

# GST push for trade act rejig

## A STAFF REPORTER

**Calcutta, Aug. 19:** The Centre plans to tweak the special economic zone and foreign trade acts to fit them with the proposed goods and services tax (GST).

“The SEZ and FTA require suitable legislative changes to make them consistent with the GST regime. Many directorate-general of foreign trade (DGFT) schemes will have to be moderated as well,” Union commerce secretary Rita A. Teatodia said at a session organised by the Confederation of Indian Industries-Suresh Neotia Centre of Excellence for Leadership (CII-SNCEL) here today.

She said the government’s legal team was evaluating the draft legislation. “We would not freeze it till the GST act is finalised.”

The commerce secretary said the GST regime would in-



**Rita Teatodia (centre) with current CII eastern region chairman T. V. Narendran (right) and former chairman Sanjay Budhia in Calcutta on Friday.** Picture by Kishor Roy Chowdhury

crease the country’s GDP by 1-1.5 per cent per annum and bring down the cost of locally-manufactured goods and services along with the logistics cost.

“The services sector will also get a boost and we will work together with the revenue department to address them,” she said.

Teatodia said multilateralism was making way for mega regional trade blocs in world

trade. India is now considering 19 such agreements, either in the form of preferential trade agreement, free trade agreement or comprehensive economic co-operation agreement.

The commerce secretary said the Board of Approval (BoA) was ready to allow software majors Wipro and Infosys to set up SEZs in Rajarhat but only with the approval of the Bengal government.

“Our clear view is that an SEZ is set up with the consent of the state government and while moving forward we invariably take the state’s concurrence or the ‘no objection’. Accordingly, the BoA will always approve,” Teatodia said.

Wipro and Infosys have proposed SEZs over 19.76 hectares and 20.14 hectares, respectively, and have paid Rs 75 crore each to buy land from the state government.

“We may be stressing more on SEZs and encourage more industries to operate from there as it is the SEZs that have bucked the trend of falling exports,” she said, adding that the Centre was also carrying out an exercise on the denotification of SEZs so that the land that has remained unattractive to some industries can become available for other public purposes.