

A COMPARATIVE STUDY ON INDO-CHINESE SEZs

K. G. MALLIKARJUNA

Assistant Professor of Economics, SBSYM Degree College, Kurnool, Andhra Pradesh, India

ABSTRACT

SEZs (Special Economic Zones) are fundamentally different from the traditional free zones. Special economic zone is a particular area inside a state which acts as foreign territory for tariff and trade operations. The first “modern zone” was established in Ireland in 1959. Since then, a variety of different zone setups have evolved. Indian policymakers' ongoing fascination with special economic zones was inspired by China's roaring success with these enclaves of galvanised production. Is India getting something wrong in its SEZ policy, or should we merely conclude that India will soon be 33 times as successful as China? China's success in attracting oodles of foreign direct investment and becoming one of the top exporting countries of the world hinged on the careful implementation of its SEZ policy. More than two decades later, India, too, is trying to tread on the same ground.

KEYWORDS: SEZs, Zones, Greenfield SEZs, Domestic Tariff Area (DTA)