

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:1797  
ANSWERED ON:01.08.2003  
INCENTIVES TO SPECIAL ECONOMIC ZONES  
JAGMEET SINGH BRAR

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

- (a) whether the Government have enhanced incentives to Special Economic Zones;
- (b) if so, the details thereof; and
- (c) the significance of these incentives in the economic growth and removal of unemployment in Special Economic Zones?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI S.B. MOOKHERJEE)

(a) & (b) : . Some of the major incentives recently announced for Special Economic Zones (SEZs) include 100% income tax exemption for 3 consecutive years and 50% for next 2 years to off-shore banking units in Special Economic Zones, permission to carry forward losses and Income Tax exemption to the extent of 50% of ploughed back profits for three consecutive years to SEZ units and treating supplies from domestic tariff area to SEZ at par with physical exports for the purpose of income-tax exemption

(c) : Enhancement of incentives to SEZs would help ingenerating greater economic activity and consequential generation of direct and indirect employment opportunities.