‘Doing Business’ Research Documents 18 Percent Increase in Business Regulation Reforms, Helping Entrepreneurs; Trend to Reduce Burdens Especially Noticeable In Africa

Washington, D.C., October 29, 2013—Governments around the world significantly stepped up their pace of improving business regulations in 114 economies last year – an 18 percent jump from the previous year – laying the groundwork for local entrepreneurs to expand their work, according to the new World Bank Group publication Doing Business released today. It is the 11th in a series of annual reports on the ease of doing business, and it documented 238 business regulatory reforms worldwide last year.

Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises finds that the pace of business regulatory reform continues to accelerate following the financial crisis of 2008–09. The report says that if economies around the world were to follow best practices in regulatory processes for starting a business, entrepreneurs would spend 45 million fewer days each year satisfying bureaucratic requirements.

“A better business climate that enables entrepreneurs to build their businesses and reinvest in their communities is key to local and global economic growth,” said World Bank Group President Jim Yong Kim. “Doing Business shows that economies with better business regulations are more likely to empower local entrepreneurs to create more jobs – another step in the right direction toward ending extreme poverty by 2030.”

The report finds many countries in Sub-Saharan Africa engaged in reforms aimed at reducing burdensome regulations and building stronger legal institutions. In 2012/13, more than twice as many African economies in the region made reforms, compared to 2005. Out of the 20 economies that have most improved business regulation since 2009, nine are in Sub-Saharan Africa: Benin, Burundi, Côte d’Ivoire, Guinea, Guinea-Bissau, Liberia, Rwanda, Sierra Leone, and Togo.

The high-income economies of the OECD, which have the best performance across most areas measured by Doing Business, focused their reform efforts in the past year on easing business entry and exit and on improving tax administration. Europe and Central Asia continued its strong pace of regulatory reform, with 19 economies implementing 65 reforms. Among the BRICS economies—Brazil, the Russian Federation, India, China, and South Africa -- Russia made the most progress.

As governments in the Middle East and North Africa grapple with political and civil unrest, they continue to face complex challenges in improving the business regulatory environment, the report finds. The Syrian Arab Republic was the economy whose regulatory environment deteriorated the most in 2012/13.

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 regulatory environments are Hong Kong SAR, China; New Zealand; the United States; Denmark; Malaysia; the Republic of Korea; Georgia; Norway; and the United Kingdom.

“There is a clearly discernible process of convergence around the world,” said Augusto Lopez-Claros, Director, Global Indicators and Analysis, World Bank Group. “The economies with the most costly and complex procedures and the weakest institutions are gradually adopting some of the regulatory practices seen in the better performers, and this is leading to a process of catching up across many of the dimensions captured by the Doing Business indicators.”
Since 2005, the report finds, some economies have emerged as regional champions in regulatory reform efforts — for example, China for the East Asia and the Pacific region, Colombia for Latin America and the Caribbean, Rwanda for Sub-Saharan Africa, and Poland for OECD high-income economies.

In addition to the global rankings, every year Doing Business reports the economies that have improved the most on the indicators measured 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.

Doing Business collected data for the first time this year in four economies: Libya, Myanmar, San Marino and South Sudan.

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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