

1	2	3	4
Punjab	10	7	2
Rajasthan	8	11	7
Tamil Nadu	69	18	50
Uttar Pradesh	34	5	16
Uttarakhand	3	-	2
West Bengal	25	13	11
GRAND TOTAL	578	146	323

Entry of corporate houses and MNCs in the retail sector

1188. SHRI A. ELAVARASAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether big corporate houses and MNCs have entered the retail sector in a big way in our country;

(b) if so, whether this has led to an adverse impact on the small vendors in the unorganised sector and it will result in unemployment due to slide down of indigenous retail traders; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) to (c) Government had instituted a study on the subject "Impact of organized retailing on the unorganised sector" through the Indian Council for Research on International Economic Relations (ICRIER). Main findings of the ICRIER study are given in the statement. [Refer to Statement appended to the answer to USQ 1177 Part (c) and (d)]. As per extant policy, Foreign Direct Investment (FDI) is not allowed in Retail Trade except in Retail Trade of Single Brand products where FDI upto 51% is permitted with prior Government approval. Retail is a labour intensive sector and is the second largest employer after agriculture. Government is fully committed to securing the legitimate interests of all stakeholders engaged in the retail business. Government also fully recognises the need to ensure that small retailers are not adversely affected by the growing organised retail and that there is no adverse effect on employment.

Impact of organised retailing on unorganised retailing

1189. DR. GYAN PRAKASH PILANIA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the findings and recommendations of Indian Council for Research on International Economical Relations and National Council of Applied Economic Research regarding 'impact of organised retailing on unorganised retail trade' including small retailers and venders;

(b) the follow-up action taken by Government;

(c) the present status of unorganised retail trade in India, the number of small retailers and vendors, annual turnover, employment generated etc.; and

(d) the FDI permitted in unorganised retail trade and implications thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) Government had instituted a study on the subject "Impact of large domestic retailers on unorganised retail" through Indian Council for Research on International Economic Relations (ICRIER) and another study on the subject "Growth linkages of Foreign Direct Investment (FDI) in India" through the National Council of Applied Economic Research (NCAER). Main findings of the ICRIER study and the NCAER study are given in the Statement-I [Refer to Statement appended to annexure USQ 1177 Part (c) and (d)] and Statement-II. (See below).

(b) The Government has forwarded the report of the ICRIER to various stake-holders which includes all the Central Government Ministries and the State Governments for comments.

(c) As per the report of ICRIER, the retail trade is estimated to grow at 13% per annum from US \$ 322 billion in 2006-07 to US \$ 590 billion in 2011-12, contributing around 11-12 percent to Gross Domestic Product (GDP) in 2006-07. Out of the total retail sales of US\$ 322 billion (Rs. 14,574 billion) in 2006, 4% was the share of organised retail and rest being unorganised retail.

According to the Economic Census carried out by the CSO in 1998, the country had a total of 10.69 million enterprises engaged in retail trade, of which 5.23 million were in the rural areas and 5.46 million in the urban areas. The total employment in these enterprises in 1998 was 18.54 million of which 7.88 million was in the rural sector and 10.65 million in the urban sector. According to NSSO's Employment and Unemployment Survey for 2004-05, employment in the retail trade has been 35.06 million, divided between rural (16.08 million) and urban (18.98 million) sectors. This constituted about 7.3 per cent of the workforce in the country (459 million). The NSSO data also indicated that retail employment was about 30.62 million in 1999-00 with 12.15 million in rural areas and much higher at 18.47 million in the urban areas. This means that an additional employment of 4.44 million was added in this sector during the five-year period, 2000-05, showing an annual employment growth of 2.7 per cent per annum. The retail employment growth has been quite large in the rural sector - there has been a massive rise in employment in rural retailing of 3.93 million during 2000-05 - and the urban sector has also shown an employment growth, but only of 0.51 million during this period.

(d) As per the extant policy, Foreign Direct Investment (FDI) is not permitted in retail trade, except in Single Brand product retailing where FDI up to 51% is permitted, with prior Government approval and subject to the following conditions:

- (i) Products to be sold should be of 'Single Brand' only;
- (ii) Products should be sold under the same brand internationally; and
- (iii) 'Single Brand' product-retailing would cover only products which are branded during manufacturing.

Statement-II

FDI and its Growth Linkages

Key Findings and Salient Conclusions¹

1. **Spatial spread:** To take stock of the spatial spread of the FDI-enabled production facilities in India during the last five years (2001 to 2006). The production facilities to be studied would include manufacturing plants as well as service providing facilities as these evolved either as Greenfield or as M&A processes, located in cities other than Metros and Tier-1 and in rural areas in particular

Findings:

- 401 FDI-enabled manufacturing firms; 1,273 plants; 294 cities
- 84% of 294 cities are Class-3
- 54% of 1,273 plants located in Class-3 cities
- 20% manufacturing plants in Maharashtra; 11% in Gujarat; and 10% in Tamil Nadu; 9% in Karnataka; and 7% in West Bengal
- The state-wise share of Class-3 cities in all cities having FDI-enabled manufacturing plants: 90% in Gujarat, 87% in Andhra Pradesh; 85% in Tamil Nadu; 82% in Karnataka; 67% in Maharashtra
- 100 FDI-enabled service firms; 1,257 facilities; 369 cities
- 84% of 369 cities are Class-3
- 35% of 1,257 facilities are located in Class-3 cities
- 20% service facilities in AP; 18% in Karnataka; 17% in Maharashtra; 12% in Tamil Nadu
- The state-wise share of Class-3 cities in all cities having FDI-enabled service facilities: 61% in AP; 43% in Karnataka; 18% in TN; and 3% in Maharashtra

Conclusions:

FDI-enabled plants are spread across various states with relatively high concentration in Maharashtra, Gujarat, Tamil Nadu, Karnataka and West Bengal. Significant proportion of manufacturing plants is located in Class-3 cities. FDI-enabled service facilities have relatively high concentration in Andhra Pradesh; Karnataka; Maharashtra; and Tamil Nadu. The proportion of service facilities located in Class-3 cities is relatively less significant *vis-a-vis* manufacturing plants.

2. **Sectoral Clustering:** To bring out sectoral clustering across the states and sub-state regions (cities, towns and rural areas of districts) with a view to assessing the types of production facilities which have entered relatively small towns and rural areas outside municipal limits (2006 to 2008)

¹Discussion in this Section is based on information drawn from various Chapters of this Report, Special focus has been given to the secondary data-based Tables, including Annex Tables, of Chapter 6.

Findings:

- 351 firms with 1,171 plants have reported recent data
- Plants wide spread across states
- Foreign equity: Rs. 56 billion
- Foreign equity worth Rs. 49 billion in FDI-enabled manufacturing firms (41% of total equity in FDI-enabled manufacturing firms and 88% of the FDI received in manufacturing sector); 44% of Rs. 49 billion worth of foreign equity has moved to Class-3 cities
- Market capitalisation of FDI-enabled manufacturing firms at Rs. 4,870 billion; 46% originates in Class-3 cities
- Firms included in top-25 National Industrial Classification (NIC) 3-digit sectors, based on market capitalisation of FDI-enabled firms, account for 90% of the total market capitalisation
- Top-5 NIC 3-digit sectors based on market capitalisation include firms producing chemical products (other than basic chemicals); non-ferrous metals; electricity distribution & control apparatus; motor vehicles; and non-metallic mineral products
- Market capitalisation of firms producing chemical products (other than basic chemicals) has high clustering in Maharashtra, Karnataka, West Bengal, Himachal Pradesh and Goa
- Market capitalisation of firms producing precious and non-ferrous metals has high clustering in Maharashtra, Dadra & Nagar Haveli, Tamil Nadu, Madhya Pradesh and Andhra Pradesh
- Market capitalisation of firms producing electricity distribution and control apparatus has high concentration in Maharashtra, Karnataka, Gujarat, Haryana and West Bengal
- About 46% of the market capitalisation and 50% of the net fixed capital of the FDI-enabled manufacturing firms originate in Class-3 cities. The corresponding number is 44% for foreign equity component
- Sectors with relatively high share of market capitalisation in Class-3 cities include non-ferrous metals; non-metallic mineral products; dairy products; basic iron and steel; and transport equipment
- Sectors with relatively low share of market capitalisation in Class-3 cities include electricity distribution and control apparatus; medical appliances; general purpose machinery; and tobacco products
- States with relatively high share of market capitalisation in Class-3 cities include Andhra Pradesh, Assam, Haryana, Rajasthan and Uttar Pradesh
- Maharashtra has relatively high clustering of market capitalisation of sectors including chemical products; non-ferrous metals; and medical appliances

- Karnataka has relatively high clustering of market capitalisation of sectors including motor parts; chemical products; and electricity distribution and control apparatus
- Haryana has relatively high clustering of market capitalisation of sectors including transport equipment; motor vehicles; and electricity distribution and control apparatus
- Gujarat has relatively high concentration of sectors including electricity generation and control apparatus; non-metallic mineral products; and chemical products
- Tamil Nadu has relatively high concentration of non-ferrous metals; petroleum products; and dairy products
- Foreign equity worth Rs.18 billion in FDI-enabled service firms (31% of total equity in FDI-enabled service firms); only 8% of Rs. 18 billion worth of FDI has moved into Class-3 cities
- Market capitalisation of FDI-enabled service firms at Rs. 2,956 billion; only 5% originates in Class-3 cities

Conclusions:

Foreign equity in FDI-enabled manufacturing sectors has relatively significant penetration in Class-3 cities as compared with that in service sectors. The same is true for market capitalisation and net fixed capital. Sectors with relatively high share of market capitalisation in Class-3 cities include non-ferrous metals; non-metallic mineral products; dairy products; basic iron and steel; and transport equipment. States with relatively high share of market capitalisation in Class-3 cities include Andhra Pradesh, Assam, Haryana, Rajasthan and Uttar Pradesh.

3. **Depth of Value-Added:** To enable a comprehensive understanding of the value-added features of the FDI-linked production facilities and its role in employment opportunities

Findings:

- About half the total output of FDI-enabled manufacturing firms originates in Class-3 cities
- 48% of value-added originates in Class-3 cities
- 45% payments to employees originates in Class-3 cities
- The share of Class-3 cities in total output, value-added and employee cost is relatively high in sectors including non-metallic mineral products; building and construction parts; mining of iron ores; textiles; and growing and processing of crops
- The overall share of value-added in output in FDI-enabled manufacturing firms is 18%
- The share of value-added in output is relatively high in sectors including software and publishing; mining of iron ore; non-metallic mineral products; special purpose machinery, tobacco products; and footwear

- The share of value-added to output is relatively high in Andhra Pradesh, Gujarat and Karnataka
- The overall share of employee cost in value-added in FDI-enabled manufacturing firms is 29%
- The share of employee cost in value-added is relatively high in software and publishing; footwear; basic chemicals; textiles; and domestic appliances

Conclusions:

About half the total output, value-added and wages paid in the FDI-enabled manufacturing firms originate in Class-3 cities. Class-3 cities account for relatively high shares of output, value-added and wages paid in sectors including non-metallic mineral products; building and construction parts; mining of iron ores; textiles; and growing and processing of crops.

4. **Analysis of FDI inflows and their impact on rural activities with special emphasis on the employment generating effects:** To analyse the impact of FDI in various rural activities especially in the sectors of agriculture and food processing and to assess the positive and negative impact of employment through the FDI-enabled production activities

Findings:

- Market capitalisation of FDI equity-component in the database is Rs. 3,213 billion (including service sectors)
- It is well in tune with FDI equity inflows during April 2000 to September 2008 valued at Rs.3,432 billion in the latest DIPP Fact Sheet
- More than 40% of the market capitalisation originates in Class-3 cities
- More than 50% of the total FDI-enabled manufacturing sectors' employment of 15,64,920 persons originates in Class-3 cities
- Sectors providing relatively high share of employment in Class-3 cities include transport equipment; growing and processing of crops; construction parts; textiles; and non-metallic mineral products
- For other details refer to the findings of TOR-3 above

Conclusions:

The market capitalisation of FDI equity component in manufacturing and service sectors taken together is Rs. 3,213 billion which matches well with FDI inflows during April 2000 to September 2008 valued at Rs. 3,432 billion. More than two-fifths of the market capitalisation originates in Class-3 cities. FDI-enabled firms in manufacturing sectors provide employment to about 15.6 lakh persons accounting for about 4 to 5% of the total employment in the organised sector. Class-3 cities provide employment to about 7.9 lakh workers (more than 50% of the total). Sectors providing relatively high share of employment in Class-3 cities include transport equipment; growing and processing of crops; construction parts; textiles; and non-metallic mineral products.

5. **Labour and capital intensity:** to identify various FDI-enabled sectors by their levels of skill, scale, capital and labour requirements and compare these features with the domestically invested production facilities producing similar kinds products and services and provide comprehensive documentation of FDI-enabled production facilities by their labour and capital requirements

Findings:

- Net fixed capital per plant is Rs. 81 crore in Class-3 cities; Rs. 57 crore in others
- Market capitalisation per plant is Rs. 466 crore in Class-3 cities; Rs. 381 crore in others
- Value-added per plant is Rs. 50 crore in Class-3 cities; Rs. 38 crores in others
- Employee cost per plant is Rs. 14 crore in Class-3 cities; Rs. 12 crore in others
- Output per plant is Rs. 286 crore in Class-3 cities; Rs. 206 crore in others

Conclusions:

Class-3 cities have relatively high scale, market capitalisation, value-added, wages paid and output per plant *vis-a-vis* medium and large cities. The information on skill composition of workers employed in manufacturing plants is not available.

6. **Comparative performance:** To make comparison of efficiency of the MNC affiliates established in India with firms under their parent companies operating outside India and their profit levels. To make similar comparative analysis between FDI-enabled production facilities in a sector with domestically invested production facilities in the same sector

Findings:

- Data for comparison with firms of the parent companies located out of India is not available
- Employee cost per rupee of net fixed capital is 19 paise in FDI-enabled manufacturing firms and 15 paise in domestically invested firms
- Employee cost per rupee of net fixed capital in FDI-enabled manufacturing firms is relatively high in sectors including footwear; medical appliances; electricity distribution and control apparatus; general purpose machinery; and building of construction parts
- Ratio of output to net fixed capital is 3.55 in FDI-enabled manufacturing firms and 2.92 in domestically invested firms
- Ratio of output to net fixed capital is significantly high in FDI-enabled sectors including medical appliances; electricity distribution and control apparatus; petroleum products; mining of iron ore; and transport equipment. The corresponding values in these sectors are much lower in the case of domestically invested firms

- Ratio of output to capital has wider spread across sectors in FDI-enabled firms than in domestically invested firms

Conclusions:

The FDI-enabled manufacturing firms pay higher wage per rupee of net fixed capital as compared with domestically invested manufacturing firms. Within the FDI firms, the value is relatively high in sectors including footwear; medical appliances; electricity distribution and control apparatus; general purpose machinery; and building of construction parts.

Output-capital ratio is also higher in FDI firms as compared with domestic firms. Within FDI-enabled firms, the output-capital ratio is relatively high in sectors including medical appliances; electricity distribution and control apparatus; petroleum products; mining of iron ore; and transport equipment. The corresponding values in these sectors are much lower in the case of domestically invested firms. Data for comparison with firms of the parent companies located out of India is not available.

7. **Forex Implications:** To understand the implications of repatriation of profits earned in India versus profits retained and invested

Findings:

- There is no restriction on repatriation of profits
- The overall net foreign exchange earning is negative for FDI-enabled manufacturing sectors. The same is true of domestically invested manufacturing sectors
- The sector of petroleum products accounts for a major share of the overall deficit on foreign exchange earnings both for FDI-enabled and domestically invested sectors of production
- Some of the sectors with positive net foreign exchange earnings include chemicals; mining of iron ores; textiles; and software and publishing

Conclusions:

The overall net foreign exchange earning is negative for FDI-enabled as well as domestically invested firms mainly due to deficit in manufacture of the petroleum products. Some of the sectors with positive net foreign exchange earnings include chemicals; mining of iron ores; textiles; and software and publishing.

8. **Backward and forward linkages:** To estimate the backward and forward linkages of FDI-enabled sectors through mapping these on the latest available input-output tables for India

Findings:

- Top FDI attracting DIPP 4-digit sectors have strong backward and forward linkages with other sectors of the economy

- Four sectors among top 15 FDI receiving sectors have strong backward and forward linkages with other sectors of the economy: miscellaneous industries including construction (4200); fuels including power and oil refinery (0200); chemicals other than fertilisers (1900); and metallurgical industries (0100)
- Eight sectors have strong backward linkages, viz. electrical equipment (0500); transportation industry (0700); drugs and Pharmaceuticals (2200); cement and gypsum products (3500); food processing industries (2700); hotel and tourism (4000); miscellaneous mechanical & engineering (1200); and textiles (2300)
- The remaining three aggregate DIPP sectors have strong forward linkages. These include service sectors (3900); telecommunications (0600); and consultancy services (3800).

Conclusions:

The top FDI receiving sectors, as per the DIPP 4-digit classification, have strong backward and/or forward linkages with the economy. The sectors with strong backward and forward linkages include construction; fuels; chemicals; and metallurgical industries. The sectors with strong backward linkages include electrical equipment; drugs and pharmaceuticals; food processing; and textiles among others. Services sectors; telecommunications; and consultancy services have strong forward linkages.

9. **FDI in Services Sectors:** To study the impact of FDI in service sectors on the rural economy

Findings:

- Market capitalisation of the FDI-enabled service firms is Rs. 2,956 billion compared with Rs. 4,870 billion of the FDI-enabled manufacturing sectors. Sectors with high market capitalisation include telecommunication; software publishing and consultancy; transport services; and construction activities
- FDI in service sectors has insignificant presence in Class-3 cities
- The share of market capitalisation in Class-3 cities accounts for about 5% of the total market capitalisation of the FDI-enabled service sectors
- The share of foreign equity in Class-3 cities accounts for about 8% of the total foreign equity of the FDI-enabled service sectors
- The share of net fixed capital in Class-3 cities accounts for about 14% of the total net fixed capital in the FDI-enabled service sectors
- Only 10.4% output of FDI-enabled service facilities originates in Class-3 cities
- Only 10% of value-added of FDI-enabled service facilities originates in Class-3 cities

Conclusions:

Market capitalisation of the FDI-enabled service firms is less than two-fifths of the combined market capitalisation of manufacturing and service firms. However, it has insignificant reach in Class-3 cities

compared with impressive presence of the FDI-enabled manufacturing firms in Class-3 cities. Only one-tenth of output and value-added of the FDI-enabled service sectors originate in Class-3 cities.

10. **Special Economic Zones:** To study the concentration of production facilities in SEZs and analyse the relative performance of such plants inside and outside SEZs and the impact of such production to the Index of Industrial Production

Findings:

- The secondary database does not have information on FDI in SEZs
- As on 31 March 2008, total investment in SEZs was Rs. 693 billion including foreign direct FDI investment of Rs. 55 billion: Rs. 26 crore by the developers and Rs. 29 crore by the units established in SEZs
- Total Exports from SEZs in 2007-08 amounted Rs. 666 billion.
- As on 31 December 2008, total employment generated by SEZs was 3,66,333 persons.

Conclusions:

The secondary database does not have information on the amount of FDI or the number of FDI-enabled firms/plants in Special Economic Zones. However, we do have information on the number of FDI plants located in cities having SEZs but not on whether these firms are within or outside a particular SEZ in a specified city. The FDI component accounts for about 8% of the total investment in SEZs.

11. **Export Potential:** To assess the share of export seeking FDI in various sectors of production to gauge the un-tapped potential of exports of labour intensive goods from India

Findings :

- FDI-enabled manufacturing firms account for 13% of total sales by all firms: FDI and domestic
- FDI-enabled manufacturing firms account for 12% of exports by all firms: FDI and domestic
- Exports constitute 13% of total sales of FDI-enabled manufacturing firms
- Mining of iron ore; non-ferrous metals; special purpose machinery; textiles; and software and publishing have relatively high export to sales ratio

Conclusions:

FDI-enabled manufacturing firms account for 12% of total exports by FDI-enabled and domestically invested manufacturing firms taken together. About 13% of total sales by FDI-enabled firms are exported. This implies that the FDI has entered India mainly for seeking domestic markets. Mining of iron ore; non-ferrous metals; special purpose machinery; textiles; and software and publishing have relatively high export to sales ratio.

12. Greenfield FDI versus FDI through Mergers & Acquisitions: To document the sectoral distribution of FDI through these two routes and to compare and contrast the rural and suburban linkages through these two routes

Findings:

- The database and other available information does not provide information on firm-wise FDI equity on Greenfield and M&A components
- Issues related with rural and suburban (Class-3 cities) linkages have been discussed under TORs 1 to 5 and 9.
- DIPP data indicates that about one-fifth of FDI equity inflows are acquisitions

Conclusions :

The database does not provide information on firm-wise FDI equity into Greenfield and M&A components. However, DIPP data indicates one-fifth of FDI equity inflows are acquisitions.

13. Country-wise and sector-wise analysis of FDI

Findings :

- Total FDI inflows US\$ 89.9 billion during April 2000 to March 2009
- Service sector, electrical equipment and miscellaneous industries account for major shares
- Mauritius is the main source followed by Singapore, U.S.A., U.K., the Netherlands and Japan

Conclusions :

Total FDI inflows US\$ 89.9 billion during April 2000 to March 2009. Service sector, electrical equipment and miscellaneous industries account for major shares. Mauritius is the main source followed by Singapore, U.S.A., U.K., the Netherlands and Japan

14. Data Reporting by RBI/Sectoral Classification: To identify the issues of sectoral classification and data-reporting in unison with the ongoing work of the Technical Monitoring Group of Foreign Direct Investment which had the First Action Report in June 2003

Findings :

- For compiling the FDI statistics IPP follows the methodology proposed by the technical Monitoring Group (TMG)
- DIPP follows sectoral classification modified on the basis of Industrial Development and Regulation Act (1951) to report FDI data by sectors
- The current industrial classification available is the national Industrial Classification (NIC) 2004
- NCAER provides concordance between DIPP and NIC 2 and 3 digit sectors to facilitate adaptation and adoption to the NIC classification

Conclusions

For compiling the FDI statistics DIPP follows the methodology proposed by the Technical Monitoring Group (TMG). The sectoral FDI data reporting by DIPP follows the modified sectoral classification of

the Industrial Development and Regulation Act (1951). The current industrial classification available is the National Industrial Classification (NIC) 2004. NCAER has provided concordance between DIPP and NIC 2 and 3 digit sectors to facilitate adaptation and adoption for the DIPP data reporting according to the NIC-2004 classification.

SEZs approved, notified and pending

1190. SHRI SYED AZEEZ PASHA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

/a) the total number of Special Economic Zones (SEZs) approved, investments made, Zones notified and pending, so far, along with the SEZs which has started operating during each of the last three years and the current year, State-wise, location-wise and date-wise;

(b) whether complaints/representations have been received demanding review of the SEZ policy in view of its social, economic and other concerns;

(c) if so, the details thereof;

(d) whether the Government is reviewing the policy of SEZ and the SEZ Act in view of mass protests; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) In addition to the Seven Central Government SEZs and 12 State/Private Sector SEZs set up prior to the enactment of SEZ Act, 2005, formal approval have been accorded to 578 proposals out of which 323 SEZs have been notified. An investment of Rs. 1,08,903 crore has been made and direct employment for 3,87,439 persons have been generated in the SEZs. Total export of Rs: 99,689 crore has been made from SEZs during the financial year 2008-09 registering a growth of 50% over the exports over the 2007-08. The details of formally approved and notified SEZs, State-wise/location-wise and list of operational SEZs are available on the website: www.sezindia.nic.in.

(b) to (e) Representations were received from various stake-holders on a number of issues including inadequate compensation for the land acquired, rehabilitation of displaced persons, compulsory acquisition of land, diversion of land from agriculture for SEZ purposes, need for adequate infrastructural requirements of SEZs, land used for activities in the non-processing area, maximum size of land that should be permitted for SEZs. Empowered Group of Ministers (EGoM) deliberated on various important issues concerning the SEZs and took appropriate decisions. Decisions taken by the EGOM included: fixing an upper ceiling of area requirement for multi product SEZs at 5000 hectare, preference to be given for wasteland for SEZs; otherwise for single crop land; if not, only 10% of double crop land to be acquired for multi-product SEZs, no Board of Approval (BoA) clearance for SEZs where State Governments have carried out or propose to carry out compulsory acquisition of land for such SEZs after 5th April, 2007, etc.