

[11 May, 2000]

RAJYA SABHA

Permission to EOU and EPZ for production of SSI products

†5017. SHRI RAJIV RANJAN SINGH:

DR. D. MASTHAN:

Will the Minister of SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether it is a fact that Export Oriented Unit and Export Processing Zone have been given permission for production of the products reserved for small scale industries of the country;

(b) if so, whether certain conditions have also been laid before these units for production of these products;

(c) if so, the details of these conditions and whether any provision for punishment against the violation of these conditions has also been made; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRIMATI VASUNDHARA RAJE): (a) Yes, Sir.

(b) and (d) Since EOU/EPZ units are export oriented units, they have been exempted from the requirement of obtaining industrial licence in respect of production of the products reserved for small scale industries. These units are required to achieve minimum Net Foreign Exchange Earning as a Percentage of exports (NFEP) and minimum export performance as prescribed in Appendix-I of Export and Import Policy (1997-2002) given in the statement. (See below) The units are liable for penal action under Foreign Trade (Development and Regulation) Act, 1992 in case of failure to fulfil their obligations under the EOU/EPZ/SEZ/EHTP/STP scheme.

Statement

Minimum NFEP and export performance requirement under the EOU/EPZ/SEZ/EHTP/STP scheme (paragraph 9.5 and 9.32 of the policy)

Name of the sector	Minimum NFEP	Minimum export performance for five years.
(i) Units with actual investments in plant and machinery, both imported and indigenous, of Rs. 5 crores and above.	Positive NFEP	US \$ 3.5 million or 5 times the CIF value of imported capital goods, whichever is higher.

†Original notice of the question was received in Hindi.

	Name of the sector	Minimum NFEP	Minimum export performance for five years.
(ii)	Electronics Hardware	Positive NFEP	US \$ 1.00 Million or 5 times the CIF value of imported capital goods whichever is higher.
(iii)	Agriculture, aquaculture, animal husbandary, horticulture, pisciculture, viticulture, poultry and sericulture.	Positive NFEP	-do-
(iv)	Biotechnology	Positive NFEP	US \$ 0.50 million or 5 times the CIF value of imported capital goods, whichever is higher.
(v)	floriculture	-do-	-do-
(vi)	Toys and kinds	-do-	-do-
(vii)	Trading units	-do-	US \$ 1 Million or 5 times the CIF value of imported capital goods, whichever is higher.
(viii)	Studded gold/platinum Silver jewellery and articles there or combination thereof.	12.5%	US \$ 1 Million or 5 times the CIF value of imported capital goods, whichever is higher.
(ix)	Plain gold/Platinum/silver jewellery and articles or combination thereof and ornaments like Mangalsutra containing gold and black beads, imitation stones, cubic zirconia etc. only but excluding diamonds, precious & semi-precious stones.	7.5%	-do-

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	Name of the sector	Minimum NFEP	Minimum export performance for five years.
(x)	Gold/platinum/silver unstudded chains and bangles or combination there of manufactured by fully mechanised process.	3%	-do-
(xi)	Gold/Silver/Platinum medallions, coins (excluding the coins of the nature of legal tender) and other articles.	3%	-do-
(xii)	Computer Software the CIF value of imported capital goods whichever is higher.	20%	US \$ 1 million or 5 times
(xiii)	Minerals, including granites and other stones	20%	US \$ 1 million or 5 times the CIF value of imported capital goods, whichever is higher.
(xiv)	Services	20%	US \$ 0.50 million or 5 times the CIF value of imported capital goods, whichever is higher.
(xv)	All others	20%	US \$ 1 million or 5 times the CIF value of imported capital goods, whichever is higher.
(xvi)	S.E.Z. units	Positive N.F.E.P.	No minimum Export performance.