

NEEDED: FEWER REGULATIONS FOR START-UPS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

India needs to work on improving the ease of doing business, especially the ease of starting business, registering property, paying taxes, or enforcing contracts, according to the Economic Survey 2019-20.

“One of the very important aspects of wealth creation is economic freedom, and here the ease of doing business is really critical. While India has certainly made strides in improving its performance in the ease of doing business... it lags behind on a few areas,” Chief Economic Adviser Krishnamurthy Subramanian said on Friday.

Mr. Subramanian pointed out that to open a restaurant in New Delhi, one needs 45 documents to obtain the licence from the Delhi police, whereas for buying a gun just 19 documents are required.

“If you want to start up a firm in India, it takes 18 days on an average with 10 procedures that can be often cumbersome. If we contrast it with New Zealand, which is the best in business, it takes half-a-day to fill up one form, and boom, your business is started... [The Economic Survey] makes very specific suggestions...so that India can really improve its rank...,” he said.

As per the Survey, it takes four years to enforce a contract in India; New Zealand, Indonesia, China and Brazil require 0.6, 1.2, 1.4 and 2.2 years respectively. “With a rank of 163 of the 190 nations in enforcing contracts, only a few countries... perform worse than India.”

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