

Beyond Borders: Unravelling the Business Landscape of India and China from 2019 to 2023

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Abstract

This study aims to compare the performance of India and China across various parameters of doing business such as starting a business, dealing with construction permits, obtaining electricity, registering property, accessing credit, protecting minority investors, tax payment processes, trade across borders, contract enforcement and resolving insolvency etc. for 2019-20. Business landscape was analyzed during two distinct periods: 2019-2020 (using Doing business report by World bank) and 2021-2023 (using business environment rankings by Economist Intelligence Unit). It was observed that recently India is performing well in creating business friendly environment than China. India's efforts have borne fruit, resulting in an improved ranking in the ease of doing business. This study relies on secondary data sources and aims to provide a conceptual understanding and current position of business environment in both India and China.

Keywords: Ease of Doing Business, India, China, Business Environment Rankings, Economist Intelligence Unit

JEL Codes: O53, M21, K22, G38

1. Introduction

In today's ever-evolving global economy, all eyes are firmly fixed on the vibrant business landscapes of Asia, with particular focus on two titans: India and China. These economic giants have shaped international commerce. In this paper, we will explore the intricacies of these dynamic markets, compare and contrast their business environments, and offer insightful recommendations for India's further development. Despite the considerable amount of research done on the ease of doing business in India, there is a noticeable gap in comparative studies between India and China, particularly in assessing the ease of doing business and overall business environment. Hardly no study has comprehensively evaluated the comparative business environment rankings of India and China during the years 2019-2023.

Our exploration commences with a thorough examination of the ease of doing business (EODB) in both nations during the critical years of 2019-2020. This period, coinciding with the outbreak of the COVID-19 pandemic, presents a unique opportunity to understand how India and China navigated the stormy waters of economic uncertainty. As our study advances, we turn our attention to 2021-2023, relying on the Economist Intelligence Unit's (EIU) business environment rankings report because the World Bank has

ceased producing the EODB report.

We will discuss the intricacies of India and China's business dynamics, spotlighting disparities, and providing growth recommendations. In our interconnected world, comprehending these Asian giants is vital for the future of international commerce. The present study aims to provide a conceptual idea about the ease of doing business and the business environment rankings report, evaluate the overall performance of India and China in ease of doing business, analyze the parameters in which India and China perform better, average, or worse, and compare their performances in these aspects. Additionally, it will evaluate their overall performance in the business environment rankings report from 2021-2023 and suggest suitable strategies for improving India's business environment.

2. Materials and Methods

2.1 Research Design

In this study, a descriptive research design was employed, utilizing secondary data sources. The data was gathered from the Ease of Doing Business reports for India and China for the years 2019 and 2020, as well as the Business Environment Rankings report for 2021-2023. Additional information was sourced from government websites and reports related to ease of doing business. In this study, population includes all the economies of the world or total no. of

countries in the world. Total no. of economies in the world is 195 according to the data of world development indicators database 2020 and 82 according to the data of annual report of global business environment rankings. In this study, two economies such as India and China were chosen for comparative analysis of ease of doing business and global business environment rankings. Judgmental or purposive sampling method that is non probability sampling method was used.

2.2 Ease of Doing Business

Ease of doing business is index published through World Bank.

It is an aggregate figure that include various parameter which define the ease of doing business in a country. It is calculated by aggregating the distance to frontier score of different economy. The distance to frontier score uses the 'regulatory best practice' for doing business as the constraint and target economy according to that parameter. For each of the indicators that form a part of the statistic 'Ease of doing business,' a distance to frontier score are calculated and all scores are combined. The combined score become the Ease of doing business index. Higher rankings indicate superior, typically simpler, system for businesses and protection of property rights.

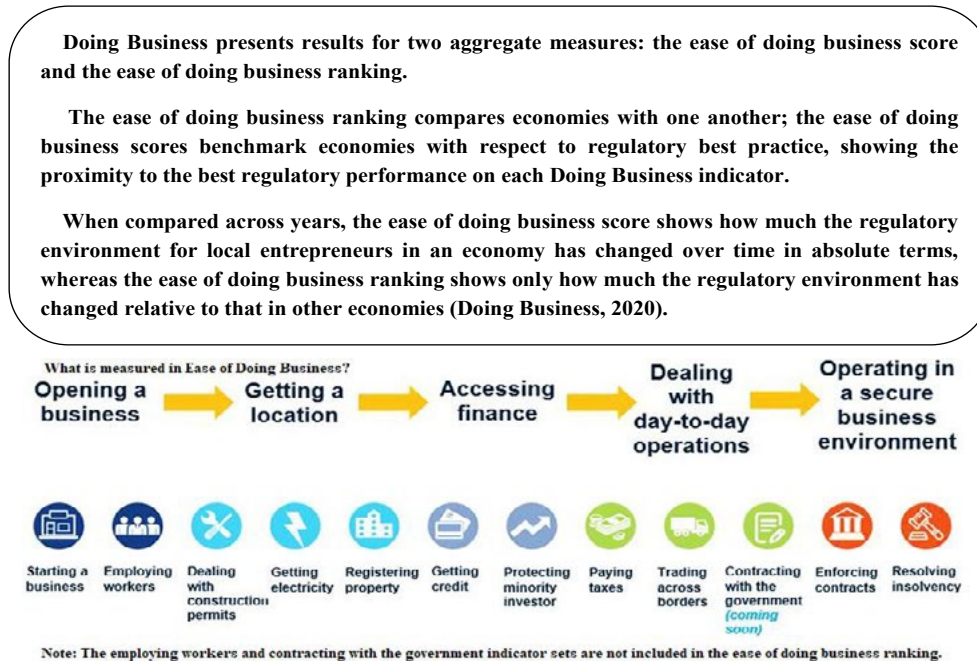


Figure 1: Parameters of doing business (Source: Doing Business, 2020)

2.2.1. Parameters of Ease of Doing Business

| Indicator set | What is measured? |
|-----------------------------------|---|
| Starting a business | Procedures, time, cost and paid-in minimum capital to start a limited liability company for men and women. |
| Dealing with construction permits | Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system. |
| Getting electricity | Procedures, time and cost to get connected to the electrical grid; the reliability of the electricity supply; and the transparency of tariffs. |
| Registering property | Procedures, time and cost to transfer a property and the quality of the land administration system for men and women. |
| Getting credit | Movable collateral laws and credit information systems. |
| Protecting minority investors | Minority shareholders' rights in related-party transactions and in corporate governance. |
| Paying taxes | Payments, time and total tax and contribution rate for a firm to comply with all tax regulations as well as post filing processes. |
| Trading across borders | Time and cost to export the product of comparative advantage and to import auto parts |
| Enforcing contracts | Time and cost to resolve a commercial dispute and the quality of judicial processes for men and women. |
| Resolving insolvency | Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency. |

Table 1: Parameters of Doing Business (Source: Doing Business, 2020)

2.3 Business Environment Rankings

The Economist Intelligence Unit (EIU) releases its business environment rankings report (BER) with ranking of countries for four-year period. The BER is a comprehensive report that assesses the attractiveness of doing business in 82 countries. It covers 91 indicators (both quantitative and qualitative) including political environment, the macroeconomic environment, market opportunities, policy towards free enterprise and competition, policy towards foreign investment, foreign trade and exchange controls, taxes, financing, the labour market and infrastructure.

The EIU's business environment rankings are a valuable tool for businesses that are considering expanding into new markets. The rankings can help businesses to identify the countries that are most attractive for doing business, and to understand the challenges and opportunities that they will face in those countries. The EIU's business environment rankings are a dynamic and evolving tool. The rankings are updated to reflect changes in the global business environment. The EIU also publishes a number of other reports that provide insights into the business environment in specific countries or regions.

3. Results and Discussion

3.1 Overall Performance of India in Ease of Doing Business

| S. No. | Parameters | India (Rank) (2020) | India (Rank) (2019) |
|--------|----------------------------------|---------------------|---------------------|
| 1. | Overall position | 63 | 77 |
| 2. | Starting business | 136 | 137 |
| 3. | Dealing with Construction Permit | 27 | 52 |
| 4. | Getting Electricity | 22 | 24 |
| 5. | Registering Property | 154 | 166 |
| 6. | Getting Credit | 25 | 22 |
| 7. | Protecting Minority Investors | 13 | 7 |
| 8. | Paying Tax | 115 | 121 |
| 9. | Trading across borders | 68 | 80 |
| 10. | Enforcing Contracts | 163 | 163 |
| 11. | Resolving Insolvency | 52 | 108 |

Table 2: Rank of India in Doing Business 2019 & 2020 (Source: Doing Business, 2020 & 2019)

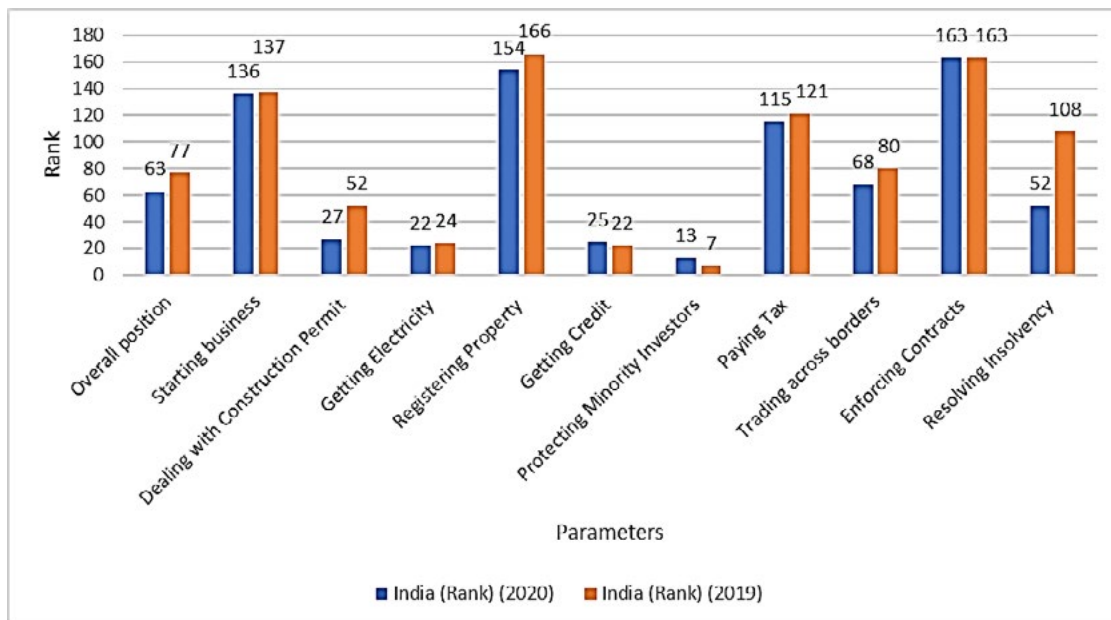


Figure 2: Graph Showing Rank of India in Doing Business 2019 & 2020 (Source: Author's Calculation)

Interpretation: From above data, we can interpret that India performed well in 2020 as compared to 2019. It has improved their rank in areas of dealing with Construction permit, registering property, paying tax, Trading across borders, Resolving insolvency.

It has maintained their position as almost same in areas of dealing with Starting business, getting electricity, Enforcing contracts. It has performed very poorly in areas of getting credit, Protecting minority investors.

Highlights of Ease of Doing Business Ranking 2020

- 14 Rank improvement in current year
- India recognized among top 10 improvers for the third consecutive year
- First BRICS and South Asian country to be recognized as top improver in consecutive years
- India is now ranked first among South Asian Countries compared to 6th rank in 2014

3.2 Overall Performance of China in Ease of Doing Business

| S. No. | Parameters | China (Rank) (2020) | China (Rank) (2019) |
|--------|----------------------------------|---------------------|---------------------|
| 1. | Overall position | 31 | 46 |
| 2. | Starting business | 27 | 28 |
| 3. | Dealing with Construction Permit | 33 | 121 |
| 4. | Getting Electricity | 12 | 14 |
| 5. | Registering Property | 28 | 27 |
| 6. | Getting Credit | 80 | 73 |
| 7. | Protecting Minority Investors | 28 | 64 |
| 8. | Paying Tax | 105 | 114 |
| 9. | Trading across borders | 56 | 65 |
| 10. | Enforcing Contracts | 5 | 6 |
| 11. | Resolving Insolvency | 51 | 61 |

Table 3: Rank of China in Doing Business 2019 & 2020 (Source: Doing Business, 2020 & 2019)

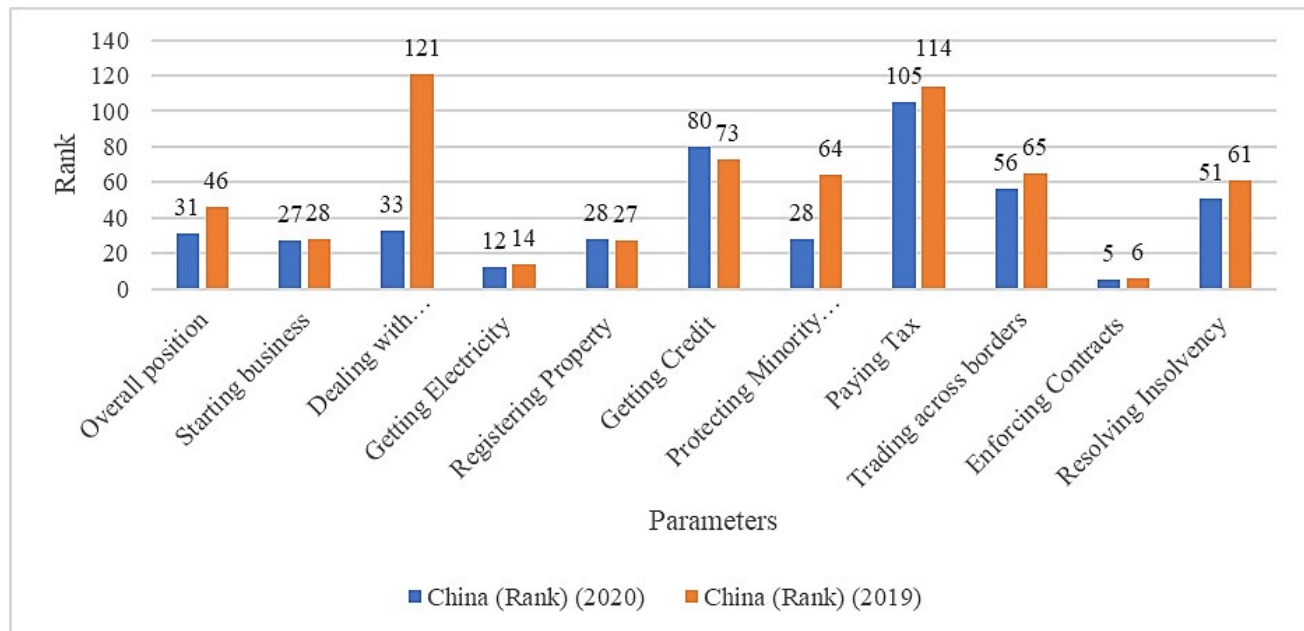


Figure 3: Graph Showing Rank of China in Doing Business 2019 & 2020 (Source: Author's Calculation)

Interpretation: From above data, we can interpret that China also performed well in 2020 as compared to 2019. It has improved their rank in areas of dealing with Construction permit, protecting minority investors, paying tax, Trading across borders, Resolving insolvency. It has maintained their position as almost same in areas of dealing with Starting business, getting electricity, Enforcing

contracts. It has performed very poorly in areas of Getting credit, Registering Property.

3.3 Parameters of Ease of Doing Business

3.3.1 Parameter: Starting Business



| year | rank | Change in rank | DTF | Change in DTF points |
|--|------|--|-------|---|
| 2019 | 137 |  1 | 80.96 |  0.64 |
| 2020 | 136 | | 81.6 | |
| Source: Doing Business, 2020 & 2019 | | | | |

Table 4: Rank in Starting Business: India



| year | rank | Change in rank | DTF | Change in DTF points |
|--|------|--|-------|---|
| 2019 | 28 |  1 | 93.52 |  0.58 |
| 2020 | 27 | | 94.1 | |
| Source: Doing Business, 2020 & 2019 | | | | |

Table 5: Rank in Starting Business: China

Interpretation: Based on above data, we can conclude that India got 136th rank in 2020 in area of starting business while China got 27th rank. Both India and China position has been increased by 1 position up. China (Beijing) made starting a business easier by fully integrating the obtention of company seals into the one-stop

shop. While, India made starting a business easier by abolishing filing fees for the SPICe+ company incorporation form, electronic memorandum of association, and articles of association.

3.3.2 Parameter: Dealing with Construction Permits



| year | rank | Change in rank | DTF | Change in DTF points |
|--|------|--|-------|--|
| 2019 | 52 |  25 | 73.81 |  4.89 |
| 2020 | 27 | | 78.7 | |
| Source: Doing Business, 2020 & 2019 | | | | |

Table 6: Rank in Dealing with Construction Permit: India



| year | rank | Change in rank | DTF | Change in DTF points |
|--|------|---|-------|--|
| 2019 | 121 |  88 | 65.16 |  12.14 |
| 2020 | 33 | | 77.3 | |
| Source: Doing Business, 2020 & 2019 | | | | |

Table 7: Rank in Dealing with Construction Permit: China

Interpretation: From above data, we can say that India's rank has been tremendously increased by 25 positions up while China's rank has been also tremendously increases by 88th position from 121 to 33. China made obtaining building permits easier by simplifying the requirements for low-risk construction projects and by reducing the time to get water and drainage connections. China also made construction safer by imposing stricter qualification requirements for professionals in charge of technical inspections

and verifying architectural plans as well as differentiated building quality supervision schemes. While, India streamlined the process, reduced the time and cost of obtaining construction permits, and improved building quality control by strengthening professional certification requirements.

3.3.3 Parameter: Getting Electricity



| year | rank | Change in rank | DTF | Change in DTF points |
|--|------|--|-------|---|
| 2019 | 24 |  2 | 89.15 |  0.25 |
| 2020 | 22 | | 89.4 | |
| Source: Doing Business, 2020 & 2019 | | | | |

Table 8: Rank in Getting Electricity: India



| year | rank | Change in rank | DTF | Change in DTF points |
|--|------|---|-------|--|
| 2019 | 14 |  2 | 92.01 |  3.39 |
| 2020 | 12 | | 95.4 | |
| Source: Doing Business, 2020 & 2019 | | | | |

Table 9: Rank in Getting Electricity: China

Interpretation: From above figures, we can say that India's rank has been increased by 2 positions up, while China's rank has also been increased by 2 positions up. China made getting electricity easier by streamlining the application process. China also increased

the transparency of electricity tariff changes. While, India made getting electricity easier by streamlining the application process.

3.3.4 Parameter: Registering Property




| year | rank | Change in rank | DTF | Change in DTF points | Time (Days) | Change in time |
|--|------|--|-------|--|-------------|--|
| 2019 | 166 |  12 | 43.55 |  4.05 | 69 |  11 |
| 2020 | 154 | | 47.60 | | 58 | |
| Source: Doing Business, 2020 & 2019 | | | | | | |

Table 10: Rank in Registering Property: India




| year | rank | Change in rank | DTF | Change in DTF points | Time (Days) | Change in time |
|--|------|---|-------|---|-------------|---|
| 2019 | 27 |  1 | 80.80 |  0.2 | 9 |  0 |
| 2020 | 28 | | 81.00 | | 9 | |
| Source: Doing Business, 2020 & 2019 | | | | | | |

Table 11: Rank in Registering Property: China

Interpretation: From above information, we can say that India's rank has been increased by 12 positions, while China's rank has been decreased by 1 position. If we compare India and China in area of registering property, then China is better than India because time required to register a property is very low in China and other parameter within this indicator is also hold good in China. India is

trying to improve their position in registering property. Quality of land and administration is poor in India. Cost of property is also higher in India.

3.3.5 Parameter: Getting Credit



| year | rank | Change in rank | DTF | Change in DTF points |
|--|------|---|-----|---|
| 2019 | 22 |  3 | 80 |  0 |
| 2020 | 25 | | 80 | |
| Source: Doing Business, 2020 & 2019 | | | | |

Table 12: Rank in Getting Credit: India





| year | rank | Change in rank | DTF | Change in DTF points |
|--|------|---|-----|---|
| 2019 | 73 |  7 | 60 |  0 |
| 2020 | 80 | | 60 | |
| Source: Doing Business, 2020 & 2019 | | | | |

Table 13: Rank in Getting Credit: China

Interpretation: From above data, we can interpret that India's rank has been down by 3 positions, China's rank has also been decreased by 7 positions. DTF score maintained the same for both. If we compare India and China in getting credit, India is better than China. The reason is that India's rank is better than



China. China improved access to credit information by initialing to report payment histories from usefulness companies and provided that credit scores to bank and financial institutions.

3.3.6. Parameter: protecting minority investors

| year | rank | Change in rank | DTF | Change in DTF points |
|------|------|--|-----|--|
| 2019 | 7 |  6 | 80 |  0 |
| 2020 | 13 | | 80 | |

Source: Doing Business, 2020 & 2019

Table 14: Rank in Protecting Minority Investors: India

| year | rank | Change in rank | DTF | Change in DTF points |
|------|------|---|-----|---|
| 2019 | 64 |  36 | 60 |  12 |
| 2020 | 28 | | 72 | |



Source: Doing Business, 2020 & 2019

Table 15: Rank in Protecting Minority Investors: China

Interpretation: From above data, we can analyze that India's rank has been reduced by 6 positions, while China's rank has been drastically increased by 36 positions. If we compare India and China in parameters of protecting minority investors, China is far better than India. The reason is that China strengthened



minority investor protections by imposing liability on controlling shareholders for unfair related-party transactions and clarifying ownership and control structures.

3.3.7 Parameter: Paying Taxes

| year | rank | Change in rank | DTF | Change in DTF points |
|------|------|--|-------|---|
| 2019 | 121 |  6 | 65.36 |  2.24 |
| 2020 | 115 | | 67.6 | |

Source: Doing Business, 2020 & 2019

Table 16: Rank in Paying Taxes: India

| year | rank | Change in rank | DTF | Change in DTF points |
|------|------|--|-------|---|
| 2019 | 114 |  9 | 67.53 |  2.57 |
| 2020 | 105 | | 70.1 | |



Source: Doing Business, 2020 & 2019

Table 17: Rank in Paying Taxes: China

Interpretation: From above information, we can understand that India's rank is increased by 6 positions and China's position up by 9. If we compare India and China in paying taxes, China is better performing than India. China made paying taxes easier by implementing a preferential corporate income tax rate for small

enterprises, reducing the value added tax rate for certain industries, and enhancing the electronic filing and payment system.

3.3.8 Parameters: Trading Across Borders

| year | rank | Change in rank | DTF | Change in DTF points | Time to export: Border compliance (hours) | Time to import: Border compliance (hours) |
|------|------|---|-------|---|---|---|
| 2019 | 80 |  12 | 77.46 |  5.04 | 66.2 | 96.7 |
| 2020 | 68 | | 82.5 | | 52 | 65 |

Source: Doing Business, 2020 & 2019

Table 18: Rank in Trading Across Borders: India



| year | rank | Change in rank | DTF | Change in DTF points | Time to export: Border compliance (hours) | Time to import: Border compliance (hours) |
|--|------|---|-------|--|---|---|
| 2019 | 65 |  9 | 82.59 |  3.91 | 25.9 | 48 |
| 2020 | 56 | | 86.5 | | 21 | 36 |
| Source: Doing Business, 2020 & 2019 | | | | | | |

Table 19: Rank in Trading Across Borders: China

Interpretation: From above data, we can say that China is better than India in area of trading across borders. Because India is taking more time to export border compliance. China made exporting and importing easier by implementing advance cargo declaration, upgrading port infrastructure, optimizing customs administration, and publishing fee schedules. While, India made trading across

borders easier by enabling post clearance audits, integrating trade stakeholders in a single electronic platform, upgrading port infrastructures and enhancing the electronic submission of documents.

3.3.9. Parameters: Enforcing Contracts



| year | rank | Change in rank | DTF | Change in DTF points | Quality of judicial processes index (0-18) | Time to import: Border compliance (hours) |
|--|------|---|-------|--|--|---|
| 2019 | 163 |  0 | 41.19 |  0.01 | 10.5 | 48 |
| 2020 | 163 | | 41.2 | | 10.5 | 36 |
| Source: Doing Business, 2020 & 2019 | | | | | | |

Table 20: Rank in Enforcing Contracts: India



| year | rank | Change in rank | DTF | Change in DTF points | Quality of judicial processes index (0-18) | Time to import: Border compliance (hours) |
|--|------|---|-------|--|--|---|
| 2019 | 6 |  1 | 78.97 |  1.93 | 15.5 | 48 |
| 2020 | 5 | | 80.9 | | 16.5 | 36 |
| Source: Doing Business, 2020 & 2019 | | | | | | |

Table 21: Rank in Enforcing Contracts: China

Interpretation: From above data clearly shows that China is better than India in enforcing contracts. Quality of judicial index of India is very low as compared to China. China made enforcing contracts easier by regulating the maximum number of adjournments that

can be granted and limiting adjournments to unforeseen and exceptional circumstances.

3.3.10 Parameter: Resolving Insolvency



| year | rank | Change in rank | DTF | Change in DTF points | Quality of judicial processes index (0-18) | Time to import: Border compliance (hours) |
|--|------|--|-------|---|--|---|
| 2019 | 108 |  56 | 40.84 |  21.16 | 15.5 | 48 |
| 2020 | 52 | | 62.00 | | 16.5 | 36 |
| Source: Doing Business, 2020 & 2019 | | | | | | |

Table 22: Rank in Resolving Insolvency: India



| year | rank | Change in rank | DTF | Change in DTF points | Quality of judicial processes index (0-18) | Time to import: Border compliance (hours) |
|--|------|--|-------|--|--|---|
| 2019 | 61 |  10 | 55.82 |  6.28 | 15.5 | 48 |
| 2020 | 51 | | 62.10 | | 16.5 | 36 |
| Source: Doing Business, 2020 & 2019 | | | | | | |

Table 23: Rank in Resolving Insolvency: China

Interpretation: From above information, we can interpret that India's rank has been increased by 56 positions up and China also increased by 10 positions up. China made resolving insolvency easier by providing rules for post commencement credit priority and increasing the participation of creditors in insolvency proceedings. While, India made resolving insolvency easier by promoting reorganization proceedings in practice. India also made resolving insolvency more difficult by not allowing dissenting

creditors to receive as much under reorganization as they would receive in liquidation.

3.4 Correlation

$H_0: p = 0$ there is no association between India and China in ease of doing business rank (2020).

$H_1: p \neq 0$ there is association between India and China in ease of doing business rank (2020).

| S. No. | Parameters | India (Rank) (2020) | China (Rank) (2020) |
|--------|----------------------------------|---------------------|---------------------|
| 1. | Overall position | 63 | 31 |
| 2. | Starting business | 136 | 27 |
| 3. | Dealing with Construction Permit | 27 | 33 |
| 4. | Getting Electricity | 22 | 12 |
| 5. | Registering Property | 154 | 28 |
| 6. | Getting Credit | 25 | 80 |
| 7. | Protecting Minority Investors | 13 | 28 |
| 8. | Paying Tax | 115 | 105 |
| 9. | Trading across borders | 68 | 56 |
| 10. | Enforcing Contracts | 163 | 5 |
| 11. | Resolving Insolvency | 52 | 51 |

Table 24: Rank of India and China in Doing Business 2020 (Source: Doing Business, 2020 & 2019)

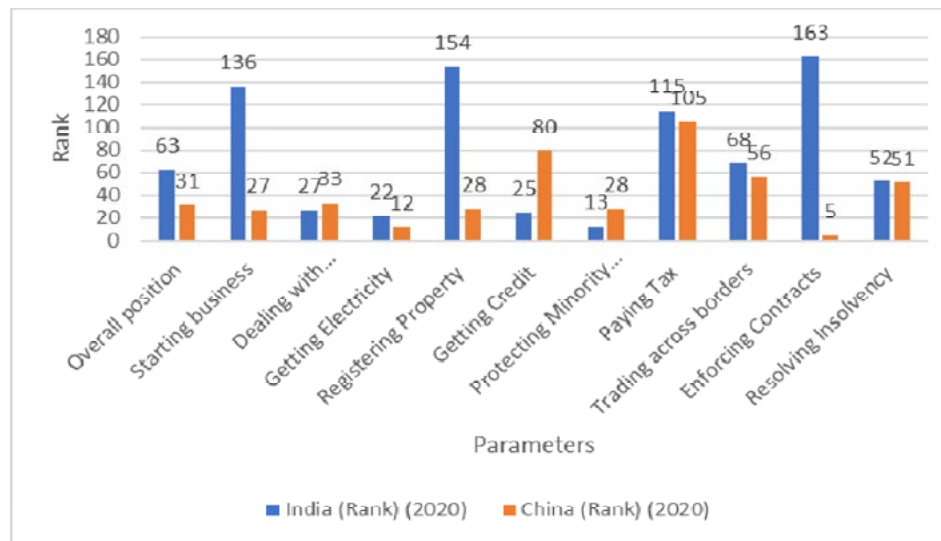


Figure 4: Graph Showing Rank of India and China in Doing Business 2020 (Source: Author's Calculation)

Output of SPSS Software:

| | | | India | China |
|----------------|-------|-------------------------|-------|-------|
| Spearman's rho | India | Correlation Coefficient | 1.000 | -.188 |
| | | Sig. (2-tailed) | . | .602 |
| | | N | 10 | 10 |
| China | India | Correlation Coefficient | -.188 | 1.000 |
| | | Sig. (2-tailed) | .602 | . |
| | | N | 10 | 10 |

Table 25: Spearman's Correlations (Source: Author's Calculation)

Interpretation: Correlation between India and China is -0.188. It means that there is negative co-relation between India and China in doing business. But it is non-significant at 5% level. Hence H_0 is accepted and there is no association between India and China in

ease of doing business rank (2020).

3.5 Parameters in which India and China are Better, Average and Worst

| S. NO. | PARAMETERS | INDIA | CHINA |
|--------|----------------------------------|---------|---------|
| 1. | Overall position | Average | Better |
| 2. | Starting business | Worst | Better |
| 3. | Dealing with Construction Permit | Better | Better |
| 4. | Getting Electricity | Better | Better |
| 5. | Registering Property | Worst | Better |
| 6. | Getting Credit | Better | Average |
| 7. | Protecting Minority Investors | Better | Better |
| 8. | Paying Tax | Worst | Worst |
| 9. | Trading across boarder | Average | Average |
| 10. | Enforcing Contracts | Worst | Better |
| 11. | Resolving Insolvency | Average | Average |

Table 26: Parameters in which India and China are Better, Average and Worst in 2020 (Source: Author's Calculation)




Here, based on the Cumulative square root frequency method we have assigned Better, Average and Worst performance to India and China on the bases of doing business rank. If the rank is between 1-40, we have assigned better position. If the rank is between 40-100, we have assigned average position. If the rank is between 100-190, we have assigned worst performance. India's performance is improving year by year. Its performance is more

than average in various parameters of doing business. If we observe the performance of China then its performance is near to better position.

3.6 Comparison of India and China in Ease of Doing Business of All Parameters:

| S. No. | PARAMETERS | INDIA | CHINA |
|--------|-----------------------------------|-------|-------|
| 1. | Overall position | ↔ | ↔ |
| 2. | Starting business | ↔ | ↔ |
| 3. | Dealing with Construction Permits | ↓ | ↑ |
| 4. | Getting Electricity | ↓ | ↑ |
| 5. | Registering Property | ↓ | ↑ |
| 6. | Getting Credit | ↑ | ↓ |
| 7. | Protecting Minority Investors | ↓ | ↑ |
| 8. | Paying Taxes | ↓ | ↑ |
| 9. | Trading across border | ↓ | ↑ |
| 10. | Enforcing Contracts | ↓ | ↑ |
| 11. | Resolving Insolvency | ↑ | ↓ |

Table 27: Comparative Analysis of India and China in Doing Business (Source: Author's Calculation)

From above table, we found the comparison of India and China's performance in ease of doing business rank.  This sign indicated that one country is performing well as compared to other country.  This sign indicated that one country is not performing well as compared to other country.  This sign indicated that both countries are performing almost same in the doing business parameters. We have assigned these signs on the bases of ease of doing business parameters and sub indicators of both countries during 2019 to 2020.

3.7 Overall Performance of India and China in Business Environment Rankings Report

The Economist Intelligence Unit (EIU) publishes report which ranks the countries of the world according to their business environment. The report assesses factors including infrastructure, political stability, labour skills and taxation etc. to create a composite score for each country. The EIU's business environment rankings report is a valuable tool for businesses that are considering investing in India or China. The report provides a comprehensive assessment of the two countries' business environments, and it can help businesses to make informed decisions about where to invest. In the latest report, India ranked 10th in 2023-27 from 14th in 2018-22 in the Asian region economies of 17 countries. This is the first time that India has ranked above China. India has consistently improved its ranking over the past three years, while China's ranking has remained relatively stagnant. This is a significant development, as it suggests that India is becoming a more attractive investment destination than China.

There are a number of reasons for India's improved performance. One is the government's efforts to improve the country's infrastructure. In recent years, the government has invested heavily in roads, seaports and airports, which has made it easier and cheaper to do business in India. Another reason for India's improved performance is the introduction of a number of pro-business reforms. In 2017, the government introduced the Goods and Services Tax (GST), which has simplified the tax system and made it easier for businesses to comply with regulations. The growth of the startup ecosystem is also a major factor in India's improved performance. The schemes such as Startup India, Make in India, Digital India, Skill India has further strengthened a good business environment in India. In recent years, India has become a hotbed of innovation, with a number of successful startups emerging in areas such as e-commerce, fintech, and transportation. Indian government is banking on PLIS (Production Linked Incentive Scheme) as a tool to make the Indian economy more export-driven and more inter-linked in global supply chains.

China's ranking has declined in recent years due to a number of factors. One is the ongoing trade war with the United States. The trade war has led to increased uncertainty and volatility in the Chinese economy, which has made it less attractive for foreign investors. Another reason for China's declining ranking is the slowdown in economic growth. China's economy grew by 3% in 2022, the slowest pace of growth in decades [1]. This slowdown

is due to a number of factors, including the trade war, the aging population and the debt burden. The government's crackdown on technology companies is also a factor in China's declining ranking. In recent years, the government has cracked down on a number of technology companies, such as Alibaba and Tencent. This has created uncertainty for businesses operating in China and has made it less attractive for foreign investment. China now ranks below Malaysia, Thailand, Vietnam and India. Despite the decline in its ranking, China remains a major economic power and a significant destination for foreign investment. However, India is now seen as a more attractive investment destination, due to its improving business environment and strong growth potential.

3.8 Strategies for Improving the Business Environment of India

To enhance India's business environment and foster economic growth, a comprehensive strategy must be implemented. This strategy includes simplifying regulations (improve BRAP), improving infrastructure like expand access to high-speed internet and digital services, promoting e-commerce and digital payments etc., strengthening the legal system, attracting foreign investment, promoting innovation, reducing corruption, embracing digitalization, adopting transparent governance practices, reducing the cost of doing business, investing in education and skills development, and fostering innovation and entrepreneurship. India can collaborate with other BRICS, SAARC and G20 members to improve the business environment and work collectively to create a conducive global business environment. By pursuing these interconnected initiatives, India can create a more conducive and competitive business environment, which will ultimately drive economic growth and enhance its global standing.

4. Conclusion

Both India and China have been actively working to improve their positions in the Doing Business rankings. Both countries have shown improvements across various parameters since 2020. However, it's worth noting that China's progress in improving its business ranking score seems to have slowed down between 2021 and 2023. When evaluating the individual performance of these countries, it becomes evident that both India and China have achieved average scores in the ease of doing business. In a direct comparison of recent years, India appears to have outperformed China in terms of its business environment. For India to further enhance its business environment, it can consider adopting more effective strategies such as simplifying regulations, investing in infrastructure development, promoting innovation, and fostering collaboration with economic organisations among other measures. These efforts will contribute to creating a more conducive environment for businesses to thrive and prosper in the world [2-3].

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Data Availability Statement

No new data were created or analyzed in this study. Data sharing is

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Conflicts of Interest

The author declare no conflict of interest.

Ethical Statement

This study relies entirely on secondary data from publicly available and credible sources, such as the *Doing Business* Report by the World Bank and the *Business Environment Rankings* by the Economist Intelligence Unit. As no primary data collection involving human or animal subjects was undertaken, no ethical approval or consent processes were required. The research adheres to the ethical guidelines of this journal regarding the responsible use and citation of secondary data.

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