

**Doing  
Business  
2010**

# Doing Business 2010

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*Reforming through Difficult Times*



THE WORLD BANK

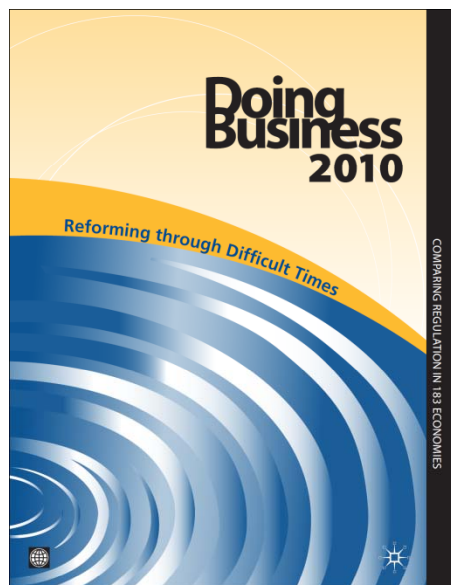


International  
Finance Corporation  
World Bank Group

[www.doingbusiness.org](http://www.doingbusiness.org)

# Doing Business – Overview

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- ✓ Doing Business measures the regulations applying to domestic small and medium-size companies through their life cycle.
- ✓ 10 indicators in 183 countries.
- ✓ Pilot indicator on “Getting Electricity” for 140 economies
- ✓ The objective: well-designed, streamlined regulations, accessible to all.
- ✓ Why it matters: Smarter, simpler regulation opens the way to higher productivity, less informality, more job creation; it also eases adjustment and rebound in times of crisis.

# 10 +1 Indicators measuring regulations that govern the life cycle of a SME

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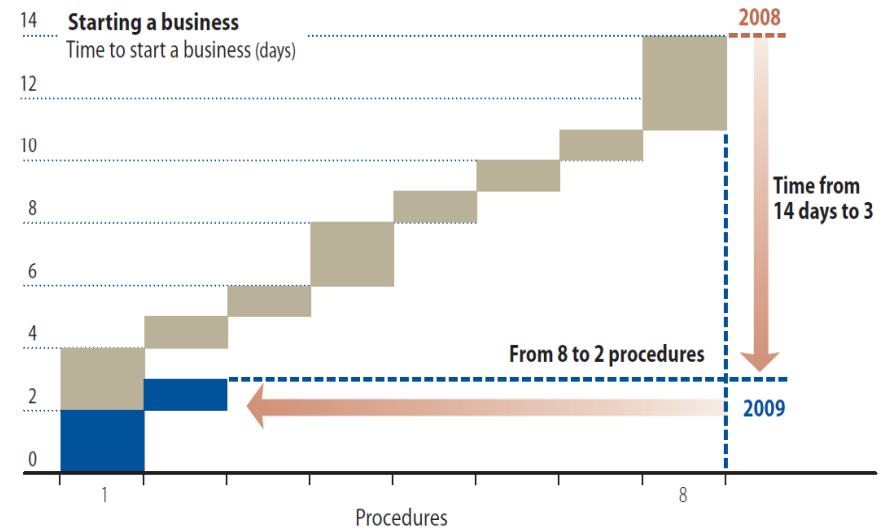
Start-up	Expansion	Operations	Closing
<ul style="list-style-type: none"> <li>Starting a business</li> </ul> <p><i>Minimum capital requirement, Procedures, time and cost</i></p>	<ul style="list-style-type: none"> <li>Registering property <i>Proc, time and cost</i></li> <li>Getting credit <i>Credit information systems</i> <i>Movable collateral laws</i></li> <li>Protecting investors <i>Disclosure and liability in related party transactions</i></li> <li>Enforcing contracts <i>Proc, time and cost to resolve a commercial dispute</i></li> </ul>	<ul style="list-style-type: none"> <li>Dealing with construction permits <i>Proc, time and cost</i></li> <li>Employing workers <i>Flexibility in hiring, work schedule, redundancy procedures</i></li> <li>Paying taxes <i>Payments, time and Total Tax Rate</i></li> <li>Trading across borders <i>Documents, time and cost</i></li> <li>Pilot data "Getting Electricity" <i>Procedures, time and cost</i></li> </ul>	<ul style="list-style-type: none"> <li>Closing a business</li> </ul> <p><i>Time, cost and recovery rate</i></p>

# How does it work? Doing Business methodology

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## Time and motion indicators

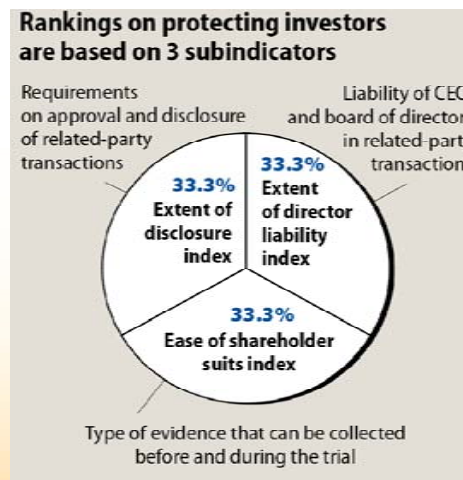
- ✓ Starting a business
- ✓ Dealing with construction permits
- ✓ Registering property
- ✓ Paying taxes
- ✓ Trading across borders
- ✓ Enforcing contracts
- ✓ Closing a business



Source: Doing Business database.

## Scoring (legal) indicators

- ✓ Employing workers
- ✓ Protecting investors
- ✓ Getting credit



# Where we get our data



## Survey design:

- Originally developed in consultation with academic advisers
- Business case with assumptions on legal form size, location, nature of operations

## Survey collection:

- over 8,000 local professionals advising on legal and regulatory requirements
- Lawyers, judges, accountants, freight-forwarders, architects, government officials)
- Mostly pro bono
- Global and regional alliances (Allen & Overy, Lex Mundi, PWC, Law Society, Union of Notaries...)



## Reform corroboration:

- Information update round with country offices
- Reform update review through ED offices

## Data collection and verification:

- Word & online surveys collection
- Follow up through conference calls, written correspondence, country visits)
- Review of applicable laws and regulations



# Top 30 on the ease of Doing Business 2010

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

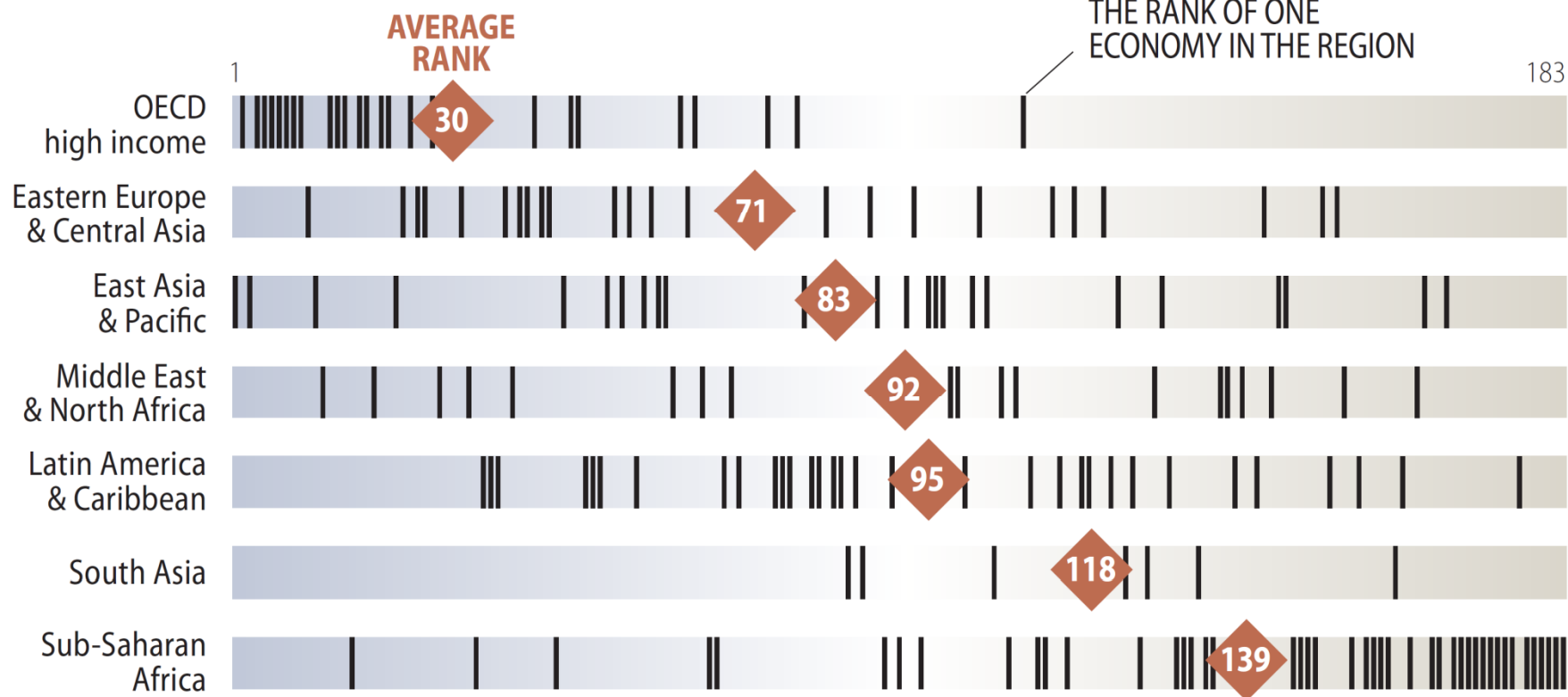
# Average ease of doing business by region

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## Which regions have some of the most business-friendly regulations?

DB2010 ranking on the ease of doing business (1–183)

EACH LINE SHOWS  
THE RANK OF ONE  
ECONOMY IN THE REGION



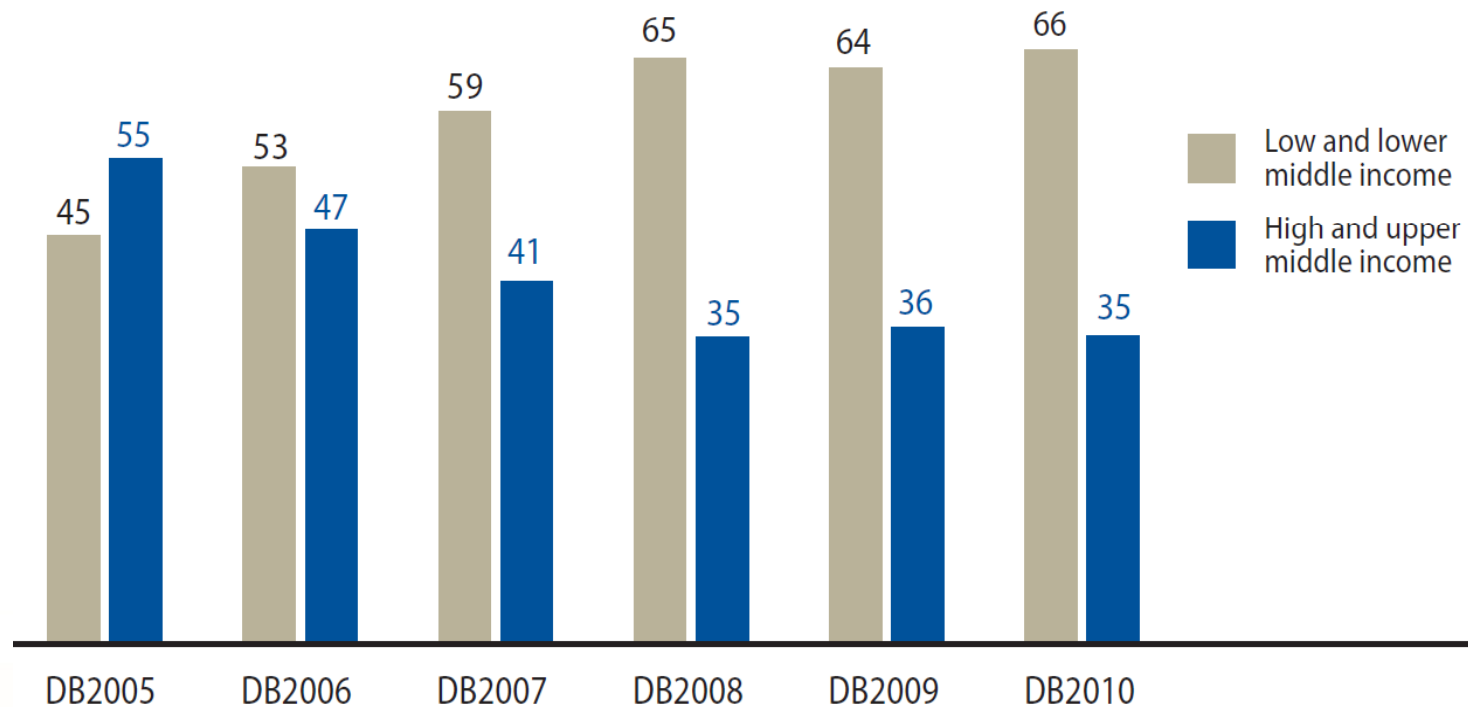
Source: Doing Business database.

# Developing economies overtake developed economies on Doing Business Reforms

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## Reforms more likely in low- and lower-middle-income economies

Distribution by income group of reforms making it easier to do business (%)



Source: Doing Business database.

# DB Top Reformers in 2008/09

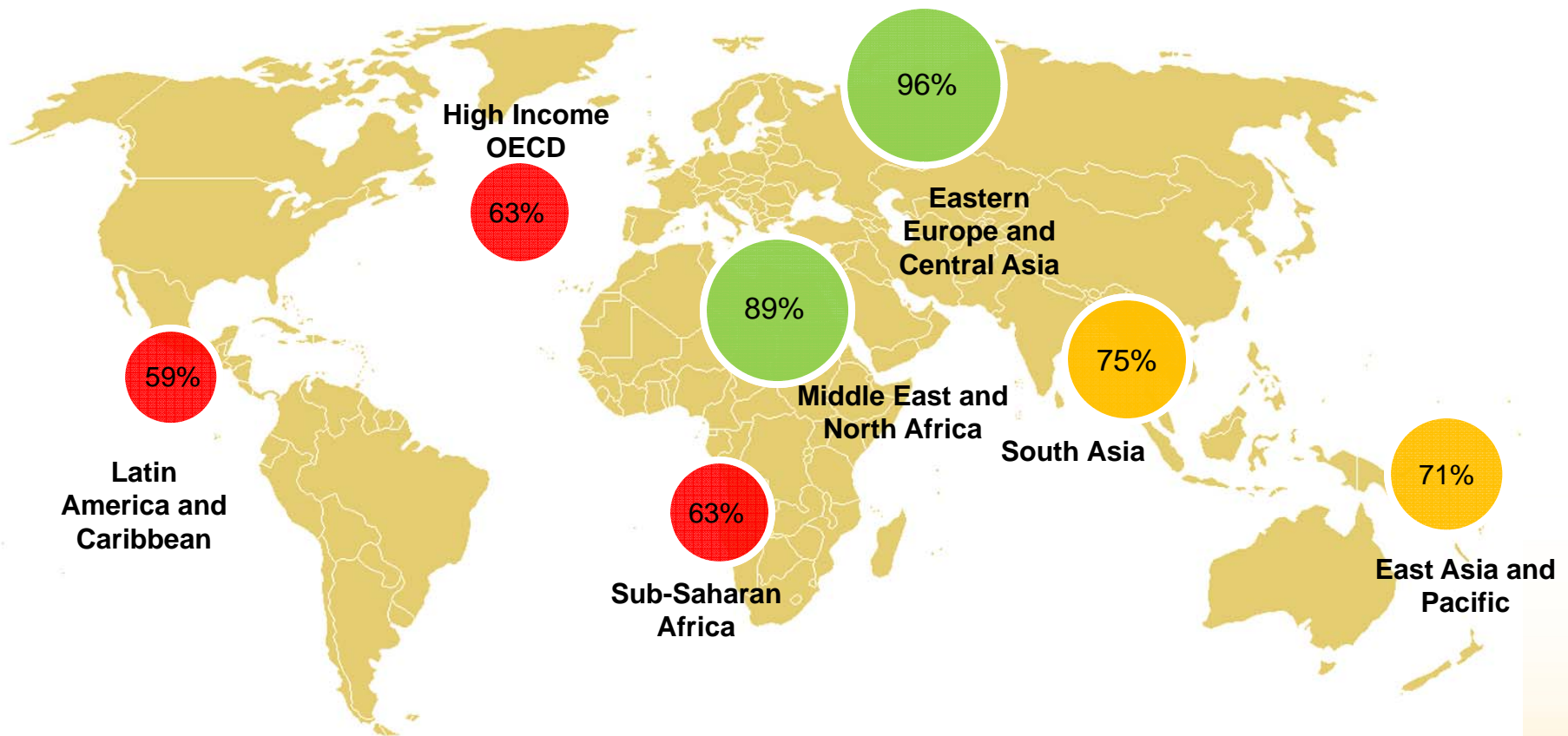
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Economy	Starting a business	Dealing with construction permits	Employing workers	Registering property	Getting credit	Protecting investors	Paying taxes	Trading across borders	Enforcing contracts	Closing a business
Rwanda	✓		✓	✓	✓	✓		✓		✓
Kyrgyz Republic	✓	✓	✓	✓	✓		✓	✓		
Macedonia FYR	✓	✓	✓	✓	✓	✓	✓			
Belarus	✓	✓	✓	✓			✓	✓		
United Arab Emirates	✓	✓						✓		
Moldova	✓			✓			✓			
Colombia	✓	✓		✓	✓	✓	✓	✓		✓
Tajikistan	✓	✓			✓	✓				✓
Egypt, Arab Rep.	✓	✓			✓				✓	
Liberia	✓	✓						✓		

# DB2010: Against backdrop of global financial and economic crisis, record number of reforms recorded

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Percentage of countries with at least one positive reform in 2008/09



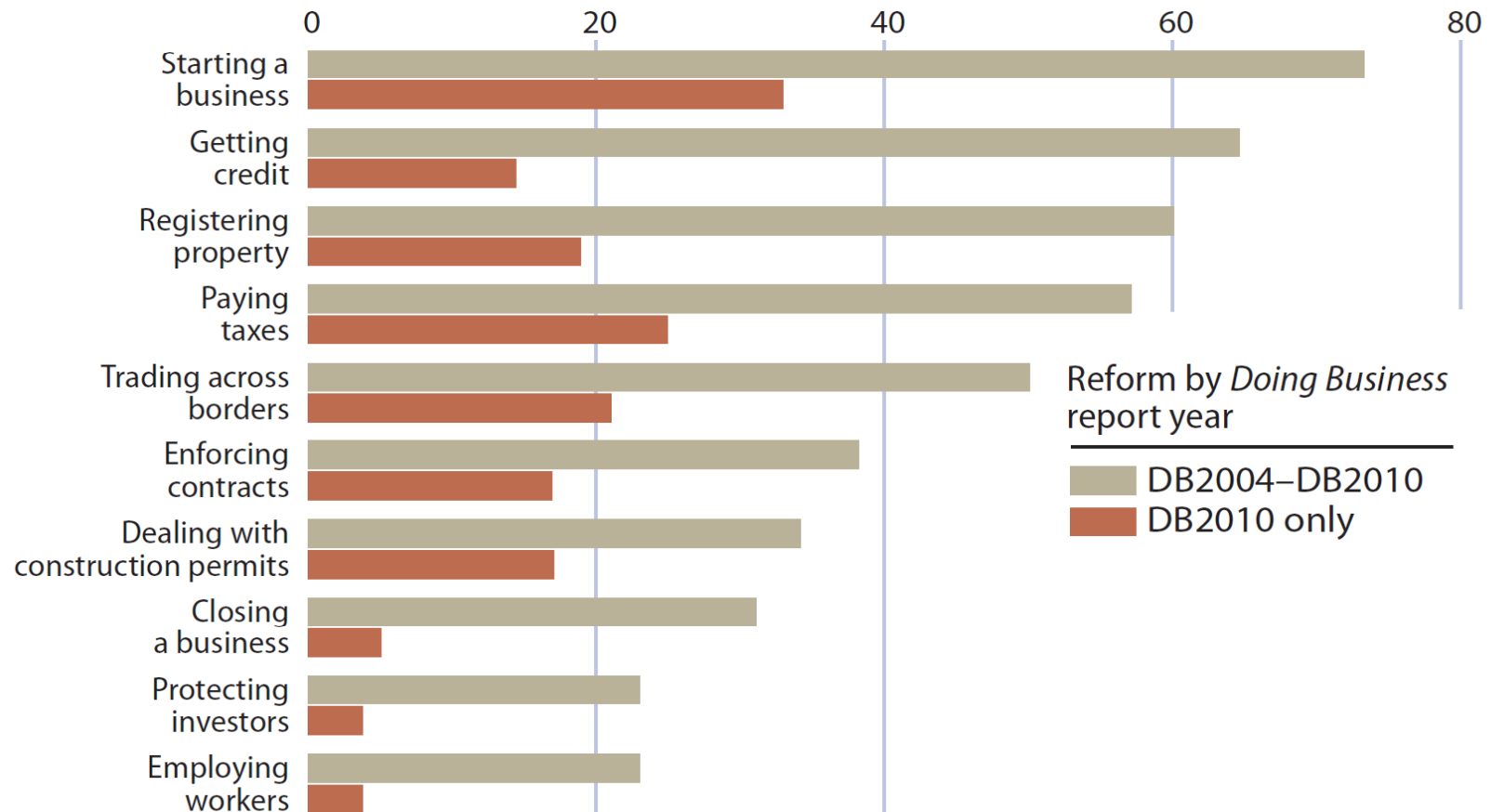
287 reforms in 131 countries made it easier to do business

# Easing business start-up – the most popular reform since 2004

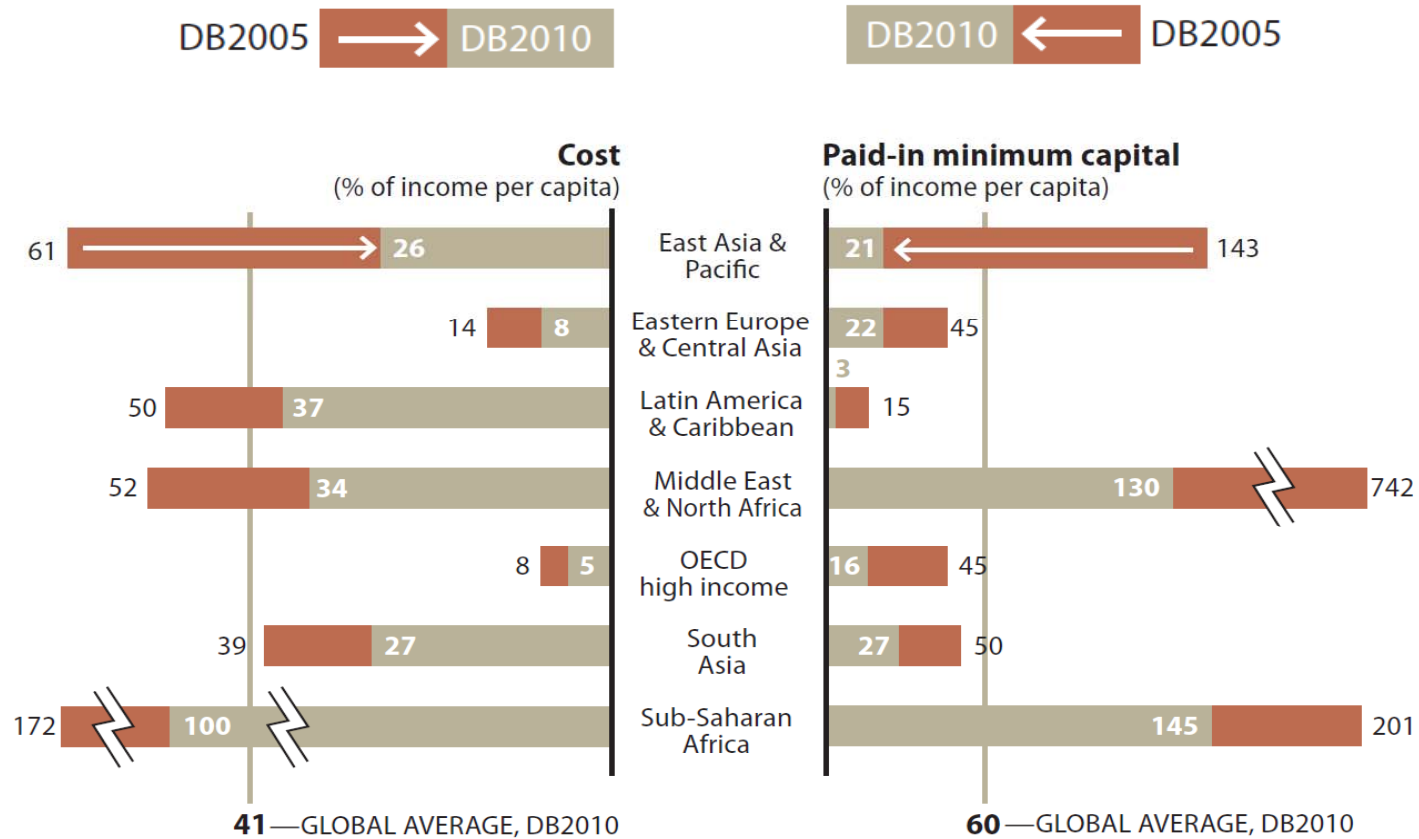
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## Three-quarters of economies have made it easier to start a business

Share of economies implementing reforms in each *Doing Business* topic (%)



# And results are showing : improvements in business start-up since 2004



656 articles have been published in peer-reviewed academic journals, and about 2,060 working papers are available through Google Scholar.

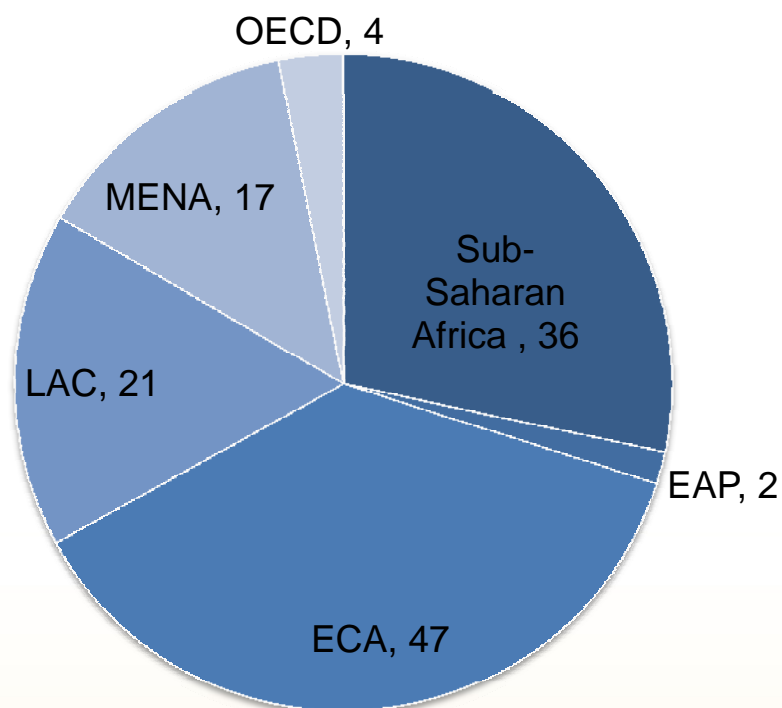
## Some findings of recent research:

- ✓ Lower barriers to start-up are associated with a smaller informal sector - Masatlioglu and Rigolini (2008), Kaplan, Piedra and Seira (2008), Ardagna and Lusagi (2009)
- ✓ Lower costs of entry encourage entrepreneurship, enhance firm productivity and reduce corruption - Barseghyan (2008), Freund and Bolacky (2008), Klapper, Lewin and Quesada Delgado (2009)
- ✓ Simpler start-up translates into greater employment opportunities .
- ✓ Women are particularly affected by regulation and its impact on entrepreneurship. - Ardagne and Lusagi (2009)
- ✓ Evidence from business start-up reform in Mexico: increase in new business registrations by 5%, in employment in eligible industries by 2.8% - Bruhn (2008)

# Doing Business: Simulating benchmarking and peer-learning

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✓ **127 completed reforms were inspired by Doing Business in 2008/09**



✓ **Reform task forces in over 30 countries**

- At the Prime Minister's or President's level (e.g. Colombia, Burkina Faso, India)
- At the ministerial level (e.g. Rwanda, Kenya, Liberia, Sierra Leone, Kazakhstan, Saudi Arabia)

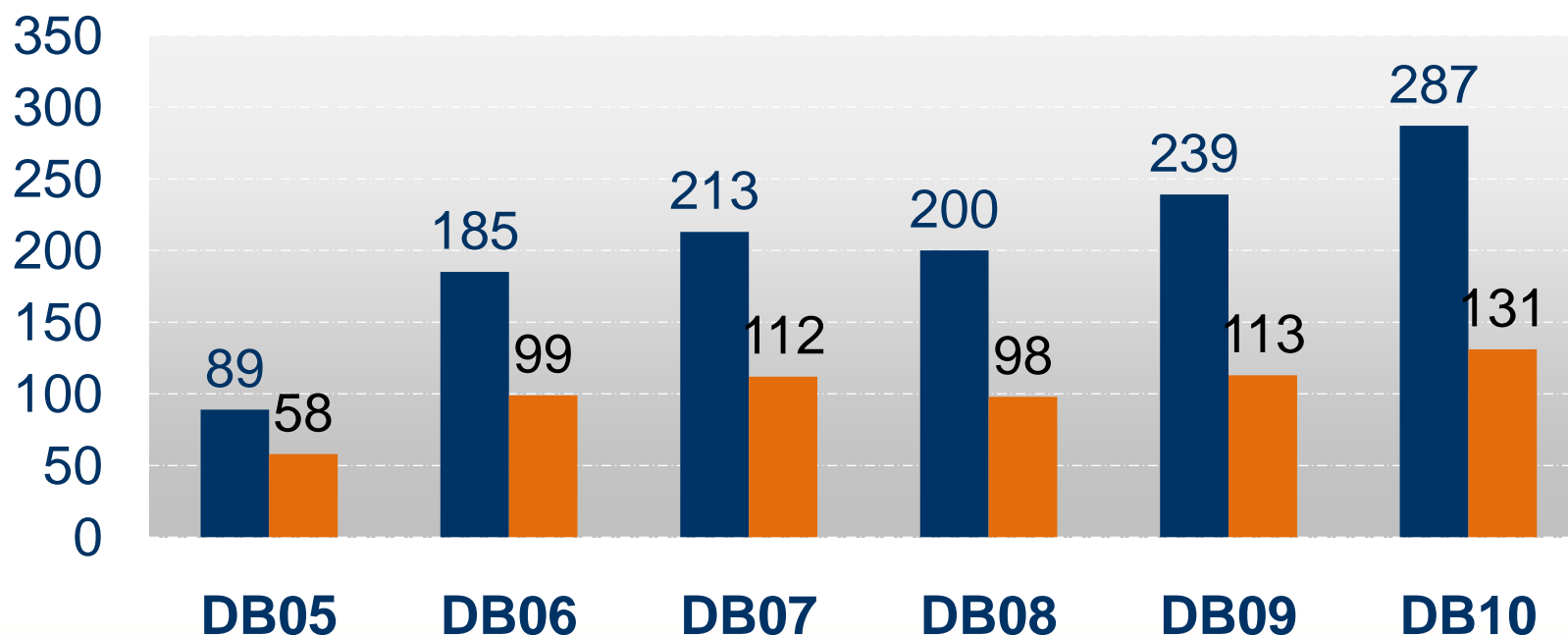
✓ **Learning and cooperating with others**

- **Peer-learning events** in El Salvador (Central America), Mauritius (Small Island States), Abu Dhabi (Arab World).
- Ease of Doing Business action plan for 21 members of **Asia-Pacific Economic Cooperation (APEC)**.

# Increased attention to business regulation reform around the world

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## Reforms per Publication Year



Over 1,200 reforms making it easier to do business between 2004 and 2009 as recorded by Doing Business

# Thank you. For more information: [www.doingbusiness.org](http://www.doingbusiness.org)

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## Doing Business

Measuring business regulations

The Doing Business project... provides objective measures of business regulations and their enforcement across 183 economies and selected cities at the subnational and regional level. [Learn more...](#)

select a topic  
select an economy  
Historical Data

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### Current Features



**Highlights from Doing Business 2010:** The number of reforms hit a record level this year. Between June 2008 and May 2009, 287 reforms were recorded in 131 economies. Low- and lower-middle-income economies set the fast pace. [Read more...](#)

- ▶ About Doing Business (PDF, 98KB)
- ▶ Download *Doing Business 2010* overview - English (PDF, 144KB); Also available in Arabic, Chinese, French, Portuguese, Russian and Spanish
- ▶ What's being said about *Doing Business 2010*

Economy	Starting a business	Dealing with construction permits
Rwanda	✓	✓
Hungary Republic	✓	✓
Mauritius, FIC	✓	✓
Bahrain	✓	✓
United Arab Emirates	✓	✓
Maldives	✓	✓
Colombia	✓	✓
Tajikistan	✓	✓
Egypt, Arab Rep.	✓	✓
Lithuania	✓	✓

**Doing Business 2010's top DB reformer:** For the first time since Doing Business started tracking DB reforms, a Sub-Saharan African economy, Rwanda, led the world in reforms. Overall, Rwanda introduced reforms in 7 out of the 10 categories covered in the report, rising from 143rd to 67th place on the ease of doing business rankings. [Read more...](#)

- ▶ Reform case study: [Albania seizes the opportunity for effective legal reforms](#)
- ▶ Who ranked 1st in *Doing Business 2010*? [See where your country ranks among 183 surveyed!](#)
- ▶ Download *Doing Business 2010* profiles: [Almost 200 country and regional reports available for download](#)
- ▶ Multimedia: [Watch video clips on Doing Business in different languages](#)
- ▶ Reform case study: [How Colombia overcame a burdensome building permit process](#)
- ▶ *Doing Business in India*: [The latest Doing Business subnational report surveys 17 Indian cities](#)

[More features...](#)

### Press Releases

The following *Doing Business 2010* press releases were issued on Sept. 9, 2009.

### What's New?

**Getting electricity:** Information on the time, procedures and cost required for a business to obtain an [electricity connection](#) in 140 countries

**Employing workers:** Employing Workers indicator [methodology changes](#)

**New economies:** Doing Business coverage extended to [Cyprus](#) and [Kosovo](#)

### Special Features

**Doing Business on Facebook:** Connect with other users of Doing Business products!

**Doing Business on Twitter:** Get updates from the field on the *Doing Business 2010* roadshow [@WorldBankPSD](#).

**Business Planet:** Take a [trip around the world](#) to discover how easy (or difficult) it is to do business in 183 economies.

**Doing Business Blog:** Shares the experiences and insights of the Doing Business team, its local partners, and successful reformers.