Europe and Central Asia Second to OECD in Implementing Good Business Regulatory Practices

Washington, D.C., October 29, 2013—A new World Bank Group report finds that the pace of regulatory reform in Europe and Central Asia remains strong, with 19 economies implementing 65 reforms to improve business regulation in the past year.

Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises shows that efforts to strengthen legal institutions and reduce the complexity and cost of regulatory processes have paid off for entrepreneurs in Europe and Central Asia. The region has overtaken East Asia and the Pacific as the second most business-friendly after the high-income economies in the Organization for Economic Co-operation and Development (OECD).

The report finds that since 2009, 92 percent of economies in Europe and Central Asia have improved their process for starting a business, a higher share than in any other region. Thanks to these efforts, today it is the easiest region for business entry, ahead of the OECD high-income economies. In response to the financial crisis, 73 percent of the region’s economies reformed insolvency proceedings over the same period, and 85 percent made it easier to pay taxes.

“Joining the European Union (EU) in 2004 was a great motivator for some economies in the region,” said Augusto Lopez-Claros, Director, Global Indicators and Analysis, World Bank Group. “Our report finds that these economies have continued on a path of comprehensive and ambitious economic and institutional reform even after EU entry, ensuring that they could compete with their more developed high-income partners. Beyond that, the report finds that there is encouraging news across Europe and Central Asia. Of the 20 economies narrowing the gap with better business regulatory practices the most since 2009, nine are in the region: Armenia, Belarus, Georgia, Kosovo, the former Yugoslav Republic of Macedonia, Moldova, Poland, the Russian Federation, and Ukraine.”

The Russian Federation was among the global top 10 improvers in the past year, with reforms in five areas tracked by Doing Business. Builders dealing with the permitting process in Moscow now face fewer delays, more streamlined approvals, and lower fees thanks to the adoption of the national urban planning code and a time limit for registering new buildings.

Poland continues to make regulations more business-friendly and in this year’s report is at 45 in the global ranking of 189 economies on the ease of doing business. In the past year the government simplified business registration and construction permitting.

Croatia improved in five areas. In the area of trading across borders, for example, the government invested in improvements at the port of Rijeka and streamlined export customs procedures in preparation for accession to the EU Common Transit Convention.

Singapore tops the global ranking on the ease of doing business. Joining it on the list of the top 10 economies with the most business-friendly regulations are Hong Kong SAR, China; New Zealand; the United States; Denmark; Malaysia; the Republic of Korea; Georgia; Norway; and the United Kingdom.

In addition to the global rankings, every year Doing Business reports the economies that have improved the most on the indicators since the previous year. The 10 economies topping that list this year are (in order of improvement) Ukraine, Rwanda, the Russian Federation, the Philippines, Kosovo, Djibouti, Côte d’Ivoire, Burundi, the former Yugoslav Republic of Macedonia, and Guatemala. Yet challenges persist: five of this year’s top improvers—Burundi, Côte d’Ivoire, Djibouti, the Philippines, and Ukraine—are still in the bottom half of the global ranking on the ease of doing business.
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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