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A study on export performance of special economic zones in India

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Abstract

Special Economic Zones are reflected as growth catalyst of our fastest growing economy. In India, the SEZ policy was formulated by the Central Government in a 2000. Special Economic Zone is considered as special area meant only to promote exports and is treated as duty free regions considered to be a foreign territory for the purpose of trade operations and duties and tariffs. This study has been done because there have been no initiatives to measure their export performances at micro level. It is tough to lay down the importance of SEZs in the economic development of the country without knowing the level of contribution made, though they contribute towards the global trade of the country. To address this issue, the research study aims to bring out the contribution made by SEZ as a whole in the overall economic growth of the country in general as well as regionally in particular. Further this study focuses to analyse and compare the current status and performance of SEZ's India in terms of investment, employment and exports, to predict the trend in regards to exports of the selected SEZ parks and to determine the impact of investment & employment on the export performance of the selected SEZ zones. By using statistical tools it can be inferred that, almost all the selected SEZ parks have shown significant growth in the years and the future scope of the selected SEZ parks are expected to grow during the future years.

Keywords: Special Economic Zone, Investment, Employment, Global trade, Micro-level

I. Introduction

The globalization exaggerated the world trading community and forced the world countries to acquaint with certain policies to enrich the current international trade. So numerous policies materialized as instrument to headway of international trade. Mid such introduced policies was the Special Economic Zone policy. The occurrence of SEZs as 'an engine for economic growth' or 'a tool for economic growth' is extensively debated dispute. The basic Objective of SEZs is to generate additional economic activities, promote investment from domestic and foreign sources and improve the competitiveness of exports of our goods and services.

Statement of the problem

In today's growing population it is important to have more export to grow up the economy. Growing economy would definitely rise up currency value higher.

But there have been no initiatives to extent their export performances at micro level. It is tough to lay down the importance of SEZ's in the economic development of the country without knowing the level of contribution made, though they contribute towards the global trade of the country.

Objectives of the study

To analyse and compare the current status and performance of SEZ's India in terms of investment, employment and exports.

To predict the trend in regards to exports of the selected SEZ parks.

To determine the impact of investment & employment on the export performance of the selected SEZ zones.

II. Research Methodology

The research design used for this study is Analytical Research, as the secondary data has been used.

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Statistical tools used

- Percentage analysis
- Linear regression analysis
- Trend analysis

III. Data Analysis

Percentage Analysis on Export Performance of the Selected Sezs Zones for the Year 2018 & 2019

Special economic zone	Export value (In Crores)	Percentage increase in 2018 & 19
SEEPZ Zone	87424.51-94315.91	22% to 24%
MEPZ Zone	88848-101387	21% to 24%
KASEZ Zone	4846.75-7380.78	19.63% to 29.9%
NSEZ Zone	108619-68170.07	48% to 30%
FALTA Zone	3022.28-3553.92	23% to 27%
CSEZ Zone	22061.51-44716.03	25.9% to 52.5%
VSEZ Zone	24986.63-28022.08	22.65% to 25.4%

Linear Regression

Factors		Coefficients	Standard Error	T Stat	P-value
Analysis for employment of SEZs and export performance of SEEPZ Zone	Intercept	75006.02	5274.89	14.22	0.0007
	Employment X	0.009	0.005	1.64	0.2
Analysis for employment of SEZs and export performance of MEPZ Zone	Intercept	80557.6	3828.16	21.04	0.0002
	Employment X	0.01	0.004	2.43	0.09
Analysis for investment of SEZs and export performance of NSEZ Zone	Intercept	-205692.29	154108.38	-1.33	0.27
	Investment X	0.60	0.37	1.63	0.2
Analysis for employment of SEZs and export performance of NSEZ zone	Intercept	39491.36	23223.51	1.70	0.18
	Employment X	0.01	0.02	0.55	0.61
Analysis for employment of SEZs and export performance of FALTA Zone	Intercept	2416.52	229.19	10.54	
	Employment X	0.0005	0.0002	2.22	0.12
Analysis for employment of SEZs and export performance of VSEZ zone	Intercept	20562.44	1857.77	11.07	0.001
	Employment X	0.004	0.002	1.79	0.17

Forecast value for on export performance of the selected Sezs zones

Year	Seepz Exports (Crores)	Mepz Exports (Crores)	Kasez Exports (Crores)	Nsez Exports (Crores)	Falta Exports (Crores)	Csez Exports (Crores)	Vsez Exports (Crores)
2019-20	394404.55	353071.67	24687.03	226236.69	13223.72	85098.2	36695.8
2020-21	402341.15	360109.07	25458.02	247065.56	13601.25	95064.27	39623.1
2021-22	410277.75	367146.47	26229.01	267894.44	13978.79	105030.34	42550.39
2022-23	418214.34	374183.87	27000.00	88723.31	14356.32	114996.41	45477.69
2023-24	426150.94	381221.27	27771.00	309552.18	14733.86	124962.48	48404.98

IV. Findings

- From the percentage analysis, it can be observed that, a steady increase in the export performance has been recorded.
- There exists significant relationship between the export performance of SEEPZ and employment of overall SEZs.
- There exists significant relationship between the export performance of MEPZ and employment of overall SEZs.
- There exists significant relationship between the export performance of NSEZ and investment of overall SEZs.
- There exists significant relationship between the export performance of NSEZ and employment of overall SEZs.
- There exists significant relationship between the export performance of FALTA and employment of overall SEZs.
- There exists significant relationship between the export performance of VSEZ and employment of overall SEZs.
- The forecast value for export from SEEPZ is increased from 394404.55 in 2019-20 to 426150.94 in 2023-24.
- The forecast value for export from MEPZ is increased from 353071.67 in 2019-20 to 381221.27 in 2023-24.
- The forecast value for export from KASEZ is increased from 24687.03 in 2019-20 to 27771.00 in 2023-24.
- The forecast value for export from NSEZ is increased from 226236.69 in 2019-20 to 309552.19 in 2023-24.

- The forecast value for export from FALTA is increased from 13223.72 in 2019-20 to 14733.86 in 2023-24.
- The forecast value for export from CSEZ is increased from 85098.2 in 2019-20 to 124962.48 in 2023-24.
- The forecast value for export from VSEZ is increased from 36695.80 in 2019-20 to 48404.98 in 2023-24.

V. Suggestions

- From the above analysis it is observed that efforts should be taken to mend inclusive export performance of all the zones by fully utilizing their potentials so as to achieve the given targets. These efforts should be effective to increase the share of export from SEZs in total export from the country.
- The small-scale units can be aided with more financial support to make their export performance at higher level.
- The government should aim to make straight-forward the investment approvals and expatriate work permits, eliminate the required import and export licenses, and accelerate the custom review procedures and automatic foreign exchange access.

VI. Conclusion

Pointless to say that Special Economic Zones has been playing a critical role in generating surplus economic activities at the National levels. The export and employment generation objectives of the SEZ should not result in conceding the quality of the working conditions within the

zones. The country has been significant investment destination for the foreign investors apart from the domestic private corporate bodies. The SEZ's could radically expand the economic activity in the country; make the country's export viable and globally evident.

The SEZ's are branded by duty free imports. Also, the occurrence of different kinds of zones in the economy will boost-up the infrastructure level of the economy. It will also add to accumulative the face value of the country. And also because of this, more and more people outside India will make-up their minds to capitalize in India.

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