Challenges in ease of doing business

What is the issue?

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- India moves up in the ease of doing business index, click here to know more about EDB.
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- The challenges before India in terms of business doing remains formidable
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What are the commitments of India in business doing?

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- Finance ministry has reiterated to achieve the commitment to pursue more business reforms.
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- India has set its target of entering the top 50 in the World Bank’s index.
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- Specific steps to cut red tape had been taken, with the Bank recognising India as one of the top 10 countries that have made improvement over the past year.
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- The introduction of the new insolvency and bankruptcy resolution process in line with sooner debt recovery.
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- Simplifications in the payment of statutory dues such as provident fund contributions and corporate taxes and easier access to credit spurred India’s latest ranking.
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- It is also notable that India is now the fourth best placed in the world for minority investors, well ahead of several developed nations.
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- By these commitments India is shifting from the ease of doing corruption to the ease of doing business.
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What are the challenges before India?

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- There are various areas where the Index still rates India poorly among 190 countries.
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- The quality and pace of course correction on the GST in the coming months is uncertain and will determine if India can hold its 100th position or move up further.
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- The implementation efficiency of Insolvency and bankruptcy code is yet to be proved.
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- The enforcement of contracts in India now takes longer than it did 15 years ago.
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- The procedures to start a business or secure a construction permit remain cumbersome.
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- As the country’s largest urban agglomerations, Mumbai and Delhi cannot host the kind of large factories that India needs to generate adequate employment.
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- The procedural reforms so far taken as not been reached the entire hinterland.
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- No major legislative changes had been bought in the areas of Land acquisition
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- Foreign investors often take their signal from the mood of domestic businesses the GST challenges faced by domestic traders are yet to be addressed.
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Source: The Hindu

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