

CUTS International Webinar

EORB: Where does the shoe pinch?

15:00-16:30 (IST), April 25, 2025

As the Secretary General of CUTS International, it provides me with great honour to extend a warm welcome to our esteemed panellists and distinguished guests who have joined us online. Thank you for joining us for today’s critical discussion on “*Ease of Running Business (EoRB) in Rajasthan: Where does the Shoe Pinch*”- as a part of the Rajasthan Employment Manufacturing Investment and Trade (REMIT) initiative.

Since its launch in May 2024, REMIT has been instrumental in driving investment and trade in Rajasthan, with a strong emphasis on inclusive economic growth and the creation of sustainable employment opportunities. Our efforts extend beyond facilitating opportunities presented by Free Trade Agreements (FTAs) including those with the European Free Trade Association (EFTA) to also advocating for a supportive business ecosystem that enables enterprises to start, operate, and exit with ease.

At the heart of this initiative is our vision to align with the state’s strategic industrialisation goals by extending support to the Government of Rajasthan in positioning the state as a premier

investment destination. By targeting a half-trillion-dollar economy by 2035, REMIT aims to foster good, better, and green jobs, thereby reinforcing Rajasthan's role as a key industrial and trade hub in India's growth story.

As we all know, India is striving for transformational growth, towards achieving the vision of a Viksit Bharat by 2047. The Government of India has taken commendable steps such as simplifying compliance, digitising processes, and decriminalising procedural defaults in order to enhance the business environment. Yet, true progress lies not just in easing the start of a business but in ensuring seamless operations throughout its lifecycle.

Aligning with the center's goals, Rajasthan has undertaken several steps towards achieving Viksit Rajasthan. The success of the Rising Rajasthan Global Investment Summit (December 2024), which secured MoUs worth INR 35 lakh crore, along with progressive policies like the MSME Policy 2024, Direct Land Allocation Scheme and Rajasthan Investment Promotion Scheme (RIPS 2024), underscores this commitment. But are these enough?

Our recent survey in Neemrana reveals persistent operational challenges that hinder business efficiency, including rising power costs, water scarcity, workforce issues (wage competitiveness and skilled labour) and supply chain disruptions. Additionally,

companies face difficulties in securing a skilled workforce and maintaining wage competitiveness. Regulatory burdens—such as complex compliance processes, double taxation, bureaucratic red tape, and a lack of trust further exacerbate these challenges.

If left unaddressed these challenges could significantly erode Rajasthan’s industrial competitiveness—especially when compared with peer states. This is particularly concerning for a state that boasts over 320 industrial areas, including four agro-food parks, three Export Promotion Industrial Parks (EPIPs), and three Special Economic Zones (SEZs).

Rajasthan also holds a strategic logistical advantage, with the third-largest national highway network and the second-largest rail network in the country. Notably, the state has been recognised as a best performer in improving the regulatory environment in the logistics sector—a commendable achievement that strengthens its position as an emerging industrial hub. Therefore, enhancing overall competitiveness remains essential, as it is a key driver of sustained economic growth and long-term industrial success.

Today’s discussion is not just about identifying these pain points but also about crafting actionable solutions. We are privileged to have with us experts from government, industry, and civil society organisations who will share their insights on:

- **Infrastructure readiness – bridging gaps in power, water, and logistics.**
- **Policy interventions – ensuring regulations enable, rather than encumber, growth.**
- **Sustainable strategies – fostering a business environment where enterprises thrive across their lifecycle.**

Now, I would also like to take a moment to introduce you all to our distinguished speakers. We have

- 1. Rukmani Haldea- Former Additional Chief Secretary to the Government of Rajasthan**
- 2. Rajendra Bhanawat- Former Managing Director of RIICO**
- 3. Shipra Mathur- Founder of PEN Media Foundation and Dharatal Talks**
- 4. Raghushree Poddar- Former Chairperson of FICCI FLO, Jaipur and**
- 5. Sargun Kaur- Team Lead, Prosperiti**

Before we dive into this fruitful session, here is to certain house announcements,

- **Each panellist will be allotted 8 +2 minutes for presenting their views on the questions posed to them.**
- **We request all the panellists and presenters to please keep their videos on so that the discussion becomes more engaging.**

- **After our panellists have put forward their views, the floor will be opened for discussion which will include all our participants present with us today.**
- **Lastly, participants having questions are requested to type the same in the chat box.**

To begin with, I would like to start with Rukmani Haldea.

- 1. How can Rajasthan address the challenges of industrial land availability and cost to ensure timely and equitable access— particularly balancing the incentives for large investors with the needs of MSMEs and existing industries struggling with inflated prices and delays? - *Rukmani Haldea***
- 2. How does corruption in discretionary government-business interactions impact trust and efficiency, and what measures can be introduced to ensure transparency and accountability? - *Rajendra Bhanawat***
- 3. While Rajasthan leads in renewable energy capacity (30 GW) and offers competitive tariffs, small industries still pay higher rates (~₹10.39/kWh) than large units (~₹9.51/kWh), and water scarcity disrupts operations. How can Rajasthan: Address the tariff disparity to ease cost pressures on MSMEs, Leverage its renewable edge and Mitigate water risks (scarcity, irregular**

supply) to ensure reliable operations for industries? Draw a comparison with other states. - *Shipra Mathur*

4. How can Rajasthan strengthen its skilled labour ecosystem to reduce attrition and improve industrial competitiveness—especially when balancing wage competitiveness, workers’ welfare, and employability? - *Raghushree Poddar*

5. In comparison to other leading industrial states, where does Rajasthan stand in terms of ease of running a business, and what regulatory reforms are needed to simplify compliance and allow growth of business?- *Sargun Kaur*

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