

(d) if so, the details thereof and the steps taken by Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a), (c) and (d) The Special Economic Zones (SEZs) located in the country has seen a slowdown in terms of SEZ exports, slower operationalisation of SEZs, increased number of applications for denotification of SEZs, fewer number of application for setting up of new SEZ, etc. The slowdown may be due to a number of reasons including withdrawal of exemption from Minimum Alternate Tax (MAT) and Dividend Distribution Tax (DDT) provisions, uncertain fiscal regime for SEZs, global slowdown in exports etc. Exports from the SEZs during the last four years are as under:

Years	Exports (₹ in crore)	Growth/decline over previous year
2012-2013	4,76,159	31%
2013-2014	4,94,077	4%
2014-2015	4,63,770	-6.13%
2015-2016 (April to December, 2015)	3,41,685	-1.89% (corresponding period of previous financial year 2014-15)

In order to boost SEZs, review meetings with the Development Commissioners of SEZs are held regularly. Further, open house meetings with SEZ stakeholders, road shows have been organised in various places of the country to give wide publicity of SEZs.

(b) The Export Promotion Council for EOUs and SEZs (EPCES) has represented for allowing best Free Trade Agreement rates to SEZ Developers and units for selling their goods in Domestic Tariff Area (DTA).

#### **Discriminatory taxation of non-smoking and smoking variants of Tobacco**

323. DR. K. V. P. RAMACHANDRA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government's attention has been drawn to the demands of Andhra Pradesh and Karnataka FCV Tobacco Farmers' Associations over discriminatory taxation between non-smoking and smoking variants of the commodity; and

(b) if so, the response of Government thereon?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) Yes.

(b) Smokeless tobacco products viz. Chewing Tobacco, Gutkha (Pan Masala containing tobacco), Filter Khaini, Jarda Scented Tobacco, Unmanufactured Tobacco and Smoking Tobacco Products viz. Cigars and Cheroots, Cigarillos of Tobacco and Cigarettes, etc. are demerit goods and therefore, chargeable to higher excise duty than other goods. Further, specified tobacco products including cigarettes attract a specific excise duty rate. So, it is essential that the specific duty rates are indexed to inflation and growth so as to achieve tax buoyancy which is otherwise achieved in respect of other goods which are chargeable to excise duty on *ad valorem* basis.

#### **Impact of 'Make in India' programme on FDI**

324. SHRI VAYALAR RAVI: Will the Minister of COMMERCE AND INDUSTRY be pleased to refer to answer to Unstarred Question 2107 given in the Rajya Sabha on the 17th March, 2016 and state:

(a) whether the 29 per cent increase in FDI after the 'Make in India' programme started is an indication of the success of this programme;

(b) if so, whether Government has noticed the results of a study reported in an English daily dated 22nd October, 2015 which states that the FDI spurts is not aligned with the spirit of 'Make in India' and Government's claim on this matter is not true; and

(c) if so, the reaction of Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) Yes, Sir. In the period October, 2014 to December, 2015 (15 months after 'Make in India'), FDI inflow has increased 29% compared to the 15 month period prior to the launch. However, in the 17 month period upto February, 2016 after the launch of 'Make in India', FDI inflows have increased by 37% while FDI equity inflows have increased by 47% compared to the previous 17 months.

(b) No such study has been brought to the notice of the Government.

(c) In view of the reply above, the question does not arise.

#### **Contraction of industrial production**

325. SHRI VAYALAR RAVI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has noticed a study report by Bank of America Merrill Lynch reported in an English daily which states that the old GDP has slipped to 4.6 per cent in the December quarter instead of 7-7.5 per cent expected by Government;