

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4064
ANSWERED ON:26.08.2011
OVER REGULATION
Panda Shri Baijayant

Will the Minister of FINANCE be pleased to state:

- (a) whether India is the most over-regulated country in the world, as per a survey on Asian Business and Politics conducted by the Hongkong based Political and Economic Risk Consultancy;
- (b) if so, the details thereof;
- (c) whether documentation requirements for both exports and imports are onerous, labour requirements strict and companies rigid on hiring and firing workers; and
- (d) if so, the action plan of the Government to address the above issues for a better image in the world scenario?

Answer

MINISTER OF STATE FOR FINANCE (SHRI NAMO NARAIN MEENA)

- (a): As per the survey on Asian business and politics conducted by the Hongkong based Political and Economic Risk Consultancy Ltd., India has scored 9.16 points out of 10 in terms of over regulation. The survey is based on the responses of American executives about regulatory conditions in the United States to provide a benchmark against which to assess the Asian Scores.
- (b): As per the survey, India's ranking in terms of over regulation has been high due to complex and non-transparent regulations and onerous standards and procedures.
- (c): Simplification of procedures is a continuous ongoing exercise and the Government has been reviewing policies and procedures related to trade, industry and labour from time to time with the objective to ensure simple, transparent and business friendly environment.
- (d): The Government constituted a Task Force on Transaction Cost in October, 2009 to assess the procedural bottlenecks affecting India's exports and imports and to look into various issues affecting the competitiveness of Indian exports and to suggest remedial measures to reduce transaction cost and thereby facilitate exports. The report of the task force containing 44 recommendations concerning various Ministries / Departments was released in February, 2011 wherein 23 recommendations resulting in a reduction of Transaction Cost by approximately Rs. 21 Crore were already implemented. In the Foreign Trade Policy (FTP) 2009-14 announced in August, 2009 and subsequent policy announcements, Government has taken a number of measures for procedural simplification and reduction in transaction cost. The Government is also implementing the eBiz Mission Mode project, under the National e-Governance Plan, to set up a Government-to-Business (G2B) Portal to provide various services needed for businesses & investors.