

DOING BUSINESS IN INDIA: THE UK PERSPECTIVE

JANUARY 2017

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1.1 CONTEXT FOR THIS REPORT

Narendra Modi's Government is making notable progress in improving the ease of doing business in India. Couple this with a large and growing market and India's potential is clear.

On the one hand, India is a large and fast growing market. India's GDP grew at 7.6% in 2015-16. With a fast-growing aspirational consuming class, and 50% of its growing population below the age of 25, India's growth is largely being driven by domestic demand. Boston Consulting Group¹ predicts that India's consumer spending will increase to US\$3.6 trillion by 2020.

Although attractive, India continues to be a complicated market with its 29 states having regulatory, tax, social, and linguistic differences. This complexity, and other factors, resulted in India being ranked 130th out of 189 countries in the World Bank's 'Ease of Doing Business' index in 2016.

More than any other country, UK businesses are taking the investment opportunities in India. The UK is the largest G20 investor in India², with some 535 UK companies incorporated in India,³ and around US\$20 billion in FII. India is the fourth largest destination for investment from UK companies⁴.

UK businesses therefore make a huge contribution to the Indian growth story, employing over 700,000 Indians, which is 5.5% of the country's organised private sector workforce. It is equally true that UK companies and the Indian nationals that run their India operations – including those that contributed to this report – are very knowledgeable about the Indian operating environment, not least as they have spent all their careers working within it.

When Prime Minister Modi came to power in May 2014, he committed to give investors "a red carpet, not red tape". This report – the second UK India Business Council report on the 'ease of doing business in India' – sets out the views of business people on the progress Mr Modi's Government has made.

The UK India Business Council believes that UK companies' perspective on India's business environment, and the progress made since 2014, will be helpful in developing a stronger shared vision for India's social and economic development, and help in charting a roadmap to transform India to a world-class manufacturing and export hub.

The survey collected opinions from 65 UK businesses, the majority of which believe that India's ease of doing business is continuing to improve. This mirrors the findings of our report in 2015, again highlighting progress across a number of areas where Modi's Government is improving the business environment.

¹ Boston Consulting Group: 'The Tiger Roars, Capturing India's Explosive Growth in Consumer Spending'

² Sterling Assets India: CBI, UK India Business Council, PwC

³ Report on British Business in India – 2015: UK India Business Council

⁴ <http://www.telegraph.co.uk/finance/10567168/British-companies-turn-to-India-for-emerging-markets-deals.html>

1.2 METHODOLOGY

The evidence within this report was gathered via a survey conducted between 16 November and 12 December 2016. The report also draws on the outcomes of our 2015 survey and the associated focus groups.

1.3. EXECUTIVE SUMMARY

The key findings are:

- UK companies remain largely positive about the improvements to the ease of doing business in India, with a majority of respondents saying that the business environment has improved. Among those that are yet to see improvements, there is an acknowledgement that this is mainly due to the slow nature of India's legislative process, rather than a lack of ambition from the government.
- Some participants expressed frustration at the pace of reform.
- The main barriers to doing business in India were 'legal and regulatory impediments' (67%), 'corruption' (46%) and 'taxation issues' (37%).
- 'Tele-communication facilities' and the 'availability of skilled labour' were rated as the strongest components of India's business environment.
- 'Quality of bureaucracy', 'quality control measures (regulations and ease of getting certifications)', and 'environmental regulations' were rated as the weakest components of India's business environment.
- The smooth implementation of the GST was overwhelmingly rated as the most important reform to improve the ease of doing business in India, with 55% of survey respondents prioritising this.
- 'Quick approvals and effective bureaucracy' was cited as the most important factor when choosing where to invest, with 40% of respondents identifying it as such. This was followed by 'lower regulations and supportive government policies' with 38% of respondents.

The following pages provide more detail from the results.

2. KEY FINDINGS

THE SURVEY RESPONDENTS

As in 2015, most respondents were SMEs (74%), with 20% from large enterprises.

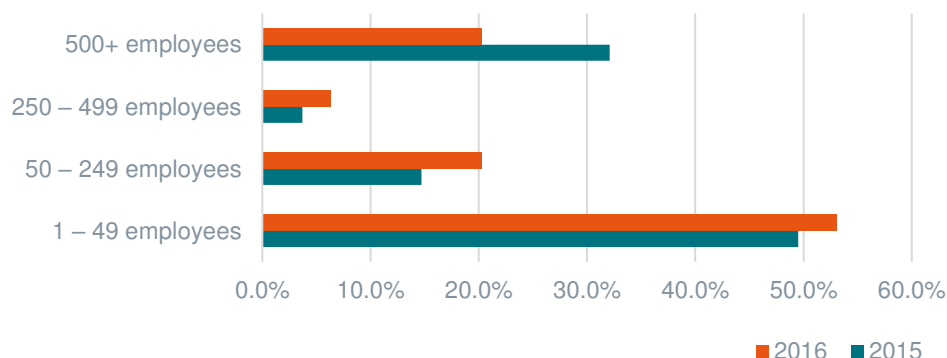


Figure 2.1 Respondents Size

RANGE OF SECTORS

RESPONDENTS BY SECTOR

Respondents were from across sectors. The largest response to the survey was from the 'Professional, Financial and Legal services' and the 'Advanced Engineering & Manufacturing' sectors, both with 17% of respondents. Within the 'other' section, most were from the food & drink sector, along with other sectors such as administration, project management and packaging.

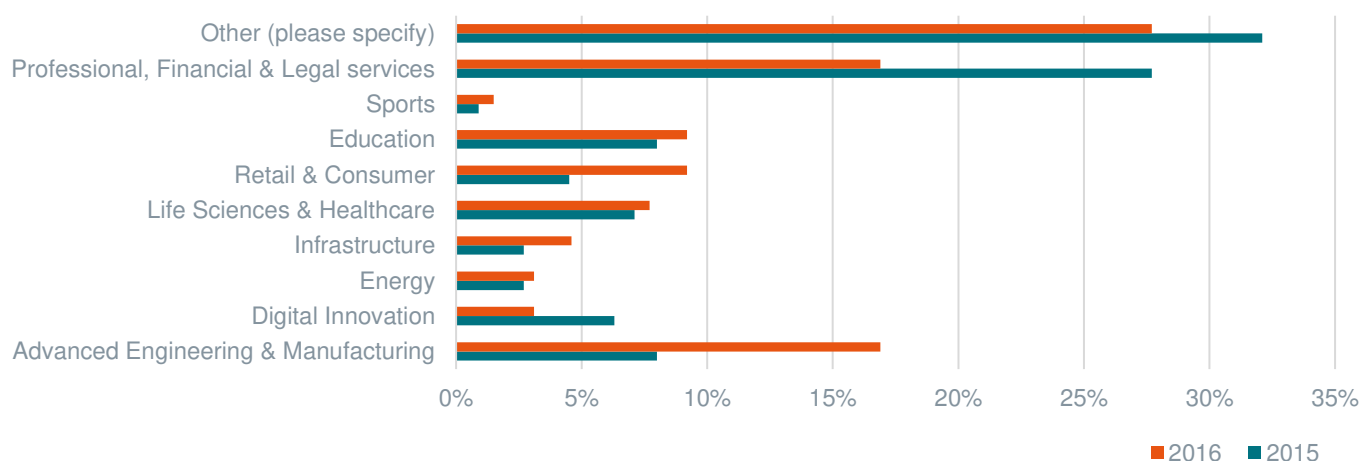


Figure 2.2 Respondents Sector

NATURE OF BUSINESS IN INDIA

85% of the respondents to the survey currently do business with India, 15% do not. 50% of the respondents currently doing business with India are engaged in the export and import of goods and services. 20% of them have a joint venture in India, while 55% selected the 'other' option, citing various aspects of their business including banking, insurance, and R&D.

The views of those that import/export with India assume great significance as a trading engagement commonly precedes an investing relationship; once a company establishes a market overseas, the natural next step is to set up a presence there.

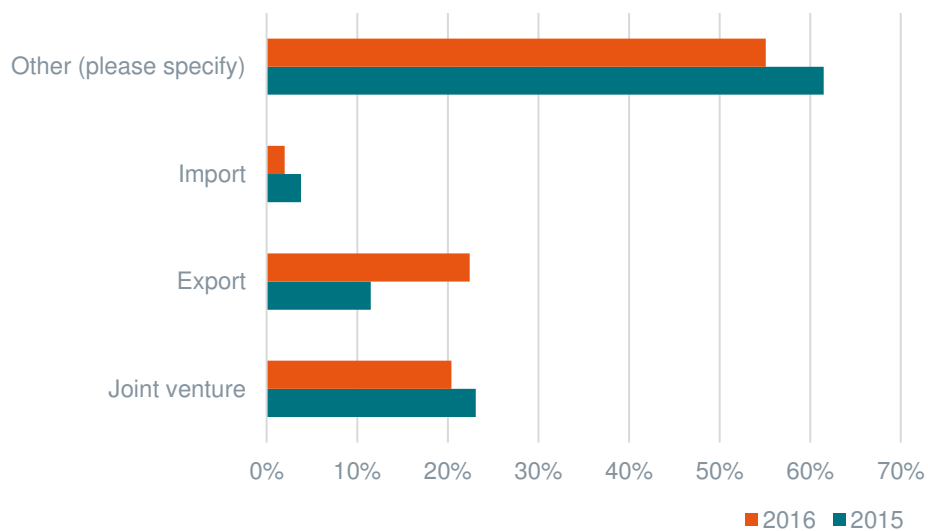


Figure 2.3 Business in India

FACTORS WHICH INFLUENCE THE DECISION TO DO BUSINESS IN INDIA

Respondents currently active in India were asked to rate the factors which influenced their decision to do business in India. (See table 2.1). In our 2016 survey, 'visiting the market' emerged as a key factor with 70% of respondents rating it very important. Other factors which had a key influence on UK companies' entry to India were 'request for product or service from customer in India' and 'awareness of opportunities for your company through professional bodies (e.g. UKIBC) or government departments (e.g. DIT)'. 62% of the respondents said that poor growth prospects in existing markets was not an important factor signalling that India's attractiveness is independent of the performance of other markets.

TABLE 2.1

	VERY IMPORTANT		IMPORTANT		NOT IMPORTANT	
	2015	2016	2015	2016	2015	2016
Request for product or service from customer in India	60%	57%	23%	24%	16%	20%
Existing customers or supply chain invited you to supply them in India	38%	40%	35%	31%	28%	29%
Poor growth prospects in existing markets	23%	10%	27%	29%	49%	62%
Awareness of competitors already active in India	25%	13%	41%	49%	34%	29%
Awareness of opportunities for your company through media	21%	25%	43%	46%	36%	29%
Awareness of opportunities for your company through professional bodies (e.g. UKIBC) or government departments (e.g. DIT)	25%	20%	47%	51%	28%	29%
Visiting the market (personally)	67%	70%	27%	22%	7%	8%

BARRIERS UK BUSINESSES PERCEIVE TO EXIST IN INDIA

Respondents were asked to choose the issues which they perceived as the top barriers to doing business in India. (See figure 2.4). In both 2015 and 2016, 'legal and regulatory impediments' was identified as the top barrier with 67% of respondents choosing this issue in 2016 – slightly up on its 2015 number. 46% of respondents chose 'Corruption' as being a 'top 3' barrier to doing business in India, showing an improvement from 2015 – indicating that the government's efforts to clamp down on corruption are starting to take effect. When the GST is introduced and the full impact of demonetisation takes effect, we expect to see corruption become even less of a barrier.

'Taxation issues' was third, with 37% of respondents choosing this issue – up considerably since 2015, indicating that the successful implementation of GST this year would make a significant improvement.

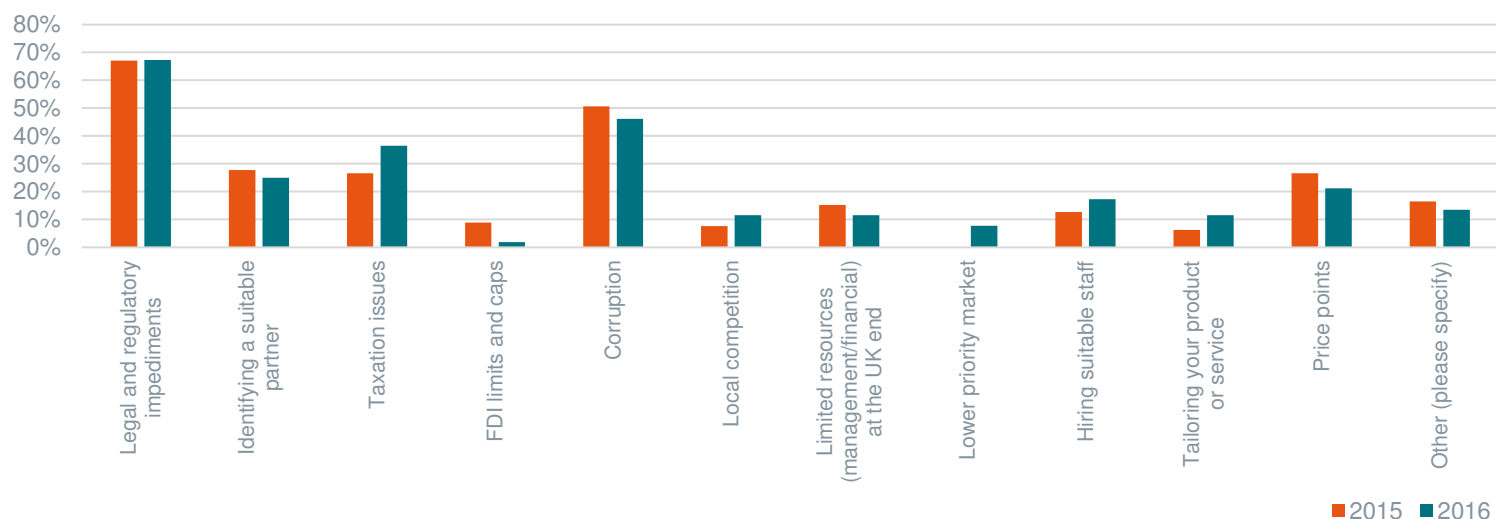


Figure 2.4 Barriers to Doing Business in India

We compared the results for those who are currently active in India with those who are considering entry. There is one, perhaps predictable, difference (Figure 2.5). For those who are already in India, the top three are 'legal and regulatory impediments', 'corruption' and 'taxation issues'. While those who are planning to enter the Indian market perceive 'identifying a suitable partner' to be more important than 'taxation issues'.

Limited resources is often a key issue for small and medium sized companies who do not have the capacity to hire consultants and advisors to explore new markets. Simplified entry procedures, and transparent legal and tax rules will thus encourage more such UK players to do business with India.

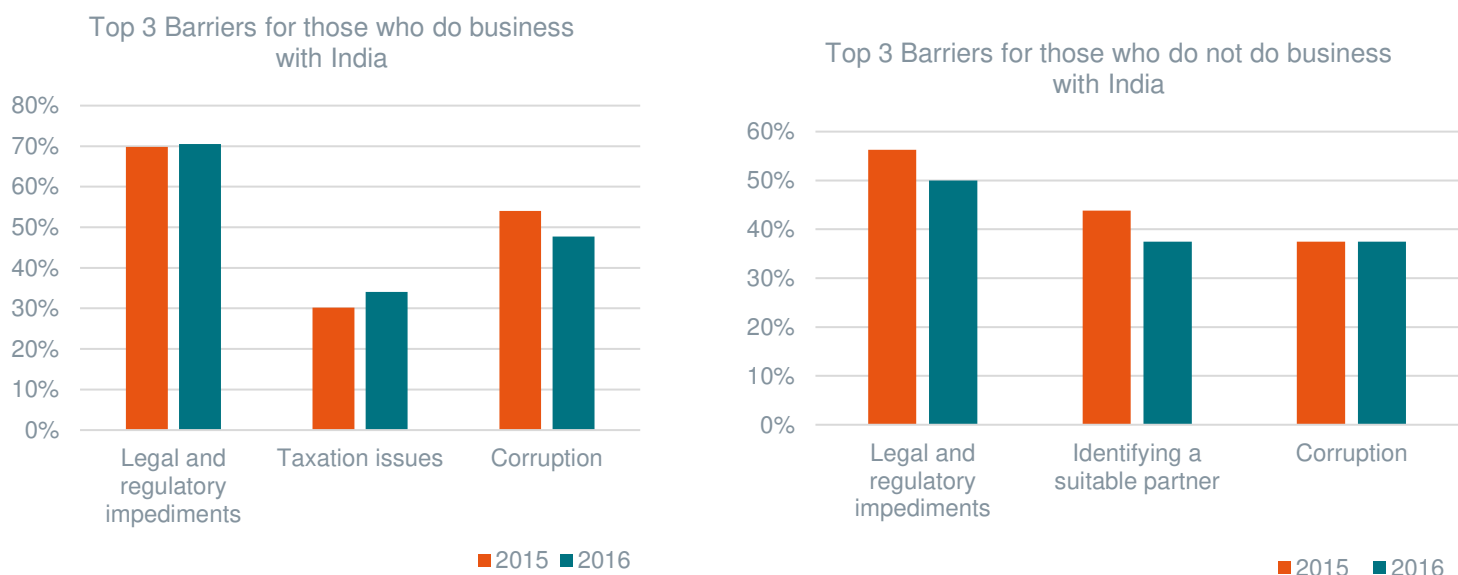


Figure 2.5

Legal and regulatory impediments was, however, voted as a top barrier by both groups, so we examined the detail of what the legal and regulatory impediments are in practice.

APPROVALS AND CLEARANCES

Businesses were encouraged by the e-governance systems being put in place at the centre and states to simplify procedures and remove opportunities for officials to seek facilitation payments. It was widely agreed that India's government's 'e-biz' initiative, integrating 11 central government services to facilitate faster clearances, will improve the business environment. An extension of the initiative across all states and departments was urged.

However, it was highlighted that more transparency is required in rules and processes around business approvals. Particularly in the case of statutory approvals for investments (i.e. setting up projects / manufacturing facilities), procedures vary from state to state, and respondents reported inconsistencies within states.

This leads to frustrating administrative and bureaucratic hurdles. Often, clearances are required from both central and state government agencies for new projects and lack of clarity delays projects. For example the process of obtaining approvals for the setting up of a fuel station is very time consuming. This increases the cost of investment, impacting India's competitiveness.

UK businesses also described the difficulty they faced when importing goods into India. Products can be held in customs for lengthy periods, causing product trials to be delayed and forcing companies to incur extra costs. This issue is often due to confusion around classification and the lack of understanding by customs officials of product categories.

GOVERNMENT PROCUREMENT AND CONTRACTS

It was suggested that a holistic view of procurement, contracting, and tendering processes would attract more investment and provide Indian governments greater value for money. The traditional focus on lowest price bidding needs to be replaced with a system that balanced cost, time, quality and performance of the purchased asset.

Public procurement rules that emphasise lowest price over full-life cost and quality affects all stakeholders: companies that follow best practice and invest in technology and skilled staff; Government and PSUs who are left with substandard equipment and services; and ultimately India's citizens because of the compromise in efficiency and quality of services.

UK companies in the defence sector believe that alterations to the Defence Procurement Policy and the offset policy will help India achieve its 'Make in India' objectives. The current policy on offsets is interpreted in such a way that it only allows the contracting entity to discharge offsets, whereas other divisions of the same group could discharge offsets and should be allowed to contribute to this process – as in other parts of the world. Following international best practice in discharging offsets will help improve the Make in India initiative and significantly promote exports from India.

Businesses recognised that the Indian Government is taking steps to address this, yet it was noted that the focus needs to be on encouraging success through mutual cooperation rather than imposing penalties for failure.

In addition, UK companies in the healthcare sector pointed out that the mandatory route of Tender Transparency fails to encourage new and innovative ideas. The requirement to demonstrate past performance and a track record in India is an unfair barrier for new entrants who want to bring new ideas, technology and finance into India.

UK companies from the infrastructure sector believe that the traditional design-bid-build approach has inefficiencies and India as a growing nation should consider more robust forms of procurement, such as Lean Integrated Project Delivery System (LIPDS), collaborative contracting, design-build, partnering and other innovative project delivery systems. As the nature of projects become more complex, it will become critical to infuse procurement methods, contracts, and related work practices with collaboration, trust and integrated teams.

Respondents noted that government contracts feature rigidity clauses which often lead to delays in payments and discourages foreign players from bidding for government projects.

A view that emerged across sectors is that innovation and the introduction of new technologies are central to India's Make in India objectives, and the current procurement practices will hinder their achievement.

TAXATION ISSUES

UK companies commended the Indian Government's vision of a stable, clear and transparent tax regime. It was felt that GST would be significant step forward, although the introduction of the new tax would have teething problems.

UK healthcare organisations, which are registered as charities in the UK, experienced a lack of clarity around tax rules for their permanent establishment in India. There is a lack of provisions for charitable organisations to have entities different from the standard.

Some UK companies observed that certain import duties are often not in line with the 'Make in India' initiative. This is partly due to tax classifications. For example, medical devices are classified as drugs and import duties in India are at 17-27%, as against 0-2% internationally. Currently, import duties are high for certain medical devices and importing spare parts is often more expensive than purchasing the entire original device. This inhibits the entry into India of technology and ideas.

It is clear from respondents that the residual issue of retrospective tax still drives external perceptions of India. The high-profile cases, started by the previous government, are ongoing to the detriment of India's image among global investors, the companies involved and their clients/customers, staff and wider local communities. The companies involved have had to sell assets, postpone major investments, and substantially reduce their workforces.

While the Government of India's approach of allowing the current arbitration to play-out may reflect political realities, it gives the impression that the Union Government is being brought to a solution rather than taking a bold and welcome initiative. It is felt that the most positive step the Government of India could take would be to repeal the 2012 legislation on retrospective taxation, drop the outstanding cases, and adopt international norms. This would send a positive message about India's welcome for global investors.

RATING THE DIFFERENT COMPONENTS OF INDIA'S BUSINESS ENVIRONMENT

We asked businesses to rate the different components of India's business environment. The ratings are a weighted average of responses. The higher the numbers, the more favourable the rating.

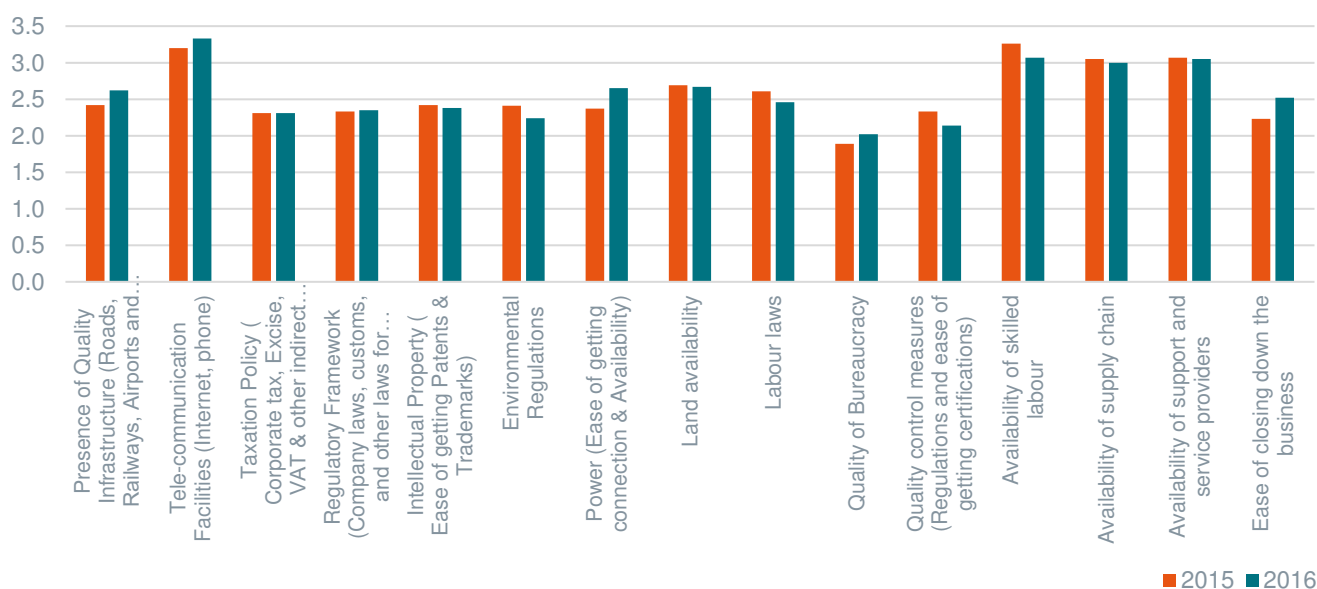


Figure 2.6

There were positives and negatives in respondent's analysis of India's business environment, with notable weaknesses in 'bureaucracy and regulatory framework', and strengths identified in 'availability of skilled labour' and 'telecommunications facilities'. This suggests that the government's effort to improve infrastructure across the country are starting to have some effect, and that the main impediments to reform are in overly complex regulations and their interpretation.

LOW RATING COMPONENTS

Unsurprisingly, the components of India's business environment which were rated most poorly come under the 'legal and regulatory' category.

Almost 70% of respondents rated 'quality of bureaucracy' as either poor or very poor. In the focus groups, it emerged that this was not a reflection on individual bureaucrats, but of the bureaucratic system in which they operate. Many UK companies agreed that the inconsistency of bureaucratic procedures in India is a real problem and makes it difficult for all businesses in India to manage and plan. In some instances, for example when considering customs clearances, it was felt that this was in part due to the lack of knowledge and awareness at the lower levels of the public sector.

While respondents highlighted 'regulatory framework' and 'quality of bureaucracy' as inhibiting the business environment, they recognised that these issues were not unique to India and felt that the poorly rated components were commonplace in other high growth emerging markets. This is primarily because the business environment is changing so rapidly that regulations and the bureaucracy are struggling to keep up.

HIGH RATING COMPONENTS

Meanwhile, in terms of positive factors, 'telecommunications' again came out on top as the highest scoring parameter, with 3.33 in 2016, up from 3.20 the year before. Other positives were also seen in the 'availability of skilled labour' (3.07), 'supply chain' (3.0) and 'support and service providers' (3.05).

Again, more positives here came from infrastructure development, and upskilling in the workforce – showing that initiatives such as Skill India are having some effect. These numbers will keep rising as the government drive these programmes forward.

CHANGE IN THE BUSINESS ENVIRONMENT BETWEEN 2014-2015 AND 2015-2016

The data in table 4.2 shows an encouraging perception of change overall. For example, the 'presence of quality infrastructure' was rated as 'improving' by 73.08% of respondents in 2016 compared to 59.48% in 2015. Similarly, 'telecommunications facilities' were rated as 'improving' by 61.54% of respondents in 2016 compared to 48.10% the year before, showing that investment in this area is beginning to bear fruit.

The 'quality of bureaucracy', 'regulatory framework' and 'quality control measures' were the only areas where more than 10% of respondents felt that the processes had worsened. It was argued that this reported decline was more perceived than real, and was a result of expectations of change being raised to a level not yet achieved.

Respondents believed that no change had taken place in the different components of India's business environment because the effects of the economic policies and reforms of the new government would take time to show up.

PERCEPTION OF HOW INDIA'S BUSINESS ENVIRONMENT HAS CHANGED

TABLE 2.2

	IMPROVING		NO CHANGE		WORSENING		N/A	
	2015	2016	2015	2016	2015	2016	2015	2016
Presence of Quality Infrastructure (Roads, Railways, Airports and ports)	59.49%	73.08%	34.18%	15.38%	3.80%	5.77%	2.53%	5.77%
Tele-communication Facilities (Internet, phone)	48.10%	61.54%	44.30%	30.77%	5.06%	1.92%	2.53%	5.77%
Taxation Policy (Corporate tax, Excise, VAT & other indirect taxes)	22.78%	29.41%	63.29%	50.98%	6.33%	3.92%	7.59%	15.69%
Regulatory Framework (Company laws, customs, and other laws for operating a business)	24.05%	35.29%	55.70%	37.25%	12.66%	13.73%	7.59%	13.73%
Intellectual Property (Ease of getting Patents & Trademarks)	15.38%	16.00%	57.69%	42.00%	5.13%	4.00%	21.79%	38.00%
Environmental Regulations	16.67%	15.69%	52.56%	47.06%	5.13%	5.88%	25.64%	25.64%
Power (Ease of getting connection & Availability)	20.51%	32.00%	53.85%	46.00%	11.54%	0.00%	14.10%	22.00%
Land availability	17.11%	10.00%	46.05%	38.00%	5.26%	8.00%	31.58%	44.00%
Labour laws	6.67%	10.64%	65.33%	59.57%	8.00%	2.13%	20.00%	27.66%
Quality of Bureaucracy	15.79%	16.33%	67.11%	57.14%	10.53%	14.29%	6.58%	12.24%
Quality control measures (Regulations and ease of getting certifications)	16.88%	16.33%	62.34%	48.98%	6.49%	12.24%	14.29%	22.45%
Availability of skilled labour	23.38%	31.37%	54.55%	45.10%	6.49%	3.92%	15.58%	19.61%
Availability of supply chain	23.38%	30.00%	51.95%	48.00%	3.90%	0.00%	20.78%	22.00%

Availability of support and service providers	25.97%	24.00%	59.74%	54.00%	3.90%	4.00%	10.39%	18.00%
Ease of closing down the business	6.49%	6.12%	45.45%	30.61%	7.79%	6.12%	40.26%	57.14%

IMPORTANT FACTORS WHICH INFLUENCE INVESTMENT LOCATION

The Indian Government recognises that individual states will play a key role in scripting the Indian growth story. There is little doubt that co-operative federalism with the centre will be key in achieving the shared vision of India's sustainable development, and competition between states is likely to bring about greater efficiencies. A race to the top will create a virtuous cycle for states, their people, and businesses – creating jobs, growth and tax revenues that will enable investment in healthcare, education, and infrastructure.

Patterns of competitive federalism are already evident with many States doing their best to cut red tape and simplify compliance procedures. It was thus interesting to note how UK companies choose their investment location when entering or expanding in India.

40.38% of the 2016 respondents chose 'Quick approvals and effective bureaucracy' and 38.46% chose 'lower regulations' and 'supportive government policies' as key factors. 'Size of market' and 'closeness to customers' were also key factors. As was 'availability of talent,' implying that the Indian Government should continue to focus on infrastructure development and Skill India.

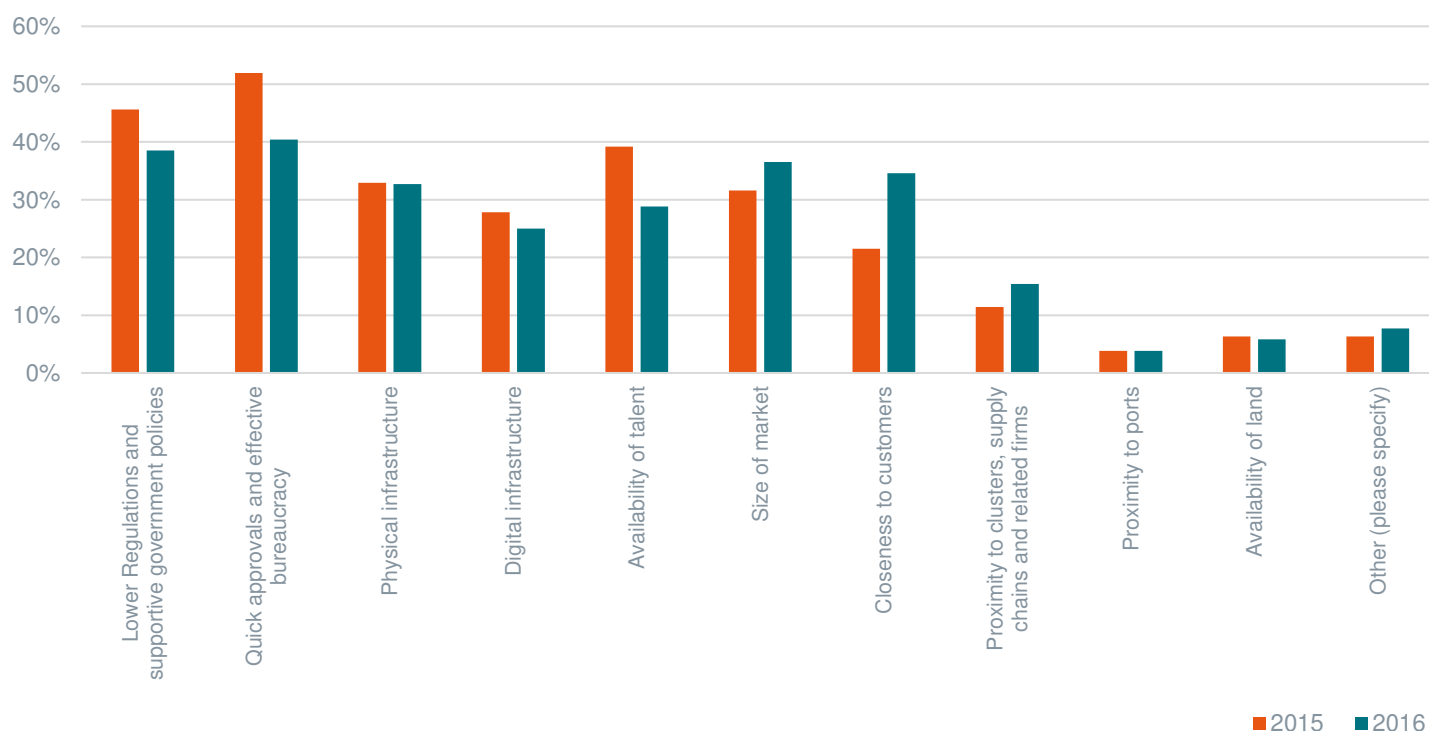


Figure 2.7

WHICH REFORM WILL SIGNIFICANTLY IMPROVE INDIA'S BUSINESS ENVIRONMENT

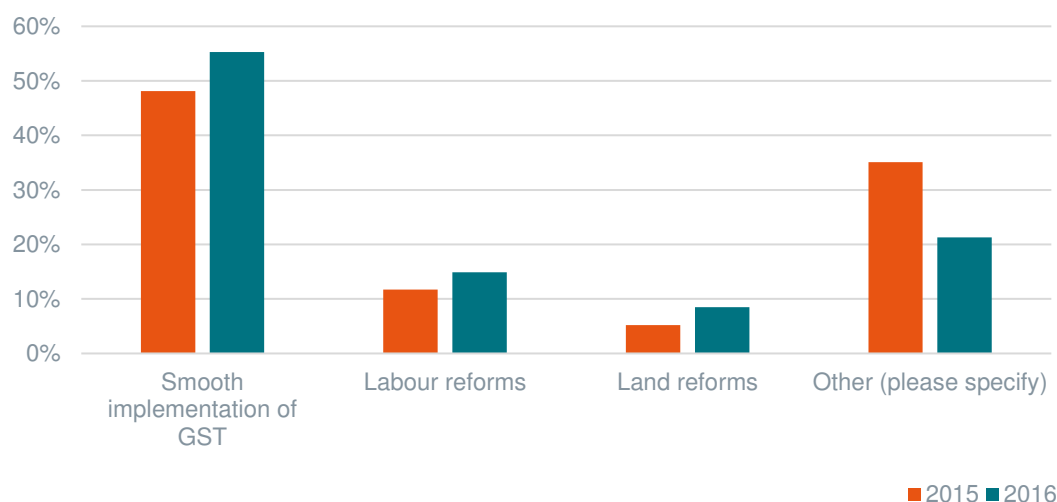


Figure 2.8

Respondents were asked to choose which reform they felt would have the most positive effect on India's business environment. The results show that the smooth implementation of the Goods and Service Tax (GST) is again the far most significant, with 55.32% of respondents opting for this reform.

It is clear that UK businesses welcome GST, recognising the significant overall benefits it will bring to the Indian economy. The case, however, was made that both alcohol and petroleum products should be subject to GST, on both inputs and outputs. The issue is that businesses in these sectors would have to pay GST on their inputs but have no offsetting mechanism for their outputs. This will push up prices to the detriment of consumers.

Around 21.28% of respondents highlighted 'other' reforms which will significantly improve the ease of doing business in India, some of which are as follows:

- uniform bureaucracy and regulations across all states;
- legal reform;
- continue work on reducing corruption;
- increase efficiency of dispute resolution and justice system;
- less regulation.

Land reforms emerged as the key issues for UK companies in the infrastructure sector. It was said that a streamlined land acquisition process, with clear and transparent compensation rules, is required for infrastructure projects. Though land acquisition is a difficult area of policy, it is necessary for the infrastructure development – including smart cities and industrial corridors – needed to improve the livelihoods of Indians.

IS THE EASE OF DOING BUSINESS IN INDIA IMPROVING?

It is encouraging that, as in 2015, the majority of respondents continue to feel that it is getting easier to do business in India.

Whilst 30.77% of survey respondents have not noticed an improvement, UK businesses are confident of an improvement in the near future. The most common reason for those who responded negatively to this question was the time it was taking for reforms to make a difference rather than a lack of action. In other words, the government's intentions to bring about wide-ranging reform hasn't gone unnoticed – it is simply the pace change that is an issue.

It was noted in the discussions that changes made at government level were yet to trickle down to the bottom of the hierarchy and across states. For example, there have been instances where customs officials at ports have been unaware of regulatory change. It is recognised that the World Bank and Department of Industry Policy and Promotion initiative to rank each state on their Ease of Doing Business will help drive improvements.

As these reforms become more widely implemented, the optimism regarding India's business environment should improve greatly. As noted elsewhere the successful implementation of GST will make a significant difference. Annex 1 lists some of the comments and views expressed by UK business on the improvement in India's business environment.

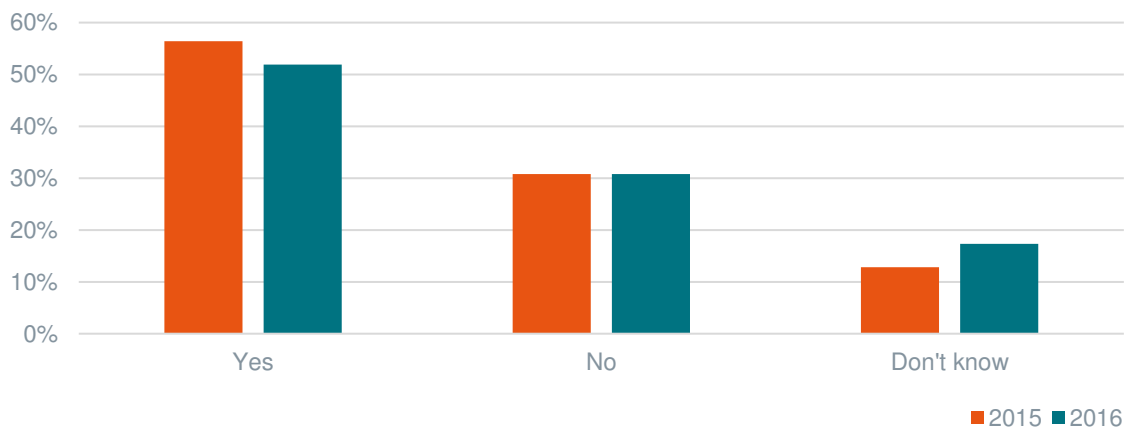


Figure 2.9

3. CONCLUSION

With strong macroeconomic indicators and business-friendly leadership at the centre, India has an opportunity to entrench high levels of growth and transform the country into a manufacturing hub to match its world-class services output. Improving the ease of doing business is critically important to achieve this.

The steps taken by the government to improve India's business environment since taking office in 2014 has, according to our respondents, delivered steady improvement and created optimism for more. The report suggests that UK businesses appreciate the government's efforts to improve the ease of doing business and recognise that the effects of the economic policies and reforms will take time to translate into tangible benefits. However, there is some frustration that reforms have been slow to trickle down to ground level.

Given that the UK is already the largest G20 investor in India, UK businesses are clearly enthusiastic about the opportunities in India and would consider investing more, and more quickly, if government – in States and at the Centre - delivered further reform.

The reforms that would unlock even higher UK investment into India are: taxation – GST and predictability; less red tape and more consistent bureaucratic processes simplified and faster with e-governance playing a greater role; more flexible government procurement and contracting; and land acquisition processes.

4. ANNEXURE

4.1 COMMENTS FROM SURVEY RESPONDENTS

QUESTION 14: WHY ARE/AREN'T YOU OPTIMISTIC ABOUT THE IMPROVEMENT IN THE EASE OF DOING BUSINESS IN INDIA?

2016 responses:

1. "Competition in the energy sector is increasing and I don't think the 'Make in India' campaign is centred on FDI, I'm suspicious that there are improved advantages to encourage existing Indian businesses." – **Medium sized enterprise in the Advanced Engineering & Manufacturing sector**
2. "There's a clear desire to improve infrastructure e.g. SMART cities – although the speed and approval processes are still slow." **Small enterprise in the Infrastructure sector**
3. "I feel that, as political relationships with India improve and consumer demand grows, importing into India will become easier." **Medium sized enterprise in the Food & Drink sector**
4. "There is a more legitimate and apparent focus on improving the ease of doing business." **Large enterprise in the Advanced Engineering & Manufacturing sector**
5. "Government has strong commitment to improve - backed up by business in India." **Medium sized enterprise in Scientific Manufacturing sector**
6. "A UK-India Free Trade deal will lead to greater co-investment opportunities and new business development." **Small enterprise in Food & Drink sector**
7. "GST and land reform will increase growth." Large enterprise in Retail & Customer sector
8. "New government are not just talking but making things happen for the better." **Large enterprise in Advanced Engineering & Manufacturing sector**
9. "The present government is carrying out reforms at a rapid pace." **Small enterprise in Professional, Financial & Legal services sector**
10. "The varied and slow nature of its legislature process with its legacy of protectionism means that improvements take time and are not accelerated as they should be. GST will help but other factors like easy profit repatriation is also key." **Small enterprise in the Communications Sector**
11. "Government agencies are becoming more accountable and less subjective. Corruption levels have also significantly reduced." **Small enterprise in Retail & Customer sector**
12. "I am optimistic. Change is imminent but takes time. No impact yet." **Large enterprise in Professional, Financial & Legal services sector**

13. "India is moving in the right direction but there are a lot of hurdles. However, it is big market and it is now a global playground for global companies to get a piece of." **Small enterprise in the Energy sector**
14. "The environment is changing for the better. I have contact with a number of ex-colleagues who are working successfully in India, as well as friends in country, and they feel the Modi Government is a real force for change." **Medium sized enterprise in the Life Sciences & Healthcare sector**

2015 responses:

Those who do not do business in India:

1. "With the new government, hopefully trade will become easier in India." – **Small enterprise in the Retail and Consumer Goods sector.**
2. "Have sought answers at all levels, including ministerial and understand that current regulations to specifically label all food for India at production source (which stopped our business in 2013/14) will not be eased." – **Large enterprise in the Retail and Consumer sector.**

Those who do business in India:

1. "I am optimistic because there seems to be a national and Government willingness and ambition to succeed" – **Large enterprise in the Advanced Engineering and Manufacturing sector.**
2. "I am optimistic because I see a real wish to become a modern country." – **Small enterprise in the Tourism sector.**
3. "I am optimistic, but it will take time. Corrupt practices are not just B to G but also in B to B. The legal system does not provide for contract enforcement and legal recourse. Bad business behaviour will exist until there is an effective legal system." – **Small enterprise in the Professional, Financial and Legal Services sector.**
4. "A plan for reform is starting to be developed, but political capital has been lost; if reforms are introduced, it will become easier to do business in India. Thus far, this has not happened. Even the GST which some people thought was imminent last year has not yet been introduced!" – **Small/medium enterprise in the Charity sector (Think Tank).**
5. "Major infrastructure improvements are needed". – **Small enterprise in the Professional, Financial and Legal Services sector.**
6. "I have seen much improvement in Government clients". – **Large enterprise in the Professional, Financial and Legal Services sector.**
7. "Some good positive changes but this needs to be followed with implementation". – **Large enterprise in the Energy sector.**

8. "There is an increasing demand from the younger generation to do things better". – **Medium sized enterprise in the Retail and Consumer sector.**
9. "Optimistic – Because India recognises it is unnecessarily missing out to China and other developing economies. Turn a plastic deity up around Diwali it says made in China, why? There is no reason why it should not be injection moulded in India, providing Indian's with jobs, why import it? The same is true of almost anything. India needs good job creation and in particular in manufacturing in India. Service sector jobs are growing and they are easy to grow in an upward trending economy, its manufacturing jobs that are needed and they will come faster if doing business becomes easier, not at the expense of regulation or cutting corners, but through pragmatic development, harmonisation, reduced corruption and barriers". – **Medium sized enterprise in the Advanced Engineering and Manufacturing sector.**
10. "The commitment of the central Government makes me optimistic". – **Medium enterprise in the Scientific Instruments sector.**
11. "We are optimistic about the improvement in the ease of doing business in India – the new Indian Government has taken important measures on this front which we are hopeful will be successful". **Large enterprise in the Professional, Legal and Financial Services sector.**
12. "I believe that if they [the Government] continue to implement the new initiatives (digitalisation, cleanliness, reduced bureaucracy to name a few), I think India could attract lots more business". – **Small enterprise in the Charity sector.**
13. "It's a long-term opportunity. It's not a quick win. Things are improving but you need to stick it out. Having experience of being there means you learn to adapt and even difficult bureaucratic situations become easier to deal with". – **Small enterprise in the Corporate Communications sector.**
14. "For petroleum sector development uniform fair access to common carrier pipelines will help create a level playing field and fair competition leading to investment growth through expansion" – **Large enterprise in the Energy sector.**

4.2 TABLES

Table 4.1: Ratings of India's Business Environment (2015)

	EXCELLENT		GOOD		SATISFACTORY		POOR		VERY POOR		N/A	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Presence of Quality Infrastructure (Roads, Railways, Airports and ports)	1%	0%	10%	10%	28%	50%	47%	33%	11%	8%	3%	0%
Tele-communication Facilities (Internet, phone)	5%	6%	34%	35%	38%	46%	22%	13%	1%	0%	0%	0%
Taxation Policy (Corporate tax, Excise, VAT & other indirect taxes)	0%	0%	4%	4%	39%	33%	29%	37%	19%	13%	9%	13%
Regulatory Framework (Company laws, customs, and other laws for operating a business)	0%	0%	9%	10%	33%	31%	34%	37%	19%	18%	5%	4%
Intellectual Property (Ease of getting Patents & Trademarks)	0%	0%	5%	6%	33%	29%	29%	29%	11%	12%	22%	24%
Environmental Regulations	0%	0%	4%	6%	36%	26%	22%	32%	14%	18%	24%	18%

Power (Ease of getting connection & Availability)	0%	2%	5%	6%	36%	41%	35%	31%	13%	4%	11%	16%
Land availability	3%	0%	8%	10%	32%	25%	16%	18%	9%	6%	33%	41%
Labour laws	1%	0%	7%	0%	39%	40%	24%	20%	8%	8%	2%	30%
Quality of Bureaucracy	1%	0%	1%	6%	22%	25%	30%	29%	38%	35%	8%	4%
Quality control measures (Regulations and ease of getting certifications)	1%	0%	5%	2%	31%	30%	36%	32%	15%	22%	12%	14%
Availability of skilled labour	8%	6%	35%	24%	31%	35%	15%	18%	5%	6%	6%	12%
Availability of supply chain	6%	2%	22%	27%	33%	35%	15%	27%	8%	2%	15%	8%
Availability of support and service providers	4%	2%	30%	20%	34%	49%	22%	16%	5%	2%	5%	10%
Ease of closing down the business	0%	0%	4%	8%	22%	18%	19%	16%	15%	8%	40%	50%