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Title: Need to rescind the order allowing SEZ to private sugar units in Karnataka.

SHRI BALASAHEB VIKHE PATIL (KOPERGAON): The decision of the Government to allow SEZ for private sugar unit namely Renuka Sugar Group in Karnataka and ethanol power products has made the sugar industry panicky. Sugar has always been a political subject in this country. Acres of agricultural land will be acquired rendering thousands of farmers landless.

Only one company having the freedom to export sugar and duty free import machinery and material would benefit by creation of SEZs causing serious concern. There is shortage of sugar and we are importing it. On the contrary, if the SEZ produces sugar without paying duties and taxes, this will be disastrous and will obviously destroy the price mechanism evolved by the Government. They will enjoy total freedom, including freedom from domestic sugar release mechanism. Also, there will be total tax holiday for them. The result will be awful and catastrophic as they could use the advantage of lower costs due to non-levy on sugar causing concern to the whole sugar industry.

Further, they are likely to be exempted from labour laws. This may generate labour unrest. One would not be surprised if the situation leads from bad to worse. Sugar is an essential commodity item. The Government should be very careful. I request the hon. Minister of Commerce, through you, Sir, to hold back this decision. As per the report, this decision is taken by the Commerce Ministry, looking to the economic side and PDS. Policy should be announced publicly and public reaction should be invited or alternatively all the existing sugar units should be converted into SEZs.