

ZONING OUT

The SEZ policy was set into motion with much fanfare but it seems to have lost steam

TIMELINE

1965 India becomes first Asian country to set up an Export Processing Zone (EPZ) – the Kandla Free Trade Zone. More come up in Santa Cruz (Mumbai), Falta (West Bengal), Chennai (Tamil Nadu), Noida (Uttar Pradesh), Cochin (Kerala) and Vishakhapatnam (Andhra Pradesh)

2000 Special Economic Zones (SEZs) Policy announced in April. Till February 2006, SEZs were governed by the Foreign Trade Policy. Incentives offered

2005 The Special Economic Zones Act passed by Parliament in May, and gets Presidential nod in June

2006 The SEZ Act comes into effect in February, providing for drastic simplification of procedures and for single-window clearance

2008 The financial slowdown hits SEZs hard as developers start surrendering projects. 12 SEZs have been de-notified

2011 As of September 30, 583 SEZs have been approved, and 381 of them notified; 148 zones are operational with 3,308 units.

ADVANTAGES

- Single-window approval mechanism
- 100% income-tax exemption on export income for first 5 years, 50% for next 5 and 50% of ploughed back export profit for the subsequent 5 years
- Exemption from minimum alternate tax, central sales and service tax, and state taxes

Exports (₹ cr)

STATE	2008-09	2009-10	2010-11
Gujarat	23,932.50	101,747.21	146,877.73
Karnataka	2,549.58	21,337.13	46,717.99
Tamil Nadu	23,022.32	27,914.13	43,704.60
Maharashtra	12,811.68	15,414.01	19,480.05
Kerala	11,942.01	17,122.86	18,750.65
Andhra Pradesh	3,121.80	5,663.66	13,359.17
Uttar Pradesh	4,581.37	5,931.69	10,883.57
West Bengal	16,655.00	22,966.47	10,703.17
Haryana	277.92	1,018.78	2,807.01
Madhya Pradesh	430.49	494.41	1,242.65
Rajasthan	331.74	735.41	899.39
Chandigarh	26.57	289.97	318.00
Orissa	6.02	75.65	123.87
TOTAL	99,689	2,20,711.38	315867.85

Exports from SEZs in 2009-10 grew by 121.40 per cent at ₹2,20,711.38 crore against ₹99,689 crore for the year-ago period. In 2010-11, exports from SEZ grew by 43.11 per cent year-on-year at ₹3,15,868 crore. Exports in April-September 2011-12 reached ₹1,76,479.69 crore, up 26.20 per cent over the corresponding period last fiscal.

*Source: Ministry of Commerce and Industry

Direct employment

STATE	As on September 2011
Maharashtra	194,013
Tamil Nadu	191,257
Andhra Pradesh	105,386
Uttar Pradesh	50,535
Gujarat	46,879
Karnataka	35,070
West Bengal	30,118
Haryana	27,854
Kerala	20,913
Madhya Pradesh	12,313
Rajasthan	10,314
Chandigarh	5,765
Orissa	2,143
Punjab	251
Goa	28

Source: Ministry of Commerce and Industry