



GEOGRAPHICAL DEVELOPMENT OF SPECIAL ECONOMIC ZONES (SEZS): A STUDY OF GURGAON DISTRICT, HARYANA

Dushyant Kumar (Research Scholar)

Department of Geography, Jamia Millia Islamia (Central University)
New Delhi, 110025

ABSTRACT

This study examined the geographical development of special economic zones in the Gurgaon district of Haryana. Gurgaon district is close to the Indira Gandhi International Airport (IGIA) and boost of good connectivity by road, rail and metro line which has given a change to the development of Gurgaon district. With the basic objectives to promote export, development of infrastructure, generating jobs and to boost the economy of state several special economic zones were notified in the Gurgaon district. Study shows that there are five operational SEZs. The area covered under notified SEZs 1284.822 hectares in Gurgaon district. Proximity analysis shows that the geographical development of the SEZs is influenced by the good connectivity of transportation, distance from the Gurgaon city and proximity to national capital region Delhi.

Keywords: Export Processing Zone, Development, Geographical, Proximity, SEZs

Introduction

Since 1960, India has seen the emergence of several initiatives of boosting export out of some these initiatives have been successful, some failed and others have been indifferent. Some of these initiatives are: Export Processing Zone (EPZ) policy (1960's), Export Oriented Units (EOU) (1980's) Policy, Software Technology Park (STP) Policy (1991), Export Oriented Hardware Technology Park (EHTP) Policy (2000-2001), Advanced Licensing and 'deemed' Export Policy, Free Trade Zone (FTZ) Policy (This initiative was part of the Exim policy (1999) framework) (Sharma, V. 2007). According to Ramachandran, H. et al. (2007) in the context of locating land for special economic zones it has been found that the most critical considerations in special economic zones case pertain to proximity to the National Highway, broad gauge railway lines and large cities. These zones are recognized as an important

mechanism for trade and investment promotion, creation of infrastructure, employment generation and promotion of regional development (Rathakrishnan, L. and Deepak, S. 2012). After establishment of SEZs in India, physical export have increased from Rs 77,638 crore in 2007-2008 to Rs 99,689 crore in 2008-2009 (Somasundaram, R. and Krishnamoorthy, V. 2012).

SEZ is an economic model to process and promote the manufacturing of specific products for domestic consumption as well as export from a country (Nandakumar, R. and Subramanian, R. 2012). India was one of the first in Asia to recognize the effectiveness of the Export Processing Zone (EPZ) model in promoting export, with Asia's first EPZ set up in Kandla in 1965 and hence seven more zones were set up thereafter. However the zones were not able to emerge as effective instruments for export promotion on account of the multiplicity of controls and clearance, lack of good infrastructure and an unstable fiscal regime (sezindia.nic.in). While correcting the shortcomings of the EPZ model some new features were incorporated in the Special Economic Zones policy introduced in April 2000 for setting up of Special Economic Zones in the country with a view of providing an internationally competitive and hassle free environment for exports (Sharma, V. 2007).

This policy intended to make Special Economic Zones an engine for economic growth supported by quality infrastructure complemented by an attractive fiscal package both at centre and state level, with the minimum possible regulations. Since no follow up actions took place, it was subsequently disbanded. The success of the Chinese SEZ provided a major initiative for the formation of the SEZ policy in India. Presently, there are 588 formal approval SEZs, 49 valid in principle and 386 notified SEZs in India (sezindia.nic.in). In the study area first special economic zone was notified on 31st August 2006 in Gurgaon district. The smart policy initiatives of the Haryana government i.e. liberal industrial policies, reform in tax laws and planned development accelerated the development of SEZs.

Objectives of the Study

- I. to see the geographical development of special economic zones; and
- II. to find out the factor behind the geographical expansion of SEZs in the study area.

Data Base and Methodology

In this research the data required for the study have been collected from secondary and primary sources. Secondary data on SEZs, was obtained from, Ministry of Commerce and Industry website. Administrative division map of the study area is taken from Census of India 2011. In this study a researcher has done the analysis of the geographical development of special economic zones of the study area. For it a stepwise process is followed in which the

geographical development has been analyzed over the years, a base map is prepared with the help of survey of India toposheet, field survey for identifying SEZs locations with GPS and proximity analysis technique is applied.

Study area

Gurgaon district lies between 27° 39' 00" N and 28° 32' 25" N latitude to 76° 39' 30" E and 77° 20' 45" E longitude and it is the sixth largest city in the Indian state of Haryana (Fig.1.1). Last past decade shows that the city has undergone rapid development and construction. Its boundary touches south Delhi and it makes Gurgaon to be an important strategically located place. Its north-western boundary is made by Jhajjar district and north-eastern by Delhi State, eastern boundary by Faridabad and Palwal district, a small part of the western boundary by Rewari district whereas major part of western boundary and southern



Figure 1.1

boundary is common with Mewat districts of Haryana State. With the purpose of general as well as developmental view, the district has been divided into the following district organized structure such as five tehsil Gurgaon, Sohna, Pataudi, Farukhnagar and Manesar and four blocks Gurgaon, Sohna, Farukhnagar and Pataudi.

Discussion and results

Figure 1.2 suggests the state wise distribution of special economic zones in India over the year. It has been found that Andhra Pradesh has maximum special economic zones compared to other states of India. Figure pattern shows that south India have more zones compare to north India. Haryana state in northern India has more special economic zones as compared to other northern states. On the other side north-east and extreme north (Jammu and Kashmir) shows negligible. Year wise growth shows that 2007 have maximum SEZs in almost all the states of India while year 2010, 2011, and 2012 witnessed a low growing period.

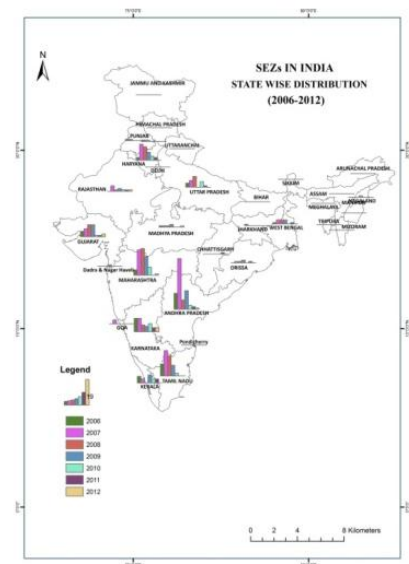


Figure 1.2

Special Economic Zones: Gurgaon district

With the basic objectives to promote export, development of infrastructure, generating jobs and to boot the economy of state several special economic zones was notified in the Gurgaon district.

After the notification of special economic zone developer can start the operations for development of the SEZ. As per the data obtained from the ministry of commerce and industry there are twenty eight notified special economic zones in Gurgaon district.

Notified Special Economic Zones - 2006

There were only two notified SEZs in 2006 across Gurgaon district. One of them is a multi services special economic zone and other is information technology and information technology enables services zone.

Uppal Developer Private Limited: Uppal Developer Private Limited was first notified SEZ of Gurgaon district been notified on 31st of August 2006. It covers an area of 106.310 hectares at village Rathiwas. It is a multi-service based SEZ been established to provide business centers of world class providing all modern facilities.

DLF Limited: DLF Limited was notified on 6th December 2006. It is an operational information technology and enabled services SEZ located at Cyber City, Gurgaon. The SEZ is spread across, 10.3 hectares. DLF Limited is located just off the National Highway-8 and in close proximity to Indira Gandhi International Airport and is directly linked through the expressway to Delhi.

Notified Special Economic Zones - 2007

In 2007 eleven SEZs were notified in the Gurgaon district. Out of which nine are IT/ITES based and remaining two are multi-service and textile based (Fig. 1.3).

DLF Cyber City: DLF Cyber City Developers Limited is an information technology/information technology enabled services SEZ at sector number 24 and 25A, Gurgaon. The SEZ is spread over 14.97 hectares of land and was notified on 13th April 2007 and became operational on 5th November 2007.

Dr. Fresh Healthcare Private Limited: Dr. Fresh Healthcare Private Limited SEZ is a notified IT/ITES Special Economic Zone in Gurgaon. It was notified on 17th April 2007. Located along Gurgaon - Sohna road and is connected to NH 8. The SEZ covers an area of 25.334 hectares.

Orient Craft Infrastructure Limited: It is a textile SEZ located at Manesar, Gurgaon along the Kundli-Manesar-Palwal expressway. The SEZ covers an area of 135.2741 hectares which was notified on 13th April 2007.

Luxor Cyber City: Luxor cyber city SEZ is located in sector 77, at village Sikohpur, district Gurgaon, Haryana. Luxor Cyber City has excellent connectivity due to its proximity (less than 0.5 km) with National Highway No. 8. It is an IT/ITES SEZ which was notified on 27th April 2007 and covers an area of 27.07845 hectares.

Parsvnath Developers Limited: Parsvnath Developers Limited SEZ is an information technology and information technology enabled services notified SEZ at Gurgaon-Sohna road. The site covers an area of 42.7045 hectares. It was notified on 23rd August, 2007.

Suncity Haryana SEZ Developers Private Limited: Suncity Haryana SEZ Developers Private Limited was notified on 18th October, 2007 which is a sector-specific SEZ for IT at Jhund Sarai and Bhangrola villages, Gurgaon, Haryana. The total area under zone is 67.74 hectares.

Metro Valley Business Park Private Limited: The SEZ covers an area of 11.213 hectares. The zone was notified on 18th October, 2007. Metro Valley Business Park Private Limited SEZ is a notified information technology zone. The SEZ is located at Gurgaon-Faridabad Road, opposite ansal valley view apartments, Gurgaon.

Reliance Haryana SEZ Limited: Reliance Haryana SEZ Limited was notified on 14th November 2007 at Villages Mohammadpur Jharsa, Narishpur, Garouli Khurd and Harsau, district Gurgaon. The total area under this SEZ 440.714 hectare. It is a Multi-Services SEZ

GHI Finlease and Investments Limited: GHI Finlease and Investments Limited set up a sector-specific SEZ for information technology and information technology enabled services at Bhondsi village, Gurgaon district. Special economic zone is spread over 13.309 hectares and which was notified on 3rd December 2007.

Gurgaon Infospace Private Limited: Gurgaon Infospace private limited is a sector specific SEZ for IT/ITES at Dundahera village, Gurgaon district. SEZ covers an area of 11.202 hectares. It was notified on 3rd December 2007. It came into operation from 1st March 2008.

Canton Buildwell Private Limited: Canton Buildwell Private Limited (also known as ASF Insignia SEZ private limited) is an Information Technology sector specific Special Economic Zone project at Gurgaon. The project is spread over 19.302 hectares at most premium location in Gurgaon adjoining Faridabad-Gurgaon road. It was notified on 17th December, 2007. It became operational as on 30th November 2011.

Notified Special Economic Zones - 2008

It has been found that seven special economic zones were notified in 2008 in Gurgaon district. Out of these three zones are a biotechnology specific, three are IT and ITES and rest one is engineering SEZ (Fig. 1.3).

Unitech Realty Projects Limited: Unitech Realty Projects Limited is an Information Technology sector specific Special Economic Zone at village Tikri, Gurgaon. It came into existence on 9th January, 2008. The SEZ is spread over an area of 10.041 hectare and was started on 1st November 2012.

Raheja's Special Economic Zone: Raheja special economic zone is the first notified engineering SEZ in northern India which was notified on 10th March 2008. The project covers the area of 103.0154 hectares. The site is approachable through Gurgaon-Pataudi Road and Farukhnagar state highway as well as through National Highway-8 and Industrial Model Township Manesar (sezindia.nic.in).

Ascendant Estates Private Limited: Ascendant Estates Private Limited is an Information Technology sector specific Special Economic Zone project at Bondsai, district Gurgaon. The SEZ covers an area of 12.597 hectares. It was notified on 2nd May, 2008.

Ansal SEZ Projects Limited: Ansal SEZ Projects Limited is an information technology/enabled services SEZ at village Badshahpur, Sohna road, Gurgaon. The site covers an area of 10.8815 hectares. It was notified on 15th May, 2008.

Mayar Biotech: Mayar Biotech SEZ is North India's first Biotech SEZ exclusively dedicated to Life Sciences. Mayar Biotech SEZ spread across, 12.492 and 25.7177 hectares at villages Rahka and Rani Ka Singola and Nimoth district Gurgaon. It has excellent connectivity through well-developed road network. The zone units have been notified on 8th September 2008 and 18th September 2008.

Progressive Buildestate Private Limited: Progressive Buildestate Private Limited is an information technology/information technology enabled services SEZ at village Ghamroj, Bhondsi and Mahendwada Gurgaon district. The SEZ covers an area of 29.9398 hectares. It came into existence on 17th November, 2008.

Notified Special Economic Zones - 2009

Four special economic zones were notified in 2009 in Gurgaon district in which three are for information technology and enabled services and one is Electronic Hardware and IT/ITES.

Sunwise Properties Private Limited: Sunwise Properties Private Limited set up a sector specific SEZ for information technology and enabled services at Ardee City, district Gurgaon. The SEZ is spreading over an area 10.13 hectares. It was notified as on 29th April 2009.

Mohan Investments and Properties Private Limited: Mohan Investments and Properties Private Limited is an IT/ITES SEZ at village Shijra and tehsil Badshahpur, Gurgaon district. The SEZ covers an area of 27.90 hectares. It was notified on 4th May 2009.

G.P. Realtors Private Limited: G.P. Realtors Private Limited is a sector specific SEZ for information technology/enabled services at village Behrampur, Gurgaon district. The SEZ covers an area of 21.73693 hectares. The zone was notified on 4th May 2009.

Mikado Realtors Private Limited: Mikado Realtors Private Limited is a sector specific unit for Electronic Hardware and IT/ITES sector at village Behrampur and Balola, district Gurgaon in the State of Haryana. It was notified on 29th October 2009 having an area of 11.033 hectares.

Notified Special Economic Zones - 2010

Sohna Buildcon Private Limited: Sohna Buildcon Private Limited is Electronic Hardware, IT/ITES SEZ at village Sohna, district Gurgaon which covers an area of 10.202 hectares and was notified on 5th February, 2010.

Gold Souk: Spreading over 26 acres of land Gold Souk SEZ is a notified Integrated IT SEZ. The SEZ is located behind Sector 67 golf course extension road, Gurgaon. It has changed the sector from Gems and Jewellery on 9th November, 2011 to information technology and enabled services. It was notified on 22nd December, 2010.

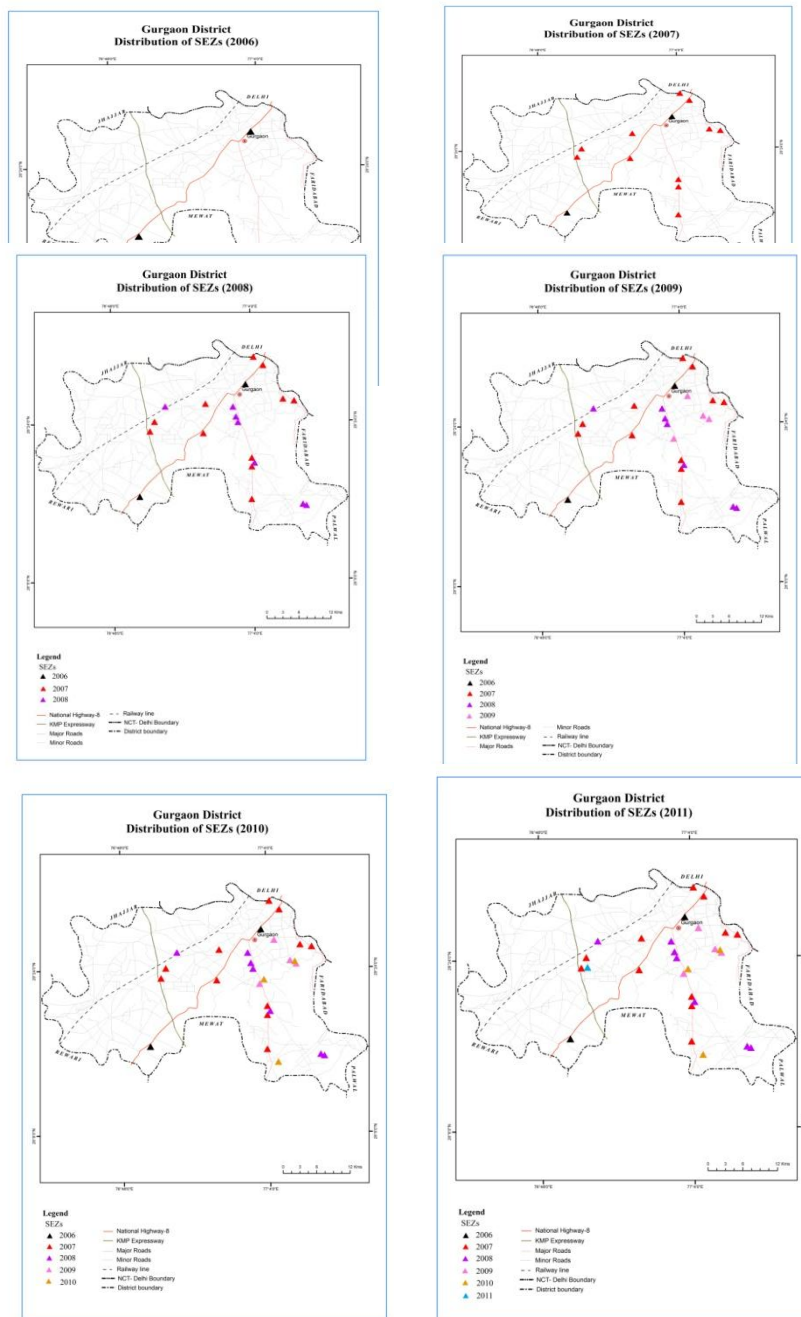


Fig. 1.3

G.P. Realtors Private Limited: G.P. Realtors Private Limited is setting up a sector specific SEZ for IT/ITES at villages Beharampur Balola and Bandhwari. The site covers an area of 36.7663 hectares and was notified on 24th December, 2010 (Fig. 1.3).

Notified Special Economic Zone - 2011

Orient Craft Infrastructure Limited zone was notified in 2011 which is a sector specific zone for IT/ITES at village Bans Hariya, district Gurgaon which covers an area of 26.560 hectares. It was notified on 1st March, 2011. SEZ is very close to Kundli-Manesar-Palwal expressway

and national highway number eight. There were two zones in 2006 which increased from two to 13 in 2007. When we look at year 2008, zones have increased from 13 to 20 adding seven new zones the year 2008. Likewise, zones were increase from 20 to 24, 24 to 27 and 27 to 28 in 2009, 2010 and 2011.

The year 2011 shows that only one SEZ was been notified, the reason behind the declining in the notification of special economic zones after 2011 found that the SEZs have lost their shine due to the global economic uncertainties and imposition of minimum alternative tax and dividend distribution tax which were earlier exempted.

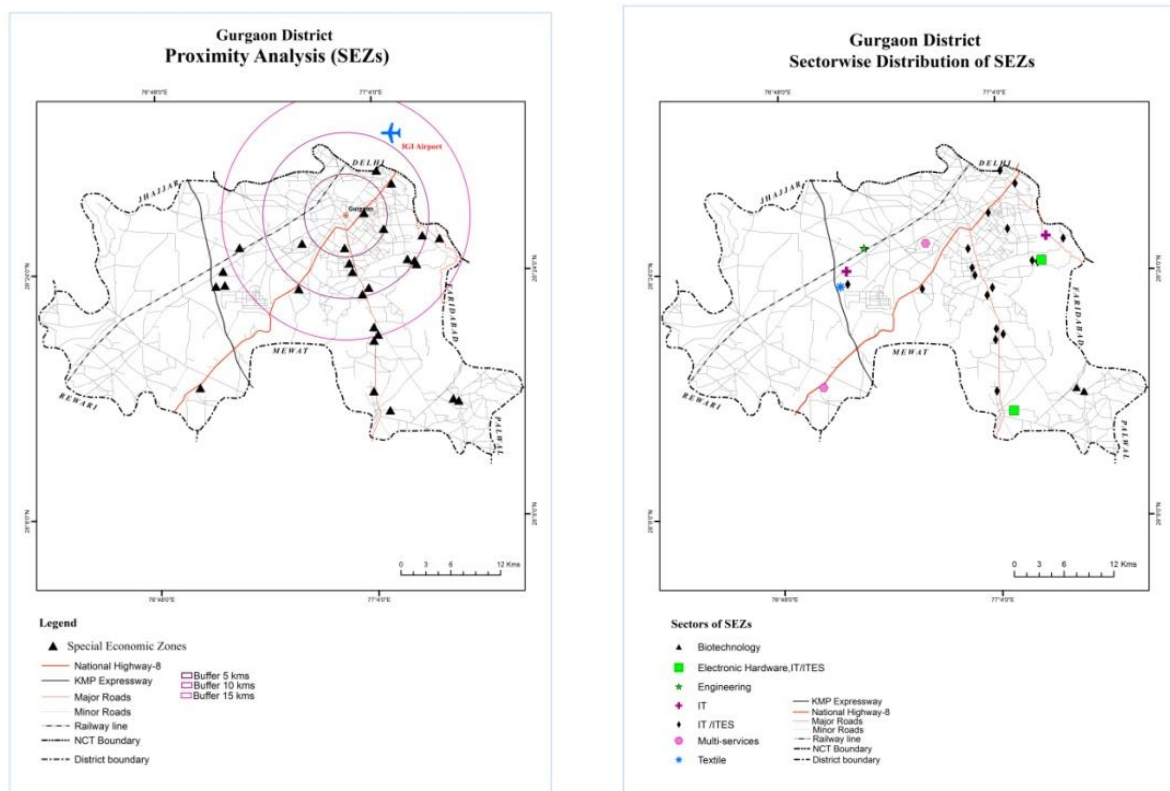


Fig. 1.4 and 1.5

Proximity analysis technique is applied to see the spreading of SEZs in the Gurgaon district which shows that special economic zones are developing close to national highway, railway line and expressway, nearness to Indira Gandhi International Airport and close to national capital region Delhi. Proximity analysis also shows that within five kilometers of Gurgaon city centre there are three zones, nine zones are within ten kilometers, six and five zones within fifteen and twenty kilometers and five zones beyond twenty kilometers of the city center. Analysis shows that the development of the special economic zones is influenced by the availability of ample land space, good connectivity of transportation, distance from the city, proximity to Indira Gandhi International Airport which connect the city with outside world,

and proximity to Delhi (Fig.1.4). The total twenty eight special economic zones have been notified in Gurgaon district out of these two zones are multi-service, twenty are IT/ITES, one is textiles, one is engineering, two of them are biotechnology and rest two are Electronic/Hard-ware/IT/ITES (Fig. 1.5).

Gurgaon district is close to the Indira Gandhi International Airport and boost of good connectivity by road, rail and metro line which has given a change to the development of Gurgaon district. Upcoming big infrastructure project in Gurgaon Kundli Manesar Palwal expressway leading important role for setting up of SEZs in the nearby areas. On the other side, planned development and government policies and availability of ample land spaces along the national highway, railway line and near to air port played an important role to boost the special economic zones in the Gurgaon district.

Conclusion

Study shows that the first notified SEZ of the study was Uppal Developer Private Limited which was notified on 31st August 2006 in Gurgaon district at Rathiwas village. There are five operational SEZs in the study area. The area covered under notified SEZs 1284.822 hectares in Gurgaon district. It can be concluded from proximity analysis that the geographical development of the SEZs is influenced by the good connectivity of transportation, distance from the city and proximity to Indira Gandhi International Airport and national capital region Delhi. On the other side, planned development and positive government policies and availability of ample land spaces along the national highway, railway line and near to air port played an important role to boost the special economic zones in the Gurgaon district.

Acknowledgements

This research paper is part of my Ph.D thesis department of geography, Jamia Millia Islamia, New Delhi. I owe a deep sense of gratitude to my supervisor Dr. Madan Mohan, Assistant Professor, Department of Geography, Jamia Millia Islamia for his constant encouragement and keen and able guidance. I would like to thanks towards the Department of Geography, Jamia Millia Islamia for providing me resources and facilities for the purpose of carrying out my research work.

References

- Bhoria, K.S. and Bajaj. B.R.** (1983), *Gurgaon - Haryana District Gazetteers*, Haryana Gazetteers Organization, Revenue Department, Chandigarh.
- Nandakumar, R. and Subramanian, R.** (2012), *Gains of SEZ in India: Some Evidences*, In: Soundarapandian, M. (ed.), *Development of Special Economic Zones in India Impact and Implications*, Vol. 1, Concept Publishing Company Private Limited, New Delhi, pp. 305-310.
- Ramachandran, H. and Biswas, D.** (2007), "Location Land for Special Economic Zones – A Methodology", *Man & Development*, Vol. 29, No.4, pp. 51-64.
- Rathakrishnan, L. and Deepak, S.** (2012), *Role of Banks in Special Economic Zones A Macro Analysis*, In: Soundarapandian, M. (ed.), *Development of Special Economic Zones in India Impact and Implications*, Vol. 1, Concept Publishing Company Private Limited, New Delhi, pp. 188-197.
- Sharma, V.** (2007), "Implications of Special Economic Zone on Project Affected People- A Case Study of Reliance Haryana SEZ", *Man & Development*, Vol. 29, No. 4, pp. 77-94.
- Somasundaram, R. and Krishnamoorthy, V.** (2012), *Special Economic Zone Indian Model Vs. Chinese Model*, In: Soundarapandian, M. (ed.), *Development of Special Economic Zones in India Impact and Implications*, Vol. 1, Concept Publishing Company Private Limited, New Delhi, pp. 231.