

Steps announced for SEZs in Budget will promote growth, boost exports: EPCES

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The Budget proposal announced to replace the existing law governing SEZs with a new legislation, and reforms in the customs administration of these zones, will help in further improving ease of doing business, promoting growth and boosting exports, EPCES said on Wednesday.

Export Promotion Council for EOUs and SEZs Chairman Bhuvnesh Seth said that the special economic zone (SEZ) sector was being overlooked for a long period of time after withdrawal of direct tax benefits.

“We welcome the government’s attention for resolving long pending issues through a new Act. EPCES will be working closely with the Department of Commerce, Department of Revenue, state governments along with SEZ developers and units and other stakeholders in framing the new legislation,” Seth said.

Finance Minister Nirmala Sitharaman in her Budget Speech proposed to replace the existing law governing SEZs with a new legislation to enable states to become partners in ‘Development of Enterprise and Service Hubs’.

The will cover all large existing and new industrial enclaves to optimally utilise available infrastructure and enhance competitiveness of exports, he said.

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The Budget has also announced to undertake reforms in Customs Administration of SEZs and it would fully be IT driven and function on the Customs National Portal with a focus on higher facilitation and with only risk-based checks. This reform will be implemented by September 30.

Seth said that this move will improve ease doing business by SEZ units considerably.

“Integration of Indian Customs Electronic Gateway (ICEGATE) with SEZ customs and it being fully IT driven with a focus on higher facilitation and with only risk-based checks will further improve ease of doing business in SEZs. It is a welcome step,” he added.

Further, the announcement that the government will allow the setting up of world-class foreign universities in Gandhinagar’s GIFT City, free from domestic regulations, will bring huge investment and job creation.

“Lot of business will be shifted from Singapore and Dubai because of these incentives,” Seth said, adding “the budget is growth oriented and special emphasis has been given on export promotion”.

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As on September 30, 2021, these zones had attracted Rs 6,28,565.89 crore investments and employed 25,60,286 persons.

During April-December this fiscal, exports from these zones rose by 25 per cent to Rs 6.89 lakh crore (USD 92.83 billion). It was USD 102.32 billion in 2020-21.