

What is SEZ? what are difference between SEZ & EPZ

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Special economic zone is an area in which business and trades are done within a country's national border. It is done under SEZ act (2005) that allows to provide establishment, development and management of SEZ.

The main aim of SEZ is to create economic activity, increase export of goods, create employment, boost investment and develop infrastructure facilities.

Difference between SEZ and EPZ are as follows -:

- ① SEZ has larger geographic size than EPZ and so there is large scope of business in SEZ.
- ② SEZ is found in all countries whereas EPZ is found in developed and developing countries only.
- ③ EPZ is confined manufacturing establishment but SEZ is not confined to manufacturing establishment only.
- ④ SEZ leads to the growth of domestic business while EPZ leads to the growth of export business only.
- ⑤ SEZ provides more tax benefit as compared to EPZ.
- ⑥ SEZ provides relaxation for the consumption of raw material within five years, whereas EPZ provides only one year duration for the consumption of raw material.

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- ⑦ Laws related to certification of investor is very much clear and relaxed in SEZ as compared to EPZ.
- ⑧ SEZ provides less interference of custom department as compared to EPZ.
- ⑨ SEZ provides single window clearance than EPZ.

From the above difference between SEZ and EPZ, it can be concluded that SEZ is better than EPZ.

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