

India jumps 14 spots in Ease of Doing Business rankings 2020; ranks 63rd out of 190 countries

According to World Bank's annual report on the Ease of Doing Business (EODB), 'Doing Business 2020: Comparing Business Regulations in 190 Economies', India ranks 63rd out of 190 countries and has moved up by 14 spots this year.

Doing Business 2020 acknowledges 22 reforms in the 20 top-ranking economies. Since 2003-04, the 20 best-performing economies have carried out a total of 464 regulatory changes, suggesting that even the gold standard setters have room to improve their business climates. More than half of the economies in the top-20 cohort are from the OECD high-income group; however, the top-20 list also includes four economies from East Asia and the Pacific, two from Europe and Central Asia, as well as one from the Middle East and North Africa and one from Sub-Saharan Africa. Conversely, most economies (12) in the bottom 20 are from the Sub-Saharan Africa region.

Ease of Doing Business Rankings 2020

Rank	Economy	EODB Score
1	New Zealand	86.8
2	Singapore	86.2
3	Hong Kong SAR, China	85.3
4	Denmark	85.3
5	Korea, Rep.	84.0
6	United States	84.0

7	Georgia	83.7
8	United Kingdom	83.5
9	Norway	82.6
10	Sweden	82.0
22	Germany	79.7
23	Canada	79.6
31	China	77.9
32	France	76.8
63	India	71.0

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

Highlights of EODB 2020:

- New Zealand, Singapore and Hong Kong are ranked as top three in ease of doing business rankings 2020. Economies that score highest on the ease of doing business share several common features, including the widespread use of electronic systems. All of the 20 top-ranking economies have online business incorporation processes, have electronic tax filing platforms, and allow online procedures related to property transfer.
- Doing Business acknowledges the 10 economies that improved the most on the ease of doing business after implementing regulatory reforms. In Doing Business 2020, the 10 top improvers are Saudi Arabia, Jordan, Togo, Bahrain, Tajikistan, Pakistan, Kuwait, China, India, and Nigeria.
- Only two African economies rank in the top 50 on the ease of doing business; no Latin American economies rank in this group.
- Worldwide, 115 economies made it easier to do business.

India's Rankings on Doing Business Indicators 2020

	Parameter	Ranking 2019	Ranking 2020
1	Starting a Business	137	136
2	Dealing with Construction Permits	52	27
3	Getting Electricity	24	22
4	Registering Property	166	154

5	Getting Credit	22	25
6	Protecting Minority Investors	7	13
7	Paying taxes	121	115
8	Trading across Borders	80	68
9	Enforcing Contracts	163	163
10	Resolving Insolvency	108	52

Source: PHD Research Bureau, PHDCCI compiled from World's Bank Doing Business database. Note: Green colour depicts the improvement in 2020 EODB rankings as compared to 2019 EODB rankings.

Ease of doing Business Reforms in India

- Starting a business- India made starting a business easier by abolishing filing fees for the SPICe company incorporation form, electronic memorandum of association, and articles of association. This reform applies to both Delhi and Mumbai.
- Dealing with construction permits- India (Delhi) streamlined the process, reduced the time and cost of obtaining construction permits, and improved building quality control by strengthening professional certification requirements. India (Mumbai) streamlined the process of obtaining a building permit and made it faster and less expensive to get a construction permit.
- Trading across borders- India made trading across borders easier by enabling post clearance audits, integrating trade stakeholders in a single electronic platform, upgrading port infrastructures, and enhancing the electronic submission of documents. This reform applies to both Delhi and Mumbai.
- Resolving insolvency- India made resolving insolvency easier by promoting reorganization proceedings in practice. India also made resolving insolvency more difficult by not allowing dissenting creditors to receive as much under reorganization as they would receive in liquidation. This reform applies to both Delhi and Mumbai.

PHD Chamber's Viewpoint

Continuous improvement in the rankings of Ease of Doing Business by the World Bank in which India has improved significantly once again from the rank of 77th in 2019 to the rank of 63rd in 2020 is highly appreciable. This is the true reflection of the diligent efforts of the government to

improve India's position in the global rankings. The country has successfully improved its position from 142nd in 2014 to the rank of 63 in 2020. India is among the best performers on the ease of doing business along with Bahrain, China, Jordan, Kuwait, Nigeria, Pakistan, Saudi Arabia, Togo and Tajikistan. The most significant parameters of ease of doing business such as starting a business, dealing with construction permits, trading across borders and resolving insolvency have shown notable improvement in the improvement of rankings. This is the third year that India has been recognized for considerable improvement in its business environment in the Doing Business Report which shows that the government is committed to make it easy to do business in India for making it a global manufacturing hub. The improvement in ease of doing business would facilitate in achieving the Vision of Make in India and to attract domestic and foreign investments with the implementation of reforms at the grassroot level. The Government should focus on the reforms in land acquisition, implementation of fixed term employment in all the states and de-criminalization of businesses as stringent labour laws are a major roadblock to enhance production possibility frontiers and employment generation in the economy. Going ahead, we look forward to further improvement in ease of doing business to the level of below 50 in the next year's ease of doing business rankings.

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