

India 'challenging place' to do business: US State Dept

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India “remains a challenging place” to do business, the US has said, urging it to foster an attractive and reliable investment climate by reducing barriers to investment and minimising the bureaucratic hurdles.

The State Department, in a report ‘2021 Investment Climate Statements: India’ released recently, said that India remains a challenging place to do business and also referred to the removal of the special constitutional status from the state of Jammu and Kashmir (J&K) and the passage of the Citizenship Amendment Act (CAA).

Key Highlights

- New protectionist measures, including increased tariffs, procurement rules that limit competitive choices, sanitary and phytosanitary measures not based on science, and Indian-specific standards not aligned with international standards, effectively closed off producers from global supply chains and restricted the expansion in bilateral trade, the report said.
- In its report, the State Department said that the National Democratic Alliance (NDA) government’s first 100 days of its second term were marked by two “controversial” decisions.

- The removal of special constitutional status from J&K and the passage of the CAA, it said.
- India maintains that the CAA was its “internal matter” and that “no foreign party has any locus standi on issues pertaining to India’s sovereignty”.
- India has categorically told the international community that the scrapping of Article 370 was its internal matter.

SOURCE: *Business Standard*