

PRIME MINISTER'S OFFICE  
BOARD OF INVESTMENT

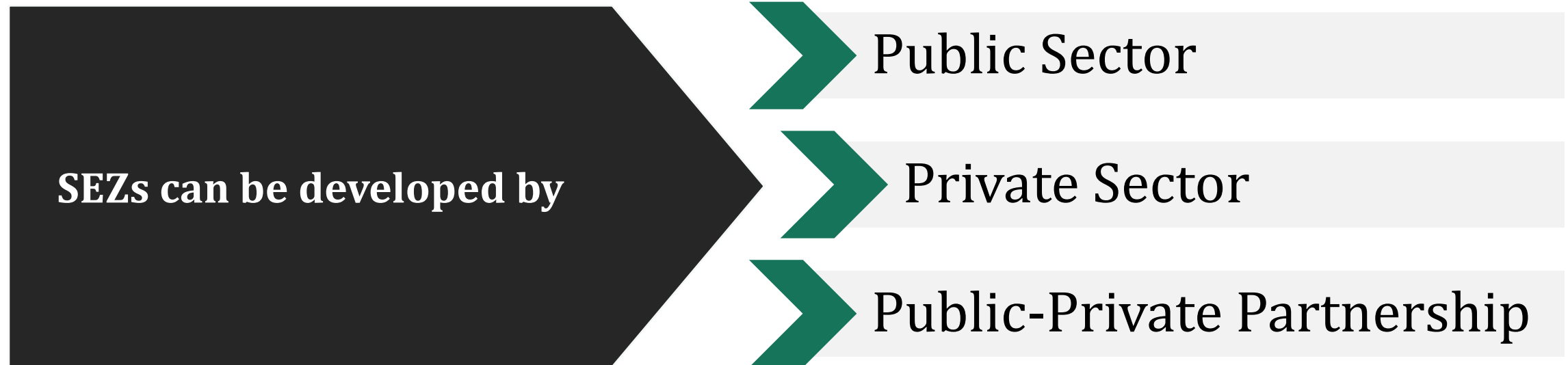


SPECIAL ECONOMIC ZONES  
*'catalyst for industrialization'*

13<sup>th</sup> January, 2021

# Special Economic Zones Act, 2012

SEZ Act was passed by the Parliament in 2012 and subsequent amendments were made therein in 2016 to make it more business friendly.



# SEZ Governance Structure

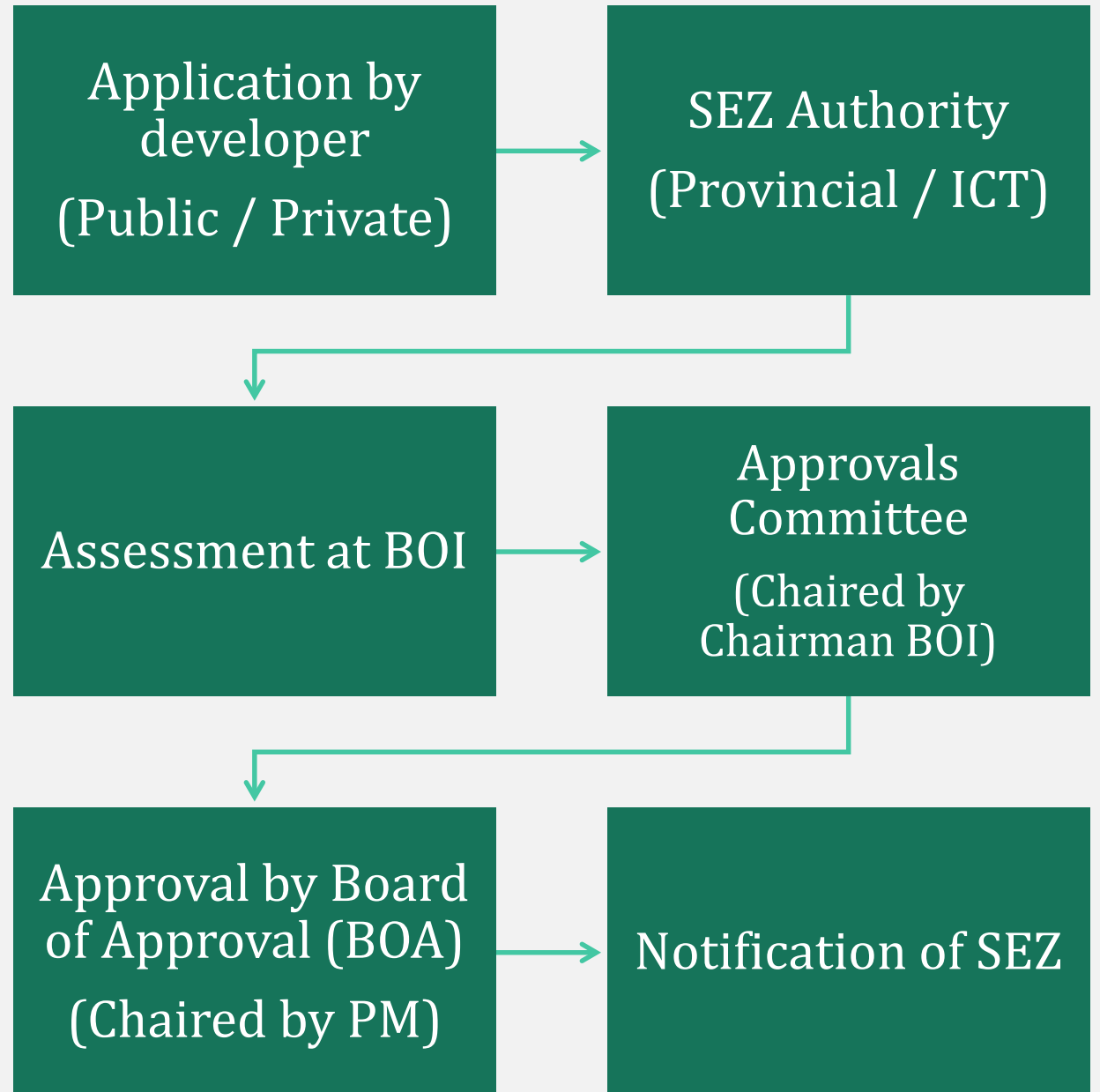
As per SEZ Act, 2012, the SEZs revolve around a Tripartite Governance Protocol.

Federal Government  
(Chaired by PM)

Provincial Government  
(Chaired by CM)

SEZ Committee  
(Chaired by Developer)

# SEZ Approval Flow



# Role of Board of Investment

Co-ordinate all activities pertaining to SEZs, developers and zone enterprises.

Process zone applications submitted by SEZAs for consideration of BOA

Review development agreements

International and domestic promotion of investments into SEZs

Facilitate the interaction of developers and zone enterprises with Federal, Provincial and other governmental authorities

Process all applications for additional incentives

SEZ Authority for the Islamabad Capital Territory

Support and facilitate the SEZ Authorities, if requested.

# Overview of SEZs

Approved SEZs (Total = 7 + 14 = 21)	
2012-2018 (Total = 7)	2019-Present (Total = 14)
M3-IC Faisalabad	Rahim Yar Khan Industrial Estate
Value Addition City	Vehari Industrial Estate
Quaid-e-Azam Apparel Park	Bhalwal Industrial Estate
Korangi Creek Industrial Park	Oil Village SEZ
Bin Qasim Industrial Park	Rachna Industrial Park
Hattar SEZ	Hub SEZ
Khairpur SEZ	Naushahro Feroze Industrial Park
CPEC	Rashakai SEZ
Public - Existing	Bostan SEZ (Existing)
Public - New	Allama Iqbal Industrial City
Private	JW- SEZ China Pakistan SEZ
Sole Enterprise SEZ	National Science & Technology Park
	Service Long March SEZ
	Siddiqsons Tin Plate SEZ
	Dhabheji SEZ

# Revision of SEZ Incentive Package

## Old SEZ Incentive Package



- **Developers**
  - One-time custom exemption on plant and machinery.
  - Income Tax exemption for 5 years.
- **Zone enterprises**
  - One time custom duties exemption on plant and machinery.
  - Income tax exemption for 10 years for units starting production by 30-06-2020 and 5 years for the units starting production thereafter.

## New SEZ Incentive Package

- **Developers**
  - Custom Duty exemption on import of [capital goods](#).
  - Income Tax exemption for 10 years.
- **Co-developers**
  - Concession and exemptions available to the developers of SEZs extended to co-developers.
- **Zone enterprises**
  - Custom Duty exemption on import of [capital goods](#).
  - Income Tax exemption for 10 years from commencement of commercial operation.



## Future Avenues

- Resolution of policy hick-ups.
- New SEZ Committees for fast colonization of SEZs.
- Investment promotion activities for marketing SEZs.
- Integration of SEZ MIS Module with Customs.
- Launch of Dhabeji SEZ
- Development of Rashakai SEZ Phase-I
- Single Company SEZs to be established.
- G2G and country specific SEZs to be planned.



Thank You



# “Capital Goods”

as defined in Part-1 of the  
Fifth Schedule to Customs  
Act 1969

“Capital Goods” mean any plant, machinery, equipment, spares and accessories, classified in Chapters 84, 85 or any other chapter of the Pakistan Customs Tariff, required for-

- a) the manufacture or production of any goods, and includes refractory bricks and materials required for setting up a furnace, catalysts, machine tools, packaging machinery and equipment, refrigeration equipment, power generating sets and equipment, instruments for testing, research and development, quality control, pollution control and the like; and
- b) use in mining, agriculture, fisheries, animal husbandry, floriculture, horticulture, livestock, cool chain, dairy and poultry industry, **“IT sector, Storage, communication, and infrastructure development of SEZs by zone developer”**.

[Go Back](#)

# Notified Special Economic Zones

1. M3-IC Faisalabad, Punjab (4356 Acres)
2. Value Addition City, Faisalabad, Punjab (215 Acres)
3. Quaid-e-Azam Apparel Park, Sheikhpura, Punjab (1530 Acres)
4. Korangi Creek Industrial Park, Karachi, Sindh (250 Acres)
5. Bin Qasim Industrial Park, Karachi, Sindh (930 Acres)
6. Khairpur SEZ, Sindh (140 Acres)
7. Hattar SEZ, Khyber Pakhtunkhwa (424 Acres)
8. Rahim Yar Khan SEZ, Punjab (456 Acres)
9. Vehari SEZ, Punjab (277 Acres)
10. Bhalwal SEZ, Punjab (227 Acres)
11. Oil Village SEZ, Rawalpindi, Punjab (100 Acres)
12. Rachna SEZ, Lahore (193 Acres)
13. Hub SEZ, Balochistan (406 Acres)
14. Naushahro Feroze Industrial Park, Sindh (80 Acres)
15. Rashakai SEZ (CPEC), Khyber Pakhtunkhwa (1000 Acres)
16. Bostan SEZ (CPEC), Balochistan (200 Acres)
17. Allama Iqbal Industrial City (CPEC), Punjab (2800 acres)
18. JW SEZ China Pakistan SEZ, Punjab (231 acres)
19. NSTP, Islamabad (58.3 acres)

# Special Economic Zones Under CPEC

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Rashakai SEZ (CPEC), Khyber Pakhtunkhwa (1000 Acres)

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Allama Iqbal Industrial Park (CPEC), Faisalabad, Punjab (3278 Acres)

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Bostan SEZ (CPEC), Balochistan (200 Acres)

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Dhabeji SEZ, Thatta, Sindh (1530 Acres)

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ICT SEZ, Islamabad (Yet to be decided)

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Moqpandass SEZ, Gilgit Baltistan (250 Acres)

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Mirpur SEZ, AJK (1088 Acres)

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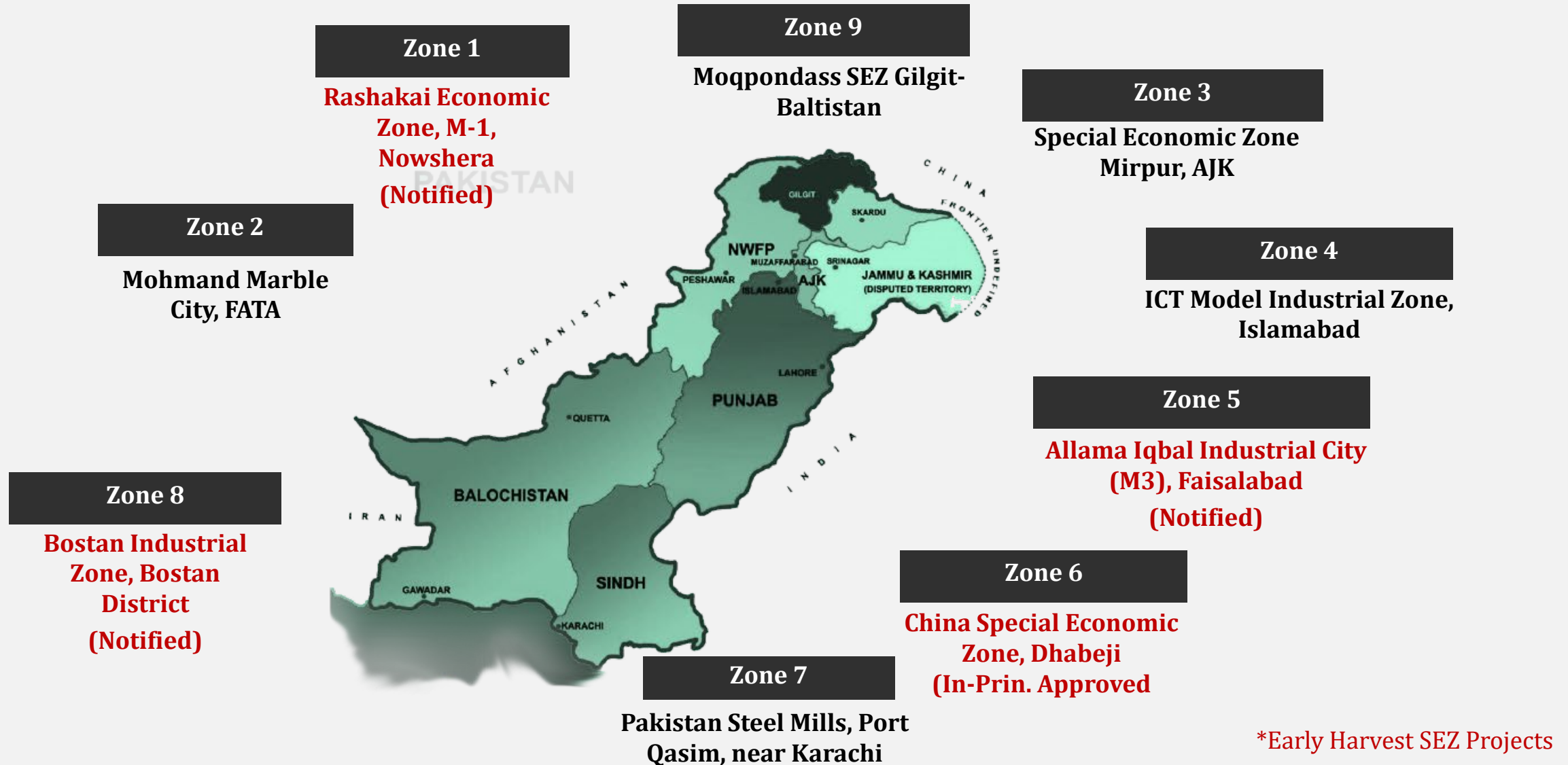
Momand Marble City SEZ, Khyber Pakhtunkhwa (350 Acres)

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Jinnah Pakistan Steel Mills, Karachi, Sindh (1500 Acres)

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# Nine (09) SEZs Identified For Development Under CPEC



\*Early Harvest SEZ Projects