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Ease of Doing Business Index - India Rises to 77th Rank!

Ease of Doing Business is an Index determined by the World Bank. It is a relative index and is based on the compatibility across economies over time. In simple terms, a country's ease of doing business depends on how easy it is to set up an enterprise in the country. Higher ease of doing business rankings usually indicate simpler regulations of business and higher protection of property rights. This index was created by Simeon Djankov at the World Bank Group. The Ease of Doing Business Index is calculated by the Doing Business team of the World Bank. This is a topic about which you should be aware if you are giving Railways and Banking exams like - IBPS PO, Canara Bank PO, SSC CGL, Railways Group D etc.

Ease of Doing Business Index - Nation's Ranking

A nation's ranking on the index is based on the average of 10 sub-indices:

1. **Starting a Business** – Procedures, time, cost and minimum capital to open a new business
2. **Dealing with Construction Permits** – Procedures, time and cost to build a warehouse
3. **Getting Electricity** – procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse
4. **Registering Property** – Procedures, time and cost to register commercial real estate
5. **Getting Credit** – Strength of legal rights index, depth of credit information index
6. **Protecting Investors** – Indices on the extent of disclosure, the extent of director liability and ease of shareholder suits
7. **Paying Taxes** – Number of taxes paid, hours per year spent preparing tax returns and total tax payable as the share of gross profit
8. **Trading Across Borders** – Number of documents, cost and time necessary to export and import
9. **Enforcing Contracts** – Procedures, time and cost to enforce a debt contract
10. **Resolving Insolvency** – The time, cost and recovery rate (%) under the bankruptcy proceeding

Top 10 Ease of Doing Business Countries



The top 10 ease of doing business countries and their EODB score in the Doing Business Report 2019 are:

1. New Zealand - 86.59
2. Singapore - 85.24
3. Denmark - 84.64
4. Hong Kong - 84.22
5. Korea - 84.14
6. Georgia - 83.28
7. Norway - 82.95
8. United States - 82.75
9. United Kingdom - 82.65
10. Macedonia - 81.55

Ease of Doing Business Index - India's Performance

- **India has moved 23 points up** in the World Bank's Ease of doing business report 2019 to the 77th rank. This is a huge achievement for India and India is one of the top 10 countries to make such a huge improvement along with China, Afghanistan, Djibouti, Azerbaijan, etc.
- India's improvement from the rank of 142 in 2014 to 77 in 2018 is a significantly big achievement.
- The biggest gain for India was in construction permit which is credited to the targeted government effort to remove hurdles. India has improved its rank in 6 out of 10 indicators and is moving closer to the international best practices.
- The BJP led government has, since coming to power, has reduced red-tapism and corruption which has contributed greatly to India's improvement.
- Simplification of the process of getting construction permits, reduction in the time for getting the permit, easier shipping of goods across the countries borders, significant improvement in electricity facilities have all contributed to India's improvement.

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