

**Doing  
Business  
2010**

# **Entrepreneurship in Africa Conference**

## **Syracuse University**

**Allen Dennis**

*Reforming through Difficult Times*

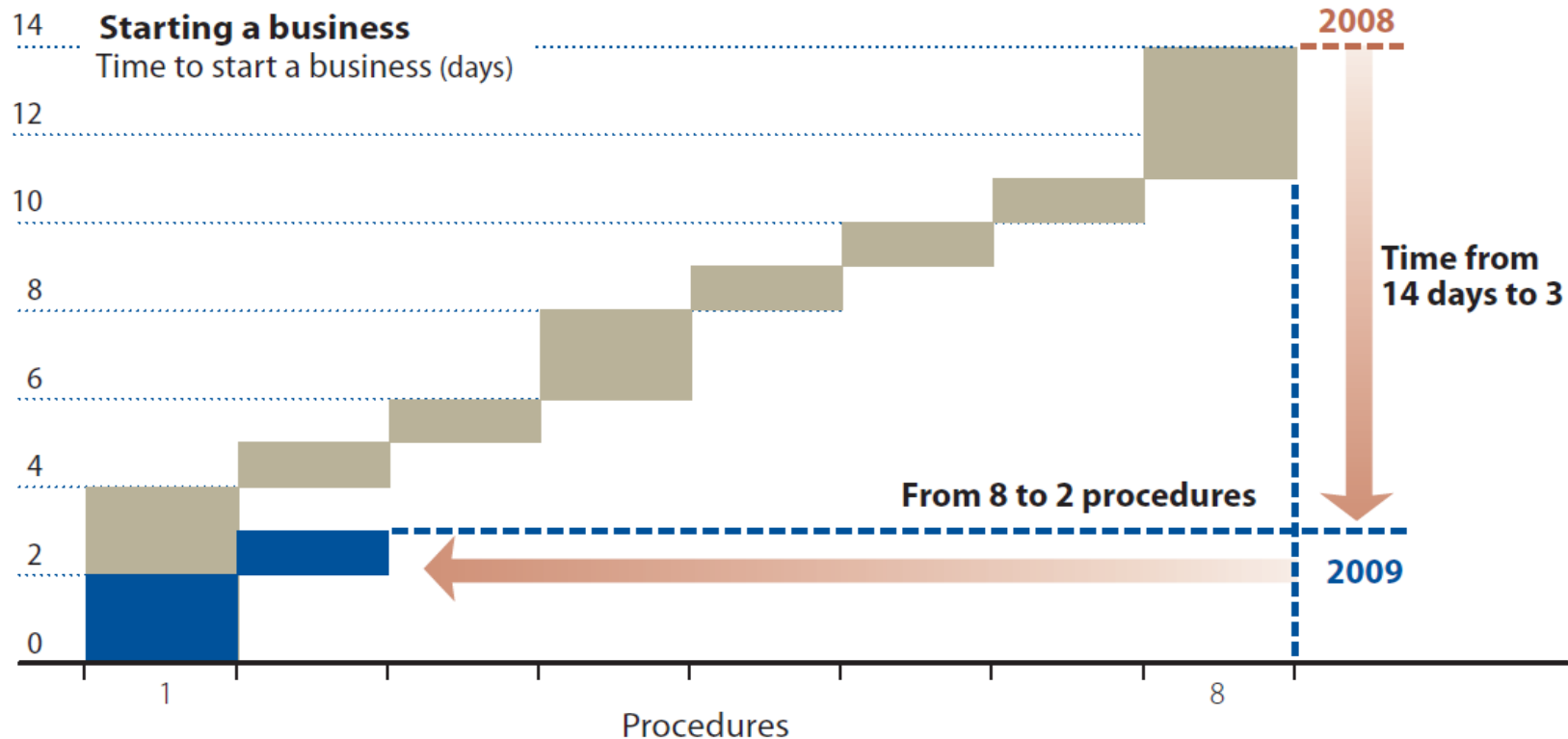
New York. April 1, 2010.

# What's new in Doing Business 2010?

2007 175 economies	2008 178 economies	2009 181 economies	2010 183 economies
<ul style="list-style-type: none"> <li>• Starting a business</li> <li>• Dealing with construction permits</li> <li>• Employing workers</li> <li>• Registering property</li> <li>• Getting credit</li> <li>• Protecting investors</li> <li>• Paying taxes</li> <li>• Trading across borders</li> <li>• Enforcing contracts</li> <li>• Closing a business</li> </ul>	<ul style="list-style-type: none"> <li>• Update of 2007</li> <li>• Add 3 countries</li> <li>• Reformer's Club, and 16 case studies</li> </ul>	<ul style="list-style-type: none"> <li>• New "About DB" chapter</li> <li>• Trends analysis DB04-DB09                             <ul style="list-style-type: none"> <li>• Most popular reforms</li> <li>• Most effective reforms</li> <li>• Lessons learned</li> </ul> </li> <li>• Add 3 new countries (Bahamas, Bahrain, Qatar)</li> <li>• Methodology change in Getting Credit (Legal Rights)</li> </ul>	<ul style="list-style-type: none"> <li>• Business regulation and reform in the context of the global crisis</li> <li>• EWI and social protection</li> <li>• Researching ILO core labor standards</li> <li>• Piloting a new infrastructure indicator</li> <li>• New insights on gender</li> <li>• Add Cyprus, Kosovo</li> </ul>

# Time and motion indicators: reducing red tapes

- Follow the entrepreneur from the beginning to the end of a basic transaction
- Record every step of the process, and the associated time and cost
- Gather all the relevant laws, regulations, decrees, and fee schedules



Source: Doing Business database.

# Legal indicators include:

- Focus on the level of protection granted by law to parties to a business transaction
- Record every step of the process, and the associated time and cost to enforce commercial contract and go through bankruptcy

## Protecting investors

- Minority shareholders against harmful related party transaction
- *Sources: corporate lawyers, company laws*

## Access to credit

- Legal rights of borrowers and lenders
- Sharing of credit information
- *Sources: Banking, In-house bank counsels, Securities, financial, Information legal texts*

## Enforcing contract

- Court efficiency in resolving a commercial dispute
- *Sources: judges, corporate, litigation lawyers, court procedures and fees*


## Closing a business

- Time cost and outcome of bankruptcy proceedings
- *Sources: Bankruptcy lawyers, liquidators*

# Top 30 on the ease of Doing Business 2010

	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

# SSA countries have the least business friendly regulatory environment: the average country is ranked 139th out of 183.

	1. Mauritius (17)		16. Malawi (132)
	2. South Africa (34)		17. Madagascar (134)
	3. Botswana (45)		18. Mozambique (135)
	4. Namibia (66)		19. Gambia (140)
	5. Rwanda (67)		20. Cap Verde (146)
	6. Zambia (90)		21. Burkina Faso (147)
	7. Ghana (92)		22. Sierra Leone (148)
	8. Kenya (95)		23. Liberia (149)
	9. Ethiopia (107)		24. Sudan (154)
	10. Seychelles (111)		25. Mali (156)
	11. Uganda (112)		26. Sénégal (157)
	12. Swaziland (115)		27. Gabon (158)
	13. Nigeria (125)		28. Zimbabwe (159)
	14. Lesotho (130)		29. Comoros (162)
	15. Tanzania (131)		30. Togo (165)

**...however adopting the best in SSA across all topics places SSA as the 6<sup>th</sup> most business friendly economy**

<b>Topic</b>	<b>World's top ranked</b>	<b>Sub-Saharan Africa's top ranked</b>
Starting a business	New Zealand	Mauritius(10) Rwanda (11)
Dealing with construction permits	Hong Kong, China	Swaziland (24) Kenya (34)
Employing workers	Australia	Uganda (7) Rwanda (30)
Registering property	Saudi Arabia	Ghana (33) Sudan (37)
Getting credit	Malaysia	South Africa (2) Kenya (4)
Protecting investors	New Zealand	South Africa (10) Mauritius (12)
Paying taxes	Maldives	Mauritius (12) Botswana (18)
Trading across borders	Singapore	Mauritius (19) Senegal (57)
Enforcing contracts	Luxembourg	Tanzania (31) Cape Verde (38)
Closing a business	Japan	Botswana (27) Uganda (53)

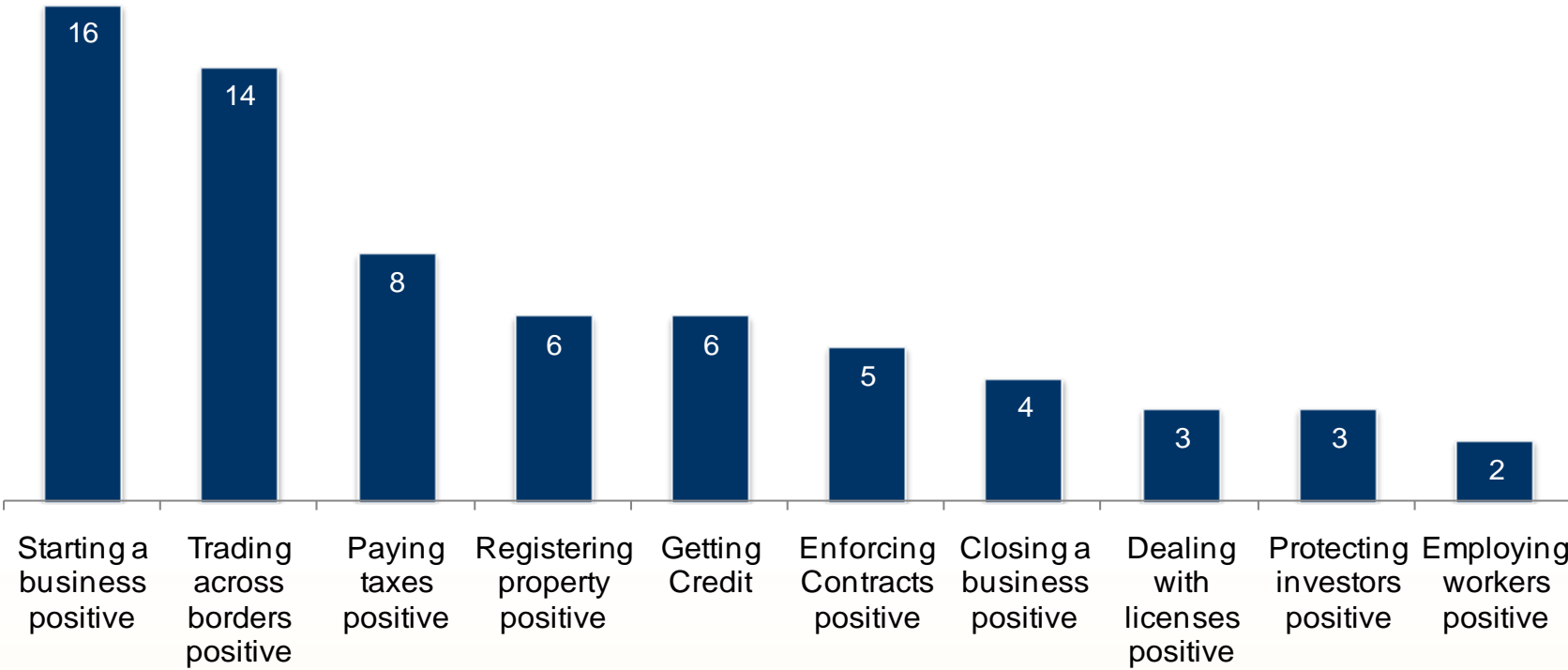
# DB Top Reformers in 2008/09

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	✓	✓						✓		

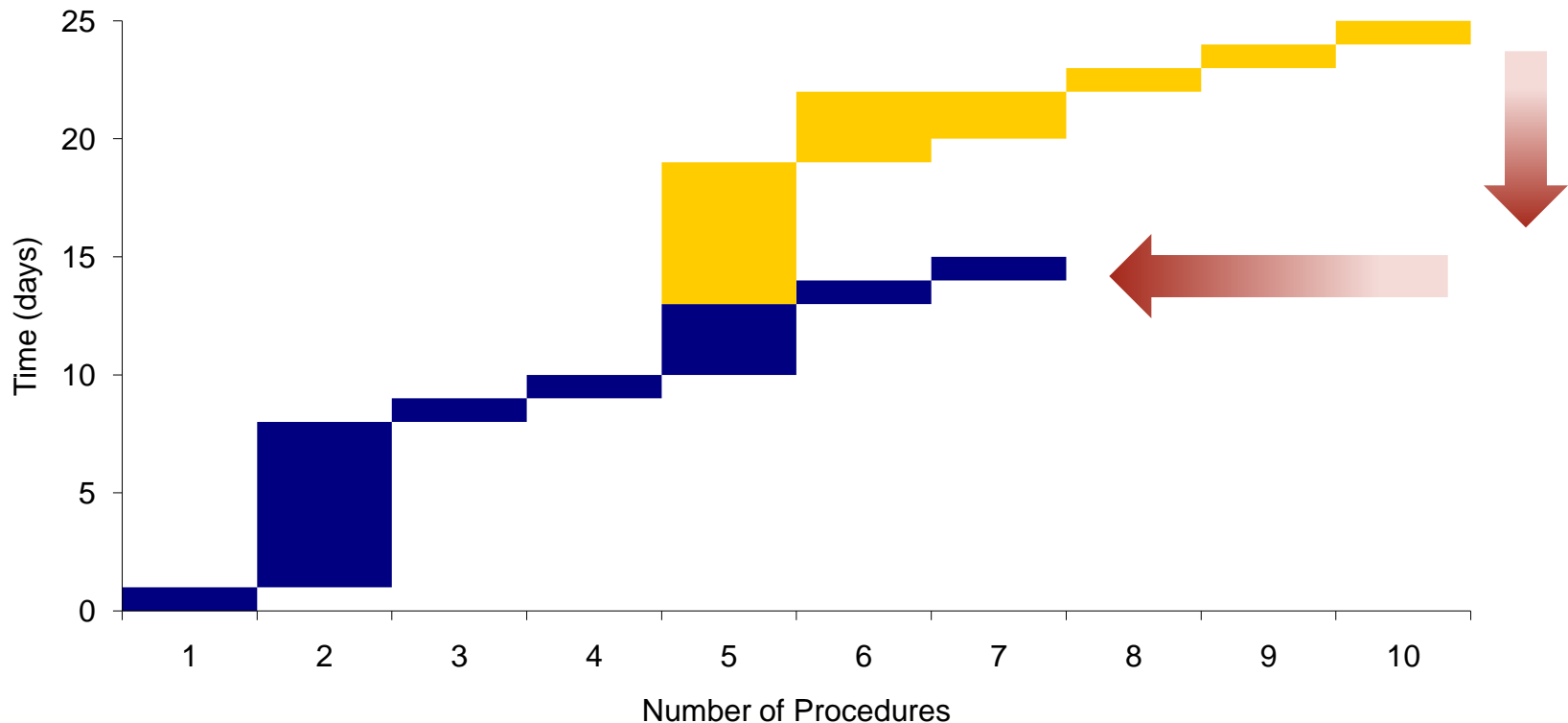


# Sub-Saharan Africa recorded a total of 67 reforms

Starting a business and Trading across borders lead reform efforts

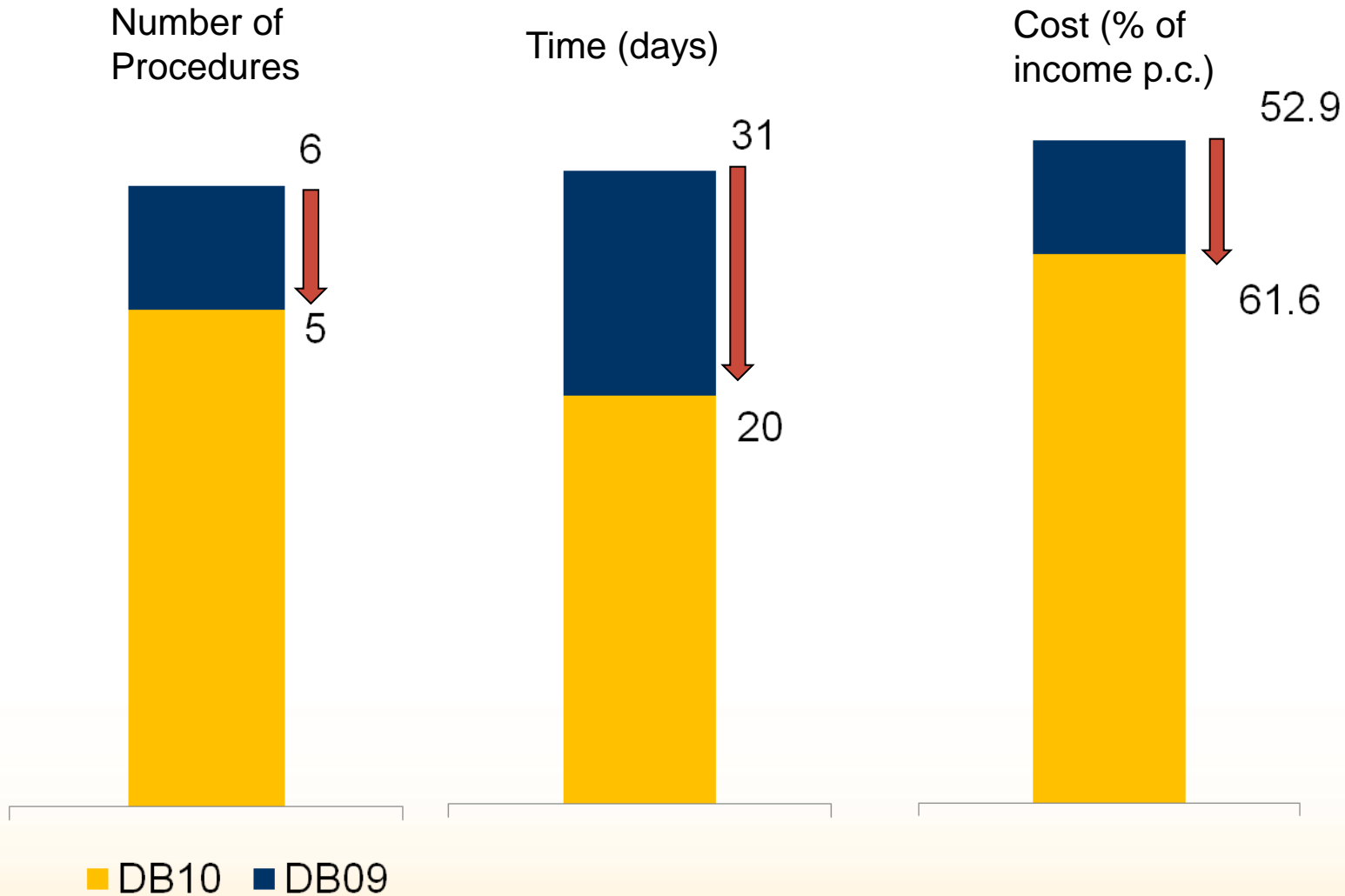


# Mali opened a one stop shop and reduced time for starting a business by 10 days



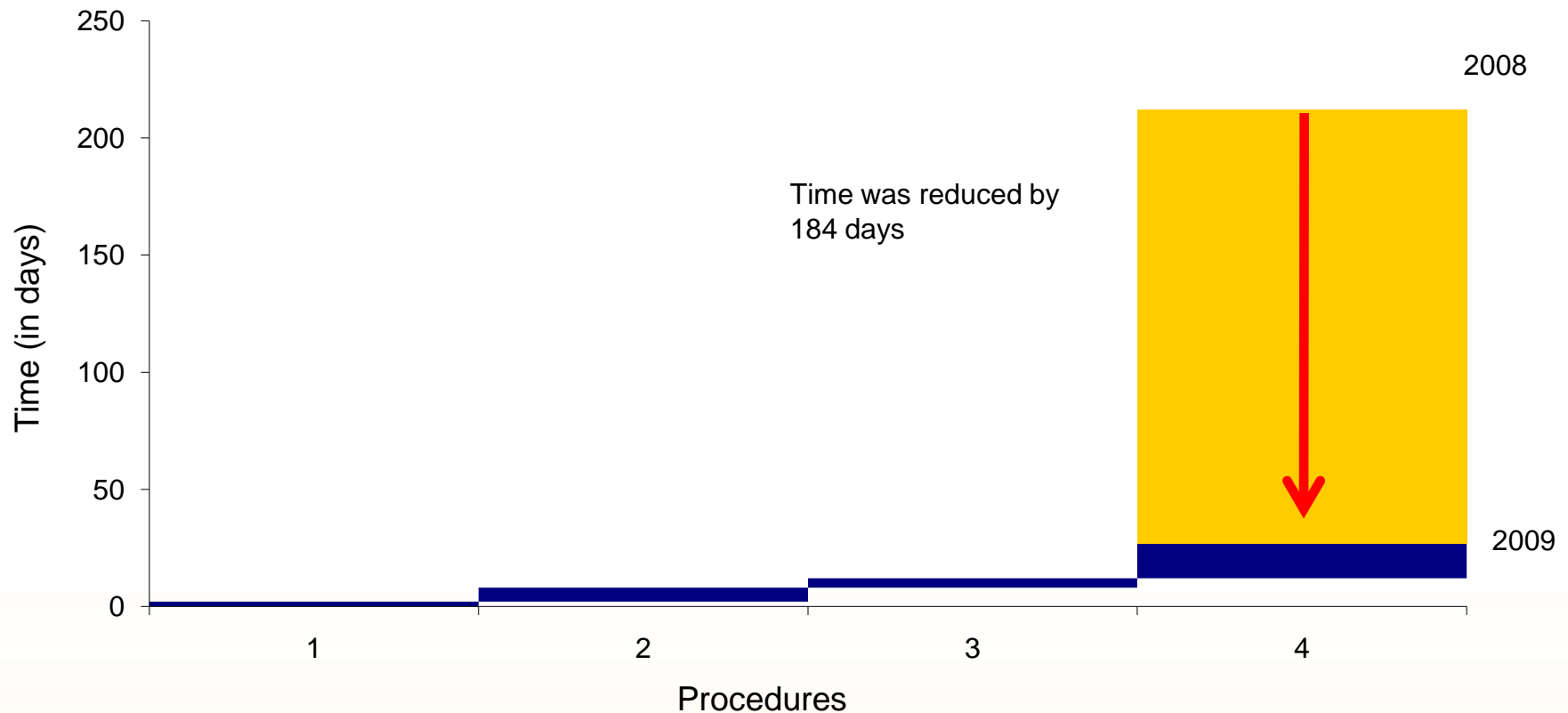
- ✓ One stop shop was created
- ✓ Three procedures eliminated
- ✓ Cost was reduced by about 16% GNI
- ✓ Time cut by 10 days

# Liberia eased business start up by removing the need to obtain an environmental impact assessment



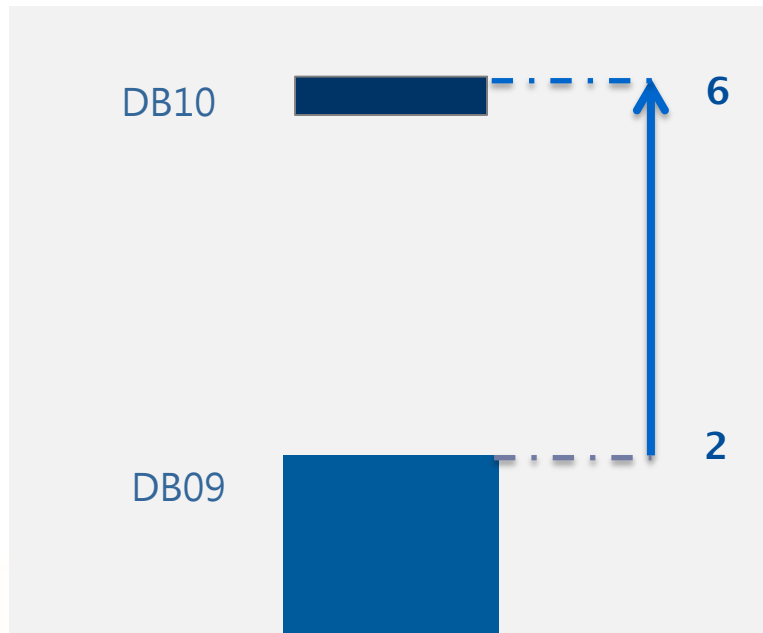
# Mauritius made property registration easier

A limit of 15 days to obtain final property titles from the land registry was established



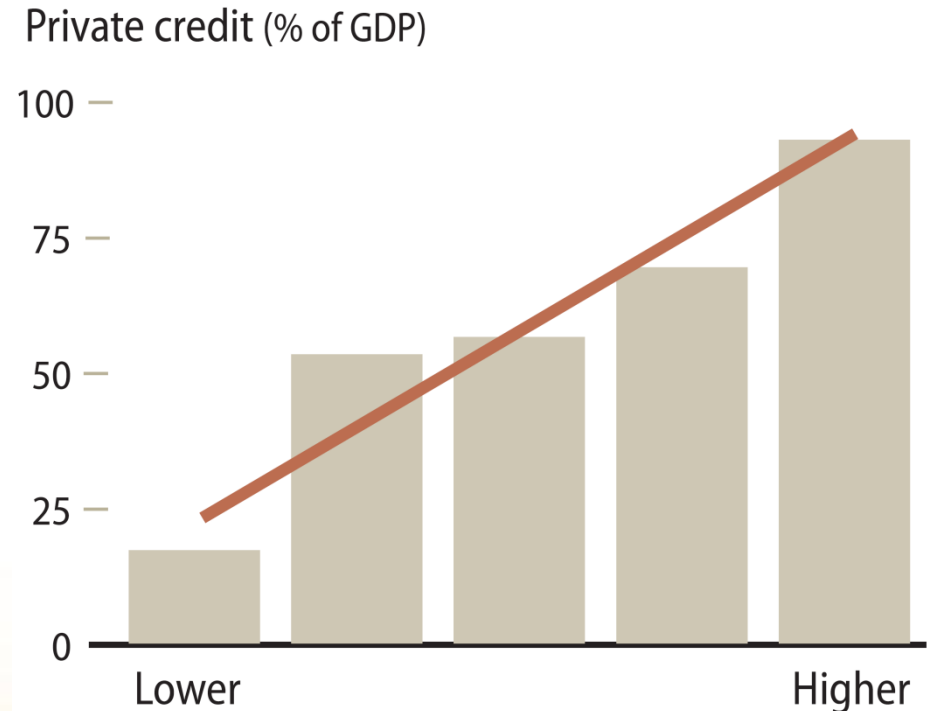
# Rwanda improves in access to credit – why does it matter?

Rwanda made it easier to get credit with laws that make secured lending more flexible



Strength of Legal Rights Index

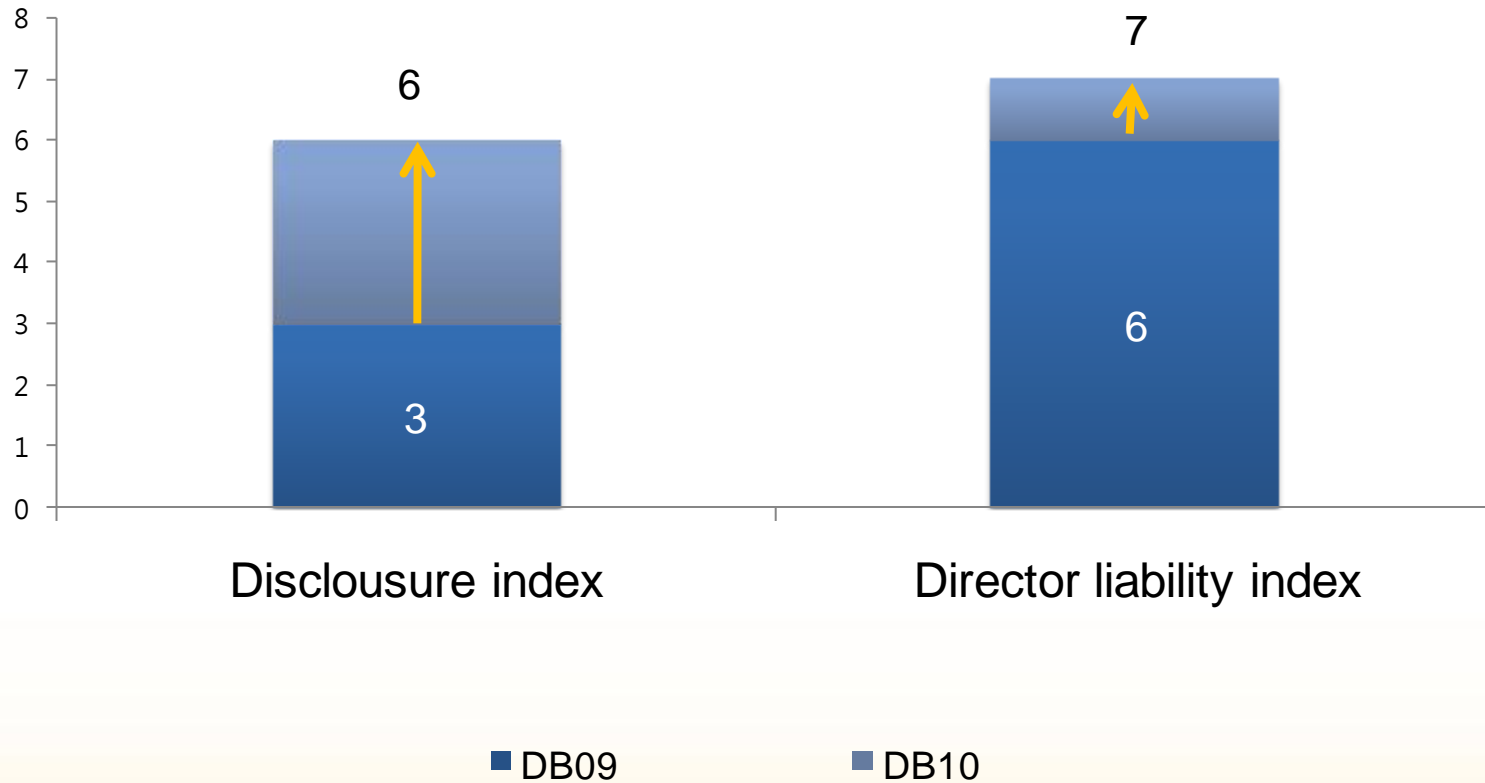
Stronger Legal Rights is associated with more lending



Economies ranked by strength of legal rights, quintiles

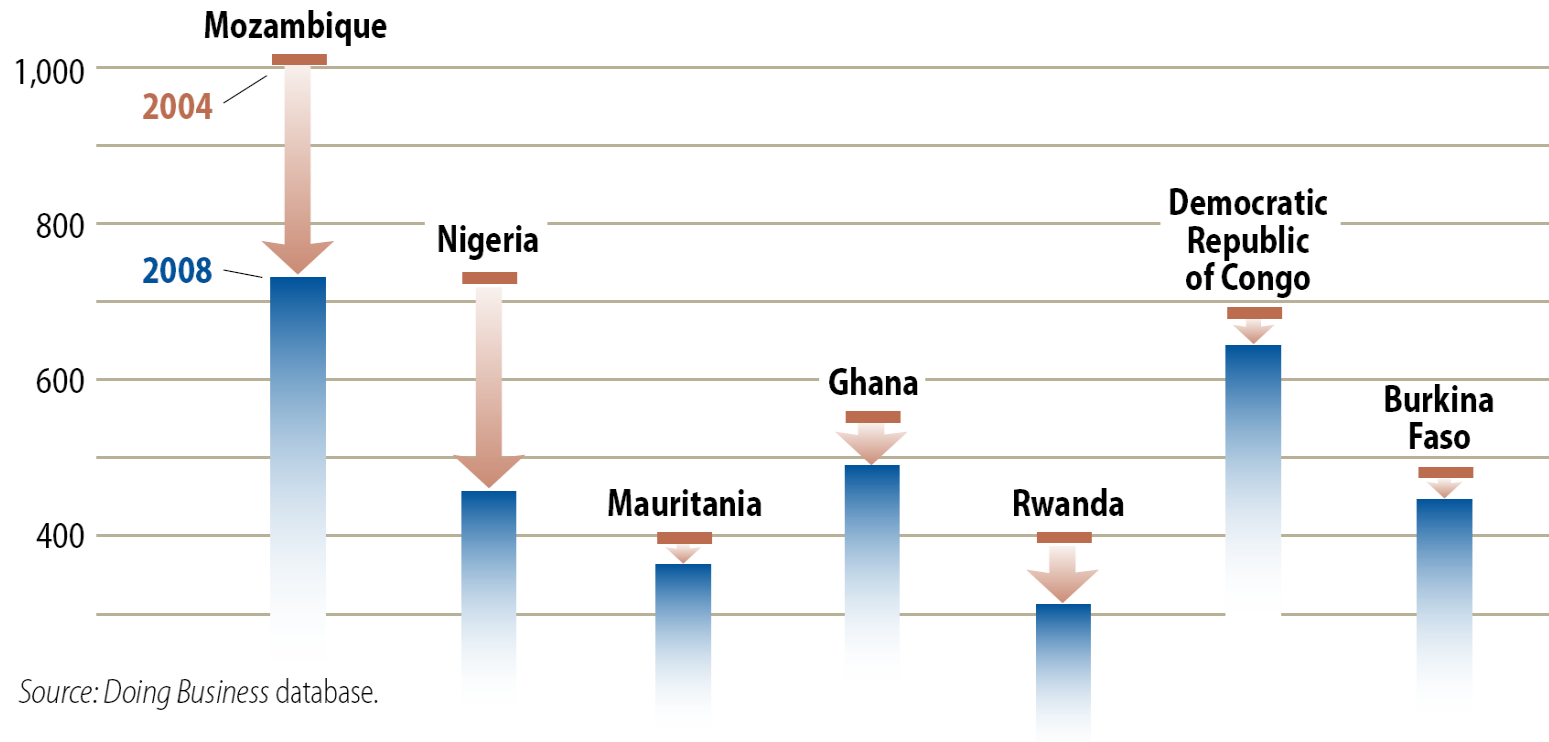
# In Sierra Leone investor protections have been strengthened

A new company law enhanced director liability and improved disclosure requirements



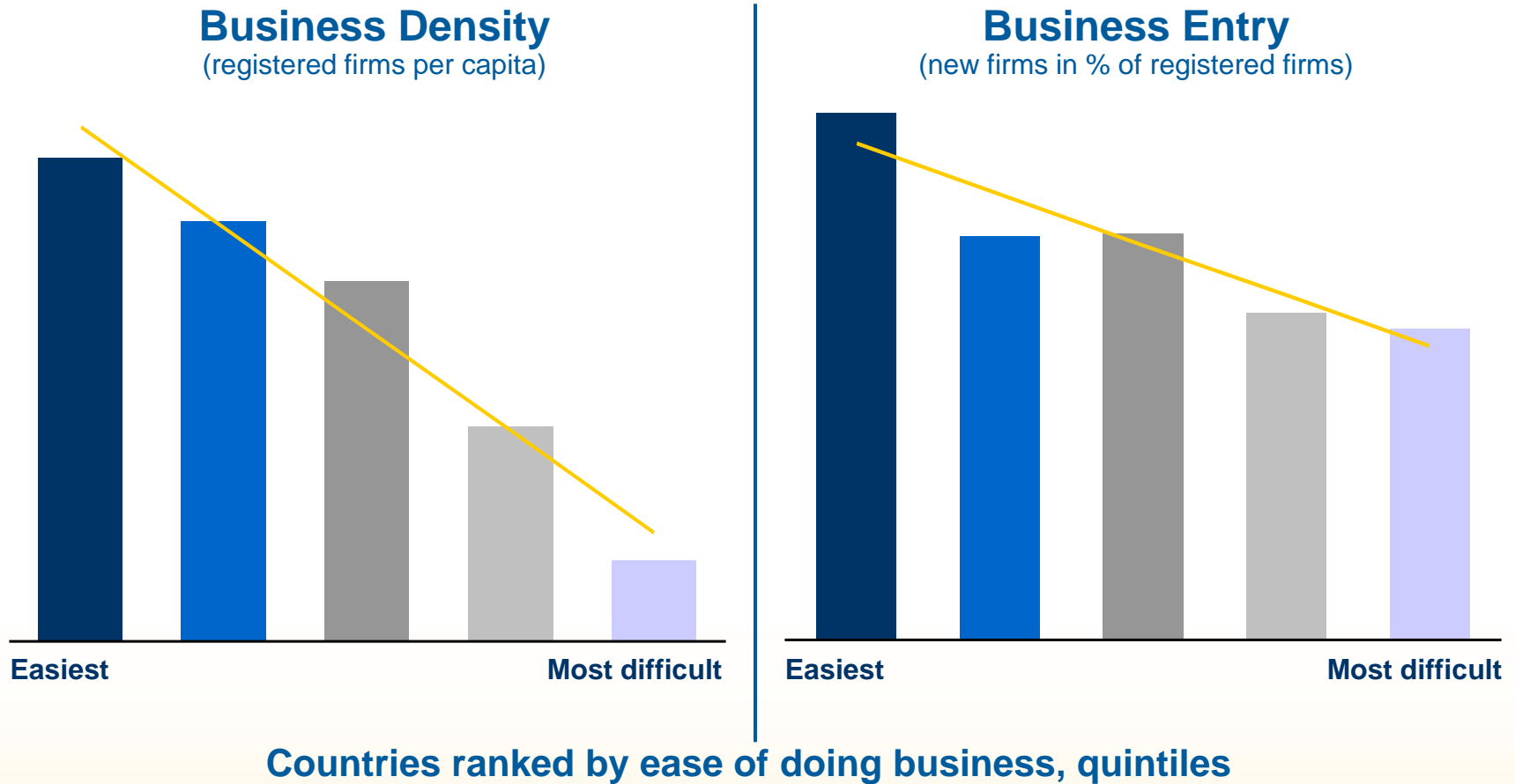
# Specialized commercial courts in Sub-Saharan Africa help to reduce delays in enforcing contracts

Time to enforce a contract (days)



Source: Doing Business database.

# Business Friendly Regulation Leads to More Registered Businesses and Start-ups



Source: *Doing Business* database



# Thank you. For more information visit: 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 181 economies and selected cities at the subnational and regional level. Learn more...

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### Current Features



**Doing Business 2009: Five years of reforms:** More regulatory reforms were recorded worldwide between June 2007 and June 2008 than in any previous year, according to *Doing Business 2009*. For the fifth year in a row, Eastern Europe and Central Asia led the world in Doing Business reforms. Once again, Singapore tops the rankings, followed by New Zealand, the United States, and Hong Kong, China.

- ▶ Learn more about reform trends
- ▶ Download report overview (PDF, 339KB)



**Azerbaijan: This year's top reformer:** Azerbaijan led the world as the top reformer in 2007/08, with improvements on seven out of 10 indicators of regulatory reform, according to *Doing Business 2009*. Extensive reforms moved it far up the ranks, from 97 to 33 in the overall ease of doing business. Learn more about reforms in Azerbaijan and the other top 10 reforms.



**Doing Business Profiles:** *Doing Business 2009* profiles of 13 regions are available for download! Each profile summarizes Doing Business indicators for that region of the world. Regional data appear in graphs that allow for comparison across economies. Good-practice economies are also identified by indicator and overall ranking.

Doing Business 2009 regional profiles

- ▶ Presentation: World Bank official highlights the findings of *Doing Business 2009* report (PPT, 1.9 MB)
- ▶ Countries added: *Doing Business 2009* expands coverage to the Bahamas, Bahrain, and Qatar
- ▶ Regional data & report: First regional and subnational Doing Business report on S.E. Europe covers 22 cities
- ▶ Celebrating reformers: Sixteen Doing Business reform case studies available for download

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**Simulate reforms:** See the impact of reforms by using the ranking simulator (Excel, 420KB) to change indicator values.