

Odisha rated as low-growth State

Despite the government claiming to have provided business-friendly environment to investors and attracting huge investments in past decade-and-a-half, Odisha has been categorised as a low-growth State in the country in the latest NITI Aayog survey.

High growth States

The NITI Aayog's 'Ease of Doing Business Report: An Enterprise Survey of Indian States', released on Monday, points at more hurdles in setting up new businesses in Odisha compared to other States. The 15-high growth States include Bihar, Uttarakhand, Tripura, Sikkim and Meghalaya.

The NITI Aayog and IDFC Institute, its knowledge partner, have classified States on the basis of their average annual real growth rate using State Gross Domestic Product from 2004-05 to 2013-14.

Median average

"We calculated the median average annual growth rate, which turns out to be 8.14%. The States that experienced annual average growth rate equal to or above the median were classified as high-growth States and those with annual growth rate below the median were categorised as low-growth States," the study stated. At a growth rate of 6.59%, Odisha falls in low-growth category.

According to the study, enterprises in high-growth States reported fewer regulatory hurdles. This establishes an empirical link between superior regulatory environment and better economic performances.

Power connection

"On average, enterprises reported taking 52 days, 61 days, and 76 days for getting electricity, water, and sewerage connections respectively. The World Bank 2017 Doing Business report ranks India at number 25 for getting electricity connection and it is estimated that getting the connection takes about 46 days. It takes an average of 31 days to get electricity connection in Karnataka, 32 days in Gujarat and around 95 days in Odisha," says the report.

Odisha is listed among States with lowest proportion of enterprises having knowledge of their environment category. Only 22% of enterprises in Odisha are aware of their category.

Similarly, the age distribution of high-growth and low-growth enterprises shows that in general, the share of young enterprises is higher in the high-growth States than in the low-growth States.

Around 20% of enterprises in Odisha are young whereas percentage of young enterprises in Bihar is above 70%.

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