

SPECIAL ECONOMIC ZONES: A STEP FOR QUALITY INDUSTRIALIZATION

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ABSTRACT

Special Economic Zones are special development enclaves set up in different parts of India. The SEZ Policy was introduced in 2000 and the SEZ Act came in to existence in 2005. Consequently large number of SEZs was approved and states started competing with each other in setting up SEZs. The logic behind SEZs is that it is difficult to set up world class infrastructure throughout the country like India. Therefore, special areas, with locational advantages are chosen and world class infrastructure is developed there. These SEZs can attract massive investment and will function as drivers of economic growth. For effective implementation of SEZs, a contract has to be reached among the participants so that pains can be minimized and gains maximized.

KEYWORDS: *SEZs, World-Class Infrastructure, Foreign Investment, Regulatory Regime, New Industries, International Competitiveness.*