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New Report Finds Adopting Good Practices Can Enhance Business Environment across Russia

Kazan, Russia, October 14, 2009—A new World Bank and IFC report analyzing business regulations in Russia finds wide variation in municipal regulations and in the interpretation and implementation of federal laws, which influences how much regulation constrains or promotes local business activity.

Among the 10 Russian cities benchmarked, doing business is easiest in Kazan, Tver, and Petrozavodsk, and hardest in Moscow. Kazan tops the list thanks to its relatively efficient and less costly procedures to start a business and register property.

Doing Business in Russia 2009, released today, studies business regulation from the perspective of a small to midsize domestic firm. The localities covered by the report—from easiest to most difficult for doing business—are Kazan (easiest), Tver, Petrozavodsk, Rostov-on-Don, Tomsk, Irkutsk, Perm, St. Petersburg, Voronezh, and Moscow (most difficult).

The study covers four *Doing Business* topics—starting a business, dealing with construction permits, registering property, and trading across borders. Starting a business takes the least time in Rostov-on-Don (22 days) and the most in Petrozavodsk (37 days). Moscow requires the fewest procedures to start a business (nine), but lags behind other localities in the ease of dealing with construction permits and trading across borders.

"*Doing Business in Russia 2009* is a good diagnostic tool that provides information for designing and implementing reforms to guide local officials in creating a competitive environment to attract new investment," said Klaus Rohland, World Bank Country Director for Russia.

The report finds that dealing with construction permits is easiest in Rostov-on-Don; harder in Tomsk, where local authorities impose additional clearances; and most challenging in Moscow, where 36 procedures are required even before ground is broken. Registering property takes the least time--47 days in Tomsk, three times as long in St. Petersburg. The cost to transfer property is lowest in Kazan. The cost to export or import a container is highest in Moscow.

Doing Business in Russia 2009 was produced at the request of the Ministry of Regional Development of the Russian Federation and supported by the participating regional administrations. It was prepared in cooperation with the Foundation Center for Strategic Research "North-West", located in St. Petersburg.

For information, please visit www.doingbusiness.org/russia, <http://subnational.doingbusiness.org> and www.worldbank.org/ru.

About the Investment Climate Advisory Services of the World Bank Group

The Investment Climate Advisory Services of the World Bank Group help governments of developing and transition countries implement reforms to improve and simplify their regulatory environment for businesses and foster and retain investment, thus fostering competitive markets, growth and job creation. Funding is provided by the World Bank Group (IFC, MIGA, and the World Bank) and over fifteen donor partners working through the multidonor FIAS platform.