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A Study of Performance of Special Economic Zones (SEZs) in India

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Abstract

This research study mainly explores that the total number of Special Economic Zones (SEZs) by formal approvals wise, in-principle approvals wise, notified SEZs wise and exporting SEZs wise in India as on 22.01.2019. It also analysis that state and sector wise distribution of approved Special Economic Zones, India total exports as on 31.01.2019 and Special Economic Zones exports as on 22.01.2019 in India. This study also examine that the investments and incremental investments, employments and incremental employments generations in SEZs in India. This study used descriptive statistical tools tables, charts, graphs, averages and percentages inferential statistical tools used paired t test used to test hypothesis. This study results of state wise distribution of approved special economic zones indicated that the maximum number of are in the state of Telangana, followed by Karnataka and Maharashtra. In the sector-wise distribution of approved SEZs found that the maximum in IT, Electronic Hardware and Telecom, followed by Biotechnology and Multi-Product Sectors. This study finally concluded that special economic zones (SEZs) had contributed significantly in the past by way of investments, incremental investments, employment and incremental employments. This study finally suggested that the rest of the union and state governments should takes necessary step to give various monetary and non monetary start ups, subsides, direct and indirect tax holiday for setting new SEZs in other than top five state and sectors in India.

Keywords: *Special Economic Zones (SEZs), Export processing zones (EPZs), SEZ policy, SEZ Act 2005*

Introduction

Special economic zones (SEZs) first emerged in the 12th century Europe in the form of free ports, free cities and free zones[1]. The concept of areas with special privileges has been around at least since the 16th century but the first modern SEZ was founded in Ireland in 1959[2]. The idea of EPZs was carried by the UNIDO from a peripheral area of Europe, Ireland[3].EPZs had been internationally well accepted right from[4], and have emerged as dynamic engines of growth[5]. A designated industrial area (primarily as export promoting zone) to facilitate trade and investment was first introduced in Spain in 1929. China established its first EPZ in 1979, almost half a century later[6]introduces concept[7]. In 1975, there were still only 79 SEZs in the world[8]. In mid-1984 there were 79 Export Processing Zones in 35 Third World countries[9]. After China's economic reforms in the 1980s, SEZs gained international popularity and by 1995, there were around 500 SEZs worldwide. Only a decade later, this number was estimated to between 3, 000 and 5, 000 zones. The majority of SEZs are located in developing countries[10]&[11]. The appearance of export oriented manufacturing[12]export processing zones (EPZs)[13]driving force of its remarkable[14] economic growth[15].

Special Economic Zone in India

As per the Ministry of Commerce and Industry, "Special Economic Zone (SEZ) is a specifically delineated duty free enclave and is a deemed foreign territory for the purpose of trade operations, duties and tariffs"[16]&[17] India was first to recognize the effectiveness of the EPZ model in development of the nation and promoting exports[18]and country's economic strategy[19]. SEZs are noted for their ability to create new employment opportunity and creating direct and indirect employment[20].FDI by providing facilities to foreign companies[21] setting up operations in India[22]. India launched its first export processing zone (EPZ) in 1965 in Kandla[23]. In India, the first EPZ was established at Kandla, Gujarat in 1965 with the provision of better infrastructure and tax holidays. The second one was established in Santa Cruz in Maharastra in 1973. In the decade of 80s, five more EPZs were established in different parts of the country[24].

It was the first EPZ in Asia[25] in the promotion of exports[26] and Policy implemented in 1965[27]. The EXIM Policy has introduced a new scheme since April 1, 2000 and SEZs are permitted to be set up in public, private, joint sector or by the State Governments with a minimum size of land areas prescribed for different categories of SEZs[28].

India did not pass an SEZ Act until 2005; it has been experimenting with the concept since the 1960s[29]. SEZ policy was announced in 2000, there has been a continuous effort made for the improvement in the export performance. The Special Economic Zone scheme was also upgraded through a revision in the Export-Import Policy of 1997-2002 and the Special Economic Zones Act was passed in 2005[30]&[31]. The establishment of the India's first SEZ unit and its consequent success had served as an inspiring model for Indian policy-makers to construct and implement a dedicated regulatory framework on SEZs[32]. It is declared as quasi foreign territory in which private enterprises can benefit from a lucrative package of tax and regulatory exemptions[33], [34], special investment policy[35], liberal economic laws[36], considered the engines of growth in the trade sector[37].

In this era of globalization every country is adopting the policy of import substitution of generating employment[38] and economic opportunity[39] to increase India's share in global exports[40].India was the first Asian country to recognize the importance[41] of international trade[42]and instruments of trade[43] for export Promotion[44], industrial growth[45], attract investment[46] and FDI[47]. Special Economic Zones (SEZs) as vehicle to create environment for investments, exports[48], global competition, technology transfers[49], industrial development[50], in developing local and regional infrastructure facilities[51] to attract investment into their jurisdictions[52] domestic market [53] of the developing countries[54].

Importance of the study

Special Economic Zones (SEZs) have been recognized as an important mechanism for trade and investment promotion, creation of infrastructure, employment generation, promotion of regional development, increase in foreign exchange earnings, improving export competitiveness and transfer of skills and technology. These are considered as growth drivers in the developing countries. The SEZs have been in existence for decades, but have attracted renewed attention world-wide in recent years due to globalization of trade and financial markets. Historically, SEZs were the result of the spurt in economic growth. It is well recognized that the SEZs are instrumental in developing local and regional infrastructure facilities, which in turn are necessary for overall economic development of a country[55] and enhance industry competitiveness[56]. Low wages and flexible labour laws are offered as incentives to investors by the host countries[57] in promoting exports of local producers [58]&[59].

SEZs emerged out of the attempt to improve the EPZ policy, in the year 2000, a separate policy was announced for SEZs [60] enjoys special privileges[61]give special facilities to the entrepreneur[62] now however government seems to be realizing the need for formulating a new Indian model of SEZ[63].India a fast developing country needs to survive and compete with rest of the world in international trade[64], must provide a business friendly ecosystem including ease of doing business, especially, ease of exporting and importing, swift decisions on applications for environmental clearances and speedy water and electricity connections[65] for promoting the exports[66]. In these surroundings this study mainly focused on study on total number wise, investment wise and employment creation of SEZs. It's also examining the state and sector wise distribution of approved SEZs. This also assesses the India total exports as on 31.01.2019 and SEZ exports as on 22.01.2019.

Significance of the study

Special Economic Zone is an economic concept having goals of economic growth in a country by enhancing exports, creating favorable environment for foreign direct investment, and by generating large scale employment[67]. It creates on significant effects on local socio-economic development[68], effective instrument to promote industrialization and structural transformation[69], increasing the country's participation in the global economy[70]and increasingly seen as an important policy tool[71] for both developed and developing economies to boost growth in specific geographic areas and economic sectors[72].Special Economic Zones (SEZs) are used to describe geographically limited and specially administered areas within a country that are established to attract local and foreign trade, employment and industrial development[73].

The SEZ policy was first introduced in April 2000, as a part of the Export-Import ("EXIM") policy of India[74].SEZs were designed to help major exporters of manufactured goods enjoy the benefits of doing business on the global market[75], technological transfers[76] creating to promote[77] infrastructure and amenities[78].Export processing zones (EPZs) are an increasingly common type of special economic zone[79]. They are designed to facilitate international trade by lowering trade costs, such as import duties and/ or export taxes. EPZs should thus be particularly attractive locations for multinational enterprises engaging in productions, manufacturing, services and trade[80]. In these environments this study primarily focused on study on total number wise, investment wise, employment creation, state, sector wise distribution of approved SEZs. This also evaluates the India total exports as on 31.01.2019 and SEZ exports as on 22.01.2019.

Review of literature

Chandan Das (2017[81]), found that the significance relationship in both direct and indirect employment and export can be realized from the SEZ's in India.

Khurud, B. S. (2013[82]), revealed that the existing SEZs have not proved to be cost-effective due to many obstacles and suggested that the government create a more conducive atmosphere.

Jin Wang (2010[83]), suggested that creating Special Economic Zones not only brings capital, but also more advanced technology, and provide important policy implications for many countries.

Aradhna Aggarwal (2010[84]), found that while SEZs are stimulating direct investment and employment transformation from a resource-led economy to a skill and technology-led economy.

Sharma .S. P et al, (2014[85]), found that operating in Domestic Tariff Area (DTA) has become more beneficial as compared to operating within SEZs. Suggested that the robust policy design and efficient implementation.

Sazzad Parwez(2014[86]), suggested that the there is a definite case and requirement to reform the laws and welfare measures in a manner that both workers and employer interests are adequately protected through balanced laws that enable producers to be more flexible without compromising on general labor standard.

Sanjiv Singh Bhadauria(2017[87]), found that the role of Special Economic Zone is very important for economic growth in general, industrial development in particular and tremendous improvement in the investment, employment and export, which in turn pace up the process of economic growth.

Research Gap

This study has examined many national and international research articles, research studies, research journals, working papers, books, policy documents, local and international news papers and seminars edited publications relating to Special Economic Zones in India all over the world and in India. In these backgrounds the current research differs from the early researches in many ways and donates the existing literature.

Data collection and Research methodology

The present research study methodologies are data collections relating to Special Economic Zones in India. The primary focuses with the data collected and compiled from already published international and national sources. This study has been carried out descriptive and exploratory nature with the help of the secondary data. In order explain the outcome of the study results and interpretations of data by descriptive statistical tools tables, charts, graphs, averages and percentages inferential statistical tools used paired t test used to test hypothesis. This present's research study period covers Special Economic Zones in India to as on 22.01.2019 in India.

The objectives of the study

The following are the main objectives of the study as follows;

1. To study on total number wise, investment wise and employment creation of Special Economic Zones (SEZs) as on 22.01.2019 in India.
2. To examine the state and sector wise distribution of approved Special Economic Zones (SEZs) as on 22.01.2019.
3. To assesses the India total exports as on 31.01.2019 and Special Economic Zones exports as on 22.01.2019

Results, Discussion and major findings of the study

Total Special Economic Zones (SEZs) as on 22.01.2019 in India

Table 1: Total Special Economic Zones (SEZs) as on 22.01.2019 in India

Number of Formal approvals (As on 22.01.2019)	**421**
Number of notified SEZs (As on 22.01.2019)	**355 + (7 + 11)**
Number of In-Principle Approvals (22.01.2019)	**32**
Operational SEZs (As on 30.09.2018)	**231**
Units approved in SEZs (As on 30.09.2018)	**5,024**

Source: http://sezindia.nic.in, *(7 Central Govt. + 11 State/Pvt. SEZs)

Table 1 exhibits that the total Special Economic Zones (SEZs) as on 22.01.2019 in India. It shows number of formal approvals 421, notified SEZs 355 + (7 Central Govt. + 11 State/Pvt. SEZs), in-principle approvals 32, operational SEZs 231 and total units approved in SEZs as on 30.09.2018 are in 5, 024.

Total Investment and Employment in SEZs as on 22.01.2019 in India (Rs in Crores)

Table 2 shows that the Investment (Rs in Crores) in Special Economic Zones (SEZs) as on 22.01.2019 in India. Total investments in SEZs and employment as on February, 2006 are 4,035.51 (Rs in Crores) and 1,34,704 Persons. Incremental investment and employment are 4,88,276.49 (Rs in Crores) and 18,61,906 Persons. Total investments and employments are 4,92,312 (Rs in Crores) and 19,96,610 Persons.

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Table 2: Investment and Employment in Special Economic Zones (SEZs) as on 22.01.2019 in India (Rs in Crores)

Investment	**Investment (As on Feb, 2006) (Rs in Crores)**	**Incremental Investment (Rs in Crores)**	**Total Investment (As on 30.09.2018) (Rs in Crores)**
Central Government SEZs	2,279.20	17,101.80	19,381
State/Pvt. SEZs set up bef 2006	1,756.31	11,195.69	12,952
SEZs Notified under the Act	-	4,59,979	4,59,979
Total	**4,035.51**	**4,88,276.49**	**4,92,312**
Employment	**Employment (As on Feb, 2006) (No of Persons)**	**Incremental Employment (No of Persons)**	**Total Employment (As on 30.09.2018) (No of Persons)**
Central Government SEZs	1,22,236	1,17,634	2,39,870
State/Pvt. SEZs set up bef 2006	12,468	88,201	1,00,669
SEZs Notified under the Act	-	16,56,071	16,56,071
Total	1,34,704	18,61,906	19,96,610

Source: http://sezindia.nic.in

State-Wise Distribution of Approved Special Economic Zones (SEZs) as on 22.01.2019

Table 3 clearly exhibits that state-wise distribution of approved SEZs as on 22.01.2019. It indicates that formal approvals are 421, in-principle approvals are 32, notified SEZs are 355 and exporting SEZs are 231. In the first place secured by Telangana in formal approvals are 63(15%), notified SEZs are 57(16%) and exporting SEZs are 29(13%). Second place secured by Karnataka formal approvals are 62(15%), notified SEZs are 51(14%) and exporting SEZs are 31(13%). Third rank secured by Maharashtra formal approvals are 56 (13%), in-principle approvals are 12 (38%), notified SEZs are 50 (14%) and exporting SEZs are 30 (13%). Totally top five states Secured formal approvals are 264 (63%), in-principle approvals are 19 (60%), notified SEZs are 232 (65%) and exporting SEZs are 149 (64%). Remaining SEZs are fallen in the rest of the states of India.

Table 3: State-Wise Distribution of Approved Special Economic Zones (SEZs) as on 22.01.2019

S No	States/UTs	Formal Approvals		In-principle approvals		Notified SEZs		*Exporting SEZs	
		Numbers	%	Numbers	%	Numbers	%	Numbers	%
1	Telangana	63	15	0	0	57	16	29	13
2	Karnataka	62	15	0	0	51	14	31	13
3	Maharashtra	56	13	12	38	50	14	30	13
4	Tamil Nadu	51	12	3	9	47	13	40	17
5	Andhra Pradesh	32	8	4	13	27	8	19	8
6	Kerala	29	7	0	0	25	7	19	8
7	Gujarat	28	7	4	13	24	7	20	9

S No	States/UTs	Formal Approvals		In-principle approvals		Notified SEZs		*Exporting SEZs	
		Numbers	%	Numbers	%	Numbers	%	Numbers	%
8	Haryana	24	6	3	9	21	6	6	3
9	Uttar Pradesh	24	6	1	3	21	6	12	5
10	Madhya Pradesh	10	2	0	0	5	1	5	2
11	Goa	7	2	0	0	3	1	0	0
12	Odisha	7	2	0	0	5	1	5	2
13	West Bengal	7	2	2	6	5	1	7	3
14	Punjab	5	1	0	0	3	1	3	1
15	Rajasthan	5	1	1	3	4	1	2	1
16	Chandigarh	2	0	0	0	2	1	2	1
17	Chhattisgarh	2	0	1	3	1	0	1	0
18	Delhi	2	0	0	0	0	0	0	0
19	Nagaland	2	0	0	0	2	1	0	0
20	Jharkhand	1	0	0	0	1	0	0	0
21	Manipur	1	0	0	0	1	0	0	0
22	Puducherry	1	0	1	3	0	0	0	0
Grand Total		**421**	**100**	**32**	**100**	**355**	**100**	**231**	**100**

Source: http://sezindia.nic.in

*Exporting SEZs (Central Govt. + State Govt./ Pvt. SEZs + notified SEZs, under the SEZ Act, 2005)

Sector-Wise Distribution of Approved Special Economic Zones (SEZs) as on 22.01.2019

Table 4 enlightens that the sector-wise distribution of approved SEZs as on 22.01.2019 in India. It shows that formal approvals are 421, in-principle approvals are 32, notified SEZs are 355 and exporting SEZs are 231. IT/ITES/Electronic Hardware/ Telecom equipments sectors secured by first rank in formal approvals are 275 (65%), notified SEZs are 236 (66%) and exporting SEZs are 136 (59%). Totally top five states Secured formal approvals are 347(82%), in-principle approvals are 13 (40%), notified SEZs are 298 (84%) and exporting SEZs are 189 (82%). Others SEZs are fallen in the rest of the sectors.

Table 4: Sector-Wise Distribution of Approved Special Economic Zones (SEZs) as on 22.01.2019

S No	Sectors	Formal approvals		In-principle approvals		Notified SEZs		*Exporting SEZs	
		Numbers	%	Numbers	%	Numbers	%	Numbers	%
1	IT/ITES/Ele Hardware/	275	65	0	0	236	66	136	59
2	Biotechnology	23	5	1	3	16	5	4	2
3	Multi-Product	21	5	9	28	18	5	25	11
4	Pharmaceuticals/chemicals	16	4	2	6	16	5	12	5

S No	Sectors	Formal approvals		In-principle approvals		Notified SEZs		*Exporting SEZs	
		Numbers	%	Numbers	%	Numbers	%	Numbers	%
5	Engineering	12	3	1	3	12	3	12	5
6	FTWZ	9	2	5	16	5	1	4	2
7	Textiles/Apparel/Wool	7	2	1	3	7	2	7	3
8	Aviation/Aerospace/	6	1	1	3	5	1	4	2
9	Multi-Services	6	1	1	3	6	2	2	1
10	Footwear/Leather	5	1	0	0	5	1	4	2
11	Gems and Jewellery	5	1	3	9	2	1	3	1
12	Agro-processing	4	1	2	6	4	1	1	0
13	Port-based multi-product	4	1	1	3	3	1	2	1
14	Food Processing	3	1	0	0	2	1	2	1
15	Power/ energy/solar	3	1	1	3	3	1	3	1
16	Airport multiproduct	2	0	0	0	0	0	0	0
17	Alumina/Aluminium	2	0	0	0	2	1	1	0
18	Auto/Automobile	2	0	1	3	2	1	1	0
19	Beach & mineral/ metals	2	0	0	0	2	1	1	0
20	Building prod./mal./	2	0	2	6	2	1	2	1
21	Electronic product	2	0	0	0	2	1	2	1
22	Handicrafts & Carpets	2	0	0	0	1	0	1	0
23	Non-Conventional Energy	2	0	0	0	2	1	2	1
24	Petrochemicals	2	0	1	3	0	0	0	0
25	Granite Industries	2	0	0	0	1	0	0	0
26	Light Engineering	1	0	0	0	0	0	0	0
27	Writing and paper mills	1	0	0	0	1	0	0	0
Grand Total		**421**	**100**	**32**	**100**	**355**	**100**	**231**	**100**

Source: http://sezindia.nic.in

*Exporting SEZs (7 Central Govt. + 11 State Govt./Pvt. SEZs + notified SEZs under the SEZ Act, 2005)

India Total Exports As on 31.01.2019 and SEZ Exports As on 22.01.2019

Table 5 shows that the India total exports as on 31.01.2019 and special economic zones exports as on 22.01.2019.Totally 13 completed financial year results of total exports of India (Rs in Crores) indicated that 11 years shows as positive growth and reaming two years shows negative growth. In case of total exports of India (Rs in Millions) indicated that nine years shows as positive growth and reaming four years shows negative growth. The results of special economic zones exports shows that 11 years shows as positive growth and reaming one year shows negative growth. It also exhibits that percentage of share of SEZs share in Total Exports (Rs in Crores) SEZs shows at positive growth during the study period.

Table 5: India Total Exports As on 31.01.2019 and Special Economic Zones Exports As on 22.01.2019

Year	Total Exports of India As on 31.01.2019				SEZs Exports of India As on 22.01.2019		
	Rs in Crores	%	Rs in Millions	%	Rs in Crores	%	% (Rs in Crores) SEZs share in Total Exports
2005-2006	456418	21.6	103091	23.41	22840	-	5.00
2006-2007	571779	25.28	126414	22.62	34615	52	6.05
2007-2008	655864	14.71	163132	29.05	66638	93	10.16
2008-2009	840755	28.19	185295	13.59	99689	50	11.86
2009-2010	845534	0.57	178751	-3.53	220711	121	26.10
2010-2011	1136964	34.47	249816	39.76	315868	43	27.78
2011-2012	1465959	28.94	305964	22.48	364478	15	24.86
2012-2013	1634318	11.48	300401	-1.82	476159	31	29.14
2013-2014	1905011	16.56	314405	4.66	494077	4	25.94
2014-2015	1896348	-0.45	310338	-1.29	463770	-6	24.46
2015-2016	1716378	-9.49	262290	-15.48	467337	1	27.23
2016-2017	1849429	7.75	275852	5.17	523637	12	28.31
2017-2018	1956515	5.47	303526	9.11	581033	11	29.70
2018-2019*	1887366	-	270248	-	333661	-	17.68

Source: http://commerce-app.gov.in/eidb/iecnttopn.asp, Annual Report 2017-2018, Government of India, Ministry of Commerce & Industry, *% Growth compare with last Year

Result of Hypothesis -Paired Samples t -Test

Table 6 clearly shows that inferential statistical results of hypotheses testing used by paired samples t -test. Totally 15 variable used and 17 hypothesis tested. Out of them eight hypothesis shows that there is no difference between variable and remaining nine variable shows that there is difference between variable.

Table 6: Result of Hypotheses -Paired Samples t -Test

Pairs & Variables Mean		Paired Differences				t	df	Sig. (2-tailed)	Result of hypotheses
		Std. Deviation	95% Confidence Interval of the Difference						
			Lower	Upper					
Pair 1	VAR1 – VAR2	17.682	20.266	8.696	26.667	**4.092**	22	**0.0005**	**Difference**
Pair 2	VAR1 – VAR3	3.00	2.637	1.831	4.169	**5.337**	22	**0.00**	**Difference**
Pair 3	VAR1 – VAR4	8.636	10.182	4.122	13.151	**3.978**	22	**0.0007**	**Difference**
Pair 4	VAR2 – VAR3	-14.682	18.078	-22.697	-6.667	**3.809**	22	**0.001**	**Difference**
Pair 5	VAR3 – VAR4	5.636	8.104	2.043	9.229	**3.262**	22	**0.0037**	**Difference**

Pairs & Variables Mean		Paired Differences				t	df	Sig. (2-tailed)	Result of hypotheses
		Std. Deviation	95% Confidence Interval of the Difference						
			Lower	Upper					
Pair 6	VAR5 – VAR6	14.407	52.314	-6.287	35.102	**1.431**	27	**0.1643**	**No Difference**
Pair 7	VAR5 – VAR7	2.444	7.485	-0.517	5.405	**1.697**	27	**0.1016**	**No Difference**
Pair 8	VAR5 – VAR8	7.037	26.645	-3.503	17.577	**1.372**	27	**0.1817**	**No Difference**
Pair 9	VAR6 – VAR7	-11.963	44.976	-29.755	5.829	**1.382**	27	**0.1787**	**No Difference**
Pair 10	VAR7 – VAR8	4.593	19.29	-3.038	12.223	**1.237**	27	**0.2271**	**No Difference**
Pair 11	VAR9 – VAR10	1104936.786	499474.909	816548.559	1393325.012	**8.277**	14	**0.00**	**Difference**
Pair 12	VAR9 – VAR11	1025294.643	386471.319	802152.747	1248436.539	**9.926**	14	**0.00**	**Difference**
Pair 13	VAR10 – VAR11	–79642.143	131102.211	–155338.306	–3945.98	**2.273**	14	**0.0406**	**Difference**
Pair 14	VAR12 – VAR13	2.668	7.8	-1.838	7.172	**1.28**	14	**0.223**	**No Difference**
Pair 15	VAR12 – VAR14	–17.28	38.334	–39.414	4.854	**1.687**	14	**0.1155**	**No Difference**
Pair 16	VAR12– VAR15	–7.799	18.575	–18.524	2.926	**1.571**	14	**0.1402**	**No Difference**
Pair 17	VAR14– VAR15	9.481	40.723	–14.032	32.994	**0.871**	14	**0.3995**	**Difference**

Variable used for Paired T Test

VAR1-State-Wise Distribution of Formal Approvals of SEZs as on 22.01.2019

VAR2-State-Wise Distribution of In-principle approvals of SEZs as on 22.01.2019

VAR3-State-Wise Distribution of Notified SEZs as on 22.01.2019

VAR4-State-Wise Distribution of Exporting SEZs as on 22.01.2019

VAR5-Sector-Wise Distribution of Formal Approvals of SEZs as on 22.01.2019

VAR6-Sector-Wise Distribution of In-principle approvals of SEZs as on 22.01.2019

VAR7-Sector-Wise Distribution of Notified SEZs as on 22.01.2019

VAR8-Sector-Wise Distribution of Exporting SEZs as on 22.01.2019

VAR9-Total Exports of India Rs in Crores as on 31.01.2019

VAR10-Total Exports of India Rs in Millions as on 31.01.2019

VAR11-SEZs Exports of India Rs in Crores as on 22.01.2019

VAR12-% Growth of Total Exports as on 31.01.2019

VAR13-% Growth of Total Exports of India Rs in Millions as on 31.01.2019

VAR14-% Growth of SEZs Exports of India as on 22.01.2019

VAR15-% of share of SEZs Exports of India as on 22.01.2019

Majors findings of the study

1. Total Special Economic Zones (SEZs) shows that formal approvals 421, notified SEZs 355 + (7 Central Govt. + 11 State/Pvt. SEZs), in-principle approvals 32, operational SEZs 231 and total units are in 5, 024 approved in SEZs as on 30.09.2018.
2. Total investments in SEZs and employment as on February, 2006 are 4, 035.51 (Rs in Crores) and 1, 34, 704 Persons.
3. Incremental investments and employment are 4, 88, 276.49 (Rs in Crores) and 18, 61, 906 Persons.
4. Total investments and employments are 4, 92, 312 (Rs in Crores) and 19, 96, 610 Persons.
5. State & Sectors-wise distribution of approved SEZs indicates that formal approvals are 421, in-principle approvals are 32, notified SEZs are 355 and exporting SEZs are 231.

6. It indicates that maximum of Special Economic Zones in Telangana, followed by Karnataka and Maharashtra.
7. Sector-wise distribution of approved SEZs IT/ITES/Electronic Hardware/ Telecom, followed by Biotechnology and Multi-Product Sectors.
8. Totally 13 completed financial year results of total exports of India (Rs in Crores) indicated that 11 years shows as positive growth and reaming two years shows negative growth.
9. The results of special economic zones exports shows that 11 years shows as positive growth and reaming one year shows negative growth.
10. It also exhibits that percentage of share of SEZs share in Total Exports (Rs in Crores) SEZs shows at positive growth during the study period.
11. Totally 15 variable used and 17 hypothesis tested. Out of them eight hypotheses shows that there is no difference between variable and remaining nine variable shows that there is difference between variable.

Conclusion

This study finally concluded that special economic zones (SEZs) had contributed significantly in the past by way of investments, incremental investments, employment and incremental employments. It also positive growth in exports in more than twenty five percentage of countries total Indian exports contributed by special economic zones of India. This will bring into India positive position in International Trade. Top five states had more then sixty percentage of total SEZs in India. Sectors wise information technology, Hardware and Telecom equipments sectors had secured by majority of SEZs in India during the study period. This study finally suggested that the rest of the union and state governments should takes necessary step to give various monetary and non monetary start ups, subsides, direct and indirect tax holiday for setting new SEZs in other than top five state and sectors in India.

It also suggested that the Ministry of Commerce And Industry, Department of commerce and various states and UT governments should be introduced various corporate legal reforms and create that new and revised policy for board approval, minimum land requirement for multi sector SEZ, Sectors specific SEZ, FTWZ and other sectors. Minimum land availability at reasonable cost, availability of domestic and foreign investments, Labour cost and infrastructure facilities like road, port, airport, water, power, transport facility and other facilities are deciding factors for starting SEZ in India. The small amount of the policy modifies and corporate reforms may unfavorably impact the development of these zones. The government should make the various innovative policies to introduce for more consistent to facilitate a friendly investment environment. It would also be in great interest to promote the exports, creating employments and improving balance of payments of positions by way of ease doing business in India. It also facilitates to attract for various existing and new Indian and foreign entrepreneurs to invest in Indian Special Economic Zones.

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