

Draft on new SEZ rules soon;relook at land ceiling norms: Government

The Commerce Ministry on Wednesday said there is a need for a relook at the land ceiling rules for Special Economic Zones in view of protests against land acquisitions and it will shortly come out with a draft to bring changes in the SEZ Act of 2005.

"There is a need (for a relook at) the SEZ rules and policies.... the minimum land requirement will also be relooked at, as land is a major issue in many states," said Commerce Secretary Rahul Khullar.

A group of ministers had earlier lowered the land ceiling for SEZs from 10,000 hectares to 5,000 hectares in the face of protests, including against Nandigram.

With land acquisition becoming an emotive issue for farmers and increasing litigations against such moves, the SEZ developers are finding it difficult to acquire even 5,000 hectares.

A number of developers, including that of Mukesh Ambani-promoted Navi Mumbai SEZ Pvt Ltd, are grappling with the problems of land acquisition. Several of them have also dropped their projects because of such problems.

Criticising various state governments for not going the SEZ route for attracting investments, Khullar said, "Those states who are not keen on setting up SEZs are going to lose out in the long run. Look at states like Andhra Pradesh, Tamil Nadu, Gujarat and Kerala and the kind of development happened there due to SEZs."

On India's exports forecast in the wake of uncertain economic conditions in the West, he said the government had urged the exporters to diversify into other markets.

"The world does not stop with the United States and Europe...Keep diversifying and look for new markets...go to Columbia and similar countries," Khullar said.

He said that in the next three to six months, there would a fair amount of exchange-rate volatility.

"Exporters should not get greedy or scared due to volatility in exchange rates. Last time, many exporters who took risks during the crisis got clobbered. So, be cautious," he warned.

(PTI)