Doing Business 2014 Fact Sheet: Latin America and the Caribbean

- Seventeen of 32 economies in Latin America and the Caribbean implemented at least one regulatory reform making it easier to do business in the year from June 2, 2012, to June 1, 2013—31 reforms in total.\(^1\)
- Since 2005, 97 percent of economies in the region have implemented business regulatory reforms in the areas measured by Doing Business. Colombia implemented the most number of reforms in the region with 27 reforms during this period, followed by Mexico with 19.
- Colombia made the greatest progress in improving business regulation for local entrepreneurs in the region, and is among the 20 economies worldwide that have narrowed the gap with global good practices the most since 2005. Guatemala, Peru, Costa Rica, and Mexico are among the top 50 narrowing this gap the most.
- Guatemala is among the global top 10 improvers this year—the economies making the biggest improvement in business regulation over the past year. Guatemala created a one-stop shop for construction permitting, introduced a new system for filing and paying taxes, and launched an online platform allowing entrepreneurs to simultaneously register a new business with different government agencies.
- Chile has the region’s highest ranking on the ease of doing business, at 34 out of 189 economies.
- This year’s report features case studies highlighting two economies in the region. One case study looks at Trinidad and Tobago’s cost structure for getting electricity, aimed at lowering connection costs. Another explores Colombia’s experience—along with Singapore’s and Azerbaijan’s—in implementing an electronic single-window system for trade.

Note: The distance to frontier measure shows how far on average an economy is at a point in time from the best performance achieved by any economy on each Doing Business indicator since 2003 or the first year in which data for the indicator were collected. The measure is normalized to range between 0 and 100, with 100 representing the best performance (the frontier). The regional averages exclude Barbados, which was added to the Doing Business sample after 2009. They also exclude Chile, which is classified as an OECD high-income economy. The figure shows individual scores only for the 10 economies with the biggest improvements in the region; the arrows indicate those making the largest advances toward the frontier.

Source: Doing Business database.

\(^1\) Excludes Chile, which is classified as an OECD high-income economy.
\(^2\) Excludes Chile, which is classified as an OECD high-income economy.
Summary of 2012/13 Doing Business Reforms in Latin America and the Caribbean

Antigua and Barbuda
DB2014 ease of doing business rank: 71
Distance to frontier in 2013 (percentage points): 64.1 (in 2012: 64.0; improvement: 0.1)

Argentina
Argentina made trading across borders easier by reducing the number of documents necessary for importing through the elimination of nonautomatic license requirements. On the other hand, it made starting a business more difficult by increasing the incorporation costs.
Areas of business regulatory reform: Trading across borders, Starting a business (making it more difficult)
DB2014 ease of doing business rank: 126
Distance to frontier in 2013 (percentage points): 55.8 (in 2012: 55.7; improvement: 0.0)

The Bahamas
The Bahamas made registering property easier by reducing the stamp duty. In addition, it enhanced its insolvency process by implementing rules for the remuneration of liquidators, allowing voluntary liquidations, and outlining clawback provisions for suspect transactions.
Areas of business regulatory reform: Registering property, Resolving insolvency
DB2014 ease of doing business rank: 84
Distance to frontier in 2013 (percentage points): 65.5 (in 2012: 65.1; improvement: 0.3)

Barbados
DB2014 ease of doing business rank: 91
Distance to frontier in 2013 (percentage points): 60.9 (in 2012: 60.9; improvement: 0.0)

Belize
DB2014 ease of doing business rank: 106
Distance to frontier in 2013 (percentage points): 63.8 (in 2012: 63.6; improvement: 0.2)

Bolivia
DB2014 ease of doing business rank: 162
Distance to frontier in 2013 (percentage points): 49.6 (in 2012: 49.9; improvement: −0.3)

Brazil
DB2014 ease of doing business rank: 116
Distance to frontier in 2013 (percentage points): 53.3 (in 2012: 52.5; improvement: 0.9)

Chile
Chile made starting a business easier by creating a new online system for business registration.
Areas of business regulatory reform: Starting a business
DB2014 ease of doing business rank: 34
Distance to frontier in 2013 (percentage points): 70.7 (in 2012: 70.7; improvement: 0.0)

Colombia
Colombia made getting electricity easier by opening a one-stop shop for electricity connections and improving the efficiency of the utility’s internal processes. In addition, it made enforcing contracts easier by simplifying and speeding up the proceedings for commercial disputes.
Areas of business regulatory reform: Getting electricity, Enforcing contracts

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3 The difference between the distance to frontier scores shown for 2012 and 2013 may differ from the size of the improvement reported because of rounding.
Costa Rica made starting a business easier by creating an online platform for business registration, reducing the time to register with social security, and simplifying the legalization of company books. In addition, it made dealing with construction permits easier by eliminating procedures, improving efficiency, and launching an online platform that streamlined the building permit process by integrating different agencies’ approval processes.

Areas of business regulatory reform: Starting a business, Dealing with construction permits

Dominican Republic made getting electricity easier by dividing the city of Quito into zones for the purpose of handling applications for new connections—a change that improved the utility’s customer service—and by reducing the fees to obtain a connection.

Areas of business regulatory reform: Getting electricity

El Salvador made trading across borders easier by developing a one-stop shop for exporting and by implementing electronic data interchange systems. On the other hand, it made paying taxes more costly for companies by increasing the corporate income tax rate.

Areas of business regulatory reform: Trading across borders, Paying taxes (making it more difficult)
Guyana made paying taxes easier for companies by reducing the corporate income tax rate.

*Areas of business regulatory reform:* Paying taxes

*DB2014 ease of doing business rank:* 115

*Distance to frontier in 2013 (percentage points):* 58.0 (in 2012: 57.7; improvement: 0.3)

**Haiti**

*DB2014 ease of doing business rank:* 177

*Distance to frontier in 2013 (percentage points):* 43.2 (in 2012: 42.6; improvement: 0.6)

**Honduras**

*DB2014 ease of doing business rank:* 127

*Distance to frontier in 2013 (percentage points):* 58.1 (in 2012: 58.2; improvement: −0.1)

**Jamaica**

Jamaica made starting a business easier by enabling the Companies Office of Jamaica to stamp the new company's articles of incorporation at registration. It improved its credit information system by creating a legal and regulatory framework for private credit bureaus. And Jamaica made paying taxes less costly for companies by reducing the corporate income tax rate—though it also increased vehicle and asset taxes. On the other hand, Jamaica made transferring property more difficult by increasing the transfer tax and the stamp duty.

*Areas of business regulatory reform:* Starting a business, Getting credit (credit information), Paying taxes, Registering property (making it more difficult)

*DB2014 ease of doing business rank:* 94

*Distance to frontier in 2013 (percentage points):* 65.0 (in 2012: 64.9; improvement: 0.1)

**Mexico**

Mexico made getting electricity easier by increasing the efficiency of the utility's internal processes and by enforcing a "silence is consent" rule for the approval of the feasibility study for a new connection. And it made trading across borders easier by implementing an electronic single-window system. In addition, Mexico made enforcing contracts easier by creating small claims courts, with oral proceedings, that can hear both civil and commercial cases.

*Areas of business regulatory reform:* Getting electricity, Trading across borders, Enforcing contracts

*DB2014 ease of doing business rank:* 53

*Distance to frontier in 2013 (percentage points):* 70.9 (in 2012: 70.7; improvement: 0.2)

**Nicaragua**

Nicaragua made starting a business easier by merging the procedures for registering with the revenue authority and with the municipality and by reducing the time required for incorporation. In addition, it reduced the time required for getting electricity by increasing efficiency in granting approval of the connection design and by informing the customer in advance what the amount of the security deposit will be.

*Areas of business regulatory reform:* Starting a business, Getting electricity

*DB2014 ease of doing business rank:* 124

*Distance to frontier in 2013 (percentage points):* 58.5 (in 2012: 57.5; improvement: 1.0)

**Panama**

Panama made starting a business easier by eliminating the need to visit the municipality to obtain the municipal taxpayer number. And it made transferring property easier by connecting the land registry with the cadastre. In addition, it strengthened investor protections by increasing the disclosure requirements for publicly held companies. Finally, Panama made paying taxes easier for companies by changing the payment frequency for corporate income taxes from monthly to quarterly and by implementing a new online platform for filing the social security payroll.

*Areas of business regulatory reform:* Starting a business, Registering property, Protecting investors, Paying taxes
Paraguay
Paraguay made paying taxes easier for companies by making electronic filing and payment mandatory for corporate income and value added taxes.
Areas of business regulatory reform: Paying taxes
Paraguay made paying taxes easier for companies by making electronic filing and payment mandatory for corporate income and value added taxes.
Areas of business regulatory reform: Paying taxes

Peru
Peru made paying taxes easier for companies by making electronic filing and payment mandatory for corporate income and value added taxes.
Areas of business regulatory reform: Paying taxes

Puerto Rico (U.S.)
Puerto Rico made paying taxes easier for companies by making electronic filing and payment mandatory for corporate income and value added taxes.
Areas of business regulatory reform: Paying taxes

St. Kitts and Nevis
St. Kitts and Nevis made paying taxes easier for companies by making electronic filing and payment mandatory for corporate income and value added taxes.
Areas of business regulatory reform: Paying taxes

St. Lucia
St. Lucia made trading across borders more difficult by introducing a new export document.
Areas of business regulatory reform: Trading across borders

St. Vincent and the Grenadines
St. Vincent and the Grenadines made trading across borders more difficult by introducing a new export document.
Areas of business regulatory reform: Trading across borders

Suriname
Suriname made starting a business easier by reducing the time required to obtain the president’s approval for the registration of a new company. In addition, it made transferring property easier by increasing administrative efficiency at the land registry.
Areas of business regulatory reform: Starting a business, Registering property

Trinidad and Tobago
Trinidad and Tobago made starting a business easier by merging the statutory declaration of compliance into the standard articles of incorporation form.
Areas of business regulatory reform: Starting a business

Uruguay
Uruguay made trading across borders easier by implementing an electronic customs declaration system.
Areas of business regulatory reform: Trading across borders
**Venezuela, RB**

República Bolivariana de Venezuela improved access to credit information by starting to collect data on firms from financial institutions. On the other hand, it made starting a business more costly by increasing the company registration fees.

*Areas of business regulatory reform:* Getting credit (credit information), Starting a business (making it more difficult)

**DB2014 ease of doing business rank:** 181

**Distance to frontier in 2013 (percentage points):** 40.3 (in 2012: 40.4; improvement: −0.1)

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**About the Doing Business report series**

The joint World Bank and IFC flagship *Doing Business* report analyzes regulations that apply to an economy’s businesses during their life cycle, including start-up and operations, trading across borders, paying taxes, and resolving insolvency. The aggregate ease of doing business rankings are based on 10 indicators and cover 189 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 11th edition of the global *Doing Business* report series and covers 189 economies. For more information about the *Doing Business* reports, please visit doingbusiness.org and join us on doingbusiness.org/Facebook.

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