

# Special Economic Zone (SEZ) Presentation Dr.K.K.Mishra

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# What is SEZ

- Liberal economic laws
- First established by the Peoples Republic of China
- Increase in foreign investments



# The need for SEZ and Government's policy

- SEZ policy introduced on 1/4/2000 in India
- To increase exports
- SEZ can be set up by private, public, joint sector or by the state government
- Convert EPZ to SEZ

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# Provisions under SEZ

- 100% FDI for manufacturing sector
- No caps on foreign investments for SSI reserved items
- Income tax benefit
- Duty free import of domestic goods
- Exemption from CST
- Exemption from Income tax on investments
- Enhanced limit of 2.4 crore for managerial remuneration
- Applicability of labor laws

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# Performance of Units under SEZ

<b>Zone</b>	<b>2003-2004 (Rs. in crores)</b>	<b>2004-2005 (Rs. in crores)</b>
Kandla SEZ	1018.82	1060.14
SEEPZ-SEZ	7832.81	8298.59
Noida SEZ	1534.17	4266.00
Madras SEZ	1037.96	1376.91
Cochin SEZ	298.91	462.99
Falta SEZ	825.34	569.15
Visakhapatnam SEZ	435.67	579.27
Surat SEZ	869.90	1539.72

# Evaluation of SEZ

- Determine how resources are used
- Whether Employment opportunities are created
- Cost outweighs the benefit of SEZ



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# Advantages of SEZ

- Growth and development
- Attracts FDI
- Exposure to technology and global markets
- Increase in GDP and economic model
- Employment opportunities are created

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# Disadvantages of SEZ

- Exploitation of laborers
- Women exposed to sexual harassment
- Loss of revenue for Government
- Fertile lands being used for establishing industrial units



# Conclusion

- Sez can become a dangerous tool
- A well defined strategy required for SEZs to be successful
- SEZs appeal to most developed countries

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# Harmony

- Public sector private sector and government work in harmony.

