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***Doing Business in India 2009: Reforms Promote Competitiveness and Growth in Indian Cities***

**New Delhi, June 30, 2009**—A new report by IFC and the World Bank finds that it is easier to start and operate a business now than it was three years ago in many large Indian cities.

*Doing Business in India 2009* shows how government regulations and practices ease or constrain business activity. In 14 of the 17 locations it benchmarks, the report records significant business reforms at the national, state, and municipal levels. These include computerizing records, putting tax registration online, and setting up single-window systems for permit applications—all making it easier for businesses to comply with rules and regulations.

While all cities in India have a similar legal and institutional framework, local regulations and the implementation of national laws vary. And these variations across India in the regulatory ease of doing business show the potential for cities to learn from one another. The report finds it is easiest to start and operate a business in Ludhiana, Hyderabad, and Bhubaneswar. Starting a business is fastest in Mumbai and Noida, at 30 days, while it takes 41 in Kochi. Business start-up is least expensive in Patna. Resolving a commercial dispute takes about two years in Bhubaneswar, Hyderabad, and Kochi, but almost four years in Mumbai. Compared with economies worldwide, cities in India lag most in the ease of closing a business and paying taxes.

In India, where more than 90 percent of jobs are in the informal sector, regulatory reforms can help businesses operate efficiently in the formal sector.

“Reforms that cut red tape, clarify property rights, and streamline regulatory compliance can yield big payoffs for firms and workers,” said Penelope Brook, Acting Vice President of the World Bank Group’s Financial and Private Sector Development Vice Presidency. “A greater ease of doing business as measured by the *Doing Business* report is associated with stronger growth, job creation, and a smaller informal sector.”

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*Doing Business in India 2009* was produced at the request of the Department of the Industrial Policy and Promotion at India’s Ministry of Commerce and Industry. The report covers regulations that affect seven stages in the life of a small to midsize domestic enterprise. For information on the report’s data, methodology, and contributors, visit [www.doingbusiness.org/india](http://www.doingbusiness.org/india) and [www.doingbusiness.org](http://www.doingbusiness.org).

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