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SEZs should 'boost' manufacturing sector **Tribune News Service**

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Supporting the government on the issue of special economic zones (SEZs), Chairman of National Manufacturing Competitiveness Council (NMCC) today warned that the focus should be on promoting the manufacturing sector through the SEZs and not on diversion of the present industrial units.

"The concept of SEZs conceived by the government is really good, where good infrastructure can be provided at one place in a cost-effective manner to create employment. However, these should be used to promote manufacturing and not for the diversion of present units," NMCC Chairman Dr V. Krishnamurthy told reporters.

Notably, the government has so far given formal clearance to 212 SEZs and in-principle approval to 152 SEZs. The Board is meeting tomorrow to consider approval for couple of other zones.

Speaking after the first meeting of the Empowered Sub-Committee of the High Level Committee on Manufacturing (HLCM), he said: " Among the BRIC countries (Brazil, Russia, India, China), India is the only country which has improved its ranking from 60th to 45 last year and 43 this year. Meanwhile, Brazil slipped from 57th to 66th, Russia from 53rd to 62nd, China from 48th to 54th rank within a year."

India has been progressively improving its competitiveness ranking in the past three years, he said, and added that the issues of delay in official clearances, labour reforms, high cost of power still needed attention.

The manufacturing sector has shown a robust growth of 11.8 per cent in the first months of the current fiscal (April-August, 2006) compared to last year.

Dr Krishnamurthy said the council has identified six key areas, including food and agro-processing, textile and garments, leather and footwear, IT hardware and electronics, problems of small and medium industries and skill development, on which specific recommendations would be made shortly.

A 10-point strategy for enhancing competitiveness of small and medium enterprises is on anvil, he added.

Referring to today's meeting, he said the council also discussed the draft action plan prepared by the Ministry of Food Processing Industry for energising the food-processing sector.

Dr Krishnamurthy also said the council would have a special meeting with the Punjab officials tomorrow to identify the strengths of the state and bottlenecks which needed to be removed to boost the manufacturing sector. The Council has so far held meetings with the Andhra Pradesh, Bihar, Punjab and West Bengal to revive the manufacturing sector.