CHAPTER – VI
MAJOR FINDINGS, SUGGESTIONS AND CONCLUSION

This chapter explains main findings, suggestions and conclusion identified through the course of the study.

MAJOR FINDINGS

There is lack of public accountability and transparency in working of SEZs which is revealed by the fact that RTI could not yield the required information from the involved SEZs. The performance monitoring of the SEZs are maintained by the Department of Commerce. The subsidy which is gained from the public revenue of the government is provided for the working of the SEZs. This stresses need for publication of performance of these SEZs in a detailed manner in-order to justify their existence.

I. Cochin Special Economic Zones
   A. General Findings

1. The CSEZs and other private zones that operate have performed well when comes to exports where it has contributed to ` 2, 17,942.85 Crores. The growth rate of exports also justify that these zones perform well on the front of exports.

2. The imports growth rate of 63.23% did not augur well for the zones. The growth of imports at such a rate will affect balance of trade and also foreign exchange earnings capacity of these zones.

3. Investment made in these zones did not follow a stable trend which is a cause for concern that is revealed by the fact where S.D is above the average investment of the zones. The unpredictability nature of investment will affect the working capacity of the involved zones.

4. Even though these zones have provided employment to 2, 09,707 persons there is lot of instability in the provision of employment by CSEZs throughout the study period.

5. Balance of trade in these zones has been performing well besides the zones have suffered an unfavorable balance of trade during the year 2007-2008. The balance of trade has a stable trend and its growth rate is attained through
the study period providing concrete recommendations for the working of these zones.

6. FDI attracted by the zones have been stable and followed increasing trend during the study period. The stable trend will work in favor of the zones where it can plan according to the flows of FDI.

7. FEEs followed stable trend throughout the study period. The fact of the imports consuming the benefits of exports and FDI can be viewed in the year 2007-2008. In that year the FEEs is negative which is due to the fact that imports has exceeded exports.

8. Exports top performing sector of CSEZs is Gems and Jewellery which is followed by IT& ITES in the second place. Services sector is the least performing sector of CSEZs. Even though the Services sector came into existence five years ago it failed to improve its exports and as well as compete with the other sectors on the front of exports. The instability in the performance of the sectors is evident from S.D. There is a lot of variation in the performance of IT and ITES sector when compared to the other sectors of these zones. The highest constant growth rate was achieved by Gem and Jewellery sector. The year-wise performance of exports has attained excellent growth rate but there is skewed distribution of export growth among the sectors. S.D of the year-wise exports has always been greater than average exports explaining the variation among the sectors of CSEZs.

9. The import performances of CSEZs consistently rise throughout the study period. The Highest importer among the sectors of CSEZ is Gems and Jewellery sector. The sector-wise S.D explains the difference among the sectors in imports of goods. The highest growth of imports is attained by IT & ITES sector where it has attained the growth of 293%. The growth rate tends to affect not only the IT and ITES sector but also the portfolio of the CSEZs Sectors. The imports created negative impact on both balance of trade and foreign exchange earnings. The year-wise growth of imports increases constantly throughout the study period.

10. The balance of trade performance also attained steady increase all over the study period. The Balance of trade was unfavorable in some sectors during
the study period which is mainly due to increase in the growth of imports from the concerned sector. The highest favorable balance of trade was attained by IT and ITES sector followed by Gems and Jewellery sector. The gems and jewellery sector has suffered unfavorable balance of trade during the period of 2007-2008 to 2010-2011. The sector-wise S.D elucidates the distribution of balance of trade performance among the sectors. There is lot of deviation from average balance of trade amid the sectors during the study period. Even though the balance of trade attained excellent growth over the years, S.D of the year-wise performance explains the volatility of the balance of trade among the sectors.

B. EIBIFEF Findings:

i. The total number SEZs that operate under CSEZs increases from 17 SEZs to 39 SEZs during the study period. There is lot of area that has been kept unproductive within SEZs. The concentration of industries decreases which explains that there is increase in number of SEZs.

ii. Export performance of the index explains the efficiency of investment, employment, and FDI on exports. All the three performance indicators followed fluctuating trend in exports. The average growth of exports during the period was 93.37 percent. The export efficiency of SEZs is explained by stable increase in per capita exports which explains growth in the productivity of SEZs. The share in total exports reveals the fact that CSEZs and the other SEZs under CSEZs contribute to the tune of 33 percent on average every year.

iii. Imports to investment ratio illustrate the growth of imports over the years even though there is increase in the investment. Unlike exports, imports should decrease when compared with other performance indicators. Even though other performance indicators fluctuate, there is steady increase in imports which absorbs the contribution of other indicators. The growth of imports stood at 20.74 percent. The average imports contribution by CSEZs and other zones to the southern region accounts up-to `. 337 Crores.

iv. The index table describes the performance of balance of trade with other performance indicators where balance of trade has been fluctuating due to
the changing nature of export and imports. The ratios also suffered due to unfavorable balance of trade where imports exceeded exports. Balance of trade achieved a constant growth rate of 73 percent during the study period. The per capita balance of trade made by CSEZs seems to be fluctuating which is an alarming sign that will definitely hinder the growth of CSEZs. Balance of trade contribution by CSEZs totaled to an average of `. 315 Crores. The CSEZs have a share of around 44 percent towards balance of trade from the southern region SEZs.

v. The performance of investment explains that there is constant growth of investment in CSEZs to an extent of 49 percent. The average investment made in the CSEZs is `. 63 Crores per year (per SEZ) during the study period and the CSEZs have hold of 17% percent of the investment in the southern region.

vi. The attraction of foreign direct investment by the CSEZs per year was `. 35 Crores (per SEZ). The FDI attained a growth rate of 29 percent during the study period. The CSEZs attract up-to 27 percent of FDI that flows in SEZs of the southern region.

vii. The employment opportunities provided by CSEZs attained a growth of 9 percent. The CSEZs provided employment to an average of 707 persons (per SEZ). The CSEZs has a grip over employment by providing 25 percent of employment in the southern region.

viii. The foreign exchange earnings have flourished well from CSEZs. The growth of FEEs stood at 89 percent. CSEZs have the potential of earning an average of `. 349 Crores (Per SEZ) per year during the study period. The CSEZs hold majority of share when it comes to FEEs in the southern region with 46 percent.

C. Inferential Findings

1) Correlation helps to find the relationship between the performance indicators of CSEZs. Export reveals positive correlation with all the performance indicators that has been included in the study. The imports have positive correlation with employment and FDI. Balance of trade has positive and strong correlation with
Investment, FDI and FEE. Investment finds a strong correlation with FEE whereas employment did not find any correlation with FDI and FEE. FDI and FEE are strongly correlated with each other based on the performance of CSEZs.  

2) The Ordinary Least Squares regression has presented results that an amount of one crore increase in imports will increase exports by 1.39 crores and an amount of one crore increase in investment will increase exports by 4.07 crores. The estimation is considered to be more accurate and predictable as the constructed model satisfies the Best Linear Unbiased Estimators (BLUE) of the Gauss Markov Theorem.

II. Madras Export Processing Zone – Special Economic Zones

A. General Findings

1. MEPZ-SEZ and other private zones contributed exports to the tune of ` 2, 80,179.18 Crores. The growth rate of exports stood at 69.57 percent which justifies that these zones are performing well.

2. The constant growth of imports at 71.02 percent in the long run will affect balance of trade and also foreign exchange earnings capacity of these zones. The imports growth rate will also affect the working capacity of SEZs.

3. Investment made in these zones followed a stable trend but there is a cause for concern where S.D exceeds the average explaining the deviation of investment made is large. This unpredictability nature of investment will affect the investment decision of the involved zones.

4. The MEPZ-SEZ provided employment to 3, 82,577 persons but there is a lot of unsteadiness in the provision of employment by MEPZ-SEZ throughout the study period.

5. Balance of trade of these zones provide well besides the zones have suffered an unfavorable balance of trade during the year 2007-2008. The balance of trade has a volatile trend. The growth rate attained only after some support in recommendations for the working of these zones.

6. FDI attracted by the zones have been constant and followed increasing trend during the study period. The stable trend will work in favor of the zones where it can plan according to the stream of FDI.
7. FEEs followed unpredictability trend throughout the study period. The fact of
the imports consuming benefits of exports and FDI can be viewed in the year
2007-2008 where there is a fall in FEEs. The nature of unpredictability will
affect the operational capacity of SEZs.
8. Exports top performing sector of the MEPZ-SEZ is Electronics, Hardware and
software which is followed by miscellaneous sector in the second place. The
Food, Agriculture and Forest products sector is the least performing sector of
MEPZ-SEZ. Electronics sector alone excels with most of the exports from the
zones where it signifies the fact that this sector has the major hold on the exports
from these zones. The consistencies in the performance of the sectors have been
evident from S.D. There is lot of variation in the performance of Electronics
sector when compared to the other sectors of these zones. The highest constant
growth rate was achieved by the Miscellaneous sector. There is negative growth
in the performance of Chemicals sector and Food sector. The year-wise
performance of the exports has attained excellent growth rate but there is
unequal distribution of export growth among the sectors. S.D of year-wise
exports has always been greater than the average exports explaining the variation
among the sectors of MEPZ-SEZ.
9. Import performances of the MEPZ-SEZ consistently rise throughout the study
period. The Highest importer among sectors of the MEPZ-SEZ was the Software
and Electronics sector followed by Gems and Jewellery sector. The sector-wise
S.D explains lot of differences among the sectors in imports of goods. The
highest growth of imports is attained by Software/Electronics sector where it has
attained a growth of 428 percent. The growth rate will affect not only the
Software/Electronics sector but also other MEPZ-SEZ Sectors. This exorbitant
growth rate will create negative impact on both balance of trade and foreign
exchange earnings. The year-wise growth of imports also increases constantly
throughout the study period with lot of unpredictability in the trend.
10. Balance of trade performance attained steady increase all over the study period
except the year 2007-2008 where it was unfavorable. The Balance of trade was
unfavorable in four sectors during the study period which is mainly due to
increase in growth of imports from the concerned sector. The highest favorable
balance of trade was attained by Electronics sector followed by Miscellaneous sector. The balance of trade attained excellent growth rate but there is lot of concerns when it comes to individual capacity of the sectors. There are many sectors that suffered unfavorable balance of trade throughout the study period. The sector-wise S.D illustrates the distribution of balance of trade performance among the sectors. There is a lot of deviation from average balance of trade amid the sectors during the study period. The year-wise performance explains the volatility of balance of trade among the sectors.

B. EIBIFEF Findings:

i. The total number of SEZs that operate under MEPZ-SEZ increased from 12 SEZs to 25 SEZs during the study period. There is 2,202.64 Hectares of land that seems unused within SEZs. The concentration of industries decreased which explains that there is increase in the number of SEZs that started operations in the region.

ii. Export performance of the index explains the efficiency of investment, employment, and FDI on exports. All the three performance indicators followed fluctuating trend on exports. The average growth of exports during the period was 69.57 percent. The export efficiency of the SEZs is explained by constant increase in per capita exports which explains growth in the productivity of the SEZs. The share in total exports reveals the fact that MEPZ-SEZ and other SEZs under MEPZ-SEZ contribute to the tune of 55 percent on average every year. This sector has the major share of exports in the southern region.

iii. Imports to investment ratio illustrate the growth of mutual growth in imports and investment besides abnormal growth of imports. The contrasting feature of exports to imports is that it should decrease when compared with other performance indicators. Even though other performance indicators also fluctuate, there is steady increase in imports which is captivating the contribution of other indicators. The growth of imports stood at 71.02 percent. The average imports contribution by MEPZ-SEZ and other zones to southern region totals up-to ` 1,153.30 Crores (Per Zone). In the same way, imports
from MEPZ-SEZ have contributed to 62 percent of total imports from the southern region.

iv. The index table describes the performance of balance of trade with other performance indicators where balance of trade is unpredictable due to the changing nature of export and imports. The ratios also suffered due to unfavorable balance of trade where imports exceeded exports. Balance of trade achieved a constant growth rate of 68 percent during the study period. The per capita balance of trade made by MEPZ-SEZ is unfavorable during the study period that is a startling sign which will hinder the growth of MEPZ-SEZ. Balance of trade contribution by the MEPZ-SEZ totaled to an average of `. 295 Crores (Per Zone). The MEPZ-SEZ has a share of around 40 percent towards balance of trade from the southern region SEZs.

v. Performance of investment explains that there is steady growth of investment in MEPZ-SEZ to an extent of 61 percent. The average investment made in MEPZ-SEZ is `. 406 Crores per year (per SEZ) during the study period and MEPZ-SEZ have a hold of 55.22% percent of the investment in the southern region. The majority of investment has been made in the MEPZ-SEZ in the southern region.

vi. The attraction of foreign direct investment by the MEPZ-SEZ per year was `. 125 Crores (per SEZ). FDI attained a growth rate of 55 percent during the study period. The MEPZ-SEZ attracts up-to 54 percent of FDI that flows in the SEZs of the southern region. FDI attraction by the MEPZ-SEZ reveal that it favored SEZs in the southern region from other countries

vii. The employment opportunities provided by MEPZ-SEZ attained a growth of negative two percent. The MEPZ-SEZ provided employment to an average of 2,186 persons (per SEZ). The MEPZ-SEZ has a grip over employment by providing 51 percent of employment in the southern region. Even though MEPZ-SEZ is the leading employment provider in the southern region it has adopted employee reduction strategies which are evident from the trends of growth percentage.

viii. The foreign exchange earnings have flourished well from the MEPZ-SEZ. The growth of FEEs stood at 22 percent. MEPZ-SEZ has the potential of
earning an average of ` 103 Crores (Per SEZ) per year during the study period. The MEPZ-SEZ has a share of about 33 percent in the flow FEEs of the southern region.

C. Inferential Findings

1) The correlation helps to find the relationship between the performance indicators of MEPZ-SEZ. Export reveals positive correlation with performance indicators of imports, balance of trade, investment and FDI. The correlation analysis reveals that exports do not have any relation with employment and FEE. Imports have positive correlation with FDI alone among the performance indicators. Balance of trade has correlation with Investment and FDI. Investment finds a strong correlation with FDI whereas employment did not find any correlation with investment, FDI and FEE. FDI and FEE did not find any correlation among them.

2) The regression analysis based on the Ordinary Least Squares and the Best Linear Unbiased Estimator (BLUE) Parameters provide results that one Crore increase in imports will increase exports by ` 0.74 Crores, one Crore increase in investment will increase exports by ` 0.40 Crores, one unit of employment will decline export by ` 0.19 Crores and one Crore increase of FDI will increase exports by ` 4.71 Crores. The explanatory variables have 99 percent of influencing capacity on the response variable of exports.

III. Vishakapatnam Special Economic Zones

A. General Findings

1. VSEZ and other private zones that operate perform well where it has contributed exports to the tune of ` 70,197.02 Crores. The growth rate of exports of 73 percent justify the zones are performing well on the front of exports.

2. Imports growth rate of 43.51% is unfavorable for the well being of these zones. The growth of imports at such a rate will affect balance of trade and also foreign exchange earnings capacity of these zones.

3. Investment made in these zones did not follow a predictable trend which is a cause for concern that revealed fluctuations made in investment of the zones.
The unstable nature of investment will affect the effective working capacity of the involved zones.

4. These zones provided employment to 1, 81,657 persons during the study period. There is a lot of instability and fluctuations in employment provided by VSEZ throughout the study period.

5. Balance of trade of these zones perform well besides, the zones suffered an unfavorable balance of trade during the years 2005-2006 and 2007-2008. Balance of trade has a stable trend and its growth rate attained through the study period is excellent and it provides concrete recommendations for the working of these zones.

6. FDI attracted by the zones have is found to be stable and followed growing trend during the study period. The stable trend will work in favor of the zones where it can increase its potentials according to the flows of FDI.

7. FEEs followed stable trend throughout the study period. But the flows of FEEs do not follow any predictability which is supported by the fact that S.D exceeds the average FEEs.

8. The exports top performing sector of VSEZ is Software/Electronics which is followed by the Gems and Jewellery in the second place. The Granites sector is the least performing sector of the VSEZ. The instability in the performance of the sectors is apparent from S.D. The Agri and Food Sector suffered a negative growth rate during the study period. There is a lot of variation in the performance of Software and Electronics sector when compared other sectors of these zones. The highest constant growth rate was achieved by the Software and Electronics sector. The year-wise performance of the exports attained excellent growth rate but there is off-center distribution of export growth among the sectors. S.D of the year-wise exports has always been greater than the average exports explaining the variation among the sectors of VSEZ.

9. Import performances of the VSEZ are also consistently rising throughout the study period. The Highest importer among the sectors of VSEZ is the Gems and Jewellery sector. The sector-wise S.D explains the difference among the sectors in imports of the goods. The highest growth of imports is attained by the Textiles sector where it has attained the growth of 161%. The growth rate
tends to affect not only the performance of textiles sector but also the group of VSEZ Sectors. Imports shaped negative impact on both balance of trade and foreign exchange earnings. The year-wise growth of imports increased constantly throughout the study period with unpredictability involved in it.

10. Balance of trade performance attained steady increase all over the study period. Balance of trade was unfavorable in couple of sectors during the study period which is mainly due to increase in growth of imports from the concerned sector. The highest favorable balance of trade was attained by Software and Electronics sector followed by Chemicals sector. The Miscellaneous sector suffered unfavorable balance of trade during all the years of the study period. The sector-wise S.D elucidates the distribution of balance of trade performance among the sectors. There is a lot of difference from the average balance of trade amid the sectors during the study period. Even though the balance of trade attained excellent growth over the years, S.D of the year-wise performance explains the precariousness of balance of trade among the sectors.

B. EIBIFEY Findings:
   i. The total number SEZs that operate under the VSEZ increased from 12 SEZs to 43 SEZs during the study period. There is lot of area i.e., to the tune of 4,425.85 hectares of land that has been kept unproductive within SEZs. The concentration of industries found to be declining which showed that there is increase in number of SEZs as well of clustering of SEZs within the region.

   ii. Export performance of the index explains the efficiency of investment, employment, and FDI on exports. All the three performance indicators followed variable trend on exports. The average growth of exports during the period was 73.29 percent. The export efficiency of the SEZs is moderate which is explained by unsteady trend in per capita exports. The share in total exports reveals the fact that VSEZ and other SEZs under VSEZ contribute to the tune of 12 percent on average every year.

   iii. The imports to investment ratio illustrate the growth of imports over the years even though there is increase in the investment. Unlike exports imports should
decrease when compared with the other performance indicators. Even though the other performance indicators also irregular there is steady increase in imports which is engrossing the contribution of other indicators. The growth rate of imports was 43.51 percent. The average imports contribution by VSEZ and other zones to the southern region accounts up-to ` 172 Crores. VEZs accounts to the tune of 12 percent towards the imports among the southern region.

iv. The index table describes the performance of balance of trade with the other performance indicators where balance of trade has been kept unstable due to the growth curve of export and imports. The ratios also suffered due to the unfavorable balance of trade where imports exceeded exports. Balance of trade achieved a constant growth rate of 349 percent during the study period. The per capita balance of trade made by the VSEZ is also found to be increasing which will work in favor of growth of VSEZ. Balance of trade contribution by VSEZ totaled to an average of ` 128 Crores. The VSEZ have a share of around 15 percent towards balance of trade from the southern region SEZs. Even though the growth rate of the SEZs is abnormal the share in balance of trade from the southern region is low.

v. Performance of investment explains that there is constant growth of investment in VSEZ to an extent of 62.33 percent. The average investment made in VSEZ is ` 100 Crores per year (per SEZ) during the study period and VSEZ have the share of 27% percent of the investment made in the southern region.

vi. The attraction of foreign direct investment by VSEZ per year was ` 32Crores (per SEZ). FDI attained a growth rate of 90 percent during the study period. VSEZ attract up-to 19 percent of FDI that flows into SEZs of the southern region.

vii. Employment opportunities provided by VSEZ attained a growth of 39 percent. VSEZ provide employment to the average of 567 persons (per SEZ). VSEZ has a grip over employment by providing 21 percent of the employment in the southern region.
viii. The foreign exchange earnings have flourished well from the VSEZ. The growth of the FEEs is abnormal and it stood at 239 percent. VSEZ has the potential of earning an average of ` 160 Crores (Per SEZ) per year during the study period. VSEZ holds the share of 20 percent when it comes to FEEs in the southern region.

C. Inferential Findings

1) The correlation helps to find the relationship between the performance indicators of VSEZ. The export reveals positive and strong correlation with the imports, balance of trade, FDI and FEE among the performance indicators that has been included in the study. Imports have positive correlation with balance of trade, FDI and FEE. Balance of trade has positive and strong correlation with Investment, FDI and FEE. Investment finds a strong correlation with employment whereas employment did not find any correlation with FDI and FEE. FDI and FEE are strongly correlated with each other based on the performance of VSEZ.

2) The ordinary least squares presents the results that one crore increase in imports will decline exports by 3.04 crores, one crore increase in investment will decrease exports by 1.94 crores and per crore increase of FDI will increase exports by 18.60 crores. This model has satisfied the Best Linear Unbiased Estimators assumptions to make it reliable in its predictions.

IV. CORRELATION AND REGRESSION FINDINGS FROM SOUTHERN REGION

i. An attempt has been made to understand the correlation among the performance indicators involving all the three zones that operate from the southern regions i.e., CSEZs, MEPZ-SEZs and VSEZs. The correlation analysis reveals that export has positive and strong correlation with imports, balance of trade, investment, FDI and FEE among the performance indicators that has been included in the study. Imports have positive correlation with Employment and FDI. Balance of trade has positive and strong correlation with Investment, FDI and FEE. Investment finds a strong correlation with employment whereas employment did not find any correlation with FDI and
FEE. FDI and FEE are strongly correlated with each other based on the performances of VSEZ.

ii. The regression estimates explains cause and effect relationship among the performance indicators with the results that one crore increase in imports will increase exports by 1.15 Crores and one crore increase in investment will increase exports by 2.14 Crores. The assumptions of the Gauss- Markov theorem is satisfied which makes this model reliable and accurate in its predictions.

SUGGESTIONS

The following are the various suggestions that are to be carried out to enhance the performance of SEZs in the southern region:

1. The transparency and public accountability of SEZs have to be made mandatory. The public limited company which raises capital for its operation from the public has the mandatory regulation for publishing of annual reports of the company for every year. Why not SEZs that utilizes various funds allocated under public expenditure in the form of subsidies by the government for its operations should be made public?

2. The geographical advantage gained by SEZs due its mandatory laws should be made for productive use at the earliest in order to reduce the opportunity cost of the land. In southern region alone, there are totally 8,162.49 hectares of land that has been kept unused in SEZs for the past 8 years. Based on this view point it can be said that it is ideal to acquire the land when necessary rather than acquiring them at the pre-early stages of notification of SEZs.

3. The notified SEZs that have not started the operation of SEZs within the prescribed time limit should be treated with strict regulations and their permission to host an SEZ should be cancelled with immediate effect in order to reduce the burden on unproductive lands.

4. Exports trend of the SEZs involved in the study is encouraging to note that it contributes massive exports towards the international trade of the country. There is also an area to worry that majority of the exports from these SEZs is
contributed by few sectors of the zones. The promotion of balanced sector exports should be implemented with the help of legal restriction in the form of quotas, embargo etc.,

5. Import of SEZs should be stabilized in-order to reduce its impact on balance of trade. The performance of the imports can be reduced mandatorily to improve the performance of balance of trade thereby resulting in the increased FEEs. The imports can be stabilized by the way of prohibiting the quantity of imports exceeding exports during the operation in a year by appointing a specialized officer in every zone.

6. The increased flow of FDI should be encouraged with framing of new regulations rather than providing increased subsidies to SEZs. The subsidies will have a counter effect on the working of economy. In future, SEZs policies should concentrate on improving the flow of FDI with mandatory regulations rather than provision of subsidies.

7. The employment trend in SEZs in the last few years has adopted employee reduction strategies at large scale which is evident from the analysis. The employee reduction policies should be carried at a phase-wise manner in-order to avoid unrest among the employees of SEZs which will directly affect the working of SEZs.

8. There should be more efforts made on the lines of enhancing the potential of earning of foreign exchange through SEZs which can be made through encouraging multinational corporations to expand their business operations or introduction of new firms in SEZs which will stabilise as well as increase the FEEs earned through SEZs.

9. There should be strict vigil over the non-performing SEZs in the country. Those non-performing SEZs should be given statutory period of time to improve their performance or it should be ordered to wind up its operations. The non-performing SEZs not only affect its working but also it absorbs the benefits that arise from the well-performing SEZs.
CONCLUSION OF THE STUDY

SEZs that has its own legal path for its operations has been letting its root spread all over the country in the past decade. The enormous spread of SEZs has casted doubts in the minds of the governments and bureaucrats over its status of functioning. On that note, this research has enabled to enhance the positive and negative thoughts about the working of SEZs in the southern region. The values of transparency and public accountability are areas of concern where the SEZs have to travel a long way to attain its goodwill among the participants of the society.

Balance of trade from the SEZs to a certain extent satisfies the criteria for its operation even though its trend is unstable. SEZs on the whole provide necessary attraction for the flow of FDI and FEE even though the flows are not persistent. The trade flows, financial flows and employment opportunities provided by SEZs tilt the arguments for the support of operations of SEZs. Even though there are excellent financial flows due to the working of SEZs the flows tend to be creating skewed distribution and unbalanced sectors development. This negative impact on the long run may create complete dependence of the SEZs on certain sectors rather than balanced sectors development. This might prove to be hindrance on the path of the growth of SEZs if not treated with proper regulations at the early stages.

There are various areas that are to be addressed as mentioned in the suggestions of the study to enable SEZs to operate to its potential which will foster the economic development of the country. The boon or bane argument over SEZs operation in the country can be concluded based only on its performances. This research on the whole based on the results of all the scientific analysis reveals that SEZs operation has been boon to the country even though it has limited bane in its operations. The course of the journey that started with aim of evaluating the performance of SEZs to justify its presence in the Indian economy has attained its pinnacle in the form that SEZs have their more positive impacts than negative impacts on the working of international trade of the country.
SCOPE FOR FURTHER RESEARCH

The following are the various research areas in SEZs that can be taken up for research studies in the future:

1. The research study might aim at creating quantitative theories based on working of SEZs in India on the empirical analysis of the performance of SEZs.

2. The effectiveness of the working of SEZs can be analysed with linking the performance of SEZs with that of the subsidies and tax allowances that are provided to the working of SEZs.

3. The future studies may concentrate on micro studies to shed light on the individual contribution of SEZs. The individual SEZs can be taken for case study to measure the performance of SEZs which will enable to lay down concrete recommendations at micro level for the operation of the SEZs.

4. The review of literature enables to narrow down on another major aspect of SEZs is the land acquisition process involved in the establishment of SEZs. Besides lot of studies has been carried out on the land acquisition problems, this has been longstanding problem without an amicable solution. This provides an applied research area for carrying out meaningful research towards the benefits of the society.

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