

New SEZ law likely in 4-6 months: Goyal



Union Minister for Commerce and Industry Piyush Goyal. (Hindustan Times)

Kituraj Baruah

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NEW DELHI : Centre is likely to come up with the final framework for new legislation to replace the Special Economic Zones (SEZ) Act in the next four to six months, commerce and industry minister Piyush Goyal said on Tuesday.

Speaking to reporters post the budget presentation, Goyal said the government is in consultation with several stakeholders, including states, industrial parks and SEZ developers. He said an equalization levy or tax may be introduced to ensure a level playing field for manufacturers outside SEZs in case of domestic supplies.

“So, it should take 4-6 months. We can come out with the final framework of the new law governing SEZs and industrial parks,” he said.

In the budget speech, finance minister Nirmala Sitharaman said the SEZ Act will be replaced with new legislation that will enable states to become partners in ‘development of enterprise and service hubs’. This will cover all large existing and new industrial enclaves to optimally utilise available infrastructure and enhance competitiveness of exports.

The current SEZ Act was enacted in 2006 in a bid to create export hubs and boost domestic manufacturing.

Noting that optimal utilisation of SEZ infrastructure is an objective of the proposed move, Goyal said the government is looking at utilising SEZs as a “plug-and-play” industrial park ecosystem.

He said India’s exports have been robust and are set to hit the \$400 billion target for the current financial year.

During April-December 2021-22 exports rose by 48.85% to \$299.74 billion. Exports in December 2021 stood at \$37.29 billion, higher by 37% on a year-on-year basis.

Speaking on demand side support for the economy, he said the increase in capital expenditure would act as a demand booster.