

06 Feb 2021: PIB Summary & Analysis

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1. India-EU High Level Dialogue

Context:

1st India-EU High Level Dialogue on Trade and Investment held.

Details:

- The Dialogue was an outcome of the 15th India-EU Leader's Summit held in July 2020, with an objective for a ministerial-level guidance towards bilateral trade and investment relations.
- The Ministers also agreed to meet within the next three months, with an objective for reaching consensus on a host of bilateral trade & investment cooperation issues viz. a bilateral Regulatory Dialogue; an India-EU Multilateral Dialogue to explore further possibilities of cooperation, etc.
- In a significant step forward, regular interactions for re-initiation of bilateral trade and investment agreements, with an interim agreement, to start with, were also discussed.

2. Ease of doing business reforms

Context:

Four more States complete ease of doing business reforms to get additional borrowing permissions.

Details:

- Four more States namely, Assam, Haryana, Himachal Pradesh and Punjab have undertaken "Ease of Doing Business" reforms stipulated by the Department of Expenditure, Ministry of Finance.
- Thus, these State have become eligible to mobilise additional financial resources and have been granted permission to raise additional Rs.5,034 crore through Open Market Borrowings.
- This takes the total number of States that have undertaken the stipulated reforms to facilitate ease of doing business has gone up to 12.
- The other states are Andhra Pradesh, Karnataka, Kerala, Madhya Pradesh, Odisha, Rajasthan, Tamil Nadu and Telangana.

Background:

- The ease of doing business is an important indicator of the investment-friendly business climate in the country.

- Improvements in the ease of doing business will enable faster future growth of the state economy.
- Therefore, the government of India had in May 2020, decided to link the grant of additional borrowing permissions to states who undertake the reforms to facilitate ease of doing business.
- The reforms stipulated in this category are:
 - Completion of first assessment of 'District Level Business Reform Action Plan'
 - Elimination of the requirements of renewal of registration certificates/approvals/licences obtained by businesses under various Acts.
 - Implementation of computerized central random inspection system under the Acts wherein allocation of inspectors is done centrally, the same inspector is not assigned to the same unit in subsequent years, prior inspection notice is provided to the business owner, and inspection report is uploaded within 48 hours of inspection.
- To meet the challenges posed by the pandemic, GOI had enhanced the borrowing limit of the states by 2 percent of their GSDP.
- Half of this special dispensation was linked to undertaking citizen-centric reforms by the states.
- The four citizen-centric areas for reforms identified were:
 - Implementation of One Nation One Ration Card System (done by 12 states)
 - Ease of doing business reform (done by 12 states)
 - Urban Local body/utility reforms (done by 5 states)
 - Power sector reforms (done by 2 states)