

**Doing
Business**

2009

Doing Business 2009

**Presented by
Sylvia Solf**

**Private and Financial Sector Vice-presidency
World Bank Group**



THE WORLD BANK



IFC

**International
Finance Corporation**
World Bank Group

What's new in Doing Business 2009?

2007

- Starting a business
- Dealing with construction permits
- Employing workers
- Registering property
- Getting credit
- Protecting investors
- Paying taxes
- Trading across borders
- Enforcing contracts
- Closing a business

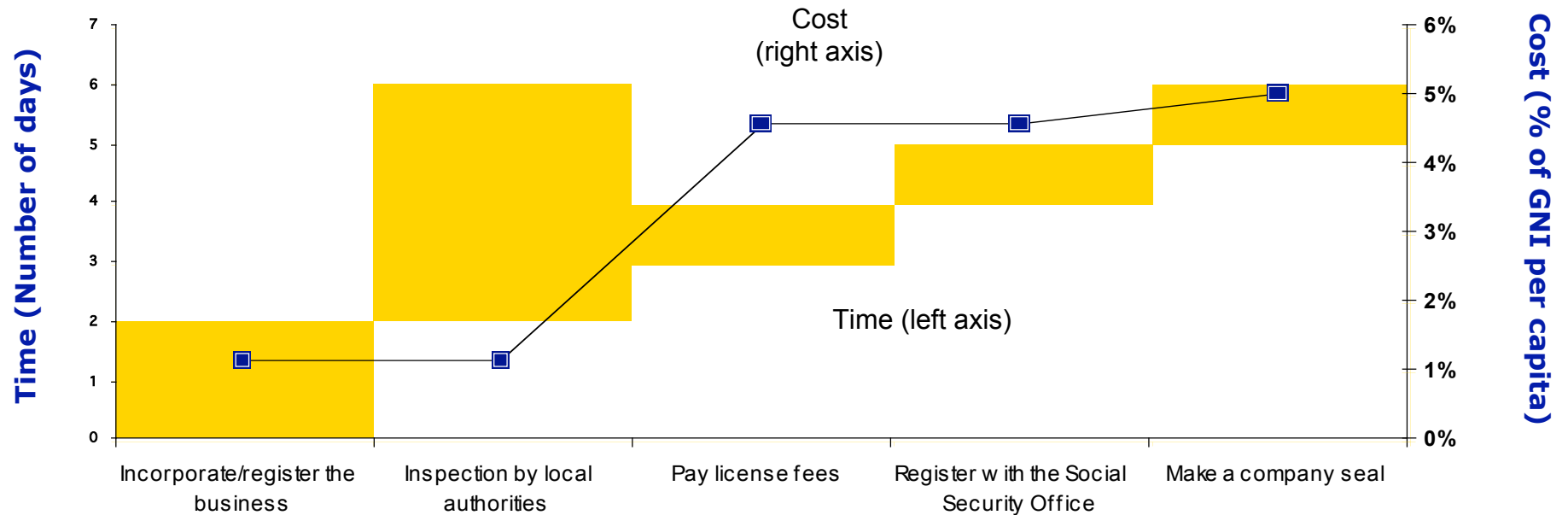
2008

- Update of 2007
 - Add 3 countries
 - Reformer's Club:
 - 16 case studies

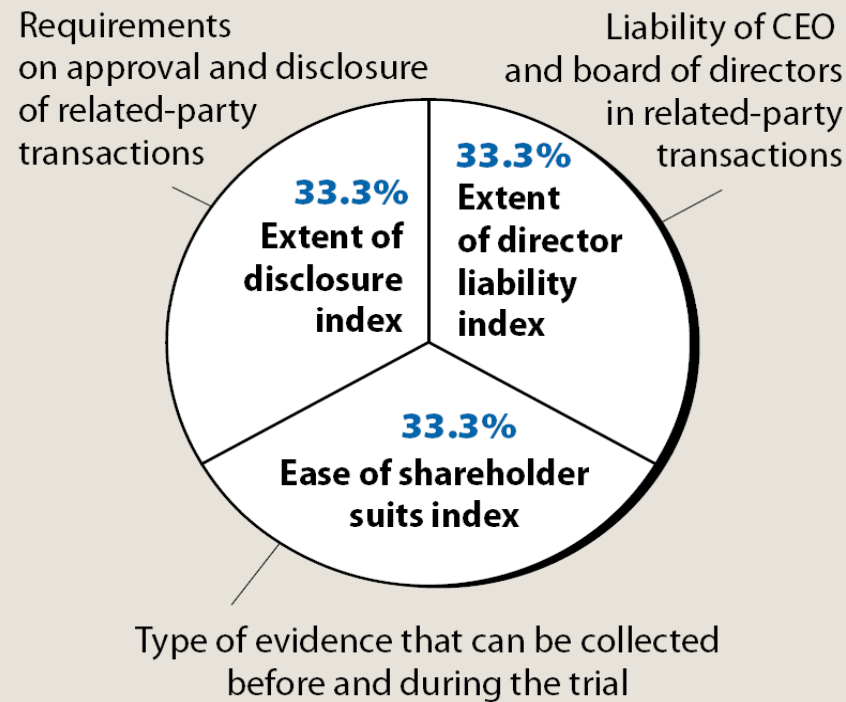
2009

- New "About DB" chapter
- Trends analysis DB04-DB09
 - Most popular reforms
 - Most effective reforms
 - Lessons learned
- Add 3 new countries (Bahamas, Bahrain, Qatar)
- Methodology change in Getting Credit (Legal Rights)

Starting a business in Mauritius: only 5 procedures which take 6 days and cost 5% of income per capita



Rankings on protecting investors are based on 3 subindicators



Top 30 on the ease of doing business - 2009

	1. Singapore		16. Saudi Arabia
	2. New Zealand		17. Sweden
	3. United States		18. Bahrain
	4. Hong Kong, China		19. Belgium
	5. Denmark		20. Malaysia
	6. United Kingdom		21. Switzerland
	7. Ireland		22. Estonia
	8. Canada		23. Korea
	9. Australia		24. Mauritius
	10. Norway		25. Germany
	11. Iceland		26. Netherlands
	12. Japan		27. Austria
	13. Thailand		28. Lithuania
	14. Finland		29. Latvia
	15. Georgia		30. Israel

Top Reformers in 2007/2008

The top 10 reformers in 2007/08

Economy	Starting a business	Dealing with construction permits	Employing workers	Registering property	Getting credit	Protecting investors	Paying taxes	Trading across borders	Enforcing contracts	Closing a business
Azerbaijan	✓		✓	✓	✓	✓	✓		✓	
Albania	✓				✓	✓	✓			
Kyrgyz Republic	✓	✓				✓				
Belarus	✓	✓		✓	✓		✓	✓		
Senegal	✓			✓				✓		
Burkina Faso		✓	✓	✓			✓			
Botswana	✓					✓		✓		
Colombia	✓	✓					✓	✓		✓
Dominican Republic	✓			✓			✓	✓		
Egypt	✓	✓		✓	✓	✓		✓		

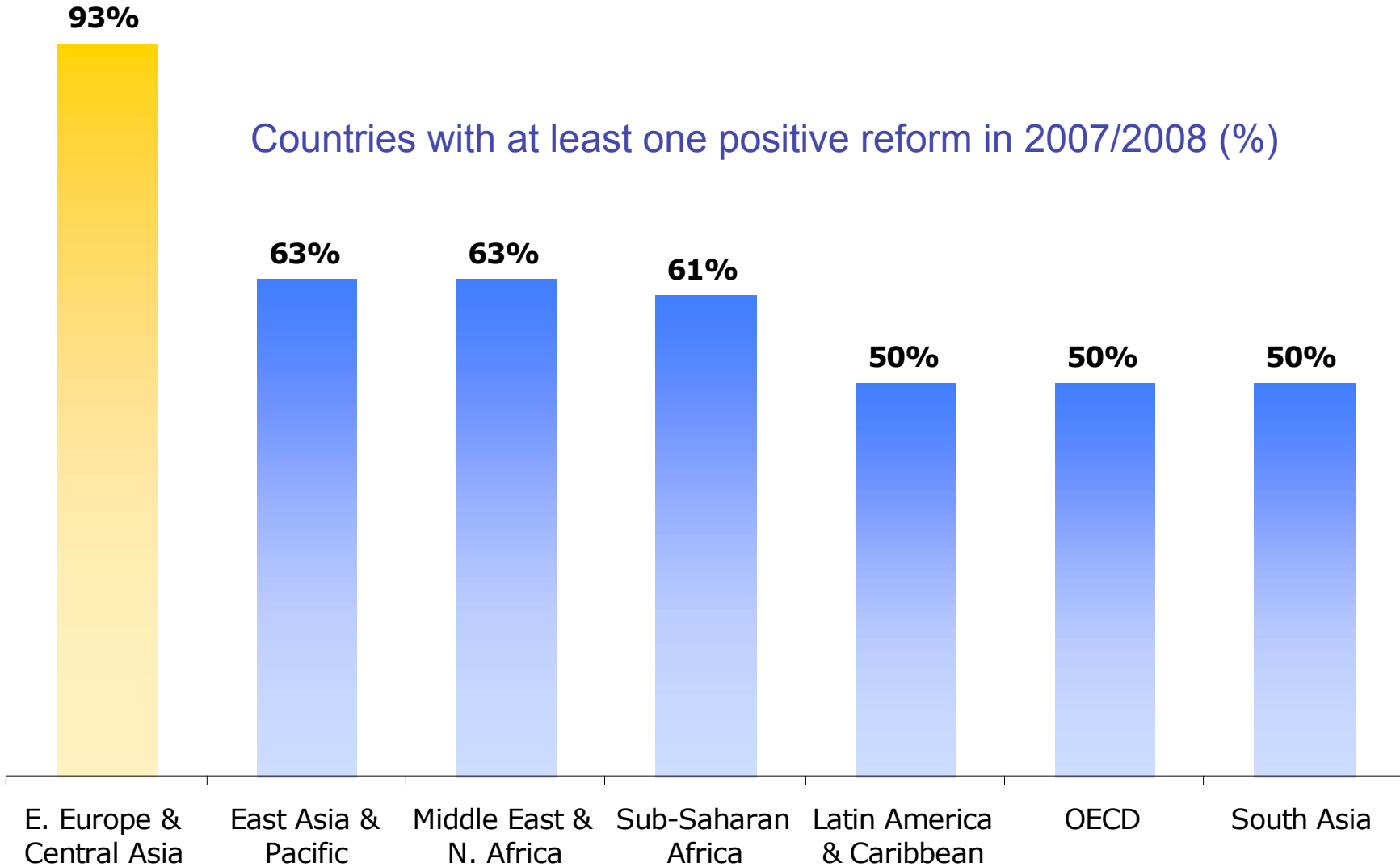
Top reformers in 2007/08 by indicator set

Starting a business	Yemen
Dealing with construction permits	Kyrgyz Republic
Employing workers	Burkina Faso
Registering property	Belarus
Getting credit	Cambodia
Protecting investors	Albania
Paying taxes	Dominican Republic
Trading across borders	Senegal
Enforcing contracts	Mozambique
Closing a business	Poland

Highlights of *Doing Business* 2009

- 239 reforms in 113 countries. Highest recorded in 6 years of Doing Business
- Eastern Europe and Central Asia – 62 reforms in 23 of the 25 countries, 25% of the total recorded worldwide. Fastest reforming region.
 - 4 of top 10 reformers from Eastern Europe and Central Asia
- Africa – 28 of 46 countries completing 58 reforms, highest rate of reform recorded in the region.
 - 3 of top 10 reformers from Africa
- 1000 reforms recorded over past 6 reports, 174 informed by Doing Business

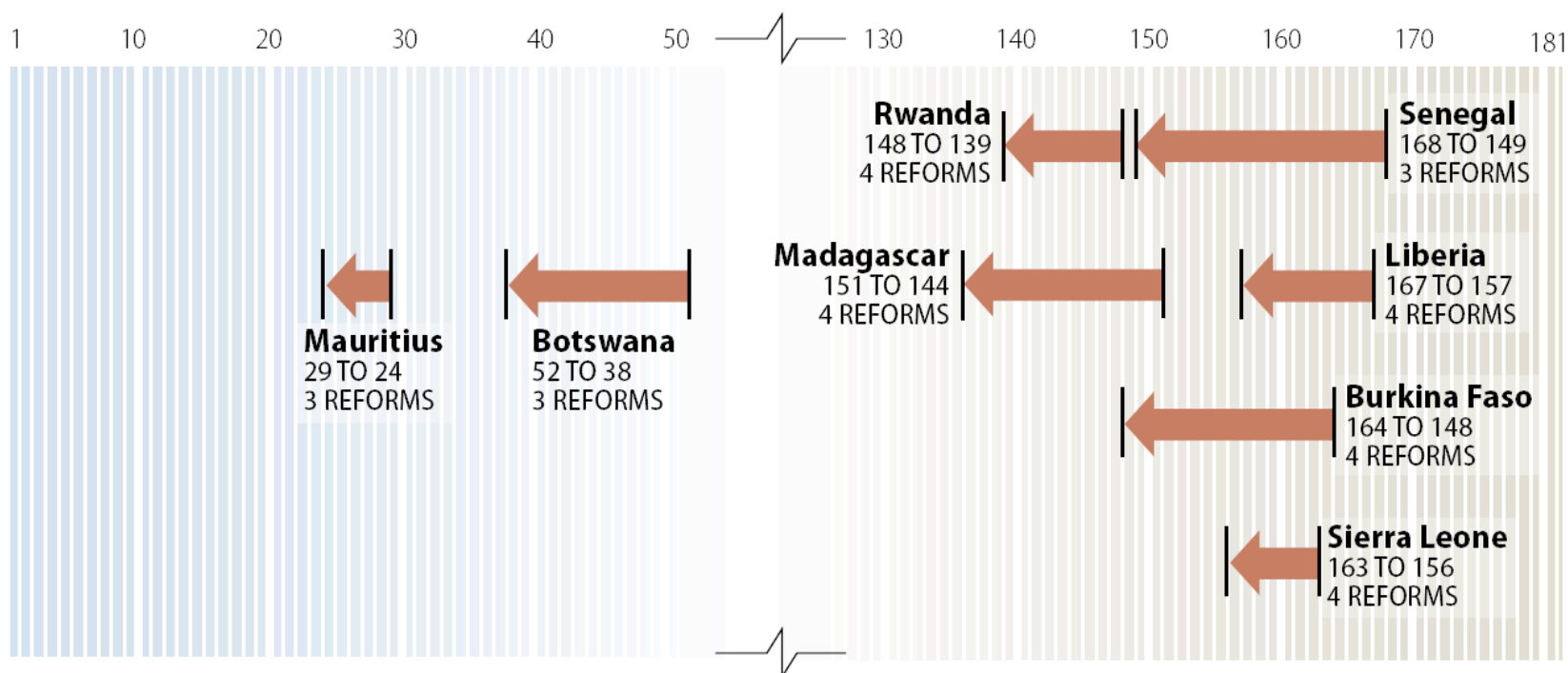
Eastern Europe and Central Asia reformed the most



Africa: More reform than ever before

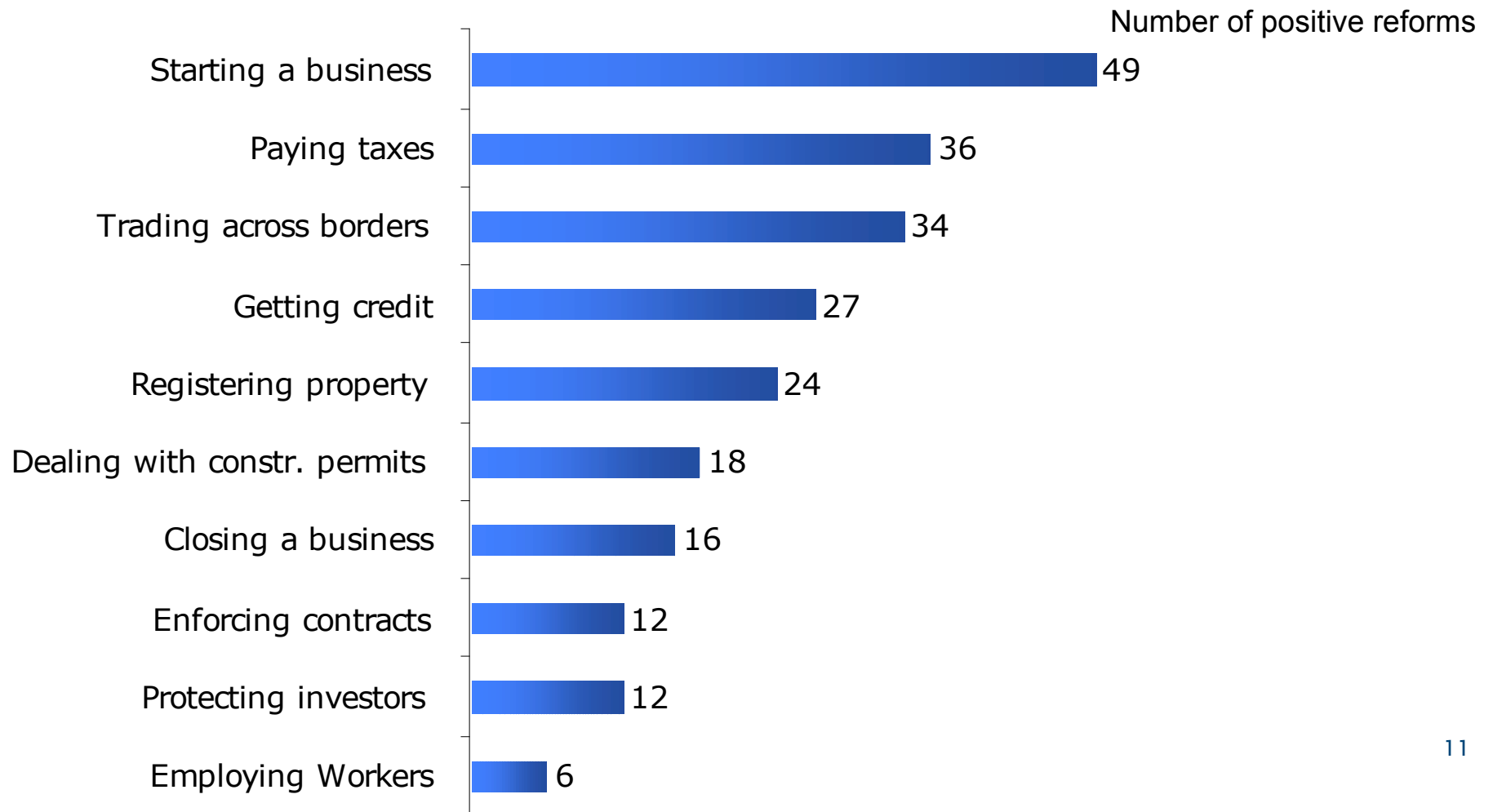
Who reformed the most in Africa in 2007/08?

Improvement in the ranking on the ease of doing business, DB2008–DB2009



Source: Doing Business database.

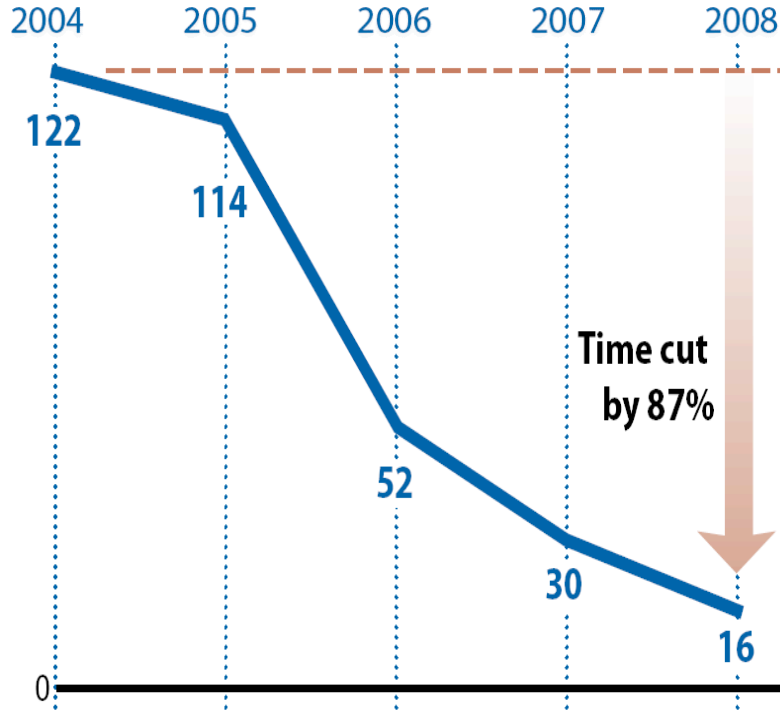
Most popular reforms in 2007/2008



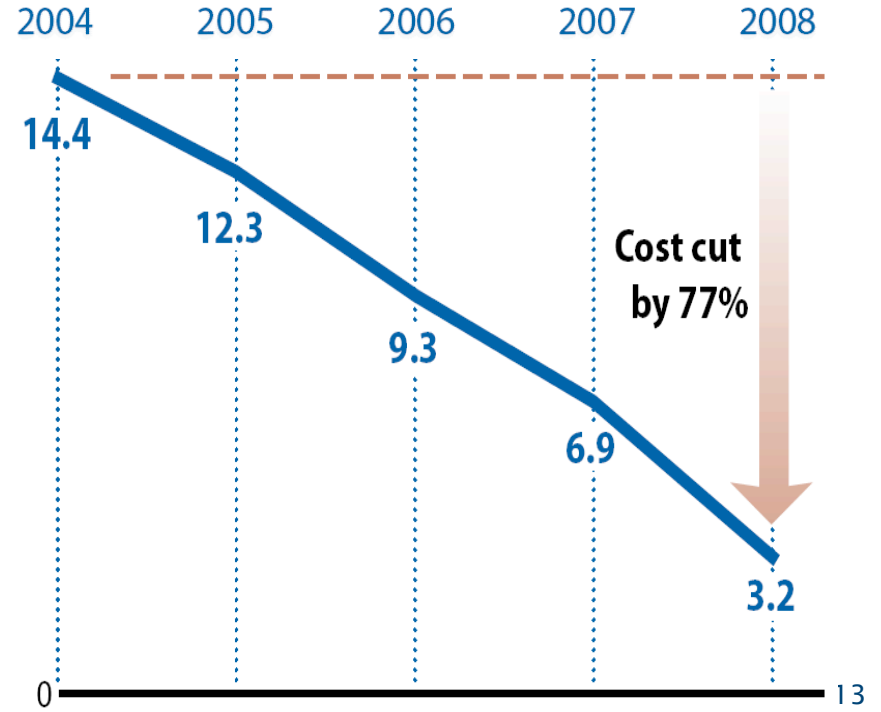
Insights by indicator

Starting a business in Azerbaijan gets faster and less costly

Time
(days)

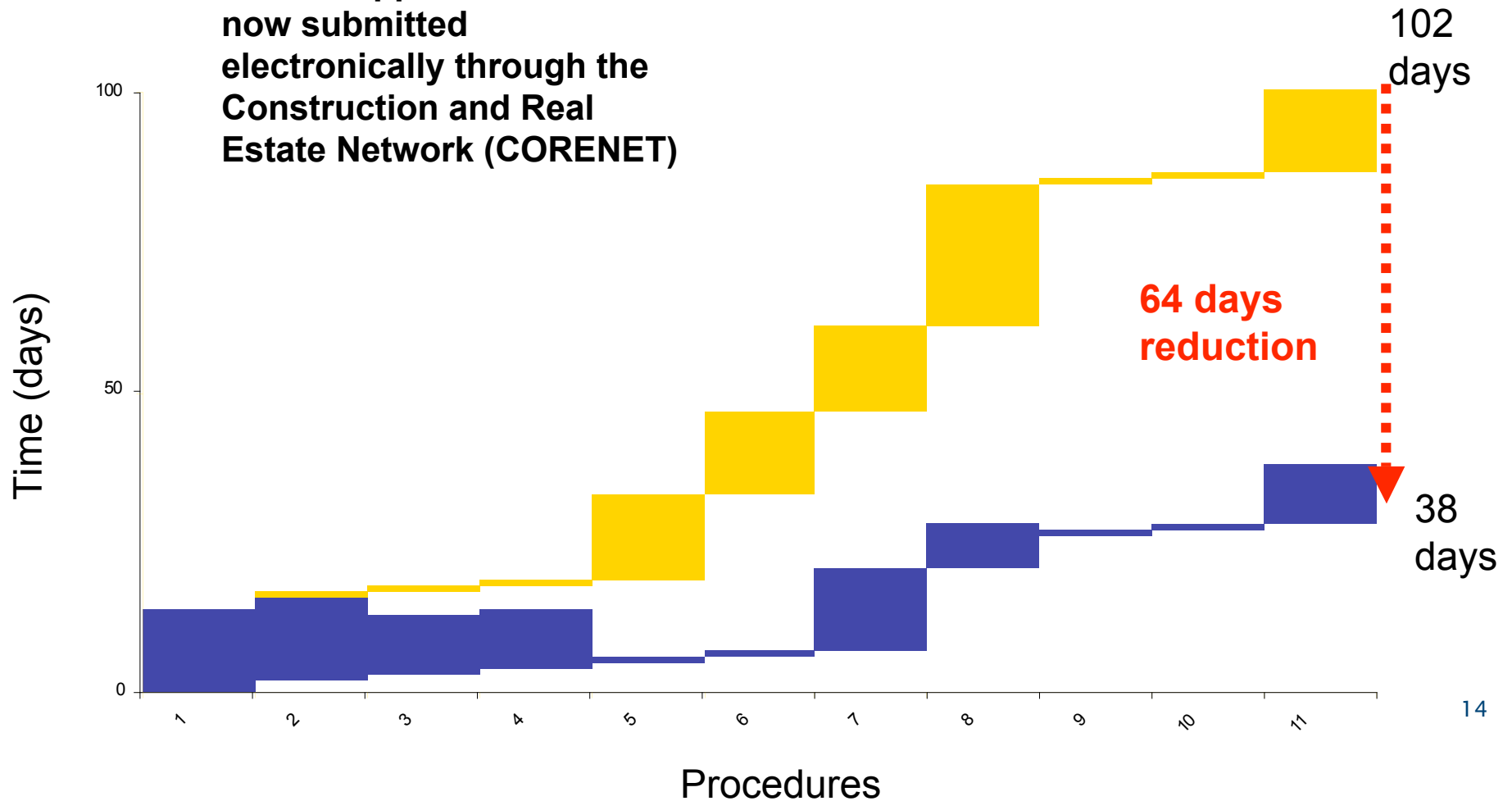


Cost
(% of income per capita)



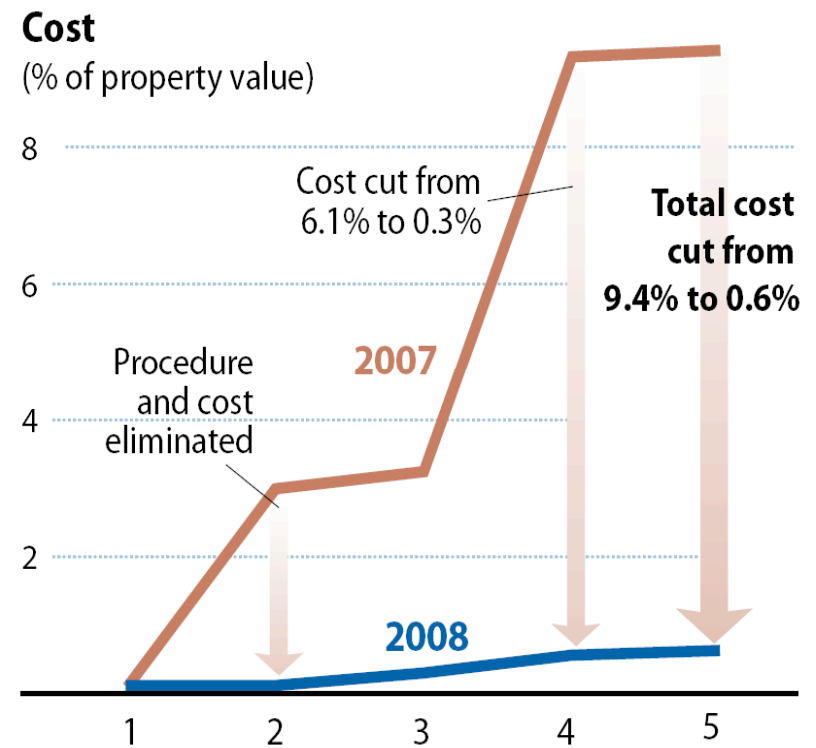
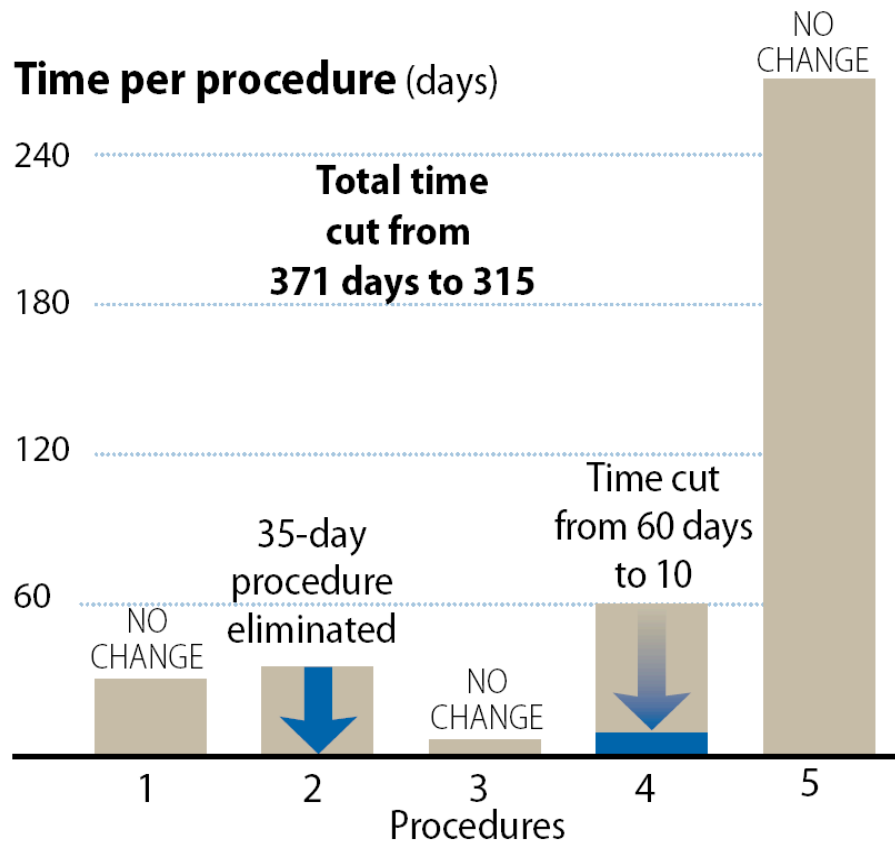
Construction permits are processed faster in Singapore

99 % of applications are now submitted electronically through the Construction and Real Estate Network (CORENET)



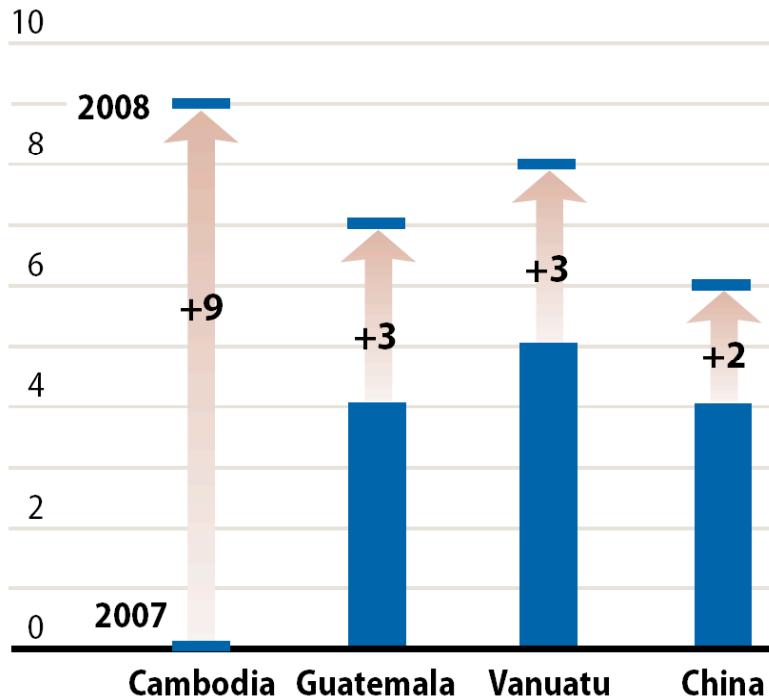
Registering property gets easier in Rwanda

Time and cost reduced..



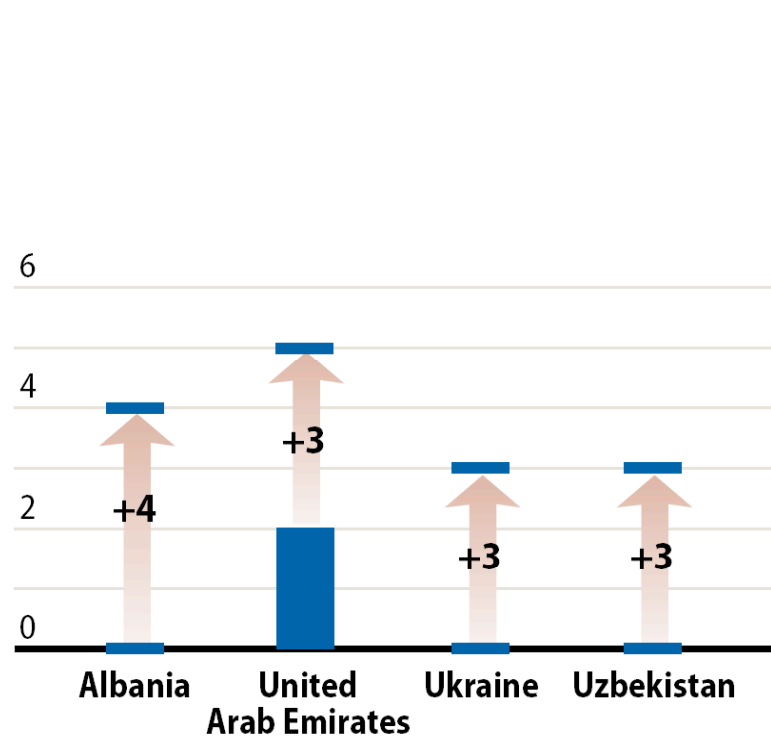
Getting Credit: Reforming for stronger legal rights, better credit information

Strength of legal rights index (0–10)



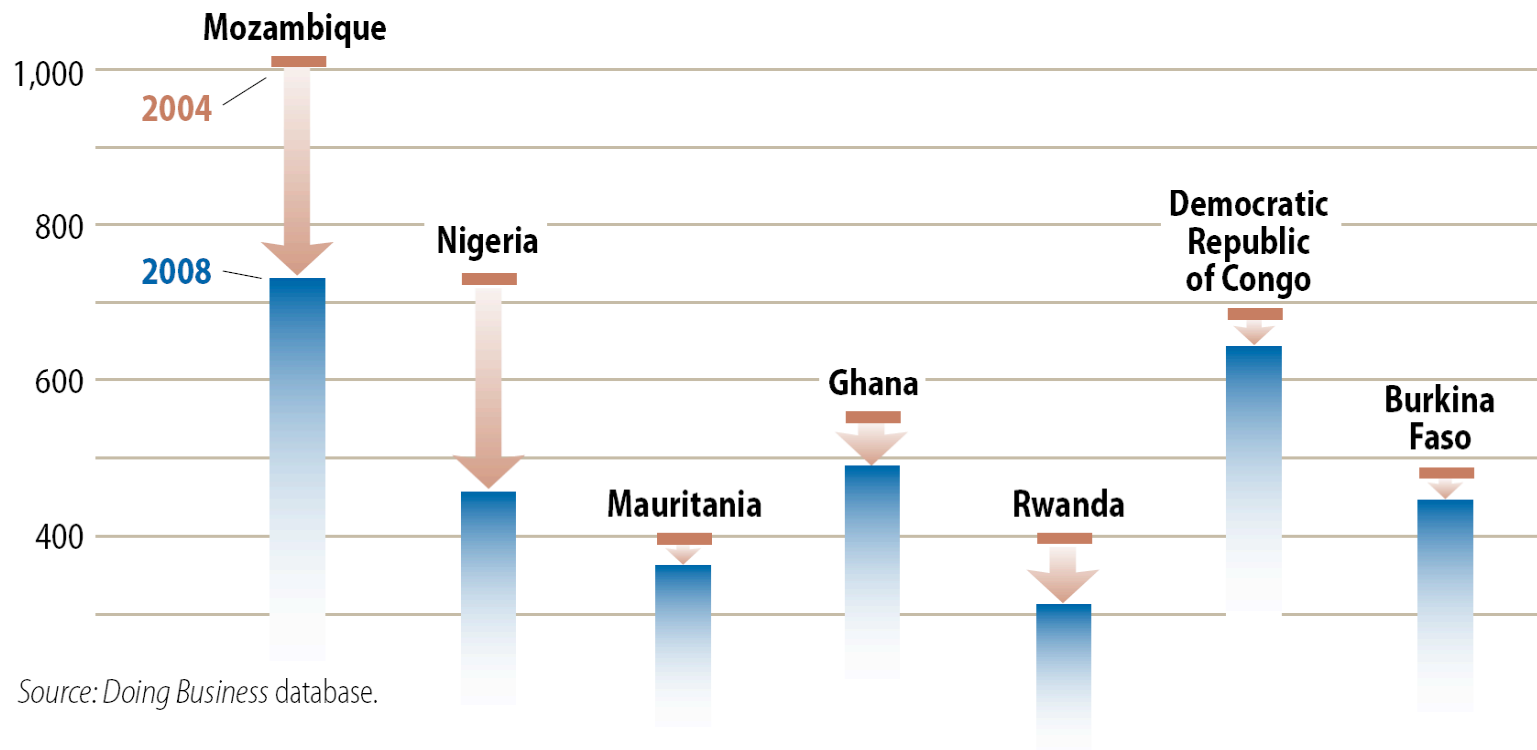
Source: Doing Business database.

Depth of credit information index (0–6)



Reduction in the time to export (days)

Specialized commercial courts in Africa help to reduce delays in enforcing contracts



Why does it all matter? Emerging research shows that

- Lower barriers to start-up are associated with a smaller informal sector.
- Lower costs of entry can encourage entrepreneurship and reduce corruption.
- Simpler start-up can translate into greater employment opportunities.

Why does it matter? Here is a reason...

80 Completed Reforms

94 Ongoing Reforms

Doing Business

The Doing Business project...

provides objective measures of business regulations and their enforcement across 178 economies and selected cities at the subnational and regional level.

View by:

[Get Full Data >>>](#)



Doing Business is a guide...

for evaluating regulations that directly impact economic growth, downloading underlying laws, making cross-country comparisons, and identifying good practice reforms.

The Doing Business Blog...

is devoted to business regulation reform. It shares some of the experiences and insights of the Doing Business team, its local partners, and successful reformers.

[Home](#) [Meet the Team](#) [Rankings](#) [Subnational Projects](#) [Reformers](#) [Law Library](#) [Methodology & Research](#) [Downloads](#) [Local Partners](#) [Media](#)

Current Features



Doing Business Launches Facebook page: Connect with other users of Doing Business publications and datasets on our new [Facebook page](#). Discuss topics related to business reform, see photos, watch videos, add content, become a fan, and find out who is already a fan of Doing Business.

More on Doing Business

Doing Business has received worldwide coverage from researchers, the media, and public officials. [Here's what some have to say.](#)

Business Planet

LAC – specific findings

LAC performance - Ranking on ease of Doing Business

Latin America performance – Ranking on ease of Doing Business

Topic	World's top ranked	Latin America's top ranked
Starting a business	New Zealand	Puerto Rico (9) Panama (32)
Dealing with licenses	St. Vincent & the Grenadines	Mexico (33) Colombia (54)
Employing workers	United States	Puerto Rico (39) Nicaragua (66)
Registering property	Saudi Arabia	Guatemala (27) Chile (39)
Getting credit	Malaysia	Peru (12) Puerto Rico (12)
Protecting investors	New Zealand	Puerto Rico (15) Peru (18)
Paying taxes	Maldives	Chile (41) Ecuador (69)
Trading across borders	Singapore	Panama (8) Chile (53)
Enforcing contracts	Hong Kong, China	Argentina (45) El Salvador (53)
Closing a business	Japan	Mexico (23) Puerto Rico (28)

Trading across borders - most popular area of reform in Latin America

	Argentina	Bolivia	Brazil	Colombia	Costa Rica	Ecuador	El Salvador	Guatemala	Honduras	Mexico	Panama	Uruguay	Venezuela
Starting a business				✓	✓		✓				✓	✓	
Dealing with Construction Permits				✓									
Employing workers	✓												
Registering property													
Getting credit								✓					
Protecting investors													
Paying taxes				✓					✓	✓		✓	X
Trading across borders			✓	✓		✓	✓		✓			✓	
Enforcing contracts													
Closing a business		X		✓						✓			

Colombia: Global and Regional Top Reformer

- ✓ **Reduced the time and cost to start a business** by simplifying registration formalities, including speeding up processes at the registry and eliminating the need to obtain a certificate of compliance with zoning regulations.
- ✓ A **silence-is-consent principle for building permits** is now applied, reducing the total time for dealing with construction permits by 32 days. A new unified application form was introduced.
- ✓ Colombia made **electronic tax payments mandatory** for companies with more than 30 employees and created unified electronic forms for filing taxes.
- ✓ **Trading across borders** was expedited: better banking services and the implementation of e-payments, electronic data interchange, and coordinated inspections in customs reduced the time to export by 10 days and the time to import by five.
- ✓ Authorities also introduced two **new insolvency proceedings**: a reorganization procedure to restructure insolvent companies and a mandatory liquidation procedure. Its new insolvency law tightens time limits for negotiating reorganization agreements. Before, the term allowed was six months, with a possible extension of eight months. The new law limits the term to four months, and the extension to two.

28

The Dominican Republic: Global and Regional Top Reformer

- ✓ An **online system for filing and paying taxes**, piloted in 2006, is now fully operational.
- ✓ Entrepreneurs can complete several **start-up formalities online**, including name verification, and commercial and tax registration.
- ✓ **Reduced the corporate income tax rate** from 29% to 25%, and abolished several taxes, including the stamp duty.
- ✓ The **cost of property registration fell**, thanks to a reduction in the transfer tax from 4.3% to 3%. Transferring property now costs 3.8% of the property value, down from 5.1%.
- ✓ Authorities **reduced the time to export** by three days by improving the online portal for customs documentation and payment.

Example of successful trade reform

Days to export in Colombia before and after reform

 = before
 = after

El Salvador

- ✓ **Implemented a new commercial code** that simplified business start-up. The number of procedures was reduced by 1, the total number of days decreased from 26 to 17 days and finally the costs was reduced from 1857 to 1367 dollars.
- ✓ **Modernized the customs system**, reducing physical inspections. The continued benefits from the single window reduced the time to export by seven days and the time to import by seven days and time to export by eight.

Honduras

- ✓ **Introduced electronic filing**, Reduction of compliance time by 260 hours.
- ✓ It also made it **easier to import**. Import documentation has dropped by 1 document.

Mexico

- ✓ **Abolished the asset tax (IMPAC)** and the possible eventual amalgamation of income tax applicable to corporations and individuals with business activities, reducing the total tax rate by 0.8%.
- ✓ Amendments to its **bankruptcy law** to make reorganization more accessible, which is expected to speed the process.

Argentina

- ✓ **Reduced the severance payment** for a worker with 20 years of seniority from 30 months to 20.

Brazil

- ✓ Updated their manifest reporting system **reducing time to import** by four days and the documentation has dropped by 1 document.

Costa Rica

- ✓ Reduced time to start a business, by reducing the time to register for the tax by 1 day and to legalize the books by 16 days.

Ecuador

- ✓ Streamlined the trade process reducing the number of documents required for import₃ and export. The changes reduced the time to export by two days and the time to import by 15.

Panama

- ✓ **Introduced an online system for company creation**, reducing the time required by 6 days.

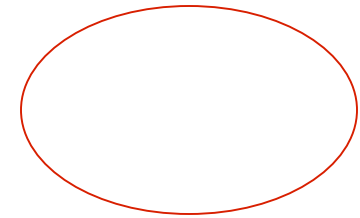
Uruguay

- ✓ **Eliminated the minimum capital requirement**, making it easier to start a business.
- ✓ **A new tax law abolished COFIS** (a 3% sales tax) and reduced the value-added tax from 23% to 22%.
- ✓ In trade, Uruguay implemented electronic data interchange and improved its banking system, **reducing the time to export** by five days and the time to import by a day.

Guatemala

- ✓ Enacted a new **secured transactions law** (*Ley de Garantías Mobiliarias*), creating new forms of pledges over movable assets and a registry for the pledges. Under the new law, accounts receivable and inventory may be described in general terms when used as collateral and parties may agree to out-of-court enforcement of the security right at the time the security interest is created.

Improvements in Time to Start a Business: LAC is picking up the pace



Time to deal with construction permits (days)

