

La Rioja, Madrid and Navarre are best places for doing business in Spain, WBG report finds

MADRID, September 29, 2015 – La Rioja, the Community of Madrid and Navarre are the best places in Spain for doing business, says the World Bank Group's *Doing Business in Spain* report, released today.

But other locations in the country also do well on one or more measures of doing business, as large variations in time, cost and regulatory requirements exist in the 17 regions and 2 autonomous cities covered by the report.

Doing Business in Spain, the first of its kind, examines business regulations affecting domestic firms across four indicators: starting a business, dealing with construction permits, getting electricity and registering property.

While La Rioja, Community of Madrid and Navarre topping the aggregate ranking across the four indicators, it is easier to start a business in Andalusia, due to the absence of municipal fees in Seville and the widespread use of an online start-up platform.

Obtaining a permit to build a warehouse is most efficient in La Rioja where the Municipality of Logroño issues a building permit in just six weeks and at a lower cost than other regions.

But it is easier to get an electricity connection for a warehouse in Catalonia where no approvals are required from professional associations and new connections are subject to a simplified approval process.

Transferring property is easier in Ceuta and Melilla where a special tax regime keeps transfer tax rates low.

The report also compares the ease of importing and exporting through five ports: Algeciras, Barcelona, Bilbao, Valencia and Vigo. Although these ports have similar levels of efficiency as others in the EU, Algeciras, Barcelona and Valencia also benefit from automated systems that speed the entry and exit for containers from the terminal.

However, when compared with its neighbors in the European Union (EU), the cost of doing business is higher in Spain. The average cost of getting a construction permit in Spain, for example, is more than twice that of the EU and for getting electricity and registering property 75% higher. But cost is not the only area where Spain lags behind. Starting a business in Spain, for instance, takes almost twice the number of procedures and nearly 50 percent more time than the EU average.

"From the entrepreneur's point of view, it doesn't matter whether a specific government requirement is municipal, regional or central. What matters is whether it is easy or difficult to comply with," said **Augusto Lopez-Claros, Director of the World Bank's Global Indicators Group**, which produced the report. *"Close coordination between the different levels of government and institutions is essential to reduce red tape for small and medium-size firms at all levels."*

Learning from good local and global practices could encourage governments at all levels (central, regional and municipal) to be more ambitious in modernizing the regulatory framework—not just incrementally, but boldly, with comprehensive measures. That could strengthen the business environment, promote higher productivity and competitiveness, and help address unemployment and inequality.

Doing Business in Spain was carried out by the World Bank at the request of the Ministry of Economy and Competitiveness of Spain and financed by ICEX Spain Trade and Investment with support from the European Regional Development Fund of the European Union.

For more information or to access the report, please visit: www.doingbusiness.org/Spain
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About Subnational Doing Business

Subnational Doing Business reports use the same methodology as the global Doing Business report, to identify differences in regulation or in the implementation of national regulations among different locations within an economy. Subnational Doing Business projects are undertaken at the request of a government.

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