



## **Ahmedabad ranks fifth in ease of doing business, says study**

Rajiv Shah, TNN - Nov 17, 2012

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GANDHINAGAR: A widely cited study, "Economic Freedom Rankings of States 2012", carried out by four renowned economists, is making news for ranking Gujarat as No 1 in economic freedom.

It says that Ahmedabad ranks fifth in ease of doing business and is way behind Ludhiana, Hyderabad, Bhubaneswar and Gurgaon.

Worse, when it comes to time taken to start a business, Ahmedabad's ranking is 10th in a list of 17 major Indian cities with 35 days. The cities which take lesser time are Mumbai, Noida, Jaipur, Indore, New Delhi, Gurgaon, Hyderabad, Ludhiana and Chennai.

As for the cost of starting steps to begin business, calculated as percentage of income per capita, Ahmedabad's 46.3 per cent is higher than Jaipur, Indore, New Delhi, Hyderabad, Chennai, Kolkata, Bhubaneswar, Patna and Guwahati.

While the economic ranking part of the study has been jointly carried by Bibek Debroy of the Centre for Policy Research, Laveesh Bhandari of Indicus Analytics, Swaminathan S Anklesaria Aiyar of Cato Institute and Ashok Gulati of the Commission for Costs and Agricultural Prices, the inter-city ranking part has been done by Washington-based Cato Institute's Aiyar.

Carried out in partnership with Friedrich Naumann Stiftung, the study further says that in building permit approvals and utility connections, which is the biggest hurdle in starting business, Ahmedabad takes more time (around 145 days), which is higher than seven other cities - Hyderabad (topping with around 75 days), Bengaluru, Gurgaon, Noida, Chennai and Ludhiana. By way of comparison, the study says, "In Saudi Arabia, property can be registered in just two days at zero cost. Brazil and China also have zero cost of registration, though they take 29 days and 42 days respectively. But in India, the average registration time in the 17 cities is 55 days."

In other parameters, too, Ahmedabad is behind many other cities - as many as nine other cities out of 17 take lesser time in registering property; in the ease in paying taxes, Ahmedabad's ranking is 11th; in enforcing contracts, the city's ranking is one of the worst, 16th, with Mumbai being the only other city doing worse than Ahmedabad.

Only in one sector, Ahmedabad ranks better than most states except Bhubaneswar and Chennai - ease in importing and exporting. Equalling Mumbai, even here, the cost of import and export for Ahmedabad is higher than 10 other states.