Final Thesis 2021

Modular Special Economic Zone (SEZ) & Foreign Direct Investment (FDI)

A Case Study

Mohammed Abdul Muqeeth Jawad

S276869

Mario Artuso & Davico Luca

Politecnico di Torino

Final Thesis 2021

Modular Special Economic Zone (SEZ) & Foreign Direct Investment (FDI)

A Case Study

Mohammed Abdul Muqeeth Jawad

S276869

Design Thesis Submitted in

Partial Completion of the

Master's Degree Course in
ARCHITECTURE FOR SUSTAINABLE PROJECT

Under the supervision of

Mario Artuso & Davico Luca

Politecnico di Torino

CERTIFICATE

I certify that the dissertation/project entitled **"Modular Special economic zone (SEZ). A Case Study"** submitted by **Mr. Mohammed Abdul Muqeeth Jawad** bearing roll. No. **S276869** in partial completion of the requirements for the award of the Degree of **Master of ARCHITECTURE FOR SUSTAINABLE PROJECT** of this University is a bonafide work to the best of my/our knowledge and may place before the Examination Board for their consideration.

Mario Artuso

Davico Luca

Supervisor/s

Thesis Coordinato

ACKNOWLEDGEMENT

First of all, I thank ALLAH that he made me capable to work on and complete this thesis. Then to my parents who are the actual artist of my personality.

I must use this opportunity to express my sincere gratitude to my mentors, MARIO ARTUSO and DAVICO LUCA, for their constant deliberations and critical analysis of my subjects, its concepts and valuable guidance in advising throughout the course work of the thesis.

I am thankful to other Academic Associates and great full for their coordination throughout the course work.

I am also grateful to my siblings and friends for their support for completing my thesis work.

ABSTRACT

For a country to thrive, one of the major key aspects is the relationship with other countries around the world. Coordination of countries help building a prosperous society and world at its best.

There are many strategies to achieve this goal. However, one of the keys is by increasing business, trades, introducing flexibility of import and export of goods, etc. between countries.

At this stage, Special economic zone **(**SEZ) & Foreign Direct Investment (FDI), comes to play. These are the strategies which help strengthen the economy of countries and improve the living conditions of people.

A special economic zone (SEZ) is a regionally bounded area in a country where various economic norms are unquestionably simple and unique from other regions within the country. Aiming for effective administration, increasing trade balance, new job openings, attracting investors, employment opportunities etc.

Establishment of SEZ grab the attention of Foreign Direct Investment (FDI) in a country, results in benefiting both companies and country in growth and development.

This study focuses towards both the good and bad elements of Special economic zone **(**SEZ) and Foreign Direct Investment (FDI). Along with a Glimpse towards the effect of Covid-19 pandemic, with intention to find solutions for the shortcoming, drawback of these strategies for a more sustainable development of the society.

Brief Content

Content

List of Charts

List of Figures

List of Maps

List of Tables

Thesis

Modular Special Economic Zone (SEZ) & Foreign Direct Investment (FDI)

Chapter 01: Introduction

1.1 Need to study:

In this Contemporary architecture period Special Economic Zone (SEZ) & Foreign Direct Investment (FDI) play a significant role in the development, growth of economy and society. Study on various aspects of these strategies is crucial for a proper execution & better establishment. In order to achieve better living conditions for the world community.

1.2 Aim:

Study of modular Special economic zone **(**SEZ) & Foreign Direct Investment (FDI). It's implications & effects throughout the country. Along with intention to find solutions for the shortcomings, drawbacks of these strategies for a more sustainable development of the society.

1.3 Objectives:

- Allocation of SEZ based on various aspects
- Proper utilization of infrastructure, raw material & labour.
- Usage of barren land.
- Understanding & collaborating with foreign investors efficiently.
- Classification of Stake holders & various investors.
- Introduction of sustainable strategies for proper utilization on resources.
- Exposer of new technologies and techniques to budding students.
- Platform for nationals to pursuit their skills and beneficial advancement to their talent.

1.4 Scopes and Limitations:

- The emphasis will be given to the objectives
- The research will be carried out with in the limitation of the Time Frame.
- The research will be limited to study & analysis.

1.5 Working Methodology:

Chapter 02: Literature Study

2.1 Definitions:

ACP:	African, Caribbean and Pacific Group of States
BRICS:	Brazil, Russian Federation, India, China, South Africa
CEPA:	Comprehensive Economic Partnership Agreement
CETA:	Comprehensive Economic and Trade Agreement
CFTA:	Continental Free Trade Agreement
CIS:	Commonwealth of Independent States
CSR:	Corporate social responsibility
EPA:	Economic Partnership Agreement
EPZ:	Export processing zone
ESG:	Environmental, social and governance
FET:	Fair and equitable treatment
FTA:	Free trade agreement
FTZ:	Free trade zone
GVC:	Global value chain
HTDZ:	High-tech development zone
ICT:	Information and communication technology
IOSCO:	International Organization of Securities Commissions
IPA:	Investment promotion agency
ISDS:	Investor–State dispute settlement
IT:	Information technology
LDC:	Least developed country
LLDC:	Landlocked developing country
M&As:	Mergers and acquisitions
MNE:	Multinational enterprise
NAFTA:	North American Free Trade
ODA:	Official development assistance

OECD:	Organization for Economic Co-operation and Development
OFDI:	Outward foreign investment
PPP:	Public-private partnership
R&D:	Research and development
RCEP:	Regional Comprehensive Economic Partnership
RTA:	Regional trade agreement
SCM:	Subsidies and Countervailing Measures (WTO Agreement)
SDGs:	Sustainable Development Goals
SEZ:	Special economic zone
SIDS:	Small Island developing States
SMEs:	Small and medium-sized enterprises
TIFA:	Trade and Investment Framework Agreement
TIP:	Treaty with investment provision
TPP:	Trans-Pacific Partnership
TRIMs:	Trade-Related Investment Measures (WTO Agreement)
WFE:	World Federation of Exchanges
WTO:	World Trade Organization

A – Special Economic Zone (SEZ)

2.2 What Is a Special Economic Zone (SEZ)?

Special Economic Zone (SEZ)- A geographically delimited region in which the government encourages economic activity via taxation, regulatory incentives, and infrastructure support. This is commonly utilized in the majority of emerging economies as well as many advanced economies.

Economic regulation in SEZs tends to encourage and draw foreign direct investment (FDI). Foreign direct investment (FDI) is the investment of a corporation or individual in one nation in the interests of a business in another. There are additional economic benefits of paying countries or individuals doing business in SEZs, usually tax benefits and lower tariffs.

The SEZ is within the borders of the country, its purpose includes increasing the trade balance, employment, investment increase, job creation, effective management. Fiscal policies introduced to encourage businesses to establish locally. These policies typically include investment taxation, trade, quota duties, and labor regulations. In addition, a company is given lower tax period if it is established within the territory where it is given a tax exemption period.

The benefits companies can gain by being in a special economic zone often mean being able to produce and trade products at lower prices with the goal of global competitiveness.

2.3 Understanding Special Economic Zones (SEZs)

Special economic zones are generally created to promote the rapid economic growth of a particular region. Such economic growth can be achieved by utilizing tax incentives in a way that attracts foreign currency and advances technology. In addition to reducing tariffs and customs duties, financial incentives; business-friendly regulations relating to access to land, permits, employment rules, streamline the administration to establish suitable development circumstances.

The macroeconomic and socio-economic interests of countries that have the interests of businesses, individuals or groups operating within the special economic zone but are using the special economic zone strategy are controversial.

However, performance in many zones is still below expectations, has not attracted a large amount of investment or produced economic influence above its limits. As the government competes for global mobile industrial operations, new zones are constantly being developed. Policymakers not only face conventional challenges to make the Special Economic Zone a success, includes the need for strategic technological regulation, regulatory governance frameworks, investment promotion techniques, and even the necessity for a new industrial revolution that would alter sustainable development and worldwide production patterns.

2.4 Different Types:

Special economic zones exist in a variety of sizes. They all have a major thing in common: they provide a regulatory framework for firms and investors inside defined bounds that differs from that which is typically applied to the larger country or sub-national economy in which they are based.

The term "special economic zone" can refer to any of the following:

FTZ - (Free-trade zones)

EPZ - (Export processing zones)

FZ/ FEZ - (Free zones/ Free economic zones)

IE - (Industrial parks/ industrial estates)

FP – (Free ports)

BLP - (Bonded logistics parks)

UEZ – (Urban enterprise zones)

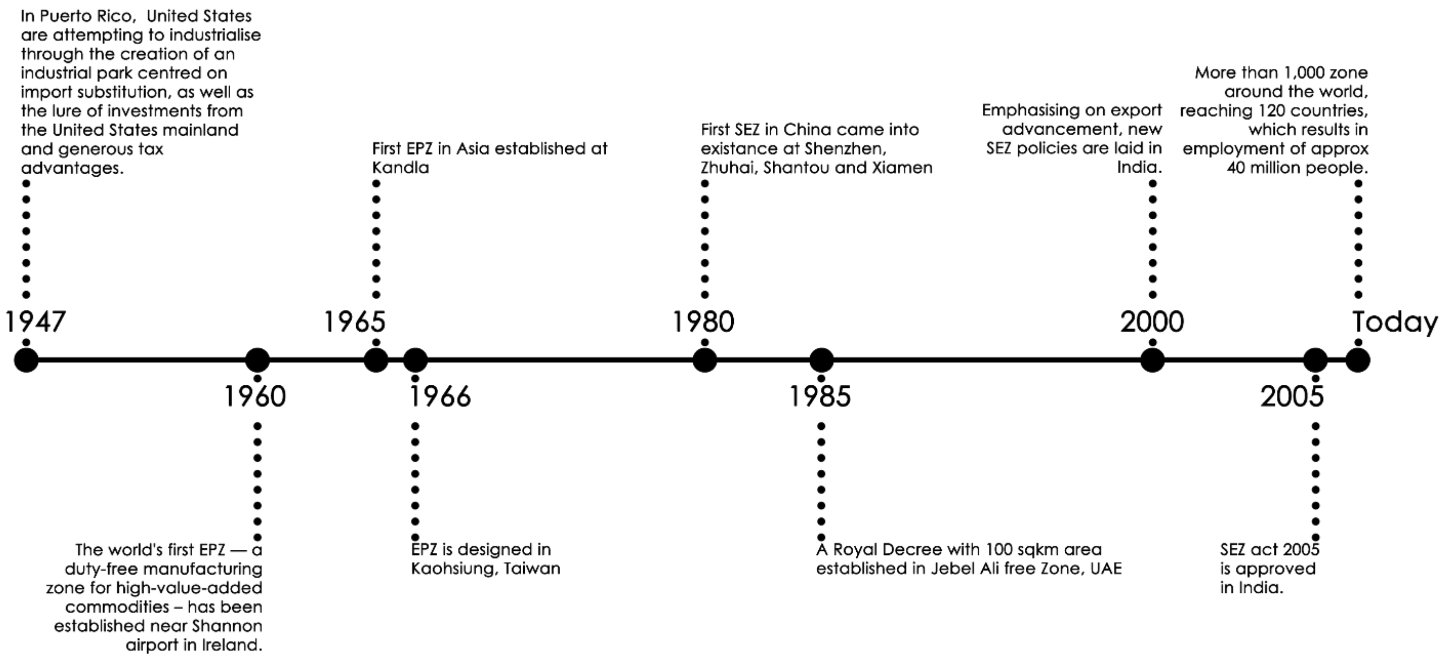
2.5 Key Features:

- A special economic zone (SEZ) is a section of a country that is subject to distinct confiscatory taxation than other regions of the country.
- Special economic zones (SEZs) have economic norms that stimulate and attract foreign direct investment (FDI).
- SEZs are typically constructed to encourage rapid economic growth by using tax benefits to attract foreign investment and inspire technological innovation.
- While numerous countries have established special economic zones (SEZs), China has had the most success in luring international investors through SEZs.
- There are now about 5,400 SEZs, with over 1,000 having been built in the previous five years. At least 500+ locations (now roughly 10% of the total) have been revealed and will open in the coming years.

2.6 Brief History:

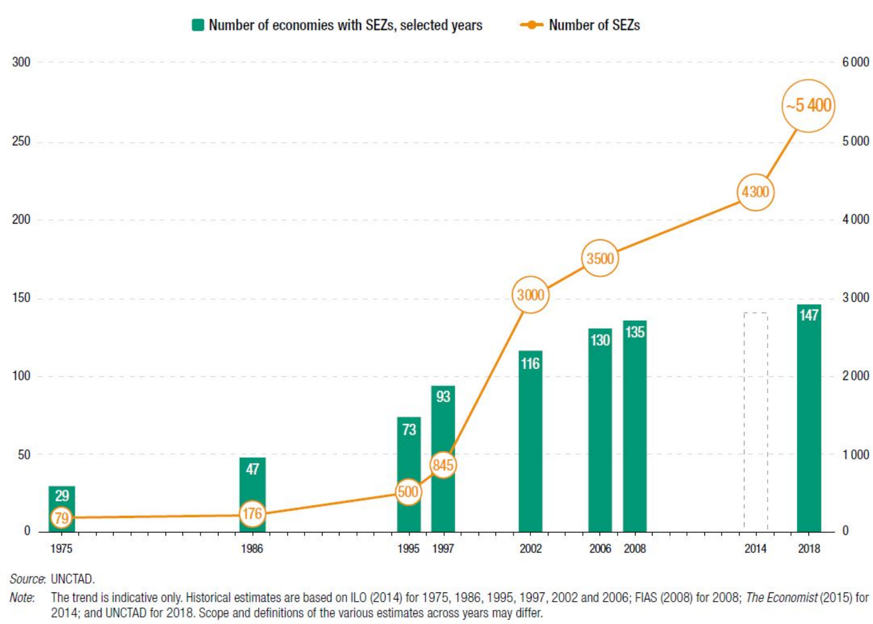
SEZs have a long history. The concept of Freeport or free zones goes back centuries. Merchants operated on ships, moved cargo, ensure free storage, exchange along trade, re-exported goods with little or no interference from local authorities. (Figure: 01)

Figure 1: Brief History of SEZ



The first modern SEZs arose in industrialized countries in the late 1950s. Which were meant to entice international businesses to invest in the country. The first of its sort came at Shannon Airport in Clare, Ireland. These labor-intensive manufacturing zones have been formed since the 1970s, beginning in Latin America and East Asia. Deng Xiaoping established the Shenzhen Special Economic Zone in 1979, which was the first in China. This attracted international investment while also hastening the region's modernization. Multinational corporations have invested in these sectors.

Chart 1: History of SEZ



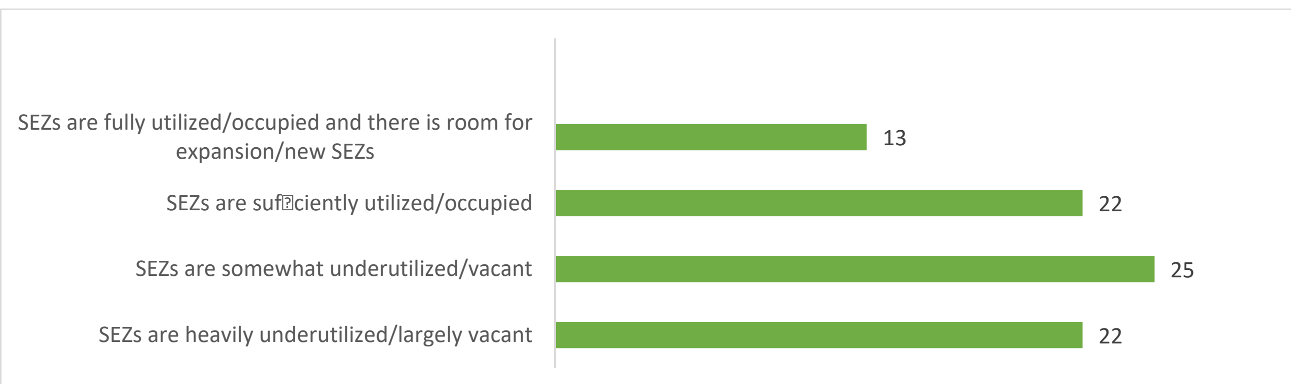
Source: UNCTAD Investment Promotion Agencies Survey

Adjacent to ports and airports or along the corridors of borders, modern free zones emerged in the 1960s. They began to increase in the 1980s, Furthermore, the proliferation of export-oriented industrial growth plans in many countries, especially in Asia, has increased global manufacturers' reliance on foreign production. From the late 1990s to the 2000s, International production facilitation and the dynamic content of the Global Value Chain (GVC) spawned a fresh wave of new SEZs, with many developing nations in all areas attempting to imitate previous success stories.

2.7 Utilization of SEZ:

Among governments around the world, the ongoing passion of SEZs often considers the impact of these mixed regions. There are several instances of very successful special economic zones that have played a significant part in industrial transformation in developing nations that adopt export-oriented policy reforms. However, there are several examples of such economies that have failed to deliver or have delayed the projected flood of investors. It was formed by government in the least developed nations at one point, but there are numerous examples of regions that have remained undeveloped or underdeveloped for decades, and today's special economic zones contain many regions with poor utilization rates. Even if the region successfully creates investments, jobs and exports, the benefits of large economies, which are an important part of its rationale, are often difficult to detect. Many regions operate in locations where there are minimal connections to local suppliers and minimal outflows.

Chart 2: According to national investment promotion organizations, the usage of SEZs is at a high level (Percentage of survey respondents)



Source: UNCTAD Investment Promotion Agencies Survey.

Despite these concerns, the SEZ remains the preferred choice for industry and investment policymakers for several reasons.

It is relatively easy to implement business reform through SEZ.

In countries where governance is relatively weak and national reforms are difficult to implement, the SEZ is often seen as the only viable option or first step. However, as the world moves toward a more appealing investment climate, poor countries continue to rely on SEZs. Even if such advances cannot provide a better competitive ranking or the anticipated foreign investment, The SEZ can be viewed as a necessary complement to the Investment Promotional Package and as a proof of the country's progress in creating an appealing investment environment.

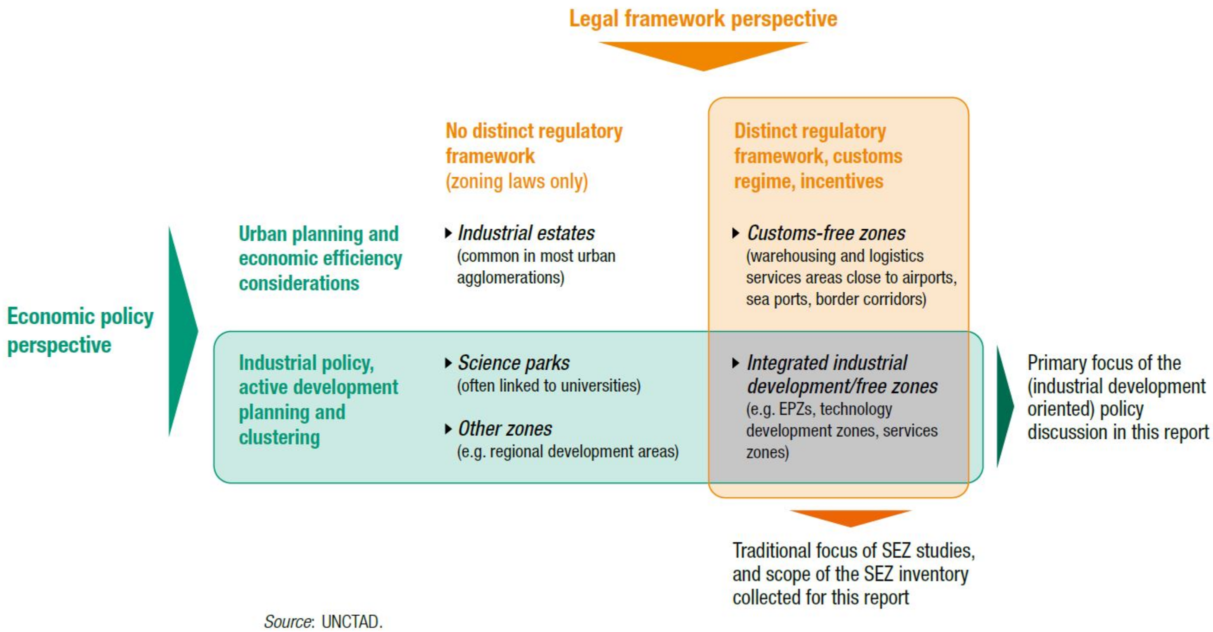
The apparent cheap cost of creating a SEZ in comparison to the case of constructing the same industrial infrastructure across the economy. Even in absolute terms, however, the initial investment cost might comprise. Capital outlays for the development of SEZs, particularly the development of primary area which provide parcels of land that are not super prefectures “plug and play” areas, are often limited to connecting basic infrastructure to regional boundaries. As the area attracts investors and develops individual blocks, there will be a gradual additional cost of outsourcing most of to private development companies. In this case, the government considers the basic area development costs to be generally "no treatment, unpaid." Development costs and common service costs for the area, will later be reclaimed from the tenant. Most of the SEZ costs come from designated incentives, and can result in significant loss of revenue. However, when policymakers consider establishing a special economic zone, these old incomes are of little concern.

Increased competitive pressure. Special Economic Zones, especially EPZs, attract investment in the pursuit of international mobile efficiencies traditionally competing with the state. Most, despite the appearances of new forms of areas associated with natural resources targeting domestic markets or targeting innovative capabilities (e.g., science, high technology, and green space) The SEZ remains essentially part of the country's competitive investment promotion package. Other types of incentives have diminished over the previous decade, as has global FDI.

2.8 SEZ scope and definition:

The precise parameters of the special economic zone are difficult to establish. The approach that follows in this report combines the perspective of the legal framework - which is a special point about the framework of intraregional regulation. From an economic point of view-how much is the area of aggressive industrial policy and clustering effective.

Figure 2: scope and definition



Source: UNCTAD Investment Promotion Agencies Survey

This research takes a realistic approach to mapping worldwide SEZs, focusing on regions with a defined legislative framework (i.e., the right column in the figure). Its requirements guarantee an objective source of information in the form of National Law and, in most cases, require domestic agencies to check and validate the data.

From a development and an investment policy perspective, the areas where is set as an important part of industrial policy through active clustering efforts (i.e., the lower half of the matrix) are relevant. The is important for free trade areas (FTZs), which focus primarily on logistics and are housing services, but most existing and planned areas in developing countries, especially in the developed countries, attract investment in industrial activities. With integrated freedom.

Many regions without clear regulatory system are set with clear industrial development goals in mind. Local government authorities as well as semi- public and Private Institutions have created significant innovations in the area with a concept by building specialized areas for science, founding incubation, R & D, biotechnology, green tech and more. Other purposes. These areas can certainly be a valid policy option and can replace the SEZ. Although we cannot provide a complete catalog of these sections, the government often does not hold statistics on this type of effort, this report includes discussions of relevant policies. Included.

2.9 Functional classification of SEZ:

Classification of SEZ is complex

Area Aggregation depends on whether the area is considered planned and developed for development and operation. For example, studies assessing Special Economic Zone Impact need to focus on operating zones, while studies assessing SEZ as part of investment promotion focus on existing zones.

Countries are incongruous in the labeling of zoned status and have different zone development pipelines. For example, "under development" means several tenants are already running in the area, but additional investment is being called for. This report includes all areas set by law.

Special economic zones also focus on specific goals and industries (e.g., high-tech technology parks, service parks), locations (e.g., port base areas, border areas), or types of regulatory systems that apply (e.g., FTZ, commercial free zone). (Table: 01)

Table 1: Functional classification of SEZ

Organizing principles	Type	Description
Specialization	Logistics hubs (FTZs)	Commercial, warehousing and logistics services
		trade facilitation services for trans-shipping and re-exports, at airports, seaports, borders
		Can be located next to or within larger industrial estates
	Multi-activity SEZs	General industrial development, non-specialized
	Specialized SEZs	Focused on sectors (e.g., services, resource or agro - based)
		Focused on industries (e.g., automotive, electronics, garments
		Focused on GVC activities (e.g., business process outsourcing, call centers, R&D centers)
	Innovation-driven SEZs	Focused on industrial upgrading and new

		industries, e.g., high-tech zones, biotech zones, ecozones
Design and governance	Wide-area zones	Large, integrated zones, often coinciding with a subnational administrative region or built as townships with residential areas and amenities
		Original purpose of the largest zones was to pilot economic reforms
	OFDI/ODA-driven zones	Established under a partnership between capital-exporting economies and lower-income economies
	Cross-border/regional development zones	Founded to promote regional economic cooperation and to capitalize on economies of scale associated with regional markets.

Source: UNCTAD.

FTZ = free trade zone, GVC = global value chain, ODA = official development assistance, OFDI = outward foreign direct investment, R&D = research and development, SEZ = special economic zone.

For the principles of organization with different approach, combining (i) the focus of domain activity with (ii) the design and governance of domains. This provides a functional taxonomy of the area referenced by in the full report.

2.10 SEZ Overview

Why UNCTAD?

UNCTAD stands for United Nations Conference on Trade and Development. United Nations General Assembly formed this an intergovernmental body promoting development in 1964. Along with 195 members it aims for globalization and trade expansion alongside lifting people above the poverty line and building a better society.

UNCTAD works at all different global, national, and regional levels assisting countries to achieve goals more effectively and fairly for betterment of the society. This also regulates sustainable development goals, Agenda 2030. UNCTAD moto is to maintain the world economy in an equable bases and avoid financial crises. For understanding financial crises deeply, it is recommended to watch the movie “The Big Short” released in 2015.

UNCTAD make research on the economies of all the countries throughout the world and release a report stating the overview of study on developments, investments, entrepreneurship, and trades.

SEZ Overview

Nearly three-quarters of the world's 140+ emerging economies and nearly all migratory economies utilize SEZs. Its number has recently increased rapidly. Most SEZs are multi-tasking zones. Industry-specific areas and areas focused on innovation and high-end emerging markets. Most developed SEZs are primarily focused on logistics. The use of country areas at various stages of industrialization shows a clear SEZ development ladder.

Today, there are almost 5,400 special economic zones, with over 1,000 built in the last five years. At least 500 SEZs (about 10% of the total) have been declared and will launch in the next years.

In terms of development level, the economic relevance and policy aims of SEZs varies substantially across the other nations. In developed countries, most special economic zones are tariff exempt areas. Their role is to ease tariffs to support cross-border supply chains that are intricate and, more importantly, to reduce the administrative burden of customs procedures. In contrast, the primary goal of SEZs in developing nations is to attract FDI and to grow, diversify, and modernize industries. In fact, economies that have traditionally experienced difficulties in attracting FDI are more likely to adopt special economic zone programs. Except for Small Island Developing Countries (SIDS), where availability of resources to build areas is limited (Table: 02), SEZs are rarely seen in structurally weak economies (LDC and Landlocked Developing Countries (LLDC)). Yes (see Table: 03).). All but one migrating economy were operating SEZs and, like China, were thought to be contributing to the building of a market economy and increased participation in international trade.

Table 2: SEZ Count by region 2019

World	Total no of SEZ	Under development	Additional SEZ planned
Countries	5383	474	507
Developed economies	374	5	-
Europe	105	5	-
North America	262	-	-
Developing economies	4772	451	502
Asia	4046	371	419

East Asia	2645	13	-
China	2543	13	-
South-East Asia	737	167	235
South Asia	456	167	184
India	373	142	61
West Asia	208	24	-
Africa	237	51	53
The Caribbean and Latin America	486	28	24
Transition economies	237	18	5
Least developed country (LDCs)	173	54	140
landlocked developing country (LLDCs)	146	22	37
Small island developing States (SIDS)	33	8	10

Source: UNCTAD.

Table 3: SEZ Economics count, by SEZ regime, 2019

World	SEZs Only	SEZs + Free points	Free points only	No SEZ/ no info
Countries	129	17	1	51
Developed economies	26	0	0	12
Europe	23	0	0	12
North America	0	0	0	1
Developing economies	87	16	1	38
Africa	32	5	1	16
Asia	33	2	0	5
East Asia	4	1	0	2
South-East Asia	11	0	0	0
South Asia	6	0	0	3
West Asia	12	1	0	0
The Caribbean and Latin America	20	9	0	7

Transition economies	16	1	0	1
Least developed country (LDCs)	26	3	1	17
landlocked developing country (LLDCs)	20	2	1	9
Small island developing States (SIDS)	6	4	0	18

Source: UNCTAD.

The results of the development of SEZs at different times under different circumstances depended on the type of distribution of the total area of the region (Table: 04). Most of the zones are multi-activity areas of (According to the functional classification suggested in Table: 01). Industry-specific zones are more common in migration economies. Innovation-driven areas are most common in emerging markets more advanced than Asia (as science parks without a clear regulatory framework are not included in the inventory developed for this report, developed countries do not). Most of the developed market areas are purely free areas focused on the promotion of trade logistics.

Table 4: Zone types distribution by groups or region

World	Logistics Hub	Multi-activity	Specialized	Innovation-driven
Countries	8	62	24	5
Developed Economics	91	9	1	0
Africa	1	89	10	0
Asia	2	65	26	7
China	1	93	1	6
The Caribbean and Latin America	9	77	13	1
Transition economies	3	34	59	5

Source: UNCTAD.

Countries tend to adopt certain types of special economic zones, depending on the stage of economic development (Table: 05). Those who are relatively new to special economic zone programs such as Africa's many economies have begun manufacturing, industrializing, and exporting using special economic zones. More developed countries use the area to facilitate industrial upgrades. In the economy of switches, the core area of technology is important.

Table 5: SEZ Development Ladder

	Zone policy objectives	Prevalent zone types
High-income economies	Make an effective platform available for complicated cross-border supply chains.	Only free zones for logistics hubs (not industrial free zones)
	Concentrate on preventing economic distortions.	Innovation and the goals of the Fourth Industrial Revolution are pursued through scientific parks without a distinct regulatory framework, or by incentives that are not tied to zones.
Upper-middle-income economies	Encourage the transition to a service-based economy.	Technology-based zones (e.g., R&D, high-tech, biotech)
	Attract new high-tech industries	Dedicated zones for high-value-added industries or value chain segments
	Priority should be given to improving innovative capabilities.	Services zones (e.g., financial services)
Middle-income economies	Support industrial upgrading	Specialized zones focused on GVC-intense industries (e.g. automotive, electronics
	Encourage GVC integration and advancement.	Services zones (e.g., business process outsourcing, call centers)
	Concentrate on technological diffusion and spillovers.	
Low-income economies	Encourage industrial growth and diversity.	Multi-activity zones
	mitigate for the investment climate's flaws	Resource-based zones aimed at attracting processing industries
	Implement or test business reforms in a limited region	
	Concentrate investment in infrastructure on a specific geographic area.	
	Emphasis should be placed on direct employment and export advantages.	

Source: UNCTAD.

2.10.1 High-tech SEZs and Science parks:

Like SEZs, Science Parks come in a variety of formats and names. The International Association of Scientific Parks and Areas of Innovation describes science parks as "enhancing the competitiveness of industry and knowledge-based organizations connected to an innovation culture."

Relatively few institutions meet the criteria for both special economic zones and science park. Most scientific parks lack a clear legislative framework and, as a result, do not have the special economic zones outlined in this study. Conversely, all special economic zones with a focus on science, technology and innovation may not have recognizable links to knowledge base institutions (e.g., universities) and are therefore not recognized in science parks. Science Park and Advanced Technology Area activities tend to be distinct. Electronics will focus on commercialization of research and incubation of start-ups, while the latter will focus on large-scale manufacturing in technology-intensive industries.

2.10.2 SEZ in Small Island developing States (SIDS):

Reflecting the limited public resources of Small Island Developing States (SIDS), the SEZ program sees only one-third of the 28 SIDS economy, most of which operate a free point system. Given the limited manufacturability possibilities, SIDS' new SEZ scheme seeks to attract a variety of industries, particularly services.

To overcome the problem of limited land availability, most SEZ programs at SIDS offer special SEZ licenses or certificates that are not tied to a designated multi-user area. For example, in Mauritius, the concept of in the EPZ is not limited to a specific geographic area. Similarly, while the Seychelles have an international trade zone license granted to eligible companies, the country's fenced area called the Financial Services Institutions Zone is a foreign company with or without a domestic or international trade zone license.

2.10.3 Regional Development Areas and International Cooperation

Foreign investment in SEZ development is increasing. In addition to private foreign zone developers, governments are increasingly engaged in the development of SEZs abroad. With the deepening of regional integration, the development of border economic zones accelerated, border economic zones appeared across two or more countries with common ownership, and regional and international cooperation was promoted.

2.10.4 Foreign partnership zones

FDI for special economic zone development is increasing. Large companies and developers of industrial parks are increasingly participating in the development of overseas economic zones. For example, Sembcorp Industries (Singapore), Ascendas-Singbridge (Singapore), Mitsubishi, Sojitz and Sumitomo (all Japan) are major international developers. Chinese companies such as Holley Group and Yantian Port Group also have more and more prominent development of economic areas, especially in Asia and Africa.

There are various territorial development models in which the host economy tends to label "territories created with the cooperation of foreign partners" (Table: 06). Even though the area of intergovernmental partnerships is receiving attention, most of these areas are being developed by foreign private companies without an agreement between the two governments.

Many regions in the host nation are being developed as PPP projects, and foreign developers are working on these projects through joint venture agreements with local partners. public and private. In most cases, foreign developers are zone managers or partners of management companies.

Table 6: SEZ developed along with foreign partners

Types of SEZs	Examples
Zones established by foreign developers or through collaborative partnerships with local firms as private FDI	Amata City Bien Hao, developed by Amata (Thailand) in Viet Nam (1994) through a joint venture with Viet Nam's State-owned enterprise Sonadez
	Techno Park Poipet, developed by Toyota Tsusho (Japan) in Cambodia (2015)
	Cali Tech Park, developed by Zonamerica (Uruguay) in Colombia (2016)
	Pearl River SEZ, developed by New South (China) in Kenya (2017) through a joint venture with African Economic Zones Ltd
Zones established as a result of public-private collaborations with foreign developers	Savan-Seno SEZ in the Lao People's Democratic Republic (2003), developed a collaboration between Malaysian private companies and the Government
	Free Industrial Zone Hualing Kutaisi 2, developed by Hualing Group (China) in Georgia (2015), based on an agreement with Georgia's Ministry of Economy and Sustainable Development.
	Lekki FTZ, developed by Chinese consortiums in Nigeria (2006) through a joint venture with the State Government Lagos.
Zones developed as government-government partnership projects	Suzhou Industrial Park, developed in China (1994) through developed a collaboration between Singaporean and Chinese syndicate
	Thilawa SEZ, developed in Myanmar (2011) developed a collaboration between the Myanmar and Japanese

	governments, and private consortiums from Myanmar and Japan
	Belarus–China Industrial Park Great Stone in Belarus (2011), developed through a collaboration between a Chinese private developer and Belarus Public Administer
	Russia Industrial Zone, developed in Egypt (2018) by a Russian Federation developer

Source: UNCTAD.

Intergovernmental partnership SEZs have also gained popularity in recent years. These are supported by agreements between the special economic zone co-development, the establishment of cooperation frameworks, the division of responsibilities, and the mechanisms of regional development and management. Government partnership areas can be built and managed by the host's economic development, home country developers, joint ventures or third country developers to harness the capital and expertise for regional development. One Hub Chennai, one of Japan towns in India, was developed by Mizuho Bank of Japan, engineering company JGC and Ascendas, a seasoned business mixed-use developer in Singapore.

Under the initiative of the host country and partners, a government partnership area has been established. (Table 07). A mixture of development assistance and strategic considerations with Economic Cooperation encourages the development of partnership areas initiated by the investor's home government.

Table 7: Government Partnership zones

Zone	Home economy	Host economy	Bilateral agreement	Development model
Batamindo Industrial Park	Singapore	Indonesia	1989	Joint partnership between Singapore government-linked enterprises and the Indonesian Salim Group
Suzhou Industrial Park	Singapore	China	1994	Joint collaboration between Singaporean and Chinese syndicate
Lekki Free Trade Zone	China	Nigeria	2006	Chinese consortiums and the Lagos State Government have formed a partnership.
Bethlehem Multidisciplinary Industrial Park	France	State of Palestine	2008	A joint enterprise between the Agence Française de Development and private investors from France, Palestine, and others.

Sihanoukville SEZ	China	Cambodia	2010	A Chinese company and the Cambodia International Investment Development Group have formed a joint venture.
Belarus-China Great Stone Industrial Park	China	Belarus	2011	A partnership between a Chinese business developer and a Belarus government official
Caracol IP	Unites States	Haiti	2012	Developed by the Haitian government, the Inter-American Development Bank, the US government, and Sae-A Trading (Republic of Korea), which also serves as the anchor tenant; administered by the Haiti National Society of Industrial Parks.
one Hub Chennai	Japan	India	2013	An Indian public administration, a Singaporean private developer, and a Japanese consortium have formed a joint venture.
Sittwe SEZ	India	Myanmar	2016	The planning stage is still underway.
Russia Industrial Zone	Russia	Egypt	2018	A Russian industrial developer will oversee its development.

Source: UNCTAD.

Host countries welcome foreign partners in SEZ development for several reasons. First, share development costs. Partnerships with foreign governments and businesses can provide access to various sources of funding or reduce borrowing costs, attracting FDI for this purpose. Foreign zone developers' knowledge and experience helps host nations. Having foreign partners in the construction of SEZs offers significant guarantees that these SEZs will attract international investment. Government-approved domains, in addition to the developer's experience in infrastructure development and domain administration, give a level of confidence to domestic firms entering relatively underdeveloped areas.

Government partnership areas require a keen cooperativeness between home economy and the host economy government (Table: 08).

Table 8: Government elements for foreign partnership zones

Elements	Function
Memorandum of understanding or bilateral agreement	Political commitment
	Institutional framework
Coordination mechanism	Monitor and review
	Effective dialogue
Joint-venture framework	Zone development and management
	Participation of relevant stakeholders
Third-party participation	Foreign capital
	Expertise on zone development and management

Source: UNCTAD.

2.10.5 Border and cross-border SEZs:

The geographical advantage these types of SEZ is, it targets foreign investment and proximity to foreign markets, mainly for specialized export processing zones.

Regional development efforts and cooperation programs have facilitated the establishment of SEZ along the Regional Economic Corridor The development of the broad-area Mekong subregion corridor, a regional economic cooperation program involving Cambodia, China, the People's Democratic Republic of Laos, Myanmar, Thailand, and Vietnam, has resulted in the creation of special economic zones in border areas for these countries to better utilize. Encouraged to construct. Connections throughout the route have been improved. (Table: 09)

Table 9: the Greater Mekong Subregion economic corridors Borders SEZ

Bavet Cambodia	Moc Bai Viet Nam
Chiang Kong Thailand	Houaysai Lao People's Democratic Republic
Dong Kralor Cambodia	Khong Phapeng Lao People's Democratic Republic
Koh Kong Cambodia	Trat/Souy Cheng Thailand
Lao Bao Viet Nam	Dansavanh Lao People's Democratic Republic
Mohan China	Boten Lao People's Democratic Republic
Myawaddy Myanmar	Mae Sot Thailand
Pak Nhai Cambodia	Pleiku Viet Nam
Pleiku Viet Nam	Aranyaprathet Thailand
Savan–Seno	Mukdahan

Lao People's Democratic Republic	Thailand
Tachileik Myanmar	Mae Sai Thailand
Thadeua Lao People's Democratic Republic	Nong Khai Thailand
Vang Tao Lao People's Democratic Republic	Chong Mek Thailand

Source: UNCTAD

2.11 The Regulatory and Institutional Framework for SEZs

Special economic zones, including establishment, operation, and final dissolution, are regulated by legal frameworks enacted with various levels of governance. A national analysis describes a model for setting domestic special economic zone laws and institutions in 115 countries. The International Review includes relevant rules contained in three international economic law bodies: the International Investment Agreement (IIA), the World Trade Organization (WTO) and the Regional Trade Agreement (RTA).

2.12 The national regulatory framework

2.12.1 Overall regulatory framework

Special economic zone policies of countries around the world differ significantly, reflecting the country's industrial structure, current stages of development and growth opportunities. Nonetheless, this contains a system setting that is separate from the special regulatory system for all SEZs.

The SEZ regulatory framework mainly addresses a variety of policy issues, including the promotion of trade, investment, establishment of investment, taxation of access to land and labor and environmental issues under. The rules and regulations applicable to the SEZ are included in each country's general regulatory framework and SEZ-related laws such as SEZ laws and statutes (Figure: 03).

Figure 3: SEZs min regulatory framework elements

Source: UNCTAD.

SEZ-related rules are more favorable to the domain, the user, for providing certain benefits and privileges that are generally not available outside the domain. Investors in Special Economic Zones are often fully or partially exempt from these tariffs. Area users can benefit from trade promotion, for example, through rapid customs clearance and the possibility of storing items in special warehouses. The host country protects, promotes investment through a variety of means, including protection against specific political risks and granting investment incentives.

The host country's FDI entry rules determine the extent to which foreign companies are facing investment restrictions. Special Economic Zone provisions can provide foreign investors with an additional entry right for closed or restricted industries.

The Real Estate Act establishes general rules regarding foreigners' land approaches. These general rules are often relaxed in special economic zones to allow foreign-owned or otherwise unavailable long-term leases of choice, with real estate tax.

Companies are subject to the tax system of the host country. In special economic zones, they often earn certain financial benefits, such as partial or complete exemption from corporate tax or reduction of tax rates, during certain periods of time.

Companies are also subject to the country's general labor and environmental regulations. Special economic zone rules can provide for labor-related obligations beyond being present in the rest of the country (e.g., technological development of local human resources).

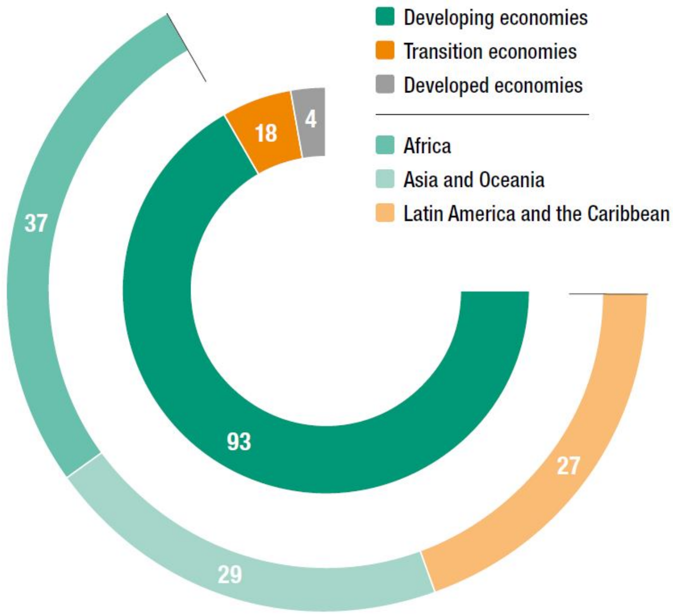
2.12.2 SEZ laws: Regulatory framework core part

The SEZ Act is a critical component of the regulatory framework for SEZs. The Act establishes a specific regulatory system for the formation and operation of SEZs, as well as the rights and duties of developers, operators, and users of the area of the SEZ authority.

Distribution of SEZ laws

Approximately 115 countries have adopted at least 127 special economic zone laws. They are most commonly used in developing countries. 27 SEZ laws have been confirmed in the Caribbean and Latin America (69% of regional countries), 29 (57%) in Asia and Oceania, and 37 (69%) in Africa. it was done. All transforming economies regulate special economic zones by the law of special economic zones (Figure: 04). In addition, 62% of all LDCs have special economic zone laws. The Special Economic Zone (SEZ) is a type of economic zone that exists in industrialized countries. Law is rare and mainly deals with main tariffs and state support.

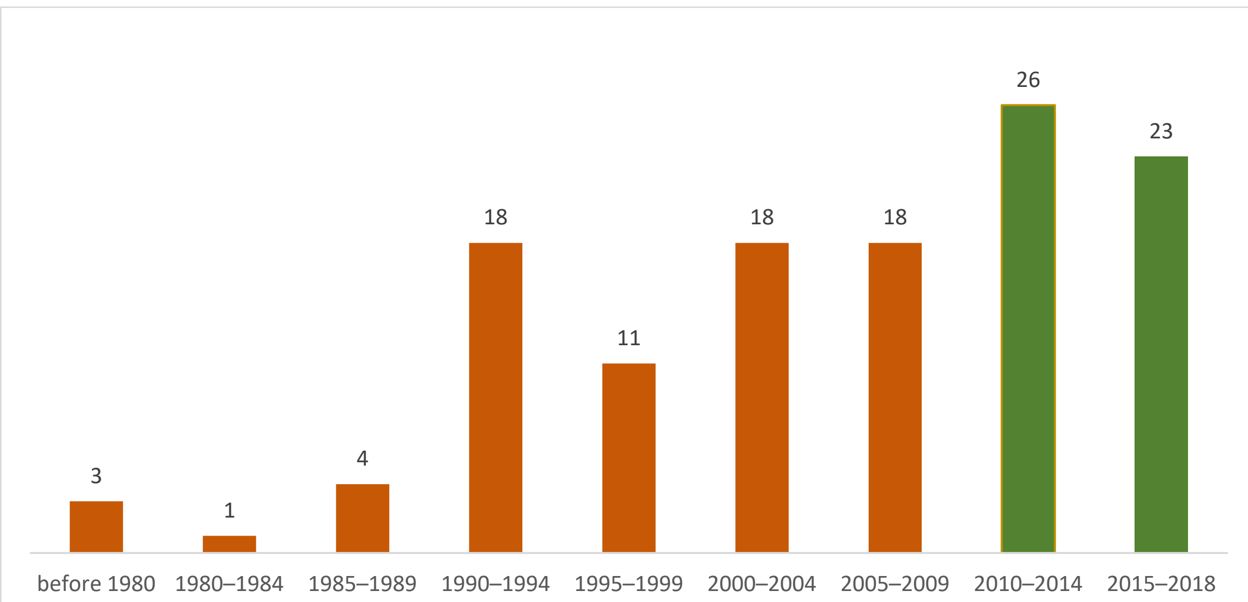
Figure 4: Regional distribution of SEZ laws (Number of countries, n = 115)



Source: UNCTAD

The number of special economic zone laws in force has increased significantly since the 1990s, with nearly 70% adopted since 2000 (Figure: 04). This trend has been accelerated over the last years, with nearly 40% of all national legislation recorded coming into force from 2010 onwards in. This is the majority in developing countries. The existing legal framework is, which is relatively recent.

Chart 3: SEZ current laws adopted by number



Source: UNCTAD.

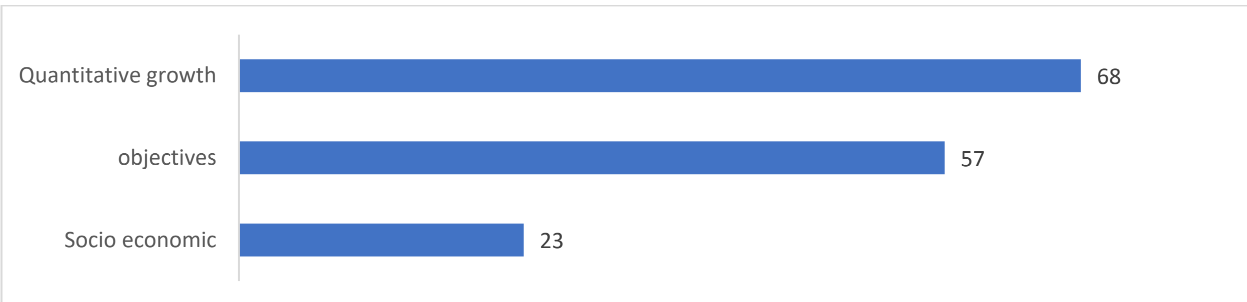
2.12.3 SEZ laws Content

The SEZ Act shares several key elements. These include the definition of an SEZ and regulations regarding its different types, the purpose of the SEZ system and its target sectors, and measures to attract investment It also regulates the setup procedures and operating conditions for realm users. Finally, they deal with the issue.

2.12.4 SEZ objectives

purpose of the realm. The most commonly cited goal is quantitative growth, followed by the next dynamic growth goal. Not much attention was paid to socio-economic purposes. This analysis was similar to in all regions (Figure 04).

Chart 4: SEZ Objectives

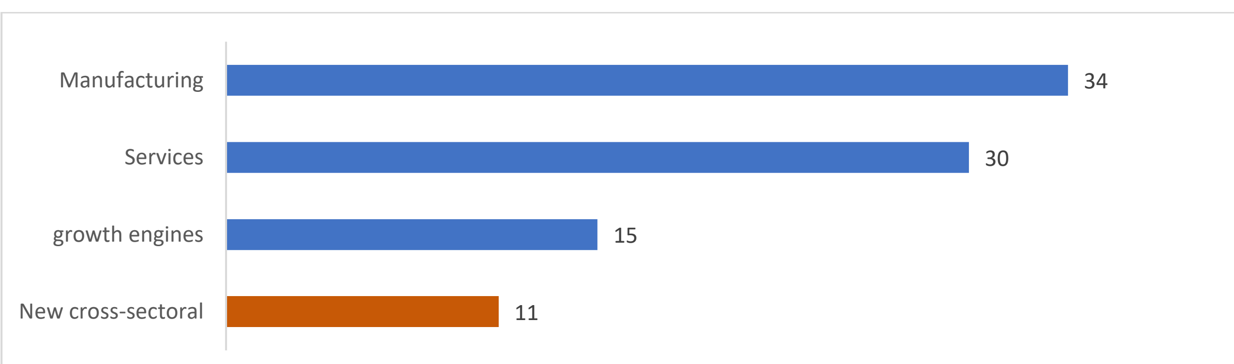


Source: UNCTAD.

Quantitative growth goals aim to attract investment, promote trade, increase exports, and create jobs. Dynamic growth goals call for innovation, industrial upgrades, technological development, economic diversification, and structural change, as the integration into the value chain. Socio-economic goals relate to sustainable development, employment quality and environmental protection. Gender issues have received little attention so far.

SEZ are usually open to all kinds of economic activity, or the setting of goals is left to the subsequent legislation that sets up individual special economic zones. Manufacturing, services, a variety of activities related to digitalization, new technologies, software development, industries, and R&D centers (table: 05)

Chart 5: SEZ targeted Sectors



Source: UNCTAD.

Federal Law on Special Economic Zones in Mexico states that the purpose of stablishing SEZs is to promote sustainable economic growth, reduce poverty, enable the provision of basic services, and expand opportunities for healthy and productive living in areas of the country that do social development.

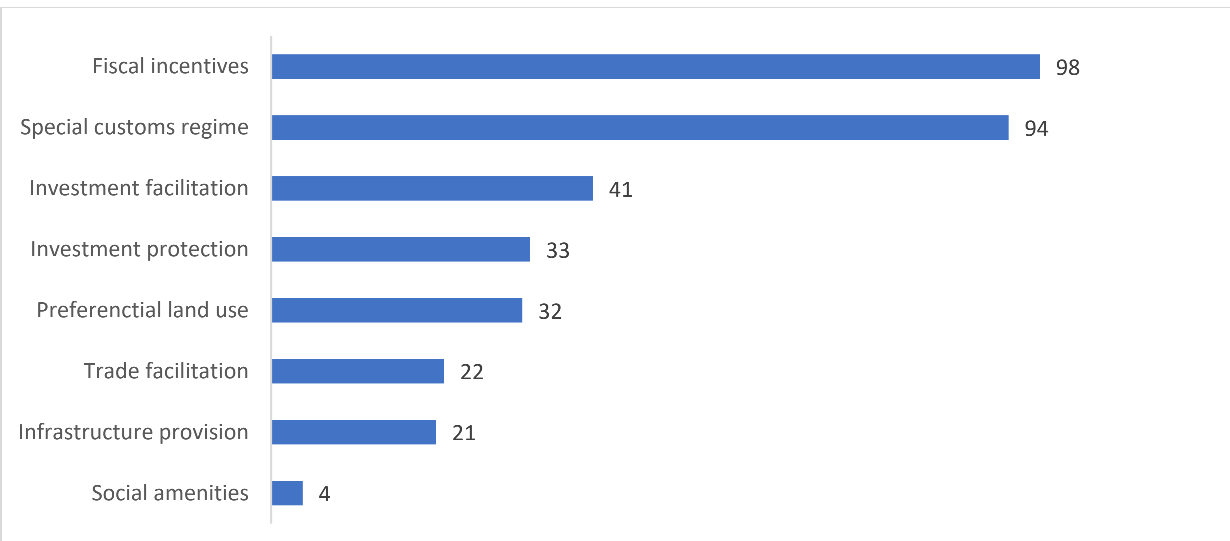
Other economic and social benefits, such as job creation, expansion of economic participation by the promotion of small businesses and cooperatives, transfer of skills under the SEZ Act in South Africa. Purpose of SEZ establishment.

Liberia declares that the SEZ Act will carry out urban detoxification of populous cities, the purpose of which is to Achieving long-term environmental, labor and gender sustainability. promote the improvement of human rights; raise the standard of living; It can reduce the level of poverty for sustainable economic development.

2.13 SEZ Laws Investment attractions Tools

Most SEZ laws include means of attracting investment in the area. (Table: 06)

Chart 6: SEZ Laws Investment attractions Tools (number of laws, n =127)



Source: UNCTAD.

2.13.1 Financial incentives

Nearly 80% of SEZ laws provide this including the application of tax exemptions and tax cuts for a defined period (usually 5 to 10 years). Tax exemptions may apply to the payment of income tax, corporate tax, wage and payroll tax and VAT applicable to by local suppliers of goods, services and works necessary for the conduct of SEZ activities. e.g., Kenya. In some countries, tax legislation allows a deduction of a certain percentage of the cost of training local employees. Other financial incentive grants are linked to the performance of specific investors. E.g.: Mexico

2.13.2 - Special customs regime

Most SEZ laws provide special tariffs to eliminate or reduce tariffs on goods, factories and machinery imported into the region. This is an item that is only used within the area (e.g., Azerbaijan)

2.13.3 - Investment facilitation

The Special Economic Zone acts includes rules regarding investment promotion. One of the most frequently used tools is, for example, to provide a list of documents required for admission or to set a deadline for approval procedures to simplify the registration process. Under other laws, regional operators are required to set up a single point of contact or one-stop shop to provide government services to businesses within the SEZ. e.g., Philippines

Other legislation requires that an incubator be generated in the area to assist the enterprise during the initial period of operation by providing technical services and ensuring the availability of physical workspaces. E.g., Kosovo

Some laws remove restrictions on the hiring and employment of foreign workers in the area. E.g., Nigeria

2.13.4 - Investment protection

The SEZ Act responds to investment protection. Some laws prevent investors operating in SEZs from being accepted or nationalized. E.g., Yemen.

Other SEZ laws ensure that future changes in existing regulatory frameworks do not adversely affect investments in SEZs. e.g., Turkmenistan

2.13.5 - Preferential land use

Use of land incentives, i.e., permanent, or temporary exemption or rent discount application of rent payments including e.g., South Korea,

2.13.6 - Trade facilitation

The SEZ Act, which deals with a kind of trade facilitation, allows for the simplification of tax records of import and export operations in which companies in the SEZ participate, or one form of filing monthly for commodities transit between regions or between SEZ firms One-stop service e.g., Paraguay

12.13.7 - Provision of infrastructure

Provision of infrastructure as a promotional tool is referred to in less than 20% of the SEZ Act. Authorities are sometimes required to supply, in particular, electricity, fuel, water, and telecommunications service areas e.g., Iran.

2.13.8 - Social amenities

SEZ laws govern the establishment of social facilities. involving educational institutions, hospitals, recreational facilities e.g., El Salvador.

2.14 - Institutional set-up of SEZs

2.14.1 - SEZ establishment and operational requirements.

Establishment and operational requirements are grouped into (I) minimum investment amount, (ii) expected contribution to specific development goals, and (iii) specific performance requirements. These requirements generally focus on employment-related obligations, export performance and skill transfer.

- Minimum investment requirements
- Expectation to contribute to certain development goals
- Specific performance requirements
- Employment-related obligations:
- Export requirements:
- Skills transfer:

2.15 - Major stakeholders

The institutional setting of special economic zones is complicated. It includes many other responsible public and private actors. It is also significantly reliant on the country, political, economic, regulatory, and administrative systems. Therefore, there is no uniform institutional model for special economic zones. Nevertheless, the existing SEZ system shares some major commonalities related to the key stakeholders involved. (Table: 10)

Table 10: Major Stakeholders in SEZ regime

Stakeholders	Main Functions (selected)
Government	Adopts SEZ-relevant policies and supervises its implementation
	Establishes specific SEZs through decrees
SEZ Authority	Conducts strategic planning and assessment
	Licenses private sector stakeholders
Zone developer	Provides essential infrastructure
	Makes land arrangements
Zone operator	Manages and administers a zone
	Promotes a zone and selects zone users
Zone user	Invests and undertakes business activities in a zone

Source: UNCTAD.

2.15.1 - Government

The government is extremely essential in the domestic SEZ system. It sets global economic development goals, adopts basic industrial policies, and implements them, especially through the establishment of SEZs. The government coordinates the SEZ policy with other relevant policy areas and international obligations, allocates necessary resources such as budget and manpower for SEZ

2.15.2 - SEZ authority

Support the government's policy-making functions. It is either a professional body or a state-owned enterprise and is overseen by a top official, such as the President, Prime Minister, other Minister, or other sector (mostly in the Ministry of Economy, Trade, and Treasury). Authorities adjust territorial policies and launch related programs. They are responsible for strategic and operational planning, conduct feasibility studies on planned areas, and evaluate applications in regional development.

Special economic zone authorities often provide area-related permits and approvals, including construction permits, environmental impact assessments, work permits, and visas for foreigners, foreign land ownership approvals, education, local authorities, and contact with power companies. There are directly or indirectly responsible for issuing customs, customs officials and other legal entities

2.15.3 - Zone developers

They are responsible for the establishment of certain areas. Its main functions include the preparation of land and provision of critical infrastructure. Zone developers can purchase land, or public authorities can allocate the land. They initiate the process of rent, land use and lead to the adoption of a master plan in the participating area. Infrastructure-related domain developers build on-site networks and utilities and connect them to existing systems. The skills, financial capabilities, and expertise of the developers in the area are critical to the success or failure of the SEZ.

2.15.4 - Zone operators

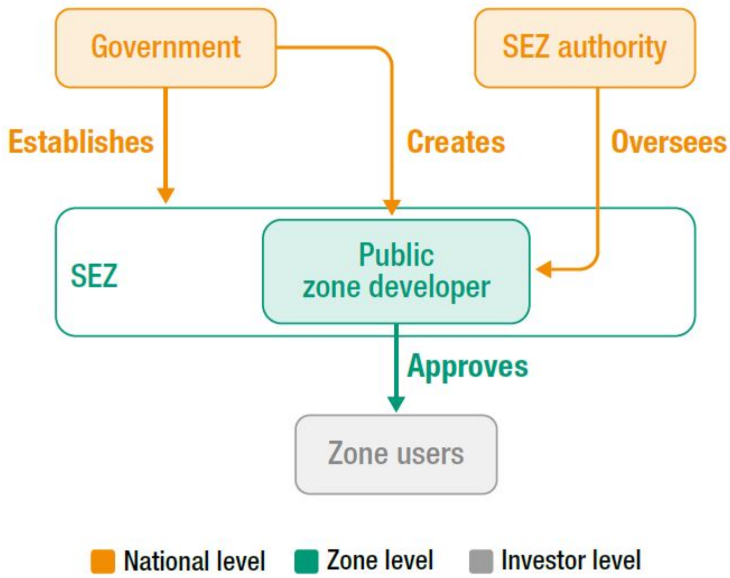
It can also be these other entities responsible for the day-to-day operations of the SEZs. zone operator also often works with domestic investment promotion agencies to attract individual investors to this area. They provide basic infrastructure services such as electricity, telecommunications, water, security, and maintenance to ensure the smooth operation of the area. Potential additional services include the provision of consulting desks, one-stop shops, education centers, recruitment centers, office spaces and conference facilities. Sometimes health care, education, transportation, housing, and recreational facilities

2.15.5 - Zone users

It is created with SEZ Zone users in mind. Investors are the direct beneficiaries of special regulatory regimes enacted in each area. Its production, technology and trading capabilities are integral to the performance of its domain.

2.15.6 - Institutional models

While the broad institutional environment for the major actors engaged in the overall structure is similar across nations (government, SEZ Authority area developers, operators, and users), there are differences when it comes to responsibilities, especially when it comes to legal status, Developer. Most institutional structures fall into three basic models:



2.15.7 - Public model

All national and regional institutions, including regional development, are publicly and openly controlled. Area developers are frequently referred to as "zone management." While these administrations can be financially autonomous with the organization, SEZ authorities exercise strong control and oversight over the operation of units. Zone selection is decided by administration. (Figure: 05)

Figure 5: SEZ Public Model

Source: UNCTAD.

This model is pervasive in economies where zoned land and utilities are primarily in the public hands. This can be found in certain forms in Russia, Tajikistan, and Vietnam.

2.15.8 - Private model

Private developers selected in the competitive process according to statutory criteria. They report to SEZ authorities with limited and strictly defined regulatory powers with extensive operational autonomy. Zone developers are responsible for the user's position and enter into investment agreements governing land lease-related fees and charges or other operational matters. (Figure: 06)

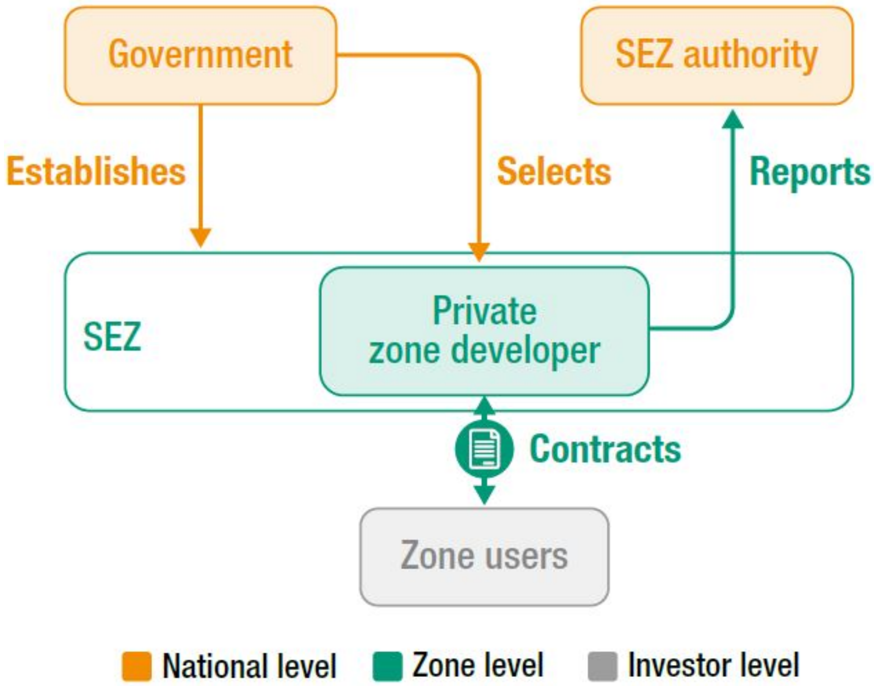


Figure 6: SEZ Private model

Source: UNCTAD.

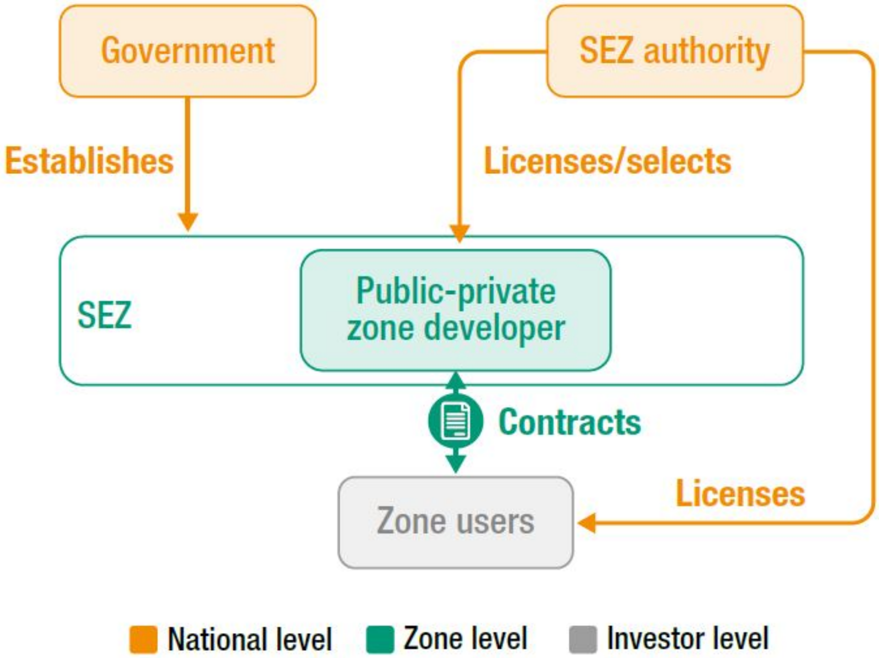
This model provides an opportunity for domain users to connect to a private developer's existing business network and receive direct education and other knowledge transfer from that developer. The setting of this system is found, for example, in Georgia, Serbia and Uruguay.

2.15.9 - Hybrid model

The hybrid model offers the potential of developers in the public or private realm to maintain relatively large autonomy in operation with a combination of both models. As a regulatory body, the SEZ authorities license all individual stakeholders and thus retain some control over the admission process. (Figure: 07).

This model provides policy makers with extensive flexibility to form special economic zone regimes based on area activities, specific investment projects. It also allows a lot of participation of local governments (for example, it may be the only regional developer). This hybrid approach is most common in China, Ethiopia, Poland, etc.

Figure 7: SEZ hybrid model



Source: UNCTAD.

2.16 - Other SEZ stakeholders & role of subnational authorities

Properly designing and implementing an SEZ's regulatory and institutional framework is a difficult task and one that determines the success or failure of the area.

Other stakeholders may include industry groups, trade unions, representatives of local employee and civil society. It is likely that other stakeholders are also playing a role in the SEZ regime. Customs authorities conduct on-site inspections with respect to products entering and exiting the territories under the special financial scheme of applicable to the territories. Central, local, and local governments also likely play an important role

In addition, local governments often petition the central government to establish an SEZ. The central government may share the responsibility of the SEZ with a municipality. Municipalities are often familiar with the local situation with respect to infrastructure, availability of land utilities, investment needs and conditions in a particular region or province. They may have the ability to provide additional investment incentives or promotional means to engage businesses in the area. Having specific knowledge of the local economy and local training centers helps build ripples and links with local businesses.

2.17 - SEZ international regulations

Although SEZ schemes are generally tools of national policy making, governments need to be wary of the interaction of SEZs with international obligations. International rules may facilitate or restrict policymaking in such countries (Table: 08).

Two important areas of national policy-making regarding SEZs interact with each country's international obligations.

• Supportive measures granted to businesses residing in SEZs (e.g., easing of tax and other profit duties and customs exemption regulatory requirements, facilitation of establishment and rationalization of foreign ownership requirements management services) Specific implementation requirements or duties applicable to imports)

• Requirements imposed on SEZ investors (e.g., certain performance requirements or obligations that apply to income).

International Rules may facilitate (allow or require) or constrain (prohibit or require phase-out) such measures (Table: 11). Countries are encouraged to design and manage SEZs in a way that does not violate international obligations and maximizes the benefits that these obligations can bring

Table 11: SEZ international regulations

Impact of measure	Measures	International rules limiting the measure (prohibiting it or phasing it out)	International rules allowing or requiring the measure
Supporting firms	Tax and other benefits	WTO SCM	Kyoto Convention
	Exemption from customs and duties	Human rights instruments	WTO GATT
	Relaxed regulatory requirements	ILO conventions	WTO GATS/RTA (establishment commitments)
	Additional liberalization for foreign investors	Environmental agreements	WTO TFA
	Streamlined administrative procedures		IIA (investment facilitation rules)
Constraining fi rms	Establishment and operational requirements	WTO TRIMs	RTA/IIA reservations for performance requirements
		IIA/RTA rules on performance requirements	

Source: UNCTAD.

2.18 - International investment agreements

The International Investment Agreement (IIA) generally promotes investment liberalization (investor's right of entry), facilitating the government's action on investment protection, and investors' obligations to do so. Host countries sign the IIA to attract investment, among other reasons. This is also the main purpose of SEZ.

2.19 - World Trade Organization

Like BIT, World Trade Organization (WTO) regulations do not pick SEZ. Thus, Rule WTO applies to targeted government actions taken in the context of the SEZ. The World Trade Organization's Agreement on Subsidies and Countervailing Measures is the most pertinent (SCM). While it does not specifically mention SEZs, the SCM Agreement forbids export subsidies and subsidies based on the use of indigenous goods over imported commodities. (Art. 3 and Annex 1 SCM).

Also, some WTO processes contain SEZ-related issues.

• WTO Accession: Future WTO member states are expected to document trade-related policies, including regulations and incentives for SEZs and/or future SEZ plans. They may make additional commitments that are specific to SEZ.

• Trade Policy Review Mechanism: WTO Member States are required to submit complete and detailed reports on trade policies and practices, including those relating to SEZs, to the Trade Policy Review Body.

• WTO Dispute Resolution: This help resolve disputes or issues between countries for a feasible relation.

Regional trade agreement

RTAs, like BITs and WTO agreements, encompass the SEZs of the RTA parties unless specifically excluded from the RTA or from particular clauses. Exclusion from the whole Agreement occurs infrequently, if at all: the limited survey of RTAs conducted for this chapter found no such cases. modern RTA have multiple chapters with various aspects of the parties' economic relationship

The interaction between SEZ-related policy measures and their respective legal frameworks (national and international levels) raises some issues but creates opportunities. To maximize profits, the country needs to consciously form this interface at three levels.

• Strategic level: Prioritize investment policies to maximize the contribution of special economic zone development. National and international investment policies applicable to special economic zones, is achieving national development goals. These goals may be based on the country's overall development strategy and can be linked to the globally agreed Sustainable Development Goals.

• Policy-making level: Form rules to promote synergies and support the Sustainable Development Goals. For example, it promotes synergies between international laws and special economic zone goals, and includes promoting synergies with national and international legal policies.

• Policy implementation level: Strengthen cooperation between relevant agencies to ensure special economic zone governance, management, transparency, legitimate procedures, and policy coherence.

2.20 - SEZ Performance and impact

2.20.1 - Assessment of the Sustainable Development Impact of Special Economic Zones

Few systematic studies have been conducted on the impact of special economic zones, and few countries have a comprehensive process for monitoring and assessing the outcomes of special economic zones. Data on investment, employment and export performance in the area is much more schematic. (In zones where commerce is not subject to conventional customs processes, a lack of statistics on exports is unavoidable.)

SEZ Economic contributions, both direct and indirect, fiscal, and financial sustainability, contributions to technology and skills, social and environmental consequences, support for regional integration, and policy experimentation and learning opportunities.

(Table: 12) Depicts the major areas of effect and performance that, when combined, define the success or failure of SEZ programs (in the “profit and loss statement “of a SEZ sustainable development). Direct benefits include attracting FDI, creating jobs and income, expanding, and diversifying exports, and gaining foreign currency.

Table 12: SEZ profit and loss development statement

Cost-benefit areas	Key elements
Direct economic contributions	FDI Attraction
	The creation of jobs
	Export growth
	Foreign exchange earnings
+	
Indirect economic contributions	Supplier linkages beyond the zones
	Indirect and induced job creation
=	

Combined economic impact	Additional GDP growth
+/-	
Net cost of/revenue from zones	Investment expenditures
	Operating expenses
	Revenues and subsidies foregone
	Zones' earnings
=	
Zones' fiscal/financial viability	Zone investment payback period
	The financial burden
+	
Dynamic economic contributions	Technology dissemination
	Skills and know-how transfers
	Industrial diversification and upgrading
	Enhanced regional economic cooperation
+/-	
Social and environmental impacts and externalities	Labor conditions
	Environmental impact
	Appropriation or misuse of land
	Illicit flows
+/-	
Policy learning and broader reform impact	Pilot function of zones
	Catalyst function for reforms
	Reduced motivation to reform
=	
Overall sustainable development impact	Evolution of the role of zones in the economy
	Long-term zone transformations

Source: UNCTAD.

Although indirect economic benefits are more difficult to define and measure, they are nonetheless essential factors in their impact on sustainable development beyond their scope. They include cross-border partnerships with suppliers and the indirect employment they create. In the end, the mix of direct and indirect economic contributions results in strong economic growth. The establishment and early development of the territory temporarily boosts GDP growth. However, given the benefits and incentives that SEZs continue to provide investors with, they should provide a lasting impetus to growth.

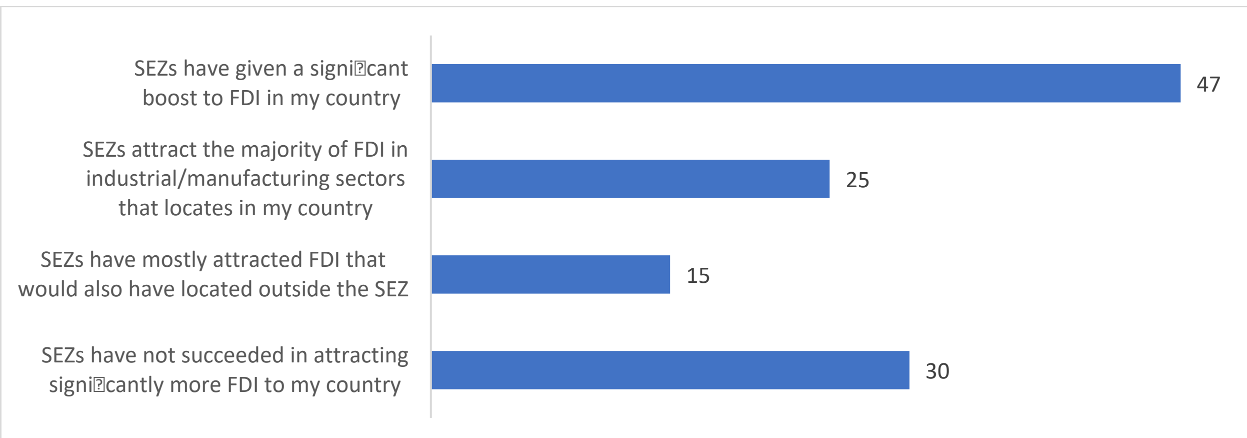
Finally, the positive overall impact on sustainable development is contributing to the phased industry transformation. This means that the role of SEZ must evolve with time. Economic activities are changing while the government focuses on various parts of cost-benefit analysis.

2.20.2 - SEZs economic Direct and indirect contributions

Zones can push investment, exports, and employment However, they are also not guaranteed even in the above-average performance prerequisites for FDI and GVC participation. The overall influence on economic growth is usually transient. Most areas are increasing at the same rate as the country's economy after the accumulation phase.

Obtain investment. The sector is a significant investment promotion instrument, and it has the potential to play a significant role in attracting FDI. (Chart: 07). With the right infrastructure and best practices, the area can compensate to some extent for the unfavorable investment environment. Unfortunately, the impact of the region on FDI, especially the impact on additional FDI without special economic zones, is difficult to measure due to lack of data.

Chart 7: SEZ contribution to investment promotion



Source: UNCTAD

Export creation and diversification. Another major goal of SEZ is not only export growth, but also export development in terms of diversification. The latter is especially important in developing countries that rely on exports of their products and aim to add a value of to these exports.

2.20.3 - SEZ Impact analysis

Among the three developing and transitional countries, in terms of trade growth, the economies of the top and bottom countries GVC integration and FDI attraction, as well as their hosting special economic zones, have been created. (Table: 13)

Table 13: SEZ impact analysis

	Africa			Asia		
	Economies	CAGR 07–17a (%)	SEZs (number)	Economies	CAGR 07–17a (%)	SEZs (number)
Top five economies	Rwanda	20	2	Lao People's Dem. Rep.	18	12
	Burkina	17	2	Vietnam	16	19

	Faso					
	Ghana	13	4	Cambodia	13	31
	Ethiopia	9	18	Mongolia	12	3
	Madagascar	9	4	Bangladesh	11	39
Bottom five economies	Angola	-2	1	Malaysia	1	45
	Gabon	-3	2	Saudi Arabia	0	10
	Nigeria	-4	38	Iraq	-1	4
	Algeria	-5	1	Kuwait	-1	4
	Equatorial Guinea	-9	2	Brunei Darussalam	-3	1
Median		4	2		4	16

A. Trade growth. Economies ranked by average annual growth rate of trade goods, CAGR 2007–2017

	Africa			Asia		
	Economies	FVA share (%)	SEZs (numbers)	Economies	FVA share (%)	SEZs (numbers)
Top five economies	Eswatini	43	2	Singapore	62	10
	United Republic ofTanzania	39	8	Korea, Republic of	37	47
	Namibia	27	0	Malaysia	35	45
	Tunisia	27	0	Vietnam	32	19
	Botswana	27	8	Thailand	31	74
Bottom five economies	Ghana	8	4	Pakistan	6	7
	Gabon	8	2	Kuwait	3	4
	Côte d'Ivoire	7	1	Qatar	3	2
	Nigeria	6	38	Iraq	2	4
	Angola	5	1	Myanmar	0	3
Median		13	2		14	19

B. GVC integration. Economies ranked by foreign value-added share, 2017

	Africa			Asia		
	Economies	FDI/GDP (%)	SEZs (number)	Economies	FDI/GDP (%)	SEZs (number)
Top five economies	Mozambique	301	2	Singapore	397	10
	Congo	239	4	Mongolia	162	3
	Mauritania	142	1	Cambodia	94	31
	Equatorial Guinea	110	2	Jordan	83	16
	Tunisia	72	0	Vietnam	58	19
Bottom five economies	Cameroon	19	9	Sri Lanka	13	12
	Eswatini	17	2	China	12	2543
	Algeria	17	1	Iran	12	23
	Kenya	16	61	Bangladesh	6	39

	Angola	10	1	Iraq	6	4
Median		38	2		25	19

C. FDI attraction. Economies ranked by ratio of inward FDI stock to GDP, 2017

SEZ Impact analysis

	Latin America and the Caribbean			Transition		
	Economies	CAGR 07–17a (%)	SEZs (number)	Economies	CAGR 07–17a (%)	SEZs (number)
Top five economies	Guyana	8	0	Bosnia and Herzegovina	8	4
	Nicaragua	7	52	Armenia	7	4
	Uruguay	7	23	Moldova,	6	8
	Haiti	7	13	North Macedonia	6	15
	Honduras	6	39	Georgia	6	4
Bottom five economies	Barbados	-1	0	Belarus	2	7
	Cuba	-1	1	Kazakhstan	0	10
	Trinidad and Tobago	-3	1	Russian Federation	0	130
	Jamaica	-6	17	Turkmenistan	-2	7
	Venezuela	-8	14	Turkmenistan	-3	6
Median		4	14		3	7

A. Trade growth. Economies ranked by average annual growth rate of trade goods, CAGR 2007–2017

	Latin America and the Caribbean			Transition		
	Economies	FVA share (%)	SEZs (numbers)	Economies	FVA share (%)	SEZs (numbers)
Top five economies	Mexico	30	17	North Macedonia	36	15
	Barbados	29	0	Turkmenistan	24	7
	El Salvador	26	17	Bosnia and Herzegovina	21	4
	Jamaica	24	17	Armenia	20	4
	Chile	23	4	Georgia	16	4
Bottom five economies	Paraguay	10	2	Kazakhstan	14	10

	Peru	10	4	Russian Federation	9	30
	Colombia	9	39	Azerbaijan	9	6
	Trinidad and Tobago	8	1	Uzbekistan	6	7
	Venezuela	7	14			
Median		16	14		16	7

B. GVC integration. Economies ranked by foreign value-added share, 2017

	Latin America and the Caribbean			Transition		
	Economies	FDI/GDP (%)	SEZs (number)	Economies	FDI/GDP (%)	SEZs (number)
Top five economies	Barbados	150	0	Georgia	115	4
	Jamaica	108	17	Kazakhstan	92	10
	Chile	99	4	Turkmenistan	90	7
	Guyana	90	0	Serbia	86	14
	Nicaragua	78	52	Azerbaijan	73	6
Bottom five economies	Haiti	20	13	Moldova	45	8
	Paraguay	19	2	Armenia	41	4
	Ecuador	17	12	Belarus	36	7
	Argentina	12	14	Russian Federation	28	130
	Venezuela	9	14	Uzbekistan	19	7
Median		46	14		49	7

C. FDI attraction. Economies ranked by ratio of inward FDI stock to GDP, 2017

Source: UNCTAD

Note: For each region excluded from the ranking and computation of the median: offshore financial centers and countries with trade in goods below the region's first quartile in 2017.

a CAGR 07-17: the compound average of annual growth rates of trade goods over the period 2007–2017.
b SEZs: the number of special economic zones.
c FVA share: share of foreign value added in exports.

2.20.4 - Zone costs and revenues

Decisions to establish a zone program tend to consider, among other things, the investment expenditure of required to build the SEZ. Capital expenditures are likely to be high. The latest review of the World Bank's portfolio of SEZ projects (World Bank, 2017b) shows a few projects with capital expenditures of more than $100 million, although early projects of less than $ are also cited. Capital expenditures for the initial construction of area depend primarily on three factors.

Locations that determine the need to build additional expensive transport infrastructure to service Zone The quality and scope of existing utility and telecommunications infrastructure to the territory of some countries may require a dedicated power, water, waste management plants. Area type and specifications

2.20.5 - Dynamic Area Contribution: Industrial Development and Upgrades

- A number of factors may explain why some areas tend to remain territories with little relationship to other economies.
- Relatively high import intensity of some industries common in the SEZ, such as apparel, footwear, and electronics
- Subsidiaries of multinational corporations in the area tend to rely on internal suppliers whose already participates in international networks as part of their global sourcing strategy;
- Recognition of a competitive local supply shortage in the relevant industry, or the existence of area-based enterprises. Local businesses in many developing countries are likely to have difficulty accessing territory-based businesses that do not produce according to the necessary standards, lacking the ability to serve local-based investors.

2.20.6 - Social and environmental impacts

The contemporary special economic zone can help the country's industrial base achieve better environmental, social, and governance (ESG) outcomes. Control and enforcement, as well as support services, are all available.

UNCTAD (2015b) provided a framework for a sustainable economic sphere to support SEZs in enhancing competitiveness by shifting from a narrow focus on cost advantages and low levels to the advocacy of sustainable business (Table: 14). The realm could find new grounds for competitiveness in response to the rising expectations of multinational corporations and suppliers to exercise good social and environmental practices. A “next-generation” SEZ can gain a competitive advantage by supporting not only existing advantages, but also good environmental and social practices in a cost-effective way for businesses doing business within scope.

Table 14: SEZ Frame Work

	Policies/standards	Infrastructure assistance	Administrative assistance
	Enforces and maintains standards	Provides services or professionals to ensure	Provides guidance and training

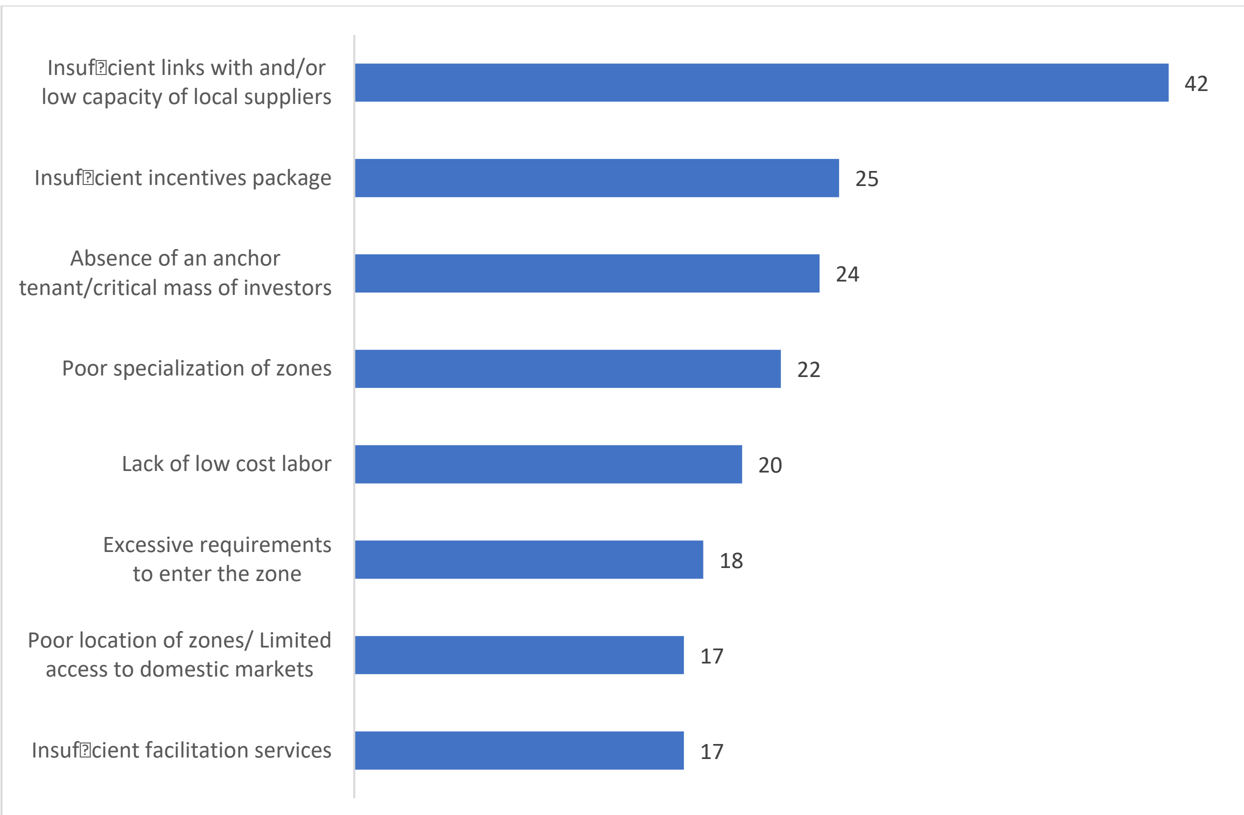
	and policies, including:	compliance/assist with compliance, such as:	to companies, covering how to:
General Approach	Form multi-stakeholder collaborations to identify possibilities and establish a plan of action.		
Labor	Minimum wage	Labor inspectors	Improve labor conditions
	Working hours and benefits	Conflict resolution specialists	Engage in social dialogue
	Respecting unions' freedom to operate inside the zone	Reporting hotlines	
	Gender equality and other related concerns	Gender focal points	
	Incentives for third-party certifications		
Environment	Emissions	Centralized effluent treatment	Further reduce natural resource use
	Waste disposal	Water reclamation systems	Reduce waste
	Energy use	Recycling services	Increase recycling
	Incentives for third-party certifications	Hazardous waste management services	Improve energy efficiency
	Promoting circular economy	Alternative energy sources	Adopt renewable energy
		Reporting hotlines	
		Enabling circular economy	
Health & Safety	Employee health and safety protection	Medical clinic	Prevent health and safety emergencies
	Incentives for third-party certifications	Fire brigade	
		Reporting hotlines	
Corruption	Anti-corruption standards and policies	Hotlines	Increase your ability to recognize and prevent unethical business practices.
		Information on reporting corruption	
Economic linkages	Employer support for staff training and development	Assistance with local sourcing	Identify and upgrade local suppliers

Source: UNCTAD

The unsuccessful conversion of special economic zones requires timely diagnosis of the factors that impede success and the action of goals to resolve them. This is especially important if there is a significant level of public investment to develop the facilities in the area.

However, high investment competition with neighboring countries was selected by Investment promotion Agency (IPA) as the biggest issue for special economic zones (Chart: 08). Infrastructure support for investors and the domestic presence of competent suppliers outside the region are more important than incentive packages, labor costs and strategic issues such as region-specific.

Chart 8: national Investment Promotion Agencies, Key challenges for SEZs



Source: UNCTAD

In fact, the fastest growing special economic zones in developing countries appear to be special economic zones with low technological components (World Bank, 2017b). This reflects the difficulties faced by countries as they sought to transform into a low value-added industry.

Therefore, developing countries need to be careful to invest considerable resources to build the SEZ, which jumps directly into the high-tech sector. Based on the Special Economic Zone Development ladder described in Section A, you can go through steps to develop a labor-intensive industry. Next, [Detailed Industry features need to be upgraded in stages as they are developed (Frick et al., 2019).

Infrastructure and services are key to the success of the realm. In low-income countries, the reason for most areas is to alleviate national infrastructure problems and focus public investment on infrastructure in limited geographic areas. Infrastructure connectivity should ideally provide access to at least two modes of transport to allow for complexity and sufficient connectivity. In general, the basic infrastructure services developed include additional trusted utilities, communications, water, and waste management installations. Non-infrastructure services are just as important. Dedicated customs inspection units are by, definition a common feature of SEZs, but other services may include security, human resource related services, food, or housing services, etc. These services are an important part of the area, such as a modern metropolitan or township, including residential and commercial areas on site.

2.21 - Towards A New Generation of SEZs

Moving towards a new generation of special economic zones requires learning about the design, operation, and impact management of the special zone; responding to the imperative of sustainable development, digitalization, and the new industrial revolution, as well as the new challenges brought about by changes in the international production pattern; and trying new ideas, Including the areas of the Sustainable Development Goals model.

The analysis in this chapter shows that special economic zones are everywhere. More than 140 economies around the world use them, including more than 70% of developing countries and almost all economies in transition. In recent years, their number has grown rapidly, along with and has become part of the new wave of industrial policies recorded in WIR18. More than 500 special economic zones are being prepared

The key success factors for special economic zones identified in section above emphasize the importance of scale specialization and gradual evolution along the exclusive economic zone, as well as the importance of active efforts to benefit from the layout and grouping. They emphasized the potential benefits of private area development-within appropriate regulatory parameters including lower costs, lower regional construction and management risks, access to international expertise and marketing opportunities. The key success factor also highlights the importance of the location, infrastructure and services, and business and investment facilitation features provided by District.

2.22 - Lessons learned from experience

Findings from earlier sections of this chapter can be integrated into many lessons related to planning and design of special economic zones, operation of special economic zones, and optimizing the development impact of special economic zones (Table 15).

Table 15: Lessons learned from SEZ experience

Areas	Lessons learned
Program design	Integrate SEZs dynamically in development strategy
	Complement existing competitive advantages
	Take into account the national investment climate and governance capabilities
	Design zones to be self-financing
Operations	Get the basics right: business facilitation, infrastructure, labor pool
	Promote clusters and linkages
	Ensure strong institutions and good governance
	Coordinated investment promotion
Development impact	Set clear goals and performance metrics for economic and ESG contributions
	Conduct effective monitoring and evaluation, with consequence management
	Maximize synergies between institutions and levels of government

Source: UNCTAD.

2.23 - Design of SEZ program

Critical to the design of the SEZ program is its dynamic integration into the country's long-term development strategy. Adjusting the SEZ program requires consideration of whether the program includes flexibility and long-term SEZ policy when addressing international trade and investment commitments. The SEZ program should aim to complement existing competitive advantages and build dynamic capabilities according to sources of sustainable competitiveness. It can lead to obstacles in the areas of designing and building areas that require industrial and technological infrastructure and skills that are not yet available in the economy. The success of the SEZ policy is closely related to the national economy, the national investment environment, and the governance capacity of the relevant countries and local governments. Conversely, the development success of an SEZ depends on the parallel development of the surrounding economy. SEZ's policies need to be consistent with trade and investment policies and the framework of transboundary business and financial regulation.

Zone programs should be designed to provide a solid recoup of costs. The goals of the domain can extend to the development of long-term dynamic capabilities, industrial upgrades, and even the dissemination of technologies. However, the economic viability of the zone is fundamental or long-term sustainability.

2.24 - SEZ operations

Special Economic Zone outcomes depend on an attractive business environment that includes good infrastructure, adequate skilled workforce, and efficient service. Financial incentives and subsidies are important for attracting investors, but they can successfully develop an area without being overly dependent on incentives. On the other hand, the main causes of failure for many failed programs are weak governance, complex procedures, and inadequate infrastructure and services. Effective area development often practically solves everyday problems, from low-speed connections in Business to utilities, lack of public transport connections for workers living outside the area. Depends on. The synergistic and economies of scale that the region can provide through collaboration with the regional economy and promotion of clusters further enhances the attractiveness of special economic zones for investors. Matchmaking programs and training programs for local small and medium-sized enterprises (SMEs) outside their territories stimulate significant relationships not only for the SEZ's broader economic impact, but also for its long-term prospects.

Properly designed legal and regulatory frameworks and institutions and good governance Legislation, including good governance and effective anti-corruption steps, are essential to the success of the SEZ. Clearly assigned roles are important and separate responsibilities for promotion effort approval process incentive grants and monitoring compliance with domain policies.

2.25 - Optimizing development impact

Maximizing the impact on the positive development of a special economic zone begins with setting clear goals for the special economic zone's performance, economic contribution, labor rights, social and environmental standards. However, maximizing capacity and industrial development, technology and the long-term contribution of technology requires detailed goals on aspects such as capital expenditure, technology level, education, and regional content. These goals are needed to design incentive plans and aggressive clustering support, investment promotion, matchmakers, and collaboration programs.

Clear goals are also prerequisites for the development and implementation of effective monitoring and evaluation mechanisms. The program requires protective equipment to ensure that the SEZ is consistent with its development strategy. As mentioned above, the coherence of different policy areas and the creation of synergies between the various sectors of the government are important to achieve the impact on the purpose of the SEZ.

2.26 - Systemic and strategic considerations

In addition to the practical lessons learned about optimizing the design, operation, and impact of SEZs, current trends in SEZ development represent many systematic and strategic considerations or guidance from policy makers. Competitive pressure is the main cause of market persecution, and the surge in SEZs worldwide. It also differentiates itself from the competition in efficiency-seeking investments to build higher-spec areas that are more costly than ever, increasing pressure to builds offering subsidized services, putting LDCs at a disadvantage. Also, in some developing countries, areas that attract a very large proportion of production investment are likely to be turned into territories of internationally mobile economic activity. The raises concerns about the arena of fair competition, especially in areas of large-scale consolidation, including townships and residential areas, compared to the domestic business and local workforce.

However, policy makers more generally may question the need to combine almost all SEZ's investment promotional levers. For certain situations and certain types of investments, separate levers are often sufficient. SEZ is the recommended option when multiple constraints apply and the alternative is not feasible or too difficult to implement. This is often cases in low-income countries.

Finally, the example in the previous section of the regional program that adapts to changing situations and switching between regional programs struggling shows that policymaker must have "Plan B". If the region does not meet its goals, options are needed to readjust the strategic approach, reform regulations in the region and repack the interests of the region.

2.27 - A forward-looking perspective

The need for strategic redirection, improvement and repackaging as the three key challenges highlighted, the Sustainable Development Challenge, the new Industrial Revolution and the digital economy, and the changing patterns of international production and GVC evolve. This can be bigger and bigger. (Table:16) provides an overview of possible policy responses to these three challenges.

Table 16: Overview of possible policy responses to emerging challenges

Policies/standards	Sustainable development imperative	New industrial revolution and the digital economy	Changing patterns of international production
Strategic reorientation	integrate sustainable development indicators in SEZ program design	Modernize SEZ service provision by integrating digital technologies	Focus specialized SEZs on services and manufacturing activities in line with global industrial restructuring

	Explore new SEZ models focused on incubating business activities that promote sustainable development	Promote investment in business activities of digital fi rms	Link SEZ development to regional integration, including through new international cooperation models
		Collaboration with global platform suppliers to boost SEZ competitiveness	
Regulatory reform	Establish, monitor, and enforce ESG performance indicators for SEZ investors	Consider the interaction between the policy framework for SEZs and the national regulatory regime for the digital economy	Adapt facilitation and regulations to new forms of investment (non-equity modes of international production
	Promote global standards in SEZs		Anticipate shifts in international rules and trade preferences, and regional integration efforts
Repackaging of the value proposition	Provide supporting services and training programs in ESG factors	Provide adequate digital infrastructure within zones	Incentivize upgrading and diversify exports
	Reorient incentive schemes towards sustainable development contributions	Facilitate digital start-ups through focused clustering and linkages programs	Strengthen entrepreneurship policies and mobilize dynamic local entrepreneurs to catalyze FDI in SEZs
		Adjust HRD programs to include digital skills	Provide on demand or shared manufacturing, design or testing spaces or services

Source: UNCTAD.

Shared services on sustainability such as general health and safety services, waste management facilities and renewable energy sources will become increasingly important. Special economic zones that sell environmental performance (eco-zones) have already emerged (UNCTAD, 2016), and it is important to implement and actively promote high environmental, social and governance (ESG) standards. It becomes a feature of SEZ.

SEZ is playing a very important role in Ethiopia's industrial development strategy and climate change-resistant green economy strategy. This includes mitigating both excess emissions and unsustainable use of natural resources. The country has announced plans to build 30 industrial parks by 2025 to increase the output value of manufacturing from 5% to 20% of GDP. The flagship Hawassa Eco Industrial Park is being developed as a Climate Resilient Green Growth strategic model. The Park focuses on the textile and apparel industry, and is home to many global corporations, including the American luxury conglomerate PHV Corporation, which owns brands such as Tommy Hilfiger and Calvin Klein. The government said Park will install a state-of-the-art, zero-liquid discharge general wastewater treatment plant that will enable the washing and recycling of 90% of the water and minimize the ripple effect on the surrounding soil salinity, groundwater, and rivers. Ethiopia's experience shows the potential value of an environmentally sustainable area for international investors. During the design of Hawassa Park, the government has ensured that the park is up to date with the latest international standards to provide input for potential investors design and construction.

2.28 - Sustainable Development Goals (SDG) model zones

Strategic focus (high-tech, financial services, tourism, etc.), design (integrated township model, etc.), governance (international cooperation model, etc.), operations (e.g., new shared ESG-related services). To achieve the UN SDGs, the 2030 Agenda may provide an opportunity to develop an entirely new type of SEZ, the SDG model area. Conceptually, these areas are built around three main elements: • Strategic focus to attract investment in “SDG relevant” activities • Highest level of ESG standards and compliance • Promoting inclusive growth by linkages and ripples SEZ Review` But performance shows a lot more. (Table: 17) shows an overview of policy options for creating SDG model areas.

Table 17: Illustrative list of policy options for the creation of SDG model zones

Policy option	Policy objectives	Focus	Promotion/facilitation
SDG investment strategy	Catalyze SDG implementation	Sustainable agriculture, food security and nutrition	Target SDG sectors and incubate SDG activities
	Incubate pro-SDG business activities	Basic infrastructure, utilities, water, and sanitation services	Reorient incentive schemes towards SDG contributions
		Health care and essential medicines	Prepare a pipeline of SDG projects

		Renewable energy and climate change mitigation	Facilitate impact investment and social entrepreneurs
		Education	Cooperate with development partners
ESG standards compliance	Promote sustainable processes in production and services	Aspirational goals: zero emissions and minimum waste	Services in the zone to facilitate the implementation of standards
	Enhance CSR and good governance	Highest labor, health, and safety standards	Inspection of standards compliance and exchange of best practices
		Gender-equality benchmark	Investors agree to codes of conduct and reporting on ESG performance
		Measurement of zone contributions to public revenues	
Inclusive growth via linkages and spillovers	Shift from enclaved zones to models that facilitate backward and forward linkages	Renewable energy installations that also supply outside the zone	Strengthen entrepreneurship policies
	Spillovers of SDG best practice to the rest of the country	Waste management plant with capacity beyond the zone	Mobilize local entrepreneurs to catalyze FDI and promote MNEs suppliers
		Amenities and services (health care, housing, and education) that benefit the wider community	Broaden incentive schemes to support local supplier development

Source: UNCTAD.

The SDG model area operates explicitly and empirically at the highest level of governance. They engage a diverse group of stakeholders to enable generations of new ideas for initiatives that bring benefits to the community, the wider economy, or the environment.

The SDG model area operates explicitly and empirically at the highest level of governance. They engage diverse stakeholder groups, enabling the generation of new ideas for initiatives that bring benefits to the community, the wider economy, or the environment. Lessons from past experiences have provided a positive perspective and spawned pioneering ideas in the form of SDG model zones. Combining lessons learned with policy options for future directions, policy makers can avoid the pitfalls of past while preparing for the future as new areas are developed and revitalized and upgraded as needed. The main purpose of is to operate the SEZ from SDGs. That is, from privileged territories to extensive benefits.

B – Foreign Direct Investment (FDI)

2.29 - What id FDI?

FDI stands for Foreign Direct investment, it referred to the investment done by an individual or a company regarding purpose of business. FDI varies according to the investment, however FDI comes into action when an investing person or agency set up a foreign business or acquire assets in a foreign company.

2.30 - Understanding FDI?

In contrast to the typically tightly controlled economy, foreign direct investment is made in an open economy that offers investors a competent workforce and above-average growth potential. Foreign direct investment frequently entails more than just monetary investment. Administrative and technical terminology are also included.

The fundamental characteristic of foreign direct investment is the key to enhancing control or, at the very least, significant influence over foreign firms' decision making.

2.31 - Special Considerations

Foreign direct investment entails the formation of a foreign subsidiary or affiliate, as well as the acquisition of control of an existing foreign firm or foreign corporation.

According to OECD rules, the bar for establishing control of a foreign-based firm is at least 10% shareholding. However, the definition is flexible, as it is feasible to develop an effective controlling ownership in a corporation with less than 10% voting power.

To encourage economic growth and restoration, many developing nations require FDI. Increased FDI flows have been facilitated by international trade agreements. FDI has benefited the country by raising living standards in developing economies, allowing for more competitive global capital allocation, reducing market volatility caused by asset bubbles, and adding value to corporations.

2.32 - Foreign Direct Investment (FDI) Types

Foreign direct investment is typically divided into three types: horizontal, vertical, and conglomerate.

Horizontal direct investment refers to investors who will operate the same form of company overseas as they would in their home country, such as a mobile phone firm established in the United States opening a store in China.

Vertical investment differs from the investor's primary business in that linked business operations are created in a foreign nation, such as when a manufacturing firm purchases shares in a foreign company that supplies the essential parts and raw materials for investment. Or it turns into an argument. A manufacturing firm that creates items.

Conglomerate investment is When a corporation or individual invests in a business that is unrelated to their home country's current business. This is referred to as large corporate type foreign direct investment. As investors enter a sector, they have no prior expertise with, these sorts of investments sometimes include joint ventures with foreign businesses that are already in operation in the field.

2.33 - FDI limitation in a Country

It varies from country to country however there are few exceptions too.

In the case of India, the allowance are as follows

2.33.1 - Automatic Route 100%

Air transport services (unexpected and other civil aviation services), Agricultural and animal breeding, airport (greenfield + brownfield) property rehabilitation firms, broadcast content services (TV channels) Uplink and Downlink Broadcast Transportation Services , auto parts, autos, biotechnology (greenfield), Capital Good, Coal and Lagunita Chemicals, Construction Development Credit Information Firms Hospital Construction, E-commerce Activities, Duty Free Shops, Food Processing Jewelry and Jewelry Manufacturing Electronic Systems, Civil aviation services such as medical, industrial estate, metal and non-metal ore mining and exploration maintenance and repair organizations oil, natural gas, manufacturing, other financial services, pharmaceuticals IT, BPM, leather harbor and Shipping rail infrastructure plantation sector single-brand retail transactions, textiles, clothing renewable energy roads, highways, thermal power, tourism white label ATM operations accommodation

2.33.2 - Automatic Route less than 100%

Up to 100% - Medical Supplies

49% - Stock Market Infrastructure

49% - Pension rate

49% - Refining of oil

49% - Exchange of energy

2.33.3 - Government route less than 100%

up to 100% - Satellites (installation and functioning)

up to 100% - Core investment

up to 100% - Print and publication

up to 100% - Ore, minerals mining and separation

up to 100 % - Trading of food retail

51% - Retail trading of multiband

49% - Content broadcast service

20% - Public and banking

2.33.4 - Route not allow or banned

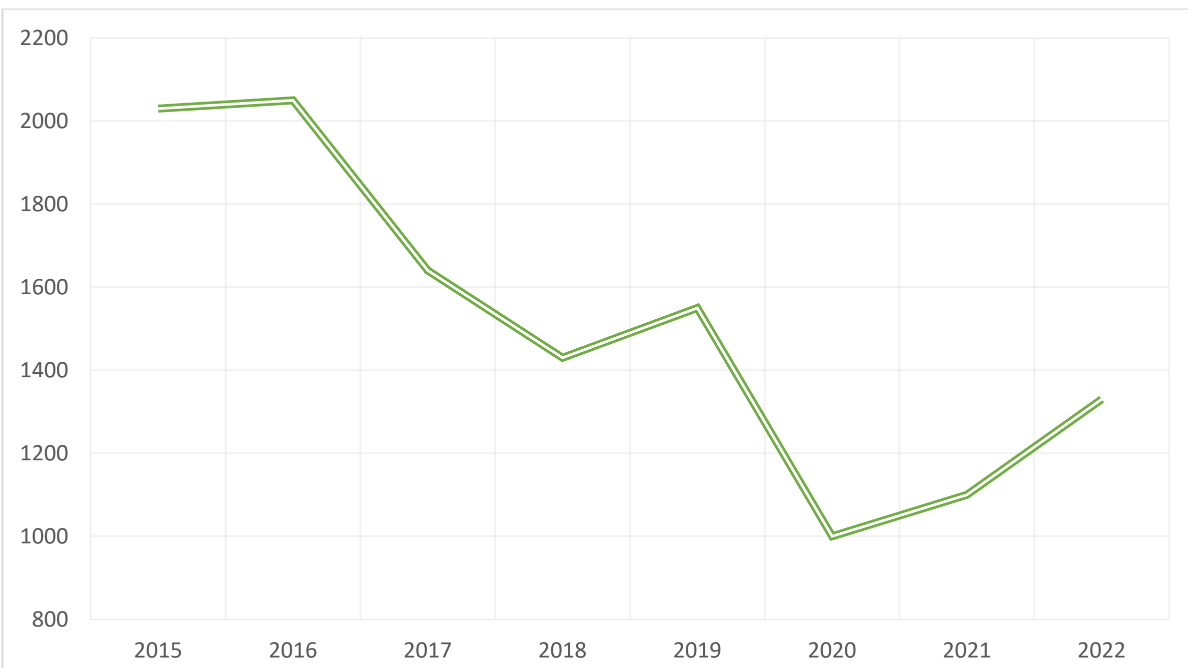
Generation of Atomic power, betting or gambling business, lotteries, chit funds, Real estate (except commercial or township), Cigarettes or Tobacco related.

2.34 - FDI Prospects

2.35 - Global prospects

Global FDI flows are predicted to reach a nadir in 2021, recovering some lost ground with a 10–15% recovery. This would still put FDI 25% below where it was in 2019 and more than 40% below where it peaked in 2016. (Chart: 12). Current projections show a further increase in 2022, which, at the high end of the range, may bring FDI back to the $1.5 trillion level seen in 2019.

Chart 9: Global FDI forecast 2015-2022 (billions in dollar)



Source: UNCTAD,

The expected low rebound in worldwide FDI for 2021 reflects ongoing uncertainties regarding vaccine access, the appearance of viral mutations, and delays in economic sector reopening. Because FDI tends to lag other macroeconomic indicators following a shock, a comprehensive and broad-based return to pre-pandemic levels will take longer.

Despite anticipation of a surge in capital expenditures by MNEs due to a peak in cash holdings and pent-up spending plans, this is not the case (for details, see section I.C).

Furthermore, the return of FDI will be uneven. Because of robust cross-border M&A activity and large-scale state investment assistance, developed economies are likely to drive global FDI growth. Inflows of foreign direct investment into Asia will stay stable; the area has remained a popular destination for international investment throughout the pandemic.

According to current forecasts, FDI will expand by another 15–20 percent in 2022, to $1.4 trillion. In the baseline forecast, which anticipates continuing improvement in the health and economic situations over the following two years, this would mean that FDI will largely return by the end of 2022. The most optimistic upper-bound scenario assumes that there will be no more regional or global crises, as well as strong economic development and high investor confidence. Under these circumstances, FDI might reach $1.5 trillion, its pre-pandemic level, by 2022. The lower-bound scenario takes into account the probability of a long-term drop in global FDI.

2.36 - Regional prospects

When it comes to regional contributions to global FDI growth, developed economies and East and South-East Asia are expected to lead the way in 2021. (Table: 18). In other areas, the outlook is mixed. This is due to a lack of vaccines, fiscal headroom to promote investment, considerable economic uncertainty, and the risk-averse behavior of overseas investors that is frequent following large shocks.

Table 18: FDI inflows: yearly growth forecasts for 2018–2020 and 2021 (Per cent) Actual for the year 2021

Group / Region	Actual			2021 Projection	
	2018	2019	2020	Range	Baseline
World	-13	7	-24	10 to 15	10
Developed Economies	-21	6	-37	15 to 20	15
Europe	-32	5	-35	15 to 20	17
North America	-18	18	-42	10 to 20	15
Developing Economies	-1	4	-8	5 to 10	7
Africa	13	4	-16	0 to 10	5
Asia	-2	4	4	5 to 10	8
Latin America and the Caribbean	-4	7	-45	(-5) to 5	0
Transition Economies	-28	58	-58	(-10) to 0	-6

Source: UNCTAD,

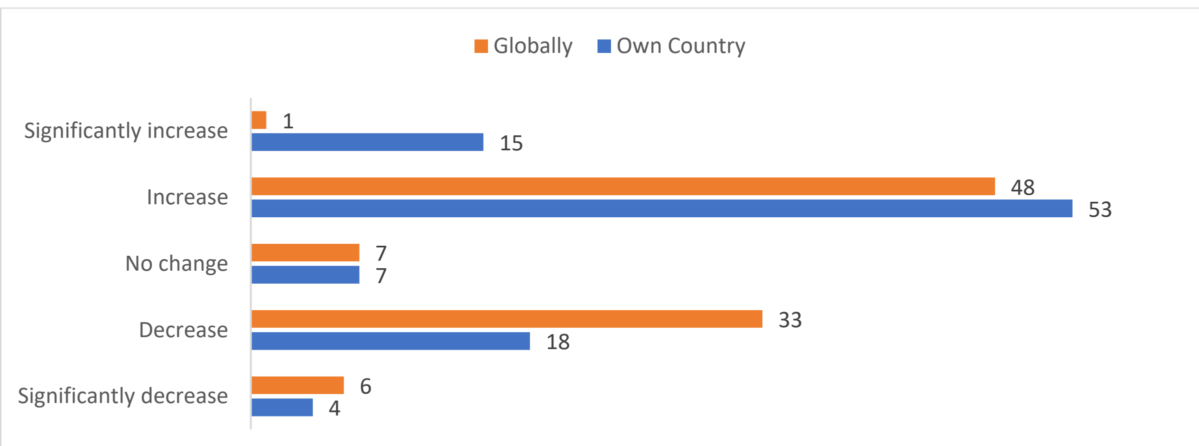
In Africa, FDI is expected to increase by 5%, but will still be 15% lower than in 2019. Despite the fact that commodities prices have largely rebounded following a decline in 2020, the region's predicted growth remains limited. Most governments have inadequate fiscal and monetary buffers, and vaccines are in short supply. The region's high potential and investment needs will increase FDI inflows in the medium term, especially if the investment climate improves. In this regard, ongoing efforts through the African Continental Free Trade Agreement (AfCFTA) with measures lowering intraregional trade barriers could help to boost FDI flows, which have a lot of room to grow.

FDI growth in Asia is predicted to continue, with an increase of 5 to 10% year on year in 2021. In 2020, Asia was the only area where FDI remained stable. It benefits from expanding markets, significant regional and worldwide FDI links, and a largely open investment climate not withstanding the pandemic. The Regional Comprehensive Economic Partnership, which was signed in November 2020, could help regional investment linkages grow even more. The resurgence in trade and rising global demand will boost export-driven manufacturing economies in Southeast Asia.

IPA expectations

Despite the fact that the epidemic would continue in 2021 and the immediate investment outlook is bleak, investment promotion agencies (IPAs) expressed confidence in UNCTAD's annual survey. Their expectations for FDI flows into their own nations in 2021 are strong, with the vast majority anticipating an increase or large increase in inflows following a poor year for most. However, expectations were more muted at the global level (Chart: 10)

Chart 10: IPA expectations: FDI inflows, 2021 (Per cent of respondents



Source: UNCTAD,

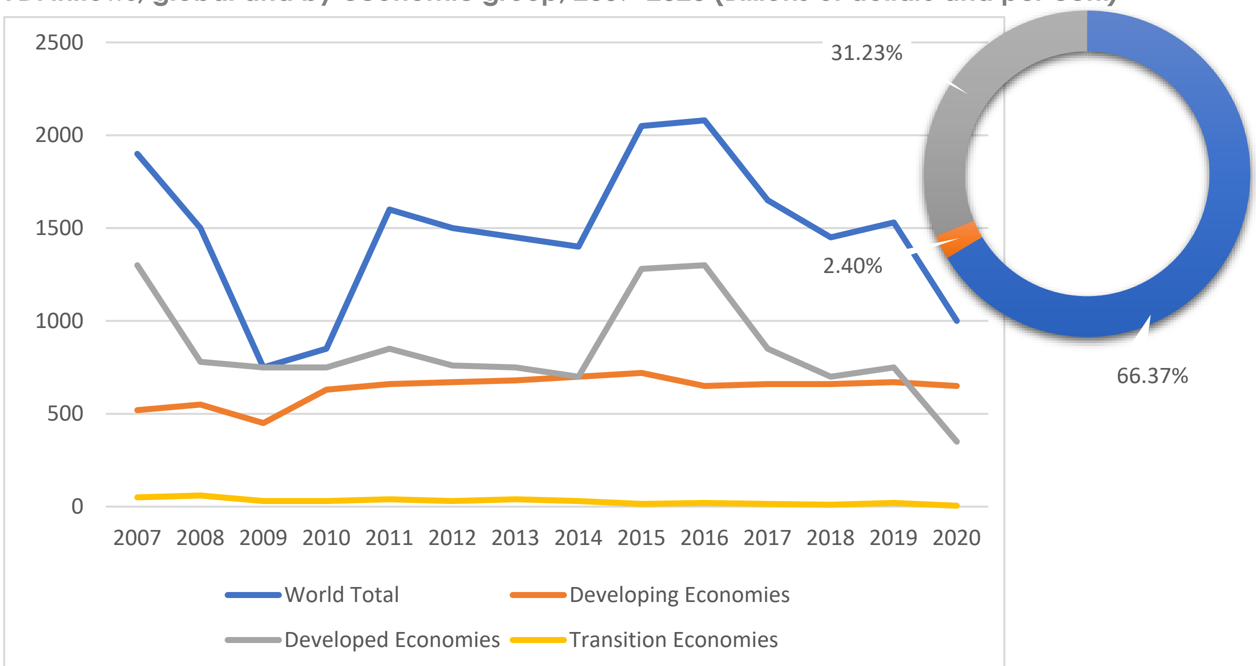
China, the United States, and Germany are ranked by IPAs as the most likely sources of foreign investment in their respective countries (Table: 18). China is viewed by nearly three-quarters of respondents as one of the primary sources of investment in 2021, a much greater percentage than in prior years. This is due to China's growing relevance as a home nation for investors, particularly in infrastructure funding, particularly in developing countries. The United Kingdom and Japan were also cited by 32 and 20% of IPAs as being among the most probable investment economies, respectively.

2.37 – Current FDI trends

2.38 - Global trends

In 2020, global foreign direct investment (FDI) flows declined by 35%, to $1 trillion, down from $1.5 trillion in 2019. (Figure: 08). This is the lowest level since 2005, and about 20% lower than the global financial crisis trough in 2008. Existing investment projects were stalled by global lockdowns in reaction to the COVID-19 pandemic, and the risk of a recession prompted multinational companies (MNEs) to reconsider future initiatives. The drop in foreign direct investment (FDI) was far greater than the drop in GDP and trade.

Figure 8: **FDI inflows, global and by economic group, 2007–2020 (Billions of dollars and per cent)**



Source: UNCTAD

Foreign direct investment (FDI) fell by 58 percent in both rich and developing economies. In developing nations, it fell by a more moderate 8%, owing primarily to strong flows in Asia (up 4 per cent). As a result, emerging economies received two-thirds of global FDI in 2019, up from slightly under half in 2019.

Large variations in a small number of conduit economies influenced both the precipitous decrease in developed nations and the comparatively strong performance in Asia to a substantial degree. The Netherlands accounted for over a third of the global reduction, which was caused by the liquidation of numerous big holding companies, corporate reconfigurations, and intrafirm financial movements.

The patterns of new greenfield investment announcements and international project finance arrangements contrasted markedly with FDI trends, with developing economies experiencing much greater decreases than industrialized economies. Greenfield announcements in developing nations decreased by 44% in value, while foreign project finance arrangements decreased by 53%, compared to 16% and 28% in developed countries, respectively (Table: 18). These types of investments are critical for the expansion of productive capacity and infrastructure, as well as the possibilities for a long-term recovery.

Because of changes in financial positions inside MNEs in response to the crisis, intracompany loans were negative in many countries. Reinvestment was also hurt by lower profitability; the profits of the major MNEs fell by 36% on average. Although reinvested earnings fell by only 7% worldwide, they fell dramatically in many large host nations. Reinvested earnings of international affiliates in the United States, for example, plummeted by 44%. The combined effects of the pandemic and the early-year drop in oil prices hurt reinvested earnings in other countries with major investment in commodity-related industries.

Table 19: Greenfield projects, cross-border mergers and acquisitions, and international project finance arrangements announced in 2019–2020, by group of economies

Group of Economies	Type of FDI	Value (Billions of Dollars)		Growth Rate	Number		Growth Rate
		2019	2020	(%)	2019	2020	(%)
Developed economies	Cross-border M&As	424	379	-11	5802	5225	-10
	Greenfield Projects	346	289	-16	10331	8376	-19
	International Project Finance	243	175	-28	543	587	8
Developing economies	Cross-border M&As	82	84	2	1201	907	-24
	Greenfield Projects	454	255	-44	7240	4233	-42
	International Project Finance	365	170	-53	516	443	-14
Transition economies	Cross-border M&As	1	12	716	115	69	-40
	Greenfield Projects	46	20	-58	697	371	-47
	International Project Finance	26	21	-18	59	31	-47

Source: UNCTAD,

2.39 - Trends by geography

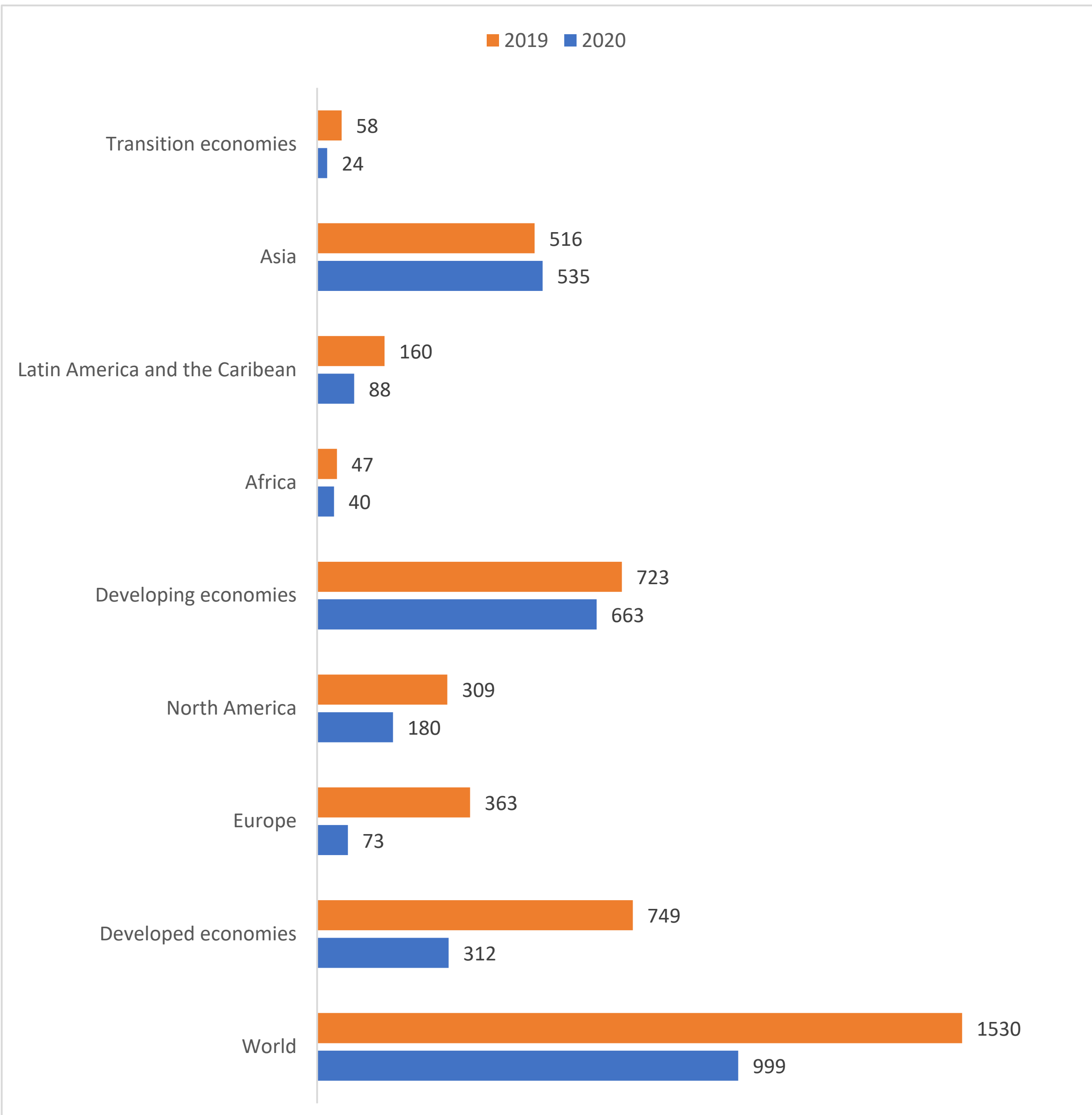
2.39.1 - FDI inflows:

FDI into developed economies decreased by 58% to $312 billion (Chart: 09). Strong variations in conduit and intrafirm financial flows, as well as company reconfigurations, exacerbated the decrease. The value of net cross-border M&A sales in developed nations declined by 11% to $379 billion, the most major FDI category in those economies.

Greenfield investments and cross-border project finance arrangements both saw a 16 percent and 28 percent drop in value, respectively.

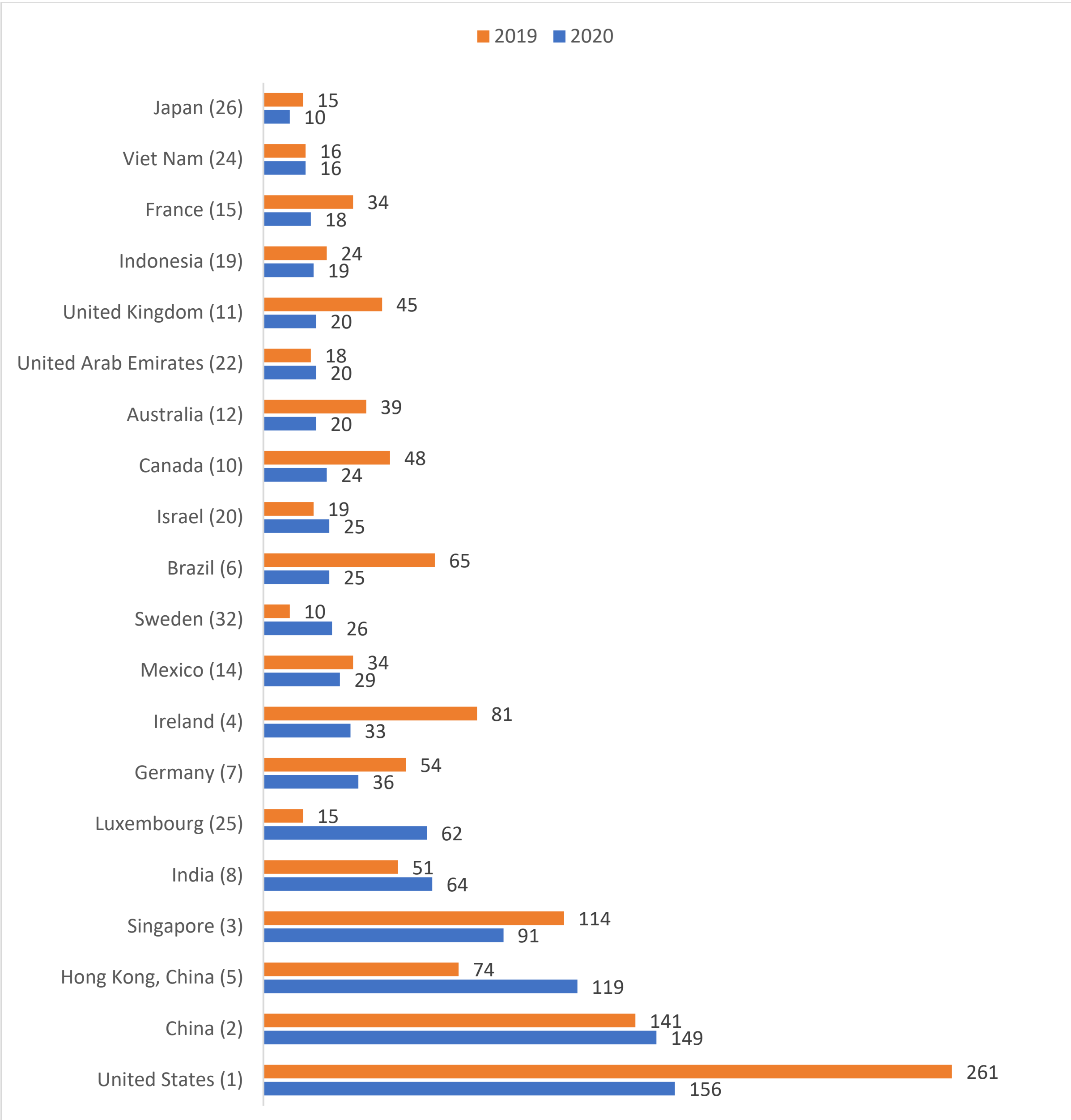
Inflows into Europe as a whole fell by 80%, reaching only $73 billion. FDI decreased in European nations with considerable conduit flows (except from the Netherlands, Switzerland remained in negative territory), but it also decreased in large economies like the United Kingdom (-57%), France (-47%), and Germany (-34%). FDI into the European Union has dropped by 73% to $103 billion. Flows to the United States fell by 40% to $156 billion, owing primarily to a decline in reinvested earnings. Despite this, the country remained the top beneficiary of FDI, closely followed by China (Chart: 09).

Chart 11: FDI inflows in 2019 and 2020, by area (Billions of dollars and per cent)



Source: UNCTAD,

Chart 12: Top 20 host economies' FDI data for 2019 and 2020 (Billions of dollars)



Source: UNCTAD,

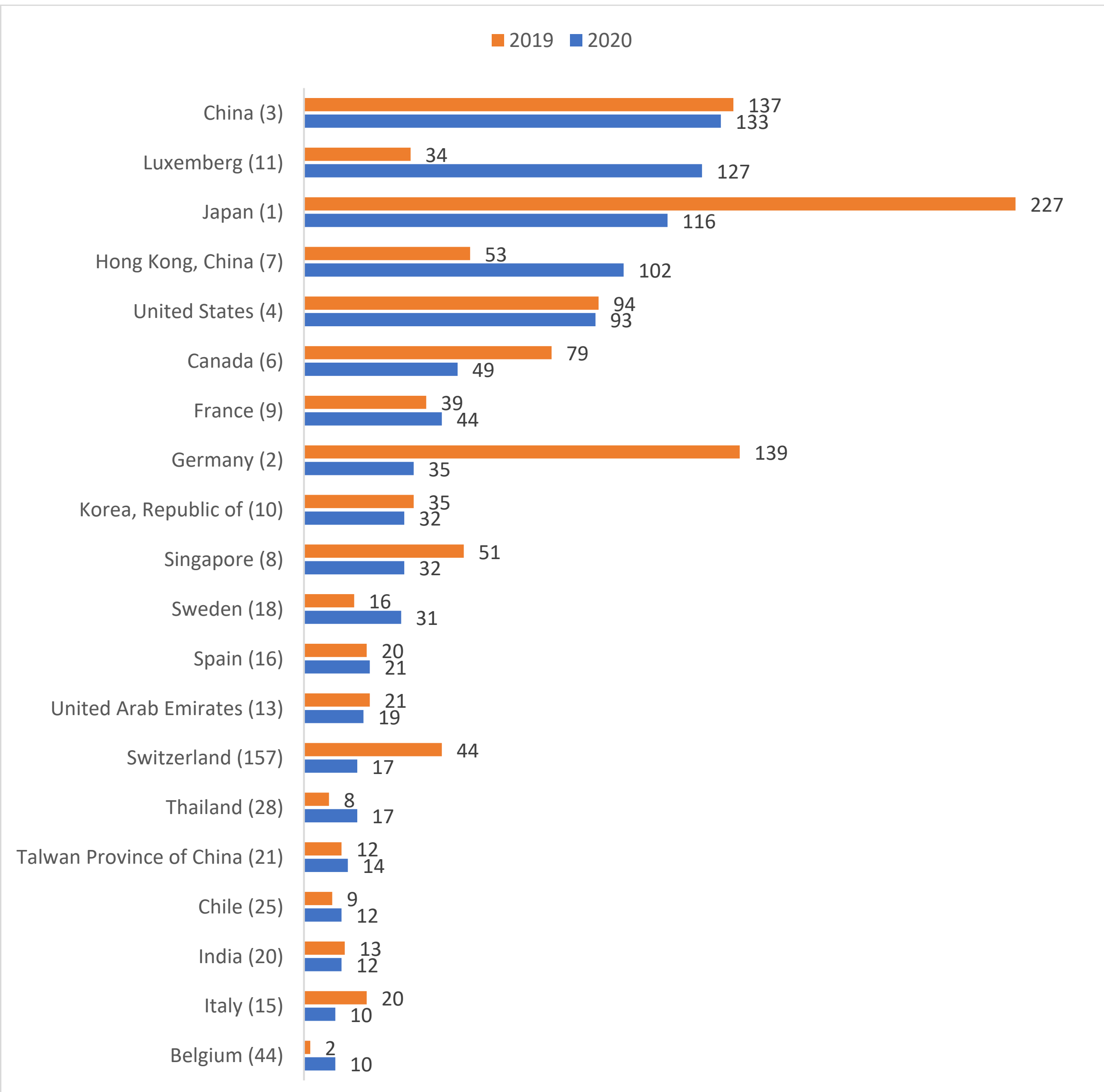
2.39.2 - FDI outflows

MNEs from rich economies will cut their overseas investment by 56% to $347 billion by 2020. As a result, their share of global outward FDI fell to an all-time low of 47%. The reduction in investment by large investor economies, like inflows, was worsened by high volatility in conduit flows.

European MNEs' total outside investment (including major negative flows) plummeted by 80% to $74 billion, the lowest level since 1987. Sharp drops in outflows from the Netherlands, Germany, Ireland, and the United Kingdom fueled this drop.

Due to corporate reorganizations and holding company liquidations, outflows from the Netherlands – generally one of Europe's top source countries – fell by $246 billion to -$161 billion. Despite numerous big purchases by German MNEs abroad, large loan withdrawals (-$55 billion) limited FDI outflows by 75%. Outflows from the United Kingdom fell from -$6 billion to -$33 billion, with huge negative reinvested earnings. MNEs from the United Kingdom also sold some of their assets in other countries. Tesco, for example, sold its Thai stores for $9.9 billion, and Vodafone sold its Italian tower assets for $5.8 billion.

Chart 13: Top 20 home economies FDI outflow in 2019 and 2020 (billions in dollars)



Source: UNCTAD,

MNEs from developing economies reduced their investment activities abroad by 7%, bringing the total to $387 billion. However, when Hong Kong, China's movements are excluded, the value drops by 22%. Despite a 3% fall, China's outside FDI remained strong at $133 billion, making it the world's largest investor (Chart 3). The value of Chinese MNEs' cross-border M&A purchases increased, owing primarily to financial transactions in Hong Kong, China.

2.40 - FDI – Regional Trends

Foreign Direct investment regional trends illustrate the Foreign Direct Investments (FDI) in different parts of the world. Based on the classifications of different regions.

FDI regionals trends helps analyzing various aspects of economy ranging from FDI in-flow, FDI out-flow, greenfield projects, announced international projects, contribution towards the sustainable development goals, development index and so on.

These regions are divided based to geographical differences along with the different economies' status for a better understanding and decent organization.

The regions are:

- Developing Economies in Africa
- Developing economies in Asia
- Latin America and Caribbean
- Transition economies
- Developed economies
- Least developed economies
- Landlock developing economies
- Islandic economies

DEVELOPING ECONOMIES

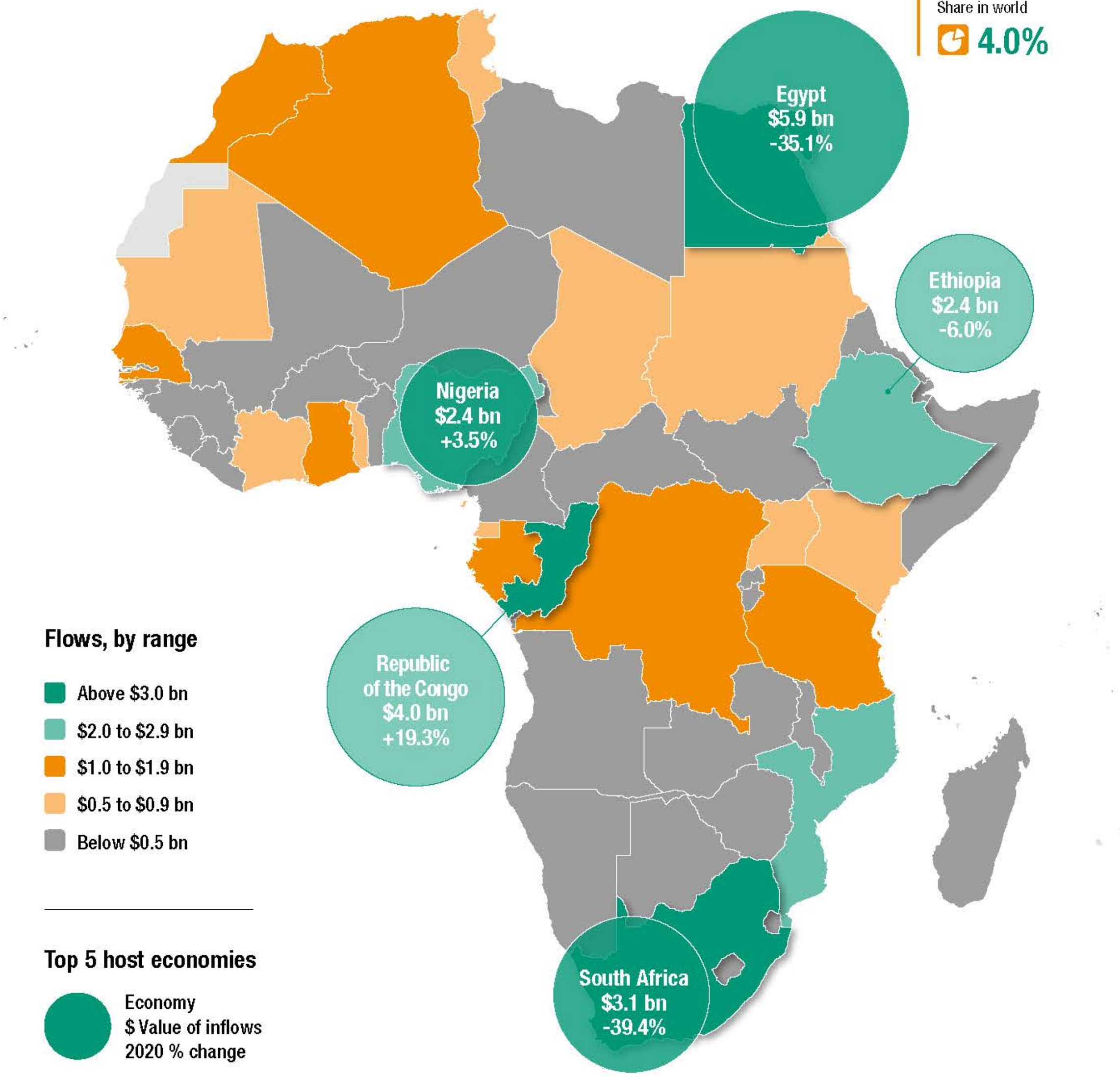
AFRICA

FDI flows, top 5 host economies, 2020 (Value and change)

2020 Inflows
39.8 bn

2020 Decrease
-15.6%

Share in world
4.0%



Flows, by range

- Above $3.0 bn
- $2.0 to $2.9 bn
- $1.0 to $1.9 bn
- $0.5 to $0.9 bn
- Below $0.5 bn

Top 5 host economies

Economy
$ Value of inflows
2020 % change

Outflows: top 5 home economies
(Billions of dollars and 2020 growth)

Togo	$0.9	+2 073.9%
Ghana	$0.5	-7.8%
Morocco	$0.5	-44.9%
Egypt	$0.3	-19.4%
Libya	$0.2	-40.7%

Figure A. Top 10 investor economies by FDI stock, 2015 and 2019 (Billions of dollars)

	2019	2015
Netherlands	67	102
United Kingdom	66	58
France	65	62
China	44	35
United States	43	52
Mauritius	37	17
South Africa	33	22
Italy	31	21
Singapore	20	17
Switzerland	15	13

Source: UNCTAD.
Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. Final boundary between the Sudan and South Sudan has not yet been determined. Final status of the Abyei area is not yet determined.

Source:

HIGHLIGHTS

- Pandemic and low oil prices depressed FDI flows
- Greenfield projects dropped by 62 per cent
- Flows to increase marginally in 2021

Figure B. **FDI inflows, 2007–2009 and 2018–2020**
(Billions of dollars and per cent)

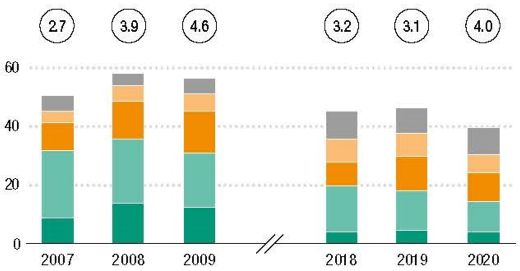
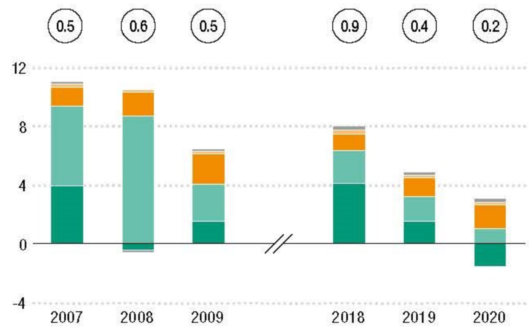


Figure C. **FDI outflows, 2007–2009 and 2018–2020**
(Billions of dollars and per cent)



Southern Africa | North Africa | West Africa | East Africa | Central Africa | Share in world total

Table A. **Net cross-border M&A sales, 2019–2020**

Sector/industry	Value (Millions of dollars) 2019	Value (Millions of dollars) 2020	Number 2019	Number 2020
Total	**5 835**	**3 334**	**140**	**87**
Primary	184	498	18	9
Manufacturing	2 114	2 247	36	18
Services	3 537	590	86	60
Top industries by value				
Food, beverages and tobacco	1 052	1 438	13	1
Pharmaceuticals	9	776	2	5
Extractive industries	143	458	15	6
Transportation and storage	533	235	10	6
Information and communication	- 90	193	13	9
Finance and insurance	20	74	24	20

Table B. **Announced greenfield projects, 2019–2020**

Sector/industry	Value (Millions of dollars) 2019	Value (Millions of dollars) 2020	Number 2019	Number 2020
Total	**76 637**	**28 997**	**1 063**	**556**
Primary	2 829	1 381	23	12
Manufacturing	32 621	8 468	409	198
Services	41 186	19 149	631	346
Top industries by value				
Information and communication	4 639	8 960	100	115
Energy	10 228	5 312	64	37
Coke and refined petroleum	7 727	2 315	13	3
Food, beverages and tobacco	2 448	1 382	54	38
Transportation and storage	5 402	1 277	50	26
Automotive	4 015	1 111	63	29

Table C. **Announced international project finance deals, 2019–2020**

Sector/industry	Value (Millions of dollars) 2019	Value (Millions of dollars) 2020	Number 2019	Number 2020
Total	**122 930**	**32 073**	**119**	**72**
Top industries by number				
Renewable energy	8 725	11 132	48	31
Mining	12 251	2 287	32	13
Transport infrastructure	9 885	13 969	7	7
Energy	3 587	1 448	9	5
Industrial real estate	3 192	846	5	5

Table D. **SDG sectors: greenfield and project finance, selected trends, 2019–2020**

Sector/industry	Value (Millions of dollars) 2019	Value (Millions of dollars) 2020	Number 2019	Number 2020
Infrastructure	60 473	15 417	17	12
Renewable energy	8 725	11 132	48	31
WASH	326	339	3	3
Food and agriculture	7 559	1 680	69	43
Health	639	267	37	14
Education	259	143	17	15

Source:

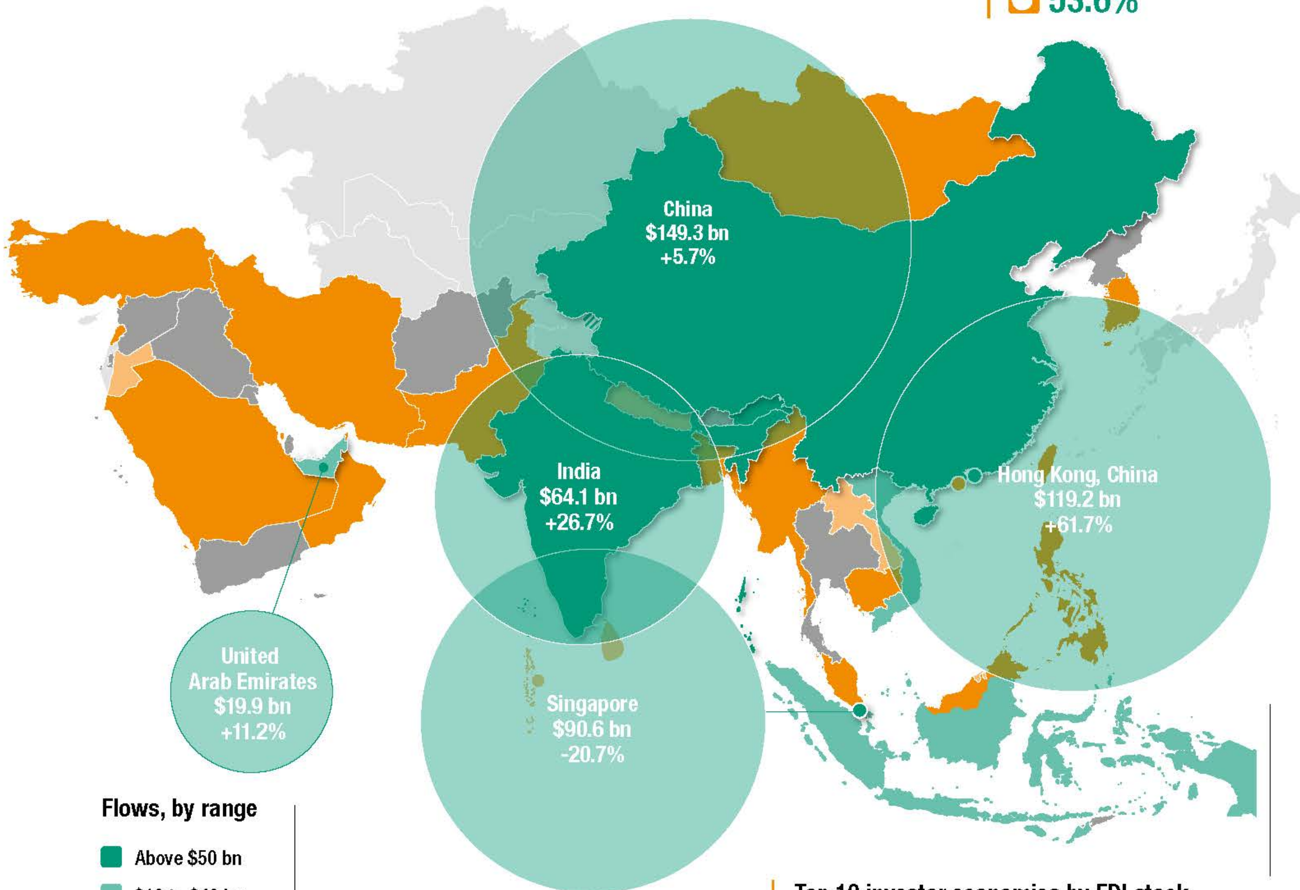
DEVELOPING ASIA

FDI flows, top 5 host economies, 2020 (Value and change)

2020 Inflows
535.3 bn

2020 Increase
+3.8%

Share in world
53.6%



Flows, by range

- Above $50 bn
- $10 to $49 bn
- $1.0 to $9.9 bn
- $0.1 to $0.9 bn
- Below $0.1 bn

Top 5 host economies

Economy
$ Value of inflows
2020 % change

Outflows: top 5 home economies
(Billions of dollars and 2020 growth)

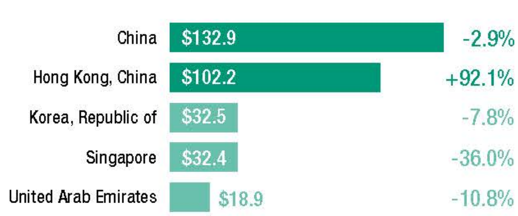
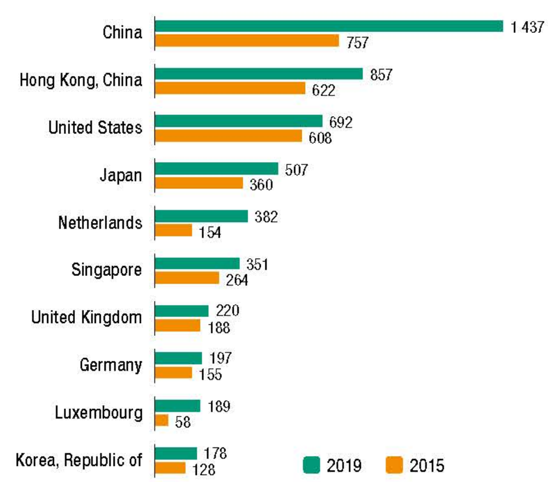


Figure A. **Top 10 investor economies by FDI stock, 2015 and 2019** (Billions of dollars)



Source: UNCTAD.
Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Source:

HIGHLIGHTS

- Flows remained resilient
- The region accounted for half of global inward and outward FDI
- 2021 prospects favourable, with higher inflows expected

Figure B. **FDI inflows, 2007–2009 and 2018–2020**
(Billions of dollars and per cent)

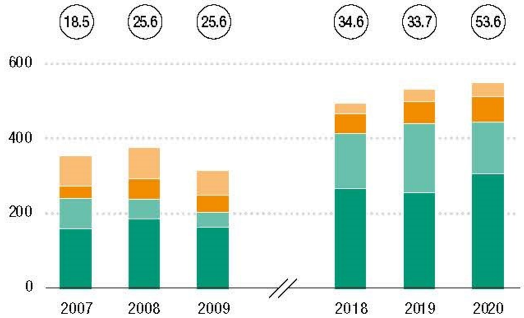
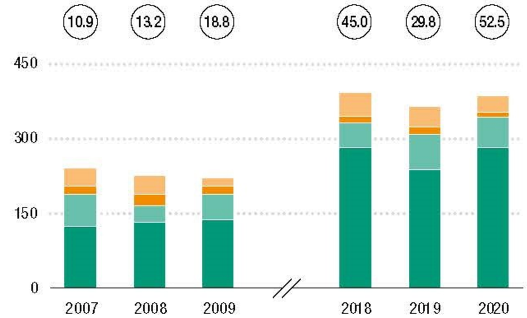


Figure C. **FDI outflows, 2007–2009 and 2018–2020**
(Billions of dollars and per cent)



East Asia | South-East Asia | South Asia | West Asia | Share in world total

Table A. **Net cross-border M&A sales, 2019–2020**

Sector/industry	Value (Millions of dollars) 2019	Value (Millions of dollars) 2020	Number 2019	Number 2020
Total	**52 656**	**73 234**	**749**	**606**
Primary	1 188	11 277	23	23
Manufacturing	19 411	23 545	164	134
Services	32 057	38 411	562	449
Top industries by value				
Information and communication	3 190	12 804	95	83
Pharmaceuticals	925	11 420	11	26
Extractive industries	469	10 787	16	11
Finance and insurance	7 619	7 887	112	93
Real estate	3 680	7 048	57	30
Utilities	-1 093	5 305	29	32

Table B. **Announced greenfield projects, 2019–2020**

Sector/industry	Value (Millions of dollars) 2019	Value (Millions of dollars) 2020	Number 2019	Number 2020
Total	**265 117**	**169 743**	**4 336**	**2 626**
Primary	4 545	673	33	25
Manufacturing	149 375	101 319	1 974	1 113
Services	111 197	67 752	2 329	1 488
Top industries by value				
Chemicals	16 686	29 003	237	137
Coke and refined petroleum	52 656	22 659	39	18
Electronics and electrical equipment	20 410	17 818	382	230
Information and communication	14 373	15 538	771	541
Energy	19 682	14 374	65	55
Finance and insurance	9 463	10 923	286	229

Table C. **Announced international project finance deals, 2019–2020**

Sector/industry	Value (Millions of dollars) 2019	Value (Millions of dollars) 2020	Number 2019	Number 2020
Total	**156 818**	**93 633**	**186**	**182**
Top industries by number				
Renewable energy	30 711	33 354	62	88
Energy	12 816	16 113	19	22
Oil and gas	68 079	16 567	15	18
Industrial real estate	6 714	11 132	15	16
Residential/commercial real estate	6 484	3 329	30	15

Table D. **SDG sectors: greenfield and project finance, selected trends, 2019–2020**

Sector/industry	Value (Millions of dollars) 2019	Value (Millions of dollars) 2020	Number 2019	Number 2020
Infrastructure	30 964	23 000	39	31
Renewable energy	30 711	33 354	62	88
WASH	1 479	259	13	4
Food and agriculture	5 037	4 327	167	125
Health	3 693	2 464	143	91
Education	525	606	38	37

Source:

LATIN AMERICA AND THE CARIBBEAN

FDI flows, top 5 host economies, 2020 (Value and change)

2020 Inflows

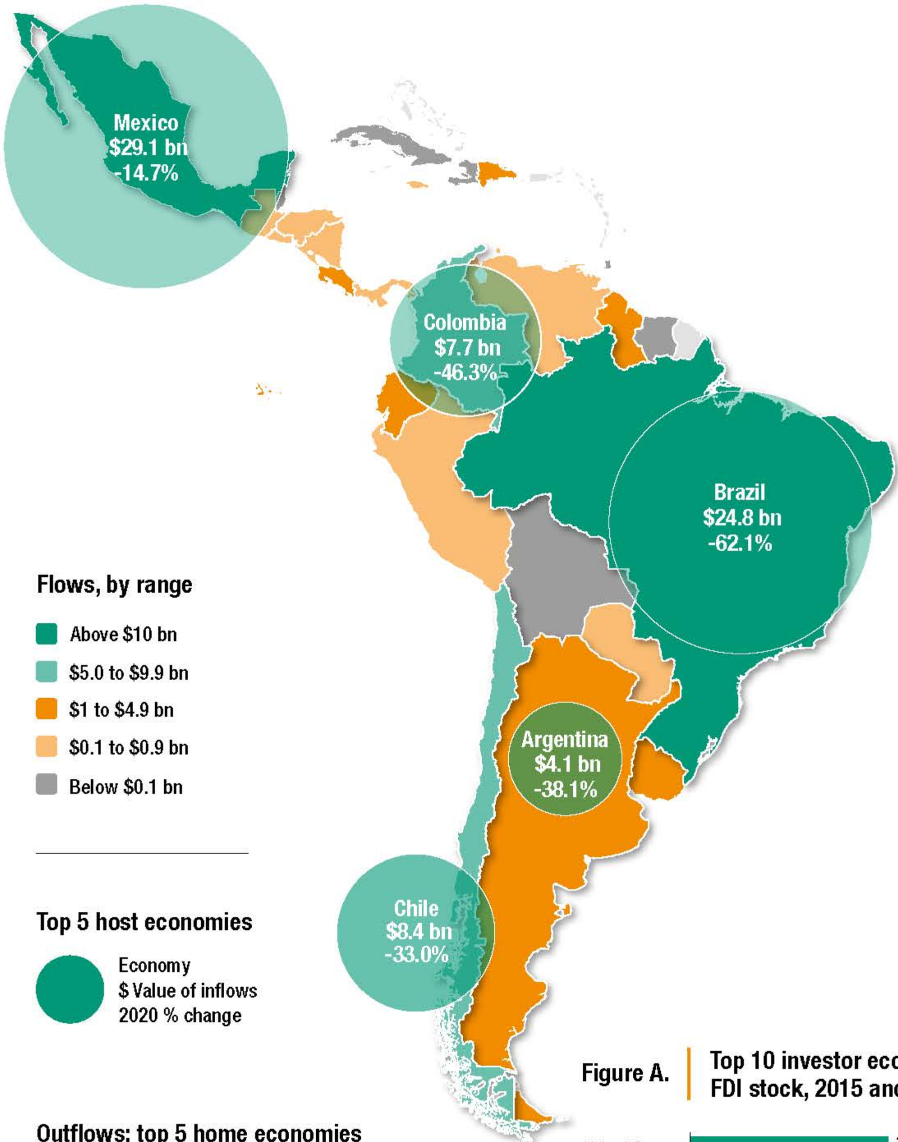
87.6 bn

2020 Decrease

-45.4%

Share in world

8.8%



Flows, by range

- Above $10 bn
- $5.0 to $9.9 bn
- $1 to $4.9 bn
- $0.1 to $0.9 bn
- Below $0.1 bn

Top 5 host economies

Economy
$ Value of inflows
2020 % change

Outflows: top 5 home economies

(Billions of dollars and 2020 growth)

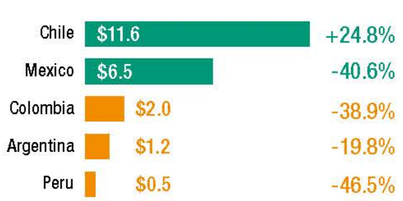
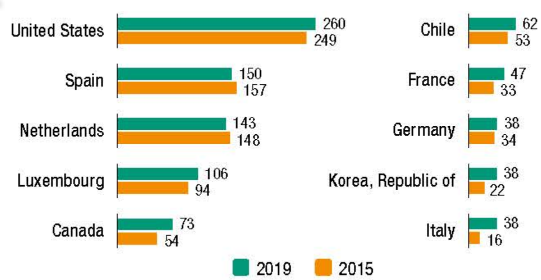


Figure A. Top 10 investor economies by FDI stock, 2015 and 2019 (Billions of dollars)



Source: UNCTAD.

Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Source:

HIGHLIGHTS

- The sharpest FDI decline in developing regions
- Outflows turned negative
- FDI to remain at a low level in 2021

Figure B. FDI inflows, 2007–2009 and 2018–2020 (Billions of dollars and per cent)

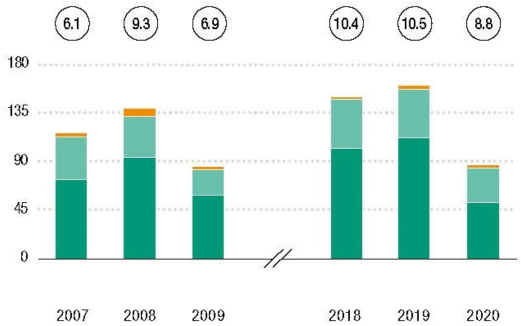
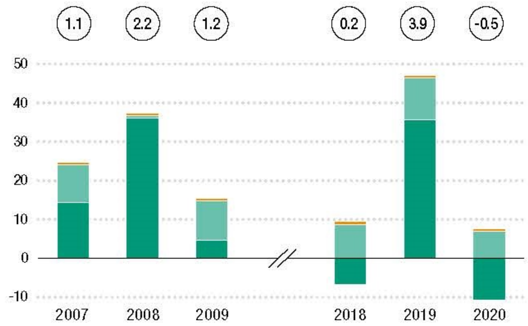


Figure C. FDI outflows, 2007–2009 and 2018–2020 (Billions of dollars and per cent)



South America | Central America | Caribbean, excluding financial centres | Share in world total

Table A. Net cross-border M&A sales, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	2020	Number 2019	2020
Total	**23 625**	**7 808**	**305**	**210**
Primary	1 267	1 907	14	17
Manufacturing	2 925	203	82	29
Services	19 434	5 697	209	164
Top industries by value				
Construction	243	2 864	7	4
Extractive industries	1 596	1 468	12	11
Finance and insurance	1 725	1 198	34	14
Administrative and support services	347	808	16	7
Other manufacturing	-	518	-2	2
Information and communication	1 037	439	43	38

Table B. Announced greenfield projects, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	2020	Number 2019	2020
Total	**112 315**	**56 540**	**1 832**	**1 042**
Primary	8 026	944	24	19
Manufacturing	41 204	19 764	935	405
Services	63 084	35 832	873	618
Top industries by value				
Energy	25 701	16 458	126	102
Information and communication	9 272	6 525	270	199
Automotive	10 087	4 537	152	55
Hospitality	6 691	3 787	77	26
Coke and refined petroleum	2 024	3 473	16	8
Paper and paper products	5 521	3 419	20	7

Table C. Announced international project finance deals, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	2020	Number 2019	2020
Total	**85 243**	**44 376**	**211**	**189**
Top industries by number				
Renewable energy	21 019	21 157	114	115
Mining	14 772	6 491	24	21
Energy	10 409	3 337	28	18
Oil and gas	19 069	7 702	16	17
Transport infrastructure	15 269	2 714	18	9

Table D. SDG sectors: greenfield and project finance, selected trends, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	2020	Number 2019	2020
Infrastructure	27 523	6 741	50	31
Renewable energy	21 019	21 157	114	115
WASH	14	-	1	-
Food and agriculture	3 940	2 606	86	52
Health	1 100	740	71	48
Education	455	63	21	9

Source:

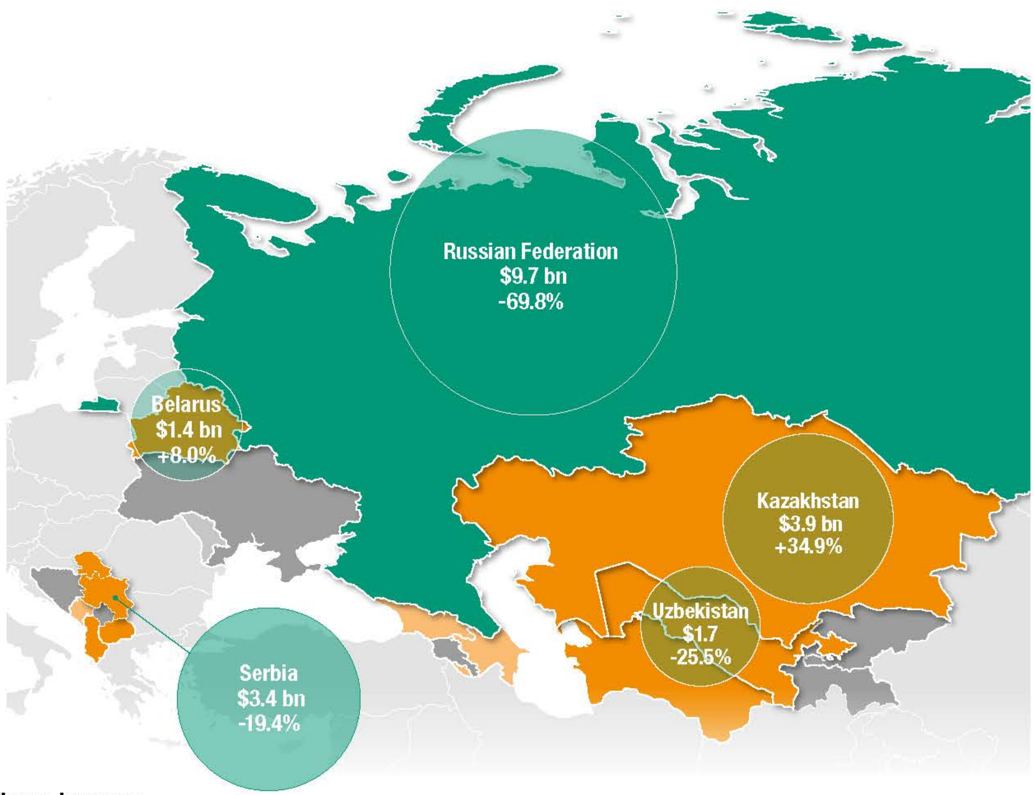
TRANSITION ECONOMIES

FDI flows, top 5 host economies, 2020 (Value and change)

2020 Inflows
24.2 bn

2020 Decrease
-58.2%

Share in world
2.4%



Flows, by range

- Above $10.0 bn
- $5.0 to $9.9 bn
- $1.0 to $4.9 bn
- $0.5 to $0.9 bn
- Below $0.5 bn

Top 5 host economies

Economy
$ Value of inflows
2020 % change

Outflows: top 5 home economies
(Billions of dollars and 2020 growth)

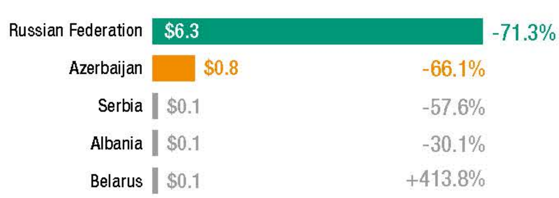
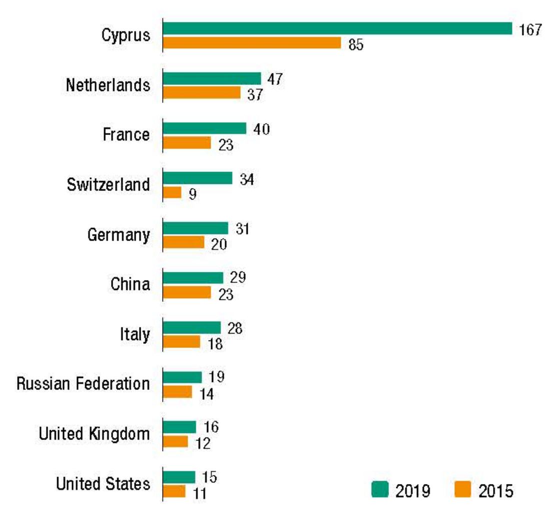


Figure A. Top 10 investor economies by FDI stock, 2015 and 2019 (Billions of dollars)



Source: UNCTAD.
Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Source:

HIGHLIGHTS

- Inflows more than halved
- Outflows suffered a three-quarter decline
- A return to pre-pandemic levels of inward FDI is unlikely

Figure B. **FDI inflows, 2007–2009 and 2018–2020**
(Billions of dollars and per cent)

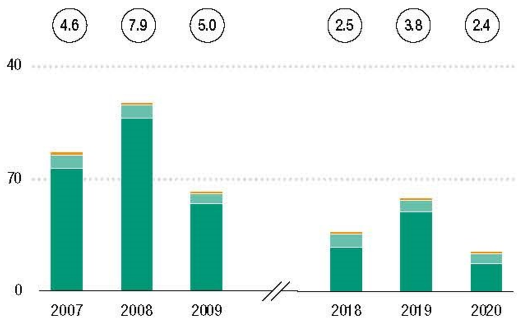
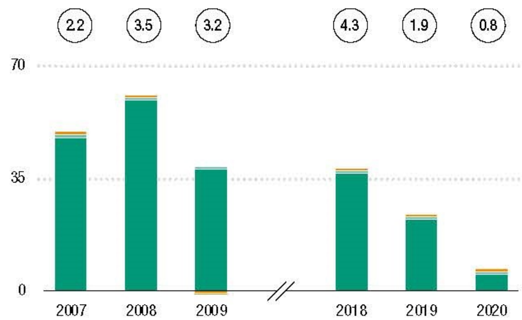


Figure C. **FDI outflows, 2007–2009 and 2018–2020**
(Billions of dollars and per cent)



Commonwealth of Independent States | South-East Europe | Georgia | Share in world total

Table A. **Net cross-border M&A sales, 2019–2020**

Sector/industry	Value (Millions of dollars) 2019	Value (Millions of dollars) 2020	Number 2019	Number 2020
Total	**1 422**	**11 596**	**115**	**69**
Primary	291	11 608	12	15
Manufacturing	275	-680	29	9
Services	856	668	74	45
Top industries by value				
Extractive industries	131	11 608	6	15
Trade	-38	296	11	6
Information and communication	149	252	31	6
Utilities	-66	161	-2	6
Hospitality	-	44	-2	3
Pharmaceuticals	181	33	2	4

Table B. **Announced greenfield projects, 2019–2020**

Sector/industry	Value (Millions of dollars) 2019	Value (Millions of dollars) 2020	Number 2019	Number 2020
Total	**46 036**	**19 529**	**697**	**371**
Primary	806	862	15	10
Manufacturing	31 870	7 884	430	207
Services	13 360	10 784	252	154
Top industries by value				
Energy	5 127	4 608	33	16
Automotive	5 393	1 777	45	20
Information and communication	916	1 681	46	50
Food, beverages and tobacco	3 285	1 665	47	36
Hospitality	1 050	1 427	10	9
Construction	1 629	1 229	13	10
Paper and paper products	528	789	6	9

Table C. **Announced international project finance deals, 2019–2020**

Sector/industry	Value (Millions of dollars) 2019	Value (Millions of dollars) 2020	Number 2019	Number 2020
Total	**26 225**	**21 424**	**59**	**31**
Top industries by number				
Renewable energy	6 194	4 702	33	16
Industrial real estate	1 829	10 057	7	3
Mining	1 589	653	3	3
Petrochemicals	231	4 211	1	2
Transport infrastructure	12 480	784	4	2

Table D. **SDG sectors: greenfield and project finance, selected trends, 2019–2020**

Sector/industry	Value (Millions of dollars) 2019	Value (Millions of dollars) 2020	Number 2019	Number 2020
Infrastructure	14 945	1 015	10	3
Renewable energy	6 194	4 702	33	16
WASH	75	-	2	-
Food and agriculture	4 180	2 228	62	47
Health	816	369	34	12
Education	33	-	3	-

Source:

DEVELOPED ECONOMIES

FDI flows, top 5 host economies, 2020 (Value and change)

2020 Inflows

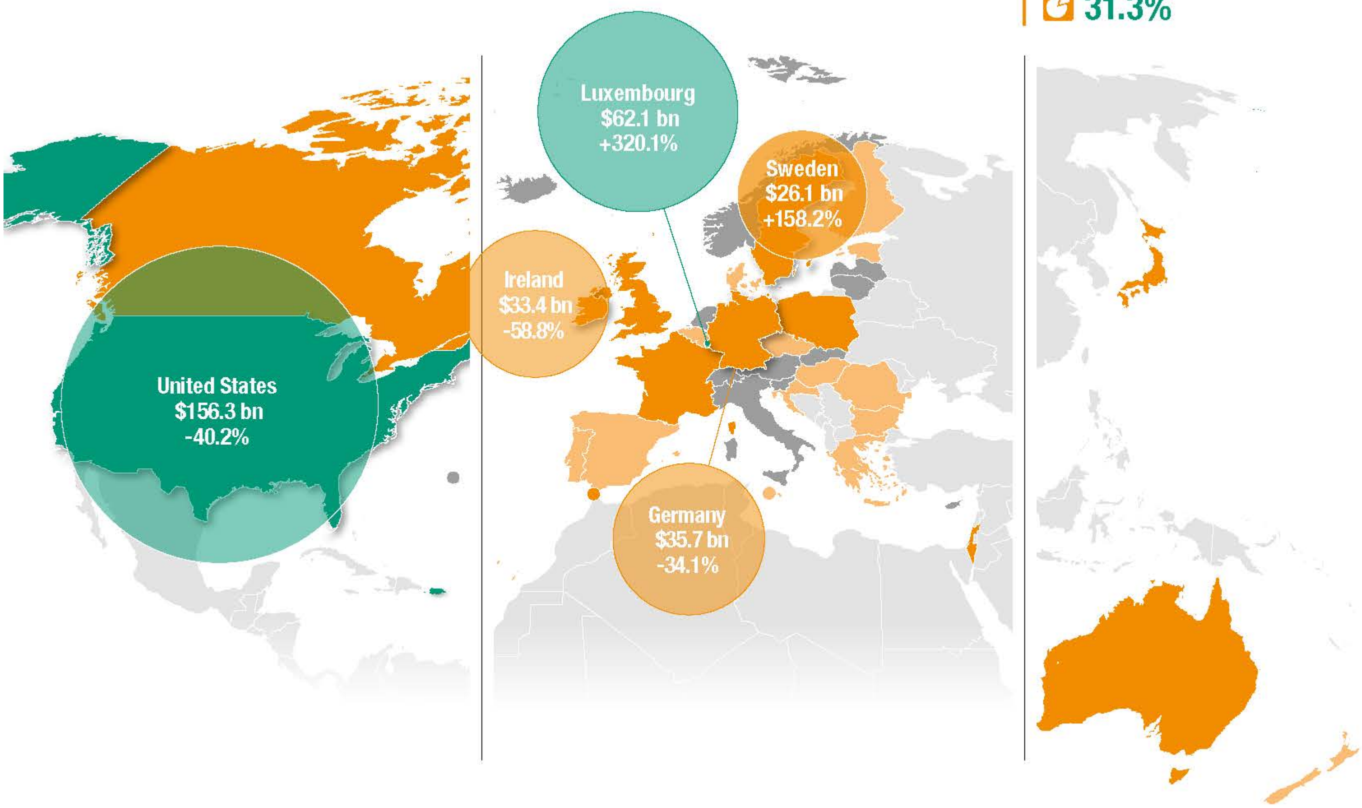
312.2 bn

2020 Decrease

-58.3%

Share in world

31.3%



Flows, by range

- Above $100 bn
- $50 to $99 bn
- $10 to $49 bn
- $1 to $9 bn
- Below $1 bn

Top 5 host economies

Economy
$ Value of inflows
2020 % change

Outflows: top 5 home economies

(Billions of dollars and 2020 growth)

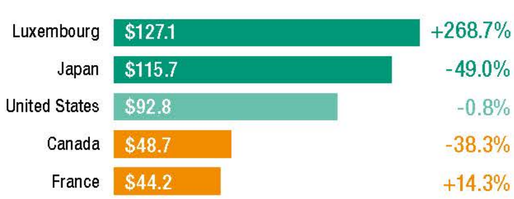
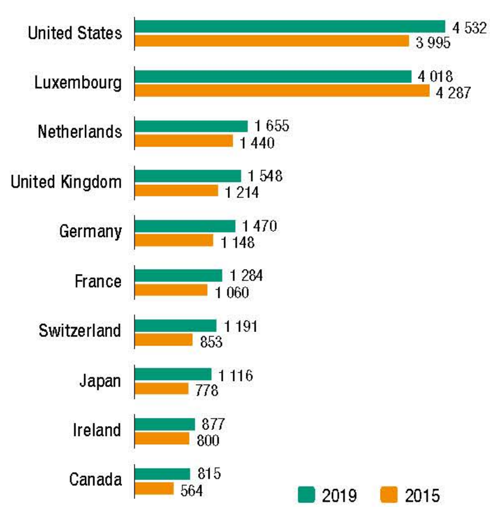


Figure A. Top 10 investor economies by FDI stock, 2015 and 2019 (Billions of dollars)



Source: UNCTAD.

Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Source:

HIGHLIGHTS

- Inflows halved, heavily affected by financial transactions
- Global FDI share plummeted to the lowest on record
- Developed economies are leading the recovery

Figure B. FDI inflows, 2007–2009 and 2018–2020 (Billions of dollars and per cent)

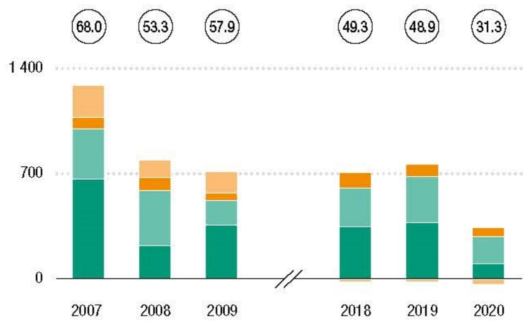
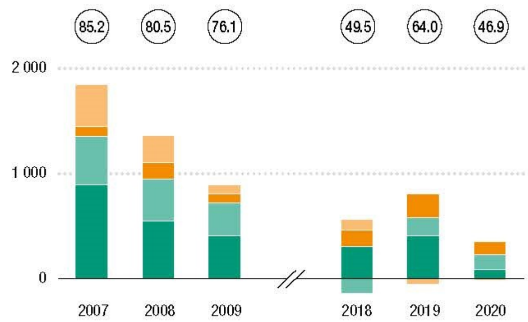


Figure C. FDI outflows, 2007–2009 and 2018–2020 (Billions of dollars and per cent)



European Union · North America · Other developed countries · Other developed Europe · Share in world total

Table A. Net cross-border M&A sales, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	Value 2020	Number 2019	Number 2020
Total	**423 539**	**378 888**	**5 802**	**5 225**
Primary	33 507	48	365	590
Manufacturing	218 440	202 966	1 319	946
Services	171 592	175 874	4 118	3 689
Top industries by value				
Food, beverages and tobacco	18 757	82 744	131	101
Information and communication	20 428	66 752	1 130	1 112
Pharmaceuticals	96 183	44 043	155	175
Electronics and electrical equipment	20 113	38 090	239	159
Utilities	2 119	26 708	153	142
Trade	14 071	19 739	463	405

Table B. Announced greenfield projects, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	Value 2020	Number 2019	Number 2020
Total	**345 740**	**289 048**	**10 331**	**8 376**
Primary	5 180	7 424	55	34
Manufacturing	147 242	99 647	4 432	3 216
Services	193 317	181 978	5 844	5 126
Top industries by value				
Energy	52 506	58 231	272	319
Information and communication	36 924	48 260	2 145	1 998
Construction	42 634	25 868	357	275
Electronics and electrical equipment	28 452	25 650	604	516
Trade	12 564	16 157	434	434
Automotive	18 756	14 844	501	332

Table C. Announced international project finance deals, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	Value 2020	Number 2019	Number 2020
Total	**242 684**	**175 411**	**543**	**587**
Top industries by number				
Renewable energy	112 121	96 319	387	439
Telecommunication	8 454	23 949	17	33
Transport infrastructure	38 633	16 964	21	27
Oil and gas	27 919	8 111	33	23
Energy	15 767	5 734	33	22

Table D. SDG sectors: greenfield and project finance, selected trends, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	Value 2020	Number 2019	Number 2020
Infrastructure	62 853	46 647	71	82
Renewable energy	112 121	96 319	387	439
WASH	423	81	16	7
Food and agriculture	8 789	9 695	316	261
Health	12 554	14 253	496	407
Education	641	260	52	32

Source:

STRUCTURALLY WEAK, VULNERABLE AND SMALL ECONOMIES

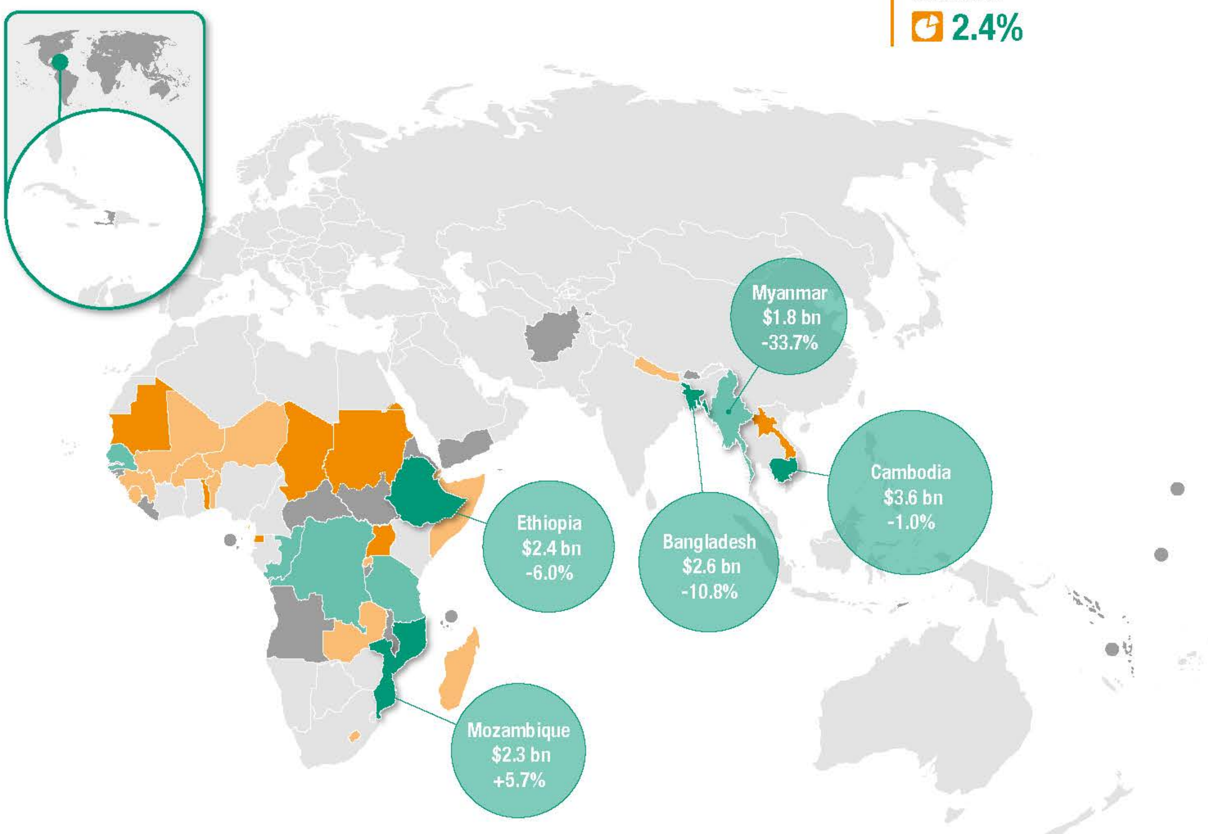
LEAST DEVELOPED COUNTRIES

FDI flows, top 5 host economies, 2020 (Value and change)

2020 Inflows
23.6 bn

2020 Increase
1.4%

Share in world
2.4%



Flows, by range

- Above $2.0 bn
- $1.0 to $1.9 bn
- $0.5 to $0.9 bn
- $0.1 to $0.4 bn
- Below $0.1 bn

Top 5 host economies

Economy
$ Value of inflows
2020 % change

Outflows: top 5 home economies
(Billions of dollars and 2020 growth)

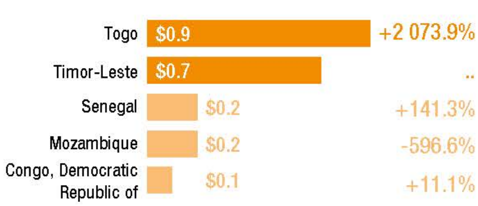
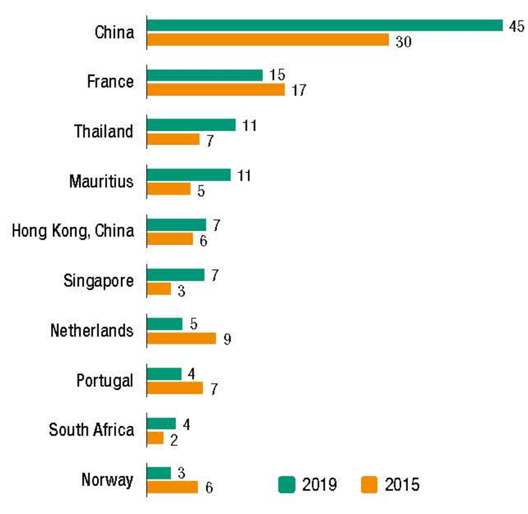


Figure A. **Top 10 investor economies by FDI stock, 2015 and 2019** (Billions of dollars)



Source: UNCTAD.

Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. Final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined. Final status of the Abyei area is not yet determined. Dotted line in Jammu and Kashmir represents approximately the Line of Control agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not yet been agreed upon by the parties.

Source:

HIGHLIGHTS

- Flows remained flat despite the pandemic
- Greenfield projects and project finance deals dropped
- Prospects remain sluggish

Figure B. | FDI inflows, 2002–2020 (Billions of dollars and per cent)

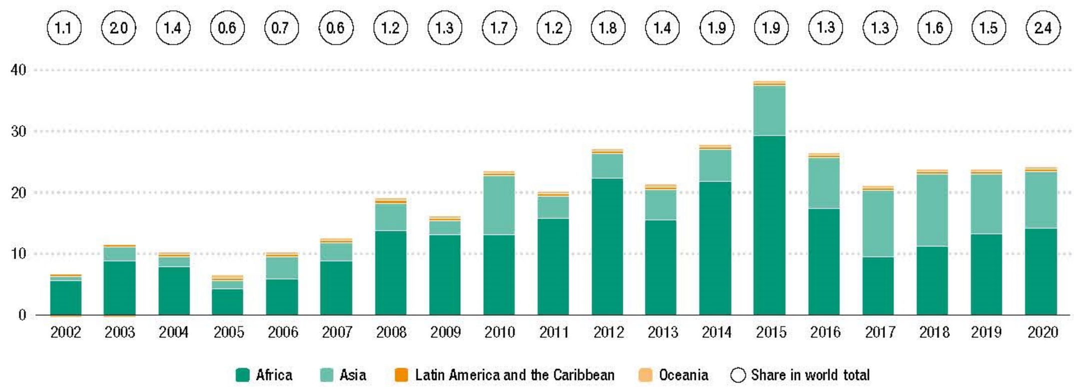


Table A. Net cross-border M&A sales, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	2020	Number 2019	2020
Total	**223**	**421**	**42**	**26**
Primary	-486	404	1	7
Manufacturing	126	17	9	3
Services	584	-	32	16
Top industries by value				
Extractive industries	-527	404	1	6
Pharmaceuticals	..	17	..	1
Finance and insurance	54	-	13	7
Information and communication	0,3	-	1	3
Trade	128	-	4	3
Transportation and storage	-	-	3	2

Table B. Announced greenfield projects, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	2020	Number 2019	2020
Total	**35 384**	**16 703**	**368**	**180**
Primary	2 356	608	11	7
Manufacturing	20 848	5 351	142	55
Services	12 180	10 745	215	118
Top industries by value				
Energy	3 510	6 651	18	23
Coke and refined petroleum	8 859	2 456	8	3
Information and communication	337	2 018	19	28
Non-metallic mineral products	1 588	823	16	14
Transportation and storage	3 812	756	37	15
Wood and wood products	..	750	..	1

Table C. Announced international project finance deals, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	2020	Number 2019	2020
Total	**69 054**	**33 536**	**102**	**69**
Top industries by number				
Renewable energy	6 843	11 159	34	29
Mining	7 831	1 957	25	10
Energy	7 287	4 432	13	9
Industrial real estate	204	989	2	5
Transport infrastructure	6 190	12 601	8	4

Table D. SDG sectors: greenfield and project finance, selected trends, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	2020	Number 2019	2020
Infrastructure	15 576	17 033	22	13
Renewable energy	6 843	11 159	34	29
WASH	61	-	1	-
Food and agriculture	4 703	408	23	7
Health	419	77	14	5
Education	137	21	8	3

Source:

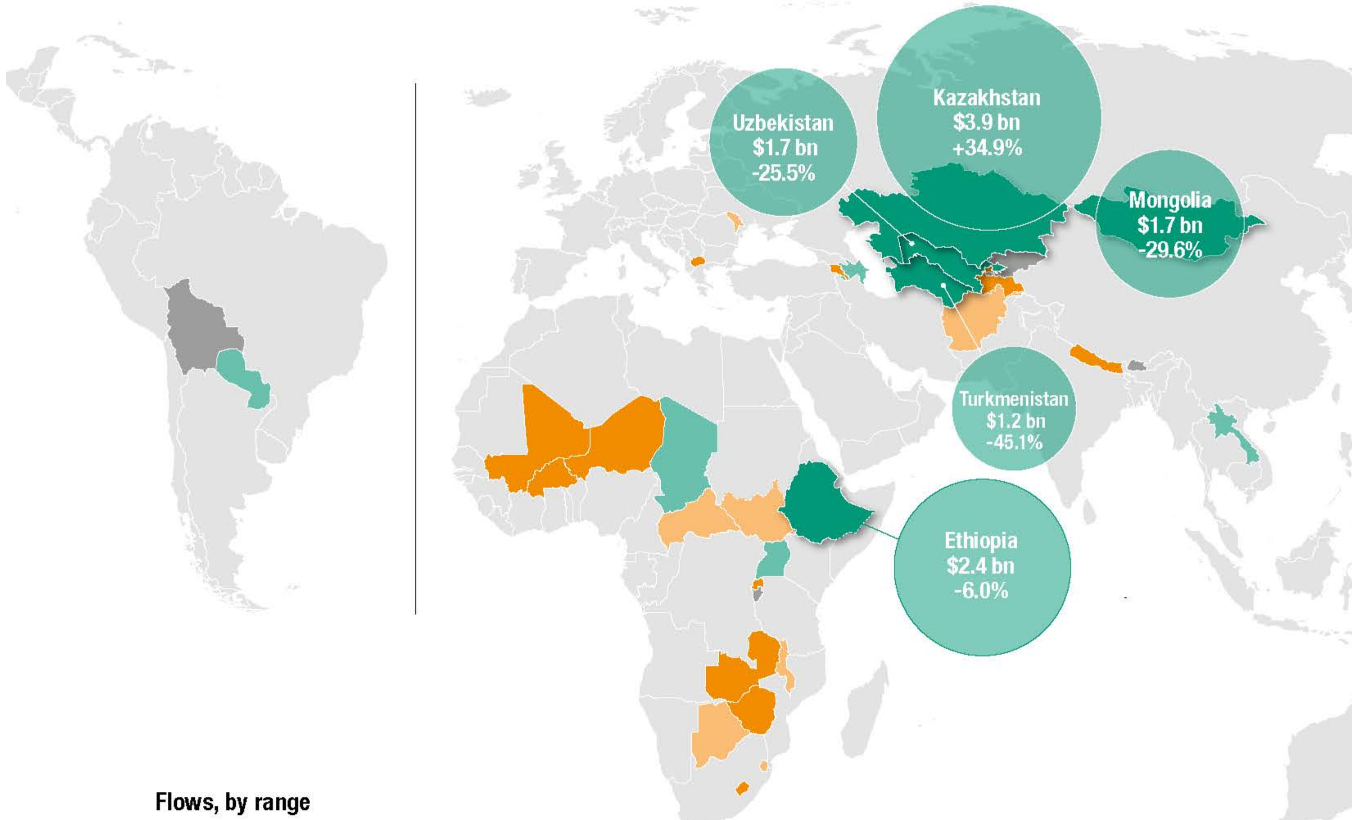
LANDLOCKED DEVELOPING COUNTRIES

FDI flows, top 5 host economies, 2020 (Value and change)

2020 Inflows
15.4 bn

2020 Decrease
-31.0%

Share in world
1.5%



Flows, by range

- Above $1 bn
- $0.5 to $0.9 bn
- $0.1 to $0.5 bn
- $10 to $99 mn
- Below $10 mn

Top 5 host economies

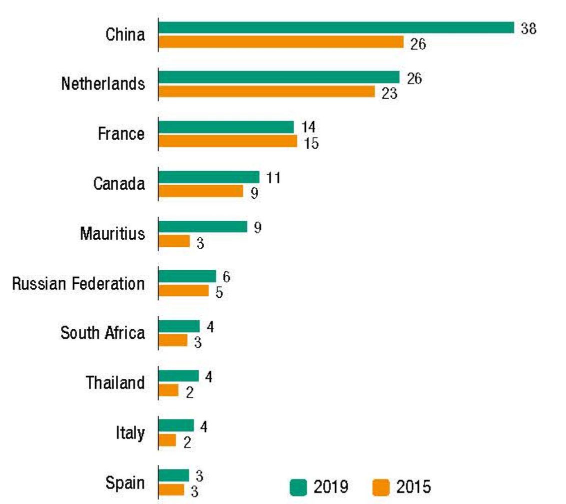
Economy
$ Value of inflows
2020 % change

Outflows: top 5 home economies

(Billions of dollars and 2020 growth)

Azerbaijan	$2.4	-66.1%
Zambia	$0.1	-80.8%
Tajikistan	$0.1	+203.0%
Zimbabwe	$0.0	+44.3%
North Macedonia	$0.0	-1.8%

Figure A. Top 10 investor economies by FDI stock, 2015 and 2019 (Billions of dollars)



Source: UNCTAD.

Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. Final boundary between the Republic of the Sudan and the Republic of South Sudan has not yet been determined. Final status of the Abyei area is not yet determined. Dotted line in Jammu and Kashmir represents approximately the Line of Control agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not yet been agreed upon by the parties.

Source:

HIGHLIGHTS

- FDI declined to 2007 levels
- MNEs from developing countries remain important investors
- Low flows are expected

Figure B. FDI inflows, 2002–2020 (Billions of dollars and per cent)

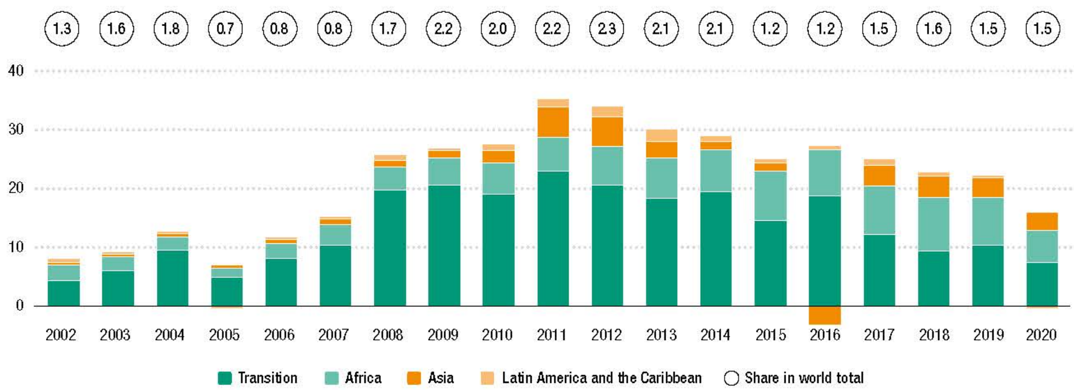


Table A. Net cross-border M&A sales, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	2020	Number 2019	2020
Total	**187**	**78**	**31**	**23**
Primary	-19	27	2	3
Manufacturing	-	17	11	4
Services	206	33	18	16
Top industries by value				
Extractive industries	-25	27	-	3
Hospitality	..	23	..	2
Pharmaceuticals	..	17	..	1
Finance and insurance	149	10	8	6
Information and communication	18	-	1	3
Trade	6	-	1	2

Table B. Announced greenfield projects, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	2020	Number 2019	2020
Total	**25 058**	**12 001**	**354**	**130**
Primary	704	46	10	3
Manufacturing	13 892	4 457	173	44
Services	10 463	7 498	171	83
Top industries by value				
Energy	5 116	4 430	24	17
Paper and paper products	178	3 200	3	1
Information and communication	307	1 822	18	22
Transportation and storage	2 140	373	22	8
Non-metallic mineral products	2 188	294	19	3
Hospitality	447	282	5	3

Table C. Announced international project finance deals, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	2020	Number 2019	2020
Total	**19 908**	**25 587**	**61**	**34**
Top industries by number				
Renewable energy	6 506	9 495	35	18
Industrial real estate	2 410	727	2	5
Residential/commercial real estate	2 300	691	3	3
Transport infrastructure	242	11 244	1	2
Energy	2 306	2 624	5	2

Table D. SDG sectors: greenfield and project finance, selected trends, 2019–2020

Sector/industry	Value (Millions of dollars) 2019	2020	Number 2019	2020
Infrastructure	2 548	13 868	6	4
Renewable energy	6 506	9 495	35	18
WASH	61	-	1	-
Food and agriculture	3 480	205	31	5
Health	711	94	21	3
Education	106	7	8	1

Source:

Chapter 03: Case Studies

3.1 - China's Special Economic Zones and Industrial Clusters:

3.1.1 - Why?

China is one of the main players when it comes to Special Economic Zones (SEZ) and Foreign Direct Investment (FDI). It is the country with highest amount of SEZ approved and functioning presently in the whole world, China manufactures various products and deliver throughout the world.

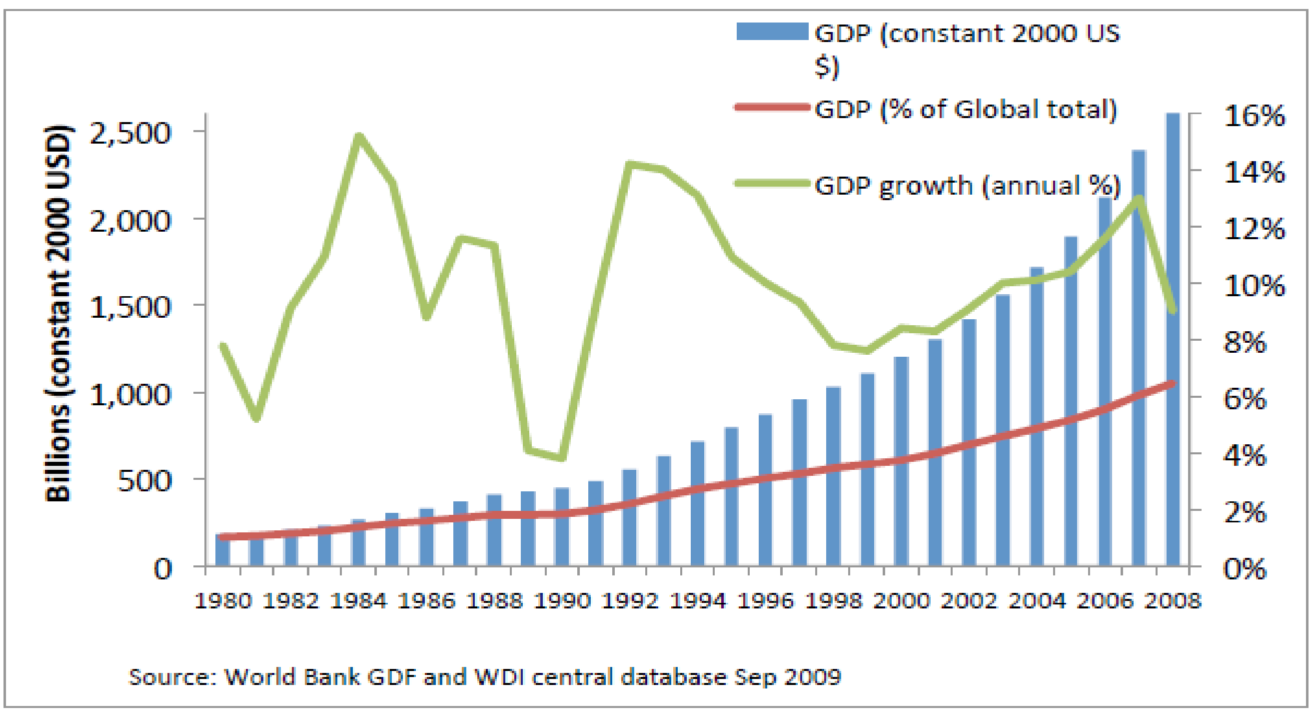
As of now there are almost 2543 SEZ present in China. Of which First SEZ in China came into existence at Shenzhen, Zuhai, Shatou and Xiamen.

China is one of the best paradigms for implementation of SEZ and its impact on development.

3.1.2 - Introduction:

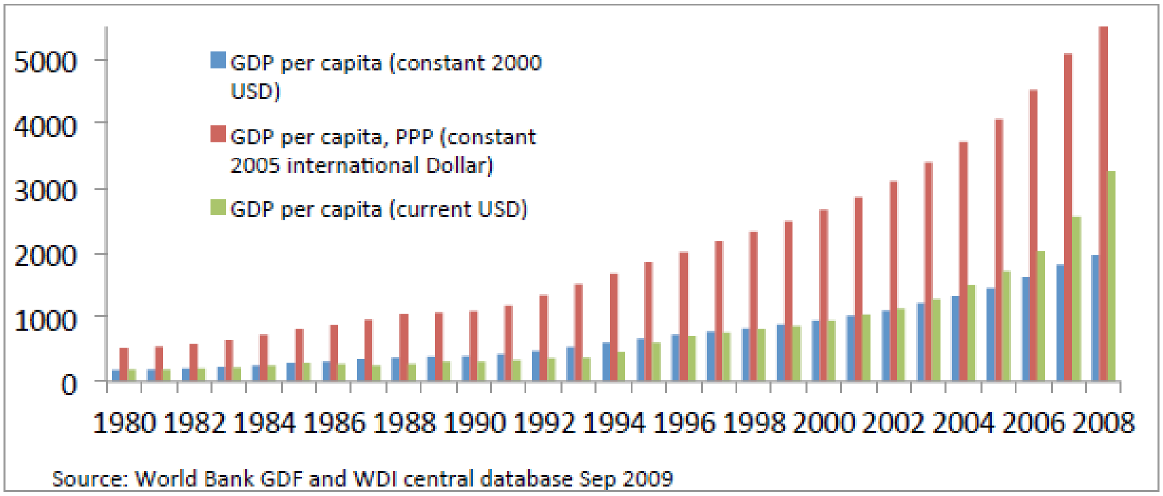
Since the implementation of the Open-Door policy and reforms in 1978, China's GDP has grown at an annual pace of more than 9% on average, with China's global share growing from 1% in 1980 to over 6.5 percent in 2008. (Chart 10) Per capita GDP increased from $193 to $3263. (Chart 14)

Chart 14: China GDP 1980-2008



Source: World Bank GDF and WDI central database Sep 2009

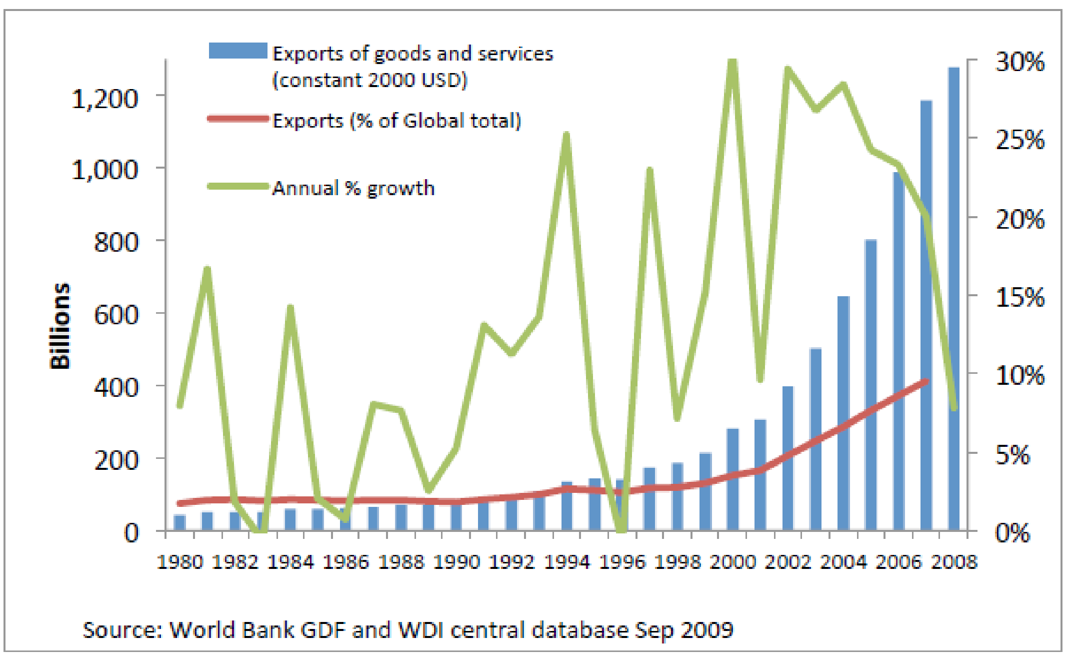
Chart 15: China Per Capita GDP



Source: World Bank GDF and WDI central database Sep 2009

From 1998 to 2007, overall exports rose at an average annual rate of 13% (21.5%), with China's proportion of total exports rising from 1.7 percent in 1980 to 9.5 percent in 2008. (Chart 16)

Chart 16: China Good and Services Exports 1980-2008



Source: World Bank GDF and WDI central database Sep 2009

China's incremental real GDP growth in 2007 exceeded the country's total real GDP growth in 1979. In 2010, China surpassed Japan to become the world's second-largest economy. China has unquestionably established itself as a significant global economic development engine as well as a leader in international trade and investment. As a consequence of the recent decade's tremendous development, approximately 400 million people have been pulled out of poverty. These results are just astounding.

While China's rapid ascent has caused debate among policymakers, business executives, and academics worldwide, the numerous special economic zones (SEZs) and industrial clusters that have sprouted up since the reforms are indisputably two important engines for the country's progress. This study, based on case studies, interviews, field excursions, and thorough reviews of the existing literature, describes the development experiences of China's SEZs and industrial clusters in an effort to assist other developing countries as well as the global development community.

The most essential lessons from China's SEZs and industrial clusters thus far have been gradualism with an experimental approach, a strong commitment, and active, pragmatic governmental support. Among the specific teachings are the following:

• The significance of top leadership dedication and pragmatism;

• Preferential policies and extensive institutional autonomy;

• Strong government support and aggressive engagement, particularly in the areas of public goods and externalities;

• Public-private partnerships;

• Foreign direct investment and Chinese diaspora investment; and

• Preferential policies and extensive institutional autonomy.

3.1.3 - SEZs and Clusters: “Top-Down” versus “Bottom-Up”?

The majority of clusters are formed organically through a "bottom-up" process, whereas SEZs are generally formed through a "top-down" approach by government programs. Some clusters, however, have grown over time from or inside industrial parks or export-processing zones, although they are unusual in developing countries. With the exception of the Mauritian textile cluster, which grew out of an export-processing zone, the bulk of the 11 African clusters investigated in various nations emerged on their own (Zeng 2008).

Because cluster creation takes time and requires a market-based ecosystem, a top-down approach to cluster formation should be utilized with care, particularly in low-capacity nations where past attempts have failed. The obstacles, on the other hand, should not prevent governments from supporting fledgling clusters in their development, expansion, or scale-up, particularly by improving the business climate and intervening appropriately in the public-goods or quasi-public-goods domains of the clusters. Developing policies for a functioning cluster is invariably easier than establishing a cluster.

According to Yusuf, Nabeshima, and Yamashita (2008), finding the important industrial nuclei might be challenging. In this respect, a bottom-up and top-down approach to cluster formation is conceivable; nevertheless, clusters in developing countries are first formed mostly by market forces or "accidental reasons" (Krugman and Venables 1996). (Exceptions include those that "naturally" or "accidentally" develop from policy-induced SEZs or industrial parks, as well as a few unique instances, such as specialized industrial parks in specific countries.) This "mixed" method is suitable for the case study of China, which is discussed in this paper.

3.1.4 - Special Economic Zones in China: A Testing Lab for the Market Economy

In 1978, China launched its Open-Door reforms as a social experiment to see if market-oriented economic changes could be implemented in a regulated setting. Because they were unsure what to anticipate from the reforms, the Chinese government chose to open up a section of the economy at a time, as Deng Xiaoping put it: "crossing the river by touching the stones". As a result, in addition to the usual goals of a SEZ, such as attracting foreign investment and technologies, promoting exports, and creating jobs with spillover effects to the local economy, one of the first Chinese SEZs' important missions was to test new policies and institutions for a market-oriented economy.

3.1.5- The Establishment of SEZs in China

In the late 1970s, China was in desperate need of structural change after the decade-long tragedy of the Cultural Revolution, which had rendered the economy inert and the people physically and mentally exhausted. Deng Xiaoping, the primary architect of China's Open-Door policy, responded by beginning economic reform in 1978, a risky step at the time. In November 1978, farmers in Xiaoguang, a tiny hamlet in Anhui Province, pioneered the "contract responsibility system," which was widely recognized as the trigger for China's far-reaching and ultimately successful rural reforms (South China Morning Post 2008).

3.1.6 - Free Trade Zones:

Prior to China's admission to the World Trade Organization, free trade zones were set up to test the waters (WTO). The three major functions of FTZs were export processing, international trade, logistics, and bonded warehousing. The first state-level FTZ, Shanghai Waigaoqiao FTZ, was founded in 1990. These FTZs might be thought of as Chinese enclaves Despite physically being within China's borders, they operate outside of the country's customs processes. Companies that operate in FTZs are eligible for export tax breaks, import duty exemptions, and lower value-added tax rates.

There are now 15 FTZs in 13 coastal cities (see annex B for a list of the FTZs). The original distinctive benefits of FTZs vanished once China joined the WTO. Since 2004, China has been connecting FTZs with adjacent ports in order to maintain its competitive advantage. FTZs have increased in size as a result of this process, and their logistics and storage roles in international commerce have improved (China Knowledge Online 2009).

3.1.7 - Export-Processing Zones:

Export-processing zones (EPZs) were created to increase foreign exchange earnings by fostering export-oriented businesses. Kunshan was the first EPZ to be formed in the year 2000. So far, 61 EPZs have been formed in China, 44 of which are located along the coast and 17 inlands. EPZs are similar to FTZs, but their sole purpose is to oversee export processing.

FTZs are better suited to export-trading and processing businesses, whereas EPZs are better suited to manufacturing firms that export the majority, if not all, of their goods outside of China (ProLogis 2008).

The success of state-level SEZs led other levels of government to construct additional ones as soon as possible. As of 2004, China has almost 7,000 industrial parks. In order to prevent the mindless growth of industrial parks, China has boosted its efforts to clean up ineligible industrial parks.

The number of industrial parks has been decreased to 1,568 by the end of 2006, with 222 of them being state-level zones. The total anticipated area was reduced by 74.4 percent, from 38,600 to 9,900 square kilometers (China Knowledge Online 2009).

3.1.8 - Contributions of SEZs to China's Development

SEZs have been crucial to China's economic growth. Most significantly, they successfully tested the market economy and new institutions, serving as role models for the rest of the country. By 1992, the notion of openness had spread over the whole coastline as well as all capital cities of provinces and autonomous areas in the interior, with various types of SEZs popping up all throughout the country as a result, by the time Deng Xiaoping embarked on his famous southern tour that year, The aim, which began with the establishment of the first five SEZs, had been achieved in a variety of ways: the "special" economic zones were no longer so special (Yeung, Lee, and Kee 2009).

3.1.9 - Contribution to GDP:

SEZs, among other things, have made significant contributions to national GDP, employment, exports, foreign investment, new technology, and the adoption of modern management practices. In 2006, the first five SEZs generated 5% of China's total real GDP, 22% of total goods exports, and 9% of total FDI inflows. In the same year, the 54 national ETDZs accounted for 5% of total GDP, 15% of total exports, and 22% of total FDI inflows (see table 20).

Table 20: Performance of Initial Five Special Economic Zones and National Economic and Technological Development Zones, 2006

National Indicator	SEZ	ETDZ	China
Total employment (millions)	15	4	758
as % of China total	20	0.5	100
Real GDP (RMB 100 million)	9101	8195	183085

as % of China total	50	4.5	100
Utilized FDI (US$100 millions)	55	130	603
as % of China total	9.1	21.6	100
Merchandise exports (US$100 millions)	1686	1138	7620
as % of China total	22.1	14.9	100
Total population (millions)	25	-	1308
as % of China total	1.9	-	100

Source: national Statistics bureau

3.1.10 - Contribution to Foreign Investment:

SEZs are also an important platform for attracting international investment. In 2007, the five initial SEZs received around US$7.3 billion in FDI. 5 The numbers for Shanghai Pudong and Tianjin Binhai were about US$7.2 billion (Zhong et al. 2009), the ETDZs were around US$17.3 billion (MOFCOM 2008b), and the FTZs were around US$2.6 billion (MOFCOM 2008b) (Zhong et al. 2009). (2009, Zhong et al.). The total FDI figures for the HIDZs were not available. In 2007, China's total FDI utilized was $74.8 billion Page 12 billion. According to these figures, the total FDI utilized from the major national-level SEZs (excluding HIDZs) contributed for around 46 percent of the national total in 2007.

3.1.11 - Contribution to Employment:

SEZs also contribute significantly to national employment. The first five SEZs employed around 15 million people in 2006, accounting for 2% of all occupations in the country (see table 3). Total employment in the Shanghai Pudong region was about 1.47 million in 2007–08. (Shanghai Pudong Government 2008), accounting for around 17% of total employment in the Shanghai municipal government. Tianjin Binhai employed over 0.33 million people in 2007, accounting for around 5.4 percent of the whole Tianjin municipality's employment. The 54 ETDZs and 54 HIDZs employed around In 2007, there were 5.35 million and 6.5 million people, respectively. MOST (2009) When the overall employment of the seven SEZs, ETDZs, and HIDZs was added together, the total employment of the seven SEZs, ETDZs, and HIDZs accounted for around 4% of total national employment (770 million). In actuality, this picture is still incomplete because many subnational SEZs were left out, and if only the percentage of SEZs in urban employment is included, the result should be more than 10%. Rural regions continue to employ around half of China's labor force. SEZs in China absorbed the vast bulk of the country's high-end, skilled workers.

3.1.12 - Major Factors for Success and Lessons Learned

Many reasons contributed to the development of China's SEZs, and the conditions and causes changed in each case. Their success, on the other hand, is founded on certain essential core elements and teaches some common ideas.

3.1.13 - Strong Commitment to Reform and Pragmatism from Top Leadership:

Despite the high level of uncertainty at the start, the senior authorities were determined about implementing changes gradually. This dedication created a constant and positive macroenvironment for change and the new Open-Door policy, preventing political resistance and momentary setbacks from endangering the special economic zone experiment. Deng's southern visit in 1992 demonstrated his determination to reaffirm the government's commitment to market-oriented reforms in the face of broad resistance.

3.1.14 - Preferential Policies and Institutional Autonomy:

A variety of preferential policies were in place to encourage businesses to invest in SEZs, such as low-cost land, tax breaks, quick customs clearance, the ability to repatriate profits and capital investments, duty-free imports of raw materials and intermediate goods destined for incorporation into exported products, export tax exemption, and a limited license to sell into the domestic market (Enright, Scott, and Chung 2005). Housing, research funding, child education subsidies, and "Hukou"7 transfer aid, among other programs, were in place to recruit brilliant individuals, particularly from the overseas diaspora.

SEZs (especially comprehensive SEZs and ETDZs) were also granted greater political and economic autonomy. They possessed the legislative authority to enact municipal rules and regulations based on national laws and regulations, such as local tax rates and structures, as well as govern and administer these zones. Only the provincial-level People's Congress and its Standing Committee had such legislative authority at the time, in addition to the National People's Congress and its Standing Committee.

3.1.15 - Land Reforms:

The development of China's SEZs has been assisted by land reforms, which began in Shenzhen. Prior to 1981, the state owned all land in urban areas, and land in rural areas was held “collectively.” The Guangdong government enacted the Provisional Land Control Regulations in the Shenzhen SEZ in November 1981, enabling investors to apply to the SEZ authorities for a Land Use Certificate valid for 20-50 years depending on the sector and kind of company Standard land use fees for industrial property varied from RMB 10-30 (US$2-6) per square meter per year to RMB 70-200 (US$15-42) per square meter per year for commercial land inside the SEZ.

Allowing private investors to legally transfer state land in China was a historic moment, but defining how the land should be transferred remained a sticky point. In the early 1980s, China lacked a market-based land distribution mechanism, such as public tenders or auctions, and all state land transfers were handled administratively, depending on government permissions and individual agreements This was a time-consuming method that permitted rent-seeking behavior. By the end of 1986, yearly land use tax collection amounted for just 1.5 percent of annual government income, or 6 percent of infrastructure construction investment (Shen and Xu, 2011).

Industrial Clusters in China: A Competitive Engine for the Local Economy

Several publications have extensively proven the benefits of industrial clusters. Three key benefits of industrial clusters have been identified from Alfred Marshall's foundational work (Principles of Economics 1920): Knowledge spillovers, specialization and division of labor among firms, and the development of specialized labor markets Otsuka and Sonobe (2006) classified them into two categories: first, market expansion, which makes it simpler for parts suppliers, assemblers, and merchants to trade components, completed goods, and skilled workers; and second, innovation promotion through the recruitment of key human resources.

3.1.16 - A Brief Overview of China's Industrial Clusters

The bulk of China's industrial clusters emerged naturally, as they did in many other countries, although the government (especially local governments) has provided significant assistance for their growth. These clusters are usually found in labor-intensive industrial businesses or at the bottom of the global value chain. Some top-tier clusters, SEZs have spawned cities such as Beijing, Shanghai, and Shenzhen in recent years, and their success is intimately tied to the success of the SEZs described above. Such clusters, however, are outside the scope of this work.

3.1.17 - How the Clusters Succeeded and Took Off

Clusters survive and prosper largely because they may diversify and refine their commercial operations in order to increase output and efficiency. This ability is especially important in a growth paradigm based on exports. Aside from the well-known low-cost labor component, several additional variables have contributed to the establishment of Chinese industrial clusters.

Gains in efficiency and lower entry barriers as a result of business value chains, production specialization, and division of labor; effective local government support; knowledge, technology, and skill spillovers through inter-firm links, including those with state-owned enterprises (SOEs) and foreign firms; entrepreneurial spirit and social networks; innovation and technological advancements.

3.1.18 - Reflections on the Experiences of China's SEZs and Industrial Clusters

So far, we've looked at the factors that contribute to the success of China's special economic zones and industrial clusters. These aren't necessarily the only factors that have contributed to their success, but they do represent some of the key elements that other developing countries could learn from the industrial experiences of China

The international development community should pay close heed to the lessons learned from China's experience. It has a plethora of useful ideas and methods from which other developing countries may learn and potentially replicate. There is, however, no such thing as a "one-size-fits-all" solution. All experiences and learning must be customized to the unique situation. That is how China prospered by learning from Western countries, and any other country should do the same.

3.2 - Poland's Special Economic Zones:

3.2.1 - Why?

Poland is one of the countries in European union. Despite being developed country it has opt for formation of SEZ to try new policies and Contribute towards the development. First SEZ was introduced in Poland by 1994.

Poland is trying to improve it conditions, as Poland, in Europe stands at almost 24^{th} positions in terms of GDP. Poland status have been improved from 27th in 2016 to 24^{th} in 2021.There have be many measures taken for the improvement of Poland status for reaching top 10 countries of Europe. Establishment of SEZ was intended to diversly impact various aspects of the society ranging from business opportunities, employment, foreign investment, improve Human Development index, contributing Sustainable development goals.

Poland is also of one the examples of SEZ contributing for development but with some shortcoming. Poland benefits from the SEZ but couldn't delivery up to the mark performance as expected.

This helps understanding the importance of administration and management of SEZ

3.2.2 - Abstract:

Using multiple panel data methods, we study this subject in Poland from 1995 to 2020 at the powiat (nuts4 or something like to a commune) and gmina (nuts5 or something akin to a hamlet) levels.

SEZs in Poland have achieved a number of their objectives, including the establishment of private enterprises, business formation (including attracting foreign direct investment), income or wage implications, and environmental sustainability. The policy's beneficial impact, however, is mostly through foreign direct investment (FDI), with little or non-existent advantages on investment and employment.

We find only a minor positive moderating effect of the policy on traditionally economically disadvantaged areas in Poland that were previously dependent on the socialist production model in other areas, such as securing higher income levels and locking firms into the sustainability agenda through the adoption of green technologies and reduced air pollution. As a result, despite significant FDI, the zones initiative has failed to remove the legacy of backwardness and lagging areas.

The major policy consequence of the study is that, while SEZs may be helpful in stimulating activity in the near run, they must be understood as a policy of fundamental temporality and hence cannot stand alone. Before creating SEZs, administrators must have follow-up plans in place to assure the initiative's long-term competitiveness and viability. The link between the specific incentive schemes employed (in this example, tax breaks) and the kind of organizations and activities they attract, as well as the behavioral models supported by those incentives, must be recognized.

3.2.3 - SEZs as a recurring topic in economics and regional development studies

SEZs have a long history in economics and regional science, dating back to Grubel's paper in the Weltwirtschaftliches Archiv in 982. Grubel provided a broad theory of the welfare consequences of free economic zones, or SEZs as they are presently known in the literature. Grubel discovered that no general theoretical response to welfare impacts exists since they are reliant on the balance of economic activity production and diversion.

The emergence of SEZs, according to Grubel, may be explained by a political economy with geographically sorted differential preferences for deregulation. This section of Grubel's paper may explain why SEZs have grown in popularity, especially in underdeveloped nations. Because of the economic geography of socialism, as well as the high concentration of economic activity in large plants, which left some economic areas severely disadvantaged upon privatization, the preference for SEZs over deregulation and special incentives to rebuild the economy is likely to be highly locational in these countries.

3.2.4 - Are SEZs effective according to existing literature?

There is a large body of empirical literature on SEZs. Because it is difficult to collect relevant geographic data of adequate quality to undertake policy analysis using econometrics, the majority of it is made up of case studies (Farole,20 0, WB, 2009, Gibbon, 2008). While case studies might be informative, they are usually inconclusive when it comes to assessing whether or not a policy improves welfare.

A more recent follow-up research on the same issue, performed by the World Bank in 2013 (Farole, 2013), focused more in-depth on India and Indonesia's national circumstances (two countries that have both targeted lagging regions with their spatial policies). According to the research, the policies in both cases have mostly failed to accomplish their objectives.

The report also suggests that policies focus more on the long-term competitiveness of lagging regions and firms, such as through institution-building that focuses on the specific goals of achieving this and ensuring market access by facilitating connectivity between lagging regions and existing centers with high growth rates. Meanwhile, this study raises the question of what the long-term consequences of poor policy in this area will be. Policy analysis appears to have a substantial stake and function to play in this subject due to the large differences in regional development in emerging nations.

3.2.5 - Background and policy context of the Polish SEZs

In Poland, SEZs were initially established in 1994. In the early 1990s, the resurrected left-wing administration launched a drive to address growing wealth discrepancies throughout Poland, particularly those with a regional component. At the onset of the transition, the SEZ strategy often targeted areas with significant unemployment. From the

950s through the 1980s, the communist nations of East Europe followed a long tradition of interference with the placement of industrial production. The previous production patterns were subjected to dramatic disruptions at the outset of the transition due to the liberalization of foreign commerce and the implementation of stricter budget constraints in the public sector.

Many regions in Poland and other transition nations were especially hard impacted, needing government intervention in many situations. Regional governments, on the other hand, were unable to handle these challenges due to financial constraints. As a result, ad hoc SEZs were established to help ease the crisis and attract new job opportunities, new technologies and investment are being pursued with the objective of developing a new export base. This was complemented in Poland by a more progressive privatization of big and medium-sized enterprises in the worst-affected areas. The following are the policy objectives outlined in the Special Economic Zones Act of 994:

- to create designated economic activity zones,
- to promote technology transfer to the zones, and
- to increase exports from the zones
- to boost the competitiveness of manufactured products and services,
- to expand current industrial capacity and improve economic infrastructure.
- to create new jobs, and 7) to encourage the adoption of environmentally friendly practices.

3.2.6 - Data and methodology used to evaluate the SEZ policy

This section presents data from the GUS-published Polish regional databank. A brief review on data quality and availability follows. There are also descriptive statistics for the pooled dataset. Section 5 includes more extensive descriptive statistics, whereas this section contains information on how they were calculated. Finally, before proceeding to Section 5's reporting of econometric results, panel data estimators are presented and addressed at the end of this section.

3.2.7 - Data variables

The study variables are listed alphabetically in the table. Because the availability of the exact variables included in each equation changes, the number of observations in each equation in the research will vary. Some of the variables utilized in the study as dependent variables are only accessible at the nuts4 level, which is less comprehensive. This is true for investments as well as the pay index. The dependent variables of the study are highlighted in the table: emissions, employment, firms, foreign, green invest, invest, and wages.

Table 21: Variables of the study

VARIABLE	DESCRIPTION	AVAILABILITY
Code	Number that identifies the geographical unit. There is also an alphabetic descriptor in the code. The cross-section unit of analysis is the code.	-
Dependents	The difference between the total population and the working population is calculated	1995-2011
Education	Expenditure on education in Polish zlotys.	1995-2011
Emissions	Emission levels of pollutants in air from manufacturing plants that are particularly harmful to air purity, expressed in kilograms of particles emitted from identified pollutants in each geographical location	1996-2011
Employment	People who are employed.	1995-2011
EU subsidies	In PLN, revenue to fund EU-sponsored initiatives and projects.	2006-2011
Firms	ALL REGON-LISTED Organizations (Polish company register).	1995-2011
Foreign	Firms in the private sector having foreign capital engagement in the Region.	1995-2011
Green invests	Expenditures on fixed assets for environmental protection in PLN.	1999-2008
Invest	Investing in businesses in millions of PLN.	2002-2008
Population	Entire Population	1995-2011
Local	REGON lists locally owned, privately held businesses.	1995-2011
SEZ	Classification for territorial entities having a special economic zone based on the ascending listing issued in KMPG in 2004 and alphabetic characters in GUS's regional database	-
State	Businesses owned by state	1995-2011
Subsidies	Total income from general subsidies in the public sector	1995-2011
wages	Index of Average Wage	2002-2011
Working	Women aged 5 to 59 and males aged 5 to 64 make up the working-age population.	1995-2011
year	The year during which the observation time was conducted the time series unit of analysis is given by t.	-

Source: case network studies

The table also illustrates how we dealt with the problem of zeros for each of the crucial variables. We believe that because population-related variables exist in all of the computed equations, our technique appropriately compensates for the influence that changing territorial units may have on the dataset over time.

The purpose is to evaluate the SEZ strategy against as many of its particular objectives (mentioned in Section 2) as feasible. However, because to a lack of data, notably for exports and technology, the study aim can only be met on a subset of the policy's potential dimensions.

The empirical method on the right side of the equation is to utilize the dependent variables in their direct form (log transformed) while controlling for the population of companies and individuals in whom they occur.

3.2.8 - Pooled descriptive statistics

The basic descriptive statistics of the pooled data at the nuts4 and nuts5 levels, respectively. These descriptive data enable some general conclusions to be drawn regarding the relative diversity of economic growth in Poland at the powiat and gmina levels. The prevalence of SEZs at the two levels is a critical characteristic to compare. SEZs are present in 47 percent of all nuts4 sites, but only 8 percent of all nuts5 locations.

The most basic method for comparing data between two geographical units is to calculate the coefficient of variation by dividing the standard deviation by the mean. The findings are shown in Table 22.

The coefficient of variation for the nuts5 level is generally three times more than the coefficient of variance for the nuts4 level. Because nuts5 represents the more detailed village level and nuts4 represents the less detailed commune level, variability increases as the size of the regions or sites compared decreases. As a result, Polish villages are more varied than communes.

This also suggests that there is an averaging out impact when moving from a specific to a more general level, which is common in regional datasets. If all of the affluent villages were in one commune and all of the poor villages were in another, the result would have been the polar opposite.

The previous observations also imply that policy assessment is best done at the implementation level, at least in the initial analysis, and that spillover effects can then be addressed in addition to, but not instead of, the research at the most complete level of data availability. (Table: 22)

Table 22: Determination coefficient for the dependent variables when nuts4 and nuts5 are compared.

	Powiat (Nuts4)		Gmina (nuts5)	
	All	SEZ	All	SEZ
Emissions	2.46	2.26	6.62	2.80
Employment	2.15	1.45	6.23	2.45
Firm pop	1.99	1.47	5.41	2.52
Foreign pop	6.18	2.47	15.14	3.85
Green invests	2.01	1.68	5.62	2.75
Invest	3.64	1.91	-	-
SEZ	1.06	-	3.38	-
Wages (indexed)	0.15	0.15	-	-

Source: case network studies

3.3 - Special Economic Zones in the Western Balkans:

3.3.1 - Why?

Western Balkans comes under territory of transition economies which are aiming to overcome their past crises and problems moving towards more organized and developing economies.

The countries which come under Western Balkan region are Bosnia and Herzegovina, Serbia, Albania, Montenegro, Kosovo, North Macedonia. These countries try to come in line with the world economies in development and improvement in standard of living.

Special Economic Zone and Foreign Direct investment seems to an opportunity for these nations to grow and move themselves towards the developing economies zone.

3.3.2 - Abstract:

SEZs have been a popular instrument for attracting investment to the Western Balkans (WB), and their importance has grown considerably since the crisis. The number of zones has tripled in the previous eight years, as some economies extended their existing zone networks and others established them for the first time. Zones and the incentives associated with them have emerged as one of the most important aspects in the expanding regional competition for foreign direct investment (FDI).

The goal of this paper is to take a closer look at the key characteristics and trends in the development of zones in the WB area, as well as to raise critical issues for future research and monitoring on this important topic.

SEZs developed as part of larger investment strategies aimed at boosting manufacturing investment in the World Bank's struggling member countries, which have struggled for decades to reverse post-transition deindustrialization and provide the basis for long-term economic recovery. The zones' primary goal is to attract investment, particularly export-oriented FDI, and to generate jobs for zone investors through a range of fiscal and nonfiscal incentives.

As a result, zone networks are often found around large cities, transit routes, and country boundaries throughout the Western Balkans. Throughout the transition period, they also tend to locate near industrial centers, where they can access a big workforce with the required technical expertise.

Apart from that, zone networks differ greatly in terms of who owns them, who administers them, and what incentives they offer to investors:

SEZs in the Former Yugoslav Republic of Macedonia range from primarily state-owned and centrally regulated zones in Serbia to decentralized public-private partnerships in Bosnia and Herzegovina and Montenegro.

3.3.3 - Introduction:

This is to summarize The idea and key elements of special economic zones for audiences who are unfamiliar with this policy instrument. The first part examines how SEZs are categorized based on their development goals, location, and types of operations. Section two covers the major geographical features of SEZs and how they change based on development objectives, as well as the various administration and ownership structures that SEZs might use. Finally, analyses of the zones in the Western Balkan setting, as well as the primary motivations for doing this research.

3.3.4 - Special economic zones: Definition and typology

Special economic zones (also known as free zones) are geographical regions within an economy where commercial activity is controlled by regulations that differ from the rest of the economy. These rules may apply to, among other things, investment conditions, commerce, customs, and taxes. Zones can be established to fulfil a variety of governmental goals. The most common objective throughout the world is to attract foreign direct investment (FDI) as a means of growing exports, linking to global value chains (GVCs), and/or structurally changing the economy. Different types of zones are (table: 23)

Table 23: Zone classification

Zone type	objective	illustration	markets
Free trade zone	Supporting trade	These are clearly demarcated areas (fenced-in, duty-free) that offer warehousing, storage, and other services targeted at increasing import-export.	Domestic, re-export
Export processing zones (EPZs)	Export and manufacturing	Industrial clusters which provide incentives and ease manufacturing and other export-oriented operations.	Mostly export
Hybrid EPZs	Export and manufacturing	Zones have been subdivided, with one section accessible to all companies regardless of export	Export and domestic market

		inclination, and another especially built for export-oriented firms.	
Freeport	Integrated development	Large areas that can accommodate all sorts of operations and offer a wide range of incentives and advantages. Residents of the location may also be included.	Domestic, internal and export markets
Enterprise zones	Urban revitalization	Enterprise zones, which aim to revitalize troubled urban and rural regions, are primarily found in industrialized nations, and are distinguished by the provision of tax breaks and financial assistance.	Domestic
Single factory EPZ	Export manufacturing	Incentives are given to a particular business rather than a certain geographic region.	Export market

Source: Derived from FIAS (2008), Special Economic Zones: Performance, Lessons Learned, and Implications for Zone Development, World Bank.

3.3.5 - SEZ location, ownership, and management

Zone location varies based on the rationale for their establishment. Zones intended to attract investment and create industrial activity in a certain geographic region are generally placed near major transportation corridors (such as ports and airports), major cities, universities, or important vocational institutes, or prior or current industrial activity If the primary goal of the zones is to stimulate economic activity in underdeveloped areas, they may be situated in more remote and less well-connected locations.

In publicly owned zones, the degree of centralization of ownership and management can also vary. A designated central government agency is exclusively responsible under a centralized system for creating and supervising all of the economy's economic zones in a decentralized system, local government officials are given responsibility for zone development and management in the aim of being more familiar with local market circumstances and being able to respond more swiftly and properly to the demands of zone investors (Farole and Kweka, 2011).

Types of Incentives for SEZs

The special incentives provided to firms operating within the zone's limits are one of the major factors that separates SEZs from the rest of the economy. Tax and non-tax incentives are the two most frequent forms of incentives (Table 1.2).

Tax breaks are enticing to investors because they reduce their tax obligation. Tax holidays, which exclude investors from paying corporate income or other taxes, and capital cost allowances, which give advantages to investors based on capital expenditures, are two instances of these incentives. (Table 1.2. for more detail).

In principle, these sunset provisions should be strictly enforced to guarantee that investors do not have unfettered access to preferential treatment under the zones. If they are renegotiated, it is for a good cause and in line with the circumstances of the sunset clause; the continuation of such incentives is typically reliant on a favorable appraisal of previous impacts (Owens, 2005). Non-tax incentives might include everything from one-stop shopping for government services and expedited customs processes to infrastructure supplies and reduced legal and regulatory requirements.

3.3.6 - Tax and other financial incentives

- Corporate tax incentives – Tax holidays, reduction in Tax rates, Allowances for capital cost, financing incentive.
- Customs duties exemptions
- Refund for Value added tax
- Exemption for property tax
- Exemption for personal income
- Social security
- Subsidies
- Non-Tax incentives
- Administrative services have been streamlined.
- Legal and regulatory requirements have been relaxed.
- Services for export promotion
- Infrastructure

3.3.7 - SEZs in the Western Balkan context

The six Western Balkan (WB) states on which this research focuses, Albania, Bosnia and Herzegovina, Kosovo, the Former Yugoslav Republic of Macedonia, Montenegro, and Serbia, have developed a large network of zones that currently spans all six economies and includes over 3000 hectares. The rapid creation and expansion of the zones followed a post-crisis downturn that compelled governments to reorient themselves toward more export-driven economic models fueled by investment, notably FDI.

As a result, the zones were established with the primary objective of attracting FDI, particularly in the manufacturing sector, boosting job creation, and encouraging structural transformation towards higher-value-added industries, especially manufacturing.

3.3.8 - Investment context of the Western Balkan economies

The historical backdrop and investment environment for the creation of special economic zones (SEZs) in the WB area.

It is split into two halves. The first analyses the trajectory of investment in the Western Balkan area during the early 1990s in contrast to counterparts in Central Europe and the Baltics, highlighting the difficulties the WB nations have faced in obtaining FDI, particularly in the industrial sector (CEB). This section focuses on the automobile industry, which was a key driver of manufacturing FDI inflows in the 1990s and early 2000s, notably in Central Europe, and is currently affecting WB FDI.

3.3.9 - Significance of historic context

The Western Balkan economies have failed to attract investment during the previous two decades, despite opening their economies to trade and investment in the late 1990s and early 2000s. The WB economies have received substantially fewer cumulative capital inflows and foreign direct investment than their CEB peers (FDI). This discrepancy in investment was notably visible in manufacturing FDI in the 1990s and early 2000s, and this chapter will go through the causes for these shifts in further depth.

Understanding the region's past investment history serves two important purposes. First, one of the major causes for the CEB and WB regions' substantially different post-transition development and convergence trajectories is their vastly different investment patterns.

3.3.10 - The evolution of investment in the post-transition period

It may be argued that the 1990s were crucial in determining the unique development and investment trends of the WB and CEB regions. This period was marked by tremendous economic expansion and change in the CEB states, as well as enormous capital inflows, notably in the form of FDI.

The 1990s were a lost decade for the World Bank economies, as the region remained mired in a deep political and economic crisis brought on by Yugoslavia's protracted armed conflict, as well as external embargoes and sanctions, double-digit negative growth rates, rampant inflation, highly volatile and depreciating exchange rates, and non-market-oriented policies.

As a result, the Western Balkans endured a severe recession in the 1990s. Bosnia and Herzegovina and the Federal Republic of Yugoslavia - which included what is now Serbia, Montenegro, and Kosovo - witnessed real GDP decline by 50% and 25%, respectively, in Bosnia and Herzegovina and the Former Yugoslav Republic of Macedonia. Slow progress on structural changes, as well as a lack of local and international investment, were also observed in the region (EBRD, 2003).

During this period, the investment disparity between the CEB and WB areas was very pronounced. Between 1989 and 2002, the CEB nations received over EUR 150 billion in net capital inflows, whereas the WB received less than EUR 20 billion.

3.3.11 - Current competitive position of the WB region

The laws regulating special economic zones in the WB area were created as part of a wider plan to enhance the overall business climate. Over the previous two decades, the World Bank countries have made great strides toward strengthening their investment climate through expanding trade and investment openness, enhancing the rule of law, levelling the playing field for all investors, and adopting measures to increase the quality of human capital (EBRD Transition Indicators 2014; OECD, 2010, 2016).

3.3.12 - Competitive advantages

In addition to advances in investment policy and promotion, the Western Balkan economies have additional significant advantages that are driving investment both inside and outside the zones. Naturally, the region's physical location is an important advantage, notably its proximity to the EU and placement on the east-west axis of the Pan-European corridors, which positions it well to service Middle Eastern markets.

3.3.13 - Remaining challenges

Despite substantial improvement, several challenges persist that serve as significant impediments to investment in the region. Uncertainty over property rights is a major issue in many economies, notably Albania. Many economies are also beset by regulatory uncertainty as a result of frequent and ambiguous legislative changes, as well as perplexing taxes and charges levied at the municipal level. Although infrastructure quality has improved, a number of concerns persist, notably inconsistencies in electricity supply in Albania and Kosovo, as well as high transportation costs in most nations.

3.3.14 - Current Western Balkan special economic zone network

This

provides an overview of the major features of the Western Balkan special economic zones. It begins by defining the zones using the typology outlined in and then explains who owns, maintains, and controls the zones. Finally, it provides a synopsis of the zones' key geographical qualities, as well as the techniques used by each economy in determining where to place its zones.

3.3.15 - Classification of the special economic zones

In the Western Balkans, 40 SEZs covering almost 3500 hectares of land have been established. Twenty-three of these zones are fully operational, with the bulk of them located in the Former Yugoslav Republic of Macedonia and Serbia. They have attracted a number of big new investors during the previous eight years. The vast bulk of the remaining zones (in Albania, Kosovo, and the Former Yugoslav Republic of Macedonia) are brand new and have yet to attract investors.

The Western Balkans developed a number of economic zones, the bulk of which were free trade zones, in the early 1990s. Duty exemptions for imports and exports to and from the zones were designed to stimulate investment and commerce. They did not priorities attracting manufacturing investment, instead allowing any form of commercial activity (including international trade firms and financial institutions) to set up shop in the zones.

3.3.16 - Zone ownership and management

The ownership and management arrangements in the WB area are diverse. With the exception of the free zone in Tetovo, which is managed as a public-private partnership (PPP) between the TIDZ authority and a Norwegian company, the Former Yugoslav Republic of Macedonia has a virtually completely publicly owned system of technology and industrial development zones (TIDZs). The administration is fairly centralized, with the central zone administrator, the Directorate of the TIDZs, having substantial decision-making power.

Chapter 04: Case Study of SEZ in India

4.1 - Why?

India is one of the main developing nation with 373 Special Economic Zones throughout the country, India being vast and diverse country, it has its own identity and have numerous possibilities in form of development, advancement, and new opportunities.

India has sustainable environment for development of business along with number of options for ease of doing business. There is also increase in demand in market in various streams throughout the industries. There are various resources which can be utilize for production and distribution

4.2 - Study of special economic zones in Andhra Pradesh, India

4.2.1 - Why?

Andhra Pradesh in a state in southern part of India. Andhra Pradesh has the most SEZ in the country with a count of 109 formal approved SEZ, 6 in principal approval and 76 notified SEZ working as of now. Resources present in the region has attract several companies. It has become hub for Information Technology along with various other streams ranging from Food processing, Gems & Jewelry, bio tech, Aero space, and aviation, Pharmaceutical, multi product and much more.

Andhra Pradesh has a port which also helps in greater import and export of the goods for feasible distribution.

4.2.2- Abstract

During the preceding decade, the state's neoliberal orientation in India resulted in a shift in how it tackles issues such as the common good, public purpose, livelihoods, and displacement. The state, which has some extremely strong weapons at its disposal and plays an important role despite its function moving from governance to "facilitating" development programs, has experienced a variety of changes in recent years.

The purpose of this article is to demonstrate the state's participation in assisting the loss of commons in the aftermath of the recent Special Economic Zones Act, 2005, with a focus on the coastal belt of Andhra Pradesh in southern India.

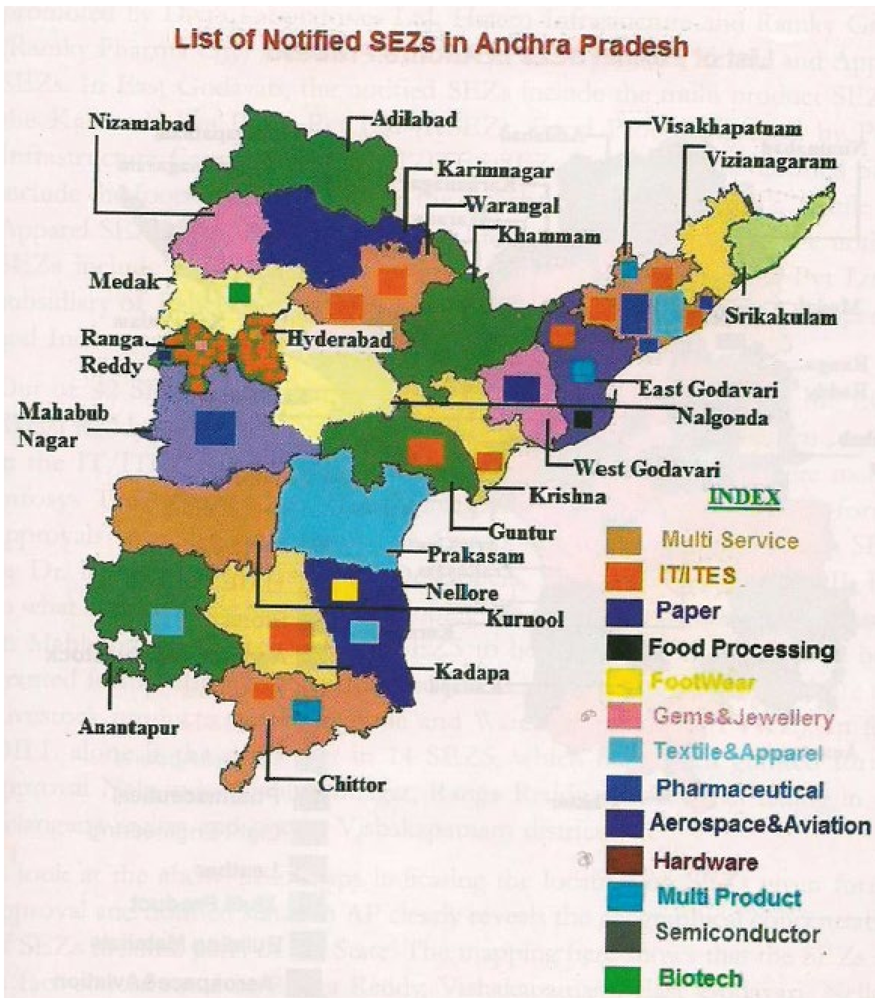
4.2.3 - Introduction

In India, the state has always found refuge in the enormous variety of laws, rules, and regulations contained in the Indian Constitution in terms of environmental protection and people's rights. The State displays its commitment to the provision of rights by making explicit and implicit references to the right to life, liberty, livelihood, and necessities. In other words, the State bases its governing framework on user rights in all areas. Because state rules and regulations are based on the territory's written law, they must also include user rights.

However, this is where a contradiction may be discovered. Despite the fact that the frame of reference remains constant, state theory and practice almost never coincide due to opposing interests.

As a consequence, we can see that there are two separate notions of human rights to life: development and survival, both of which are established by the state but result in a gap between theory and practice. Add to it the government's use of eminent domain to justify growth as a "common good" available to all residents.

Map 1: Notified SEZs in Andhra Pradesh.



Source: Special Economic Zones in Andhra Pradesh, Policy Claims and People's Experiences, S Seetha Lakshmi

4.2.4- Focus

This study, which leans heavily on S Seetha Lakshmi's (2009) study on the same subject, attempts to critically evaluate the state's role in land acquisition and commons loss by concentrating on SEZs in coastal Andhra Pradesh. The research draws attention to the state's use of problematic words like "common good," "public purpose," "compensation," and "displacement" throughout the process. According to the study, the impact of loss and relocation induced by the development of SEZs is disproportionately felt by people that rely on commons and have no land rights.

What is brought to light is the Indian state's new neoliberal orientation, which has altered democratic politics around resource use, particularly in the commons. Although the power of the two fundamental tools, the Land Acquisition Act of 1894 and the state's eminent domain power, has not changed, the state's economic policy has shifted from actual governance to mere "facilitation."

4.2.5 - The commons in India-victim of eminent domain

According to Douglass North, property rights are the institutional framework within which people may establish or exercise their rights over their labor, products, and services that they offer and possess (1990, 33-68). Local laws and organizational norms govern the form and character of this appropriation.

Property rights translate ownership patterns into ownership rights, establishing a framework for economic administration, especially in the case of natural resources. Property rights regimes include private, public, and state ownership of rights, as well as common property resources and open access regimes.

Common Property Resources include access to and use of grazing grounds and pastures, use of fuel wood, non-timber products from forests, feed for animals from forest patches, fish ponds, rivers, and oceans, as well as ground water and the right to irrigation and drinking water (CPRs). Whether via a welfare framework, as a developmental state, or by confining itself to police responsibilities in all developing nations, including India, the state has always championed itself as a guardian of CPRs and the rights of people who rely on them.

4.2.6 - The state carries out these duties in three principal ways:

•Assists local systems by creating a legal framework that allows individuals to acquire legally enforceable recognition of their identity and rights to natural resources that the state is required to safeguard. Technical and financial help through infrastructure, grants, subsidies, and loans.

The efficacy of state management methods is dependent on the empowerment of communities that rely on CPRs via participatory democracy. On the playing field-development and loss of CPRS

Although the theoretical underpinning of Indian land use and management rules appears to be strong, several studies on the subject have demonstrated that solid legislation does not always guarantee successful implementation.

On the ground, there is a lack of local community engagement, too many agencies operating in silos, insufficient conflict resolution mechanisms, and no effective financial planning or information database as a result of bad developmental program design.

Local knowledge is neglected, but it is not replaced by suitable land and water management techniques, and human resource skills are underutilized.

This predicament may be attributed in large part to the 1894 Land Acquisition Act, which supersedes and supersedes all other land-related legislation in India. When the British drafted this law, they intended to acquire land in the name of "public purpose" for economic exploitation and to create raw material supply channels for British industries. This law was based on the premise that all land belonged to the state and that people engaged with this resource as mere tenants.

4.2.7 - Changing role of the state

Less government and less government interference, as well as privatization and devolution of governance to lower levels of government, are important tenets of neoliberalism and globalization. They include less government and a greater dependence on the market to fulfil historically state-owned tasks like as welfare provision, privatization by moving services and activities from the public to the private sector, and devolution of governance to lower levels of government.

A neoliberal state's objective is to separate politics from economics and gain control over natural and human resources. In this new context, shifting frameworks of rights, duties, and powers are altering the state's functions and capabilities.

The state must function within a framework of "multi-layered governance," with the international community acting from on high, civil society working from on low, and business interests flowing laterally to influence governmental objectives. In such an environment, the state has resorted to "accumulation via dispossession," as David Harvey (2005) puts it.

4.2.8 - Special economic zones and land acquisition

The Special Economic Zones Act of 2005 is a result of this collaboration. As previously indicated, the SEZ Act provides lands as foreign enclaves for businesses focusing on export income. The Coastal Regulation Zone Notification is a check on this Act, as it prevents such zones from being established in coastal areas for fear of disturbing the delicate biological balance that exists there.

Nonetheless, in order to maintain the 9 percent GDP growth rate, the state utilizes its eminent domain authority to purchase property for industrial development and is active in transferring vast swaths of land to private businesses to build up these zones with factories and other infrastructural facilities.

4.2.9 - Special economic zones in Andhra Pradesh: endangering the commons

India created Asia's first Export Processing Zone in Kandla, Gujarat, in 1965, after noting the model's apparent effectiveness in encouraging exports. The SEZ Act, approved by the Central Government of India in 2005, provides for substantial simplification of related procedures, as well as a critical role for state governments in export promotion and infrastructure development.

Following suit, the government of Andhra Pradesh (AP) drafted a policy framework for Special Economic Zones in the state through the Department of Industries and Commerce in 2002, and later passed the AP SEZ Bill in 2005, which states that "waste and barren lands" will be acquired first, with single crop lands acquired if necessary.

Andhra Pradesh, after Maharashtra, has the second-highest number of Special Economic Zones in the country, with 68 out of 322 designated SEZs as of 2009. Seetha Lakshmi (2009)

According to the little information available (see table), around 20% of the 20,000 odd km of land bought in the state for Notified SEZs4 are commons, degrading livelihood resources for a substantial section of the population.

While the porambake lands are subject to local Panchayat authority under Section 58 of the Gram Panchayat Act of 1994, If the state does not require them for any reason, the SEZ Act supersedes this constitutional requirement, disregarding the concerns of a few million individuals. Indeed, the Centre has encouraged states to create a Model State Policy on SEZs and to amend any applicable Acts that may be required to facilitate their smooth functioning.

Government lands in Karakapatla village, Mulugumandal district, Medak district, were designated for the construction of a Biotech SEZ in 2007. While official data puts the area at 100 acres, on-the-ground investigations indicate that 515 acres of property were reclaimed, including around 106 acres of unassessed waste land. The bulk of the community's 200 families graze their livestock on the hillocks and village commons.

4.2.10 - Conclusion

When lands remain in the hands of the poor, whether for agricultural purposes or as commons, they have almost no value attached to them because there is no state policy favoring subsidies or investments to develop these lands, but when the same lands are handed over to private players in the name of public purpose, their value skyrockets. As a result, a plethora of assistance policies emerge. Land is viewed as a tradable commodity, with little regard for people or their livelihoods.

Following the passage of the Special Economic Zones Act 2005, one of India's most controversial pieces of legislation, this investigation has brought to light a number of pressing concerns concerning the commons. It makes no attempt to pass judgement or to offer answers to any of the concerns presented. The overarching objective is to raise a few important concerns that merit more thinking and investigation.

4.3 - The impact of Special Economic Zones in India: A case study of Polepally SEZ

4.3.1 - Why?

Polepally is Located in Telangana state, at about 90km away from the capital city Hyderabad. Polepally SEZ came into existence in 2001. The land was allotted to pharmaceutical companies for mass production of products on large scale.

Before the formation of SEZ the land was used for agricultural purpose and the residence were rehabilitated after the formation. Due to changes in political parties in the state there were some conflicts and disagreements among the residences.

This helps understating the proper execution and implementation of SEZ.

4.3.2 - Abstract:

In India, Special Economic Zones (SEZs) are areas designated as quasi-foreign territory where private firms may benefit from a slew of tax and regulatory breaks. They were chastised for basically promoting the relocation of established businesses, resulting in a loss of tax revenue and the weakening of employee rights despite claims of increased exports and foreign exchange gains. They may also be regarded as a policy reaction to commercial land demands, allowing the government to serve as a broker for private businesses in acquiring attractive real estate.

This article offers an overview of the national problem surrounding SEZs before delving into the acquisition procedure and consequences of one SEZ in Polepally, Andhra Pradesh.

4.3.3 - Introduction

SEZs, like its forerunners, Free Trade Zones and Export Processing Zones, are intended to attract foreign direct investment (FDI) and foster fast, export-led industrial growth. The essential aspect of such schemes is that they enable the avoidance of certain social rules or tax requirements that are perceived as obstacles to the growth or competitiveness of an export-oriented firm.

The SEZ Act, approved in 2005 and conceived by the Ministry of Commerce and Industry (MOCI), goes far beyond previous policies in that it wants to build a massive number of private industrial townships, each including hundreds or thousands of hectares of land.

According to the MOCI, states had given formal approval to 571 bids as of February 2010, with 348 SEZs notified. 105 SEZs have already started exporting. The 571 accepted applications are for SEZs sponsored by state governments, joining seven Central Government SEZs and 12 State/Private Sector SEZs established previous to the enactment of the SEZ Act in 2005. MOCI (2010)

4.3.4 - The SEZ Act, 2005

The Indian parliament passed the Special Economic Zone Act in 2005, and it became law on June 23rd of that year. The major goal of the SEZ Act is to boost the country's economic growth through increasing exports. To attract international investment, SEZs provide a wide range of incentives and tax reductions to all those who invest in the Zones. SEZs are promoted as ecologically friendly zones that will provide a significant number of employments for India's "newly urbanized" population. It is important to understand what the government means by a special economic zone (SEZ) and what distinguishes it.

4.3.5 - SEZ tax exemptions

The SEZ Act of 2005 includes a wide range of tax breaks.as follows:

Duty-free imports/domestic purchases of products for SEZ unit development, operation, and maintenance; and Exemption from minimum alternate tax under section 115 JB of the Information Technology Act for SEZ units: 100 percent tax exemption on export profits for the first five years, 50 percent for the next five years, and 50 percent of the ploughed back export profit for the next five years. external commercial borrowings by SEZ units up to USD 500 million per year through recognized banks with no maturity restrictions.

4.3.6 - Central Sales Tax Exemption

No Service Tax • Federal and state approvals are completed through a single portal. Exemptions from state sales taxes and other levy levies provided by specific state governments.

4.3.7 - Approval procedures

State governments play an active role in the establishment of SEZ units. Any request to establish a SEZ unit in the private, joint, or state sectors is routed through the relevant state government, which then forwards it to the Department of Commerce for review, along with its recommendations. Before presenting any proposals to the Department of Commerce, Ministry of Commerce & Industry, the State Government examines all essential inputs, such as water and power, required for the development of a SEZ unit. Within 45 days of receiving the proposal, the State Government must submit the plan to the Board of Approval with its suggestions (BoA).

4.3.8 - The Land Acquisition Act – the (mis)use of "public purpose"

SEZs can be established on any land, whether it is privately held or bought on the open market. Companies have struggled to find large, continuous parcels of land they require, particularly in areas with enough infrastructure and access to metropolitan centers, as well as at reasonable prices. As a result, government officials have taken on the role of "property agent" for the corporations. The Land Acquisition Act of 1894 laid the groundwork for acquiring land for SEZs.

The Property Acquisition Act of 1894 was passed by the British colonial government to make it easier to purchase land for railways, industries, and other "public purposes." Since its establishment, this law has remained largely unaltered. The government now feels that the law is insufficient to safeguard its interests, thus it is being amended in parliament.

The colonial authorities designed the 1894 Act with the intention of obtaining property quickly and readily while minimizing the need for "excessive" compensation. The word "public purpose" was never defined; it became whatever succeeding administrations wanted it to be.

4.3.9 - Loss of revenue

Given the argument about the economic, and particularly fiscal, benefits that SEZs provide to the Indian economy and the general public, the issue of defining "public purpose" in the context of the Land Acquisition Act is critical.

The Ministry of Commerce has advocated for SEZs, but the economic logic of the policy has been questioned by the Ministry of Finance, the Reserve Bank of India, the Comptroller and Auditor General of India, as well as left-wing political parties and popular movements, and the International Monetary Fund (IMF) (Vaidyanathan, 2006).

4.3.10 - Inadequate compensation and rehabilitation

Since its independence, India has followed an industrial development strategy, building massive corporations or industrial estates, as well as projects such as mines, dams, ports, and road and rail network expansion. Each of them has a sizable number of displaced people. There is also understanding on how to establish Export Zones and Electronic Zones. In most cases, displaced people have found few new jobs through these programs, while the educated elite, who make up about 5% of employees in organized sectors, have enjoyed considerable advantages. Ranchi, Haridwar, and the steel mills in Bokaro and Bhilai have all discovered that the surrounding villages have mostly stayed backward.

In recognition of the inadequacies of the existing situation, the Rehabilitation and Resettlement Bill, 2007, has been suggested (Government of India, 2007). The following advantages are proposed by the law for rehabilitation and resettlement:

1. Allotment of land for agricultural uses.

2. Financial assistance in the case of a fire in a cow shed.

3. The transportation cost

4. Employment and skill development opportunities

5. Share allotment possibilities for businesses in SEZ zones

6. Allowances for Substances

7. One alternative is to get a lump sum payment in place of benefits.

8. Special provisions for the rehabilitation of individuals from Scheduled Castes and Scheduled Tribes.

9. Housing Allowances

Unfortunately, the Bill has not yet been passed. As a result, there is presently no adequate statutory provision for SEZ displaced people's rehabilitation and resettlement.

4.3.11 - Polepally SEZ

Polepally, in the state of Andhra Pradesh, lies roughly 96 kilometers from Hyderabad along National Highway 7. Polepally is part of a 1000-acre SEZ project that also includes Mudireddipally, a neighboring village, and Gundlagadda Thanda, a tribal hamlet.

The initial plans for the site in 2002 planned for a "Growth Centre" to encourage industrialization in this rural area. In 2004, the project was declared a "Green Industrial Park," and forced land purchase under the Land Acquisition Act commenced (Indian Realty News, 2008). Polepally and its adjacent villages of Gundlagadda Thanda and Mudireddipally, respectively, lost 693, 300, and 150 acres.

4.3.12 - Methodology of the survey

The case study is based on the results of a survey of 370 houses conducted by SDF in conjunction with members of the local community. Interviews were done by an SDF consultant and a prominent academic who is a member of the Polepally SEZ Solidarity Committee.

The poll was conducted between February and April of 2010. In addition to the quantitative research, extensive personal narratives were collected. The sample of households was selected to cover both those who lost land and those who did not lose land but were impacted indirectly.

4.3.13 - Description of the survey sample

The study's sample includes Polepally village, Gundlagadda Thanda, a Lambada tribal hamlet, and Mudireddipally village, all of which are located in the impacted region. The most impacted are Mudireddipally, Polepally, and Gundlagadda Thanda, followed by Mudireddipally and Gundlagadda Thanda. Respondents from Polepally (83.2 percent) and Gundlagadda Thanda (6.8 percent) account for 90 percent of the total.

Males made up more than two-thirds of those polled (69.5 %). When the family's male head of household was unable to be interviewed at the time of the survey, the spouse was questioned in his or her place. Female replies were mostly from female family heads. Eviction, compensation, and rehabilitation

4.3.14 - Irregularities in the establishment of the SEZ

In 2007, the office of the Comptroller and Auditor General of India (CAG) conducted an extensive investigation into the operations of parastatal entities such as the Andhra

Pradesh Industrial Infrastructure Corporation Limited (APIIC). (2007, CAG) This article is noteworthy because it describes the procedure that resulted in the establishment of the SEZ while also exposing the APIIC's questionable behavior, both towards the Indian taxpayer and the effected people. The following is a paraphrase of paragraph 2.1.19. (CAG, 2007, p.33).

4.3.15 - The eviction processes

Land acquisition for the Polepally SEZ began in 2001 and peaked in 2005. With the May 2004 transfer of administration from the Telugu Desam Party to the Congress Party led by Dr. Y S Rajashekara Reddy, the momentum and severity of land acquisition increased.

The property purchases disproportionately impacted vulnerable communities. The majority of land losers and landless households are from scheduled castes, Muslims, and backward castes, whereas the majority of non-losers are from open and backward castes.

4.4 - Conclusion of Case studies:

In conclusion to the case studies, Special economic Zone and Foreign direct investment help nations in developing and connecting other countries with increase in imports and exports. These strategies also help to overcome the strict constraints of investing in abroad for expansion of the company. It opens a new door for endless opportunities.

China and India set an example of implementing these strategies in a development form and increasing productivity throughout the industries, building strong international relationships, and improving the living conditions of people by generating employment, chance of various opportunities. It also prepares a platform where countries can collaborate with each other based on interests and work resources. It also encourages countries to share their positives with other countries, combining in result for an effective outcome. These strategies also assist nations to proceed themselves towards the developed economies. It also results in competitive markets, benefiting the end consumers with better products at reasonable price.

However, as it a just strategy, it can be misused in many ways exploiting the basics of formation of the Strategy in the first place. This can be seen in the example of Poland, where development happened but was not up to the mark by neglecting generation of employment and management of the SEZ. Polepally SEZ is also another example where the development occurred, and manufactured pharmaceutical products on a mass scale but political conflicts ignoring the local conditions and forming SEZ on an agricultural land, rises criticism and lash back from locals expressing their dissatisfaction on the first place.

Chapter 05 - Saskia Sassen study

Figure 9: Saskia Sassen

5.1 - Why?

Saskia Sassen is Columbia University Robert S. Lynd Professor and committee member of Global thoughts. She studied, cities, states in global economy & immigration. Her work consists of mainly three key variables as digitization, gendering & inequality. She wrote 8 books editor of 3 books. Her works have been translated across twenty languages. She has earned several distinctions and medals. Sassen works sets the impulsive and counterintuitive orders to fixed “truths”. Included in all her 4 books and nearly 40 academic articles and journals.

In The Global City, she states, World economy required precise integrations, with territorial aspects along with highly digitized and global sectors like finance and cooperation’s. At that time this was counterintuitive to the established notions exceeding world economy territory and regulatory connected umbrellas and highly advanced sectors would leave cities. Hypothesis of this is that Global cities nourished by growth of intermediation functions, incases it goes past capitalism phases.

5.2 - Overview:

Saskia Saeen has contributed her study as ‘Cities in a world economy’ on the transformation of cities and role of economy. in five editions of the book various aspects and different case studies are addressed.

Some of the highlights of the books are

1st – understanding the globalization of nations and world economy

2nd - Updating previous edition information and addition of financial markets leading to alliances of cities; Cities role play as network.

3rd – Updating previous editions information and addition of international migration; global wealth concentration with inequalities in various areas.

4^{th} – Updating previous editions information and addition of transformation of urban area by the Rise of Financial, environmental, urban violence in a sense of crises

5^{th} – Updating previous editions information and addition of Movement of urbanization with respect to environmental struggle of cities; urban areas ascendance for privatization.

For this study, the latest 5^{th} edition has been taken into consideration

5.3 - Global cities

Cities are significant contributions to the global economy and culture, necessitating a look at the ecology of urbanization, demographic structure and distributional hubs, or an emphasis on society and social groups, culture, and urban concerns while considering global economics and culture.

The ascent of cities in environmental disputes and the intensified commercialization of urban fabric are the two major issues that are brought out in today's worldwide struggle to characterize the modern urban period.
Wage distribution, variations in labor union, and changes in consumer structure all contributed to urban socioeconomic inequality through altering the nature of the city.

With the growing globalization economy which we experienced in the second half of the twentieth century, great innovations in information and communications have led businesses and individuals to operate everywhere.

In the 1970s, offices and companies were relocated to low-cost areas to avoid taking core space.

in 1980, Throughout the world, Cities including Los Angeles, New York, Tokyo, Sydney, Frankfurt, Paris undergoes a rapidly expansion of economic structure, with insurance firms, commercial banks, and headquarters.

Regardless of the fact that several cities' economies are developing, the neglect and insistence of virtual information and physical dimensions, has clouded the actual function of major cities in the internationalization phase of the economy.

5.4 - Major Economy hubs:

For decades, London, Amsterdam, Mumbai, and Shanghai have been World Bank capitals, performing a range of professional responsibilities in today's global economy. The city is the command center of the worldwide economic organization, as well as the primary market and manufacturing location. Cities will unavoidably link with one another to execute functions and laws as intercity networks grow. Complexes such as corporate development, decentralization of manufacturing locations, labor market structure, gendering, and regional politics have all contributed to the creation of new inequalities. The major responsibilities of manufacturing hubs and ports have been undermined by global economic trends.

The dynamic and rapidly increasing manufacturing impacts of terms of its influence demonstrate that these fields have assisted raise wages, reduce wealth disparity, and establish and extend the middle class.

This idea overlooks downward mobility and the reality that it travels extremely high, and inequality is getting more severe, and the two primary actors in generating policies recognized in the policy arena are the two most famous urban relocations. Define the case as an analytical development program endeavor. The role of urban economic production in macroeconomic performance.

Globalization, the digital economy, and strong technical outputs all imply that location is no longer essential and that the only necessary category of professional employee. This intends to do so, depicts the concentration of global distribution capacity of material infrastructure facilities required for transmission.

5.5 - Interurban inequalities

The global economy does indeed have well-defined borders. Previously, economic growth was merely evaluated across national and regional metrics, circumventing the country, having direct access to international investment, tourism, and enterprises. There was a concerted attempt. Cultural initiatives, as well as growing inequalities between and within cities.

the fundamental features of the global economy that are essential for comprehending globalization and urbanization These global entities are weak or nonexistent in many cities. However, they are becoming increasingly sophisticated in more cities. Cities, when viewed as trends, reflect fresh forms as well as future trends.

Interurban inequalities can be analyzing through:

- Diversification of Urban regions
- The influence of globalization, rise of tourism, internationalization of production and urban systems in developing nations.
- The influence of economic globalization on a well-balanced urban structure.
- The possibility for the creation of border city networks, including communities with substantial immigrant throughout the world.

Changes in the global economy are frequently accompanied by changes in the key sectors. contributing to the global economy of industrial zones that define the major transition throughout time.

5.5 - Geographical growth by global economy

When the West and Japan re-enter international markets and restore their economies, a new era in the global economy begins. in the mid-1970s, New patterns in the world economy emerged with great consistency among specialists. Geographic, demographic, and institutional factors have all altered as the global economy has grown.

- The initial international transactions shifted geographical axis from North to South, and later to East-West. Significant regions of Latin America and Africa got disconnected from their formerly strong links with global commodity and raw material markets.
- Second, there has been a significant growth in international financial markets. and FDI in services
- the existing institutional framework within which the international economy has worked since the conclusion of World War II has collapsed. This collapse was obviously connected to the United States' tumble as the world's sole major economic power.

Later, Japanese, and European multinational corporations and banks became important rivals to US firms. The Recent economic crisis of the 1990s strengthened the North Atlantic system's role in the global economy once again.

The key changes of the recent urban system have highlighted several themes such as the constant increase of megacities, the emergence of new growth, the growth of tourism and the internationalization of production. In some situations, these new developments will appear as new destinations for migrants, resulting to a slowdown in other cases when migrants are in primate cities.

5.6 - Advanced economies trends

It has revived the dominance of large cities, particularly in Western Europe's affluent countries, by concentrating a comparable and often important sectors account for a disproportionate amount of economic activity. Many large cities in the industrialized world lost population and economic activity throughout the 1970s, a period of irreversible decline. However, there has been a revival since the mid-1980s, resulting in the convergence of the two main tendencies of all developed economies.

- Transition to services, especially business services such as corporate and services banking
- nationalization of financial growth. this functions at the regional, continental, or planetary levels.

These two tendencies are connected. The aggregation of linked activity in large cities is a notable trend in terms of spatial relevance. Much of today's urban criticism misses the reality that the dynamics of this urban expansion are dependent largely on the requirements and desires of the place and do not necessarily compensate for the population decrease caused by suburbanization.

5.7 - Cities as postindustrial production sites:

The primary issue is the city's role as a manufacturing hub for the important service sectors that power the economies of sophisticated companies. The following is the emphasis of the manufacturing process:

- Capture some of the positional characteristics of these service industries
- To investigate the hypothesis that there is a producer-services complexity with contextual and production attributes distinct from those of the businesses it covers.

Power is vital in the structure of the international economy, but so is manufacturing: in this instance, the production of those commodities that comprise the potential for global control, as well as the infrastructure of employment evoked in this production. This permits us to concentrate on the urban social order connected with these activities.

5.8 - Distinct patterns emerging in major cities

Three patterns are forming in large cities and surrounding areas, as well as in other parts of the world.

First, since the 1980s, the majority of companies in the center of large cities has risen. This is mostly characterized by the expansion of key areas and subsidiary industries. This type of economic expansion has occurred in the city core of some of the most active cities.

Second, the expansion of core cities has resulted in the establishment of concentrated nodes of commercial development and economic activity in larger metropolitan regions, excluding export-oriented growth poles and cities experiencing substantial social upheaval, such as Johannesburg. This tendency is less evident in underdeveloped nations. Suburban office complexes, edge cities, and regional urban aggregates were among the numerous forms of these nodes. The Edge City features a high concentration of office and corporate activity, with residential regions in the surrounding area well connected to a central location throughout the country. Active metropolitan centers and new regional hubs provide the spatial foundation in industrialized nations.

The third trend is the rising localization, or marginality, of areas and sectors functioning outside of the world's market focused subsystems, which involve increased disadvantage and poverty. The rise of global slams is a notable exception to this tendency in the sector. This is a huge setback for a global society that is establishing itself as a player on the globe. The broad dynamics resulting from these three forms function as cities with a wide range of political, economic, political, social, cultural, political relations. There are currently several options open for this trend and spatial layout, which began in the 1980s and extended until the early 2000s.

5.9 - Novel spatial formats

The formation of new spatial forms are results of significant shifts in the scale, location, and substance of economic activity. Among the most prominent are that both Global Cities and Megaregions serve to the geography of a range of exciting and older geography of global inter-city.

These changes necessitate a shift in the framework and regulations in order to accommodate this new spatial format and optimize the possibilities for profit sharing. Megaregions and Global Cities are two separate forms, although they both use the same principles. Two such dynamics stand out.

- Expansion and its consequences—in this case, megaregional and global expansion.

- Another aspect is the interplay between geographically scattered and emerging forms of emulsified economies. Working in megaregions and global cities, respectively, and establishing a shared analytical foundation for these two very different spatial forms, we are creating a more focused approach to empirical research and policy

5.10 - Development forms

Urban development could not understand without the fundamental perspectives of big companies in industrialized nations. The mix of political, economic, administrative, and technical skills contributes to the loss of production as a primary driving force in the economy altered the work environment and led to the downfall of the larger economic structure. The driving economic Core categories one of which service sector, which began in the 1980s and is still developing today, is distinguished by higher salaries and more employment variety, with a growth in high-income employees, weaker unions, and an increasing percentage of casual low-wage positions.

The framework of connected systems that generate job interactions differs from the structure of the mass production growing season. Today, there is a lot of part-time and temporary employment, which diminishes the protection and benefits of the rapidly increasing workforce. These shifts in work connections have led to the reorganization of social renewal. and consumption areas, which effects income and economic organizations

Because of at least three factors, the strength of these distinct trends is stronger in major cities than in medium-sized cities. The first is a significant increase in income diversity or concentration in a key growth region with a disproportionate concentration of low- and high-wage occupations in large cities.

The second factor is the daily flood of non-resident employees and visitors, as well as an increase in tiny, low-cost service jobs made feasible by such cities' huge population density. The number of these service firms, as well as their share of the resident population, are likely to be higher in extremely big cities than in medium-sized cities. Additionally, there is a propensity for people to congregate in big cities, and intense incentives to start such enterprises are created, resulting in harsh rivalry and minimal profit. Because labour costs are so high in this circumstance, low-wage occupations are more likely to be concentrated.

Third, the proportional scale of the industrial and informal economies, which degraded due to these causes and other demand variables, may become more pronounced in standard size cities such as Los Angeles and New York.

5.11 - Polarization of economy

Looking at polarization in labor market organization, utilization structure, land use, housing market, there is a dynamic growth contributing to inequality instead of middle-class development, as was the case in 1970s in developed countries. Because the middle class constitutes a sizable percentage of the population in many cities, it represents an essential conduit through which money and culture are socially integrated. Nevertheless, the characteristics of the newly reformed business area will continue to develop, while the core of the middle class will reduce as it becomes a segment. Reproduction is only a minor aspect of life in industrialized countries.

Since the 1980s, some such segments of the middle class have received more money, while others have gotten poorer. This tendency became visible in major Southern Hemisphere cities such as So Paulo, Mumbai, and Shanghai in the 1990s. In summary, the middle class was split into a greater up-and-down tilt than previously.

It simply has no statistical difference. Here's an example of a new economic system component. Indicating rising inequality linked with greater service jobs in cities, especially sophisticated services, raises issues about the economic reforms that these developments accompany, and some of these problems are service-related. It is also foundation for urban economy.

The variations in jobs and income patterns seen are the consequence for labor sector, including both company and industrial, as well as changes in existing and new fields. Strong linkages between firms, industries, and people appear to have little to do with the city economies dominated by financial and professional services.

5.12 - Global resettlement of women:

Globally, women's migration and trafficking are predicated on specific aspects of present internationalization throughout the world. To understand how globalization truly correlates to the extraction of service globalization, where globalization was part of the local role of women in developed nations in a different way than the mainstream perspective.

Rather than confining the explanation of globalization to surplus capital liquidity and the growth of the information economy. the reality that specific types of locations and activities are also included in economic globalization. Keeping these two particular requirements in mind. globalization of old-age survival and profit operations, which lead to today's worldwide supply of low-wage female employees. The other is in response to the fast reconfiguration of labor demand as the need for, nurses, housekeepers, nannies, and sex workers relocating from the Global North rises. Such processes could be seen most prominently in global cities, which define key positions.

The government's and the economy's overall financial decrease in south has encouraged and facilitated the growth of functions that produce survival and profit, such as relocation and women trafficking. These are countries or areas that were formerly isolated and can now function on a global scale.

Women, through work and remittances, help to boost government revenues in debt-ridden nations, and they have the ability to create profits for businesses that they see as an outcome of world corporations and markets entering their home countries, or for which other opportunities have been lost for years. is a criminal who can trade illegally all over the world.

Megacities, including the capital of global companies and women in the southern portion of the world, are crucial among these new factors in terms of new labor demand characteristics. This site concentrates on several critical resources and services for controlling and coordinating worldwide economic activities. The expansion of these operations has resulted in a rise in the demand for high-paying experts.

economic entity has contributed significantly to the development of the new economy. Globalization has an important role in this context.

First it helps to establish a relationship between the transmitting and receiving nations.

Second, urbanization allows local and regional activities to contribute to world economy.

Third, it encourages fundamentals that combine in global cities (and tourism enclaves) to generate a strong demand for different types of workers

5.13 - Conclusion:

Global cities are considered as a promising sociocultural phenomenon. Global cities, as a swiftly and widely growing location in the domains of finance, information, and people, are at the core of important urbanization. It also includes an interdisciplinary framework for society with global models, studying how global contexts affect the social system of cities.

It also represents the most recent information, studying recent scenarios on a range of issues such as.

- The Global Economy Aftereffects of Crisis on global economy
- Global Societies connected and supported through network of finance
- Cities becoming Environmental Advocacy and Economic Reform and Leaders
- Migration of people and impact of crisis by refugees.

Chapter 06 - Dr. Bejene S Kothari study

Figure 10: Dr. Bejene S Kothari

6.1 - Why?

Bejene S Kothari is Professor at College of Engineering Trivandrum, India. She is Academician past 19 years in architecture and Urban planning. She works on Dynamics of socio – spatial & urban development, Sustainable urbanization, Planning development, spatial modeling & GIS. She has published books and journals contributing to the Indian Context. Due to her She have achieved recognitions in various domains.

In Sez policy implementation and regional development scenario, she states implementation of SEZ in developing country like India for a better development and progress advancement of the country. She also highlighted various loose points which needs to be addressed for a SEZ to function properly for betterment. Further, she simplified the rules, regulations, and requirements in a more understandable manner, for introducing, organizing, and managing the SEZ.

6.2 - Special Economic Zones: Indian Rationale

Over the last several years, certain localities in many Indian states have been targeted. large and small, which are either effective or dysfunctional in rural and suburban areas Special Economic Zones (SEZs) have been established in metropolitan areas. (SEZs). The Ministry of Commerce and Industries claims Foreign direct investment (FDI) is critical for the country's fast economic growth, according to the Government of India, and towns require economic zones with amenities that meet international standards to attract such investments. The government cannot feasibly offer these amenities throughout the country in such a short period of time.

As a result, attracting private finance is the only way to build zones with the necessary infrastructure, initially in selected areas. The benefits of the zones would ultimately "trickle down" to benefit less developed areas as well, ensuring the country's balanced growth.

To entice private capital to embark on this job, the government must provide different incentives and subsidies for constructing industrial and related infrastructure within the zones.

The zones' tangible advantages include their net contribution to the country's economic growth, the creation of skilled and low-skilled jobs, new physical and social infrastructure facilities, increased domestic sector competitiveness, and better local economic circumstances.

Intangible benefits include increased global recognition as a preferred investment destination, facilitating urbanization and assisting the transition from agriculture to the industrial economy, decreasing rural-urban migration, encouraging counter migration to decongest the urban core and reduce pressure on existing urban infrastructure, raise knowledge of the most recent technical developments, which aids in the capacity building of local enterprises and an overall enhancement in the quality of life.

According to official figures from 2000-2001, India's unemployment rate gradually increased throughout the 1990s, reaching 9.2 percent in 2000. 24 According to the Indian Census (2001),

The preceding sentence eloquently expresses India's urgent need for job creation and inclusive growth. Furthermore, agriculture employs 60% of India's workers but contributes just 17% of the country's GDP, and the average size of operational land holdings has gradually decreased over the years, particularly in bigger Indian cities, which was projected to be at 1.32 hectares in 2000-200125, rendered agriculture unviable for many landowners. Critics point to market-oriented economic policies focused mostly on secondary and tertiary sector advances throughout the later part of the 1990s as the primary reason of the agriculture sector's massive setback.

As a result, the last decade saw an exceptional surge in rural-urban migration rates, particularly to big and small urban centers from rural regions, resulting in a massive labor excess, mostly in the unskilled category, raising unemployment and poverty rates.

According to studies, India's income inequality, as measured by the Gini coefficient, increased dramatically between 1993-94 and 2004-05, reaching as high as 0.363, compared to the prior trend of approximately 0.32. (Debroy and Bhandari, 2006)

As a result, the only realistic alternative for inclusive development and expansion of the Indian economy was recognized as nationwide industrialization and job creation.

Policymakers assume that the revitalization of economic reforms focusing on the manufacturing and service sectors, as well as the liberal economic regime facilitated over the last decade, has accelerated India's growth rates, with the country recording an impressive 7.4 percent growth in 2009-2010 despite the global downturn. The Special Economic Zone (SEZ) program, implemented in 2000, rose to popularity as a radical change in India with the ability to act as engines of rapid growth and development, given the country's enormous size and huge socioeconomic inequalities.

Studies with SEZs in other developing nations show that they have enormous potential for job creation in both the skilled and unskilled categories.

Furthermore, it is expected that the intrinsic need for ‘state-of-the-art' amenities inside the zones would spread to neighboring rural regions, creating superior physical and social infrastructure facilities, and integrating the rural hinterland into mainstream economic activity.

These initiatives are also intended to boost the domestic sector and offer work for the rural poor who would otherwise be engaged in unproductive labor, therefore addressing the region's chronic poverty.

Proponents of SEZs further say that other developing nations, such as China, Thailand, and Vietnam, have achieved tremendous progress in physical and social development as a result of SEZs, and have risen well above India in the World Human Development Index (HDI) ranking. Despite all of its enticing promises, India's SEZ policy drew widespread criticism for its inherent dangers from a wide range of rationalists and the general public.

According to Shrivastava (2008), no other program in India's economic reform era since 1991 has elicited as rapid and severe popular resistance, as well as intense intellectual condemnation from worldwide multilateral organizations and other prominent institutions.

There are numerous references to previous instances of such large-scale development initiatives gradually excluding most of the disadvantaged population from the growth process, the most recent being the globally aided modernization and expansion of major metropolitan centers, which favored the country's economic liberalization drive.

NCEUS (National Center for Education Undergraduate Studies), 2007. Critics refer to the absence of social concern in India's current economic policies as the primary cause for an increase in effective poverty rates compared to the previous decade, despite ongoing attempts to alleviate poverty and the steady growth rate achieved by the Indian economy in recent years. Unlike any other economic change implemented in recent decades, The SEZ policy proved to be one of the most difficult problems for the Indian government owing to the extraordinary controversy it sparked in nearly every aspect of its implementation phase.

6.3 - Area requirements of Zones:

An SEZ in the Indian context essentially consists of a processing zone designated exclusively for the industrial activity having one or several SEZ units which could possibly be run by different entrepreneurs.

Table 24:: Land requirement for SEZ in India

SEZ Area Provisions and Norms		
Type of SEZ	Min area requirements in hectors (max 500Ha)	Min processing area %
Multi-product	1,000 (To encourage broad development, the minimum acreage requirement in certain states and union territories has been decreased to 200 hectares).	50 (can be decreased to 25% on a scenario basis for circumstances that must be documented in writing by the BOA)
Multi-services /Sector specific	100 (To encourage broad development, the minimum acreage requirement in certain states and union territories has been decreased to 50 hectares)	50
IT/ITES, Electronic Hardware/Software, Gems & Jewelry, Biotechnology, Handicrafts*, Non-Conventional Energy Products	gems and jewelry - 50,000 sq.mts, bio-technology and non-conventional energy - 40,000 sq. mts IT - 10 with minimum built-up area of 100,000 sq.mts	50
Seaport/Airport based	100	50
Free Trade Warehousing Zone (FTWZ)	40	50

Source: sub rule: 2 of section: 5, Chapter II Procedure for establishment of Special Economic Zones, of SEZ rules, 2006

6.4 - Institutional Framework of SEZs

Figure 11: Institutional framework of SEZ

illustrates the concerned authorities and their responsibilities for providing and receiving approvals and their commitments at various stages of the SEZ development (Figure: 00) Source: India's Special Economic Zones: Indojuris, 2007)

Figure 00: Institutional Framework of SEZs

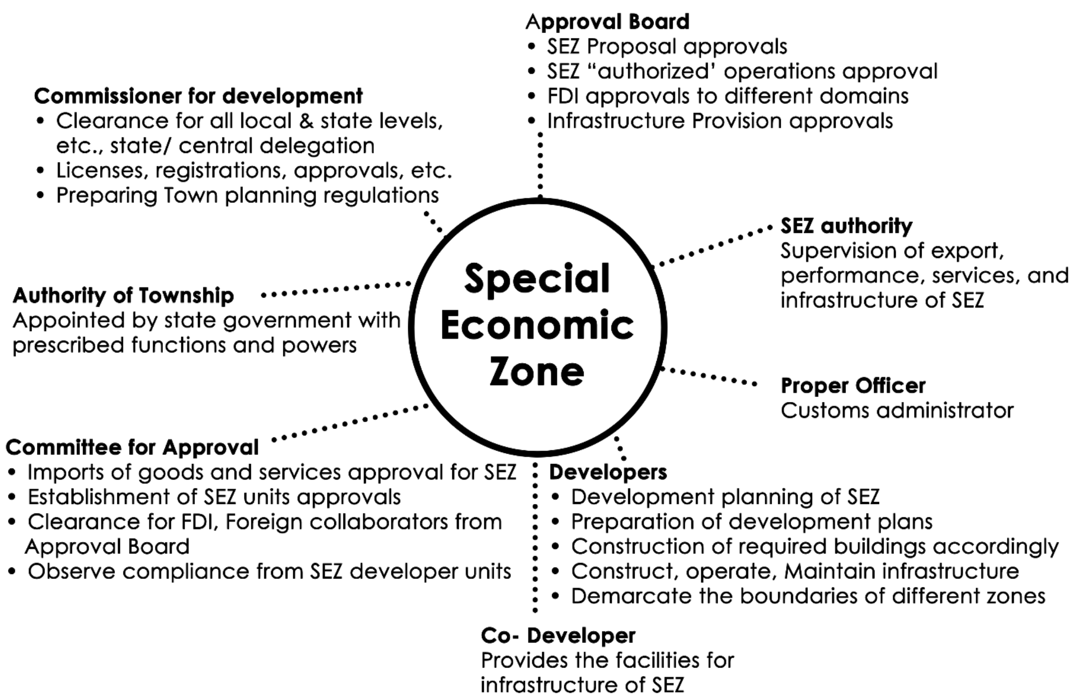
6.5 - Obligated Infrastructure Facilities for SEZ

The state is required under SEZ laws to provide important facilities like as water and electrical supply, as well as enough roads and transportation facilities all the way up to the SEZ. Aside from providing essential services, SEZ laws require the state to permit the generation, transmission, and distribution of power and water within SEZs, for which electricity duty and taxes might be waived.

Modern infrastructural facilities are the arteries of trade and commerce because they attract transnational industrial/business investments and are a necessary condition for the development of SEZs inside a country. SEZs are focused on infrastructure development for specific industries, which includes all amenities required for the creation, operation, and maintenance of a SEZ.

In addition to industrial/business centres, SEZ developments include physical infrastructure such as roads, buildings, sewerage and effluent treatment facilities, solid waste management facilities, ports, airports, railways, transportation systems, generation and distribution of power, gas, and other forms of energy, and telecommunication networks For Huge multipurpose SEZ

In their non-processing zones, amenities such as hospitals, hotels, educational institutions, residential and commercial complexes, amusement, and entertainment centers, and so on may be found.



6.6 - SEZ Development Guidelines

Parliament standing committee on commerce issues the guidelines for SEZ development.

- SEZs are to be situated beyond the urban, municipal boundary of cities with populations of one million or more, and to be part of the city-region.

- There should be enough land and water resources accessible in the area for a population of around 2-3 lakhs
- SEZs must be accessible/connected to the main city, have an 8-lane highway, and be close to key transportation hubs.
- The location should be distant from flood zones and other natural disaster-prone places.
- should provide the least amount of disruption to existing rural settlements
- should not have a negative influence on the natural environment, and so barren or grassland should be chosen
- Cultivated property will be purchased only if enough other land is not available to meet the contiguous area requirement.
- Vast conversion of arable land for SEZ usage must be avoided.
- The property should be ecologically sustainable and have the ability to be redeveloped as a self-contained township with all essential services and amenities.
- Low-cost housing and basic amenities for servicemembers must be provided.

6.7 - SEZ Comprehensive development plan

These plans can be divided in 5 years as short-term plans backing the investment plans. These need to involve following.

- Evaluating the area and examining its physical and ecological resources
- A wide geographical plan displaying land use patterns, road networks, and other infrastructure networks.
- Activity nodes for the placement of industrial, commercial, trading, and other employment-generating activities that serve as a nucleus for growth around which additional activities are likely to emerge.
- Fast track and efficient transportation routes are included in the sector-based infrastructure strategy.
- Plan for phasing in both time and space investment strategy in accordance with the phasing strategy
- Plan for resource mobilization, including recognition of all development agencies, investment proposals, and strategies for private sector participation.
- Institutional/legal framework for delegating tasks and coordinating efforts across government agencies, the private sector, NGOs, CBOs, and community development organizations.

- Building coverage, floor area ratio (FAR), floor space Index (FSI), building height, parking standards, setbacks, open spaces, and number of units in different purposes such as residential, commercial, and industrial are all specified in development control rules.
- The major city's development planning laws for SEZ development, which include provisions for incentive zoning, have been enacted.

6.8 - Land Use as per SEZ guidelines.

SEZs should not be reliant on the major city for facilities, services, and amenities. As a result, the SEZ development guidelines state that the state government should ensure an enabling and flexible framework of town planning norms and standards for SEZs, while keeping in mind the objectives and special requirements of SEZs as self-contained entities in terms of living, working, and entertainment.

- Residential – 20%
- Commercial – 4%
- Industrial – 40%
- Public and semi-public – 6%
- Recreational – 18%
- Transportation and communication 12%

6.9 - Other Prospects

Net Worth Criteria: investment, employment & export

Resource Mobilization and Cost Benefits

Land Acquisition, Relief and Rehabilitation

Employment and Human Development

Value Addition and Export Performance

Corporate Administration and Social Responsibilities

Urban Growth and Management

6.10 - Conclusion

Special Economic Zones (SEZs) are widely recognized across the world as a strategic instrument for the development of infrastructure favorable to investment and commerce, therefore improving export competitiveness and increasing foreign exchange profits.

SEZs are also praised for their ability to create jobs, transfer advanced skills and technology, and promote regional development. Globally regarded as “growth engines,”

It has the potential to accelerate secondary and tertiary industries by igniting investor interest in attractive business ideas outlined by the government, paving the path for overall economic development.

The Indian SEZ Policy, which includes a number of lucrative incentives and advantages, also aims to improve infrastructure, employment, investment, and exports. Regardless of its promises, the strategy has been widely criticized from its beginning for being utilized for real estate expansion rather than export generation, at the expense of valuable agricultural land and thousands of displaced farmers.

The highly heated debates and extremely strong public reaction (including instances of violence and state crimes) compelled policymakers to reconsider various elements of the strategy and make required changes.

SEZ approvals continue to increase across the country, partially addressing and mainly ignoring the key concerns raised by the SEZ policy.

Amidst many upcoming issues, the government and industry are optimistic about the future of SEZs in the country, believing that the expected benefits from SEZ investments, including the additional economic activity and employment generated, will far exceed the revenue liability associated with land acquisition.

Conclusion of Comparison between Saskia Sassen and Bejene S Kothari studies

Saskia Sassen studies shows the Movement of urbanization with respect to environmental struggle of cities; urban area's ascendance for privatization. Networking of cities together for Transformation and mutual benefits over time. Along with strategic plans of different nations to compete in the global market and establishing their importance over others. Which has its own advantages and disadvantages.

Urban transitional systems for Global economy fabrication, convergence of new economy with places and processes. Trends in financial transactions and development of national terrorists and setting the ground for international trades. Along with various aspects of discrimination, international migration of people in various countries, economic crises, inconsistency of wealth distribution., exploitation of one city over others.

Along with Case studies of urban economies like Istanbul, Toronto, Miami, Gulf states, Hong Kong, Shanghai, and strategies for tackling the economic instability.

Bejene S Kothari studies on the other hand shows the economic structure, policies in Indian context. As India is a vast and diverse country, there are various fields contributing for development of the nation. This study focuses on major framework of special economic zone, it's construction, execution, maintenance along with contribution towards the economy.

Though Special economic zones have different governing bodies and are not bonded by the nation's restrictions, it would be different to understand. However, this study simplifies various aspects in a more explanatory manner. With detailed study of Telangana and Andhra, the working policies involved in special economic zone, their requirements, and limitations can be understood easily.

By these both studies, it can deduce that financial strategies transformed the nation's economy in a sense we didn't imagine. Though, this should be regulated correctly to avoid exploitation in the name of development and urbanization.

Chapter 07: India SEZ Overview

7.1 - Trail Location:

India, Southern Asia.

Source: https://imgbin.com/png/JcL3fRsf/globe-india-world-map-png

Map 2: Asia Map

Source: https://www.mapsofindia.com/maps/india/india-political-map.htm

Map 3: India Political Map

7.2 - Aspects for establishment of Special Economic Zones and Foreign Direct investment

India is a diverse country with numerous resources. India is presently at a highly advanced level. The Indian economy provides a favorable business climate for all businesses, allowing them to discover development possibilities at different level and maximize their expansion ambitions. India remains accessible to numerous markets all around the world. To sustain market stability and development, businesses require distinctive ideas and techniques. India provides sustainable business environment for companies with various schemes by the government's initiatives.

For a country to invest in a foreign country abroad several aspects are need to be study and taken in consideration, some of which are:

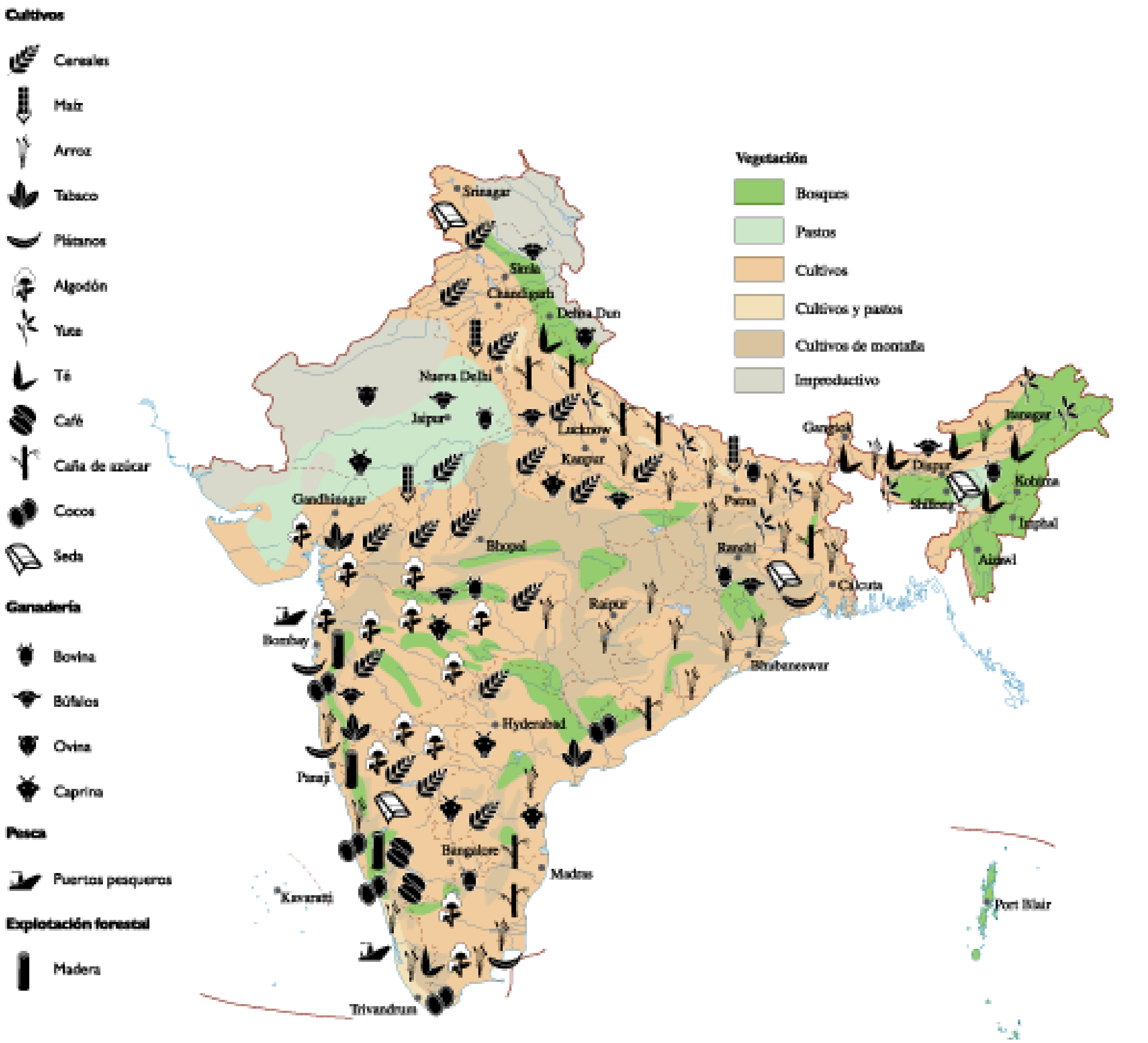
- Agricultural classification
- City Tier classification
- Ease of doing business
- Metallic and non- metallic Mineral availability
- Power generation resources.
- Research centres
- Mode of transportations
- Port Connectivity
- Availability of resources
- Infrastructure

These aspects help a company deciding whether investing in a specific country will benefit them for potentially expanding their business.

7.3 - Agricultural Classification

India is an agricultural country. Directly contributes 54.6 percent of India's total population and accounts 17.4 percent of total domestic production. India is the world's second largest producer of wheat and rice, which are two of the most significant dietary staples. The soil in India is highly rich and has diverse vegetation areas, which aids in the growth of most crops. India is the world's second biggest producer of a variety of dry fruits, agricultural-based textile raw materials, roots and tuber crops, pulses, farmed fish, eggs, coconut, sugarcane, and a variety of vegetables.

Map 4: Agricultural Map of India

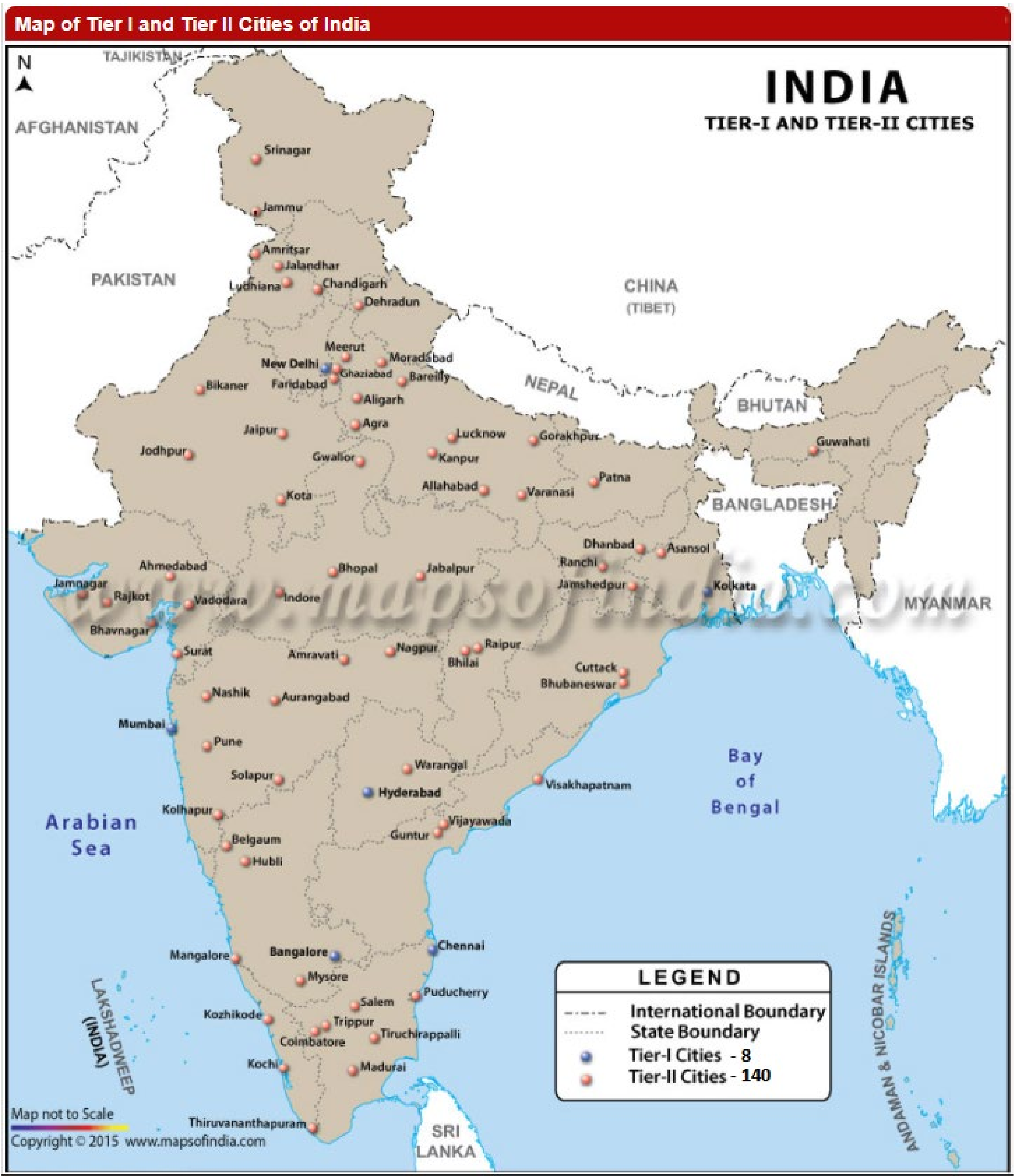


Source: https://www.nicepng.com/ourpic/u2w7e6e6r5o0e6t4_india-agriculture-map/

7.4 – Indian cities Tier Classification

The Indian government categorizes cities into three classes based on population density: X (tier-1) cities, Y (tier-2) cities, and Z (tier-3) cities. The eight-metropolitan tier-1 cities in India are Delhi, Mumbai, Bangalore, Chennai, Hyderabad, Kolkata, Ahmedabad, and Pune. whereas 104 cities are defined as tier-2, Tier-1 cities are highly inhabited and have higher cost of living. Tier-1 are home to large international airports, industries, premier multi-specialty hospitals, educational institutions, research institutes. Rest cities are tier-3.

Map 5: Tier01 & Tier 02 Cities of India

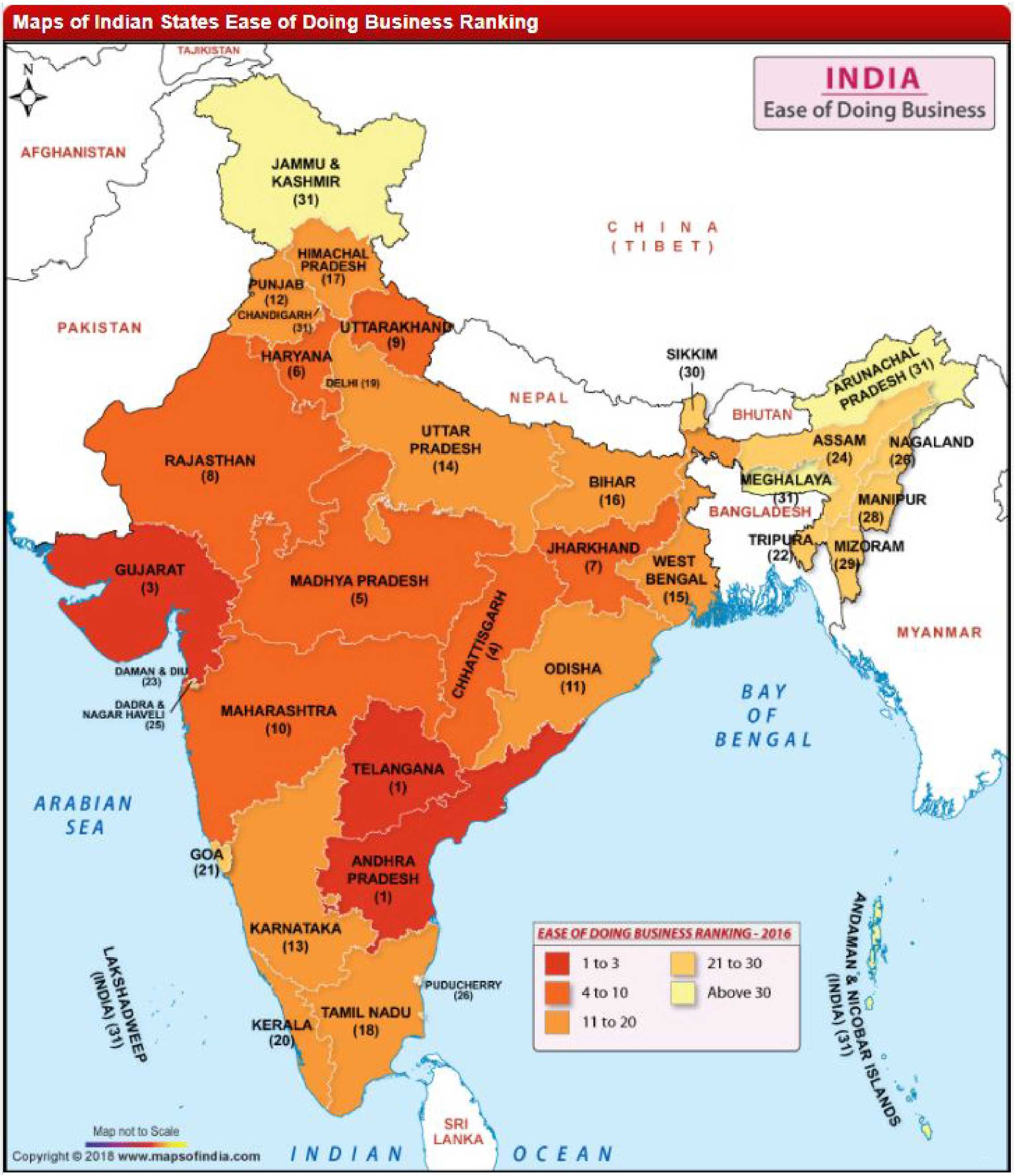


Source: https://www.mapsofindia.com/maps/india/tier-1-and-2-cities.html

7.5 – Classification of Ease of Doing Business

India is one of the prime locations for doing business, ranging from Agriculture, Rate & whole sale trade, textile, chemical, engineering, Information Technology and services, Real state, Chemical, e-commers and much more. Due to availability of fertile land, minerals, cheap labor, and other resources at lower cost. India being a peninsula have ease of transportation through water, air & road, connection easily to every part of world, resulting different trades routes for feasible import and export.

Map 6: Ease of Doing business in India

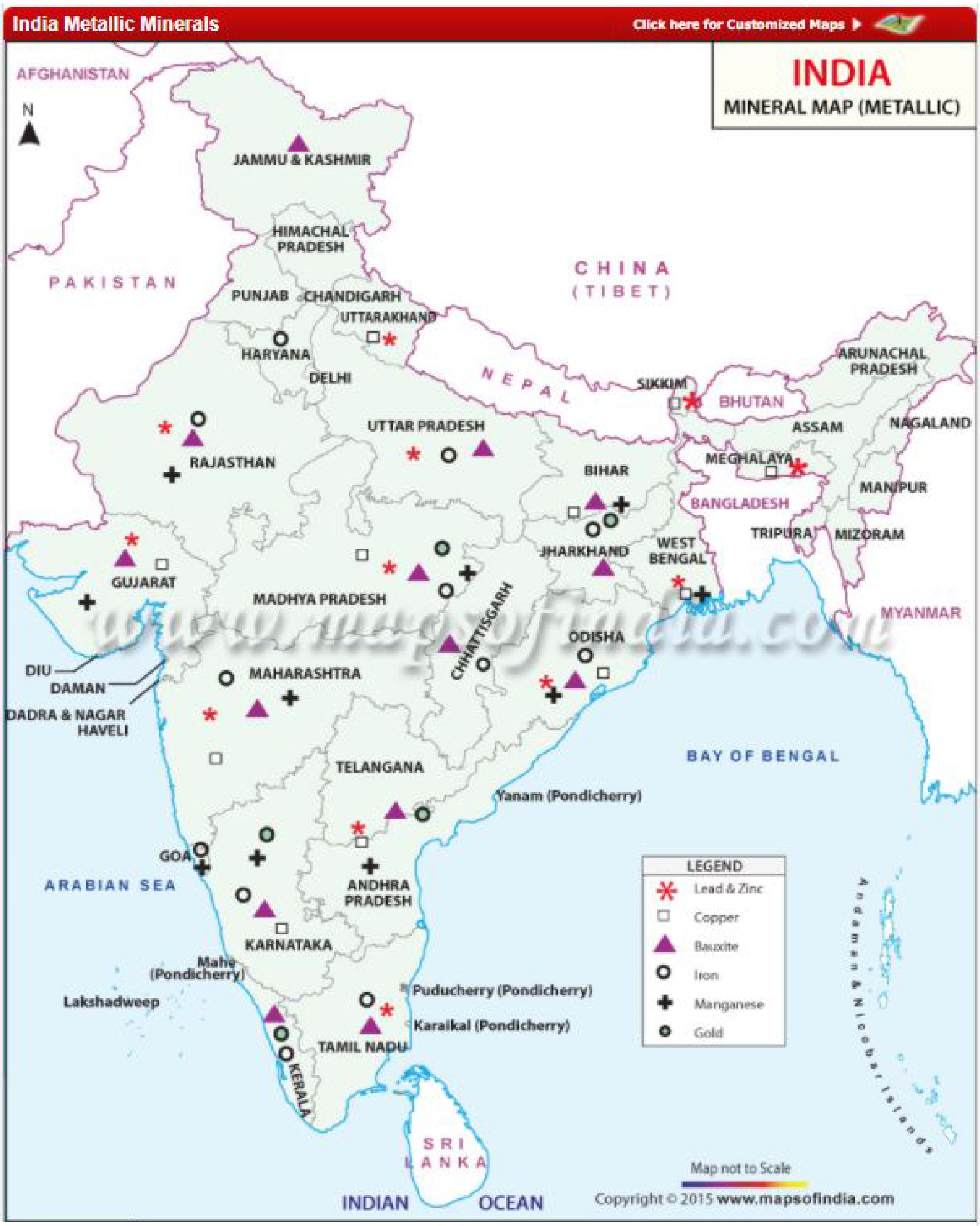


Source: https://www.mapsofindia.com/maps/india/indian-state-ease-of-doing-business-ranking.html

7.6 – Metallic Minerals Classification

Following the fuel minerals, metallic minerals are the most significant mineral group. These minerals form a solid foundation for the growth of metallurgical enterprises. Mining in India is also a major industry. Approximately 100 minerals are produced and used in the nation. In addition to 48.83 percent arable land, India has significant supply of coal (fourth-largest reserves in the world), bauxite, titanium ore, chromite, natural gas, diamonds, petroleum, and limestone. India accounts for 12% of all known and commercially accessible thorium in the world.

Map 7: Metallica minerals of India

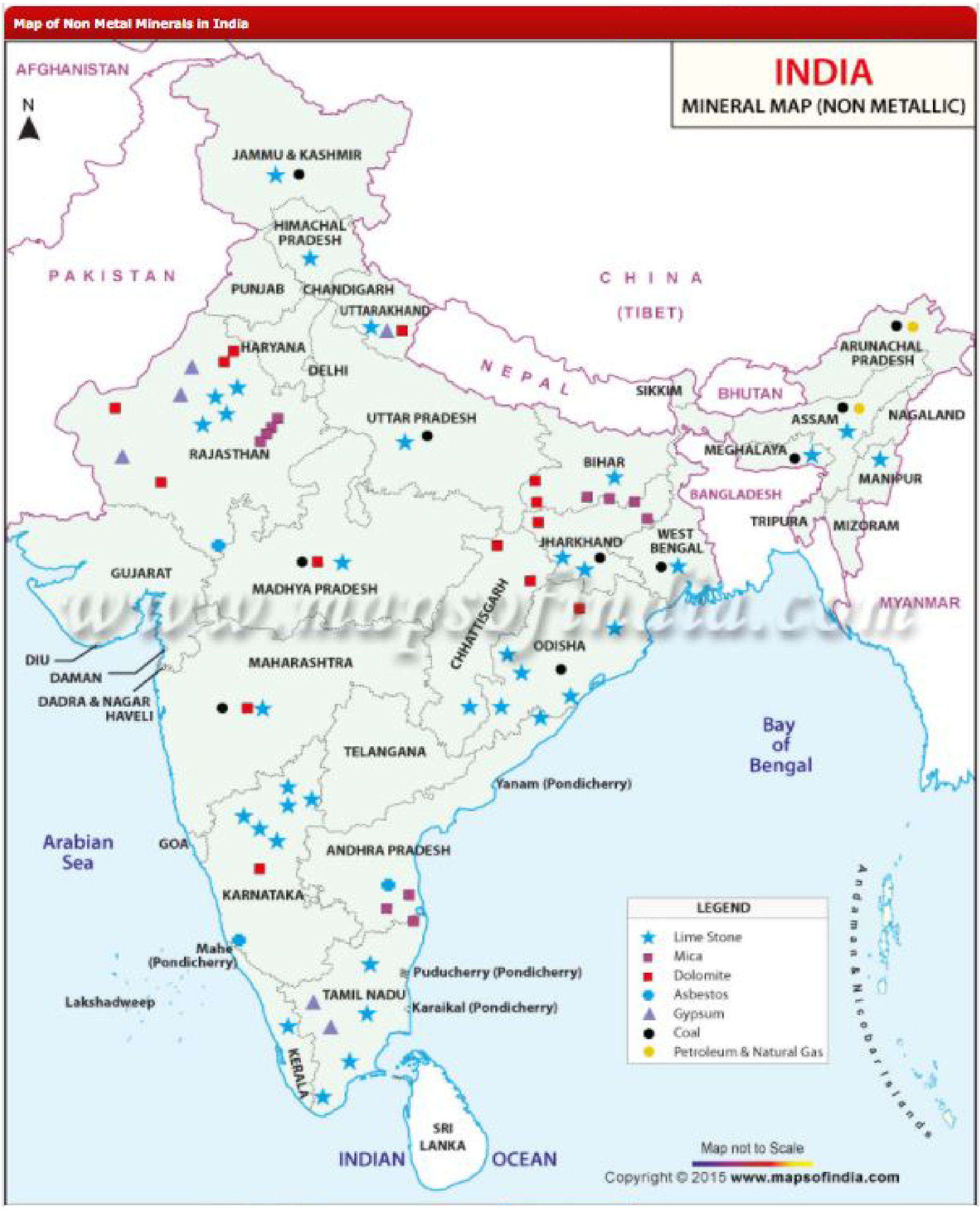


Source: https://www.mapsofindia.com/maps/india/matalic.htm

7.7 – Non-Metallic Mineral Classification

Currently, India produces 47 non-metallic minerals, including phosphorite, cadmium, gypsum, limestone, garnet, gallium, fluorite, bentonite, dolomite, zircon, and much more. These are low-value, high-volume minerals that are used in a variety of sectors, including fertilizers, glass and ceramics, refractory, asbestos-cement, and chemical products. Mining industry is primarily comprised of small mines operated by individuals or private businesses in India. India is the world's leading producer and exporter of mica, accounting for over 60% of global net mica output.

Map 8: Non- Metallic Minerals of India



Source: https://www.mapsofindia.com/maps/india/non-matalic.htm

7.8 – Hydro Power Plants Classification

In terms of installed hydroelectric power capacity, India ranks fifth in the world. India's installed utility-scale hydroelectric capacity was 46,000 MW, accounting for 12.3 percent of total utility power generating capacity. Additional smaller hydroelectric power units with a combined capacity of 4,683 MW (1.3 percent of total utility power production capacity) have been added. India generated 156 TWh of hydroelectric power (excluding small hydro) with an average capacity factor of 38.71%. India has almost 100 hydropower facilities with capacities more than 25 MW.

Map 9: Hydro Power Plants in India

Source: https://www.mapsofindia.com/maps/india/hydropowerproject.htm

7.9 – Thermal Power Plants Classification

269 Thermal power plants supply the majority of the electricity to India's national power system. India has a total installed thermal capacity of 234 GW, with coal accounting for 53%, lignite, diesel, and gas accounting for the remainder. Power generation from all sources (excluding atomic energy), transmission and distribution of electric energy, and power trading via the automated method are all permitted to receive 100 % FDI. Thermal power plants are spread all cross the country.

Map 10: Thermal Power plants in India

Source: https://www.mapsofindia.com/maps/india/thermalpowerplants.htm

7.10 – Nuclear Power Plants Classification

India is opting for different options for generating electricity to satisfy the growing demand & increase in population. The government of India's emphasis on achieving 'Power for All' has expedited capacity addition in the country. India have currently, 22 reactors, with 7 in operation with capacity of 6780 MW, along with more 8 reactors under construction at various stages. India has made strides in the field of thorium-based fuels, attempting to construct and design a prototype for an atomic reactor using thorium and low-enriched uranium.

Map 11: Nuclear Power Plants in India

Source: https://www.mapsofindia.com/maps/india/nuclearpowerplants.htm

7.11 - Abstract

With Asia's first EPZ created in Kandla in 1965, India was among the first in Asia to recognize the success of the Export Processing Zone (EPZ) concept in boosting exports. The Special Economic Zone was created to solve the shortcomings caused by several regulations and approvals, a lack of world-class infrastructure, and an unstable economic framework, as well as to attract bigger foreign investors to India. In April 2000, the policy on Special Economic Zones (SEZs) was introduced.

Special economic zones are regions that have been specifically designated to attract foreign direct investment by offering required facilities and tax breaks to specific businesses. In the year 2000, India implemented a policy on Special Economic Zones. India had 114 SEZs as of October 2010, with over 500 receiving official clearance. State leaders are optimistic that SEZs will contribute significantly to the growth of their respective states.

7.12 - SEZ Act Goals

After extensive discussions with stakeholders, a comprehensive draught SEZ Bill was prepared to instill investor confidence and signal the Government's commitment to a stable SEZ policy regime, with the goal of imparting stability to the SEZ regime and generating greater economic activity and employment through the establishment of SEZs. In May of 2005, Parliament passed the Special Economic Zones Act, which obtained Presidential assent on the 23rd in June of 2005

The SEZ Act's key goals are as follows:

(a) Creation of new economic activity;

(b) Promotion of products and service exports;

(c) Promotion of local and international investment;

(d) The creation of job possibilities;

(e) Infrastructure facilities development;

This is expected to result in a substantial influx of foreign and domestic investment in SEZs, infrastructure, and productive capacity, resulting in increased economic activity and employment possibilities. The SEZ Act of 2005 envisions state governments playing a vital role in export promotion and infrastructure development

Various classes of SEZs have different minimum land requirements, according to the SEZ Rules. Every SEZ is separated into two areas: a processing area, where the SEZ units will be built on their own, and a non-processing region, where the supporting infrastructure will be built.

7.13 - THE SEZ Rules provider for:

- Procedures for developing, operating, and maintaining Special Economic Zones, as well as for establishing units and conducting business in SEZs, have been simplified.
- a single window of opportunity for the establishment of a SEZ;
- Single-window approval for establishing a business in a Special Economic Zone;
- Clearance through a single point of contact for both the federal and state governments;
- Compliance procedures and documentation have been simplified, with a focus on self-certification.

7.14 - Approval mechanism and administrative setup of SEZs

7.14.1 - Approval mechanism

The developer makes an application to the state government for the creation of a special economic zone. The State Government must submit the plan to the Board of Approval within 45 days after receiving it, along with its recommendation. The applicant has the option of submitting the proposal to the Board of Approval directly. The Central Government established the Board of Approval in order to exercise the powers granted by the SEZ Act.

The Board of Approval makes all of its judgments by consensus.

7.14.2 - Administrative setup

A three-tier administrative structure governs the operation of the SEZs. The apex body is the Board of Approval, which is led by the Secretary of Commerce. The Zone Approval Committee oversees the approval of units in SEZs as well as other associated problems. Each Zone is overseen by a Development Commissioner who also acts as the Commission's ex-officio chairperson. Approval Committee.

The Approval Committee monitors the performance of the SEZ units on a regular basis, and units that violate the approval requirements are subject to penalties under the Foreign Trade (Development and Regulation) Act.

7.15 - Facilities and incentives:

The incentives and facilities provided to units in SEZs in order to attract investments, especially foreign investment, into the SEZs. include: -

- Importation of duty-free commodities and domestic purchase of goods for the development, operation, and maintenance of SEZ units
- Revenue tax exemption of 100% on export revenue for SEZ units under Section 10AA of the Income Tax Act for the first five years, 50% for the next five years, and 50% of ploughed-back export profit for the next five years.
- Exemption from the minimal alternative tax under Section 115JB of the Income Tax Act.
- External commercial borrowing by SEZ units of up to $500 million per year, with no maturity restrictions, is possible through
- well-known banking channels
- Is exempt from the Central Sales Tax.
- Exemption from the Service Tax
- Central and state permissions can be obtained through a single point of contact.
- Exemption from state sales tax and other fees levied by various state governments.

The major incentives and facilities available to SEZ developers include: -

- Exemption from customs/excise duties for the establishment of SEZs for permitted operations recognised by the BOA.
- Income tax exemption on income derived from the SEZ development business for a period of ten years in fifteen years under Section 80-IAB of the Income Tax Act.
- Exemption from the minimal alternative tax under Income Tax Act Section 115 JB.
- Exemption from dividend distribution tax under Income Tax Act Section 115O.
- Exemption from the Central Sales Tax (CST).
- Exemption from paying the Service Tax (Section 7, 26 and Second Schedule of the SEZ Act).

7.16 - Major Output:

1. Following the creation of Special Economic Zones, there has been a significant rise in investment from 2,279.00 Cr. in 2006 to 15.974.00 Cr. in 2017 under Central Government SEZs.

2. Investment in state/private SEZs increased from 1756.31 crores in 2006 to 11,478 crores in 2017.

3. Notification of SEZs Under the legislation, investment increased from $4,035.51 billion in 2006 to $4,314 billion in 2017.

4. Since the creation of Special Economic Zones, there has been a significant rise in employment, from 1,22,236 people in 2006 to 2,34,861 people in 2017.

5. Employment in state/private SEZs increased from 12,468 in 2006 to 95,970 in 2017.

6. Notification of SEZs Under the legislation, employment increased from 0 in 2006 to 14,48,020 in 2017.

7. Exports grew from Rs 4,63,770 Cr. in 2006 to Rs 1,35,248 Cr. in 2017.

7.1 - Conclusion

Without a doubt, the function of the Special Economic Zone is critical for overall economic growth and industrial development. It aids in the management of financial assets, single-window clearance, and other services that are required for industrial growth, particularly in small and cottage businesses. Following the implementation of the Special Economic Zone, there has been a great improvement in investment, employment, and export, which has accelerated the process of economic growth.

Chapter 08: Current Situation

8.1 - SEZ in India

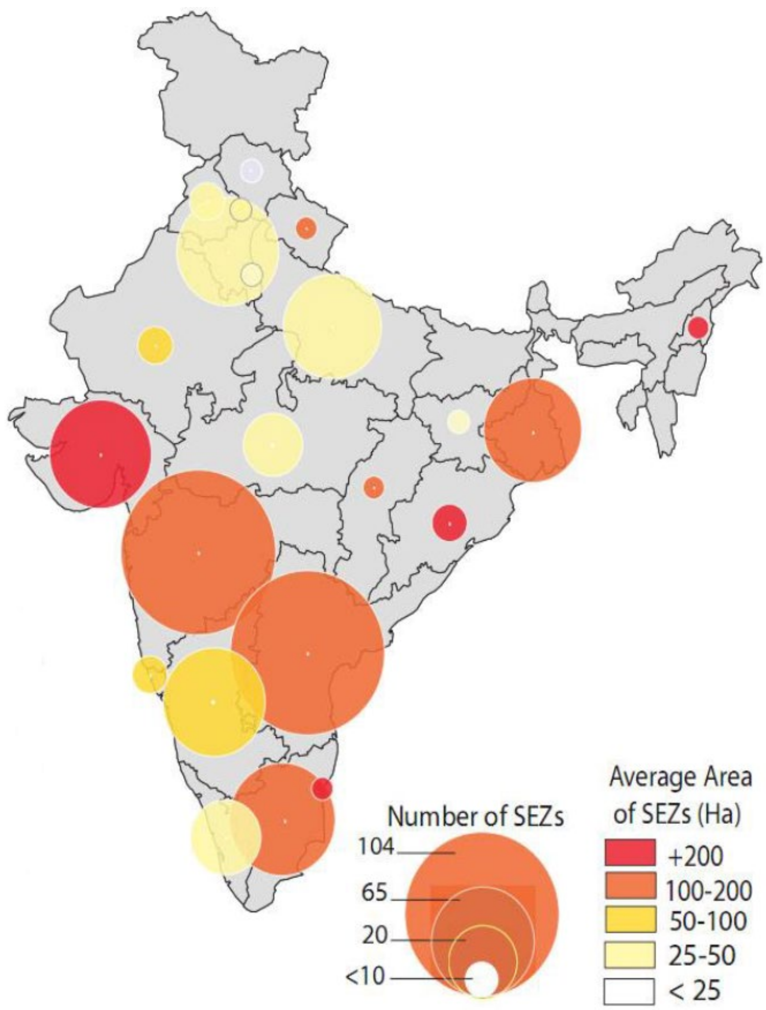
Table 25: Distribution on SEZ All over India.

State/Union Territory	Formal Approvals	In-principle approvals	Notified SEZs
Andhra Pradesh	109	6	76
Chandigarh	2	0	2
Chhattisgarh	1	1	1
Delhi	3	0	0
Goa	2	0	1
Gujarat	7	0	3
Haryana	47	7	32
Jharkhand	46	3	35

Karnataka	1	0	1
Kerala	62	1	41
Madhya Pradesh	29	0	2
Maharashtra	19	2	06
Manipur	103	16	64
Nagaland	2	0	1
Odisha	1	1	5
Puducherry	01	1	0
Punjab	8	0	2
Rajasthan	10	1	1
Tamil Nadu	69	6	053
Telangana	34	1	21
Uttar Pradesh	2	03	1
West Bengal	20	49	11
Total	588		386

Source: Ministry of Commerce and Industry, SEZ in India, GOI

Map 12: SEZ Spectrum



Source: Ministry of Commerce and Industry, SEZ in India, GOI

Table 26: Distribution on SEZ provinces All over India.

Sectors	Formal approvals	In-principle approvals	Notified SEZs
Agro	6	2	5
Airport based multiproduct	4	0	0
Alumina/Aluminum	2	0	2
Auto and related	3	1	1
Aviation/Aerospace/Animation & Gaming/Copper	7	1	5
Beach & mineral/ metals	2	0	2
Biotechnology	32	0	21
Building products/transport equipment's/ceramic and glass	2	2	2
Electronic product/Industries	3	0	3
Engineering	13	1	13
Food Processing	5	0	4
Footwear/Leather	7	0	5
FTWZ	14	5	7
Gems and Jewelry	13	3	6
Granite processing industries and other allied machinery/ manufacturing	2	0	1
Handicrafts & Carpets	5	0	3
IT/ITES/Electronic Hardware/Semiconductor/Services	353	1	235
Light Engineering/Metallurgical Engineering /Automotive Components	1	0	0
Multi-Product	25	16	16
Multi-Services	16	3	9
Non-Conventional Energy	6	0	4
Petrochemicals & petroleum products/oil and gas	4	1	2
Pharmaceuticals/chemicals	23	3	20
Plastic processing	0	2	0
Port-based multi-product	8	0	2
Power/alternate energy/solar	3	2	3
Textiles/Apparel/Wool	18	2	127
Writing and printing paper mills	2	0	1
Total	588	49	386

Source: Ministry of Commerce and Industry, SEZ in India, GOI

Chapter 09: Covid -19 Effects on SEZ

The COVID-19 crisis results in a major drop in foreign direct investment. (FDI) in the years 2020 and 2021. It will have an immediate negative impact in 2020, with a worsening effect in 2021. (Chart: 13). Global FDI flows are expected to fall by up to 40% in 2020, from $1.54 trillion in 2019. For the first time since 2005, FDI would go below $1 trillion. FDI in 2021 is expected to fall by an additional 5% - 10%

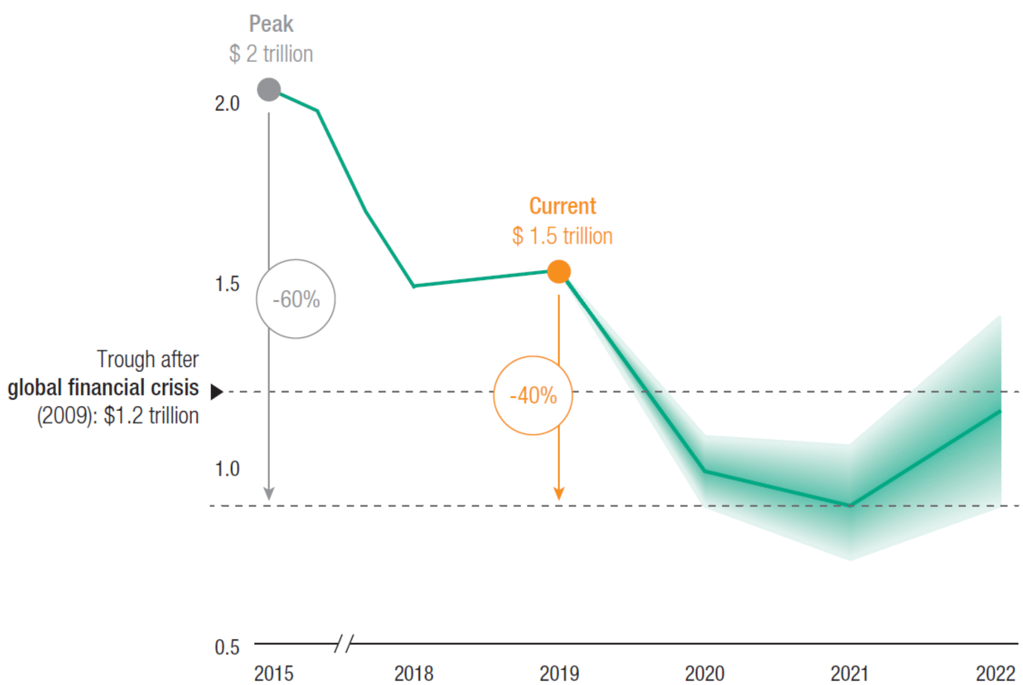
The predicted drop is expected to be worse than the one seen in the two years after the global financial crisis. Global FDI flows were $300 billion more than the bottom of the 2020 projection in 2009, when they were at their lowest level ($1.2 trillion).

The pandemic's slump comes after many years of negative or sluggish growth, compounding a longer-term decreasing trend. Global FDI flows are anticipated to fall by 60% in 2021, from $2 trillion in 2015 to less than $900 billion in 2021.

Beyond 2021, the future is extremely unclear. A U-shaped trajectory is feasible, with FDI returning to its pre-crisis trend line before 2022, but only at the top bound of predictions. In the longer term, economic and geopolitical uncertainties are poised to dominate the investing environment.

At the bottom end of the estimate, continued stagnation in 2022 will leave the value of global FDI much lower than in 2019. The FDI trend may begin a period of gradual stabilization at a fundamentally lower level than before the crisis.

Chart 17: Forecast of Global FDI inflows

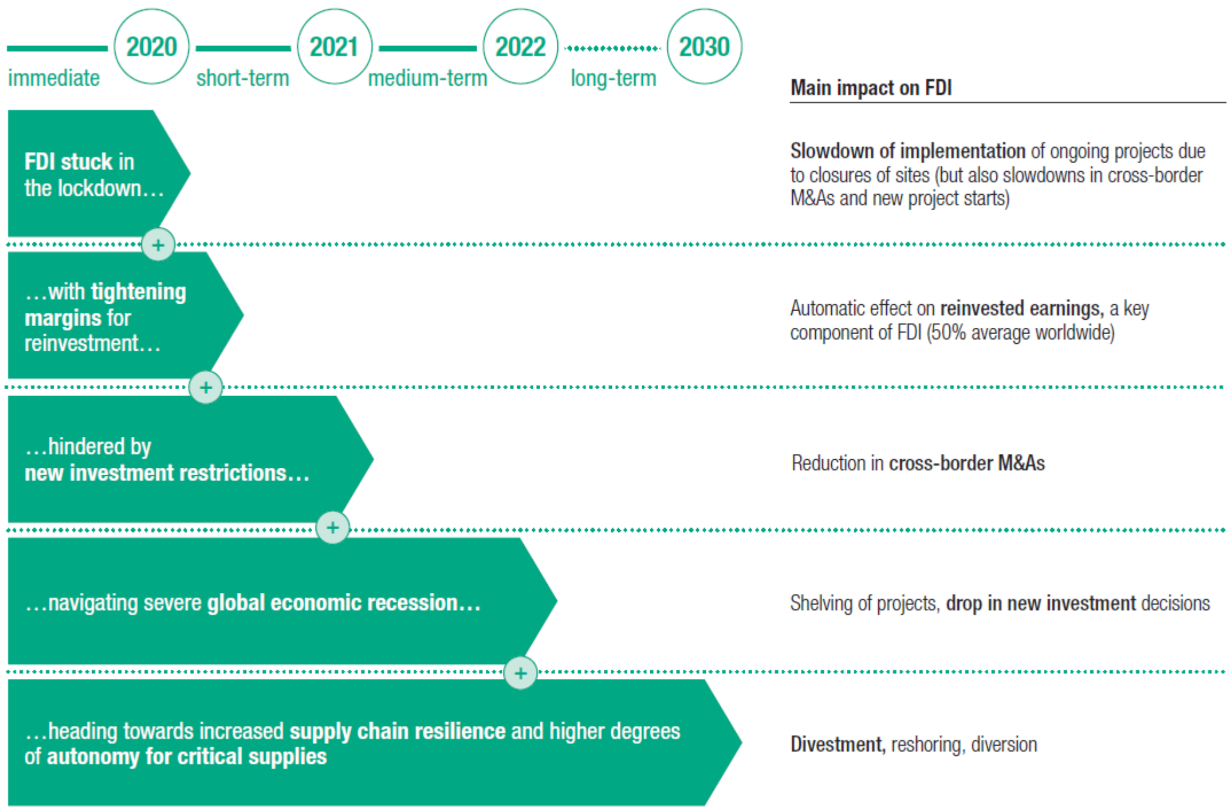


Source: UNCTAD.

9.1 - Pandemic Impact on FDI

The COVID-19 issue has had an immediate impact on FDI and may have long-term implications. The unexpected and simultaneous interplay of supply- and demand-side shocks, along with global policy responses to the crisis, is causing a cascade of consequences on FDI (figure: 10). The impact will be felt most acutely in 2020, when the cumulative effect across all transmission modes is greatest.

Figure 12:: Effects of Covid on FDI



Source: UNCTAD.

9.2 - Immediate consequences:

FDI remains restricted. The physical closure of places of business, industrial facilities, and building sites in order to control the virus's spread creates immediate delays in the realization of investment projects. Some investment expenditures remain (for example, project fixed operating expenses), whereas other outlays are completely halted.

Greenfield project announcements are also being postponed. Similarly, many mergers and acquisitions (M&As) are on hold for the time being. M&As, like greenfield ventures, are often long-term commitments to international markets. Nonetheless, completions of previously announced M&A agreements have been delayed, potentially leading to cancellations (Table: 27).

Table 27: Cancelled Transactions due to covid-19

Projects	Cancellations
Alimentation Couche-Tard Inc - Caltex Australia Ltd	On March 20, 2020, Alimentation Couche-Tard (Canada) announced its intention to withdraw its bid for Caltex Australia, a Sydney-based petroleum refinery operator, for an estimated $5.9 billion. Couche-Tard suspended operations owing to concerns about the economic future as a result of the pandemic, as well as a demand shock for jet fuel, one of Caltex's key industries.
Public Storage, Inc – National Storage REIT	Alimentation Couche-Tard (Canada) stated on March 20, 2020, that it will abandon its offer for Caltex Australia, a Sydney-based petroleum refinery operator, for an estimated $5.9 billion. Couche-Tard halted operations due to fears about the economy's future as a result of the epidemic, as well as a drop in demand for jet fuel, one of Caltex's main businesses.
Asia Pacific Village Group Ltd – Met lifecare Ltd	Pacific Village Group, a subsidiary of EQT Holdings Cooperative (Netherlands), cancelled its agreement to purchase MetLife care (New Zealand) in a $1 billion deal on April 27, 2020. The major cause for the termination, according to EQT, was a significant drop in Met lifecare's value as a result of the pandemic.
HOT Telecommunication Systems Ltd – Partner Communications	HOT Telecommunication Systems, a subsidiary of Next Alt SARL (Luxembourg), withdrew its $900 million tender bid for Partner Communications (Israel) on March 31, 2020. HOT's parent company, Altice (Luxembourg), stated that financial market falls and the continuing crisis had made raising financial resources for the transaction difficult.
Melco Resorts & Entertainment Ltd – Crown Resorts	Melco Resorts & Entertainment (Hong Kong, China) stated on February 6, 2020, that owing to the pandemic and Macao, China's intention to close casinos, it would abandon plans to invest in crown Resorts (Australia) in a $600 million transaction.
Alphatec Holdings Inc – EOS Imaging SA	Alphatec Holdings (United States) withdrew its tender bid for a share in EOS

	Imaging (France) for little over $100 million on April 24, 2020. The termination was the consequence of Alphatec's evaluation of the economic impact of the pandemic on EOS, according to Alphatic.

Source: UNCTAD.

Legislators in the United States and Europe have observed delays in the clearance processes for some of the world's largest projected mergers, including Amazon's (United States) buying of Deliveroo (United Kingdom) and Boeing's purchase of Embraer (Brazil) (United States).

Financial markets have priced down the stocks of companies that have been the target of takeover proposals or that have been impacted by regulatory clearance delays for a merger.

9.3- Short-term consequences:

include reduced reinvestment margins and increased investment limitations. Foreign affiliates are dealing with extremely difficult operational, market, and financial situations. In 2020, their profits are anticipated to collapse. Between February and May, the great majority of the top 5,000 biggest multinational companies (MNEs) updated their earnings forecasts for 2020. with an average negative revision of more than 35% (table I.2). With reinvested earnings accounting for more than half of typical FDI flows, the impact of decreased foreign affiliate profits on global FDI might be significant.

On the policy front, in addition to temporary trade restrictions imposed in some countries to prevent shortages of critical medical supplies during the pandemic, several governments have implemented policies to prevent fire sales of domestic firms during crises, including new screening requirements and investment restrictions.

Table 28: Top 5,000 Mne earnings, number of greenfield projects announced

Industries	Pandemic impact on industry performance	Importance of industry for FDI projects, 2019		Pandemic impact on FDI projects, early 2020	
	(I) Average earnings revision as of May 11,	(ii) Share in number of announced greenfield projects, 2019	(iii) Share in number of cross-border M&A deals, 2019	(iv) Number of greenfield projects, growth rate, monthly average, Q1 2020 vs all 2019	(v) Number of cross borders M&A deals, growth rate, monthly average,

					January-April 2020 vs all 2019
Total	-6	100	100	-30	-21
Primary	-65	1	7	-29	-9
Mining, quarrying and petroleum	-70	-	5	-40	-7
Agriculture, forestry & fishing	-1	-	1	-17	-10
Manufacturing	-34	45	21	-38	-22
Motor vehicles and other transport equipment	-50	6	1	-41	-25
Textiles, clothing, and leather	-49	8	1	-54	-24
Basic materials	-47	10	7	-38	-18
Machinery and equipment	-39	5	2	-26	-28
Other manufacturing	-28	4	2	-34	-10
Computer, electronic, optical products and electrical equipment	-20	7	4	-31	-40
Food, beverages, and tobacco	-15	3	3	-21	-35
Pharmaceuticals, medicinal chemicals and botanical products	-14	2	2	-51	13
Services	-35	54	72	-23	-21
Accommodation and food service activities	-94	43	2	-49	-11
Transportation and storage	-63	4	4	-25	-18
Other services	-44	3	7	-48	-35
Business activities	-32	11	23	-20	-12
Information and communication	-31	18	11	-22	-29
Trade	-28	4	8	-33	-11

Financial and insurance activities	-23	6	13	-17	-33
Construction	-21	2	2	-20	-17
Electricity, gas, water, and waste management	-16	3	3	2	-25

Source: UNCTAD

9.4 - Medium-term consequences

include managing a global economic downturn. Already in the early phases of the epidemic, macroeconomic predictions for 2020 have been revised downward into the negative. Current forecasts call for a moderate and very unpredictable GDP rebound in 2021 if economic activity increases up with policy assistance (IMF, 2020a).

A significant drop in demand will have a significant detrimental impact on worldwide output. Uncertainty about the economy's future will hamper fresh investment ambitions. Many firms are being compelled to redirect whatever money available for investment to working capital as a result of financial instability and liquidity difficulties.

The demand shock will be the most significant factor reducing FDI in the two key years of 2020 and 2021. The demand decrease will begin to affect FDI in 2020 and will be completely realized in 2021.

9.5 - Long-term consequences

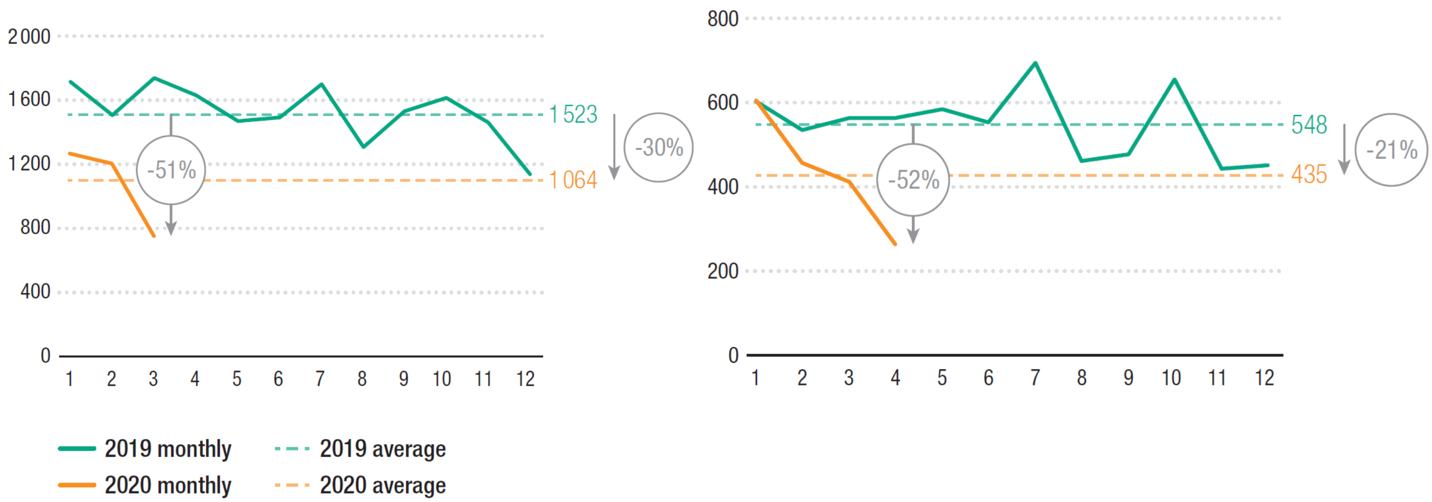
Include increased supply chain resilience and safe access to essential commodities. The pandemic will force MNEs to explore alternatives for improving supply chain resilience, and it may result in a policy push for more national or regional self-sufficiency in the production of vital goods – which may extend to broader strategic industrial capacity. Tighter limitations on foreign commerce and investment have already evolved. The trend toward international operations rationalization, reshoring, nearshoring, and regionalization is likely to increase, putting downward pressure on FDI.

9.6 - Early signs

FDI projects in the early months of 2020, for example, imply significant decreases. When compared to the monthly average for 2019, the number of announced greenfield projects in March and cross-border M&A deals in April decreased by more than half. (Charts 18 and 19)

Early indicators indicate the relationship between earnings effect and FDI. The industries with the greatest downward revisions have the greatest decline in new investment proposals. In the first months of 2020, industries accounting for 90% of projects in 2019 saw an average decrease of more than 20% in the number of newly announced greenfield projects.

Chart 18: Greenfield projects & Chart 19: M&A in Cross Border



Source: UNCTAD

9.7 - The financial industry's approach to the COVID-19 disaster

The worldwide drive to combat the pandemic is stimulating growth in sustainable finance, notably in social and sustainability bonds. COVID-19 reaction bonds have been quickly deployed to support crisis relief and recovery; the value of such bonds issued in the first quarter of 2020 has already surpassed the whole amount of social and sustainability bonds issued in 2019.

9.8 - Lessons learned

The lessons learned from previous crises, both in terms of their influence on investment and the function of investment throughout recovery stages, can be applied to harnessing investment's potential for long-term recovery (Table: 29).

Table 29: FDI and global crises: 10 facts

1	FDI flows are more sensitive to crises than trade and GDP, and recovery takes longer and requires more (policy) effort.
2	FDI flows, on the other hand, are steadier and more resilient for developing nations than other international financial flows and external sources of capital (such as portfolio flows or bank loans).
3	International deal activity (which includes both project finance and mergers and acquisitions) declines more rapidly and takes longer to recover than domestic deal activity.

4	Greenfield investment and international project funding, which are critical for creating productive capacity, take longer to recover than FDI's financial and transaction components.
5	Because of their larger reliance on greenfield projects and investors' more risk-averse behavior during crises, investment recovery in lower-income developing countries can take a long time.
6	During a crisis, M&As might include opportunistic purchases as well as deals that are required for company reorganization.
7	When compared to smaller domestic enterprises, MNEs and their international affiliates respond to crises and recover quite swiftly.
8	Dependent on ties with domestic suppliers, the presence of robust MNEs in host nations can aid faster recovery from crises.
9	To aid recovery, most post-crisis policy initiatives have tried to facilitate or stimulate FDI (rather than prohibiting it).
10	Downturns in FDI can signal a shift in sectoral patterns and investment kinds.

Source: UNCTAD,

9.9 - Developing COVID-19 reaction bonds

The pandemic has accelerated the issuance of bonds focusing on humanitarian concerns and SDG 3 (Good health and wellbeing) as well as other SDGs (figure: 13), with a total value of $55 billion by mid-April 2020 – already exceeding the entire value of all social bonds issued in 2019.

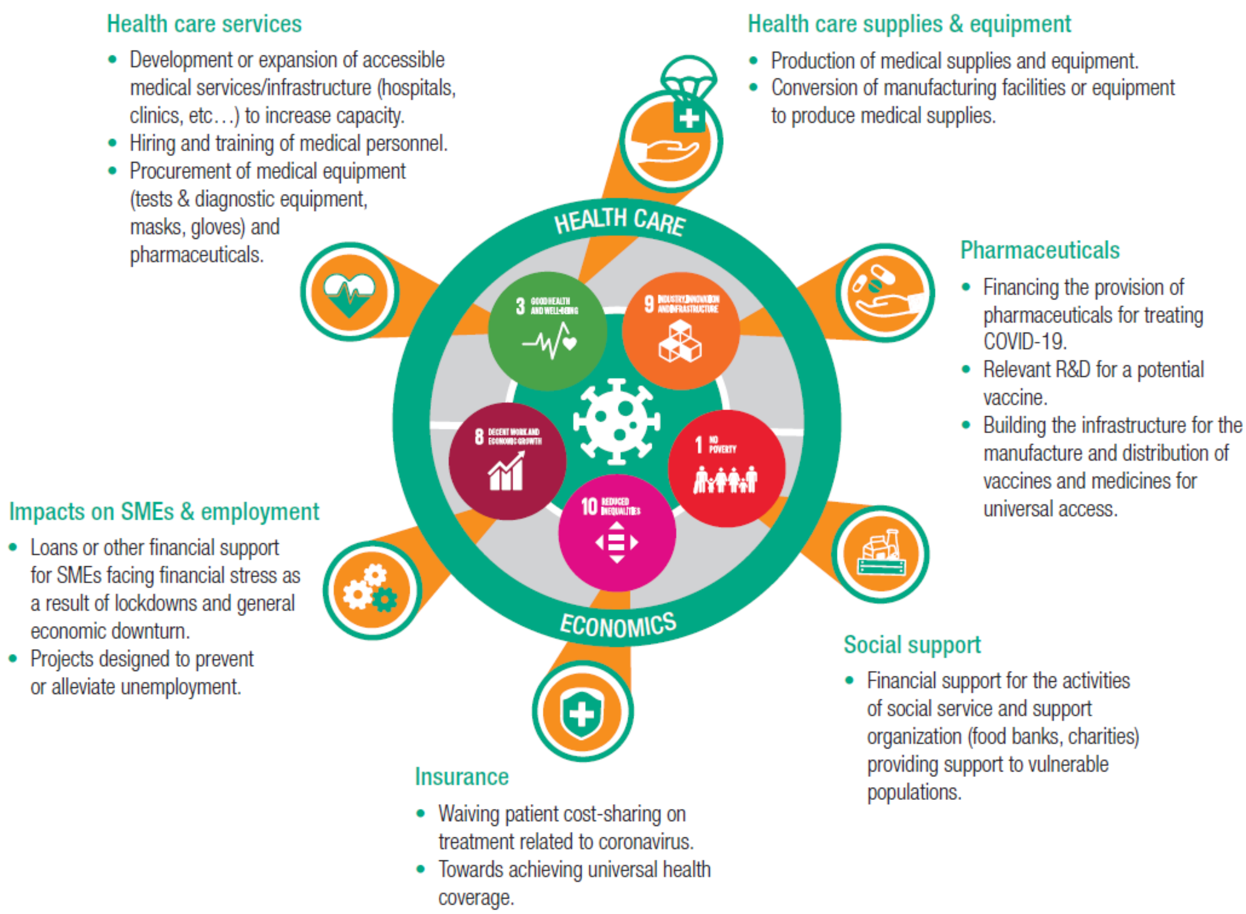
Response Policies to pandemic with an investment impact.

The pandemic has resulted in the enactment of new investment obstacles in certain important areas, such as innovation-driven companies and those associated to health care.

Evidence from prior crises shows that FDI is more stable and robust than other financial flows; nonetheless, depending on the severity of the crisis, FDI flows may not recover to pre-crisis levels for some time. Nonetheless, a recovery period can help promote investment shifts toward more sustainable development-oriented assets and activities: previous crises have resulted in sectoral changes in FDI as a result of policy stimulus. (Table: 30).

Foreign affiliates can bring to a host country, particularly if there are considerable economic ties to the local economy

Figure 13: Developing COVID-19 reaction bonds



Source: UNCTAD

These COVID-19 response bonds fund a variety of activities, including assisting with the transition of production lines to health care materials, providing bridging finance for SMEs dealing with the effects of national lockdowns, and raising funds for the development and distribution of a COVID-19 vaccine, similar to the "vaccine bond" first issued in 2006 by the International Financing Facility for Immunization

.

Table 30: Policies to tackle Covid-19 Pandemic

	Past crises	COVID-19 crisis
Macro policy context		
Monetary Policy	Interest rate changes, financial system reform, and strengthening (Asian financial crisis and other national/regional crises) Financial market stability and monetary easing (GFC)	Low interest rates, monetary easing, asset purchase programs, and long-term refinancing windows

Capital and foreign exchange	Currency stability is achieved by foreign exchange and capital controls.	In certain developing economies, currency swaps and liquidity programs are used, as well as currency regulations.
Fiscal policy	Fiscal measures that are expansionary (Asian financial crisis)	Additional expenditure, tax exemptions, or deferrals; liquidity and income support; and loan guarantees are all examples of fiscal stimulus.
	Transfers to the private sector, stock injections, and bond purchases are all part of the fiscal stimulus package (GFC)	
Investment-related policy areas		
Trade	Temporary behind-the-border measures to protect domestic sectors, largely non-tariff barriers; usage of regional and interregional trade facilitation agreements	Border closures for sanitary reasons; export prohibitions and import facilitation in important sectors such as health
State support	State aid and bailouts, particularly for "too big to fail" activities; government guarantees for defective financial assets and bank deposits; and temporary tax cuts for crisis-affected businesses	Government guarantees for deteriorated financial assets and bank deposits; temporary tax cuts for crisis-affected businesses; and enhanced public infrastructure investment
State investment (nationalization)	Nationalizations in banks and certain high-employment industrial areas, as well as temporary infusions of capital or asset acquisitions	Temporary stock acquisition in crisis-affected enterprises; nationalizations are less common.
Mandatory production	….	Obligatory health-related production measures
Competition policy	Fire-sale prevention and competition-strengthening measures (mostly Asian financial crisis)	Measures to safeguard critical sectors and national security interests against unwelcome acquisitions
Intellectual property measures	Counter measures to the slowdown in R&D and the issuance of new patents	General non-voluntary licensing authorization to speed up R&D; IP holder-specific non-voluntary licensing to allow medicine imports
Investment-specific policies		

Liberalization	Relaxation of ownership laws, mode of entry, and operation finance to attract more FDI and speed up recovery, in certain cases linked to structural adjustment programs (Asian financial crisis); only a few countries increased restrictions (e.g., Argentina and Brazil in the GFC)	Liberalization initiatives, which have primarily been relegated to developing countries, have reached an all-time low.
Facilitation	Improving entrance conditions and procedures, particularly in export-oriented industries, to speed up recovery from the crisis.	Focus on reducing administrative hassles and bureaucratic barriers for businesses; COVID-19-related advice; and rapid digitalization of facilitation services
Promotion and aftercare	Investment in non-financial activities is encouraged, as is the strengthening of targeting in export-oriented industries and selected value chains.	During the crisis, administrative and operational support will be provided; service digitization and remote services will be accelerated; and additional aftercare will be provided.
Incentives	Non-financial activities are primarily given fiscal incentives in combination with performance standards, with a focus on global value chains, particularly in the automobile and electronics industries.	Tax relief for both international affiliates and their domestic suppliers, including simplified tax filing and other benefits; financial and/or fiscal incentives to manufacture COVID-19-related medical equipment; incentives for line conversion; sectors focus on health and technology
Regulations and performance requirements	Financialization is discouraged by regulations, which encourage higher value-added and export-oriented enterprises.	Concerns about health, resilience, and sustainable development have led to an increase in local content policies in a number of developing countries.
Restrictions	Restrictions on FDI in the financial industry; restrictions on foreign investment against fire sales (Asian financial crisis) (GFC)	The introduction or strengthening of FDI screening systems in developed and developing economies has reached an all-time high, owing to national security concerns about sensitive assets, which have been exacerbated by the pandemic.

Source: UNCTAD

Chapter 10: Disadvantages of Special Economic Zones (SEZs)

Nations who offer intermediate items to transitional countries might benefit from special economic zones. However, it is possible that governments would misuse the system in order to retain protectionist barriers (in the form of taxes and fees). In terms of regulatory requirements, special economic zones may also produce a substantial amount of bureaucracy. Money may be channeled through the system as a result, diminishing efficiency.

10.1 - Decrease in revenue to government

In general, corporations pay a lot of taxes to the government. However, because the government offers tax advantages to industries, the bulk of the revenue earned is lost to the government. As a result, the government must impose further burdens on the ordinary man. The government may be unable to carry out its mission if it is not adequately conveyed. Even when the government fails to offer subsidies, the poor and middle classes bear the brunt of the burden. As a result, the government has been chastised for assisting the wealthy.

10.2 - Land snatching

Land is taken from impoverished and middle-class individuals under the guise of development. Land is recognized as a key element by these people in general, and they invest in it throughout their life. However, the government evacuates individuals using its basic G.O. Therefore, people are migrating in such large numbers in so many regions.

10.3 - Decline in agricultural areas

There have been reports of fertile agricultural areas being removed in order to make room for industry as a result of land grabbing. This not only puts agriculture at risk, but it also raises the possibility of a food crisis in the near future.

10.4 - Compensatory complications

The government compensates. However, it is little in comparison to the loss suffered. People must give up their lands, which they have toiled for years to obtain, in order for private persons to gain. SEZ land loss in agriculture is more challenging in terms of land issues since the farmer loses both his livelihood and his asset He must find another source of money, which will be tough. He must either work as a farm laborer somewhere or leave his village.

10.5 - Deindustrialization

SEZs attract many industrialists in other places in India and they show interest as there is tax exemption. This process allows for deindustrialization in pre-existing areas and the beginning of migration. This isn't a positive indication. There should be proportional development.

10.6 - Regional inconsistency

SEZs provide superior amenities and infrastructure to the areas surrounding them. This causes disparities across locations. Tensions may exist, as in the case of new state movements. Even if there are certain drawbacks to Special Economic Zones, India can benefit from them.

Chapter 11: Advantages of Special Economic Zones (SEZs)

Special Economic Zones have numerous positive effects in development of a nation. SEZ strategy is adopted by almost all countries throughout the world for building relations and improving the import, export with other countries It also helps in proper executions of various projects and scope of improvement in different areas. Special Economic zones also helps strength the nation's economy and provide better living conditions for their citizens.

11.1 - Draw Foreign Direct Investments (FDIs)

Foreign investors are enticed by the available facilities and intend to invest in special economic zones. All firms established in certain SEZs will receive amenities necessary for specialized sectors. There are 114 Special Economic Zones (SEZs) in India, which can attract more foreign direct investments.

11.2 - Yield capital

There is a capital shortage in India. There are several enterprises that will fail if sufficient cash is not available. However, SEZs provide a chance for international investors to collaborate with Indian investors or with the government. This will aid in satisfying India's demand for capital. FDI, unlike FII, lasts in India and may leave in the shape of profits. FDIs through SEZs can assist India in improving people's lives.

11.3 - Introduce technology

As foreign businesses invest in Indian enterprises based in SEZs, they bring with them technology from their home countries that can help the Indian economy. We are still technologically behind. This will undoubtedly aid in the advancement of technology in a variety of industries. SEZs facilitate technological transfer, which is vital to the Indian economy.

11.4 - Rapid Development

As land, inexpensive labor, cash from India and investors, and excellent management skills are paired with technology and suitable infrastructure made accessible through Special Economic Zones, the industrial and service sectors have the potential for rapid expansion. Because we rely on agriculture, SEZs can help to boost the industrial and service sectors.

11.5 - Expansion of exports

The products produced on SEZ land can meet export standards, and every facility offered in the SEZ aids in increasing exports. We can build foreign exchange reserves and get out of the balance of payments problem by increasing exports. As a result of our use of technology, we can successfully compete with the majority of technologically developed countries. We have cheap labor, and if we have strong technology, we can certainly export well.

11.6 - Escalate Employment

As the number of Special Economic Zones (SEZs) increases (there are presently 114, and over 500 SEZs have been approved), there is an opportunity for employment in the industries that have been established in the SEZ region. As India's unemployment rate rises, Special Economic Zones may be beneficial in terms of job creation. People can be diverted from agriculture to participate in the process, and there is the possibility of technical education.

11.7 - Thriving Industrialization

In India, the agriculture industry employs more than 60% of the population. This number of persons could not be found in the agricultural sector. Migration from the agriculture sector to other sectors is required. People can have this opportunity through Special Economic Zones. SEZs provide a boost to industrial expansion. There must be a balance of growth across industries.

SEZs play an important part in the Indian economy. However, it, too, has numerous flaws in addition to its advantages. To learn about the advantages and disadvantages of SEZs, visit Demerits of Special Economic Zones (SEZs).

Chapter 12: Sustainable solutions for Special Economic Zones (SEZs)

Various methods and strategies can be utilized in order to overcome the shortcomings, drawback, or mismanagement of Special economic zones. UNCTAD also tries to regulate a proper execution of business without exploiting resources, land, people, or any other aspects in a word of development. Though it is a vast spectrum hindered to describe, a governing body should be keen to help regulating the rules and laws based on the regions and economies, Sustainable Development were introduced for this same cause as an agenda with intention for a better society.

The global financial crisis and the resulting slowdown in global trade hindered the establishment of the new SEZ just somewhat. As the world reacts to growing competition in the mobile industry by developing additional SEZs and different kinds of SEZs, urbanization and the current global manufacturing slowdown have the opposite effect.

12.1 - Rehabilitation & Fair compensation

People should be compensated fairly. Farmers who provide lands should be given fertile lands in another area. In certain cases, fertile fields are taken away and replaced with barren lands. People should be compensated at the current level of demand, but the government will not supply it, and a significant loss is incurred as a result.

12.2 - States Amalgamation

States are attracting large corporations from other nations that are well-known for their automobile or software sectors. The competing states are offering lands at rock-bottom prices. To decide a fair price, states should work together. In addition, governments are offering greater tax breaks and perks. This is landing on the shoulders of ordinary people who pay taxes. To compensate for this, governments are pushing alcohol firms to generate income. Excise duty is becoming a significant source of revenue for the government.

12.3 - Avoid agriculture land

Governments should not transfer away agricultural areas in the form of special economic zones (SEZs). It has a negative impact on farmers and food production. Because India is a densely populated country, food security is a big concern. Industries should be given desolate grounds.

12.4 - Proper Utilization of resources

Use of energy efficient materials and techniques, Rain water harvesting, recycling of storm water, Energy generation, minimize exploitation of resources, Escalate Production.

12.5 - Fair employment

The primary reason for the existence of SEZs is to provide employment. People who have lost their land due to SEZs should be provided jobs. They should be properly employed. They should be trained in technical skills. They should not be given meagre positions in firms that were formerly prosperous.

12.6 - Lucidity or Transparency

When it comes to allotment and compensation, the government should be transparent. Allegations have been made that firms are providing land for real estate development. If not handled appropriately, this can be hazardous. These are actual incidents, and the government has just launched an inquiry, as reported in newspapers in a few states.

If SEZs are required as part of growth, there should be standards in place that compensate people for the sacrifices they make.

12.7 - Sustainable Finance

Capital markets that are committed to sustainable development can help close the funding gap for the SDGs. In terms of diversity, number, and assets, the last decade has seen a boom in sustainability-themed financial products. The present worldwide efforts to combat the pandemic are fueling the expansion of sustainability financing, notably in social and sustainability bonds.

Sustainable investments are divided into two categories based on how they contribute to sustainable development, namely sustainability-dedicated investment, and responsible investment (Table: 31).

Table 31: Sustainable investment

	Sustainability-dedicated investment		Responsible investment			
	Impact investing	Sustainability themed	Positive or best-in-class screening	Norms-based screening	ESG integration & engagement	Negative screening
Key features	Investment with an intention to generate positive,	Investment in themes or assets constructed	Selecting best performing companies across	Screening against minimum standards	Integrating ESG factors	Excluding activities

	measurable social and environmental impact alongside a financial return	around the SDGs (e.g., green bonds, sustainability themed funds)	industries in terms of sustainability performance	of business practice based on international norms (e.g., UN, ILO)	in investment decisions to better manage risk and enhance financial returns	or industries with clearly defined negative impacts from an investment portfolio
Return expectations	Social return & submarket/market financial return	Financial market rate & social, environmental impact	Financial market rate focused			
Market size	$1.2 - $1.3 trillion		$29 trillion			

Source: UNCTAD

Chapter 13: Conclusion

In conclusion to this study, Special economic Zone and Foreign direct investment are strategies which help development, technological advancement of a nation. It also boosts relations with other countries throughout the world without restrict constrains Along with increase in GDP. These strategies are introducing for surpassing the Strict or complex rules by the government for doing business abroad. However, a separate committee formed for regulating the norms and guidelines laid by international and local councils with different division for seamless workflow.

Special Economic Zone is a border term referring to investment in a country for accelerating the production of good and services. Some areas of interest are Agro, Aviation, aerospace products, aluminum, auto motives, minerals, metals, electronic products, engineering, food processing, textile, footwear, gem and jewelry, Stone, machinery, Handcraft, Information Technology, Metallurgy, Multi products, Multiservice, research and development, Power generation, Petro chemical, chemicals, plastic pharmaceuticals, port based multi products and so on.

Special economic Zones are present in almost all countries all over the world with total count of 5383 along with 474 under development and 507 planned for the upcoming years. Thought, the regulations differ depending upon the region and business classification. Most of the Special Economic zones are Foreign direct investment.

UNCTAD conduct and monitor the development in the world. They keep track record by conducting studies and published the report. They divide the Foreign direct investment in different regions and economies for better classification and understanding such as Developing Economies in Africa, developing economies in Asia, Latin America and Caribbean, transition economies, developed economies, the least developed economies, Land lock developing economies, Island's economies.

By studying special economic zones established in various parts of world, in China, Poland, west Balkans & India. It's understood that the execution of this strategy doesn't seem to be that much of an easy. It has it own advantages and disadvantages, which anyone can easily misuse for their own profits.

Covid-19 pandemic has impacted very much on the special economic zones and foreign direct investment in countries around the world. Many Foreign direct investments were drawn back and flow of money slowed at an alarming rate. New methods and techniques are introducing to tackle this crisis, in order to restore economies to the previous state.

In the end, United Nations and States Governments tries to execute these strategies in proper way by formulating rules and regulations based on the regions, type of business and resources availability. The main motto behind introducing these strategies is for maintaining a stability in world economy, stopping the exploiting of resources around the world. Improving the people living conditions, generating employment, and uplifting people above the poverty line.

Bibliography

(n.d.).

Addicted04. (2014, January 21). *Archivo:India on the globe (India centered)*. Retrieved from wikipedia: https://es.m.wikipedia.org/wiki/Archivo:India_on_the_globe_(India_centered).svg

Amaded, K. (2021, March 11). *Foreign Direct Investment*. Retrieved from the balance: https://www.thebalance.com/foreign-direct-investment-fdi-pros-cons-and-importance-3306283

Bhadauria, S. S. (2017, November 11). Special Economic Zones (SEZs): A case study of Indian Economy. *Special Economic Zones (SEZs): A case study of Indian Economy*. Retrieved from International Journal of Scientific Development and Research: https://www.ijsdr.org/viewpaperforall.php?paper=IJSDR1711014

Chen, J. (2021, Feburary 12). *Foreign Direct Investment (FDI)*. Retrieved from investopedia: https://www.investopedia.com/terms/f/fdi.asp

chronicle, G. k. (n.d.). *Metallic Minerals in India*. Retrieved from General knowledge chronicle: https://gkchronicle.com/indian-geography/Metallic-minerals-in-India.php

chronicle, G. k. (n.d.). *Non - Metallic minerals in India*. Retrieved from General knowledge chronicle: https://gkchronicle.com/indian-geography/Non-metallic-minerals-in-India.php

Development, O. f.-o. (2017). *Tracking Special Economic Zones in the Western Balkans: Objectives, Features and Key Challenges.* Retrieved from https://www.oecd.org/south-east-europe/SEZ_WB_2017.pdf

Development, U. N. (2019, June 12). *World Investment Report 2019.* Retrieved from unctad.org: https://unctad.org/webflyer/world-investment-report-2019

Development, U. N. (2020, June 16). *World Investment Report 2020.* Retrieved from unctad.org: https://unctad.org/webflyer/world-investment-report-2020

Development, U. N. (2021, June 21). *World Investment Report 2021.* Retrieved from unctad.org: https://unctad.org/webflyer/world-investment-report-2021

Emperor, C. (2011, May 11). *Benefits of Special Economic Zones (SEZs) for Indian economy*. Retrieved from indiastudychannel: https://www.indiastudychannel.com/resources/140744-Benefits-of-Special-Economic-Zones-SEZs-for-Indian-economy.aspx

Emperor, C. (2011, May 11). *Demerits of Special Economic Zones (SEZs)*. Retrieved from indiastudychannel: https://www.indiastudychannel.com/resources/140745-Demerits-Special-Economic-Zones-SEZs.aspx

Emperor, C. (2011, May 11). *Suggestions regarding Special Economic Zones (SEZs) in India*. Retrieved from indiastudychannel: https://www.indiastudychannel.com/resources/140748-Suggestions-regarding-Special-Economic-Zones-SEZs-in-India.aspx

Farzin, H. (2019, November 12). *Classification of Indian Cities*. Retrieved from medport: https://medport.in/classification-of-indian-cities/

foundation, I. f. (2018, January). *Global Power City Index 2017*. Retrieved from mori m foundation: http://www.mori-m-foundation.or.jp/english/ius2/gpci2/2017.shtml

Ghosh, I. (2020, September 14). *The $88 Trillion World Economy in One Chart*. Retrieved from visualcapitalist: https://www.visualcapitalist.com/the-88-trillion-world-economy-in-one-chart/

Gray, A. (2017, March 09). *The world's 10 biggest economies in 2017*. Retrieved from world economic forum: https://www.weforum.org/agenda/2017/03/worlds-biggest-economies-in-2017/

hydropower.org. (2018). *India*. Retrieved from hydropower.org: https://www.hydropower.org/country-profiles/india

IAS, P. (2016, Feburary 5). *Mica, Limestone & other Non-Metallic Minerals in India*. Retrieved from pmfias: https://www.pmfias.com/non-metallic-mineral-distribution-in-india-mica-limestone-dolomite-asbestos-kyanite-gypsum/

India, M. o. (2014, June 02). *Major Hydro Power Plants Map.* Retrieved from Maps of India: https://www.mapsofindia.com/maps/india/hydropowerproject.htm

India, M. o. (2014, June 02). *Map of Major Thermal Power Plants.* Retrieved from Maps of India: https://www.mapsofindia.com/maps/india/thermalpowerplants.htm

India, M. o. (2014, June 02). *Nuclear Power Plants Map.* Retrieved from Maps of India: https://www.mapsofindia.com/maps/india/nuclearpowerplants.htm

India, M. o. (2015). *India Metallic Minerals Map.* Retrieved from Maps of India: https://www.mapsofindia.com/maps/india/matalic.htm

India, M. o. (2015). *Map of Non Metal Minerals in India.* Retrieved from Maps of India: https://www.mapsofindia.com/maps/india/non-matalic.htm

India, M. o. (2015, July 20). *Map of Tier I and Tier II Cities of India.* Retrieved from Maps of India: https://www.mapsofindia.com/maps/india/tier-1-and-2-cities.html

India, M. o. (2018). *Maps of Indian States Ease of Doing Business.* Retrieved from Maps of India: https://www.mapsofindia.com/maps/india/indian-state-ease-of-doing-business-ranking.html

India, M. o. (2020). *Political Map of India.* Retrieved from Maps of India: https://www.mapsofindia.com/maps/india/india-political-map.htm

India.gov.in. (n.d.). *Agriculture*. Retrieved from india.gov.in national portal of India: https://www.india.gov.in/topics/agriculture

IndiaFilings. (n.d.). *Top 10 Business in India*. Retrieved from indiafilings: https://www.indiafilings.com/learn/top-10-business-india/

Irena. (2020, September 10). *The World Economy in One Chart: GDP by Country*. Retrieved from howmuch.net: https://howmuch.net/articles/the-world-economy-2019

Kothari, D. B. (01-January-2018). *Special Economic Zones and the Emergent R'Urban Growth Dynamics.*

Larson, A. (2019, November 1). *History of Power Plant Renovation and Modernization in India*. Retrieved from powermag: https://www.powermag.com/history-of-power-plant-renovation-and-modernization-in-india/

Mokashi, S. k. (2018, Feburary 15). *6 Reasons to Do Business in India*. Retrieved from business Setup: https://www.businesssetup.com/blog/6-reasons-do-business-india

NehaVaddiparti, S. P. (n.d.). *Loss of commons and the state- a study of special economic zones in Andhra Pradesh, India.* Retrieved from https://dlc.dlib.indiana.edu/dlc/bitstream/handle/10535/7115/979.pdf?sequence=1&isAllowed=y

Png, N. (n.d.). *India Agriculture Map.* Retrieved from nicepng: https://www.nicepng.com/ourpic/u2w7e6e6r5o0e6t4_india-agriculture-map/

S. Chandrachud, D. N. (March-2013). The Current Status of SEZ, India. *IOSR Journal of Business and Management (IOSR-JBM)*. Retrieved from iosrjournals: https://www.iosrjournals.org/iosr-jbm/papers/Vol9-issue5/C0951827.pdf?id=5113

Sassen, S. (2016). *Saskia Sassen's CV*. Retrieved from Saskia Sassen: http://www.saskiasassen.com/cv.php

Sassen, S. (30-May-2018). *Cities in a world economy (Fifth Edition)*. SAGE Publications.

Sinha, D. (n.d.). *Metallic Mineral Found in India: Ferrous and Non-Ferrous*. Retrieved from yourarticlelibrary: https://www.yourarticlelibrary.com/geography/metallic-mineral-found-in-india-ferrous-and-non-ferrous/42279

Special Economic Zones in India, M. o. (n.d.). *Special Economic Zones in India*. Retrieved from Special Economic Zones in India: http://sezindia.nic.in/cms/sez-rules-and-amendments.php

Standard, B. (n.d.). *What is FDI*. Retrieved from Business Standard: https://www.business-standard.com/about/what-is-fdi

Trivandrum, C. o. (2018). *Prof. Bejene S Kothari*. Retrieved from College of Engineering Trivandrum: https://www.cet.ac.in/prof-bejene-s-kothari/

Unctad. (n.d.). *About UNCTAD*. Retrieved from unctad.org: https://unctad.org/about

Vidya Bhushan Rawat, M. B. (January-2011). *The impact of Special Economic Zones in India: A case study of Polepally SEZ.* International Land Coalition. Retrieved from http://www.indiaenvironmentportal.org.in/files/WEB_SDF_India_final_layout.pdf

vikaspedia. (n.d.). *Nuclear power plants in India*. Retrieved from vikaspedia: https://vikaspedia.in/energy/energy-basics/nuclear-power-plants-in-india

whiting, K. (2020, October 13). *Chart of the Day: This is how the $88 trillion global economy is spread around the world*. Retrieved from world economic forum: https://www.weforum.org/agenda/2020/10/global-economy-gdp-growth-covid-19/

wikipedia. (2021, June 16). *United Nations Conference on Trade and Development*. Retrieved from wikipedia.org: https://en.wikipedia.org/wiki/United_Nations_Conference_on_Trade_and_Development

Zeng, D. Z. (2012). *China's Special Economic Zones and Industrial Clusters: Success and challenges.* Lincoln Institute of Land Policy working Policy. Retrieved from https://www.lincolninst.edu/sites/default/files/pubfiles/2261_1600_Zeng_WP13DZ1.pdf

(Sassen, Cities in a world economy (Fifth Edition), 30-May-2018)

(Kothari, 01-January-2018)

(Special Economic Zones in India, n.d.)

(Development U. N., World Investment Report 2019, 2019)

(Development U. N., World Investment Report 2020, 2020)

(Development U. N., World Investment Report 2021, 2021)

(Emperor, Demerits of Special Economic Zones (SEZs), 2011)

(Emperor, Benefits of Special Economic Zones (SEZs) for Indian economy, 2011)

(Emperor, Suggestions regarding Special Economic Zones (SEZs) in India, 2011)

(Zeng, 2012)

(NehaVaddiparti)

(Vidya Bhushan Rawat, January-2011)

(Development O. f.-o., 2017)

(India, Political Map of India, 2020)

(Png)

(India, Map of Tier I and Tier II Cities of India, 2015)

(India, Maps of Indian States Ease of Doing Business, 2018)

(India, Major Hydro Power Plants Map, 2014)

(India, Map of Major Thermal Power Plants, 2014)

(India, Nuclear Power Plants Map, 2014)

(India, India Metallic Minerals Map, 2015)

(India, Map of Non Metal Minerals in India, 2015)

(Addicted04, 2014)

(Sassen, Saskia Sassen's CV, 2016)

(Trivandrum, 2018)

(Bhadauria, 2017)

(hydropower.org, 2018)

(chronicle, Metallic Minerals in India, n.d.)

(chronicle, Non - Metallic minerals in India, n.d.)

(Sinha, n.d.)

(IAS, 2016)

(IndiaFilings, n.d.)

(India.gov.in, n.d.)

(Farzin, 2019)

(Larson, 2019)

(vikaspedia, n.d.)

(S. Chandrachud, March-2013)

(Chen, 2021)

(Standard, n.d.)

(Amaded, 2021)

(whiting, 2020)

(Ghosh, 2020)

(foundation, 2018)

(Unctad, n.d.)

(wikipedia, 2021)

(Mokashi, 2018)