(b) and (c) No, Sir. The draft of National Offset Policy is at stage of consultations with different Ministries/Departments.

Scheme to set up SEZs to increase export

†4347. SHRI RAVI SHANKAR PRASAD :
SHRI SHIVANAND TIWARI :

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government had implemented a scheme in February, 2006 to set up Special Economic Zone to enhance export by increasing industrial production in the country;

(b) if so, the facts thereof and the number of total zones which are engaged in export and production work after their establishment till March, 2012;

(c) whether it is a fact that a very low percentage of zones are operational in comparison to the sanctioned number of zones in the country; and

(d) if so, the percentage thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA) : (a) to (d) The main objectives of the SEZ Scheme are:

(a) generation of additional economic activity;

(b) promotion of exports of goods and services;

(c) promotion of investment from domestic and foreign sources;

(d) creation of employment opportunities;

(e) development of infrastructure facilities.

In addition to seven Central Government Special Economic Zones (SEZs) and 12 State/Private Sector SEZs set up prior to the enactment of SEZ Act, 2005, formal approval has been accorded to 589 proposals out of which 389 SEZs presently stand notified. A total of 153 SEZs are already exporting. Around 40 percent of the notified SEZs are exporting.

In terms of Rule 6 of the SEZ Rules, validity of approval is for a period of three years within which time effective steps are to be taken by the developer to implement the approved proposal. On a request received from the developer, the Board of Approval

† Original notice of the question was received in Hindi.

can extend the validity period. The SEZs are under obligation to achieve positive Net Foreign Exchange (NFE) earnings to be calculated cumulatively for a period of 5 years from the commencement of production, failing which the units shall be liable for penal action under the provisions of the Foreign Trade (Development and Regulation) Act, 1992. However no export targets are set for Special Economic Zones (SEZs).

Reduction in inflow of foreign capital

†4348. SHRI RAMCHANDRA PRASAD SINGH :
SHRI RAVI SHANKAR PRASAD :

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that according to study conducted by Reserve Bank of India, there has been reduction in the inflow of foreign capital during 2010-11 due to instability in Government policy;

(b) if so, Government reaction thereto; and

(c) the quantum of foreign capital invested in India during the said period and its quantum in comparison to last year?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA) : (a) A research study was undertaken by the RBI to examine as to why the Foreign Direct Investment (FDI) flows to India remained sluggish in 2010-11, despite relatively better domestic economic performance ahead of global recovery. Based on an empirical exercise to analyse the factors behind such moderation in FDI inflows to India, the study, based on 10 major emerging market economies (EMEs), showed that FDI was significantly influenced by openness, growth prospects, macroeconomic sustainability, labour cost and uncertainty in government policy.

(b) FDI equity inflows, received during the Financial Year 2011-12, have increased significantly over the FDI equity inflows received in the last financial year. FDI equity inflows of Rs. 173,946 crores have been received in 2011-12, as compared to Rs. 88,520 crores, received during the Financial Year 2010-11.

(c) FDI equity inflows, received during the Financial Year 2010-11, were Rs. 88,520 crores, as compared to Rs. 123,120 crores, received during the Financial Year 2009-10.

† Original notice of the question was received in Hindi.