

India jumps 23 spots in Ease of Doing Business; ranks 77th out of 190 countries

According to World Bank's annual report on the Ease of Doing Business, 'Doing Business 2019: Training for Reform, India is ranked 77th out of 190 countries and has moved up by 23 ranks on the World Bank's ease of doing business ranking this year.

Doing Business 2018: Training for Reform observed a peak in reform activity worldwide—128 economies undertook a record 314 reforms in 2017/18. Around the world, registering a business now takes an average of 20 days and costs 23% of income per capita, compared to 47 days and 76% of income per capita in 2006. Doing Business captured a record 314 regulatory reforms between June 2, 2017, and May 1, 2018. Worldwide, 128 economies introduced substantial regulatory improvements making it easier to do business in all areas measured by Doing Business.

Ease of Doing Business Ranking 2018

Rank	Economy	EODB Score	EODB Score Change
1	New Zealand	86.59	0.00
2	Singapore	85.24	+0.27
3	Denmark	84.64	+0.59
4	Hong Kong SAR, China	84.22	+0.04
5	Korea, Rep.	84.14	-0.01

6	Georgia	83.28	+0.48
7	Norway	82.95	+0.25
8	United States	82.75	-0.01
9	United Kingdom	82.65	+0.33
10	Macedonia, FYR	81.55	+0.032
13	Taiwan, China	80.90	+0.24
22	Canada	79.26	+0.38
24	Germany	78.90	0.00
32	France	77.29	+0.99
39	Japan	75.65	+0.05
77	India	67.23	+6.63

Source: PHD Research Bureau, Compiled from World's Bank Doing Business database

Highlights of the EoDB 2019:

- The economies with the most notable improvement in Doing Business 2019 are Afghanistan, Djibouti, China, Azerbaijan, India, Togo, Kenya, Côte d'Ivoire, Turkey and Rwanda.
- One-third of all business regulatory reforms recorded by Doing Business 2019 were in the economies of Sub-Saharan Africa. With a total of 107 reforms, Sub-Saharan Africa once again has a record number this year. The BRIC economies—Brazil, the Russian Federation, India and China—introduced a total of 21 reforms, with getting electricity and trading across borders the most common areas of improvement.
- The top three economies this year—New Zealand, Singapore and Denmark—exemplify a business friendly environment. Meanwhile, Mauritius, which joins the group of top 20 economies this year (the only Sub-Saharan African economy to do so), has reformed its business environment methodically over time.

India's Rankings on Doing Business Indicators: Indicators Where India Improved its Rank

S. No.	Indicator	2017	2018	Change
1	Construction Permits	181	52	129

2	Trading Across Borders	146	80	66
3	Starting a Business	156	137	19
4	Getting Credit	29	22	7
5	Getting Electricity	29	24	5
6	Enforcing Contracts	164	163	1
Overall rank		100	77	23

Source: PHD Research Bureau, Compiled from World's Bank Doing Business database

India's performance on various parameters:

- **Starting a business**

India made starting a business easier by fully integrating multiple application forms into a general incorporation form. India also replaced the value added tax with the GST (Goods and Services Tax) for which the registration process is faster. These reforms apply to both Delhi and Mumbai. At the same time, Mumbai abolished the practice of site inspections for registering companies under the Shops and Establishments Act

- **Dealing with construction permits**

India streamlined the process of obtaining a building permit and made it faster and less expensive to obtain a construction permit. It also improved building quality control by introducing decennial liability and insurance. This reform applies to both Delhi and Mumbai

- **Getting Credit**

India strengthened access to credit by amending its insolvency law. Secured creditors are now given absolute priority over other claims within insolvency proceedings. This reform applies to both Delhi and Mumbai.

- **Getting Electricity**

The Delhi Electricity Regulatory Commission reduced charges for low voltage connections. Getting electricity was also made easier in Delhi through a reduction in the time for the utility to carry out the external connection works.

- **Paying taxes**

India made paying taxes easier by replacing many indirect taxes with a single indirect tax, the GST, for the entire country. India also made paying taxes less costly by reducing the corporate income tax rate and the employees' provident funds scheme rate paid by the employer. This reform applies to both Delhi and Mumbai.

- **Trading across borders**

India reduced the time and cost to export and import through various initiatives, including the implementation of electronic sealing of containers, the upgrading of port infrastructure and allowing electronic submission of supporting documents with digital signatures. This reform applies to both Delhi and Mumbai.

- **Labor market regulation**

India (Mumbai) changed regulations pertaining to weekly holiday work, overtime hours and paid annual leave.

PHD Chamber's viewpoint

Sharp jump in ease of doing business rankings to the level of 77 from 100 is highly inspiring and more than the expectations. The reform measures undertaken by the government have started paying off and fruitful outcomes are visible now. The work undertaken by the government is highly appreciated due to which India is one of the economies to make to the list of top 10 improvers for the second consecutive year. The improvement in ease of doing business would attract investments in the economy. Foreign investments are expected to increase significantly in the coming times. India is going to become a US\$100 billion investment destination in the next very few years. India attracted US\$62 billion in FY2018. The implementation of GST and Insolvency and Bankruptcy Code along with improvements in registering for new electricity connection, upgradation of port infrastructure, among others have yielded positive results and facilitated the country to improve in various parameters. Going ahead, given the ongoing reform momentum, it is expected that India will rank at around 25 on the Ease of Doing Business Index in the next two years.

Please contact for any query related to this mail to Ms. Kritika Bhasin, Research Officer at kritika.bhasin@phdcci.in with a cc to Dr. S P Sharma, Chief Economist at spsharma@phdcci.in, and Ms. Megha Kaul, Economist, megha@phdcci.in, PHD Chamber of Commerce & Industry.

Warm regards,

Dr. S P Sharma
Chief Economist

PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016
Ph.: + 91-11-26863801-04, 49545454
Fax: +91- 26855450, 49545451
Email: spsharma@phdcci.in
Website: www.phdcci.in



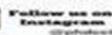
"Towards a Prosperous India"



PHD CHAMBER OF COMMERCE AND INDUSTRY

PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

Connect with us:



COPYRIGHT: All rights reserved. No part of this publication/Release may be reproduced, distributed, or transmitted in any form or by any means, without the prior written permission of the publisher. For permission requests, write to the publisher.

DISCLAIMER: This message and its attachments contain confidential information. If you are not the intended recipient, you are strictly prohibited to disclose, copy, distribute or take any action in reliance on the contents of this information. E-mail transmission cannot be guaranteed to be secure or error-free, as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this message, which arise as a result of e-mail transmission. If verification is required please request a hard-copy version.