2672. SHRI ARVIND KUMAR SINGH:
SHRI NEERAJ SHEKHAR:
SHRI ALOK TIWARI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

a) whether objective of Special Economic Zones (SEZs) was employment generation, investment, export and economic growth, if so, the details thereof;
b) whether as per the recent report of Comptroller and Auditor General (CAG), large tract of land allocated to SEZs have either been diverted or sold on profitable price;
c) if so, the State-wise details thereof and the reasons therefor; and
d) the details of action proposed against the diversion and selling of land allocated to SEZs in response to report of CAG?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a): The principal objectives behind creating Special Economic Zones (SEZs) in the country include:
(i) generation of additional economic activity;
(ii) promotion of exports of goods and services;
(iii) promotion of investment from domestic and foreign sources;
(iv) creation of employment opportunities;
(v) development of infrastructure facilities.

Export from SEZs, employment generated and investments made in SEZs during the last three years are as under:

<table>
<thead>
<tr>
<th>Financial Year(s)</th>
<th>Exports (Rs. in Crore)</th>
<th>Employment* (Rs. in Crore)</th>
<th>Investment* (Rs. in Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-2012</td>
<td>3,64,478</td>
<td>8,44,916</td>
<td>2,01,875</td>
</tr>
<tr>
<td>2012-2013</td>
<td>4,76,159</td>
<td>10,74,904</td>
<td>2,36,717</td>
</tr>
<tr>
<td>2013-2014</td>
<td>4,94,077</td>
<td>12,83,309</td>
<td>2,96,663</td>
</tr>
</tbody>
</table>

*Calculated on cumulative basis

(b) to (d): As per entry no. 18 of the State List in the 7th schedule of the Constitution of India, land is a State subject. Land for SEZs is provided by the concerned State Governments. The Board of Approval (BoA) on SEZs only considers those proposals which have been duly recommended by the State Governments. Since land is a State subject, State Government are free to frame any law/rule on the subject. In order to prevent any possible misuse of de-notified
parcels of land by the developers, Department of Commerce has issued guidelines on 13.09.2013 which are as under:-

(i) All such proposals must have an unambiguous ‘No Objection Certificate’ from State Government concerned.
(ii) State Governments may also ensure that such de-notified parcels would be utilized towards creation of infrastructure which would sub-serve the objective of the SEZ as originally envisaged.
(iii) Such land parcels after de-notification will conform to land use guidelines/master plans of the respective State Governments.

Board of Approval considers request of Developers for de-notification of SEZs as per the provisions of SEZ Act and Rules. Before de-notification of any SEZ, clearance from the State Government is always sought. De-notification of SEZs are approved by BoA subject to refund of concessions/benefits availed by the Developer as per the relevant provisions of law.

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2673. SHRI AVINASH RAI KHANNA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

a) whether Government has a proposal to further liberalize the norms for Special Economic Zones with an aim to catalyse the manufacturing sector;
b) if so, the details thereof;
c) whether Government proposes to make dual use of SEZ land to help developers as well as manufacturing sector; and
d) if so, the details thereof and to what extent dual use norms for SEZ land will help exporters?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)  
(SMT. NIRMALA SITHARAMAN)

(a) to (d): Ongoing review and reform, as necessary, of Government policy and procedure is inherent to Public Policy. The Government, on the basis of inputs/suggestions received from stakeholders on the policy and operational framework of the Special Economic Zones (SEZs) Scheme, periodically reviews the policy and operational framework of SEZs and is presently engaged in inter-ministerial consultations for finalization of a proposal to make dual utilization of facilities in Non-Processing Area of SEZs by both SEZ as well as DTA entities.

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TRADE BETWEEN INDIA AND BANGLADESH

2677. SHRI NARENDRA BUDANIA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

a) whether it is a fact that despite a huge trade imbalance between India and Bangladesh, goods from Dhaka and Chittagong are made available in Tripura through land and customs stations;
b) if so, the total turnover of trade between Bangladesh and Tripura;
c) whether the trade between Bangladesh and Tripura is likely to get a boost when the 15 km. railway track connecting Agartala and Akhaura in Bangladesh is completed by 2014 facilitating setting up of four more border markets; and
d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) & (b) Bangladesh is India’s major trading partner in South Asia with India having huge trade surplus with Bangladesh. DGCI&S does not publish separate Bangladesh and Tripura trade figures. The trend of India’s trade with Bangladesh is as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports (Value in US $ million)</th>
<th>Imports</th>
<th>Total Trade (Value in US $ million)</th>
<th>Balance of Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>2,433.77</td>
<td>254.66</td>
<td>2,688.44</td>
<td>2,179.11</td>
</tr>
<tr>
<td>2010-11</td>
<td>3,242.90</td>
<td>446.75</td>
<td>3,689.66</td>
<td>2,796.15</td>
</tr>
<tr>
<td>2011-12</td>
<td>3,789.20</td>
<td>585.73</td>
<td>4,374.93</td>
<td>3,203.47</td>
</tr>
<tr>
<td>2012-13</td>
<td>5,144.99</td>
<td>639.33</td>
<td>5,784.31</td>
<td>4,505.66</td>
</tr>
<tr>
<td>2013-14</td>
<td>6,166.93</td>
<td>484.34</td>
<td>6,651.27</td>
<td>5,682.59</td>
</tr>
</tbody>
</table>

(Source DGCI&S)

(c) & (d) The Memorandum of Understanding (MoU) between India and Bangladesh for development of Railway infrastructure to establish Agartala (India) – Akhaura (Bangladesh) rail link was signed on 16th February, 2013. This Rail link project is expected to facilitate trade and people to people exchanges between India and Bangladesh. The project has just begun with Land acquisition being taken up and its completion date has not been finalized. The setting up of four Border Haats along the Bangladesh-Tripura border is taking place simultaneously for which concurrence of Bangladesh side has been obtained.

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2681. SHRI PREM CHAND GUPTA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state whether certain Chinese products of sub-standard quality are flooding the Indian markets, causing both health hazards for children and massive loss to domestic small and medium scale industry, and if so, the steps taken to check the same?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

All goods being imported into India are subject to domestic laws, rules, orders, regulations, technical specifications, environmental and safety norms. These regulations are notified in Indian Trade Classification (Harmonised System) [ITC (HS)] of export and import items. The Government acts in case goods imported from any source are found to violate these regulations and threaten human, animal or plant life or health. In specific cases where Customs detect import of substandard and hazardous goods, they are empowered to seize the goods and initiate penal action under the provisions of Customs Act, 1962 read with other allied Acts. Further, though India has removed all Quantitative Restrictions on imports in the year 2001, except those necessitated mainly on grounds of health, security, public morale and environment, yet adequate provisions exist to protect the Indian consumers and producers. The Government of India has taken various measures for checking sub-standard imports, which inter-alia includes the following:

i. Government has imposed prohibition on import of milk and milk products (including chocolate and chocolate products and candies/confectionary/ food preparations with milk or milk solids as an ingredient) from China since 01/12/2008, which has been extended from time to time and these products are currently prohibited till 23.6.2015.

ii. Import of toys is subject to certain quality standards prescribed in the Foreign Trade Policy.

iii. Government has imposed prohibition on the import of mobile handsets (mobile phone) without International Mobile Equipment Identity (IMEI) No. or with all zeroes IMEI and import of CDMA mobile phones without Electronic Serial Numbers (ESN), Mobile Equipment Identifier (MEID) or all zeroes ESN/MEID.
iv. Government has also notified products under compulsory certification / registration with one of the objectives of checking influx of substandard products into the Indian markets.

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2682. SHRI P. RAJEEVE:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

a) the quantum and value of gold imported into the country during the last three years;
b) whether Government has taken any steps to decrease the quantum of import; and
c) whether any gold jewellery has been exported, and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND
INDUSTRY(INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) Quantum and value of gold imported during the last three years is as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity (Tons)</th>
<th>Value (Rs. in crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>1078.35</td>
<td>269900.71</td>
</tr>
<tr>
<td>2012-13</td>
<td>1013.72</td>
<td>292152.83</td>
</tr>
<tr>
<td>2013-14</td>
<td>661.71</td>
<td>166242.62</td>
</tr>
</tbody>
</table>

Source: DGCIS

(b) Reserve Bank of India vide circular dated 22.7.2013, prescribed all nominated banks/agencies to ensure that at least 1/5th i.e. 20% of every lot of import of gold imported to the country is exclusively made available for the purpose of exports and the balance for domestic uses. The scheme was modified from time to time vide circulars dated 14.8.2013, 31.12.2013, 14.2.2014 and 21.5.2014. This scheme has since been withdrawn vide RBI circular dated 28.11.2014.

(c) Export of Gold Jewellery during the last three years is as under:
(HS CODE: 71131910, 71131920, 71131940, 71141910, 71142010)

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity (Kgs)</th>
<th>Value (Rs. in crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>117694</td>
<td>31966.97</td>
</tr>
<tr>
<td>2012-13</td>
<td>108827</td>
<td>30840.55</td>
</tr>
<tr>
<td>2013-14</td>
<td>120448</td>
<td>33349.38</td>
</tr>
</tbody>
</table>

Source: DGCIS

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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

a) the details of trade balances at the time of commencement of Free Trade Agreements and investment-cum-trade agreements entered into with various countries and various regional trade blocks;

b) the steps taken/proposed to be taken to correct the imbalances; and

c) the details of further concessions sought by trading partners in the above agreements and the response of Government to such requests?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) The details of the trade balances at the time of commencement of Free Trade Agreements is given in Annexure 1.

(b) and (c): The issue of trade imbalances with our trading partners and the concessions sought are taken up bilaterally with the respective countries through institutional mechanisms which are in place with the countries. The review of Agreements are undertaken to review the imbalances and implementation issues to optimize the potential of the Agreements.

Continuous efforts are made to bridge the trade imbalances through export incentive measures. The Government assesses the export performance on a continuous basis and need based corrective measures to boost exports are taken from time to time. The Government is providing a policy environment through a mix of measures including fiscal incentives, institutional changes, procedural rationalization and efforts for enhanced market access across the world and diversification of export products. Trade promotion activities are organised, from time to time, in various countries with which India has trade agreements.
Free Trade Agreements and trade balance on date of commencement

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Free Trade Agreement</th>
<th>Date of Implementation</th>
<th>Time period taken for trade balance data</th>
<th>India’s Trade Balance ($ million) on date of implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>India - Sri Lanka FTA</td>
<td>01.03.2000</td>
<td>1999-2000</td>
<td>454.94</td>
</tr>
<tr>
<td>2.</td>
<td>Agreement on South Asian Free Trade Area (SAFTA) (India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan Maldives and Afghanistan)</td>
<td>01.01.2006</td>
<td>2005-06</td>
<td>4,134.34</td>
</tr>
<tr>
<td>3.</td>
<td>India - Thailand FTA - Early Harvest Scheme (EHS)</td>
<td>01.09.2004</td>
<td>2004-05</td>
<td>35.51</td>
</tr>
<tr>
<td>4.</td>
<td>India - Singapore Comprehensive Economic Cooperation Agreement (CECA)</td>
<td>01.08.2005</td>
<td>2005-06</td>
<td>2,071.52</td>
</tr>
<tr>
<td>5.</td>
<td>India - South Korea Comprehensive Economic Partnership Agreement (CEPA)</td>
<td>01.01.2010</td>
<td>2009-10</td>
<td>-5,155.02</td>
</tr>
<tr>
<td>7.</td>
<td>India - Japan Comprehensive Economic Partnership Agreement</td>
<td>01.08.2011</td>
<td>2011-12</td>
<td>-5,670.89</td>
</tr>
<tr>
<td>8.</td>
<td>India - Malaysia Comprehensive Economic Cooperation Agreement</td>
<td>01.07. 2011</td>
<td>2011-12</td>
<td>-5,493.28</td>
</tr>
</tbody>
</table>
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 2686
TO BE ANSWERED ON 17TH DECEMBER, 2014

CONCESSIONS GIVEN TO SEZs

2686. SHRI D. KUPENDRA REDDY:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

a) whether any relaxations and concessions are given to Special Economic Zones (SEZs);
b) if so, the details thereof;
c) whether it has come to the notice of Government that some of the SEZs are prone to
black money laundering; and

d) if so, the action/corrective measures Government proposes to take on the erring SEZs
and put an end to such activities?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND
INDUSTRY(INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) to (d): The fiscal concessions and duty benefits allowed to Special Economic Zones (SEZs)
are in built into the SEZs Act, 2005 and Rules thereunder. These exemptions are uniformly
applicable to all SEZs and are in the nature of incentives for export and are consistent with the
principles that guide export promotion initiatives of the Government in general. The
performance of SEZs is regularly monitored by the Unit Approval Committees of SEZs headed
by the Development Commissioner. There are adequate safeguards in-built into the SEZ Act,
2005 and Rules, 2006 framed thereunder to prevent misuse of the SEZ Scheme. Failure to
meet the requirements of the scheme or any violation of its provisions attracts action under

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