

MR. CHAIRMAN: Please let the question be answered quickly.

SHRI KAPIL SIBAL: Sir, in the agricultural sector, we are ...*(Interruptions)*...

SHRIMATI BRINDA KARAT: Sir, the question ...*(Interruptions)*...

MR. CHAIRMAN: Please *(Interruptions)*.

SHRI KAPIL SIBAL: Sir, in the agricultural sector, we are changing the lives of the common man because we are, through technology, able to inform the *kisan* of the levels of productivity of his land, on the crop yield ...*(Interruptions)*...

SHRIMATI BRINDA KARAT: Sir, we are ...*(Interruptions)*...

SHRI KAPIL SIBAL: And, therefore, our Government is committed to change the life of the common man.

MR. CHAIRMAN: Question No. 184. Hon. Member absent. Question No. 185.

श्री शरद यादव: सभापति जी, क्वेश्चन 184 है। ...*(व्यवधान)*...

श्री सभापति: वे यहां पर नहीं हैं ...*(व्यवधान)*... Neither of the two Members who have asked the question is here. So, it cannot be taken up.

श्री शरद यादव: सर, यह ठीक नहीं है ...*(व्यवधान)*... सभापति जी, मैं इसको महसूस करता हूँ कि यह सवाल जो है ...*(व्यवधान)*...

एक माननीय सदस्य: सर, यह एक महत्वपूर्ण क्वेश्चन है ...*(व्यवधान)*... इसको अलाऊ करना चाहिए ...*(व्यवधान)*...

श्री सभापति: नहीं। इसे कैसे अलाऊ करना चाहिए? ...*(व्यवधान)*... जिन्हें सवाल पूछना है, अगर वे यहां नहीं हैं, तो उसका जवाब कैसे दिया जा सकता है? ...*(व्यवधान)*...

श्री शरद यादव: यह आपका prerogative है ...*(व्यवधान)*... आप कर सकते हैं ...*(व्यवधान)*... कई बार होता है ...*(व्यवधान)*...

श्री सभापति: देखिए, हमारी जो एक परम्परा है, उस पर हम चल रहे हैं ...*(व्यवधान)*...

श्री शरद यादव: यह आपका prerogative है ...*(व्यवधान)*...

MR. CHAIRMAN: Let us go to Question No. 185. *(Interruptions)*

श्री रवि शंकर प्रसाद: लेकिन, सर, यह सवाल बड़ा महत्वपूर्ण था। ...*(व्यवधान)*...

श्री सभापति: अब क्या किया जाए? ...*(व्यवधान)*...

श्री रवि शंकर प्रसाद: यह सवाल बड़े गम्भीर विषय पर था ...*(व्यवधान)*... शरद जी सही कह रहे हैं!

MR. CHAIRMAN: Question No. 185.

\*184. [The questioner(s) (Shri Gireesh Kumar Sanghi) and (Shri Jesudasu Seelam) were absent. For answer *vide* page 21.]

### Viability of SEZs in present economic scenario

\*185. SHRI D. RAJA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has done any study or assessed the impact of the recent global economic slow down on the use and future of the numerous Special Economic Zones (SEZs) sanctioned in the country in the last two years;

(b) whether it is a fact that the international economic slow down will impact the Indian exports;

(c) if so, whether Government will do a rethink on the utility of SEZs in the near future;

(d) whether it is also a fact that the targets of new units have fallen behind in SEZs; and

(e) what steps are being proposed to review the viability of SEZs in the present economic climate?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH):

(a) to (e) A Statement is laid on the Table of the House.

*Statement*

(a) No, Sir.

(b) It is too early to conclude that the international economic slowdown could impact Indian exports. During the year 2006-07, exports from SEZs was of the order of Rs. 34,615 crore as compared to Rs. 22,840 crore in 2005-06 and Rs. 18,314 crore in 2004-05, registering a growth of 89% in two years. In the current financial year till December, 2007, exports have reached the level of Rs. 40,000 crore.

(c) Special Economic Zones (SEZs) have brought in investments worth Rs. 70,225 in the new generation SEZs, out of which Rs. 67347 crore have been made in the SEZs notified under the SEZ Act, 2005.

(d) No specific targets for new units in SEZs are set by the Government of India as these SEZs are set up by the private sector/State Government or private sector in joint venture with State Government Agencies. As of date, Letters of Permission have been given for 177 units in the newly notified SEZs which have already created 61015 jobs.

(e) As the newly established SEZs are just getting established/operational, it is too early to make any assessment on their viability which is constantly being evaluated by the Developers of SEZs and entrepreneurs in the manufacturing/service units who are investing their money.

SHRI D. RAJA: Sir, the answer given by the Minister is not convincing at all. He has tried to present a rosy picture of Special Economic Zones. In fact, the Indian rupee has been appreciating against dollar. The value of dollar has been declining. This has created an adverse impact on our exports. Our exporters have represented to the Government. The exporters of coir and other industries, the exporters from Tirupur have represented. Now, the Minister says that there is no impact; the global economic slow down has no impact. Is it true?

I would like to ask the Minister: Do you say that the global economic slow down has no impact on our exports? Sir, the CAG report, which has been reported in the media, has made it very clear that the Special Economic Zone units have been achieving the prescribed net foreign exchange earnings mainly through domestic sales defeating one of the sub-objectives of the scheme which was to augment exports. This is an extract from the CAG report. But, your reply says that there is no impact. The global economic slow-down does not have any impact on our economy. ...(*Interruptions*)... It is there in the today's newspapers. The Government should reply to this, Sir.

**SHRI JAIRAM RAMESH:** Sir, the question is on SEZs. The hon. Member is asking a larger question, on the impact of appreciation of Indian rupee on exports. It has been our position that appreciation of rupee has certainly had an impact on our export performance, particularly in labour intensive sectors like textiles, like leather, like handicrafts and other such industries. So, it is not the case that the rupee appreciation is not affecting the export performance. Of course, it is affecting the export performance. The Finance Minister and the Government have announced three different packages. The Commerce Minister has represented that we need further to take measures to insulate our export sector from appreciation of rupee. But, the question relates to the SEZs performance and the answer that we have given relates to the SEZs.

**SHRI D. RAJA:** Anyway, Sir, this answer is not convincing. He has not responded to the CAG Report.

**SHRI JAIRAM RAMESH:** Sir, the CAG Report, I have seen just this morning. If I may be able to respond, the CAG Report I have seen myself in the newspapers this morning and we can certainly respond to the hon. Member's question on the CAG Report. ...*(Interruptions)*...

**SHRI D. RAJA:** My second question is this. There are several issues, related to the Special Economic Zones which include the acquisition of fertile agricultural land, the application of labour laws and other tax laws to the Special Economic Zones. The Finance Minister went on record to admit that there would be a loss of rupees one lakh twenty seven thousand crores due to several tax concessions. This has been admitted by the Finance Minister. Now, what I would like to ask the hon. Minister is this. There is a report from the Parliamentary Standing Committee on SEZs and there is a demand to have drastic amendments in the SEZ Act and the SEZ rules. And, the Government is yet to study the viability of the SEZs. Now, I ask the hon. Minister and the Government, are you going to consider the recommendations made by the Parliamentary Standing Committee? If you cannot consider, say the Government is rejecting those recommendations and there is no use of having all these Parliamentary Committees. Say that. Otherwise, you answer to the question. Is there any thinking with the Government to amend the SEZ Act or SEZ rules?

**SHRI KAMAL NATH:** Sir, the hon. Member has raised an issue where he says that there were some concerns. I would like to draw the attention of the hon. Member to the recent Economic Survey published by the Finance Ministry, and I have here a quote from it. But, I will be happy to send it to him. In fact, this Economic Survey by the Finance Ministry dispels ...*(Interruptions)*...

**SHRIMATI BRINDA KARAT:** Are you accepting or rejecting the recommendations made by the Standing Committee?

**SHRI KAMAL NATH:** Let me complete please. So, this dispels some of the concerns which have been raised from time to time and these concerns which were there two years ago, with the passing of two years, now we have got SEZs on the ground. We know what is the investment; we know what is the employment; we know what are the exports. All these have shown very very substantial gains. In fact, that is what this Economic Survey, released on the 28th of February, brings out.

Sir, with regard to the hon. Member's question about the Standing Committee, at the moment, there is no proposal to amend the SEZ Act. The SEZ Act has worked well; it is working well; it is generating employment and it is one of our important engines of growth of our economy.

SHRI D. RAJA: I do not ...*(Interruptions)* ..

MR. CHAIRMAN: Mr. Raja, you have asked your question. ...*(Interruptions)*...

SHRI D. RAJA: Sir, there is loss of employment. ...*(Interruptions)*... That is the experience. ...*(Interruptions)*... That is the reality. *(Interruptions)*.

MR. CHAIRMAN: Mr. Raja, please.

SHRI KAMAL NATH: Sir, if the hon. Member brings to my attention anywhere where there is loss of employment, I will be very happy to respond to him.

SHRI SANTOSH BAGRODIA: Thank you, Mr. Chairman, Sir. The Economic Survey, which the hon. Minister has mentioned, we all know, is based on their own report which they have submitted to the Finance Ministry. But, I am not going into those details. Sir, I understand, the land available in SEZs is not transferable. As a result, bankers are not willing to give any accommodation to the industries and that is why industries are not willing to go there and leaving aside the cost of land exorbitantly high in SEZs. Since bankers are not willing to give any accommodation to them, the new industries are not willing to go there. Is it true? That is one thing. Secondly, there are small SEZs on 25 hectares or 30 hectares or 40 hectares of land. What is the logic in having such small SEZs? Out of that, 50 per cent is being used only for development of cinema halls or other amusement parks. Is this the purpose of having SEZs? ...*(Interruptions)*... Real estate ...*(Interruptions)*... These small SEZs...*(Interruptions)*...

SHRI KAMAL NATH: Sir, we have SEZs today. Instead of making such sweeping statements, that there are cinema halls, if any Member can point out which SEZ has a cinema hall or something of the kind which is a misuse or abuse, we will be very happy to attend to it because that is not what the intention is.

SHRI SANTOSH BAGRODIA: It came in the newspaper ...*(Interruptions)*...

SHRI V. HANUMANTHA RAO: It is there in Visakhapatnam. ...*(Interruptions)*...I will show that...*(Interruptions)*...

MR. CHAIRMAN: Please. ...*(Interruptions)*...

SHRI KAMAL NATH: If they specifically tell me which one ...*(Interruptions)*...One of the Members is mentioning that it is in Visakhapatnam. ...*(Interruptions)*...

SHRI SANTOSH BAGRODIA: That is part of this. ...*(Interruptions)*... That 50 per cent will be used for other than productive purposes. ...*(Interruptions)*...

MR. CHAIRMAN: Please. ...*(Interruptions)*... Let the question be answered. ...*(Interruptions)*... Let the question be answered. ...*(Interruptions)*...

SHRI SANTOSH BAGRODIA: So cinema hall is not barred. ...*(Interruptions)*... Let him say that cinema hall is barred. ...*(Interruptions)*... Let him say that. ...*(Interruptions)*...

SHRI KAMAL NATH: I think the hon. Member must understand the concept of SEZs. There is a processing area and there is a non-processing area. The non-processing area does not have any facility, it does not have any tax incentive. He can not only put up a cinema hall but he can even put up his own house. ...*(Interruptions)*...

SHRI SANTOSH BAGRODIA: That is what I am saying. ...*(Interruptions)*...

MR. CHAIRMAN: Please allow the Question Hour to proceed. ...*(Interruptions)*... Please allow the Question Hour to proceed. ...*(Interruptions)*...Please allow the Question Hour to

proceed. ...*(Interruptions)*... Hon. Members will resume their places. ...*(Interruptions)*... Hon. Members will resume their places. ...*(Interruptions)*... Please resume your places. ...*(Interruptions)*... Please ...*(Interruptions)*... Please finish it. There are other supplementaries...*(Interruptions)*... Let us proceed with this. ...*(Interruptions)*... Let us not ...*(Interruptions)*... there are other supplementaries ...*(Interruptions)*...

SHRI SANTOSH BAGRODIA: Sir, will you please allow a half-an-hour discussion on this issue? ...*(Interruptions)*...

SHRI SHAHID SIDDIQUI: Sir, this is the sense of the House. ...*(Interruptions)*...

SHRI DIGVIJAY SINGH: Sir, this is the sense of the House. ...*(Interruptions)*...

SHRI V. NARAYANASAMY: We want modification in it; we are not opposing it. ...*(Interruptions)*...

MR. CHAIRMAN: Mr. Narayanasamy, please ...*(Interruptions)*... Please don't interrupt. ...*(Interruptions)*... Please don't interrupt. ...*(Interruptions)*... Please ...*(Interruptions)*...

SHRI V. HANUMANTHA RAO: Sir, they are getting ...*(Interruptions)*...

SHRI SANTOSH BAGRODIA: Sir, please allow a half-an-hour discussion on this issue. ...*(Interruptions)*...

MR. CHAIRMAN: That is a separate thing. ...*(Interruptions)*... Please go ahead. ...*(Interruptions)*...

SHRI SITARAM YECHURY: Sir, there are three questions listed today on this issue. These are Question Nos. 185, 186 and 195. I am also one of those who asked these questions. So much attention of the House is engaged on this issue. They are very serious issues. We want the Minister ...*(Interruptions)*...

MR. CHAIRMAN: You give a request...*(Interruptions)*...

SHRI SITARAM YECHURY: Sir, I want the Chair ...*(Interruptions)*... We are appealing to you, Sir. ...*(Interruptions)*... You allow a special discussion on this subsequently. ...*(Interruptions)*... Please allow a special discussion on the SEZs.

MR. CHAIRMAN: Agreed. ...*(Interruptions)*...

SHRI D. RAJA: Sir, we can have a discussion ...*(Interruptions)*...

MR. CHAIRMAN: Mr. Raja, please. ...*(Interruptions)*... There will be no discussion if everybody is speaking at the same time. ...*(Interruptions)*...

SHRI KAMAL NATH: Sir, the SEZ Act has been passed by this House. It is not a policy. Now if any misuse of the SEZ Act is taking place, either misuse or abuse of the SEZ Act. ...*(Interruptions)*... We would be very happy to look into it if any specific example of misuse or abuse is pointed out. I have been saying this repeatedly that if any example of abuse or misuse of the SEZ Act is brought ...*(Interruptions)*...

MR. CHAIRMAN: Please. ...*(Interruptions)*...

SHRI V. HANUMANTHA RAO: I will show that. ...*(Interruptions)*...

MR. CHAIRMAN: Please, please. ...*(Interruptions)*... Please allow the Chair. ...*(Interruptions)*...

श्री रवि शंकर प्रसाद: मंत्री जी क्या आपने स्वयं असेस किया है? ... (व्यवधान)...

श्री दिग्विजय सिंह: सर, दिल्ली के आसपास की सारी जमीन ... (व्यवधान) ... क्या बात कर रहे हैं।  
... (व्यवधान) ...

MR. CHAIRMAN: I understand the concern that has been expressed by different sections of the House. The hon. Minister has said that if there are specific instances, they should be brought to his notice. ... (Interruptions) ... Just a minute please. ... (Interruptions) ...

SHRI V. HANUMANTHA RAO: Sir, we want a discussion. ... (Interruptions) ...

MR. CHAIRMAN: Please, do not interrupt the Chair. ... (Interruptions) ...

SHRI SITARAM YECHURY: Sir, you have allowed that we will have a discussion. ... (Interruptions) ...

MR. CHAIRMAN: Two points are raised. ... (Interruptions) ...

SHRI SHAHID SIDDIQUI: Sir, the House needs your protection and not the Minister, Sir, we need your protection.

श्री सभापति: शाहिद साहब, आप बैठ जाइए। Two concerns have been raised One, specific instance of violation and two, a wider discussion. I suggest that we agree to both, if that is the sense of the House. But, to be specific about it ... (Interruptions) ... Let me complete ... (Interruptions) ... Please. ... (Interruptions) ... No, no. ... (Interruptions) ...

SHRI TAPAN KUMAR SEN: Sir, the issue is specific ... (Interruptions) ...

MR. CHAIRMAN: Please, don't interrupt me. ... (Interruptions) ... Now, if there are specific instances that are being cited, let them be communicated to the hon. Minister over the next 24 or 48 hours. ... (Interruptions) ...

SHRI KAMAL NATH: Sir, I will be very happy to respond to any of the specific instances of misuse or abuse of the Act, and, Sir, I leave it to your discretion. ... (Interruptions) ...

MR. CHAIRMAN: Please. ... (Interruptions) ... There are many more supplementaries on this issue.

SHRI KAMAL NATH: Sir, I will be happy ... (Interruptions) ...

MR. CHAIRMAN: Please, don't do that. ... (Interruptions) ... Please, there is another Question. Mr. Ravula Reddy. ... (Interruptions) ...

SHRI RAVULA CHANDRA SEKHAR REDDY: Sir, I may not get the answer, still, I prefer to put the question. Sir, as of now, 439 SEZs are sanctioned in an area of 1,50,000 hectares. For those who grabbed the SEZs, it is a Special Exploitation Zone and for those who lost the land, it is a Special Elimination Zone. Sir, people are being exploited. Sir, in the backdrop of global economic slow down, in the backdrop of resistance from the people and in the backdrop of shrinking agricultural land, will the Government come forward to have amendments to the present Act? As the Minister has noticed anguish from all sanctions of the House, will he give a specific reply?

SHRI KAMAL NATH: Sir, a very specific reply! I have said that if there are any concerns of the Members which are not addressed in the Act itself, I am very happy to address them. But, please tell me specifically. (Interruptions)

SHRI M. VENKAIAH NAIDU: Sir, it is a very important issue, otherwise, I would not have got up. I suggest to the Minister to call for a meeting of all representatives of the political parties. It's a burning issue. It is not a question of opposing or proposing. Mr. Raja raised a very relevant question. ...*(Interruptions)*... Agricultural land is taken away. ...*(Interruptions)*... Are you willing to call for a meeting? ...*(Interruptions)*...

MR. CHAIRMAN: I am afraid we are getting nowhere with this. ...*(Interruptions)*... I am afraid we are getting nowhere with this. ...*(Interruptions)*...

SHRI SITARAM YECHURY: Sir, I repeat my request that you please announce that the House will have a discussion on this issue. ...*(Interruptions)*...

MR. CHAIRMAN: We have already agreed to that.

SHRI S.S. AHLUWALIA: Sir, if you allow, we will give notice on this. ...*(Interruptions)*... Mr. Banwari Lal Kanchhal. ...*(Interruptions)*...

श्री बनवारी लाल कच्छल: सर, मैं माननीय मंत्री जी से कहना चाहता हूँ, निवेदन करना चाहता हूँ कि SEZ की आड़ में real estate का धंधा पूरे देश में हो रहा है—शॉपिंग मॉल्स बनाए जा रहे हैं, सिनेमाघर बनाए जा रहे हैं, होटल्स बनाए जा रहे हैं।

श्री सभापति: आप सवाल पूछिए।

श्री बनवारी लाल कच्छल: मैं मंत्री जी से पूछना चाहता हूँ कि क्या आप होटल, सिनेमाघर और शॉपिंग मॉल्स SEZ से बंद करने का काम करेंगे और यदि करेंगे तो कब करेंगे?

श्री कमल नाथ: सर, मैंने अभी दूसरे प्रश्न का उत्तर देते हुए स्पष्ट किया है कि अगर इस प्रकार SEZ Act का कहीं उल्लंघन हो रहा है, जो SEZ Act इस सदन ने पास किया है ...*(व्यवधान)*...

MR. CHAIRMAN: The Question Hour is over ...*(Interruptions)*... The Question Hour is over ...*(Interruptions)*... The Question Hour is over.

## WRITTEN ANSWERS TO STARRED QUESTIONS

### Demand for censoring television content

\*184. SHRI GIREESH KUMAR SANGHI:

SHRI JESUDASU SEELAM:

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether Government is aware of the increasing demand from social activists to regulate television content;

(b) whether it has been suggested that the Censor Board should certify the TV broadcast;

(c) if so, the details of such censor; and

(d) by when a final decision in this regard is likely to be taken?

THE MINISTER OF INFORMATION AND BROADCASTING (SHRI PRIYARANJAN DASMUNSI): (a) to (d) There have been a number of demands for having the TV content regulated through a Legislation/Code. Specific instances of demand for certification of TV Broadcast by the Censor Board have not been noted.