

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:346

ANSWERED ON:15.12.2006

INDIA S RANK IN TRADE

Chowdhury Shri Adhir Ranjan;Nikhil Kumar Shri

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the World Bank and the International Finance Corporation (IFC) have ranked India at 134th position among 175 countries on various parameters of business environment;
- (b) if so, the reaction of the Government thereto;
- (c) whether the poor ranking of India by World Bank and IFC has an adverse impact on the economy of the country;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to improve its ranking?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE MINISTER (P. CHIDAMBARAM)

(a), (b), (c), (d) & (e): A Statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO.346 FOR ANSWER ON 15TH DECEMBER 2006 REGARDING INDIA'S RANK IN TRADE BY SHRI NIKHIL KUMAR AND SHRI ADHIR CHOWDHURY

(a):Yes, Sir.

(b): The Government disagrees with the ranking reflected in the "Doing Business 2007: How to Reform". The Report's findings are based on a selective methodology which excludes many parameters that are relevant to business; is based on survey with very limited scope covering only some industries in one city; does not take into account the policy initiatives of the Government; and does not involve consultations with major stakeholders like Government and Industry Associations. Some of these limitations of methodology have been acknowledged in the Report itself. It is not surprising, therefore, that the findings of the study are at variance with the widely accepted view that India is a major emerging economy in the world. The views of the Government have been conveyed to the Management of the World Bank and IFC through our Executive Director.

(c): No, Sir. The GDP growth rate for FY 2005-06 was 8.4% and for the first half of the current FY it is 9.1%.

(d): Does not arise.

(e): Improvement of various parameters of business environment is an ongoing process and the Government is addressing it continuously through various policy initiatives.