

## FAQ's

### **1. What are the common issues faced by a self-sustained community?**

Possible solutions to water issues:

Supply: install cisterns for rainwater collection, use water conservation methods, use dual piping methods to utilize gray water when feasible, plant drought tolerant plants rather than lawns.

Quality: use no chemicals or fertilizers, use integrated pest management, choose a location far from industry or conventional agriculture, develop artificial wetlands.

Flood control: reduce pavement, develop artificial wetlands, install natural drainage system.

- a. Food supply and quality: achieved through decentralized organic food production. Utilize a diversity of plants. Small household gardens are the most ecologically sound. Food processing can be done efficiently in communities. Buy from local producers. Enough land must be designated for agriculture to support the food needs of the community at a sustainable level, whether it is in large areas or small plots.
- b. Shelter: needed for protection from weather and sense of security.
  - i. Providing a mix of housing types is best - large, small, rental, own.
  - ii. Develop ways to be inclusive - labor as down payment, build your own.
  - iii. creative financing is often necessary - Rural Development, small local banks
  - iv. Use green design whenever possible
- c. Energy:
  - i. Conserve whenever possible.
  - ii. Use alternative sources - solar (passive and active), wind, biomass, small-scale hydroelectric, geothermal, fuel cells.
  - iii. Structure for low energy usage - most important. Make pedestrian and bicycle traffic convenient, minimize automobile use,

locate near public transportation or incorporate it into your plan, locate near services and schools or incorporate into your plan.

- d. **AESTHETICS:** In order to be sustainable, a community must be pleasing for the residents who live there. Recreational facilities should be provided for the enjoyment of the members. Gathering places are essential.
- e. **CITIZEN PARTICIPATION:** Community members must feel like their voice is heard. Some system for consensus building must be utilized

## **2. What is a SEZ?**

The term **special economic zone (SEZ)** is commonly used as a generic term to refer to only one modern economic zone. In these zones business and trades laws differ from the rest of the country. Broadly, SEZs are located within a country's national borders. The aims of the zones include: increased trade, increased investment, job creation and effective administration. To encourage businesses to set up in the zone, financial policies are introduced. These policies typically regard investing, taxation, trading, quotas, customs and labour regulations. Additionally, companies may be offered tax holidays.

## **3. What are Free Trade Zones?**

A **free trade zone (FTZ)** is a specific class of special economic zone. They are a geographic area where goods may be landed, handled, manufactured or reconfigured, and re-exported without the intervention of the customs authorities. Only when the goods are moved to consumers within the country in which the zone is located do they become subject to the prevailing customs duties. Free-trade zones are organized around major seaports, international airports, and national frontiers—areas with many

geographic advantages for trade. It is a region where a group of countries has agreed to reduce or eliminate trade barriers. Free trade zones can also be defined as labor-intensive manufacturing centers that involve the import of raw materials or components and the export of factory products.

#### 4. What are the types of SEZ?

The term Special Economic Zone can include:

- Free trade zones (FTZ),
- Export processing zones (EPZ),
- Free zones/ Free economic zones (FZ/ FEZ),
- Industrial parks/ industrial estates (IE),
- Free ports
- Bonded logistics parks (BLP),
- Urban enterprise zones.

| Type                              | Objective              | Size           | Typical Location | Typical Activities             | Markets                    |
|-----------------------------------|------------------------|----------------|------------------|--------------------------------|----------------------------|
| FTZ                               | Support trade          | <50 hectares   | Port entry       | of Entrepôts and trade related | Domestic , re-export       |
| free port/SEZ                     | Integrated development | >1000 hectares | None             | Multi-use                      | Internal, domestic, export |
| EPZ (traditional)                 | Export manufacturing   | <100 hectares  | None             | Manufacturing , processing     | Mostly export              |
| EPZ (single Unit/free enterprise) | Export manufacturing   | No minimum     | Countrywide      | Manufacturing , processing     | Mostly export              |
| EPZ (hybrid)                      | Export manufacturing   | <100 hectares  | None             | Manufacturing , processing     | Export, domestic           |

#### 5. Discuss the fundamentals of SEZ.

The objectives of SEZs can be explained as:

- Generation of additional economic activity;

- Promotion of exports of goods and services;
- Promotion of investment from domestic and foreign sources;
- Creation of employment opportunities;
- Development of infrastructure facilities.
- The incentives and facilities available to SEZ developers include:
  - Exemption from customs/excise duties for development of SEZs for authorized operations approved by the BOA.
  - Income Tax exemption on income derived from the business of development of the SEZ in a block of 10 years in 15 years under Section 80-IAB of the Income Tax Act.
  - Exemption from minimum alternate tax under Section 115 JB of the Income Tax Act.
  - Exemption from dividend distribution tax under Section 115O of the Income Tax Act.
  - Exemption from Central Sales Tax (CST).
  - Exemption from Service Tax (Section 7, 26 and Second Schedule of the SEZ Act).