ Act and Rules thereunder. As on 30.09.2018, exports from SEZs was Rs. 3,33,661 crore and employment generation was about 19.96 lakh persons and investment of Rs. 4,92,312 crore has been made.

The details exports in manufacturing sector from SEZs during last three years and current year are:

Year	Exports of the SEZs in manufacturing sector (Rs. Crore)
2015-2016	2,14,501
2016-2017	2,37,502
2017-2018	2,67,801
2018-2019 (Upto 30.09.2018)	1,60,699

The details of employment generation in SEZs during last three years and current year are:

Year	Employment in SEZs* (persons)
2015-2016	15,91,381
2016-2017	17,31,641
2017-2018	19,77,216
2018-2019 (Upto 30.09.2018)	19,96,610

* calculated on cumulative basis.

(The provision of SEZs Act, 2005 are applicable on manufacturing and services sectors.)

The Government had constituted a Group of eminent persons under the Chairmanship of Shri Baba Kalyani, Chairman M/s. Bharat Forge to study the Special Economic Zone (SEZ) Policy of India on 04.06.2018. One of the terms of the reference for the group was to make the SEZ Policy WTO compatible. The Group has submitted its report to the Government and its recommendations are being examined through Inter-Ministerial consultations.

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

MM/SB

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