



English rendering of PM's address at the Ease of Doing Business event 4th November, 2017

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Miss Kristalina Georgieva, CEO, World Bank; My Colleagues in the Council of Ministers; Senior Officials, Business Leaders; Ladies and Gentlemen!

Today, it's the holy occasion of Guru Parab. The holy remembrance of Guru Nanak Dev Ji inspires us to lead a life full of truth, lead a life full of commitment towards the truth and integrity of the country. After two years, the entire mankind is going to get the opportunity to celebrate the 550th Prakash Parv (birth anniversary) of Guru Nanak Dev Ji. I convey my best wishes to all of you while bowing down to such a great teacher.

I am very happy to be here today. I sense a well-deserved mood of celebration here. The World Bank has recognized the stupendous work done by us towards improving Ease of Doing Business. We are now among the top hundred countries in the Doing Business rankings. In a short time of three years we have improved forty-two ranks.

I thank Ms. Kristalina Georgieva for being with us on this joyous occasion. It shows World Bank's commitment to encourage nations to undertake reforms which benefit society and economy. Her presence today will motivate our team to do even better in the coming days and months.

Over the last three years, I have been constantly telling the domestic and foreign investor community that we in India are making sincere efforts to improve 'ease of doing business'.

And Friends! India has Walked the Talk.

This year, India's jump in ranking is the highest. India has been identified as one of the top reformers. Congratulations to all who have worked for this. You have done the nation proud.

This improvement is important:

- Because it is an indicator of Good Governance in the Country;
- Because it is a measure of the quality of our public policies;
- Because it is a benchmark of transparency of processes;
- Because, ease of doing business, also leads to ease of life;
- And, ultimately, it reflects the way people live, work and transact in a society.

Friends!

But all this is for the benefit of concerned stakeholders. For me, the World Bank report shows that quantum change is possible through commitment and hard work. Continued efforts can help us improve even further.

And even otherwise you are aware that I don't have any other work. And that is why, in future, I see potential of doing some work in this thing too. My country, 1.25 billion people of my country and in order to bring about some changes in their lives; and that is why I'd like to assure you that I will not fall short in fulfilling those expectations that this world expects of me.

I say this because, India has reached a position from where, now it is easier to improve further. Our efforts have gathered momentum. In management terms, we have achieved critical mass for a swift takeoff.

For example, this report has not taken into account the implementation of the Goods and Services Tax or GST. As you all know, GST is the biggest tax reform in the Indian economy. And it impacts many aspects of doing business. With GST, we are moving towards a modern tax regime, which is transparent, stable and predictable.

And when the issue of GST has been discussed here, so at time when a lot of people from the business world are present here, from this platform, I'd like to tell all the traders of the country that when we had made a pledge to implement the GST then people were not sure whether it would be implemented or not, whether it would be implemented from the July first or not. It was implemented. And even after the implementation they felt: 'We have been hit very badly and it is Modi, he will not carry out any reform in it.' And at that time we had said: 'Let us observe it minutely for three months because India is such a massive country and it's not like that all the wisdom is there in Delhi only. It's not like that. The common man of the country has some wisdom. We will learn and understand from him, we will assess the difficulties and find ways'

And when a meeting of the GST council was convened after three months then all the issues that had come to the fore before the council all those issues were solved. For some other issues, some states in the council were not convinced so we constituted committees of ministers of those states and officials. And today I'm happy to inform that though I have not received the verbatim report but the committee of the ministers which was formed by the GST council, they have formed the committee collectively and I have some information about what has happened in that meeting, I don't yet have the full report with me but I can tell you that all those issues that were raised by the traders, all those suggestions that were made by the businesses, positively almost all of them are going to be accepted. And if no state will create any hurdle in the GST council meeting scheduled for the 9th and

10th then I'm confident that whatever reforms are needed to strengthen India's business world and Indian economy, those reforms will be cleared. And even after that those new issues that will come in the future, as we are required to adopt a new system and we will have to come out of a system that was several years old, then it's not necessary that only the government has wisdom to solve them, when all the stakeholders give their input only then the best of the best results become possible. And GST is going to become a good example of this thing that how a system can be made foolproof by respecting everyone's feelings. This thing reflects in the process of GST.

The World Bank report has only taken into account the reforms carried out till the May 2017 while GST was implemented in July 2017 after that. So you can imagine that our initiatives will be counted in the discussion that will take place in 2018.

There are many other reforms which have already happened, but need gestation and stabilization time, before they are taken into account by the World Bank. There are a few other reforms where our team and the World Bank team need to find common ground. All this, combined with our conviction to do even better, gives me the confidence that India will occupy a place of pride in the World Bank report next year and in the years thereafter.

I compliment the World Bank for engaging with countries to improve ease of doing business across the world. I also compliment them for the theme of this year's report - 'Reforming to create jobs'. There can be no denying that business is a major force in our lives. It is an engine for growth, employment generation, wealth creation and delivery of goods and services that make our lives comfortable.

We are a young country and job creation is an opportunity as well as a challenge. Therefore, to leverage the energy of our youth, we are positioning India as a Start-up Nation and a global manufacturing hub. For this purpose, we have launched various initiatives, such as Make in India and Start-up India.

Through these initiatives, combined with the new eco-system of a formal economy and a unified tax regime, we are trying to create a NEW INDIA. An India where opportunities are created and harnessed to the advantage of the needy. We are particularly keen to develop India into a knowledge based, skill supported and technology driven society. A good beginning has been made through the Digital India and Skill India initiatives.

Friends!

India is swiftly changing for the better. I wish to list some more global recognitions which indicate this:

- o We have moved up thirty two places in the last two years in the Global Competitiveness Index of the World Economic Forum. This is highest for any country;
- o We have also moved up twenty one places on the Global Innovation Index of WIPO in two years.
- o We have moved nineteen places on the Logistics Performance Index of 2016 of World Bank;
- o We are among the top FDI destinations listed by UNCTAD.

Some people don't understand the improvement in India's ranking from 142nd spot to 100th spot. They are not moved by this. Some of these people have earlier served in the World Bank. Today, even they are raising questions about India's ranking. Had this kind of reforms, like insolvency code, bankruptcy code and creation of commercial courts, been carried out during your tenure then our ranking would have improved much earlier. And the credit for improvement in ranking would have gone to you. Whether the situation of the country would have improved or not? They did nothing and have been raising questions about someone who has been doing something.

It's just a coincidence that the World Bank started the process of releasing the ease of doing business ranking in 2004. It's an important year. And all of you know who was in the government since then till 2014.

I'm such a Prime Minister who has not even seen the building of the World Bank whereas earlier this kind of person has occupied the office of Prime Minister who had run the World Bank.

And I ask them that they should cooperate with us instead of questioning the ranking of the World Bank so that we can take the country to a newer height. We should collectively take a pledge for marching ahead to make a New India.

Our mantra is reform, perform and transform. We want to do better and better. I am happy to note that for the first time, the World Bank is helping us in this exercise at the sub-National level too. In a federal democracy like India, it is often not easy to take on board every stakeholder while undertaking reforms. However, over the last three years, there has been a sea change in the response of Governments, both at Central and State level. State Governments are finding innovative ways to create a business friendly environment. While often competing with each other in implementing business reforms, they are also helping each other in implementing them. This is an exciting universe in which competitiveness and cooperation co-exist.

Friends,

The agenda for boosting growth and employment, required many structural changes, many tough decisions and many new regulations. Besides this, the mind-set of the bureaucracy required change to enable them to work fearlessly and honestly. Over the last three years, the Union Government has done a lot on these fronts. We have resolved a number of regulatory and policy issues facing businesses and companies.

Along with manufacturing, we are also pushing for faster progress in infrastructure sectors. Therefore, we are continuously working to improve our investment climate. In the last three and a half years we have undertaken bold Foreign Direct Investment reforms in twenty one sectors, covering eighty seven areas of policy.

I kept hearing it for two years – big bang reforms, big bang reforms, now they have stopped it because people have come to know that the speed, level and size of reforms are such that critics are not able to keep pace with it.

These reforms have touched significant sectors like Defence, Railways, Construction Development, Insurance, Pension, Civil Aviation and Pharmaceuticals. More than ninety percent of the FDI approvals have been put on the automatic route. **It's an extremely important thing** We are now among the most open economies for FDI.

This has resulted in increased FDI inflow, which year after year is making new records. The FDI inflows of 55.6 billion US dollars for the year ending March, 2016 were an all-time high. The following year, India registered an FDI inflow of 60.08 billion US dollars, thereby scaling an even higher peak. As a result, the total FDI received in the country has gone up by 67% in a short span of three years.

During the current financial year till August, total FDI of 30.38 billion US dollars has been received, which represents an increase of 30% as compared to the corresponding period last year. In August, 2017, India received a total FDI of 9.64 billion US dollars, which is the highest ever FDI received in any month.

Friends!

Over the last three years, we have systemically and critically evaluated business regulations. We have tried to understand the pain points of businesses with regard to interface with government. We engaged with businesses on a regular basis, understood their concerns and sought to modify regulation to address their concerns.

I have often emphasized that technology must be used to transform governance. Use of technology should minimize physical interface and assist time bound decision-making. I am glad to see that a number of Government Departments and State Governments are deploying technology to improve governance and deliver services.

Alongwith the tools of technology we also need a complete change of mind-set while dealing with business. Total re-engineering is required both at the level of Mind and Machine. The past mindset of excessive control has to be replaced by the concept of minimum government, maximum governance. This is our goal and my Government is determined to achieve this objective.

With this objective, an extensive exercise was undertaken to redesign laws and re-engineer government processes to make business environment simpler and more conducive. An attempt has been made to align the Indian regulatory environment to international best practices. Though, we were putting in efforts to improve India's rank in the Doing Business Report, reforms undertaken by the Government are far more extensive. To give you one example; we have abolished more than 1200 archaic laws and Acts which were only complicating Governance. They have been deleted from the statute book. Similarly, thousands of important reforms have been carried out by the states as well. These additional efforts are not part of the World Bank's requirement.

All Ministries of the Central Government, Public Sector Undertakings, State Governments as well as regulators should identify international best practices, consult their stakeholders and align their regulations and processes with international best practices. I have no doubt that people working in these agencies are second to none in the world in respect of their capability and commitment to public service.

Friends, even though this ranking is being called Ease of Doing Business but I consider it that along with Ease of Doing Business ranking it is also a raking for Ease of Living Life. Improvement in this ranking means that the lives of common man and the lives of middle class people of the country have become easier.

And I say that because whatever parameters have been used for this ranking most of them are related to the life of a common man, to the life of a youth of the country.

India's ranking have improved so much because in the last three years the government has adopted the path of reforms to reduce the difficulties in the life of a common man of the country. The process of filing tax returns in the country has been reformed in a big way in the last three years. Now people don't have to wait for getting the refunds as per income tax returns. Earlier you people were required to visit the offices several times for PF registration and for withdrawing money from PF account. Now everything is being done online.

My young friends can now register their new company in just one day. Hearing of commercial cases has been made easier. In the last three years it has become easier to obtain construction permit in India. Getting an electricity connection has become easier. The issuance of passport which earlier used to take months now it is being done in a week. If this is not Ease of Living Life then what it is?

I must make a special mention of the fact that while Ease of Doing Business is important for all businesses, it is critical for small businesses including small manufacturers. This sector provides the bulk of employment in the country and to make them more competitive, we have to reduce the cost of doing business. The work on Ease of Doing Business must address the issues of these small businesses and manufacturers.

Once again, let me congratulate the team working on various aspects of ease of doing business for their commitment and dedication. I am sure that together we will write a new chapter in India's history and transform India so that the dreams and aspirations of our people take wing.

I would like to thank the World Bank again for their guidance in our efforts to improve ease of Doing Business. I am told that the experience of bringing about decisive changes in a large country like India without affecting the growth process may become an example for many other nations. There is always scope to learn from others. If required, we will be happy to share our experience with other countries.

Thank You!

Thank You Very Much!!

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