

'CORRUPTION NO LONGER AMONG TOP 3 HURDLES TO DOING BUSINESS IN INDIA'

Relevant for: Ethics | Topic: Challenges of corruption

The perception among U.K. businesses that corruption is a major barrier in doing business in India has halved, according to the latest edition of the U.K. India Business Council's Ease of Doing Business report compared with what it was in 2015.

'Halved since 2015'

"Since the first report was launched, there has been a considerable year-on-year fall in the number of companies that viewed 'corruption' as a major barrier – from 34% in 2016 to 25% in 2017, halving since 2015, where it stood at 51%," the report said. "This decline shows a major improvement, indicating that the current government's efforts to mitigate corruption appear to be delivering tangible and much-desired results.

"Those identifying 'corruption' as a major barrier has declined far more dramatically over the four-year course of this survey among those currently doing business in India [decline of 27% in the last two years] where it is no longer considered a 'top-three' barrier compared to those not currently active in India," the report added.

The report noted that initiatives such as Aadhaar, electronic submission of government documents, acceptance of electronic signatures, and the push to file taxes online, have all reduced face-to-face interactions where corruption is most likely to take place.

"The extent of digitalisation, however, varies markedly across sectors, as does corruption, with those engaging in infrastructure projects still reporting significant issues relating to corruption," the report added.

'Taxation issues' and 'price points' overtook 'corruption' as major barriers identified by 36% and 29% of respondents, respectively, the report said. However, the proportion of respondents identifying 'taxation issues' was 3% lower in 2018 than 2017, which, the report said, suggests that businesses may be starting to adjust to the GST.

"Those currently doing business in India cite 'taxation issues' as a consistent barrier, whilst those looking to enter the Indian market understandably rate 'identifying a suitable partner' as their most salient issue after a considerable decline in reports of 'legal and regulatory impediments' from 2017 to 2018," the report said.

Our existing notification subscribers need to choose this option to keep getting the alerts.

END

Downloaded from crackIAS.com

© **Zuccess App** by crackIAS.com