

Role of Special Economic Zones in Improving Techno-Economic Growth and Macroeconomic Indices in the Indian Subcontinent

Sandeep R. Shukla

Bansal Institute of Science and Technology, Bhopal MP

Abstract:

Special Economic Zones (SEZs), are the areas with more liberal fiscal laws than the rest of the country, their basic aim is to boost exports, generate more investments, and generate more jobs opportunities for the youth, the prominent SEZs are located in Kandla, Surat, Noida, and Visakhapatnam. The major Special Economic Zones (SEZs) in the subcontinent are located in various states, with notable zones in Gujarat (Kandla, Surat), Maharashtra (Mumbai), Kerala (Cochin), Tamil Nadu (Chennai), Andhra Pradesh (Visakhapatnam), Uttar Pradesh (Noida), and West Bengal (Falta). It is evident that, India was one of the first in Asian continent to witness the worth of the Export Processing Zone (EPZ) sculpt to encourage exports, with Asia's first EPZ set up in Kandla in the year 1965. The Special Economic Zones Act, was enacted in financial year 2005, and passed by the Indian Parliament in May, 2005 which was acknowledged Presidential assent on the 23rd of June, 2005. All Special Economic Zones are administered by a definite development commissioner as per the Special Economic Zone Act, 2005 and SEZ Rules, 2006. Different Units may be set up in the SEZ for manufacturing, trading or for service activity. They basically support- secondary and tertiary economies of the country. The present research paper is devoted to analyze the role of SEZs in improving the growth trajectory of our nation in terms of national income, macroeconomic indices and evaluate contribution of SEZ model in creating an upsurge in the pecuniary viability of different states of the economically vibrant Indian subcontinent.

1. Introduction:

The populated economy like India was one of the first in the entire Asia to identify the effectiveness of the Export Processing Zone (EPZ) model in enhancing the exports, With a view to surmount the difficulties experienced on account of the diversity of controls and clearances; deficiency of world-class infrastructure, transportation, communication and system, as well as unstable fiscal regime and with a view to attract more foreign direct investments in the country, the Special Economic Zones (SEZs) Policy was proclaimed in financial year April 2000, to infuse self-reliance in investors and indicate the Government's assurance to a secured SEZ policy regime, a comprehensive draft on SEZ Bill was prepared after extensive research and dialogues with the concerned stakeholders. A number of brainstorming meetings were organized in various parts of the nation, both by the Ministry for Commerce and Industry as well as senior officials for this purpose. The Special Economic Zones Act, 2005, was passed by Parliament in May, During 2005 with Tamil Nadu had the maximum concentration of Special Economic Zones (SEZs) in the realm, with total 54 of them in operation, accounting for one-third of the State's exports, MEPZ which is Madras Export Processing Zone- SEZ, organized the Global Investors Meet 2024, in Chennai, , All registered taxpayers who export goods or services to a country outside India or to Special Economic Zones (SEZs) will need to furnish a (LUT) letter of undertaking in Form GST RFD-11 on the Goods and Service Tax Portal, in order to make these exports without the payment of IGST for the duty draw back benefits to the units under SEZs. The contribution of SEZs in improving macroeconomic indices of the country, have been exemplary indeed, with the advent of time, from their inception to the present times they have witnessed commendable growth vector. A special economic zone (SEZ) is a geographical region that has economic laws that are more liberal than a country's domestic economic laws. India has specific laws for its SEZs.

The category 'SEZ' covers a broad range of more specific zone types, including free-trade zones (FTZ), export processing zones (EPZ), free zones (FZ), industrial estates (IE), free ports, urban enterprise zones and others.

Usually, the goal of a structure is to increase foreign direct investment by foreign investors, characteristically an international business or inception of a Multi National Corporation (MNC). The Union Minister of State for Electronics and IT informed that Special Economic Zones have exported software worth Rs 5.3 lakh crore in 2021–22. This shows exemplary export potential of our country through EPZs and SEZs. A Special Economic Zone or SEZ is a particularly distinct territory or enclave within the national borders of a country that has more moderate fiscal laws than the rest of the realm. India's top export categories include petroleum products, gems and jewelry, electronics, pharmaceuticals, and engineering goods. Key sectors like electronics, pharmaceuticals, engineering goods, iron ore, and textiles played a vital role in this surge. SEZ is an enclave within a country that is typically duty-free and has different business and commercial laws chiefly to encourage investment and create employment for manpower of the country. The major merchandise

export destinations for India included the USA (17.90%), UAE (8.23%), Netherlands (5.16%), China (3.85%), Singapore (3.33%), UK (3.00%), Saudi Arabia (2.67%), Bangladesh (2.55%), Germany (2.27%), and Italy (2.02%). These exports have seen a significant growth vector and upsurge, reaching USD 778.21 billion in 2023-24. During 2023-24 financial year, merchandise exports stood at US \$ 437.10 billion, while services exports contributed US \$ 341.11 billion, representing a well-balanced growth, development, and expansion. In 2023-24, apart from generating employment opportunities for human capital and promoting investment climate, SEZs are created to administer these areas prudently, thereby improving the simplicity of doing business in different parts of the world.

1.1 Specific Features of Special Economic Zones:

SEZ Policy was announced in order to overcome the obstacles businesses faced.

- To craft supplementary financial activity and promotion of trade, commerce industrial activity.
- To enhance the export of goods and services and to develop secondary and tertiary economic activities.
- To create more employment for skilled, semiskilled and non skilled manpower of the country.
- To improve domestic and overseas investments in the secondary and tertiary economic activities of the country.
- To develop infrastructure facilities, trans-ways, communication network, transportation facilities, and developed markets.**SEZ**

1.2 Approval Mechanism:

The SEZ approval mechanism is a single-window process provided by a 19-member inter-ministerial SEZ Board of Approval (BoA).

- The entrepreneurs and developers have to submit the development and expansion proposal to the state government.
- The concerned ministry of state government forwards this proposal to the BoA along with its recommendation within stipulated period forty-five days.
- The entrepreneur and developer or applicant can also directly submit the proposal to the BoA.
- The Board, which has been constituted by the Central Government, and is a 19-member Board takes the decision after considering the merits of the proposal its viability its social cost and benefits as well as projected cost benefits. All decisions taken by the Board are by clear consensus. The Board is chaired by the Secretary of the Dept. of Commerce, Ministry of Commerce and Industry.
- The other members are from various bodies and ministries used to be from Central Board of Excise and Customs (CBEC), the Central Board of Direct Taxes (CBDT), Department of Economic Affairs, Dept. of Commerce, Ministry of Science and Technology, Ministry of Home Affairs, Ministry of Law and Justice, Ministry of Urban Development, etc. Once the BoA gives its endorsement, and the central government notifies the area of the SEZ, units are allowed to be established inside the SEZ

1.3 SEZs Facilities & Incentives:

The GOI proposes incentives for companies and business houses established in SEZs. These incentives are delineated as below:

- Duty-free Import and incentive on domestic procurement of goods for developing, operating, expanding and maintenance SEZ units.
- Hon GOI has been giving 100% Income tax exemption on export income for SEZ units under the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years.
- Units under Special Economic Zones have been exempted from Minimum Alternate Tax (MAT), previously by Hon GOI. GOI has been doing this for improving Balance of Payments and Balance of Trade by encouraging entrepreneurs in incepting units under SEZs.
- The units incepted under flagship of SEZs were exempted from Central Sales Tax, Service Tax and State sales tax. These have now been merged and subsumed into Goods and Service Tax and supplies (GST) to SEZs under the IGST Act in the financial year 2017.
- The central and state level approvals have become easier than before, there is a facility of Single window clearance for Central and State level approvals during incepting units under SEZs.
- Import procedure is to be followed as per norms but now the licensing for import is not very ticklish complicated and time consuming.
- Now, in the manufacturing sector, barring a few segments, huge corpus of Foreign Direct Investment is allowed. Repatriation of profits is also allowed as per GOI permissions.

2. Data collection, Interpretation and Methodology of analysis for Data related to Special Economic Zones (SEZs) in India

As of January 2023, 270 SEZs were operational in the country. About 64% of the SEZs are located in five states – Tamil Nadu, Telangana, Karnataka, Andhra Pradesh and Maharashtra. Following SEZs have been chosen for study by judgment sampling in the research paper under consideration. The fact sheets available for SEZs database and the major macroeconomic indicators from authentic source. The macro economic data from 2011-12 to present time horizon has been consulted for Macro Economic data analysis. Mainly secondary data has been consulted for analysis and Interpretation from websites of SEZs, RBI, GOI, Ministry of Commerce and Industries etc.

3. Significance and relevance of Present Research Paper

The present research paper will throw light on SEZs and their contribution for techno-economic growth vector of India. It will help policymakers, planners, students, academicians, researchers, government, ministries associated with exports and imports, businessmen associated with indigenous trade and commerce and the businessmen and traders involved with exports and imports, Ministry of Foreign Trade and Commerce, ancillary business operations of the Industries situated within SEZs, their sister concerns, economists and econometric scientists, Niti Ayog, Other growing economies in the trans-boundary world. Big regulatory authorities like Competition Commission of India for keeping vigil in the issues related with mergers and acquisition of SEZs corporate entities, Ministry of Finance for framing suitable policies related to tax revenues keeping under view holistic growth of India.

4. Important SEZs in India

1. SEEPZ Special Economic Zone (Mumbai),
2. Kandla SEZ
3. Cochin SEZ
4. Madras SEZ
5. Visakhapatnam SEZ
6. Falta SEZ

5. A few strategic significant Challenges for SEZs

- Since SEZs offer a diversified range of incentives and tax relaxations, it is supposed that many existing indigenous firms may shift infrastructure to SEZs.
- There is a panic that the endorsement of SEZs may be at the cost of productive agricultural terrain affecting food security, decrease of revenue from agrarian activity to the exchequer and cause irregular growth in different parts of realm.
- Apart from provisions security, water protection is also affected because of the diversion of water use for the units set up under SEZs.
- In the different parts of country, SEZs may also cause greenhouse gasses, especially with the release of untreated effluents. Thus, there may be need of efficient Effluent Treatment Plants.
- SEZs are treated as foreign terrain for tax revenue purposes even though they are situated within the country's boundaries. Supplies of anything into SEZs are exempt from paying Goods and Service Tax as they are treated as exports. But, when any Special Economic Zone supplies goods and services to anyone, it will be deemed a regular inter-state supply and will attract IGST. Though, in the situation when SEZ supplies goods/services to a Domestic Tariff Area (DTA), it is exempt from payment of taxes, although the receiver in the DTA has to pay taxes.

6. The 10 Global Biggest Exporting Industries in the world are delineated as below

- Car & Automobile Manufacturing.
- Oil & Gas Exploration & Production.
- Plastic Product & Packaging Manufacturing.
- Auto Parts & Accessories Manufacturing.
- Apparel Manufacturing.
- Consumer Electronics Manufacturing.

India's exports have seen momentous growth, reaching US \$ 778.21 billion in 2023-24, a 67% increase from 2013-14 which is impressive macroeconomic indicator. India became trillion dollar economy in 2007-08. Major sectors like electronics, pharmaceuticals, and engineering goods have driven this buoyant growth and escalation in the quantum of exports. Since last many years the major export destinations comprise the countries like United States, United Arab Emirates, and China. But recently there has been change of tariff by USA. The Exports of goods and services (% of GDP) in India was reported at 21.85 % in 2023, according to the World Bank data collection of different developmental indicators, which is collected from predictable sources.

To offer prompt single window authorization mechanism, a Central Act for Special Economic Zones was essential. Subsequently, the SEZ Act, 2005 was implemented, which came in to effect from financial year 2006. Thus, according to SEZ Act, 2005 and the regulations issued there under SEZ Rules, 2006. SEZ Scheme is administered by the Department of Commerce under Ministry of Commerce & Industry, GOI.

- SEZs may be set up for manufacturing of goods or rendering services or both and may be multi- product, sector specific, or Free Trade and Warehousing Zone. In terms of mentioned Sections of the SEZ Act, SEZs are deemed to be a territory outside the Customs territory of India. This has promoted exports and Imports and has been responsible to develop a vibrant business in terms of trans- boundary transaction of goods and services from Indian Subcontinent. Nineteen SEZs were notified before the enactment of the SEZ Act, 2005. With vibrant expansion till, 2018 subsequently many SEZs were established by Central Government and rest by State Governments and private sector, which are as follows: (a) Central Government SEZs: Kandla SEZ (Gujarat), SEEPZ-SEZ (Maharashtra), Noida SEZ (U.P.), Madras SEZ (Tamil Nadu), Cochin SEZ (Kerala), Falta SEZ (West Bengal), Visakhapatnam (AP). And State Government & Private Sector SEZs: Surat SEZ (Gujarat), Jaipur SEZ (Rajasthan), Indore SEZ (Madhya Pradesh), Jodhpur SEZ (Rajasthan), Moradabad SEZ,

Manikanchan SEZ (West Bengal), Mahindra City (Chennai, Tamil Nadu), Salt Lake Electronic City (Kolkata), Surat Apparel SEZ.

- Within six months from the date of institution of such Special Economic Zone. Development Commissioner has administrative control over the SEZ and chairs the Unit Approval Committee.
- The Unit Approval Committees are, inter-alia, expected to accord approval to the procurement of merchandise and services by SEZ units indigenously or through imports. The Committees is also required to monitor and supervise compliance of state of affairs subject to which the letter of Approval (LOA) has been issued. Commissioner of Customs or his nominee not below the rank of a joint Commissioner is selected as an ex-officio member of the UAC. The decisions of the Approval Committee are by a 'general consensus' and shall stand referred to the Board of Approval.

7. Establishment of SEZs

- The SEZs can be set up either jointly or severally – by the Central Government, State Government, or any person as per mentioned sections of the SEZ Act. The person is required to obtain agreement of State Government within 6 months from the date of endorsement.
- The BOA may endorse as such or amend and approve an application as per SEZ Act subject to the necessities of minimum requirement of area of land and other terms and conditions as per the SEZ Rules.
- As per SEZ Rules, the Letter of Approval shall be valid for one year within which phase the Unit shall begin production or service or trading or Free Trade and Warehousing activity and the Unit shall inform date of initiation of production or activity to Development Commissioner.

DATA ANALYSIS AND INTERPRETATION

Economic Fact Sheet No 1:-

Fact Sheet on Special Economic Zones as on 31.03.2025 (Dedicated website: www.sezindia.nic.in)

Number of Formal approvals (As on 31.03.2025)		416			
Number of notified SEZs (As on 31.03.2025)		368 (Including 7 Central Govt. +10 State Govt. / Private Sector SEZs set up prior to the enactment of SEZ Act, 2005)			
Number of In-Principle Approvals (As on 31.03.2025)		36			
Operational SEZs (As on 31 st January, 2025)		276			
Units approved in SEZs (As on 31 st March, 2024)		6279			
Land for SEZs (As on 31.03.2025)	7 Central Govt. + 12 State Govt. / Pvt. SEZs notified before SEZ Act, 2005.	Notified SEZs under the SEZ Act, 2005	Total Notified SEZs Area (1+2)	Formally Approved SEZs (416-351)	Total Area (3+4)
	(1)	(2)	(3)	(4)	(5)
	2080.28 Ha	36264.22 Ha	38344.50 Ha	5429.74 Ha	43774.24 Ha
	Land is a State subject. Land for SEZs is procured as per the policy and procedures of the respective State Governments.				
INVESTMENT		Investment (As on February, 2006)	Incremental Investment	Total Investment (As on 31 st March, 2024)	
Central Government SEZs		Rs. 2,279.20 cr.	Rs. 30,059.82 cr.	Rs. 32,339.02 cr.	
State/Pvt. SEZs set up before 2006		Rs. 1,756.31 cr.	Rs. 19,086.84 cr.	Rs. 20,843.15 cr.	
SEZs Notified under the Act		-	Rs. 6,54,159.43 cr.	Rs. 6,54,159.43 cr.	
Total		Rs.4,035.51 cr.	Rs. 7,03,306.09 cr.	Rs. 7,07,341.60 cr.	

Fig.1.Economic Fact Sheet No 1

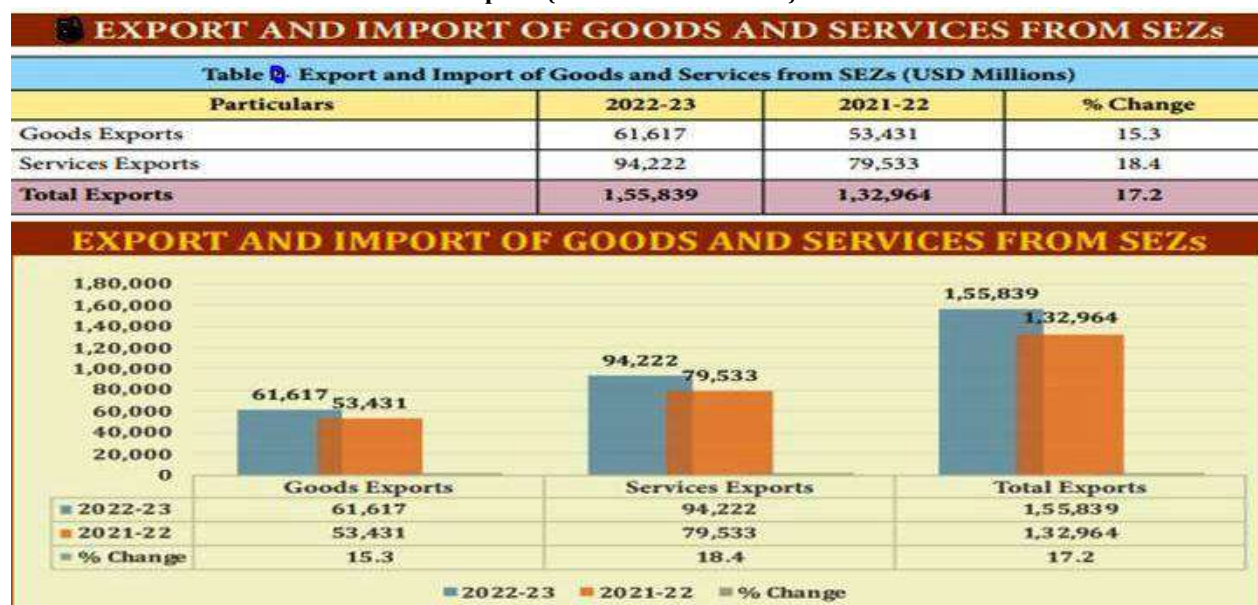
Fact Sheet No 2:- Export and Import of Goods and Services during past from SEZs in India.

EMPLOYMENT	Employment (As on February, 2006)	Incremental Employment	Total Employment (As on 31 st March, 2024)
Central Government SEZs	1,22,236 person	89,258 person	2,11,494 person
State/Pvt. SEZs set up before 2006	12,468 person	1,10,801 person	1,23,269 person
SEZs Notified under the Act	0 person	28,59,341 person	28,59,341 person
Total	1,34,704 person	30,59,400 person	31,94,104 person
Exports in 2022-23	Rs. 12,63,578 Crore [157.24 Billion USD] (Growth of 28% over of FY 2021-22)		
DTA Sale (Deemed exports)	Rs. 28,955 Crore (2% of total production)		
DTA Sale(Not counted for +ve NFE)	Rs. 2,49,761 Crore (16% of total production)		
Exports in 2023-24 (As on 31st March, 2024)	Rs. 13,55,220 Crore [163.69 Billion USD] (Growth of 7% over the FY 2022-23)		
DTA Sale (Deemed exports)	Rs. 31,397 Crore (2% of total production)		
DTA Sale(Not counted for +ve NFE)	Rs. 2,72,742 Crore (16% of total production)		
Exports in 2024-25 (As on 31st March, 2025)	Rs. 14,56,930 Crore [172.28 Billion USD] (Growth of 7.51% over the exports of the corresponding period of FY 2023-24)		

Source: Website of Ministry of Commerce and Industries GOI. & www.sezindia.nic.in

Fig.2.Economic Fact Sheet No 2

Pictorial Chart No: 1- Exports and Imports of Goods and Services from Special Economic Zones during recent past. {Data in million US \$}



Source: Annual SEZ Trade Bulletin 2022-23 {data in million US \$}

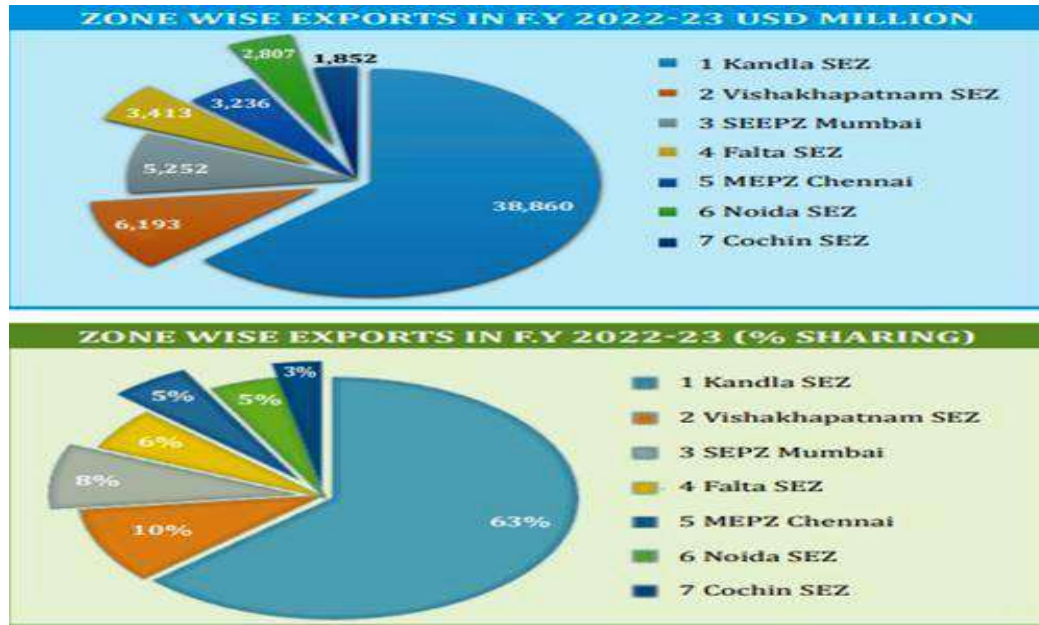
Fig.3.Pictorial Char Sheet No 1

8. Analysis of Pictorial Chart No 1

Percentage change in exports of goods during 2022-23 was 15.3% while change in Export of Service was 18.4% compared to its previous year i.e. 2021-22. The total change in exports of both goods and services were impressive in the financial year 2022-23 compared to its previous year. Better exports improve Balance of trade as well as Balance of payment of the country which was a sign of better macro- economic indices of the country. If now, country moves in a better direction, it may improve Balance of Trade and Balance of Payment position and other macro- economic indices. But, the recent tariff imposed by USA on the developing economies of the world may be responsible for drop in the exports in the future till things become streamlined. The trans-boundary transaction of goods and services were declined

with china also because of Covid 19 pandemic and even after the era of Pandemic. The import substitution proved to be essential during such a phase. If the Global Economic Power like USA does not compromise with the tariff issues with other parts of the world the macroeconomic indices of both countries may suffer bilaterally. Thus, Bilateral relations of any country which is a growth economy like India has significant affect on trade and commerce of both of the economic giants and counterparts. India has been trying its level best to maintain good Bilateral International Relation climate with all of the growth Economies of the world. Good bilateral relations are important for the overall growth trajectory of both of the countries involved with bilateral trade and commerce. By Import Substitution the countries can become self reliant but for complete Import Substitution the countries may need resources like- Raw Materials, Heavy duty machines, project implementation techniques , manufacturing technology, improvements through concept of reliability engineering, sound plant maintenance practices, quality control aspects , environmental engineering aspect and implementation of ISO 14000 issues, which may prove to be costly and ticklish for the Small and Medium Enterprise and new players in the market, specifically in the perfect market situation where there are large number of competitors in the marketing dynamics. For growth economies, it is important to support trade and commerce activities internationally for betterment of bilateral relations and also for developing a revenue maximization model for their own benefit as well.

Pictorial Chart 2: Zone wise Exports from Special Economic Zones {data in million US \$} and % share of Exports from SEZs in past.



Source: Annual SEZ Trade Bulletin 2022-23

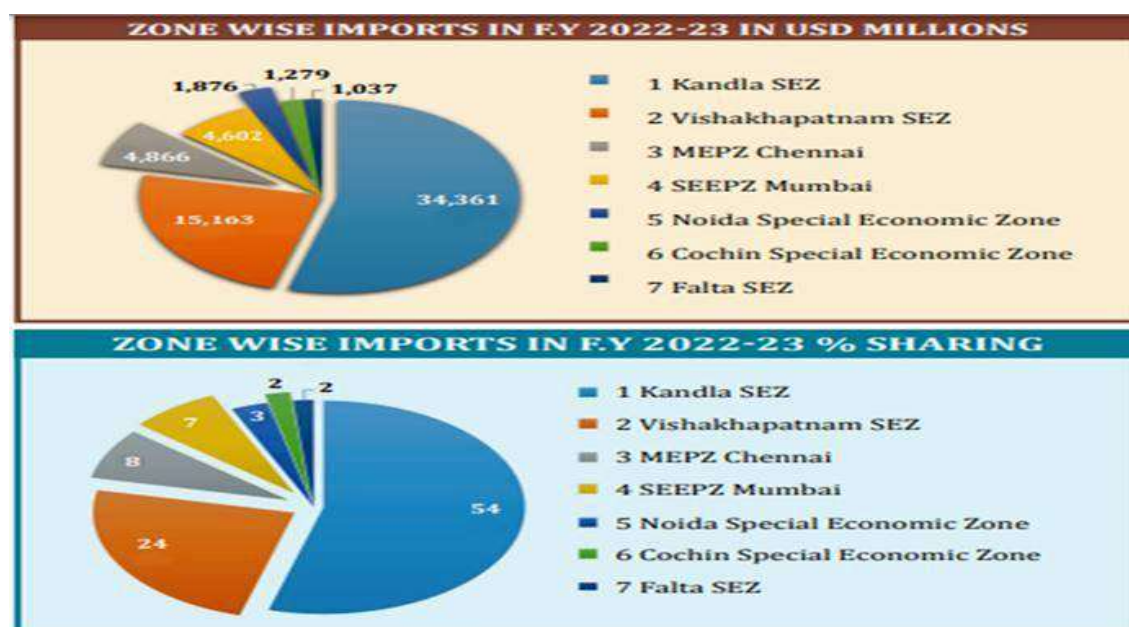
Fig.4.Pictorial Char Sheet No 2

9. Analysis of Pictorial Chart No 2

It is evident from pictorial Chart number 2, that during previous era Kandla SEZ has the highest percentage of exports, followed by Vishakhapatnam, SEPZ Mumbai, Falta SEZ, MEPZ Chennai, Noida SEZ, and then, Cochin SEZ if visualized in the chronological sequence. Kandla SEZ alone, registered vibrant exports of 38860 Million US\$ during fiscal year 2022-23, While Cochin SEZ registered an export of 1852 Million US \$, during fiscal year 2022-23. India attained trillion dollar economy mark before one and half decades, which is matter of great pride for the Indian sub continent. Thus, good bilateral relations for any economy with Indian Peninsula will have positive affect in the economy of other associate country also. Even during sub- prime crises of USA during 2008-09, Indian economy was just like an oasis in the desert, when most of the developed economies suffered adversely and many economies had to see a

problematic phase. Even European debt crises also emerged only after sub- prime crises. Thus, India has been planning to invest its funds in the secured and profiteering avenues and ventures where the marginal efficiency of invested capital is impressive and yields good returns. Good growth rate, impressive Gross Domestic Product , Impressive Foreign Trade, Increasing Per Capita Income, Emphasis on the issues related to Import Substitution, Emphasis on Cost Cutting in the area of Energy Substitution, and Manufacturing , Improved Production Technology, Use of Artificial Intelligence and Machine Language in Manufacturing Technology, Automatic and Innovative Manufacturing Technology by Robotics, better design of layouts in the manufacturing sector and better Design of Production Systems, Improved Computer Architecture in the Service Industries such as Banking and financial Intermediaries, Cloud computing and cloud safety, better risk mitigation techniques in the Financial Institutions , Use of Kanban and Kaizen in the Production Intensive Industries, better training to employees, improved safety management , maintenance management in plants and industrial enterprise and last but not the least collection of more public revenue by GOI has brought India in the list of one of the fastest growing economy of the world. The equitable growth of rural markets, semi-urban localities, urban areas, sub-urban areas and Metropolitan areas has been responsible for improved growth vector in India. As per Central Statistical Organization, India has more than 60 % of young population, thus, it has impressive propensity to consume and has an impressive consumption function. Thus, it is a very nice destination of Foreign Direct Investment, not only in manufacturing, but also in the area of services. The Industries in India are witnessing- horizontal, vertical as well as concentric & conglomerate diversification. Many entrepreneurs are practicing related as well as unrelated diversification and expansion in their enterprise to become more profiteering. They have developed cross functionality in the work force by job rotation and enrichment practices, they employ skilled as well as semi skilled employees in their ventures.

Pictorial Chart 3: Zone wise Imports from SEZs {data in million US \$}



Source: Annual SEZ Trade Bulletin 2022-23

Fig.5.Pictorial Char Sheet No 3

10. Analysis of Pictorial Chart No 3:-

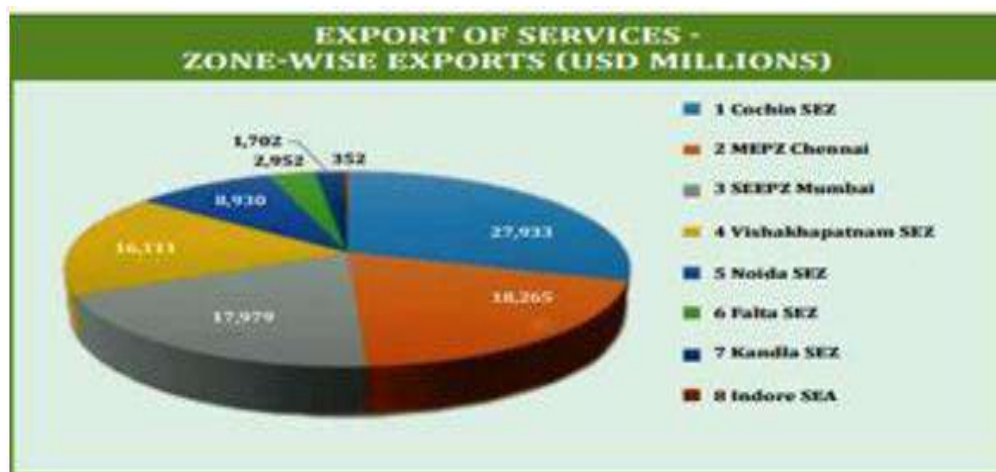
The pictorial Chart no. 3 shows that Kandla SEZ had maximum Import potential of 34361 Million US \$ during 2022-23 , which is approximately 54% of entire imports from all SEZs followed by Vishakhapatnam SEZ , MPEZ Chennai SEZ , SEEPZ Mumbai, Noida SEZ , Cochin SEZ, and Falta SEZ in the chronological sequence. It has been witnessed that India Imports the following things in the largest quantities.

11. Largest Imports of India in the recent past-

- Electrical machinery, equipment.
- Mineral fuels including oil.
- Machinery including computer.
- Gems, precious metals.
- Organic chemicals.
- Animal/vegetable fats, oils, waxes.
- Plastics, plastic articles.
- Iron and steel.

It is earnest need of the hour to go for import substitution and try to reduce Imports of costly things from international markets. This will reduce inflation. Inflation has been matter of concern for the Indian sub continent. If India reduces Imports then the Value of Rupee in the International Market will also improve impressively. It is need of the hour to generate more Exports in international market and reduce Imports; this will create more demand of Rupee in the International Market. Value of any currency in the Forex Mechanism improves, if it's international demand increases. If the demand of any currency in the Foreign Exchange Market and International Market is more is exchange value is more, in other words Exchange value of any currency depends on it's demand and supply. If GOI emphasizes on allowing more duty drawbacks to new entrepreneurs and practices the concept of Minimum Imports from realm then Inflation will be reduced and value of Rupee will increase. Expenses from govt Non govt. organizations should not be used in more quantum for Imports of costly things until and unless it is very essential.

Pictorial Chart 4: Export of Services from SEZs



Source: Annual SEZ Trade Bulletin 2022-23

Fig.6.Pictorial Char Sheet No 4

12. Analysis of Pictorial Chart No 4 :-

It is evident from pictorial chart no 4 that Cochin SEZ has highest export of services as it is in the vicinity of Bangalore ,Hyderabad electronic cities of the realm thus the Cohin SEZ has highest export from services. So far as maximum exports from services are concerned they come from following directions: eg software, business services solutions, transportation sector .Software development and Information Technology services, telecommunications, Computer and development of computer architecture , Information services etc. "Other business services," such as legal, accounting, and consulting, are also significant directions of service sector economy of our subcontinent. Transportation and Travel Services play significant role in the service revenues from the adjoining countries of realm . The most profitable service export from India is Information Technology and Software Services,

with a significant contribution to the overall export revenue. Other high-revenue service exports include business services, transportation, and financial services etc. The role of Financial Services and the financial intermediaries in fetching revenues are also significant. It is witnessed that approximately 50 percent of gross domestic product of India comes from service sector and the tertiary sector economies for which the Special economic Zones play significant role. MEPZ Chennai is the second in the exports of services , this export processing zone is also in the South India near Bangalore and Hyderabad this shows a good quantum of exports of services from the realm. SEEPZ Mumbai is mainly involved with software exports in the trans-boundary of the dominion, it ranks third in the mentioned list it is also very important export processing zone which bring good foreign exchange from the export of services. The developed EPZs must try to build more revenue and a revenue maximization model by bringing massive revenue from the telecom industry. Telecommunication business is supposed to bring impressive revenue as Electronics and telecom is fast growing business in different parts of the world. The contribution of SEZs in fetching revenue from merchandising activities and exports can be seen from the Fact sheet number 2 it shows revenue maximization model of SEZs and the contribution from Manufacturing and Trading and services during 2021-22, it can be compared with Fact Sheet No 1 in which data for 2024- 2025 solely has been exhibited. If both fact sheets are compared it can be seen that compared to yesteryears the SEZs have diversified their operations extensively this shows India is a Vibrant and Growing Economy now.

Table1. Fact Sheet:-Sheet

ZONE WISE CUMULATIVE MERCHANDISE EXPORTS COMPARATIVE FIGURES IN Rs CRORES							
[APRIL TO OCTOBER-FY-2021 - 22 VS FY-2020 - 21]							
ZONE NAME (SEZ)	FY-2021 - 22		TOTAL	FY-2020 - 21		TOTAL	CHANGE IN INR
	Manufacturing	Trading and Services		Manufacturing	Trading and Services		
Kandla SEZ	110941.46	1567.50	112508.96	63682.18	530.13	64212.32	48296.64
Dc Seepz Sez Mumbai	21861.82214	1145.345251	23007.16739	11568.0769	694.914377	12262.99	10744.17
Falta SEZ	13763.82954	192.41997	13956.24951	6211.518337	4.812041	6216.33038	7739.919135
Mepz SEZ	10861.85785	727.154462	11589.01231	7336.144019	788.342271	8124.48629	3464.52602
Cochin SEZ	6853.045197	186.50848	7039.553677	4447.560732	219.691832	4667.25256	2372.301113
Noida SEZ	11650.93521	230.004997	11880.94021	9398.938259	193.230243	9592.1685	2288.771707
Vishakhapatnam SEZ	19954.45859	941.367313	20895.8259	16755.48305	2307.93841	19063.4215	1832.404447
Grand Total	195887.4127	4990.300803	200877.7135	119399.9072	4739.066412	124138.974	76738.7399

ZONE WISE MERCHANDISE EXPORTS COMPARATIVE FIGURES IN RS CRORES - FOR THE MONTH OF OCTOBER
[FY-2021 - 22 VS FY-2020 - 21]

ZONE NAME	OCTOBER-2021		TOTAL	OCTOBER-2020		TOTAL	CHANGE IN INR
	Manufacturing	Trading and Services		Manufacturing	Trading and Services		
Kandla SEZ	19286.37868	315.389045	19601.76772	9645.132856	142.094124	9787.22698	9814.540744

Dc Seepz Sez	2431.093739	46.613892	2477.707631	1109.707799	0.722737	1110.43054	1367.277095
Mumbai Falta SEZ	4179.460801	197.771203	4377.232004	3159.765273	122.578735	3282.34401	1094.887996
Mepz SEZ	1014.382177	26.882996	1041.265173	807.907375	33.963264	841.870639	199.394534
Cochin SEZ	1596.964469	81.414668	1678.379137	1413.606933	106.596134	1520.20307	158.17607
Noida SEZ	1638.242512	12.483493	1650.726005	1670.21079	24.736987	1694.94778	-44.221772
Vishakhapatnam SEZ	2765.605105	89.500388	2855.105493	2512.253891	543.226494	3055.48039	-200.374892
Grand Total	32912.12748	770.055685	33682.18317	20318.58492	973.918475	21292.5034	12389.67978

ZONE WISE MERCHANDISE EXPORTS COMPARATIVE FIGURES RS IN CRORES - FOR THE MONTH OF OCTOBER

[FY-2020 - 21 VS FY-2019 - 20]

ZONE NAME	OCTOBER-2020		TOTAL	OCTOBER-2019		TOTAL	CHANGE IN INR
	Manufacturing	Trading and Services		Manufacturing	Trading and Services		
Kandla SEZ	2512.253891	543.226494	3055.480385	2079.632125	284.718234	2364.35036	691.130026
Dc Seepz Sez	3159.765273	122.578735	3282.344008	2535.585098	89.215255	2624.80035	657.543655
Mumbai Falta SEZ	1109.707799	0.722737	1110.430536	870.16874	0.321635	870.490375	239.940161
Mepz SEZ	1670.21079	24.736987	1694.947777	1247.160851	220.038056	1467.19891	227.74887
Cochin SEZ	1413.606933	106.596134	1520.203067	1389.803095	98.583265	1488.38636	31.816707
Noida SEZ	807.907375	33.963264	841.870639	5187.540882	39.260651	5226.80153	-4384.930894
Vishakhapatnam SEZ	9645.132856	142.094124	9787.22698	14923.46868	53.009251	14976.4779	-5189.250951
Grand Total	20318.58492	973.918475	21292.50339	28233.35947	785.146347	29018.5058	-7726.002426

The FOB value represents the cost of goods ready for export, including the manufacturing cost, packaging, and loading into the ship. It does not include the cost of shipping and insurance to the destination. This value is crucial for calculating the Net Foreign Exchange (NFE) earnings of the SEZ unit, where NFE is the positive difference between the FOB value of exports and the value of imports. SEZ units can also sell up to 50% of the FOB value of their exports in the domestic market, subject to certain duties. Major exports from India's Special Economic Zones (SEZs) include IT and ITES services, electronics, textiles, gems and jewelry, pharmaceutical products, and machinery. SEZs are designed to boost exports by providing a duty-free, streamlined environment for companies in these diverse sectors.

Table2. Fact Sheet:-Sheet No4

Base Year:2011-12

Rupees Crores

Year	GVA at Basic Prices	Net taxes on products	Gross Domestic Product	Consumption of Fixed Capital	Net Domestic Product
1	2	3	4	5	6
2024-25	1,71,87,446	16,09,509	1,87,96,955	-	-
2023-24	1,61,51,477	14,99,114	1,76,50,591	-	-
2022-23	1,48,78,028	12,86,885	1,61,64,913	20,84,631	1,39,86,798
2021-22	1,38,76,840	11,45,006	1,50,21,846	19,55,788	1,30,66,058
2020-21	1,26,87,345	10,07,525	1,36,94,869	18,32,759	1,18,62,110
2019-20	1,32,36,100	12,98,540	1,45,34,641	17,31,178	1,28,03,462
2018-19	1,27,33,798	12,59,116	1,39,92,914	16,14,455	1,23,78,459
2017-18	1,20,34,171	11,10,412	1,31,44,582	14,89,921	1,16,54,661
2016-17	1,13,28,285	9,79,909	1,23,08,193	13,81,526	1,09,26,667
2015-16	1,04,91,870	8,77,623	1,13,69,493	12,70,890	1,00,98,603
2014-15	97,12,133	8,15,541	1,05,27,674	11,78,644	93,49,029
2013-14	90,63,649	7,37,721	98,01,370	11,00,610	87,00,760
2012-13	85,46,275	6,66,741	92,13,017	10,10,661	82,02,356
2011-12	81,06,946	6,29,383	87,36,329	9,17,175	78,19,154

Source:- www.rbi.org.in

13. Conclusion and Analysis of Factsheet Number 4-

The Gross Value Added (GVA) at Basic Price at a common parlance is concluded by starting with the value of production and deducting the value of intermediate consumption. It can also be expressed as GVA at Factor Cost plus (Production Taxes - Production Subsidies allowed in purchase of raw materials etc.). The basic price reflects the revenue received by a producer or manufacturer, including production taxes but excluding production subsidies before any product-specific taxes or subsidies. Net taxes on products is also a macroeconomic concept representing the total taxes paid on products and services, minus any subsidies received by manufacturers and producers. This figure is calculated by summing up product taxes (like GST, excise taxes, or import duties) and then deducting any subsidies provided by the government to support producers or keep the selling prices at a low level. Gross Domestic Product (GDP) is the total market value of all final goods and services produced within a country's geographic boundary in a specific period, most commonly a year. It serves as a primary indicator of a country's economic performance and is used by economists, financial planners and researchers, businesses, and governments to judge economic strength of the industry as a whole and it is also an aggregative economic indices, it helps in concluding make and investment decisions or make and buy decisions, and influence economic policies. GDP is calculated using the production, income, or expenditure approaches. Consumption of fixed capital (CFC), is also recognized as depreciation in other words at a common parlance, it is the reduction in value of a fixed asset over time due to wear and tear, and aging of plant and machines, or obsolescence, occurring during the life cycle of operating unit and salvage value at the end of life of production and operation unit. It represents the cost of capital goods used up in production and must be replaced to maintain the existing stock of productive assets. CFC is a crucial concept in economics, finance and accounting, as it is used to calculate Net Domestic product also. The Major Macro Economic Data which indicates overall growth of dominion are very impressive if compared with base year 2011-12. The contribution of SEZs in major economic indices such as GDP, GNP, Employment Generation capacity, overall effort for import substitution, generation of export revenue, Collection of revenue as taxes by GOI in shape of GST, as also Tax and Non Tax revenue of GOI. Up- bringing of new production intensive units and the escalation of GVA has been fairly good. The SEZs must diversify operations by bringing horizontal vertical, related and unrelated diversification in the business domain to develop revenue maximization model. The units under SEZs can develop economy of scale and economy of scope in their operation to contribute more for the growth realm, visualizing

past macro economic data it can be concluded that in the recent past the growth vector of dominion has been satisfactory. Electronic and Hardware Technology Parks, Export oriented units, Software Technology parks have also been incepted under guidelines of Hon. GOI which will bring more thrust to tertiary economy of the realm. The tariff structure, economy, quality of Investment, bilateral economic cooperation between different parts of world economy, duty drawback facility , tax holiday facility for upcoming new units, impressive public revenue and public expenditure, soundness of financial markets, provision of technological know- how to the new entrants in the market, well developed indigenous and trans -boundary markets, the availability of Skilled and Semiskilled Manpower, Production Intensive Units, easy leasing and hire purchase agreements and a tailor based long term lease agreements suiting to both the parties to contractual agreement, Easy Export and Import procedures and familiar export documentation framework, Availability of skilled clearing and forwarding agents from the GOI to benefit new entrepreneurs in the export and import world, Sound training of export procedures, plant maintenance, plant inception, training of erection and commissioning of businesses in the SEZs in different states sponsored by government, familiarity with commercial rules, regulations, legal strictures and statutes related with foreign trade and commerce domain and no-or little trade barriers for the legitimate and legal trade framework shall bring more glory to the units incepted under SEZs and the other parts of business world. It will also open more vibrant growth vector to developed economies of world, western world as well as impressive growth trajectory to the indigenous trade.

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