



SEZ in Buxar and West Champaran

Why in News?

Bihar's Industry Minister announced setting up of [Special Economic Zones \(SEZ\)](#) in **Buxar** and **West Champaran** .

Key Points

- **About the issue:**
 - The central government had approved their formation till **November 2024**. These **zones** will be established in Navanagar of Buxar and **Kumarbagh of West Champaran** .
- **Special Economic Zone:**
 - **Introduction:**
 - SEZs are **zones within a country that are often duty-free (fiscal concessions)** and have different trade and commercial laws primarily to encourage investment and create employment.
 - These are also **created to better administer these areas**, making it easier to do business.
 - **SEZs in India:**
 - Asia's **first Export Processing Zones (EPZ)** was established in **Kandla, Gujarat** in 1965 .
 - **These EPZs were structured similar to SEZs, with the government establishing EPZs in the year 2000 to address** the infrastructural and bureaucratic challenges of EPZs .
 - **The Special Economic Zone Act** was passed in the year 2005 and came into force along with the SEZ Rules in the year 2006.
 - There are currently **379 SEZs notified** , of which 265 are operational. About 64% of the SEZs are located in five states - Tamil Nadu, Telangana, Karnataka, Andhra Pradesh and Maharashtra.
 - **The Board of Approval is the apex body** and is headed by the Secretary, Department of Commerce (**Ministry of Commerce and Industry**).
 - **The Baba Kalyani-led committee** was constituted by the Ministry of Commerce and Industry to study India's existing SEZ policy and submitted its recommendations in November 2018.
 - It was set up with the broad objective of evaluating the SEZ policy towards making it [World Trade Organisation \(WTO\)](#) compatible and bringing in global best practices to optimally utilise the capacity and maximise the potential output of SEZs.