

'Doing Business' rank: India jumps 30 places

Miles to go: On starting a business, we are now ranked 156; many initiatives are under way, says Jaitley. Kamal Narang

India climbed 30 positions in the latest ease of doing business ranking by the World Bank, in its *Doing Business 2018* report released on Tuesday. The report ranks India at 100 among 190 countries. Last year, India was ranked 130.

Improving India's ranking in the report has been a key component of PM Narendra Modi's economic agenda.

Rita Ramalho, Acting Director, WB Global Indicators Group that produces the report, told *The Hindu* that GST would be accounted for only in next year's report, and the report's methodology does not capture the impact of demonetisation on ease of doing business.

"... Indian government has been focussed on reforms and... [has been] looking at this area, trying to understand what we measure, how we measure, what is the value of it and designed a reform programme that addresses some of the shortcomings that were measured by the indicators," she said.

'Progress high and rare'

"India made big efforts in the last three years and what is seen in this report is not last year's reforms only," she said. India's upward jump in ranking is based on the improvement in the distance to frontier score — an absolute measure of progress towards the best practice. India found a place for the first time in the top ten economies improving the most in a given year. The ranking compares economies with one another; the DTF score benchmarks economies with respect to regulatory best practice. Ms. Ramalho described India's progress on both counts "high and rare."

"We are seriously taking up the 3-4 areas where we are still behind," Finance Minister Arun Jaitley said on Tuesday, referring to parameters such as starting a business and getting a construction permit where India is still ranked fairly low. "On starting a new business, we are currently ranked 156 and... many initiatives are work in progress," he said. The report measures aspects of regulation affecting 11 areas of the life of a business. India made eight reforms across these areas last year, the highest for the country in a single year. India is one of the three countries last year that undertook reforms in as many as eight areas.

(*With Vikas Dhoot*)

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