

# Centre Plans Deregulation 2.0 With 30 New Priority Areas

Deregulation 1.0 report shows 12 NDA-ruled states on top; Bengal & Delhi rank lowest

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**New Delhi:** Heading into 2026, the Centre is set to launch Deregulation 2.0 — identifying another 30 “priority areas” for major compliance reduction and deregulation across seven sectors and departments, ET has learnt.

As per the latest plans drawn up by the Cabinet Secretariat for “Deregulation Phase II”, of these 30 areas, the maximum number will fall under the purview of the Education Ministry and those relating to Utilities and Permissions — five each.

Land-related compliances and regulations continue to pose challenges and come next with three categories of priority areas, followed by Environment, Building & Construction, and Health Ministry rule-books, with two focus areas identified in each.

Incidentally, Education, Environment and Health-related aspects have come into the deregulation domain only under Phase II.

While the new labour codes are seen to have considerably eased the sector, there is still at least one focus area that needs attention, the Cabinet Secretariat is learnt to have assessed.

Three “overarching priorities” have also been identified. Besides these 23, the TV Somanathan-led Cabinet Secretariat, which is steering the deregulation exercise across states and ministries, has also outlined seven other “optional” priority areas as desirable, ET has gathered.

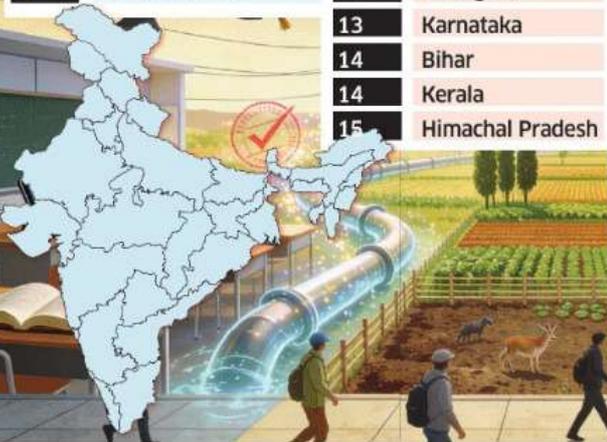
The priority areas — spread across the seven segments — will be fleshed out in greater detail over the coming days, it is learnt.

Much of Deregulation 2.0 will build on Deregulation Phase I, which took off after a task force was set up in January 2025 under Somanathan.

It focused on 23 priority areas across five sectors — land, building & construction, labour, utilities and permissions — besides overarching priorities. Of the total priority areas —

## How states fared in Deregulation 1.0 of 2025

RANK	BEST PERFORMING STATES	RANK	STATES MOVING FORWARD	RANK	STATES YET TO PICK UP PACE
1	Tripura	6	Goa	16	Manipur
1	Odisha	7	A&N Islands	16	Nagaland
1	Uttar Pradesh	7	Puducherry	17	Chandigarh
2	Haryana	8	Chhattisgarh	18	Delhi
2	Madhya Pradesh	9	J&K	18	Jharkhand
3	Meghalaya	9	Punjab	18	Lakshadweep
3	Rajasthan	9	Tamil Nadu	19	Arunachal Pradesh
4	Assam	10	Ladakh	20	West Bengal
4	Dadra & Nagar Haveli and Daman & Diu	10	Sikkim		
4	Gujarat	11	Maharashtra		
5	Andhra Pradesh	12	Mizoram		
5	Uttarakhand	12	Telangana		
		13	Karnataka		
		14	Bihar		
		14	Kerala		
		15	Himachal Pradesh		



**DEREGULATION PHASE II - 2026**  
Categories of Priority Areas: 30 and counting...

Education	5
Utilities & Permissions	5
Land	3
Building & Construction	2
Environment	2
Labour	1
Overarching Priorities	3
Optional Priority Areas	7



23 of them with 36 “to-dos” each, adding up to 828 compliance areas — 633, or 76%, have been implemented so far. While 10% (82) are still under implementation, 2% — a dozen of them — are pending. In 14 cases (2%), there was unwillingness to implement, as per Cabinet Secretariat data, while 87 cases (10%) were found not applicable.

The Centre’s latest assessment of progress made under Deregulation Phase I is seen as

### REFORM PROGRESS

**Sixteen states/UTs are assessed as “moving forward” — from Goa to Kerala, J&K to Telangana**



### JOINT LEADERS

**A state-wise ranking on Deregulation 1.0 has Tripura, Odisha and UP jointly at No 1**



an indicator of the response across various states, as well as the path ahead.

A state-wise ranking on Deregulation 1.0 targets has three states leading the race — Tripura, Odisha and Uttar Pradesh at number 1. Haryana, Madhya Pradesh, Meghalaya and Rajasthan follow among the 12 best-performing states — all of them NDA-ruled.

Sixteen states/UTs are assessed as “moving forward” — from Goa to Kerala, J&K to Telangana.

Seven of these are non-NDA

or INDIA bloc-run states.

However, as many as eight states are slotted as “states yet to pick up”.

Poll-bound West Bengal is at the bottom of the rankings (20), with the national capital Delhi close behind at 18.

Best practices on deregulation from across states have been noted — from Andhra Pradesh and Uttarakhand eliminating the requirement for land conversion, to Assam, J&K, Odisha, Tripura and Puducherry doing away with the negative list for mixed land-use zones, to Haryana liberalising building bye-laws with 100% ground coverage permitted.

Several states bringing in Jan Vishwas-like legislations, eliminating Consent to Establish and Operate requirements for a wider category of industries, and allowing women to work in more commercial establishments have also been noted as significant moves.