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**East African Community Economies Improving Business Climate for Local Entrepreneurs**

**Kigali, Rwanda, May 2, 2013—**A new IFC and World Bank report shows that in 2011/12 all five economies of the East African Community (EAC)—Burundi, Kenya, Rwanda, Tanzania, and Uganda—implemented at least one institutional or business regulatory reform improving the business climate for local entrepreneurs.

Released today, *Doing Business in the East African Community 2013* compares business regulations and identifies good practices across the EAC in 10 areas covered by the joint World Bank and IFC annual global *Doing Business* report. From June 2011 to June 2012, the five EAC economies implemented a combined nine regulatory reforms across eight areas measured by *Doing Business*.

The report finds that the EAC ranks on average 117th (among 185 economies) on the ease of doing business. But if all EAC countries adopted the best practices in the region across all areas of regulation covered, the EAC would rank 26th, equal to the United Arab Emirates. This is evidence that the ingredients of reform already reside in the EAC; what remains is for a stronger culture of peer learning to grow within the community.

Burundi is among the global top 10 improvers for the second consecutive year, with four regulatory reforms—in starting a business, dealing with construction permits, registering property, and trading across borders. Rwanda, the top performer in the EAC, stands out as having consistently improved since 2005.

“Drawing on the global Doing Business report, Doing Business in the East African Community 2013 provides policy makers with key measurements of business regulations in the EAC,” said David Bridgman, Manager, Investment Climate Africa, IFC/World Bank Group. “The report’s findings can be used to identify areas to improve the business environment in the EAC along with enabling the expansion of the private sector, the main driver of growth and job creation."

Over the past eight years, the five EAC economies implemented a total of 74 business regulatory reforms. The majority of the reforms focused on simplifying regulatory processes—such as registering property and starting a business. The average time to register property fell from 140 days in 2005 to 56 in 2012. The introduction of new information and communication technology has been a common feature of reforms making it easier to start a business. Both Kenya and Tanzania now offer online name search for companies, reducing time and cost. On average, the EAC countries reduced the time to start a business by 31 percent.

More and broader regulatory reforms, however, will be required for the EAC to significantly increase its share of trade and investment, including strengthening cooperation between business regulators across the five countries and adopting common and improved standards for business laws and regulation to be implemented at the country level.

This is the fourth report in this series analyzing business regulations in the EAC. The regional report draws on the global *Doing Business* project and its database as well as the findings of *Doing Business 2013*, the 10th in a series of annual reports investigating the regulations that enhance and constrain business activity globally.

For more information or to view the report, please visit: <www.doingbusiness.org/eac>

**About the *Doing Business* report series**

*Doing Business* analyzes regulations that apply to an economy’s businesses during their life cycle, including start-up and operations, trading across borders, paying taxes, and protecting investors. The aggregate ease of doing business rankings are based on 10 indicators and cover 185 economies. *Doing Business* does not measure all aspects of the business environment that matter to firms and investors. For example, it does not measure the quality of fiscal management, other aspects of macroeconomic stability, the level of skills in the labor force, or the resilience of financial systems. Its findings have stimulated policy debates worldwide and enabled a growing body of research on how firm-level regulation relates to economic outcomes across economies. This year’s report marks the 10th edition of the global *Doing Business* report series. For more information about the *Doing Business* report series, please visit www.doingbusiness.org. Join us on Facebook.

**About the World Bank Group**

The World Bank Group is one of the world’s largest sources of funding and knowledge for developing countries. It comprises five closely associated institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), which together form the World Bank; the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). Each institution plays a distinct role in the mission to fight poverty and improve living standards for people in the developing world. For more information, please visit www.worldbank.org, www.miga.org, and www.ifc.org.

**About the East African Investment Climate Program**

The East African Investment Climate Program is providing technical assistance to the EAC in areas such as harmonization of commercial laws, exchange of business entry information to facilitate easier entry of businesses within the EAC bloc, and an EAC Common Market Scorecard, which will assess the legal environment of EAC Partner States to determine the level to which commitments to the EAC Common Market protocol have been observed