

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7170
ANSWERED ON:13.05.2005
WORLD BANK REPORT
Manvendra Singh Shri

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government is aware that as per a recent World Bank's report, the time taken for starting, establishing and exiting a business in India is higher as compared to most other countries;
- (b) if so, the details thereof;
- (c) the reaction of the Union Government thereto; and
- (d) the corrective measures taken or proposed to be taken by the Union Government in this regard particularly keeping in view the fact that the country is presently trying to ramp up foreign direct investment inflow?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (S. S. PALANIMANICKAM)

- (a) & (b): The World Bank's report titled 'Doing Business in 2005' indicates that the time taken in India for starting a business, registering property, enforcing a contract and closing the business is higher compared to average for South Asian countries.
- (c) & (d): In pursuance of Government's commitment to further facilitate Indian industry, Government has permitted access to Foreign Direct Investment (FDI) through automatic route, except for a small negative list. An Investment Commission has been set up in December 2004 to engage, discuss with and invite domestic and foreign businesses to invest in India. Procedural simplification and removal of bottlenecks is an on-going process, which the Government is addressing continuously.