Doing Business in the Arab World 2010

COMPARING REGULATION IN 20 ECONOMIES

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THE WORLD BANK

IFC International Finance Corporation
World Bank Group

In partnership with the Abu Dhabi Department of Economic Development, the Arab Monetary Fund and USAID

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ABU DHABI DEPARTMENT OF ECONOMIC DEVELOPMENT

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Copies of the *Doing Business* global reports, *Doing Business 2010: Reforming through Difficult Times, Doing Business 2009, Doing Business 2008, Doing Business 2007: How to Reform, Doing Business in 2006: Creating Jobs, Doing Business in 2005: Removing Obstacles to Growth* and *Doing Business in 2004: Understanding Regulations,* may be purchased at www.doingbusiness.org.

Contents

Doing Business in the Arab World 2010 is a regional report that draws on the global *Doing Business* project and its database as well as the findings of *Doing Business 2010: Reforming through Difficult Times,* the seventh in a series of annual reports investigating regulations that enhance business activity and those that constrain it.

Doing Business presents quantitative indicators on business regulations and the protection of property rights that can be compared across 183 economies—from Afghanistan to Zimbabwe—over time. This report presents a summary of *Doing Business* indicators for the Arab world. It focuses on 20 Arab economies: Algeria, Bahrain, Comoros, Djibouti, the Arab Republic of Egypt, Iraq, Jordan, Kuwait, Lebanon, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Sudan, the Syrian Arab Republic, Tunisia, the United Arab Emirates, West Bank and Gaza and the Republic of Yemen.

Doing Business measures regulations affecting 10 stages of the life of a business: starting a business, dealing with construction permits, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business. The indicators are used to analyze economic outcomes and identify what reforms have worked, where and why. *Doing Business* does not directly study other areas important to business, such as an economy's proximity to large markets, the quality of its infrastructure services (other than those related to trading across borders), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions or the underlying strength of institutions. For other limitations in the *Doing Business* methodology, see the *Doing Business* website (http://doingbusiness.org).

Data in *Doing Business 2010* are current as of June 1, 2009.

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About Doing Business

In 1664 William Petty, an adviser to England's Charles II, compiled the first known national accounts. He made 4 entries. On the expense side, "food, housing, clothes and all other necessaries" were estimated at £40 million. National income was split among 3 sources: £8 million from land, £7 million from other personal estates and £25 million from labor income.

In later centuries estimates of country income, expenditure and material inputs and outputs became more abundant. But it was not until the 1940s that a systematic framework was developed for measuring national income and expenditure, under the direction of British economist John Maynard Keynes. As the methodology became an international standard, comparisons of countries' financial positions became possible. Today the macroeconomic indicators in national accounts are standard in every country.

Governments committed to the economic health of their country and opportunities for its citizens now focus on more than macroeconomic conditions. They also pay attention to the laws, regulations and institutional arrangements that shape daily economic activity.

The global financial crisis has renewed interest in good rules and regulation. In times of recession, effective business regulation and institutions can support economic adjustment. Easy entry and exit of firms, and flexibility in redeploying resources, make it easier to stop doing things for which demand has weakened and to start doing new things. Clarification of property rights and strengthening of market infrastructure (such as credit information and collateral systems) can contribute to confidence as investors and entrepreneurs look to rebuild.

Until very recently, however, there were no globally available indicator sets for monitoring such microeconomic factors and analyzing their relevance. The first efforts, in the 1980s, drew on perceptions data from expert or business surveys. Such surveys are useful gauges of economic and policy conditions. But their reliance on perceptions and their incomplete coverage of poor countries constrain their usefulness for analysis.

The *Doing Business* project, launched 8 years ago, goes one step further. It looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle. *Doing Business* and the standard cost model initially developed and applied in the Netherlands are, for the present, the only standard tools used across a broad range of jurisdictions to measure the impact of government rule-making on business activity.[1]

The first *Doing Business* report, published in 2003, covered 5 indicator sets in 133 economies. This year's report covers 10 indicator sets in 183 economies. The project has benefited from feedback from governments, academics, practitioners and reviewers.[2] The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business.

WHAT DOING BUSINESS COVERS

Doing Business provides a quantitative measure of regulations for starting a business, dealing with construction permits, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business—as they apply to domestic small and medium-size enterprises.

A fundamental premise of *Doing Business* is that economic activity requires good rules. These include rules that establish and clarify property rights and reduce the costs of resolving disputes, rules that increase the predictability of economic interactions and rules that provide contractual partners with core protections against abuse. The objective: regulations designed to be efficient, to be accessible to all who need to use them and to be simple in their implementation. Accordingly, some *Doing Business* indicators give a higher score for more regulation, such as stricter disclosure requirements in related-party transactions. Some give a higher score for a simplified way of implementing existing regulation, such as completing business start-up formalities in a one-stop shop.

The *Doing Business* project encompasses 2 types of data. The first come from readings of laws and regulations. The second are time and motion indicators that measure the efficiency in achieving a regulatory goal (such as granting the legal identity of a business). Within the time and motion indicators, cost estimates are recorded from official fee schedules where applicable. Here, *Doing Business* builds on Hernando de Soto's pioneering work in applying the time and motion approach first used by Frederick Taylor to revolutionize the production of the Model T Ford. De Soto used the approach in the 1980s to show the obstacles to setting up a garment factory on the outskirts of Lima.[3]

WHAT DOING BUSINESS DOES NOT COVER

Just as important as knowing what *Doing Business* does is to know what it does not do—to understand what limitations must be kept in mind in interpreting the data.

LIMITED IN SCOPE

Doing Business focuses on 10 topics, with the specific aim of measuring the regulation and red tape relevant to the life cycle of a domestic small to medium-size firm. Accordingly:

- *Doing Business* does not measure all aspects of the business environment that matter to firms or investors—or all factors that affect competitiveness. It does not, for example, measure security, macroeconomic stability, corruption, the labor skills of the population, the underlying strength of institutions or the quality of infrastructure.[4] Nor does it focus on regulations specific to foreign investment.
- *Doing Business* does not assess the strength of the financial system or financial market regulations, both important factors in understanding some of the underlying causes of the global financial crisis.
- *Doing Business* does not cover all regulations, or all regulatory goals, in any economy. As economies and technology advance, more areas of economic activity are being regulated. For example, the European Union's body of laws *(acquis)* has now grown to no fewer than 14,500 rule sets. *Doing Business* measures just 10 phases of a company's life cycle, through 10 specific sets of indicators. The indicator sets also do not cover all aspects of regulation in a particular area. For example, the indicators on starting a business or protecting investors do not cover all aspects of commercial legislation. The employing workers indicators do not cover all aspects of labor regulation. Measures for regulations addressing safety at work or right of collective bargaining, for example, are not included in the current indicator set.

BASED ON STANDARDIZED CASE SCENARIOS

Doing Business indicators are built on the basis of standardized case scenarios with specific assumptions, such as the business being located in the largest business city of the economy. Economic indicators commonly make limiting assumptions of this kind. Inflation statistics, for example, are often based on prices of consumer goods in a few urban areas.

Such assumptions allow global coverage and enhance comparability. But they come at the expense of generality. Business regulation and its enforcement, particularly in federal states and large economies, differ across the country. And of course the challenges and opportunities of the largest business city—whether Mumbai or São Paulo, Nuku'alofa or Nassau—vary greatly across countries. Recognizing governments' interest in such variation, *Doing Business* has complemented its global indicators with subnational studies in such countries as Brazil, China, Colombia, the Arab Republic of Egypt, India, Kenya, Mexico, Morocco, Nigeria and the Philippines.[5]

In areas where regulation is complex and highly differentiated, the standardized case used to construct the *Doing Business* indicator needs to be carefully defined. Where relevant, the standardized case assumes a limited liability company. This choice is in part empirical: private, limited liability companies are the most prevalent business form in most economies around the world. The choice also reflects one focus of *Doing Business*: expanding opportunities for entrepreneurship. Investors are encouraged to venture into business when potential losses are limited to their capital participation.

FOCUSED ON THE FORMAL SECTOR

In constructing the indicators, *Doing Business* assumes that entrepreneurs are knowledgeable about all regulations in place and comply with them. In practice, entrepreneurs may spend considerable time finding out where to go and what documents to submit. Or they may avoid legally required procedures altogether—by not registering for social security, for example.

Where regulation is particularly onerous, levels of informality are higher. Informality comes at a cost: firms in the informal sector typically grow more slowly, have poorer access to credit and employ fewer workers—and their workers remain outside the protections of labor law.[6] *Doing Business* measures one set of factors that help explain the occurrence of informality and give policy makers insights into potential areas of reform. Gaining a fuller understanding of the broader business environment, and a broader perspective on policy challenges, requires combining insights from *Doing Business* with data from other sources, such as the World Bank Enterprise Surveys.[7]

WHY THIS FOCUS

Doing Business functions as a kind of cholesterol test for the regulatory environment for domestic businesses. A cholesterol test does not tell us everything about the state of our health. But it does measure something important for our health. And it puts us on watch to change behaviors in ways that will improve not only our cholesterol rating but also our overall health.

One way to test whether *Doing Business* serves as a proxy for the broader business environment and for competitiveness is to look at correlations between the *Doing Business* rankings and other major economic benchmarks. The indicator set closest to *Doing Business* in what it measures is the Organisation for Economic Co-operation and Development's indicators of product market regulation; the correlation here is 0.75. The World Economic Forum's Global Competitiveness Index and IMD's *World Competitiveness Yearbook* are broader in scope, but these too are strongly correlated with *Doing Business* (0.79 and 0.72, respectively). These correlations suggest that where peace and macroeconomic stability are present, domestic business regulation makes an important difference in economic competitiveness.

A bigger question is whether the issues on which *Doing Business* focuses matter for development and poverty reduction. The World Bank study *Voices of the Poor* asked 60,000 poor people around the world how they thought they might escape poverty.[8] The answers were unequivocal: women and men alike pin their hopes above all on income from their own business or wages earned in employment. Enabling growth—and ensuring that poor people can participate in its benefits—requires an environment where new entrants with drive and good ideas, regardless of their gender or ethnic origin, can get started in business and where good firms can invest and grow, generating more jobs.

Small and medium-size enterprises are key drivers of competition, growth and job creation, particularly in developing countries. But in these economies up to 80% of economic activity takes place in the informal sector. Firms may be prevented from entering the formal sector by excessive bureaucracy and regulation.

Where regulation is burdensome and competition limited, success tends to depend more on whom you know than on what you can do. But where regulation is transparent, efficient and implemented in a simple way, it becomes easier for any aspiring entrepreneurs, regardless of their connections, to operate within the rule of law and to benefit from the opportunities and protections that the law provides.

In this sense *Doing Business* values good rules as a key to social inclusion. It also provides a basis for studying effects of regulations and their application. For example, *Doing Business 2004* found that faster contract enforcement was associated with perceptions of greater judicial fairness—suggesting that justice delayed is justice denied.[9]

In the current global crisis policy makers face particular challenges. Both developed and developing economies are seeing the impact of the financial crisis flowing through to the real economy, with rising unemployment and income loss. The foremost challenge for many governments is to create new jobs and economic opportunities. But many have limited fiscal space for publicly funded activities such as infrastructure investment or for the provision of publicly funded safety nets and social services. Reforms aimed at creating a better investment climate, including reforms of business regulation, can be beneficial for several reasons. Flexible regulation and effective institutions, including efficient processes for starting a business and efficient insolvency or bankruptcy systems, can facilitate reallocation of labor and capital. And regulatory institutions and processes that are streamlined and accessible can help ensure that, as businesses rebuild, barriers between the informal and formal sectors are lowered, creating more opportunities for the poor.

DOING BUSINESS AS A BENCHMARKING EXERCISE

Doing Business, in capturing some key dimensions of regulatory regimes, has been found useful for benchmarking. Any benchmarking—for individuals, firms or economies—is necessarily partial: it is valid and useful if it helps sharpen judgment, less so if it substitutes for judgment.

Doing Business provides 2 takes on the data it collects: it presents "absolute" indicators for each economy for each of the 10 regulatory topics it addresses, and it provides rankings of economies, both by indicator and in aggregate. Judgment is required in interpreting these measures for any economy and in determining a sensible and politically feasible path for reform.

Reviewing the *Doing Business* rankings in isolation may show unexpected results. Some economies may rank unexpectedly high on some indicators. And some economies that have had rapid growth or attracted a great deal of investment may rank lower than others that appear to be less dynamic.

But for reform-minded governments, how much their indicators improve matters more than their absolute ranking. As economies develop, they strengthen and add to regulations to protect investor and property rights. Meanwhile, they find more efficient ways to implement existing regulations and cut outdated ones. One finding of *Doing Business*: dynamic and growing economies continually reform and update their regulations and their way of implementing them, while many poor economies still work with regulatory systems dating to the late 1800s.

DOING BUSINESS— A USER'S GUIDE

Quantitative data and benchmarking can be useful in stimulating debate about policy, both by exposing potential challenges and by identifying where policy makers might look for lessons and good practices. These data also provide a basis for analyzing how different policy approaches—and different policy reforms—contribute to desired outcomes such as competitiveness, growth and greater employment and incomes.

Seven years of *Doing Business* data have enabled a growing body of research on how performance on *Doing Business* indicators—and reforms relevant to those indicators—relate to desired social and economic outcomes. Some 405 articles have been published in peer-reviewed academic journals, and about 1,143 working papers are available through Google Scholar.[10] Among the findings:

- Lower barriers to start-up are associated with a smaller informal sector.[11]
- Lower costs of entry encourage entrepreneurship, enhance firm productivity and reduce corruption.[12]
- Simpler start-up translates into greater employment opportunities.[13]

How do governments use *Doing Business*? A common first reaction is to doubt the quality and relevance of the *Doing Business* data. Yet the debate typically proceeds to a deeper discussion exploring the relevance of the data to the economy and areas where reform might make sense.

Most reformers start out by seeking examples, and *Doing Business* helps in this. For example, Saudi Arabia used the company law of France as a model for revising its own. Many countries in Africa look to Mauritius—the region's strongest performer on *Doing Business* indicators—as a source of good practices for reform. In the words of Luis Guillermo Plata, the minister of commerce, industry and tourism of Colombia,

It's not like baking a cake where you follow the recipe. No. We are all different. But we can take certain things, certain key lessons, and apply those lessons and see how they work in our environment.

Over the past 7 years there has been much activity by governments in reforming the regulatory environment for domestic businesses. Most reforms relating to *Doing Business* topics were nested in broader programs of reform aimed at enhancing economic competitiveness. In structuring their reform programs, governments use multiple data sources and indicators. And reformers respond to many stakeholders and interest groups, all of whom bring important issues and concerns into the reform debate.

World Bank support to these reform processes is designed to encourage critical use of the data, sharpening judgment and avoiding a narrow focus on improving *Doing Business* rankings.

METHODOLOGY AND DATA

Doing Business covers 183 economies—including small economies and some of the poorest countries, for which little or no data are available in other data sets. The *Doing Business* data are based on domestic laws and regulations as well as administrative requirements. (For a detailed explanation of the methodology, see the *Doing Business* website.)

INFORMATION SOURCES FOR THE DATA

Most of the indicators are based on laws and regulations. In addition, most of the cost indicators are backed by official fee schedules. *Doing Business* respondents both fill out written surveys and provide references to the relevant laws, regulations and fee schedules, aiding data checking and quality assurance.

For some indicators part of the cost component (where fee schedules are lacking) and the time component are based on actual practice rather than the law on the books. This introduces a degree of subjectivity. The *Doing Business* approach has therefore been to work with legal practitioners or professionals who regularly undertake the transactions involved. Following the standard methodological approach for time and motion studies, *Doing Business* breaks down each process or transaction, such as starting and legally operating a business, into separate steps to ensure a better estimate of time. The time estimate for each step is given by practitioners with significant and routine experience in the transaction.

Over the past 7 years more than 11,000 professionals in 183 economies have assisted in providing the data that inform the *Doing Business* indicators. This year's report draws on the inputs of more than 8,000 professionals. The *Doing Business* website indicates the number of respondents per economy and per indicator. Respondents are professionals or government officials who routinely administer or advise on the legal and regulatory requirements covered in each *Doing Business* topic. Because of the focus on legal and regulatory arrangements, most of the respondents are lawyers. The credit information survey is answered by officials of the credit registry or bureau. Freight forwarders, accountants, architects and other professionals answer the surveys related to trading across borders, taxes and construction permits.

The *Doing Business* approach to data collection contrasts with that of enterprise or firm surveys, which capture often one-time perceptions and experiences of businesses. A corporate lawyer registering 100–150 businesses a year will be more familiar with the process than an entrepreneur, who will register a business only once or maybe twice. A bankruptcy judge deciding dozens of cases a year will have more insight into bankruptcy than a company that may undergo the process.

DEVELOPMENT OF THE METHODOLOGY

The methodology for calculating each indicator is transparent, objective and easily replicable. Leading academics collaborate in the development of the indicators, ensuring academic rigor. Seven of the background papers underlying the indicators have been published in leading economic journals. One is at an advanced stage of publication.

Doing Business uses a simple averaging approach for weighting subindicators and calculating rankings. Other approaches were explored, including using principal components and unobserved components. The principal components and unobserved components approaches turn out to yield results nearly identical to those of simple averaging. The tests show that each set of indicators provides new information. The simple averaging approach is therefore robust to such tests.

IMPROVEMENTS TO THE METHODOLOGY AND DATA REVISIONS

The methodology has undergone continual improvement over the years. Changes have been made mainly in response to country suggestions. For enforcing contracts, for example, the amount of the disputed claim in the case study was increased from 50% to 200% of income per capita after the first year of data collection, as it became clear that smaller claims were unlikely to go to court.

Another change relates to starting a business. The minimum capital requirement can be an obstacle for potential entrepreneurs. Initially, *Doing Business* measured the required minimum capital regardless of whether it had to be paid up front or not. In many economies only part of the minimum capital has to be paid up front. To reflect the actual potential barrier to entry, the paid-in minimum capital has been used since 2004.

This year's report includes changes in the core methodology for one set of indicators, those on employing workers. The assumption for the standardized case study was changed to refer to a small to medium-size company with 60 employees rather than 201. The scope of the question on night and weekly holiday work has been limited to manufacturing activities in which continuous operation is economically necessary. Legally mandated wage premiums for night and weekly holiday work up to a threshold are no longer considered a restriction. In addition, the calculation of the minimum wage ratio was modified to ensure that an economy would not benefit in the scoring from lowering the minimum wage to below $1.25 a day, adjusted for purchasing power parity. This level is consistent with recent adjustments to the absolute poverty line. Finally, the calculation of the redundancy cost was adjusted so that having severance payments or unemployment protections below a certain threshold does not mean a better score for an economy.

All changes in methodology are explained on the *Doing Business* website. In addition, historical data for each indicator and economy are available on the website, beginning with the first year the indicator or economy was included in the report. To provide a comparable time series for research, the data set is back-calculated to adjust for changes in methodology and any revisions in data due to corrections. The website also makes available all original data sets used for background papers.

Information on data corrections is provided on the website. A transparent complaint procedure allows anyone to challenge the data. If errors are confirmed after a data verification process, they are expeditiously corrected.

NEW THIS YEAR

This year's *Doing Business* report presents initial findings in 2 new areas: the ease of obtaining an electricity connection and the level of adoption in national legislation of aspects of the International Labour Organization's (ILO) core labor standards on child labor. Neither of these pilot indicator sets is included in the *Doing Business* rankings.

PILOT INDICATORS ON GETTING ELECTRICITY

Where the quality and accessibility of infrastructure services are poor, companies' productivity and growth suffer. According to firm surveys in 89 economies, electricity was one of the biggest constraints to their business.[14] The *Doing Business* pilot data set on getting electricity is the first to compare distribution utilities around the world on how efficiently they respond to customer requests for connections.

The pilot indicators track the process a standardized local private business goes through in obtaining an electricity connection. By applying its methodology to electricity provision, *Doing Business* aims to illustrate some of the real implications of weak infrastructure services for entrepreneurs. The indicators complement existing data that focus on generation capacity, consumption prices and the reliability of electricity supply.[15] And they allow further investigation of the effects of the process of getting an electricity connection on economic outcomes.

WORKER PROTECTION

The ILO core labor standards consist of freedom of association and recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the abolition of child labor and equitable treatment in employment practices. The *Doing Business* indicators on employing workers are consistent with these core labor standards but do not measure compliance with them. To complement these indicators, *Doing Business* has launched research on the adoption of core labor standards in national legislation.

The initial research focuses on the national implementation of minimum age provisions included in 2 ILO conventions on child labor: Convention 138, on the minimum age for admission to employment (1973), and Convention 182, on the worst forms of child labor (1999).

This year's report presents initial findings on 102 countries. For each country *Doing Business* examined whether national laws follow the minimum age threshold for general access to employment (14 or 15 years, depending on the development of the country's economy and educational facilities), for hazardous work (18 years) and for light work (12 or 13 years, depending on the development of the country's economy and educational facilities).

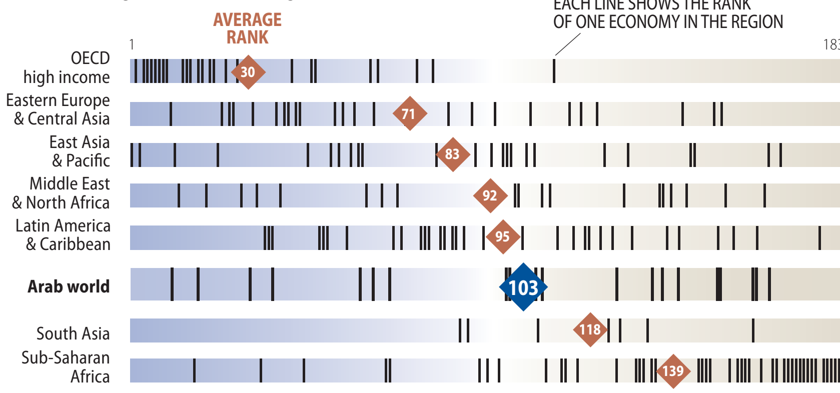
In the future the research will expand to more economies and to more areas covered by the core labor standards. On the basis of this, *Doing Business* plans to develop a worker protection indicator, a process that will benefit from the advice of a consultative group with broad representation of stakeholders. The ILO, which has leadership on the core labor standards, will serve as an essential source of guidance in this process. While this process is ongoing, the employing workers indicators have been removed as a guidepost in the World Bank Country Policy and Institutional Assessment (CPIA) questionnaire and Bank Group staff have been instructed not to use the indicators as a basis for policy advice or for evaluating country development programs or assistance strategies.

1. The standard cost model is a quantitative methodology for determining the administrative burdens that regulation imposes on businesses. The method can be used to measure the effect of a single law or of selected areas of legislation or to perform a baseline measurement of all legislation in a country.
2. This included a review by the World Bank Independent Evaluation Group (2008).
3. De Soto (2000).
4. The indicators related to trading across borders and dealing with construction permits and the pilot indicators on getting electricity take into account limited aspects of an economy's infrastructure, including the inland transport of goods and utility connections for businesses.
5. http://subnational.doingbusiness.org.
6. Schneider (2005).
7. http://www.enterprisesurveys.org.
8. Narayan and others (2000).

9. World Bank (2003).
10. http://scholar.google.com.
11. For example, Masatlioglu and Rigolini (2008), Kaplan, Piedra and Seira (2008), Ardagna and Lusagi (2009) and Djankov and others (forthcoming).
12. For example, Alesina and others (2005), Perotti and Volpin (2004), Klapper, Laeven and Rajan (2006), Fisman and Sarria-Allende (2004), Antunes and Cavalcanti (2007), Barseghyan (2008), Djankov and others (forthcoming) and Klapper, Lewin and Quesada Delgado (2009).
13. For example, Freund and Bolaky (2008), Chang, Kaltani and Loayza (2009) and Helpman, Melitz and Rubinstein (2008).
14. According to World Bank Enterprise Survey data for the 89 economies, 15.6% of managers consider electricity the most serious constraint, while a similar share (15.7%) consider access to finance the most serious constraint (http://www.enterprisesurveys.org).
15. See, for example, data of the International Energy Agency or the World Bank Enterprise Surveys (http://www.enterprisesurveys.org).

Overview

FIGURE 1.1
Where do Arab economies rank on business-friendly regulations?
DB2010 ranking on the ease of doing business (1–183)



Source: Doing Business database.

The past year was a tough one for doing business. Firms around the world had to cope with the effects of a financial crisis that started in rich economies but led to a global economic downturn. Access to finance became more difficult. Demand for many products fell in domestic and international markets, and trade slowed globally. Policy makers and governments also faced big challenges—from stabilizing the financial sector and restoring confidence and trust to countering rising unemployment and providing necessary safety nets as an estimated 50 million people risked losing their jobs as a result of the crisis.[1] And all this in the face of rising public debt as fiscal stimulus packages collided with tightening fiscal revenues.

Despite the many challenges, in 2008/09 more governments implemented regulatory reforms aimed at making it easier to do business than in any year since 2004, when *Doing Business* started to track reforms through its indicators. *Doing Business* recorded 287 such reforms in 131 economies, including 16 economies in the Arab world, between June 2008 and May 2009. Reformers in the Arab world focused on making it easier to start and operate a business, deal with construction permits and trade across borders and on improving the efficiency of commercial dispute resolution.

Reforming business regulation on its own is not a recipe for recovery from financial or economic distress. Many other factors come into play. The *Doing Business* indicators do not assess market regulation or the strength of the financial infrastructure, both important factors in understanding some of the underlying causes of the global financial crisis. Nor do they account for other factors important for business at any time, such as macroeconomic conditions, infrastructure, workforce skills or security.

But the regulatory environment for businesses can influence how well firms cope with the crisis and are able to seize opportunities when recovery begins. Where business regulation is transparent and efficient, it is easier for firms to reorient themselves and for new firms to start up. Efficient court and bankruptcy procedures help ensure that assets can be reallocated quickly. And strong property rights and investor protections can help establish the basis for trust when investors start investing again.

Recognizing the importance of firms—especially small and medium-size enterprises—for creating jobs and revenue, some governments, including those of China, the Republic of Korea, Malaysia and the Russian Federation, have included reforms of business regulation in their economic recovery plans. But most reforms recorded in 2008/09 were part of longer-term efforts to increase competitiveness and encourage firm and job creation by improving the regulatory environment for businesses. And most took place in developing economies.

DEVELOPING ECONOMIES SET A FAST PACE

Low- and lower-middle-income economies accounted for two-thirds of reforms recorded by *Doing Business* in 2008/09, continuing a trend that started 3 years ago. Indeed, three-quarters of such economies covered by *Doing Business* reformed. And for the first time a Sub-Saharan African economy, Rwanda, led the world in *Doing Business* reforms.

Such reforms are as timely as ever. Many firms in developing economies have been affected by lower demand for their exports and a drop in capital flows and remittances. At the same time businesses in low-income economies on average still face more than twice the regulatory burden that their counterparts in high-income economies do when starting a business, transferring property, filing taxes or resolving a commercial dispute through the courts. Only 2% of adults on average have a credit history in low-income economies, compared with 52% of adults in high-income economies. Developed economies have on average 10 times as many newly registered firms per adult as the Middle East—and a business density 4 times that in developing economies.[2]

Regulatory burdens can push firms—and employment—into the informal sector. There, firms are not registered, do not pay taxes and have limited access to formal credit and institutions—

TABLE 1.1
Rankings on the ease of doing business

AW RANK	2010 RANK	ECONOMY
	1	Singapore
	2	New Zealand
	3	Hong Kong, China
	4	United States
	5	United Kingdom
	6	Denmark
	7	Ireland
	8	Canada
	9	Australia
	10	Norway
	11	Georgia
	12	Thailand
1	13	Saudi Arabia
	14	Iceland
	15	Japan
	16	Finland
	17	Mauritius
	18	Sweden
	19	Korea, Rep.
2	20	Bahrain
	21	Switzerland
	22	Belgium
	23	Malaysia
	24	Estonia
	25	Germany
	26	Lithuania
	27	Latvia
	28	Austria
	29	Israel
	30	Netherlands
	31	France
	32	Macedonia, FYR
3	33	United Arab Emirates
	34	South Africa
	35	Puerto Rico
	36	St. Lucia
	37	Colombia
	38	Azerbaijan
4	39	Qatar
	40	Cyprus
	41	Kyrgyz Republic
	42	Slovak Republic
	43	Armenia
	44	Bulgaria
	45	Botswana
	46	Taiwan, China
	47	Hungary
	48	Portugal
	49	Chile
	50	Antigua and Barbuda
	51	Mexico
	52	Tonga
	53	Slovenia
	54	Fiji
	55	Romania
	56	Peru
	57	Samoa
	58	Belarus
	59	Vanuatu
	60	Mongolia
5	61	Kuwait

AW RANK	2010 RANK	ECONOMY
	62	Spain
	63	Kazakhstan
	64	Luxembourg
6	65	Oman
	66	Namibia
	67	Rwanda
	68	Bahamas, The
7	69	Tunisia
	70	St. Vincent and the Grenadines
	71	Montenegro
	72	Poland
	73	Turkey
	74	Czech Republic
	75	Jamaica
	76	St. Kitts and Nevis
	77	Panama
	78	Italy
	79	Kiribati
	80	Belize
	81	Trinidad and Tobago
	82	Albania
	83	Dominica
	84	El Salvador
	85	Pakistan
	86	Dominican Republic
	87	Maldives
	88	Serbia
	89	China
	90	Zambia
	91	Grenada
	92	Ghana
	93	Vietnam
	94	Moldova
	95	Kenya
	96	Brunei Darussalam
	97	Palau
	98	Marshall Islands
8	99	Yemen, Rep.
9	100	Jordan
	101	Guyana
	102	Papua New Guinea
	103	Croatia
	104	Solomon Islands
	105	Sri Lanka
10	106	Egypt, Arab Rep.
	107	Ethiopia
11	108	Lebanon
	109	Greece
	110	Guatemala
	111	Seychelles
	112	Uganda
	113	Kosovo
	114	Uruguay
	115	Swaziland
	116	Bosnia and Herzegovina
	117	Nicaragua
	118	Argentina
	119	Bangladesh
	120	Russian Federation
	121	Costa Rica
	122	Indonesia

AW RANK	2010 RANK	ECONOMY
	123	Nepal
	124	Paraguay
	125	Nigeria
	126	Bhutan
	127	Micronesia, Fed. Sts.
12	128	Morocco
	129	Brazil
	130	Lesotho
	131	Tanzania
	132	Malawi
	133	India
	134	Madagascar
	135	Mozambique
13	136	Algeria
	137	Iran, Islamic Rep.
	138	Ecuador
14	139	West Bank and Gaza
	140	Gambia, The
	141	Honduras
	142	Ukraine
15	143	Syrian Arab Republic
	144	Philippines
	145	Cambodia
	146	Cape Verde
	147	Burkina Faso
	148	Sierra Leone
	149	Liberia
	150	Uzbekistan
	151	Haiti
	152	Tajikistan
16	153	Iraq
17	154	Sudan
	155	Suriname
	156	Mali
	157	Senegal
	158	Gabon
	159	Zimbabwe
	160	Afghanistan
	161	Bolivia
18	162	Comoros
19	163	Djibouti
	164	Timor-Leste
	165	Togo
20	166	Mauritania
	167	Lao PDR
	168	Côte d'Ivoire
	169	Angola
	170	Equatorial Guinea
	171	Cameroon
	172	Benin
	173	Guinea
	174	Niger
	175	Eritrea
	176	Burundi
	177	Venezuela, R.B.
	178	Chad
	179	Congo, Rep.
	180	São Tomé and Principe
	181	Guinea-Bissau
	182	Congo, Dem. Rep.
	183	Central African Republic

Note: The rankings for all economies are benchmarked to June 2009. Rankings on the ease of doing business are the average of the economy's rankings on the 10 topics covered in *Doing Business 2010*.

Source: Doing Business database.

and workers do not benefit from the protections that the law provides. The global crisis is expected to further increase informal activity. Almost two-thirds of the world's workers are already estimated to be employed in the informal sector.[3] Most are in low- and lower-middle-income economies. And a disproportionate share are from already vulnerable groups, such as youth and women.[4]

Most *Doing Business* reforms in developing economies still focus on cutting red tape and simplifying bureaucratic formalities. Over the past 6 years 80% of reforms in low- and lower-middle-income economies were aimed at reducing the administrative burden for firms, mostly by easing business start-up and trade. This makes sense and addresses important needs. When informal firms were asked in 2008 about obstacles to formally registering their business, 67% in Côte d'Ivoire and 57% in Madagascar cited registration fees as a major or very severe obstacle.[5]

In easing business start-up and trade, much can be achieved through cost-effective administrative reforms. The one-stop shop for starting a business in Burkina Faso cost $200,000. Azerbaijan's cost $5 million. And the costs are far outweighed by the estimated savings for businesses—estimated at $1.7 million a year in Burkina Faso, $8.4 million in Azerbaijan. Efficient systems also facilitate enforcement, a particular challenge in many developing economies where resources are scarce. Risk-based inspection systems at customs or in the construction sector allow public officials to focus their resources and attention where they are most needed.

INSPIRED BY NEIGHBORS, REFORMERS PICK UP THE PACE

In 2008/09 *Doing Business* reforms picked up around the world, with at least 60% of economies reforming in every region. Reformers were particularly active in 2 regions, Eastern Europe and Central Asia and the Middle East and North Africa. In both, competition among neighbors played a part in motivating reforms. Sixteen of 20 economies in the Arab world implemented 38 reforms in the areas measured, up from 31 reforms in the previous year. The United Arab Emirates and the Arab Republic of Egypt were among the most active reformers. Both rank among the top 10 global *Doing Business* reformers in 2008/09, Egypt for the fourth time. Other active reformers include Jordan, the Republic of Yemen and Algeria.

In recent years economies in the region have increasingly picked up reform practices from one another. Economies such as Egypt, Jordan, Morocco, Saudi Arabia, the Syrian Arab Republic and the Republic of Yemen set broad-based reform targets, often spurred by reform successes in neighboring economies and others. One focus of reform: the minimum capital requirement for starting a limited liability company. Eight economies in the region have reduced or eliminated the minimum capital requirement since 2005. Five of these used to have among the highest such requirements in the world—up to the equivalent of $120,000. The United Arab Emirates was among the economies abolishing the minimum capital requirement in 2008/09, perhaps inspired by the example of Egypt, Saudi Arabia, Tunisia and the Republic of Yemen.

Other barriers to entry were also lowered. One-stop shops are now operational in Egypt, Jordan, Morocco, Saudi Arabia, Tunisia, the United Arab Emirates and the Republic of Yemen. And the results show. In Egypt in 2005, starting a limited liability company took 13 procedures, more than a month and paid-in minimum capital of 8 times income per capita. Today it takes a week, with no minimum capital requirement. Reforms in Egypt, Saudi Arabia and the Republic of Yemen were followed by an increase in the number of registered limited liability companies. In Egypt limited liability companies accounted for 30% of the companies registered in 2008, up from less than 19% just 2 years before.

Reforms also intensified in other areas in 2008/09. Six economies simplified formalities related to construction permits, more than in the previous 5 years combined. Morocco launched a state-of-the-art private credit bureau. Jordan, Kuwait, Tunisia and the Republic of Yemen reformed customs and implemented electronic systems to speed trade. Court reforms, an area where the region has lagged, took place in Algeria, Egypt and Jordan—and more reforms are under way in Saudi Arabia and the United Arab Emirates.

TABLE 1.2
How do Arab economies rank on the ease of doing business?

Economy	Global rank	Arab world rank
Saudi Arabia	13	1
Bahrain	20	2
United Arab Emirates	33	3
Qatar	39	4
Kuwait	61	5
Oman	65	6
Tunisia	69	7
Yemen, Rep.	99	8
Jordan	100	9
Egypt, Arab Rep.	106	10
Lebanon	108	11
Morocco	128	12
Algeria	136	13
West Bank and Gaza	139	14
Syrian Arab Republic	143	15
Iraq	153	16
Sudan	154	17
Comoros	162	18
Djibouti	163	19
Mauritania	166	20

Source: Doing Business database.

WHAT CONSISTENT REFORMERS DO

As *Doing Business* has tracked regulatory reforms over the past 6 years, some patterns have started to emerge. Regulatory reform tends to pick up when pressure rises. One reason can be increasing competition as economies join a common market or trade agreement, such as the European Union or the U.S.–Central American Free Trade Agreement. Financial crisis and economic downturn are another strong motivation for reform. So is the need to rebuild an economy

FIGURE 1.2

287 reforms in 2008/09 made it easier to do business—27 made it more difficult

Reforms making it easier to do business

Starting a business (61)

Afghanistan
Albania
Argentina
Armenia
Bangladesh
Belarus
Botswana
Brazil
Bulgaria
Burkina Faso
Cameroon
Cape Verde
Central African Republic
Colombia
Egypt, Arab Rep.
Ethiopia
Germany
Ghana
Guinea-Bissau
Guyana
Honduras
Hong Kong, China
Hungary
Indonesia
Iran, Islamic Rep.
Jordan
Kazakhstan
Korea, Rep.
Kyrgyz Republic
Lebanon
Liberia
Luxembourg
Macedonia, FYR
Madagascar
Malaysia
Mali
Mexico
Moldova
Montenegro
Mozambique
Niger
Oman
Pakistan
Peru
Poland
Rwanda
Samoa
Saudi Arabia
Serbia
Sierra Leone
Singapore
Slovenia
St. Lucia
St. Vincent and the Grenadines
Syrian Arab Republic
Taiwan, China
Tajikistan
Thailand
Togo
United Arab Emirates
Yemen, Rep.

Dealing with construction permits (31)

Algeria
Bahrain
Belarus
Bosnia and Herzegovina
Burkina Faso
Colombia
Croatia
Czech Republic
Egypt, Arab Rep.
Georgia
Guatemala
Honduras
Hong Kong, China
Iran, Islamic Rep.
Jordan
Kazakhstan
Kyrgyz Republic
Liberia
Macedonia, FYR
Mali
Montenegro
Netherlands
Panama
Portugal
Saudi Arabia
Singapore
Slovenia
Tajikistan
United Arab Emirates
United Kingdom
Uzbekistan

Employing workers (7)

Belarus
Kyrgyz Republic
Macedonia, FYR
Mauritius
Montenegro
Peru
Rwanda

Registering property (34)

Afghanistan
Algeria
Angola
Belarus
Belgium
Bulgaria
Burkina Faso
Colombia
Czech Republic
Estonia
Ethiopia
France
Guatemala
Hong Kong, China
Honduras
Indonesia
Ireland
Jamaica
Jordan
Kyrgyz Republic
Latvia
Macedonia, FYR
Mauritius
Moldova
Nepal
Panama
Peru
Portugal
Romania
Russian Federation
Rwanda
Singapore
United Kingdom
West Bank and Gaza
Zimbabwe

Getting credit (27)

Afghanistan
Armenia
Azerbaijan
Colombia
Egypt, Arab Rep.
Greece
Guatemala
Haiti
Honduras
Kenya
Kyrgyz Republic
Latvia
Macedonia, FYR
Mauritius
Morocco
Nigeria
Philippines
Poland
Rwanda
Serbia
Sierra Leone
Sri Lanka
Tajikistan
Turkey
Vanuatu
Yemen, Rep.
Zambia

Reforms making it more difficult to do business

Starting a business

West Bank and Gaza

Dealing with construction permits

Kenya
New Zealand
Romania
Solomon Islands
Sri Lanka
Tanzania

Employing workers

Honduras
Luxembourg
Maldives
Portugal

Registering property

Argentina
Botswana
Madagascar
Sierra Leone
Suriname
Tajikistan
Uruguay

Getting credit

Cape Verde

Source: Doing Business database.

Protecting investors

10

Colombia
Dominican Republic
Indonesia
Macedonia, FYR
Mali
Rwanda
Sierra Leone
Tajikistan
Tunisia
Ukraine

Paying taxes

45

Algeria
Angola
Bangladesh
Belarus
Belgium
Benin
Brunei Darussalam
Cameroon
Cape Verde
Colombia
Czech Republic
Djibouti
Fiji
Finland
Guatemala
Iceland
Iran, Islamic Rep.
Israel
Jordan
Kazakhstan
Korea, Rep.
Kosovo
Kyrgyz Republic
Lao PDR
Lebanon
Macedonia, FYR
Mexico
Moldova
Montenegro
Oman
Peru
Philippines
Poland
Russian Federation
Sierra Leone
South Africa
Spain
St. Vincent and the Grenadines
Sudan
Taiwan, China
Timor-Leste
Togo
Tonga
Uzbekistan
Vietnam

Cambodia
Congo, Dem. Rep.
Lithuania
Romania
Tunisia
Venezuela, R.B.

Trading across borders

38

Albania
Angola
Armenia
Azerbaijan
Bangladesh
Belarus
Benin
Burkina Faso
Cameroon
China
Colombia
Congo, Dem. Rep.
Georgia
Grenada
Guyana
Haiti
Iran, Islamic Rep.
Jordan
Kuwait
Kyrgyz Republic
Liberia
Malawi
Mali
Mauritius
Mozambique
Paraguay
Peru
Portugal
Rwanda
Senegal
Slovak Republic
St. Kitts and Nevis
Sudan
Tunisia
Uganda
United Arab Emirates
Vietnam
Yemen, Rep.

Sierra Leone

Enforcing contracts

16

Algeria
Botswana
Burkina Faso
Costa Rica
Egypt, Arab Rep.
Ethiopia
Grenada
Jordan
Malaysia
Mali
Mauritius
Norway
Papua New Guinea
Peru
Portugal
West Bank and Gaza

Closing a business

18

Albania
Colombia
Estonia
France
Germany
India
Kuwait
Lithuania
Malawi
Mauritius
Philippines
Poland
Russian Federation
Rwanda
Samoa
Sierra Leone
Tajikistan
Uruguay

Romania

following conflict, as in Liberia, Rwanda and Sierra Leone.

Whatever the motivation, governments that succeed in sustaining reform programs, as measured by *Doing Business*, tend to have common features. To begin with, they follow a longer-term agenda aimed at increasing the competitiveness of their firms and economy. Colombia, Egypt, Malaysia and Rwanda are all examples of economies incorporating business regulation reforms into a broader competitiveness agenda.

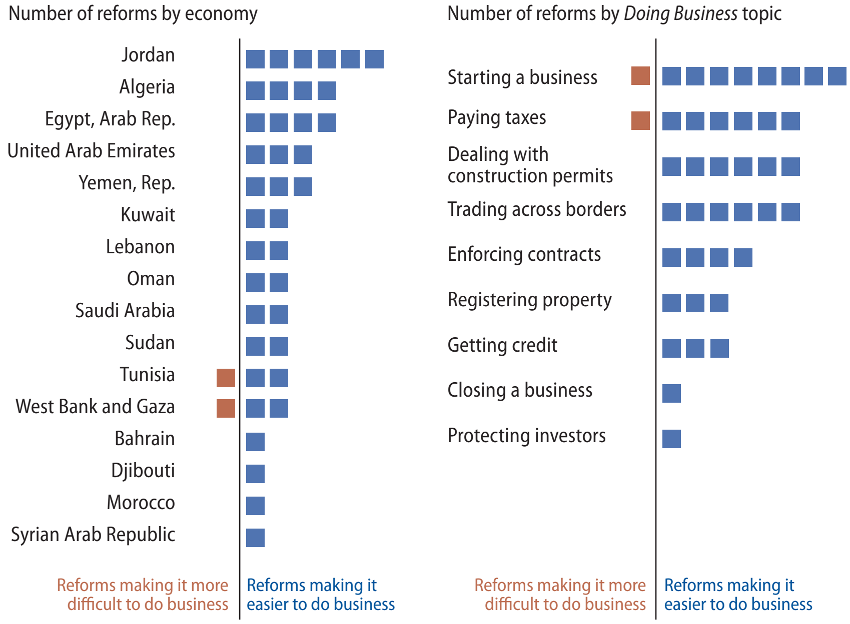
Such reformers continually push forward and stay proactive. Singapore and Hong Kong (China) rank among the top economies on the ease of doing business and are also some of the most consistent reformers. Saudi Arabia's consistent reform program propelled it to a ranking of 13 among 183 economies on the overall ease of doing business.

Successful *Doing Business* reformers are comprehensive. Over the past 5 years Colombia, Egypt, Georgia, the former Yugoslav Republic of Macedonia, Mauritius and Rwanda each implemented at least 19 reforms, covering 8 or more of the 10 areas measured by *Doing Business*. This broad approach increases the chances of success and impact. Recent research suggests that reforms in different areas tend to be complementary. One study showed that when economies open up their product markets to international competition, the benefits are greater if the cost of entry is lower. Lower barriers to entry allow firms to move more easily toward industries that most benefit from trade openness.[6]

Consistent reformers are inclusive. They involve all relevant public agencies and private sector representatives and institutionalize reform at the highest level. More than 20 economies, including Burkina Faso, Colombia, India, Syria and Vietnam, have formed committees at the ministerial level. Reforms in Egypt involved 32 government agencies supported by the parliament.

Successful reformers stay focused thanks to a long-term vision supported by specific goals. Setting long-term goals

FIGURE 1.3
Reforming business regulations in Arab economies



Source: Doing Business database.

and keeping a steady course of reform might help economies recover from shocks, including the current global financial and economic crisis. In the words of Egyptian Minister of Investment Mahmoud Mohieldin,

It is not just a crisis of the economy. It is a crisis of economic thinking. It is a crisis that is confusing many reformers . . . [but] whatever crisis you are facing, you need to make life easier for those who are endeavoring and working hard to create opportunities for jobs, and this is the least that we can be doing.

WHO REFORMED IN THE ARAB WORLD IN 2008/09?

Doing business is becoming easier in the Arab world. In the past year 16 economies implemented 40 reforms, 38 making it easier to do business and 2 making it more difficult. The United Arab Emirates, Egypt and Jordan were among the most active reformers.

Algeria introduced new regulations to improve the administration of construction permits and help ensure the safe and timely completion of construction projects. It lowered the cost of transferring property and reduced the corporate income tax rate for some sectors from 25% to 19%. It also made it easier to enforce contracts by adopting a new code of civil procedure and increasing the efficiency of the courts.

Bahrain further consolidated preliminary approvals for building permits in the one-stop shop, reducing the time required to obtain a permit.

Djibouti eased the tax burden on businesses by replacing the consumption tax with a 7% value added tax on the supply of goods and services.

Egypt was among the world's 10 most active reformers for the fourth time in 2008/09. It moved up in the global rankings on the ease of doing business from 116 to 106 among 183 economies. Egypt made business start-up less costly and accelerated the construction permitting process by eliminating most preapprovals. It expanded the range of information available from the private credit bureau. And it created commercial courts to speed up the resolution of contract disputes.

Jordan had 6 reforms making it easier to do business. It eased business start-up by offering a single counter for company registration at the company registrar. It made dealing with construction permits easier by extending the services of its new one-stop shop to midsize commercial construction projects. Major court reforms, including setting up a commercial court division, improved contract enforcement. Simpler filing forms and an online filing and payment system made paying taxes easier for businesses. Property transfer fees were reduced from 10% of the property value to 7.5%. And trading became faster. The implementation of a risk-based inspection regime and a system allowing online submission of customs declarations reduced the customs clearance time for exports by 2 days and for imports by 3.

Kuwait established a new legal procedure enabling companies on the verge of insolvency to restructure. Improvements in customs administration and human resource training have helped reduce the time to clear goods.

Lebanon made it easier to pay taxes by introducing electronic payment and eliminating the requirement for businesses to obtain permission to use accelerated depreciation. It eased business start-up by ending the requirement to have company books stamped.

Morocco expanded access to credit with a new private credit bureau that started operations in March 2009.

Oman adopted a new tax law to modernize its tax regime and simplify procedures. It eased business start-up by introducing online company name registration and payment at the registry with a prepaid card.

Saudi Arabia moved up in the global rankings on the ease of doing business from 15 to 13—the highest ranking in the region—by establishing a one-stop center for business registration and a faster process for construction permits. A new permitting procedure allows builders to begin construction with a temporary building permit after just 1 day and obtain a final building permit after just 1 week.

Sudan speeded up trade through improvements at customs. It made it easier for traders to file customs declarations online, connected 10 more customs offices to the electronic customs system and added 2 new scanners at the Port of Sudan. In addition, a new tax law reduced the tax burden on business by lowering the corporate income tax rate by an average of 15 percentage points and the capital gains tax by 5 percentage points.

Syria eased business start-up by reducing the paid-in minimum capital requirement and putting standard incorporation forms online.

Tunisia strengthened investor protections by introducing requirements for greater corporate disclosure. Expansion of the electronic single window for trade transactions made it possible for Tunisian traders to quickly file online all documents required to clear their cargo, reducing processing delays by 2 days. Tunisia also increased the tax cost of employment by raising social security contribution rates.

The United Arab Emirates moved up in the global rankings from 47 to 33 and became one of the world's 10 most active reformers for the first time, with reforms in 3 areas. The country eased business start-up by abolishing the minimum capital requirement and simplifying registration. It continued to improve its online system for processing building permits, speeding up permit delivery. Trading across borders also became faster, thanks to greater capacity at the container terminal in Dubai, elimination of a required document and lower cost for trade finance products.

West Bank and Gaza made contract enforcement faster. New judges have been recruited and trained, and courts now have case management software and an enforcement judge in charge of the execution of judgments. The completion of a major project to computerize records at the land registry speeded up the process of registering property. But West Bank and Gaza made it more difficult to start a business by increasing the minimum capital requirement.

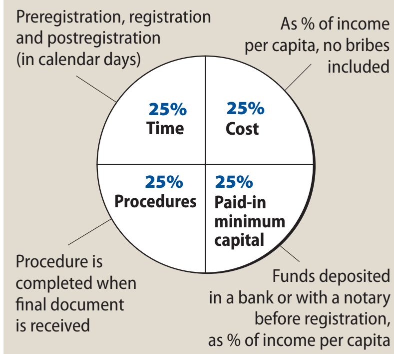
The Republic of Yemen, the world's fastest reformer in starting a business in 2007/08, continued to ease business start-up. It also enhanced access to credit information by removing the minimum threshold for loans included in the database and guaranteeing the right of borrowers to view their credit reports. And it expedited trade through a new electronic document submission system and implementation of a risk-based inspection system.

1. Based on estimates by the International Labour Organization. This year *Doing Business* improved the methodology for the employing workers indicators to ensure that the existence of safety nets is taken into account in the current measures of flexibility.
2. Klapper, Lewin and Quesada Delgado (2009). Business density is defined as the number of businesses as a percentage of the working-age population (ages 18–65).
3. OECD Development Centre (2009).
4. Ardagna and Lusagi (2009).
5. World Bank Enterprise Surveys (http://www.enterprisesurveys.org).
6. Chang, Kaltani and Loayza (2009), Helpman, Melitz and Rubinstein (2008) and Freund and Bolaky (2008).

Doing Business topics

Starting a business

FIGURE 2.1
Starting a business: getting a local limited liability company up and running
Rankings are based on 4 subindicators



When entrepreneurs draw up a business plan and try to get under way, the first hurdles they face are the procedures required to incorporate and register the new firm before they can legally operate. Economies differ greatly in how they regulate the entry of new businesses. In some the process is straightforward and affordable. In others the procedures are so burdensome that entrepreneurs may have to bribe officials to speed up the process or may decide to run their business informally.

The data on starting a business are based on a survey and research investigating the procedures that a standard small to medium-size company needs to complete to start operations legally. These include obtaining all necessary permits and licenses and completing all required inscriptions, verifications and notifications with authorities to enable the company to formally operate. Procedures are recorded only where interaction is required with an external party. It is assumed that the founders complete all procedures themselves unless professional services (such as by a notary or lawyer) are required by law. Voluntary procedures are not counted, nor are industry-specific requirements and utility hookups. Lawful shortcuts are counted.

It is assumed that all information is readily available to the entrepreneur, that there has been no prior contact with officials and that all government and nongovernment entities involved in the process function without corruption.

To make the data comparable across economies, detailed assumptions about the business are used. The business is a limited liability company conducting general commercial activities, is located in the largest business city and is 100% domestically owned. It has a start-up capital of 10 times income per capita, a turnover of at least 100 times income per capita and between 10 and 50 employees. The business does not qualify for any special benefits and does not own real estate.

Analysis shows that burdensome entry regulations do not increase the quality of products, make work safer or reduce pollution. Instead, they constrain private investment, push more people into the informal economy, increase consumer prices and fuel corruption.

TABLE 2.1
Where is it easy to start a business—and where not?

Easiest (AW RANK 1–5)	GLOBAL RANK	**Most difficult** (AW RANK 16–20)	GLOBAL RANK
Saudi Arabia	13	Mauritania	149
Egypt, Arab Rep.	24	Comoros	168
United Arab Emirates	44	Iraq	175
Tunisia	47	West Bank and Gaza	176
Yemen, Rep.	53	Djibouti	177

Note: Rankings are the average of the economy's rankings on the procedures, time, cost and paid-in minimum capital for starting a business.
Source: Doing Business database.

WHO REFORMED IN 2008/09?

Worldwide, 61 economies made it easier to start a business in 2008/09. Sub-Saharan Africa and Eastern Europe and Central Asia had the most reforms. The Arab world saw 8 reforms making start-up easier—in Egypt, Jordan, Lebanon, Oman, Saudi Arabia, Syria, the United Arab Emirates and the Republic of Yemen.

EGYPT eliminated the minimum capital requirement for limited liability companies.

JORDAN streamlined procedures at the one-stop shop. Since February 2009 entrepreneurs have been able to file all registration documents and obtain the registration certificate at a single counter.

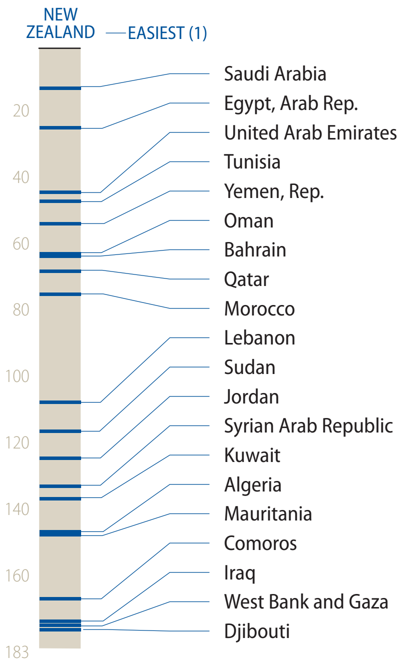
LEBANON abolished the requirement to have company books stamped at the commercial registry. In addition, it now allows company books and records to be maintained electronically. But the improvements were partially offset by the reversal of an earlier reform that had streamlined registration procedures by combining tax and company registration at branches of the postal service, LibanPost.

OMAN simplified company name verification. Now entrepreneurs can check the availability of company names online,

FIGURE 2.2

How Arab economies rank on the ease of starting a business

Global ranking (1–183)



and name approval takes only a few hours. Paying registration fees is also easier now. With a prepaid card issued for use only for making government payments, applicants can pay the fees at the company registry at the time of registration.

Saudi Arabia streamlined registration procedures. Now entrepreneurs can complete registration in 1 procedure and 1 day at the new one-stop shop in Riyadh. The one-stop shop includes representatives from several government departments, the chamber of commerce, a private bank and the notary public. Moreover, Saudi Arabia eliminated the requirement to publish summary articles of association in the local newspaper. Instead, they need be published only in the official gazette, at a cost of just 1,500–3,000 riyals.

Syria reduced the paid-in minimum capital requirement from more than 40 times income per capita to about 10 times—still the highest in the world. It also put registration forms online. But higher publication and incorporation fees almost doubled the total cost of starting a business.

The United Arab Emirates abolished the minimum capital requirement as well as the requirement to show proof of deposit of capital for registration. It also simplified procedures by eliminating the requirements to hire auditors, obtain an auditors' certificate and submit a director certificate.

West Bank and Gaza made it more difficult to start a business. Amendments to its company law in October 2008 increased the minimum capital requirement 5-fold.

The Republic of Yemen eased business start-up by dropping the requirement to obtain a bank account certificate before registering a company.

TOWARD SMART REGULATION

Making business start-up easier has been the most popular of the *Doing Business* reforms in the Arab world. Twelve Arab economies have implemented 32 such reforms since 2004.

Starting a business need not be complicated. Two procedures—notification of a company's existence and tax registration—suffice. More economies are finding creative ways to ensure that good rules are implemented in the most efficient way, often learning from one another. Egypt took Ireland's registration system as a model.

In reforms worldwide, several features have emerged as the most popular and effective. Successful reformers often began by reviewing the need for existing requirements.

GETTING UP TO DATE

Creating or improving a one-stop shop has been the most popular reform feature since 2004. But combining or expediting procedures that are antiquated or do not fulfill their intended purpose makes little sense. One example is publication in legal journals of a notice of company establishment. Such notices can more easily be published electronically, as in Germany, or at the registry, as in Burkina Faso.

CUTTING MINIMUM CAPITAL

Minimum capital requirements can be a big obstacle for entrepreneurs. They are often justified as a way to protect investors or prevent unscrupulous entrepreneurs from registering. But this makes little sense in practice. Fixed amounts of capital do not take into account differences in commercial risks. And the

TABLE 2.2

Who makes starting a business easy—and who does not?

Procedures *(number)*

Fewest		Most	
Saudi Arabia	4	Djibouti	11
Lebanon	5	Iraq	11
Oman	5	West Bank and Gaza	11
Egypt, Arab Rep.	6	Kuwait	13
Yemen, Rep.	6	Algeria	14

Time *(days)*

Fastest		Slowest	
Saudi Arabia	5	Kuwait	35
Qatar	6	Sudan	36
Egypt, Arab Rep.	7	Djibouti	37
Bahrain	9	West Bank and Gaza	49
Lebanon	9	Iraq	77

Cost *(% of income per capita)*

Least		Most	
Bahrain	0.5	Iraq	75.9
Kuwait	1.0	Lebanon	78.2
Oman	2.2	Yemen, Rep.	83.0
Tunisia	5.7	Comoros	182.1
United Arab Emirates	6.2	Djibouti	195.1

Paid-in minimum capital *(% of income per capita)*

Most	
Comoros	262
Oman	274
Mauritania	450
Djibouti	500
Syrian Arab Republic	1,013

Note: Six Arab economies have no paid-in minimum capital requirement.

Source: Doing Business database.

BOX 2.1
Making it easier to start a business

Many reforms making it easier to start a business in the Arab world since 2004 have reduced or eliminated the minimum capital requirement, the amount that an entrepreneur has to deposit in a bank account or with a notary before registration of a new company.

Those who continue to believe in the need for this requirement justify it on such grounds as that it provides protection to creditors and safeguards the company against insolvency. But for businesses, the requirement is more than just an additional administrative hassle. It means that a small to medium-size company must freeze part of its capital in a bank account. So entrepreneurs do not have all available funding at their disposal, making it more difficult to set up their offices, hire employees, market new products and otherwise get their business under way.

Since 2004, 6 Arab economies have abolished their minimum capital requirement (Egypt, Saudi Arabia, Sudan, Tunisia, the United Arab Emirates and the Republic of Yemen) and 2 have reduced it (Morocco and Syria). Five of these 8 countries used to have among the highest minimum capital requirements in the world. Until 2007 Saudi Arabia's was $120,000.

Despite ongoing reforms, Arab economies have more to do in encouraging new businesses and creating more job opportunities. Despite mixed reforms over the past few years, Syria still has the highest paid-in minimum capital requirement in the world, at 1,013% of income per capita ($70,660). Besides Syria, 13 other Arab economies still have a minimum capital requirement. Looking to experience in neighboring countries that implemented reforms cutting or eliminating such requirements might be the way forward.

capital is often withdrawn immediately after registration—hardly of value in insolvency. Better securities laws and more efficient courts might offer more protection for investors.

Thirty-five economies have reduced or eliminated their minimum capital requirement since 2004. Many of these reformers are in the Arab world. High minimum capital requirements can discourage companies from registering. In Egypt in 2006, limited liability companies accounted for only 19% of registered firms. In 2008, after reforms, this share rose to 30%.

MAKING REGISTRATION ADMINISTRATIVE

Company registration is an administrative process. Yet in many economies courts are involved. This takes time and expertise away from resolving commercial disputes. In a few economies even higher-level approval is needed. As a result, the start-up process takes several months.

STANDARDIZING DOCUMENTS

A more efficient way to ensure that incorporation documents are legitimate is to standardize them. The United Kingdom did so in 1856. Standardizing incorporation documents can especially benefit small businesses, because it frees them from the need to consult a lawyer. And simpler documents mean fewer errors and omissions—saving hassle for registries and entrepreneurs alike.

CENTRALIZING REGISTRATIONS

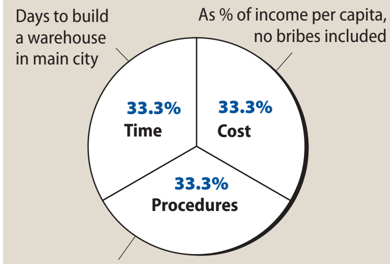
Legally, a company is formed once incorporated. In most economies the process ends with company registration. But entrepreneurs usually must also complete other procedures, involving multiple agencies. Centralizing registrations—such as in a one-stop shop—can help. Such reforms often go hand-in-hand with introducing a unified registration form or single company identification number.

MAKING SERVICES ELECTRONIC

Making registration records electronic improves data safety, aids transparency and information sharing and makes it easier to introduce new online services. Online name verification is now common not only among OECD high-income economies but also increasingly so in Eastern Europe and Central Asia and Latin America and the Caribbean. Around 40 economies offer electronic registration services. Implementation varies. In India, Norway and Singapore registration is fully electronic.

Dealing with construction permits

FIGURE 3.1
Dealing with construction permits: building a warehouse
Rankings are based on 3 subindicators



Once entrepreneurs have registered a business, what regulations do they face in operating it? To measure such regulation, *Doing Business* focuses on the construction sector. Construction companies are under constant pressure: from government to comply with inspections and with licensing and safety regulations and from customers to be quick and cost-effective. These conflicting pressures point to the trade-off in building regulation—that between protecting people (construction workers, tenants, passersby) and keeping the cost of building affordable.

The indicators on dealing with construction permits record all procedures officially required for a business in the construction industry to build a warehouse. These include submitting project documents (building plans, site maps) to the authorities, obtaining all necessary licenses and permits, completing all required notifications and receiving all necessary inspections. They also include procedures for obtaining utility connections, such as electricity, telephone, water and sewerage. The time and cost to complete each procedure under normal circumstances are calculated. All official fees associated with legally completing the procedures are included. Time is recorded in calendar days. The survey assumes that the business is aware of all existing regulations and does not use an intermediary to complete the procedures unless required to do so by law.

To make the data comparable across economies, the survey case study includes detailed assumptions about the business and the warehouse. The business is a small to medium-size limited liability company operating in the construction industry and located in the largest business city. It is domestically owned and operated and has 20 qualified employees.

The warehouse to be built is a new construction (there was no previous construction on the land) and has complete architectural and technical plans prepared by a licensed architect. It will be connected to electricity, water, sewerage (sewage system, septic tank or their equivalent) and one land phone line. The connection to each utility network will be 32 feet, 10 inches (10 meters) long. The warehouse will be used for general storage, such as of books or stationery. It will not be used for any goods requiring special conditions, such as food, chemicals or pharmaceuticals. The warehouse will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

In many economies, especially poor ones, complying with building regulations is so costly in time and money that many builders opt out. Builders may pay bribes to pass inspections or simply build illegally, leading to hazardous construction. Where the regulatory burden is large, entrepreneurs may tend to move their activity into the informal economy. There they operate with less concern for safety, leaving everyone worse off. In other economies compliance is simple, straightforward and inexpensive, yielding better results.

TABLE 3.1
Where is dealing with construction permits easy—and where not?

Easiest (AW RANK 1–5)	GLOBAL RANK	**Most difficult** (AW RANK 16–20)	GLOBAL RANK
Bahrain	14	Syrian Arab Republic	132
United Arab Emirates	27	Sudan	139
Qatar	28	Mauritania	154
Saudi Arabia	33	Egypt, Arab Rep.	156
Yemen, Rep.	50	West Bank and Gaza	157

Note: Rankings are the average of the economy's rankings on the procedures, time and cost to comply with formalities to build a warehouse.
Source: Doing Business database.

WHO REFORMED IN 2008/09?

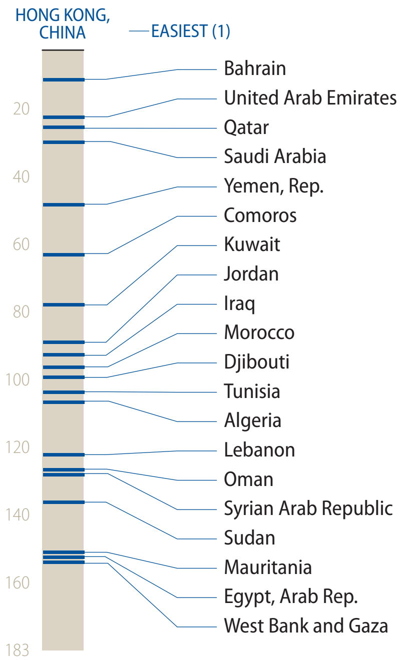
The Arab world saw its first big surge in reforms in 2008/09, with 6 economies making it easier to deal with construction permits—Algeria, Bahrain, Egypt, Jordan, Saudi Arabia and the United Arab Emirates.

ALGERIA introduced a new building code addressing illegal construction in Algiers and strengthening enforcement. The new law requires all construction projects to have a building permit before work begins. Violators risk severe penalties. The law also addresses incomplete construction projects and noncompliance with existing building regulations. It requires new construction projects to begin within

FIGURE 3.2

How Arab economies rank on the ease of dealing with construction permits

Global ranking (1–183)



1 year of the date of the building permit and introduces fines for construction projects not completed within the time specified by the permit. In the first few months after the new law entered into force in July 2008, the Algerian authorities recorded 12,607 infractions related to unlawful construction.

Bahrain streamlined procedures at its municipal one-stop shop. The preliminary building approval and the approval from the electricity authority were consolidated, eliminating 1 procedure. A single application form for building permits replaced 9 separate application forms and 15 pieces of supporting documentation. Applicants can fill out this single form online and upload all their documents and plans. Their application file is forwarded to different departments, which review it in parallel. More sophisticated monitoring of internal processes was also implemented. Daily monitoring reports are posted on the intranet for review by top management. Engineers who fail to meet internal deadlines are either sanctioned or offered more support. Thanks to the improvements, the time to obtain a building permit fell from 21 days to 14.

Egypt issued a new construction law that abolished requirements for most preapprovals of construction plans before submission of construction permit applications. This eliminated 3 procedures: obtaining cadastral documents from the survey department, receiving an inspection and obtaining project clearance from civil defense and obtaining project clearance from the water authority.

Jordan started operating a one-stop shop for building permits at the Greater Amman Municipality. In 2008 the one-stop shop began handling building permit applications for projects in high-density, mixed-use areas, in intensive development corridors and in industrial zones. In 2009 it also began accepting permit applications for simpler commercial construction projects in commercial zones. The one-stop shop has eliminated the need for separate approvals from the water authority, the electricity company and the Ministry of Telecommunications. The streamlined procedures have cut 20 days from the time required for dealing with construction permits.

Saudi Arabia also centralized approvals in a one-stop shop. The Riyadh Municipality consolidated and streamlined the permitting procedures for simple structures such as residential villas, warehouses and workshops. Requirements for separate letters and preapprovals have been consolidated into a single procedure that can be completed in a day. Builders submit their application in person and can pay building permit fees online. If all documents are in order and fees are paid, applicants can receive a temporary building permit in 1 day—and begin building immediately. A more thorough review of the application files takes place after construction has already started. The final building permit is issued within a week.

The United Arab Emirates focused on improving the online system for approvals of commercial building permits. Builders in Dubai can now apply for "no objection" certificates, building permits and completion certificates online. The continual streamlining has cut 4 procedures and 33 days from the process of dealing with construction-related approvals.

TOWARD SMART REGULATION

Construction regulation should provide incentives for compliance, even when times are hard. Good regulation ensures that safety standards are met while encouraging businesses to operate formally. Builders are more likely to comply with regulations when time limits are respected, clear guidelines exist and authorities are held accountable. When regulation is predictable, companies spend fewer resources on chasing

TABLE 3.2

Who makes dealing with construction permits easy—and who does not?

***Procedures** (number)*			
Fewest		**Most**	
Bahrain	13	Algeria	22
Djibouti	14	Egypt, Arab Rep.	25
Iraq	14	Kuwait	25
Yemen, Rep.	15	Mauritania	25
Oman	16	Syrian Arab Republic	26
***Time** (days)*			
Fastest		**Slowest**	
Bahrain	43	Iraq	215
United Arab Emirates	64	Egypt, Arab Rep.	218
		Algeria	240
Qatar	76	Oman	242
Tunisia	84	Sudan	271
Jordan	87		
***Cost** (% of income per capita)*			
Least		**Most**	
Qatar	0.6	Syrian Arab Republic	540.3
United Arab Emirates	30.7		
		Jordan	697.1
Saudi Arabia	32.8	Djibouti	948.3
Algeria	39.6	Tunisia	998.3
Bahrain	54.6	West Bank and Gaza	1,110.6

Source: Doing Business database.

BOX 3.1

Efficient construction permitting to attract investment

Some economies in the Arab world have recently taken steps to make construction permitting procedures more efficient and transparent. Egypt, Kuwait, Morocco and the Republic of Yemen have all undertaken such reforms in the past 5 years, recognizing that these procedures matter for the growth and expansion of businesses.

Yet reform in the region could go further. New reforms would help attract investment and reduce the development of illegal and unsafe buildings, which can account for up to 80% of new construction in large cities of the region. Four steps could help ensure solid, sustainable results.

Decentralize construction permitting procedures. Local authorities understand local development needs better than central agencies and can move faster. Economies with good practices have fairly decentralized systems, with municipalities or local entities in charge of enforcing regulations. Several economies in the region could do more in this area. Lebanon's centralized process for review of permit applications is long, costly and complex. The Republic of Yemen is taking steps to train building officials in local districts, to allow the gradual transfer to them of the review of applications and building plans.

Shift from public enforcement to practitioner-focused enforcement. The rapid pace of urban development in the region has left agencies with a growing backlog of building permit applications. The results are apparent: delays, higher costs for investors and greater opportunities for rent seeking. Facing similar challenges, most OECD economies have chosen to rely on private engineers and architects, qualified under carefully designed accreditation systems, to carry out technical reviews and inspections. Learning from this experience, Egypt has created a role for private engineers. Pilot initiatives in the Republic of Yemen (Sana'a) and Morocco (Fes) should also offer useful lessons.

Continue to simplify procedures. Once new building codes define a transparent, comprehensive set of technical requirements, reforms can introduce shorter, clearer procedures. Fast-track procedures for projects posing no risks to the community and better information and processing tools for applicants can do much to help reduce informal construction and attract investment.

Embed construction permitting reforms in a broader land reform initiative. Reforms in construction permitting will have limited effects if not supported by the modernization of land titling and cadastral systems. But land reforms in the region have proceeded slowly. Bringing transparency and clarity to land issues is critical to guaranteeing efficient construction permitting at a minimal cost for investors.

applications and paying bribes and more on meeting project deadlines and obtaining financing.

Since 2004 *Doing Business* has recorded 11 reforms making it easier to deal with construction permits in the Arab world, implemented by 9 economies. Worldwide, governments that regulate construction efficiently often take a systematic approach in their reforms. They identify areas of overlap among agencies, consult widely with stakeholders, opt for risk-based approval systems and introduce internal monitoring systems in their agencies.

IDENTIFYING AREAS OF OVERLAP AMONG AGENCIES

Dealing with construction permits involves multiple agencies and levels of approval—more than in any other area of regulation studied by *Doing Business*. To obtain all construction-related approvals and connect to utilities, builders around the world deal with 9 different agencies on average. Understanding how these agencies interact with one another and identifying areas of overlap is often the first step toward speeding up approvals while maintaining quality control.

COMMUNICATING WITH STAKEHOLDERS

Successful reformers involve all relevant actors from the beginning. In Colombia, for example, the central government, the municipality of Bogotá and the private urban curators in charge of issuing the construction permits all needed to be on board before a new risk-based approval scheme could be approved in May 2009. Once the new system is implemented, all parties—from the implementing officials to the users of the system—must be kept informed of changes or improvements.

PILOTING REFORMS

Governments that make construction permitting easy are increasingly adopting risk-based approval mechanisms. Many start by piloting reforms to assess their effectiveness before full-scale implementation.

Some economies pilot reforms in specific zones to isolate any potential damage. Egypt began piloting one-stop shops in 3 districts of Cairo in 2007. The early trial of the one-stop shops helped pave the way for the new building code passed the following year and the streamlining of procedures in 2009.

Others pilot new building approval processes by focusing only on certain types of projects. In Jordan the Greater Amman Municipality began by processing larger, more complex applications, reasoning that larger companies that had suffered the most from burdensome regulations could provide the best input for improving the system. Conversely, Saudi Arabia adopted the 1-day permitting procedure first for low-risk residential villas before extending the system to riskier projects such as warehouses and workshops.

USING INTERNAL MONITORING TO MATCH DEMAND

Implementing reforms requires flexibility and continual monitoring of new systems.

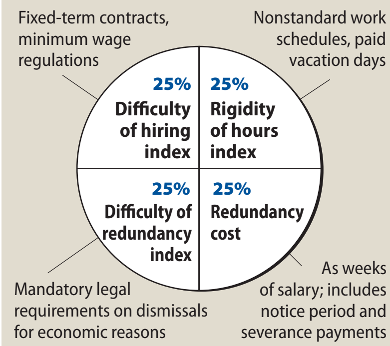
Monitoring the entire process allows building authorities to identify bottlenecks, ensure better quality and allocate resources more efficiently. In Bahrain the municipal one-stop shop's technical support team prepares daily monitoring reports and posts them on the internal server for review by top management. If a permit is delayed because there are too few structural engineers, for example, managers can assign more to the task. Diligent monitoring of reforms gives policy makers the information they need to match their capacity to the demands of applicants. And it ensures that their reform efforts continue to have impact for years to come.

Employing workers

FIGURE 4.1

Employing workers: rules on hiring, work schedules and redundancy

Rankings are based on 4 subindicators



Economies worldwide have established systems of laws and institutions intended to protect workers and guarantee a minimum standard of living for the population. These systems generally encompass 4 bodies of law: employment, industrial relations, social security and occupational health and safety laws.

Employment laws are needed to allow efficient contracting between employers and workers and to protect workers from discriminatory or unfair treatment. *Doing Business*, in its indicators on employing workers, focuses on one area of employment regulation. The indicators measure flexibility in the regulation of hiring, working hours and redundancy in a manner consistent with the conventions of the International Labour Organization (ILO). An economy can have the most flexible labor regulations as measured by *Doing Business* while ratifying and complying with all conventions directly relevant to the areas that *Doing Business* measures. No economy can achieve a better score by failing to comply with these conventions.

TABLE 4.1

Where is it easy to employ workers—and where not?

Easiest (AW RANK 1–5)	GLOBAL RANK	**Most difficult** (AW RANK 16–20)	GLOBAL RANK
Bahrain	13	West Bank and Gaza	135
Oman	21	Djibouti	151
Kuwait	24	Sudan	153
United Arab Emirates	50	Comoros	164
Jordan	51	Morocco	176

Note: Rankings are the average of the economy's rankings on the difficulty of hiring, rigidity of hours, difficulty of redundancy and redundancy cost indices.
Source: Doing Business database.

Two measures are presented: a rigidity of employment index and a redundancy cost measure. The rigidity of employment index is the average of 3 subindices:

- Difficulty of hiring index, which measures the flexibility of contracts and the ratio of the minimum wage to the value added per worker.
- Rigidity of hours index, which covers restrictions on weekend and night work, requirements relating to working time and the workweek—taking into account legal provisions that refer specifically to small to medium-size companies in manufacturing activities in which continuous operation is economically necessary—and mandated days of annual leave with pay.
- Difficulty of redundancy index, which covers workers' legal protections against redundancy dismissal, including the grounds permitted for redundancy dismissal and procedures for redundancy dismissal (individual and collective)—notification and approval requirements, retraining or reassignment obligations and priority rules for redundancies and reemployment.

Each index takes values between 0 and 100, with higher values indicating more rigid regulation.

The redundancy cost indicator measures the cost of advance notice requirements, severance payments and penalties due when terminating a redundant worker, expressed in weeks of salary.

To make the data comparable across economies, a range of assumptions about the worker and the company are used. The company is a limited liability corporation that operates in the manufacturing sector, is located in the largest business city, is 100% domestically owned and has 60 employees. The company is subject to collective bargaining agreements in economies in which such agreements cover more than half the manufacturing sector and apply even to firms not party to them.

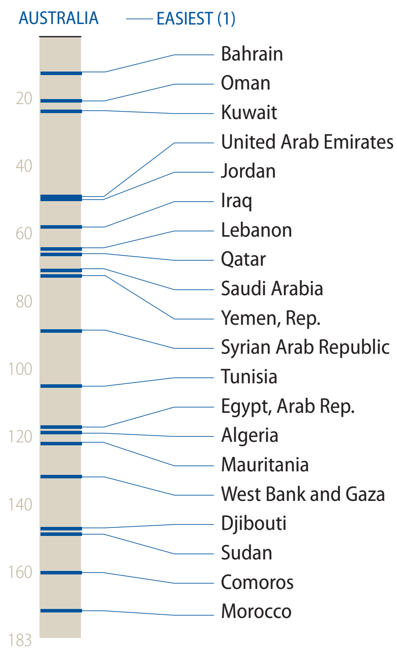
Governments all over the world face the challenge of finding the right balance between worker protection and labor market flexibility. But in developing economies especially, regulators often err to one extreme, pushing employers and workers into the informal sector. Analysis across economies shows that while employment regulation generally increases the tenure and wages of incumbent workers, overly rigid regulations may have undesirable side effects. These include less job creation, smaller company size, less investment in research and development, and longer spells of unemployment and thus the obsolescence of skills, all of which may reduce productivity growth.

With the global financial and economic crisis, unemployment has risen sharply around the world. This makes the need for governments to adopt policies

FIGURE 4.2

How Arab economies rank on the ease of employing workers

Global ranking (1–183)



that stimulate job creation even more pressing. At the same time, adequate safety nets have to be in place to protect workers from sudden job loss, help them in the transition between jobs and prevent people from slipping into poverty.

This year *Doing Business* has introduced changes to the employing workers indicators to take account of the existence of safety nets—whether in the form of unemployment benefits or severance pay—for both permanent and temporary workers in cases of redundancy for economic reasons.[1]

WHO REFORMED IN 2008/09?

No major reforms in employment regulation were recorded in the Arab world in 2008/09.

TOWARD SMART REGULATION

Since 2004 *Doing Business* has recorded 88 reforms affecting the employing workers indicators. Of these, 54 made regulation more flexible, 34 more rigid. One reform, increasing rigidity, took place in the Arab world, in Djibouti.

In searching for the right balance between flexibility and protection, reformers can look to the experience of economies around the world. The following measures are examples of reforms aimed at increasing flexibility without compromising protection.

ALLOWING FLEXIBLE WORK HOURS

Laws restricting working hours were created to protect employees. But they also limit the ability of firms to adjust for fluctuations in seasonal demand—and can take work away from willing workers. To mitigate this risk, most economies permit greater flexibility in activities in which continuous operation is economically necessary. More than half the economies in the *Doing Business* sample allow the averaging of hours.

PROMOTING YOUTH EMPLOYMENT

Young people are disproportionately affected by rigid employment regulation. Lack of training and experience is already an obstacle to finding a first job; burdensome regulation and high redundancy costs can further deter potential employers. One measure used to encourage the hiring of young people is to introduce apprentice wages. These allow businesses to hire first-time employees for a portion—typically 75%—of the mandatory minimum wage for a short period.

Apprentice contracts and trial periods are also used to promote the hiring of young people. First-time workers without experience get an opportunity to receive training while earning an income. Having invested in training these workers, employers have a greater incentive to hire them. Allowing the use of fixed-term contracts for permanent tasks can provide another point of entry and an incentive for employers to create jobs.

SHIFTING FROM SEVERANCE PAY TO UNEMPLOYMENT INSURANCE

Italy, Norway and Singapore have no statutory minimum for severance payments and aid workers in transition between jobs with well-established unemployment assistance programs. Denmark and New Zealand combine flexible labor regulations with unemployment protection schemes.

TABLE 4.2

Who makes employing workers easy—and who does not?

Rigidity of employment index *(0–100)*

Least		Most	
Kuwait	0	Comoros	40
United Arab Emirates	7	Tunisia	40
		Algeria	41
Bahrain	10	Djibouti	46
Oman	13	Morocco	60
Qatar	13		

Redundancy cost *(weeks of salary)*

Least		Most	
Iraq	0	Morocco	85
Bahrain	4	West Bank and Gaza	91
Oman	4		
Jordan	4	Comoros	100
Yemen, Rep.	17	Sudan	118
		Egypt, Arab Rep.	132

Note: The rigidity of employment index is the average of the difficulty of hiring index, rigidity of hours index and difficulty of redundancy index.

Source: Doing Business database.

Things can be different in developing economies. Many lack the financial resources and administrative capacity to provide comprehensive unemployment insurance. Not surprisingly, mandatory severance payments remain the prevalent form of insurance against unemployment. But many developing economies may err on the side of excessive rigidity. Severance pay in cases of redundancy sometimes even exceeds the typical unemployment benefits in rich economies. In addition, many impose strict procedural requirements for redundancy of one or more workers for economic reasons—such as prior approval by the labor authority, as in the Republic of Congo, Gabon and Nepal.

Such requirements are created with good intentions—to protect workers from abuse or to provide a safety net in case of sudden job loss. But when it comes to making employment decisions for economic reasons, these requirements can give the authorities—not employers—the discretion. And excessive costs can deter employers from hiring workers in the first place. Reducing the complexity and costs of dismissals for economic reasons is a first step toward encouraging formal job creation.

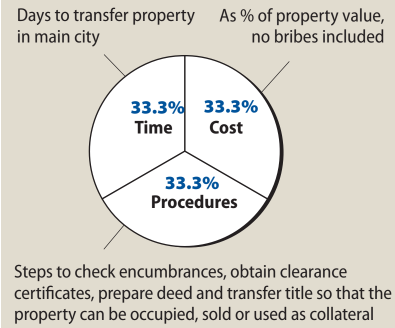
1. The assumption for the standardized case study was changed to refer to a small to medium-size company with 60 employees rather than 201. The scope of the question on night and weekly holiday work has been limited to manufacturing activities in which continuous operation is economically necessary. Legally mandated wage premiums for night and weekly holiday work up to a threshold are no longer considered a restriction. In addition, the calculation of the minimum wage ratio was modified to ensure that an economy would not benefit in the scoring from lowering the minimum wage to below $1.25 a day, adjusted for purchasing power parity. This level is consistent with recent adjustments to the absolute poverty line. Finally, the calculation of the redundancy cost was adjusted so that having severance payments or unemployment protections below a certain threshold does not mean a better score for an economy.

Registering property

FIGURE 5.1

Registering property: transfer of property between 2 local companies

Rankings are based on 3 subindicators



Formal property titles help promote the transfer of land, encourage investment and give entrepreneurs access to formal credit markets. But a large share of property in developing economies is not formally registered. Informal titles cannot be used as security in obtaining loans, which limits financing opportunities for businesses. Many governments have recognized this and started extensive property titling programs. But bringing assets into the formal sector is only part of the story. The more difficult and costly it is to formally transfer property, the greater the chances that formalized titles will quickly become informal again. Eliminating unnecessary obstacles to registering and transferring property is therefore important for economic development.

Doing Business records the full sequence of procedures necessary for a business (buyer) to purchase a property from another business (seller) and to transfer the property title to the buyer's name. The property of land and building will be transferred in its entirety. The transaction is considered complete when the buyer can use the property as collateral for a bank loan.

TABLE 5.1

Where is it easy to register property—and where not?

Easiest (AW RANK 1–5)	GLOBAL RANK	Most difficult (AW RANK 16–20)	GLOBAL RANK
Saudi Arabia	1	Jordan	106
United Arab Emirates	7	Lebanon	111
		Morocco	123
Oman	20	Djibouti	140
Bahrain	22	Algeria	160
Sudan	37		

Note: Rankings are the average of the economy's rankings on the procedures, time and cost to register property.
Source: Doing Business database.

Local property lawyers and officials in property registries provide information on required procedures as well as the time and cost to complete each one. For most economies the data are based on responses from both. Based on the responses, 3 indicators are constructed:

- Number of procedures to register property.
- Time to register property (in calendar days).
- Official costs to register property (as a percentage of the property value).

To make the data comparable across economies, the survey uses a case study with assumptions about the buyer, the seller and the property. The buyer and seller are limited liability companies, privately owned by nationals (no foreign ownership) and located in the periurban area of the largest business city. Both conduct general commercial activities.

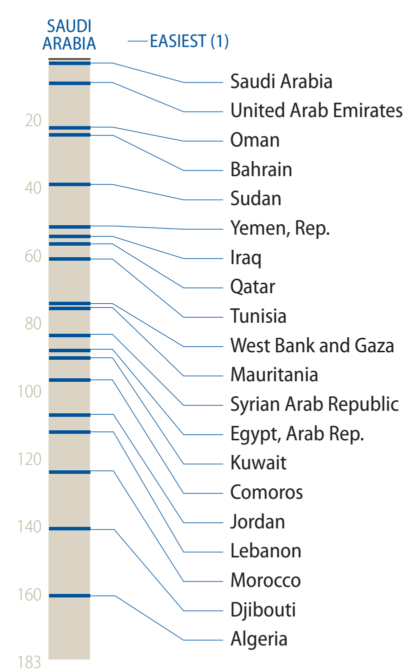
The property consists of land with an area of 557.4 square meters (6,000 square feet) and a 2-story warehouse with a total area of 929 square meters (10,000 square feet). It is located in the periurban commercial zone of the largest business city, has a value equal to 50 times income per capita and has been owned by the seller for the past 10 years. The property is registered in the land registry, the cadastre or both and is free of all disputes.

Efficient property registration reduces transactions costs and helps to formalize property titles. Simple procedures to register property are also associated with greater perceived security of property rights and less corruption. That benefits all entrepreneurs, especially women, the young and the poor. The rich have few problems protecting

FIGURE 5.2

How Arab economies rank on the ease of registering property

Global ranking (1–183)



their property rights. They can afford to invest in security systems and other measures to defend their property. But small entrepreneurs cannot. Reform can change this.

WHO REFORMED IN 2008/09?

Three economies in the Arab world had reforms making it easier to register property in 2008/09: Algeria, Jordan and West Bank and Gaza.

Algeria made it less costly to register property, introducing a new notary fee schedule that cut notary fees by 0.4% of the property value. It also eliminated the capital gains tax—and thus the need for the tax authority to determine the true value of the property for tax purposes. That means 3 fewer procedures for registering property.

Jordan announced a temporary, 6-month reduction in property transfer fees from 10% of the property value to 7.5% in May 2009. Moreover, it made a temporary exemption from registration fees permanent for all apartments of less than 120 square meters.

West Bank and Gaza's land registry in Ramallah has been computerizing its records with the help of a World Bank project for the past 3 years. The project, completed in December 2008, cut 15 days from average processing times at the registry. Property registration now takes 47 days.

TOWARD SMART REGULATION

Since 2004 *Doing Business* has recorded 16 reforms easing property registration in 9 Arab economies. These reformers join many others worldwide, with the largest share focusing on reducing taxes and fees.

SIMPLIFYING AND LOWERING FEES

Many economies impose multiple taxes and fees for property registration. In these economies not only are costs higher; the process is generally more cumbersome. More steps are required because payments must be made to different agencies and tax assessments may have to be obtained. Higher costs encourage informal transactions and underreporting of property values. And cumbersome processes can create incentives for the payment of bribes.

An alternative approach is to charge fixed fees, independent of the property value. Seventeen economies in the *Doing Business* sample do so, including Egypt and Saudi Arabia. Another alternative is to lower fees charged as a percentage of the property value. Many economies have done this since 2005. But more than 40 economies still have transfer taxes of more than 6% of the property value. In Syria taxes and fees exceed 20% of the property value.

Reducing taxes and fees removes some of the incentives to underreport property values and promotes formal registration of transactions. It can also ease the burden on governments trying to detect cheaters. Switching to lower or fixed fees makes it faster and easier to transfer property while reducing underreporting of property values. It also means that the capital gains and property taxes collected later will be based on more realistic property values. And reducing taxes does not necessarily mean reducing revenues. Egypt reduced fees yet saw total revenues stay almost steady or even rise, thanks to an increase in transactions.

SIMPLIFYING AND COMBINING PROCEDURES

Simple measures such as reducing the number of documents can save entrepreneurs and officials valuable time and resources. Establishing one-stop shops can ease the burden on entrepreneurs by enabling them to deal with multiple payments and registrations all in one place. After simplifying and combining procedures, government agencies can go a step further by linking their systems to exchange information.

In Belarus entrepreneurs can get their tax payment verified and obtain clearance from the cadastral office at the one-stop shop. They don't even need to worry about the notarization requirement; representatives of the land registry have the same legal powers as notaries.

TABLE 5.2
Who makes property registration easy—and who does not?

Procedures *(number)*			
Fewest		**Most**	
United Arab Emirates	1	Kuwait	8
Bahrain	2	Lebanon	8
Oman	2	Morocco	8
Saudi Arabia	2	Qatar	10
Tunisia	4	Algeria	11
Time *(days)*			
Fastest		**Slowest**	
Saudi Arabia	2	Algeria	47
United Arab Emirates	2	Morocco	47
Iraq	8	Mauritania	49
Sudan	9	Kuwait	55
Oman	16	Egypt, Arab Rep.	72
Cost *(% of property value)*			
Least		**Most**	
Saudi Arabia	0.0	Jordan	7.5
Qatar	0.3	Iraq	7.7
Kuwait	0.5	Djibouti	13.2
West Bank and Gaza	0.7	Comoros	20.8
Egypt, Arab Rep.	0.9	Syrian Arab Republic	28.0

Source: Doing Business database.

EASING ACCESS TO THE REGISTRY

Easy access to information in the property registry helps reduce the time spent on lengthy and costly due diligence to verify ownership, encumbrances and other required documentation. Where the internet is widely available, allowing online access to information is an effective way to reduce the time and cost to obtain documents. But many economies that have electronic records for encumbrances make the records available online only to authorized parties such as notaries or lawyers. Many others, including Tunisia, still require a visit to the land registry, because certificates can be obtained only in person; in some cases computers are available for searches.

Where a personal visit to the registry is still necessary, decentralizing offices of the land registry or adding new ones can reduce backlogs and facilitate access to the registry. Increasing administrative efficiency at the registry is another way to reduce delays for entrepreneurs. Introducing time limits—a necessary benchmark to measure registries' performance—can help. So can hiring more staff. Another option is to establish fast-track procedures at a higher cost. This helps people who need speedier registration and are willing to pay for it—and allows the registry to prioritize its work.

COMPUTERIZING THE REGISTRY

Transferring property records from paper to a digital system speeds up processing. In economies with computerized registries it takes only half as long to transfer property as it does in those with paper-based systems. Electronic processing can also improve title security, by making it easier to identify errors and overlapping titles. And digital records can be backed up and maintained more easily than paper ones. Going electronic can also increase registrations. West Bank and Gaza is among the economies that have started to reap the benefits of years of computerization efforts at their registries.

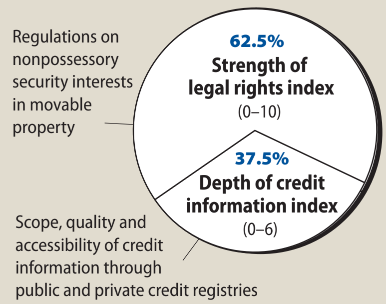
Technology is not always the ultimate solution. In low-income economies particularly, if paper records are inaccurate, making them electronic will not help. The focus should be first on improving the efficiency of current services and the accuracy of the registry.

Getting credit

FIGURE 6.1

Getting credit: collateral rules and credit information

Rankings are based on 2 subindicators



Note: Private bureau coverage and public registry coverage are measured but do not count for the rankings.

Firms consistently rate access to credit as among the greatest barriers to their operation and growth. *Doing Business* constructs 2 sets of indicators of how well credit markets function: one on the sharing of credit information and the other on legal rights of borrowers and lenders. Credit registries, institutions that collect and distribute credit information on borrowers, can greatly expand access to credit. By sharing credit information, they help lenders assess risk and allocate credit more efficiently. They also free entrepreneurs from having to rely on personal connections alone when trying to obtain credit.

Three indicators are constructed to measure the sharing of credit information:

- Depth of credit information index, which measures rules affecting the scope, quality and accessibility of information available through public or private credit registries.

TABLE 6.1

Where is getting credit easy—and where not?

Easiest (AW RANK 1–5)	GLOBAL RANK	Most difficult (AW RANK 16–20)	GLOBAL RANK
Saudi Arabia	61	Comoros	167
Egypt, Arab Rep.	71	Iraq	167
United Arab Emirates	71	West Bank and Gaza	167
Bahrain	87	Djibouti	177
Kuwait	87	Syrian Arab Republic	181

Note: Rankings on the ease of getting credit are based on the sum of the strength of legal rights index and the depth of credit information index.

Source: Doing Business database.

- Public registry coverage, which reports the number of individuals and firms covered by a public credit registry as a percentage of the adult population.
- Private bureau coverage, which reports the number of individuals and firms covered by a private credit bureau as a percentage of the adult population.

The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders. Ten points relating to nonpossessory security interests in movable property are analyzed:

- Can a business use movable assets as collateral while keeping possession of the assets, and can any financial institution accept such assets as collateral?
- Does the law allow a business to grant a nonpossessory security right in a single category of revolving movable assets, without requiring a specific description of the secured assets?
- Does the law allow a business to grant a nonpossessory security right in substantially all of its assets, without requiring a specific description of the secured assets?
- Can a security right extend to future or after-acquired assets and extend automatically to the products, proceeds or replacements of the original assets?
- Is a general description of debts and obligations permitted in collateral agreements and in registration documents, so that all types of debts and obligations can be secured by stating a maximum rather than a specific amount between the parties?
- Is a collateral registry in operation that is unified geographically and by asset type as well as being indexed by the name of the grantor of a security right?
- Are secured creditors paid first when a debtor defaults outside an insolvency procedure?
- Are secured creditors paid first when a business is liquidated?
- Are secured creditors subject to an automatic stay or moratorium on enforcement procedures when a debtor enters a court-supervised reorganization procedure?
- Does the law allow parties to agree in a collateral agreement that the lender may enforce its security right out of court?

To ensure that data measuring legal rights are comparable across economies, the survey uses a case study with a range of assumptions about the debtor and creditor. The debtor is a private, limited liability company that has its headquarters and only base of operations in the largest business city and obtains a loan from a local bank (the creditor) for an amount up to 10 times income per capita. Both the debtor and the creditor are 100% domestically owned.

WHO REFORMED IN 2008/09?

Three economies in the Arab world had reforms improving their credit information system in 2008/09: Egypt, Morocco and the Republic of Yemen.

Egypt's private credit bureau expanded the range of information distributed and added retailers to its database.

Morocco introduced a private credit bureau, Experian Maroc, which replaced the public registry and expanded coverage. The credit bureau, which started operations in March 2009, collects monthly information from banks and other financial institutions through the central bank. It collects both positive and negative information on individuals and firms and has no minimum threshold for loans included in the database. Data are preserved for 5 years. By the end of May 2009 the database had 1.8 million credits registered—and by the end of June, 3 million. An amendment to a circular guarantees individuals and firms the right to view their information.

The Republic of Yemen issued circulars removing the minimum threshold for loans included in the database and guaranteeing the right of borrowers to inspect their credit reports. In addition, the country's central bank now has a credit information system—a gift from the central bank of the United Arab Emirates, which also contributed to training and helped launch operations. The system began operating in June 2009 and now receives credit information from all banks operating in the country.

TOWARD SMART REGULATION

Since 2004 *Doing Business* has recorded 2 reforms strengthening the legal rights of borrowers and lenders in 2 Arab economies—and 17 reforms improving credit information systems in 8 Arab economies. Worldwide, many such reforms have created credit bureaus.

BOX 6.1

Expanding credit information

The Arab world has an opportunity to develop its credit reporting. In the past 5 years almost every economy in the region has established some kind of public or private credit reporting system. Unlike in other regions, central banks play a major role, either operating the credit registry directly or regulating credit reporting. And the consumer credit culture is much less developed than in other regions.

Morocco is an interesting case. While granting credit to potential bad payers is a crucial mistake for financial institutions, rejecting potential good customers is even worse. But until 2005 that was exactly what was happening in the Moroccan credit industry. Credit information was scarce, outdated, incomplete and unreliable, making it impossible for lenders to make sound lending decisions. That led to high rejection rates, massive red tape for established customers, poor access to credit for the rest and perennial requirements for collateral. Predictably, and despite the stiff loan approval process, nonperforming loans skyrocketed, generating uneasiness in the credit community and at the central bank, Bank Al-Maghrib.

But difficult situations can generate visionary reforms. The Moroccan central bank undertook a radical revamping of its aged credit registry while deciding to simultaneously establish a private credit reporting system through an approach based on delegation. This approach, suggested by IFC, would replicate credit information sharing systems operating in such Latin American countries as Bolivia, Ecuador and Peru—innovative systems that had proved to be effective and were valued for their operational simplicity.

In Morocco's new system all supervised entities (banks, nonbank financial institutions, microfinance institutions) are required to supply the central bank with full data on all loans on a monthly basis. The central bank consolidates the data and provides the same information to all licensed credit bureaus. The system avoids information monopolies, which have proved to be deleterious elsewhere. Instead, it ensures the free flow of information to all lending institutions, regardless of how much information they provide, protecting less powerful lending sectors such as microfinance. It establishes clear rights for borrowers as well as clear responsibilities for lenders.

By delegating the distribution of credit information to the private sector, the central bank implicitly recognized that someone else could do the job better—and freed itself to focus on its much more important role of supervision.

CREATING A CREDIT BUREAU

Establishing a credit bureau need not be expensive. Costs range from $500,000 to $3 million, depending on the systems already in place and the readiness of the banking sector. Most of the costs can be recovered within a couple of years. But getting started can often take time. According to experts, it takes 12–24 months for a credit bureau to begin operations—from developing a business plan to issuing the first reports.

Setting up the credit bureau is only a part of any reform. Reformers need to create the regulatory framework that will allow the sharing of data and foster trust in the system by both banks and borrowers. This often requires adopting a new credit bureau law or amendments to existing banking and data protection laws.

In many economies credit bureaus have the capacity to collect more information but lack the legal backing to do so. While economies in the Middle East and North Africa share the same amount of credit information on average as those in Latin America and the Caribbean do, their coverage rates are lower. One reason for the difference could be the legal structure affecting the credit bureaus and the information that credit bureaus are allowed to collect and distribute. In the Middle East and North Africa only 21% of economies have credit bureaus that share information from utilities and retailers, while in Latin America and the

FIGURE 6.2
How Arab economies rank on the ease of getting credit
Global ranking (1–183)

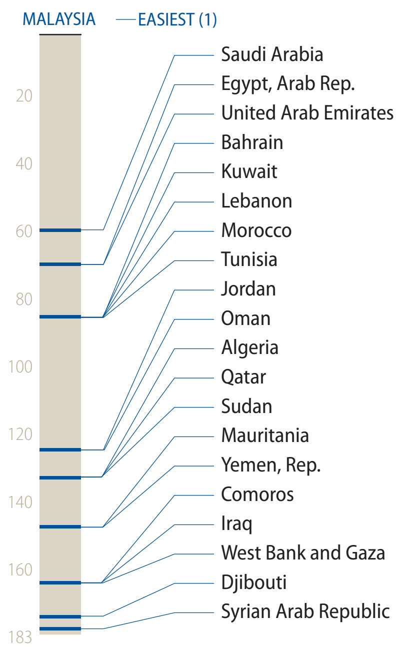


TABLE 6.2
Who has the most credit information and the most legal rights for borrowers and lenders—and who the least?

Borrowers covered by credit registries *(% of adults)*			
Most		**Least**	
Bahrain	34.9	Jordan	1.05
Kuwait	30.4	Algeria	0.22
Tunisia	19.9	Yemen, Rep.	0.22
Saudi Arabia	17.9	Djibouti	0.21
Oman	17.0	Mauritania	0.16
Legal rights for borrowers and lenders *(strength of legal rights index, 0–10)*			
Most		**Least**	
Sudan	5	Egypt, Arab Rep.	3
Bahrain	4	Yemen, Rep.	2
Jordan	4	Djibouti	1
Kuwait	4	Syrian Arab Republic	1
Oman	4*		
		West Bank and Gaza	0

* Saudi Arabia and the United Arab Emirates also score 4 on the strength of legal rights index.

Note: The rankings on borrower coverage reflected in the table include only Arab economies with public or private credit registries (15 in total). Another 5 Arab economies have no credit registry and therefore no coverage.

Source: Doing Business database.

Caribbean 59% do.

Including credit information from retailers and utility companies such as electricity providers and mobile phone companies is an effective way to increase coverage. But this is among the harder aspects to reform because these companies often are regulated by different institutions than financial companies are. Worldwide, only 40% of bureaus include information from such sources. Yet positive information on payment of electricity and phone bills can help establish a good credit history for those who need it the most—women and youth, many of whom have had no contact with the banking sector.

REFORMING SECURED TRANSACTIONS LAWS

Sound secured transactions laws allow businesses to use their assets—including movable assets such as machinery or accounts receivable—as security to generate capital for expansion. The ability to use such assets is particularly important for small and medium-size enterprises, which may not own land or buildings.

Economies as diverse as Cambodia, Guatemala, the Federated States of Micronesia and Rwanda have implemented new legal frameworks in recent years. Such legal changes often do not require large investments. The Dominican Republic, for example, estimates that it will spend about $68,500 on evaluating its existing secured transactions system and developing a new regulatory framework. Rwanda invested $55,320 in validation and translation of its new law as well as in the legislative process, excluding technical assistance from donors.

The experience of earlier reformers shows that such reform is well worth the effort. Where the law allows movable goods to be used as collateral, companies take advantage of this possibility.

SETTING UP A COLLATERAL REGISTRY

Where the necessary legal framework is in place, well-functioning collateral registries are needed so that companies can take advantage of the law and get access to credit. Results can show quickly, and creating a new collateral registry need not be costly. Guatemala recently established a paper-based registry that also functions online. The reform process, which included the adoption of a new secured transactions law, took several years. The initial budget to operate the new registry was $86,500.

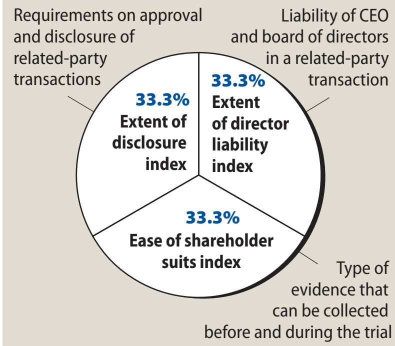
The total cost of establishing a new legal framework with an online collateral registry—including diagnostic and legal review, software, hardware, hosting and maintenance, along with international consulting during the entire process—can amount to about $350,000 or more. Reformers in the Dominican Republic expect a cost of $354,500 for such a comprehensive reform.

Protecting investors

FIGURE 7.1

Protecting investors: minority shareholder rights in related-party transactions

Rankings are based on 3 subindicators



Companies grow by raising capital, either through a bank loan or by attracting equity investors. Selling shares allows companies to expand without the need to provide collateral and repay bank loans. But investors worry about their money—and look for laws that protect them. One study finds that the presence of legal and regulatory protections for investors explains up to 73% of the decision to invest. In contrast, company characteristics explain only between 4% and 22%.[1] Good protections for minority shareholders are associated with larger and more active stock markets. Thus both governments and businesses have an interest in reforms strengthening investor protections.

To document some of the protections that investors have, *Doing Business* measures how economies regulate a standard case of self-dealing: use of corporate assets for personal gain. The case facts are straightforward. Mr. James, a director and the majority shareholder of a public company, proposes that the company purchase used trucks from another company that he owns. The price is higher than the going price for used trucks. The transaction goes forward. All required approvals are obtained, and all required disclosures made, though the transaction is prejudicial to the purchasing company. Shareholders sue the interested parties and the members of the board of directors.

TABLE 7.1

Where are investors protected—and where not?

Most protected (AW RANK 1–5)	GLOBAL RANK	**Least protected** (AW RANK 16–20)	GLOBAL RANK
Saudi Arabia	16	Yemen, Rep.	132
Kuwait	27	Mauritania	147
West Bank and Gaza	41	Sudan	154
		Morocco	165
Bahrain	57	Djibouti	178
Algeria	73		

Note: Rankings are based on the strength of investor protection index.
Source: Doing Business database.

Several questions arise: Who approves the transaction? What information must be disclosed? What company documents can investors access? What do minority shareholders have to prove to get the transaction stopped or to receive compensation from Mr. James?

On the basis of the answers to these and other questions, 3 indices of investor protection are constructed:

- Extent of disclosure index, which covers approval procedures, requirements for immediate disclosure to the public and shareholders of proposed transactions, requirements for disclosure in periodic filings and reports and the availability of external review of transactions before they take place.
- Extent of director liability index, which covers the ability of investors to hold Mr. James and the board of directors liable for damages, the ability to rescind the transaction, the availability of fines and jail time associated with self-dealing, the availability of direct or derivative suits and the ability to require Mr. James to pay back his personal profits from the transaction.
- Ease of shareholder suits index, which covers the availability of documents that can be used during trial, the ability of the investor to examine the defendant and other witnesses, shareholders' access to internal documents of the company, the appointment of an inspector to investigate the transaction and the standard of proof applicable to a civil suit against the directors.

These 3 indices are averaged to create the strength of investor protection index. All indices range from 0 to 10, with higher values indicating more protections or greater disclosure.

WHO REFORMED IN 2008/09?

Tunisia was the only economy in the Arab world to strengthen investor protections in 2008/09.

Tunisia aimed to increase the transparency of companies' activities, and the parliament amended the company law (Code des Sociétés Commerciales) accordingly in March 2009. The new provisions require approval of related-party transactions by both the board of directors and a shareholders meeting. Interested parties are no longer allowed to participate in the approval process. In addition, the law requires review of the terms of such transactions by an independent auditor.

TOWARD SMART REGULATION

Since 2004 *Doing Business* has recorded 5 reforms to strengthen investor protections in 3 Arab economies. Economies that rank high on the strength of investor protection index protect minority investors from self-dealing through stronger disclosure requirements, clear duties for directors and easy access to corporate information.

Examples are New Zealand, Singapore and the United Kingdom. These economies also have efficient, responsive judicial systems—without which good laws would have little impact on investor protections.

But many economies still offer minority investors only partial protections through the laws or the judicial system. While economies such as Bulgaria have extensive disclosure and approval requirements, for example, they lack clear rules regulating the liability of directors. And while economies like the United Arab Emirates have clear, rigorous rules regulating the liability of directors, they lack such rules for regulating the disclosure of related-party transactions and access to internal corporate information.

How do economies fill the gaps? Reforms worldwide over the past 5 years show some common patterns.

BROADENING DISCLOSURE REQUIREMENTS

Reforms aimed at increasing market transparency have focused on both internal and external disclosure requirements. Requirements for internal disclosure of related-party transactions call for notifying the company's board of directors (or supervisory board) and its shareholders. Those for external disclosure include disclosure of the transaction to the stock exchange or market regulator within 24–72 hours after the transaction and disclosure in the company's annual report.

Reforming governments have both broadened the scope and improved the quality of the information that must be disclosed. In Indonesia and the Kyrgyz Republic, for example, directors must disclose the nature and amount of the transaction, explain the potential conflict of interest in detail and provide any other relevant information that could help the board or shareholders come to an informed decision.

But reformers need to watch out for potential legal loopholes allowing parties to bypass disclosure requirements. One signal: references in laws to the "ordinary course of business." Economies such as Switzerland require extensive disclosure of related-party transactions. But if a transaction is conducted as part of the company's "day-to-day activities," the disclosure provisions do not apply. Neither legislation nor case law adequately defines the "ordinary course of business." Often, any transaction could fit the exception, so disclosure requirements are of little use.

SPELLING OUT APPROVAL PROCESSES

Reformers who want to require approval of related-party transactions have 2 options: approval by the board of directors (or supervisory board) or by the shareholders. Either way, interested directors should not be allowed to participate in the process—or should not have their votes counted.

In economies with large corporations, modern legal systems and good communications infrastructure, such as France and Singapore, shareholder approval is the preferred route. But in economies with smaller companies and fewer shareholders, the tendency is to create thresholds for approval of transactions. In Albania and Rwanda, if a related-party transaction—or a group of such transactions—represents less than 5% of the company's assets, it must be approved by the board of directors. If it represents more than 5% of the assets, it must be approved at a shareholders meeting. This model allows the company flexibility in conducting its day-to-day activities while ensuring that minority investors are involved in major decisions.

BEING CLEAR ABOUT LIABILITY

Company directors are subject to strict rules and duties because they are fiduciaries. If they manage the business properly, they are rewarded. If they fail to do so, they are responsible for the consequences.

When regulating directors' duties, governments generally follow 1 of 2 paths. Either they set out in the law a detailed catalogue of rights and duties for company directors. Or they create a special regime of liability for directors in case of prejudicial related-party transactions. In both approaches directors found liable must compensate the company for damages and repay profits made from the transaction.

Many laws have only transparency provisions without making directors liable for prejudicial related-party transactions. As long as interested parties comply with the requirements for approval and disclosure of a related-party transaction, they are not liable for any damages caused. This deprives minority investors of an important tool for protecting their own interests and those of the company they invest in.

FIGURE 7.2

How Arab economies rank on protecting investors

Global ranking (1–183)

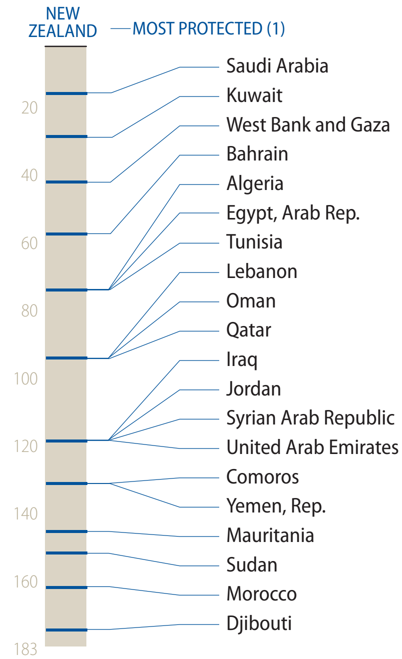


TABLE 7.2
Who provides strong minority investor protections—and who does not?

***Extent of disclosure index** (0–10)*

Most		Least	
Lebanon	9	Djibouti	5
Saudi Arabia	9	Mauritania	5
Bahrain	8	Iraq	4
Egypt, Arab Rep.	8	United Arab Emirates	4
Oman	8	Sudan	0

***Extent of director liability index** (0–10)*

Most		Least	
Saudi Arabia	8	Mauritania	3
Kuwait	7	Djibouti	2
United Arab Emirates	7	Morocco	2
Algeria	6	Comoros	1
Qatar	6	Lebanon	1

***Ease of shareholder suits index** (0–10)*

Easiest		Most difficult	
West Bank and Gaza	7	Oman	2
Tunisia	6	Syrian Arab Republic	2
Bahrain	5	Yemen, Rep.	2
Egypt, Arab Rep.	5	Morocco	1
Kuwait	5*	Djibouti	0

* Comoros and Lebanon also score 5 on the ease of shareholder suits index.
Source: Doing Business database.

EASING ACCESS TO EVIDENCE

Minority investors are protected when they can bring a case before the court and expect the court to rule in a reasonable time. But to make their case, they need access to evidence before and during the trial.

Reformers have made it easier for minority investors to gain access to internal corporate information before the trial—either directly or through a government inspector. Indonesia and Japan offer both options. Mozambique and Rwanda allow shareholders access to any internal corporate documents except corporate secrets. And if the management fails to provide sufficient information, shareholders can ask the court to appoint a government inspector with full powers to access all corporate documents.

Others have facilitated access to evidence during the trial. Mali did so by amending its procedural rules. Now lawyers representing investors can question defendants and witnesses directly, without needing approval from the judge.

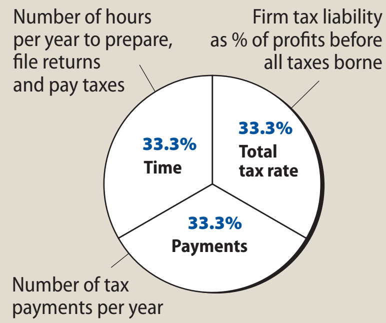
1. Doidge, Karolyi and Stulz (2007).

Paying taxes

FIGURE 8.1

Paying taxes: tax compliance for a local manufacturing company

Rankings are based on 3 subindicators



Taxes are essential. Without taxes, there would be no money to provide public amenities, infrastructure and services crucial for a properly functioning economy. But where the tax burden is large, and the corresponding benefits appear to be small, companies—especially small and medium-size ones—may opt out and choose to operate in the informal sector. One way to enhance tax compliance by businesses is to make the process of paying taxes easier and simpler.

The *Doing Business* tax survey records the effective tax that a small to medium-size company must pay and the administrative costs of doing so. The survey case study centers on TaxpayerCo, a medium-size business that started operations last year. *Doing Business* asks tax practitioners in 183 economies to review TaxpayerCo's financial statements and a standard list of transactions that the company completed during the year. Respondents are asked how much in taxes and mandatory contributions the business must pay and what the process is for doing so.

The business starts from the same financial position in each economy. All the taxes and mandatory contributions paid during the second year of operation are recorded. Taxes and mandatory contributions are measured at all levels of government and include corporate income tax, turnover tax, all labor taxes and contributions paid by the company (including mandatory contributions paid to private pension or insurance funds), property tax, property transfer tax, dividend tax, capital gains tax, financial transactions tax, vehicle tax, sales tax and other small taxes (such as fuel tax, stamp duty and local taxes). A range of standard deductions and exemptions are also recorded.

Three indicators are constructed:

- Number of tax payments, which takes into account the method of payment, the frequency of payments and the number of agencies involved in the standardized case study.
- Time, which measures the number of hours per year necessary to prepare and file tax returns and to pay the corporate income tax, value added tax, sales tax or goods and service tax and labor taxes and mandatory contributions.
- Total tax rate, which measures the amount of taxes and mandatory contributions payable by the company during the second year of operation. This amount, expressed as a percentage of commercial profit, is the sum of all the different taxes payable after accounting for various deductions and exemptions.

TABLE 8.1

Where is it easy to pay taxes—and where not?

Easiest (AW RANK 1–5)	GLOBAL RANK	**Most difficult** (AW RANK 16–20)	GLOBAL RANK
Qatar	2	Morocco	125
United Arab Emirates	4	Egypt, Arab Rep.	140
		Yemen, Rep.	148
Saudi Arabia	7	Algeria	168
Oman	8	Mauritania	175
Kuwait	11		

Note: Rankings are the average of the economy's rankings on the number of payments, time and total tax rate.
Source: Doing Business database.

WHO REFORMED IN 2008/09?

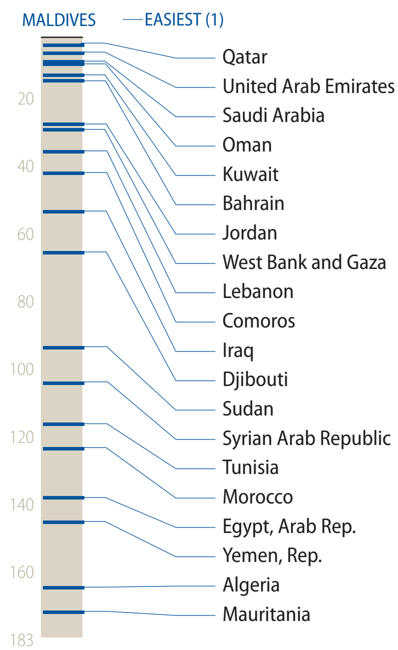
In the Arab world the trend of lowering corporate income tax rates and implementing online systems continued in 2008/09. Six economies had reforms making tax compliance easier.

Algeria reduced the corporate income tax rate from 25% to 19% for production of goods, construction and public works and tourism activities.

Djibouti replaced its sales tax with a new value added tax, effective January 2009. The 7% value added tax is levied on the supply of goods and services.

Jordan simplified income and sales tax forms and introduced an online filing and payment system. Legislation was amended to allow electronic payment transactions, and a media campaign conducted to increase public awareness of the new payment facility.

FIGURE 8.2
How Arab economies rank on the ease of paying taxes
Global ranking (1–183)



BOX 8.1
Simplifying taxes in the Republic of Yemen

Creating a business environment that enables firms to grow, invest, create jobs and increase productivity requires building sound economic policies and regulations and effective public sector institutions. In the Republic of Yemen reform of the tax system is seen as an important part of this. Tax revenue has been relatively low, and the corporate tax burden relatively large compared with the individual tax burden.

The government reduced the number of tax instruments and lowered import duties. But the structure of the statutory tax system, with its multiplicity of instruments and complex incentive scheme, remained a barrier to investment by firms. In addition, the interaction between the tax administration and the private sector was characterized by mistrust, rent-seeking behavior on both sides and lack of clarity about the implementation of tax policies and regulations.

The administration of the tax code was thus a big part of the issue. It imposed a burden on business, contributed to informal economic behavior and acted as a deterrent to investment. Without restructuring and reform of the tax administration, any adjustments to the tax laws would be ineffective.

In July 2007 the World Bank began to assist the government in responding to these challenges. It helped design and administer a wide-ranging reform program aimed at encouraging participation in the tax system by simplifying and rationalizing the system and removing barriers to paying taxes. A big focus was streamlining administrative procedures and improving the structure and efficiency of the tax authority.

By July 2009 the reform program had produced clear results. The income tax and goods and services tax instruments had been simplified and strengthened, and new regulations implemented to address underlying problems preventing compliance. Other tax instruments, such as fees, licenses and subnational taxes, had been consolidated and reduced. A new, integrated tax system had been designed for small and medium-size enterprises. Processes had been streamlined to reduce the costs of tax compliance. And the architecture of the tax administration had been redesigned, paving the way for carrying out streamlined processes effectively.

LEBANON abolished the requirement to apply for permission to use accelerated depreciation. Now businesses need only notify the Ministry of Finance of their intention to do so. Further easing the process of paying taxes, the government authorized electronic records as well as electronic payment at branches of LibanPost.

OMAN issued a new income tax law in May 2009 that will completely replace the existing tax law and amendments. The new law, effective for accounting periods beginning on or after January 1, 2010, is aimed mainly at modernizing the tax regime and simplifying procedures.

SUDAN enacted a new tax law in 2007 that took effect in January 2008. Aimed at making tax compliance easier for businesses, the new law includes revised tax rates, provisions on tax assessments and appeals and dedicated tax payment facilities for large and medium-size taxpayers. The law reduced the corporate profit tax rate from 30% to 15% for all sectors except industry and real estate (10%) and agriculture (0%). Sudan also reduced the capital gains tax from 5% to 2% for all fixed assets and from 10% to 5% for real estate.

TUNISIA introduced a requirement, effective in 2009, for all companies with a turnover equivalent to at least $1.5 million to use the *télédeclaration* online tax system. However, it raised the rate for social security contributions by employers from 16% to 17.07% in January 2008.

TOWARD SMART REGULATION

Since 2004 *Doing Business* has recorded 18 reforms in paying taxes in 13 Arab economies—reforms aimed at making tax compliance easier and the tax burden lighter for small and medium-size businesses. Reformers such as Egypt have underscored the importance of tax reform in enhancing economic growth and investment, increasing competitiveness, combating unemployment and achieving good governance. In reforming their tax systems they have sought to eliminate various exemptions, broaden the tax base and modernize their tax systems.

EASING COMPLIANCE THROUGH BROAD-BASED REFORMS

Many tax reforms are aimed at simplifying the tax law and making it easier for firms to comply with regulations. A bold step in this direction involves eliminating tax exemptions, tax holidays and other special treatment for different types of businesses, to achieve equal treatment for all businesses. Eliminating

TABLE 8.2

Who makes paying taxes easy and who does not—and where is the total tax rate highest and lowest?

Payments *(number per year)*			
Fewest		**Most**	
Qatar	1	Algeria	34
Iraq	13	Djibouti	35
Oman	14	Mauritania	38
Saudi Arabia	14	Sudan	42
United Arab Emirates	14	Yemen, Rep.	44
Time *(hours per year)*			
Fastest		**Slowest**	
United Arab Emirates	12	Syrian Arab Republic	336
Bahrain	36	Morocco	358
Qatar	36	Algeria	451
Oman	62	Egypt, Arab Rep.	480
Saudi Arabia	79	Mauritania	696
Total tax rate *(% of profit)*			
Lowest		**Highest**	
Qatar	11.3	Egypt, Arab Rep.	43.0
United Arab Emirates	14.1	Yemen, Rep.	47.8
		Tunisia	62.8
Saudi Arabia	14.5	Algeria	72.0
Bahrain	15.0	Mauritania	86.1
Kuwait	15.5		

Source: Doing Business database.

tax exemptions can be difficult, because they are often used as tax incentives with specific objectives. Reform experience in Egypt shows that it takes political will and buy-in from stakeholders to succeed.

MAKING SYSTEMS ELECTRONIC

Many economies covered by *Doing Business* offer electronic tax filing and payment options to businesses. In 56 economies the electronic systems are used by a significant share of businesses. Not surprisingly, among OECD high-income economies all but one permit firms to file and pay taxes electronically. But the trend is also picking up among developing economies. In the past 5 years 31 have introduced fairly comprehensive electronic systems. Another 14 are introducing electronic filing or payment or have just done so and are encouraging wider use by taxpayers.

Many economies are eager to make use of technology to ease the paying of taxes—and with good reason. If properly implemented, and adopted by businesses, electronic tax systems speed up processing, improve data collection and reduce error rates. In many developing economies access to the internet remains an obstacle. But adoption of new systems can be slow for reasons that cut across economies at all levels of development.

Most critically, taxpayers need to trust the payment system. This requires high-quality security systems to protect data. Also required are laws addressing data protection and privacy concerns and allowing electronic signatures. Electronic payment can be implemented in several ways, including through the internet. Another way is through automatic bank transfer, popular across all regions and income levels, mainly because taxpayers perceive it as less prone to security risks.

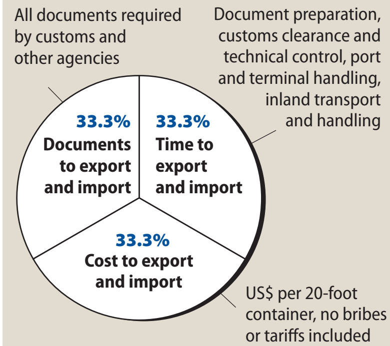
In Lebanon taxpayers can make electronic payments at any post office. In Tunisia the government initially introduced an intermediate option allowing online filers to print a receipt number and make their payment in any tax office. The past year's reform consolidated electronic payment and filing through the *télédeclaration* online system.

Trading across borders

FIGURE 9.1

Trading across borders: exporting and importing by ocean transport

Rankings are based on 3 subindicators



The benefits of trade are well documented. So are the obstacles to trade. Tariffs, quotas and distance from large markets greatly increase the cost of goods or prevent trading altogether. But with bigger ships and faster planes, the world is shrinking. Global and regional trade agreements have reduced trade barriers. Yet Africa's share of global trade is smaller today than it was 25 years ago. So is the Middle East's, excluding oil exports. Many entrepreneurs face numerous hurdles in exporting or importing goods, including delays at the border. They often give up. Others never try. Indeed, the potential gains from trade facilitation may be greater than those arising from tariff reductions alone.

Doing Business compiles procedural requirements for trading a standard shipment of goods by ocean transport. Every procedure—along with the associated documents, time and cost—for importing and exporting the goods is recorded, starting with the contractual agreement between the 2 parties and ending with delivery of the goods. For importing the goods, the procedures measured range from the vessel's arrival at the port of entry to the shipment's delivery at the importer's warehouse. For exporting the goods, the procedures measured range from the packing of the goods at the factory to their departure from the port of exit. Payment is by letter of credit, and the time and cost for issuing or securing a letter of credit are taken into account.

TABLE 9.1

Where is trading easy—and where not?

Easiest (AW RANK 1–5)	GLOBAL RANK	**Most difficult** (AW RANK 16–20)	GLOBAL RANK
United Arab Emirates	5	Oman	123
Saudi Arabia	23	Comoros	133
Egypt, Arab Rep.	29	Sudan	142
Bahrain	32	Mauritania	163
Djibouti	34	Iraq	180

Note: Rankings are the average of the economy's rankings on the documents, time and cost required to export and import.
Source: Doing Business database.

To make the data comparable across economies, several assumptions about the business and the traded goods are used. The business is of medium size, employs 60 people and is located in the periurban area of the economy's largest business city. It is a private, limited liability company, domestically owned, formally registered and operating under commercial laws and regulations of the economy. The traded goods are ordinary, legally manufactured products transported in a dry-cargo, 20-foot FCL (full container load) container.

Documents recorded include port filing documents, customs declaration and clearance documents as well as official documents exchanged between the parties to the transaction. Time is recorded in calendar days, from the beginning to the end of each procedure. Cost includes the fees levied on a 20-foot container in U.S. dollars. All the fees associated with completing the procedures to export or import the goods are included, such as costs for documents, administrative fees for customs clearance and technical control, terminal handling charges and inland transport. The cost measure does not include tariffs or duties.

Economies that have efficient customs, good transport networks and fewer document requirements, making compliance with export and import procedures faster and cheaper, are more competitive globally. That can lead to more exports, and exports are associated with faster growth and more jobs. Conversely, a need to file many documents is associated with more corruption in customs. Faced with long delays and frequent demands for bribes, many traders may avoid customs altogether. Instead, they smuggle goods across the border. This defeats the very purpose in having border control of trade: to levy taxes and ensure high quality of goods.

WHO REFORMED IN 2008/09?

Six economies in the Arab world implemented reforms making it easier to trade in 2008/09: Jordan, Kuwait, Sudan, Tunisia, the United Arab Emirates and the Republic of Yemen.

JORDAN continued reform efforts, initiated in 2006, to improve the customs authority's risk management program. By May 2009 only 30% of the goods passing through the Port of Aqaba were being physically inspected. Thanks to the

FIGURE 9.2

How Arab economies rank on the ease of trading across borders

Global ranking (1–183)

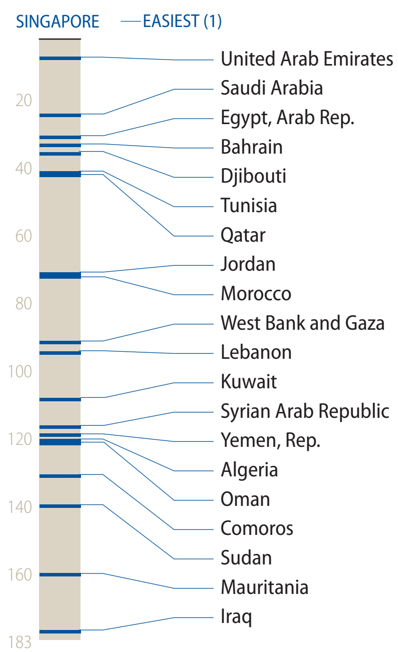


TABLE 9.2

Who makes exporting easy—and who does not?

Documents *(number)*			
Fewest		**Most**	
United Arab Emirates	4	Syrian Arab Republic	8
Qatar	5	Oman	10
Saudi Arabia	5	Comoros	10
Tunisia	5	Iraq	10
Djibouti	5	Mauritania	11
Time *(days)*			
Fastest		**Slowest**	
United Arab Emirates	8	Yemen, Rep.	27
Bahrain	14	Comoros	30
Egypt, Arab Rep.	14	Sudan	32
Morocco	14	Mauritania	39
Tunisia	15	Iraq	102
Cost *(US$ per container)*			
Least		**Most**	
United Arab Emirates	593	Syrian Arab Republic	1,190
Saudi Arabia	681	Algeria	1,248
Morocco	700	Mauritania	1,520
Jordan	730	Sudan	2,050
Qatar	735	Iraq	3,900

Who makes importing easy—and who does not?

Documents *(number)*			
Fewest		**Most**	
United Arab Emirates	5	Oman	10
Saudi Arabia	5	Kuwait	10
Djibouti	5	Comoros	10
Egypt, Arab Rep.	6	Iraq	10
West Bank and Gaza	6	Mauritania	11
Time *(days)*			
Fastest		**Slowest**	
United Arab Emirates	9	Lebanon	35
Egypt, Arab Rep.	15	West Bank and Gaza	40
Bahrain	15	Mauritania	42
Morocco	17	Sudan	46
Saudi Arabia	18	Iraq	101
Cost *(US$ per container)*			
Least		**Most**	
United Arab Emirates	579	Yemen, Rep.	1,475
Qatar	657	Mauritania	1,523
Saudi Arabia	678	Syrian Arab Republic	1,625
Egypt, Arab Rep.	823	Sudan	2,900
Tunisia	858	Iraq	3,900

Source: Doing Business database.

prearrival declaration system, companies whose supply chain system has been audited by customs (today, 4 of the largest importers) can avoid inspection for their containers. Full implementation of the automated customs administration system ASYCUDA World, which allows 24-hour online access, also helped accelerate clearance.

Kuwait automated customs, and manifests can now be submitted electronically. This change, along with better coordination between customs and the port authority, has reduced the time to export and import.

Sudan made it easier for traders to file customs declarations online and connected 10 additional customs offices to the customs system, simplifying clearance procedures. It also introduced 2 additional scanners at the Port of Sudan, speeding up the inspection process.

Tunisia expanded its TradeNet electronic single-window system for trade transactions. Now most documents required to clear goods can be transferred electronically. But traders still must bring the original documents to customs for verification.

The United Arab Emirates continued to improve both hard and soft infrastructure. Container Terminal 2 in Dubai now has 29 tandem lift cranes and 60 rail-mounted gantry cranes, significantly reducing the time to load vessels. Improvements in processing and lower administrative costs at several banks have helped reduce the cost of trade finance products. And thanks to greater use of technology at the Jebel Alin container terminal, the terminal handling receipt is no longer required.

The Republic of Yemen implemented ASYCUDA++, allowing electronic submission of customs documents. It also introduced a risk-based inspection regime, reducing the time for clearance.

TOWARD SMART REGULATION

Since 2004 *Doing Business* has recorded 21 trade facilitation reforms in 12 Arab economies. The most active reformers in the Arab world have been Egypt and Morocco. Here are some of the most effective reform features that have been implemented worldwide over the years.

GOING ELECTRONIC

Across economies, regardless of income level, installing electronic data interchange systems for submitting and processing documents remains a popular and effective way to reduce delays in the trading process. The cost of implementation varies, depending in part on the system's complexity. Off-the-shelf systems tend to be less expensive than customized ones—though customized systems may be better tailored to addressing the specificities of an economy's trade procedures.

BOX 9.1

Reforms to facilitate trade are picking up

In the Middle East and North Africa an uncompetitive trading environment has hampered participation in global supply chains. In 1975 the region's share of manufactured exports was 0.82%. By 2008 this share had grown only to 1.06%. Meanwhile, Latin America and the Caribbean saw its share of manufactured exports rise from 1.25% to 4.16%, and East Asia and the Pacific expanded its share from 1.71% to 20%. Indeed, the Middle East and North Africa fell behind all other regions except Sub-Saharan Africa. As one study points out, the benefits of improved market access have been curtailed by cumbersome trading procedures.[1]

In the Middle East and North Africa exporters can expect to spend an average of 23 days to complete all export formalities—12 days more than the average in OECD economies. Why? There are several reasons.

In many leading trading economies, completing a trade transaction requires only 4 documents. In the Middle East and North Africa it requires 7 on average. The trading process requires frequent interactions with multiple officials and agencies rather than simple electronic submission of documents. Moreover, traders often complain about the need to make facilitation payments to get cargo cleared speedily.

A large share of traded goods are subject to physical inspection at the borders. *Doing Business* data show that in many economies in the region, more than 50% of goods crossing borders undergo physical inspection (in some economies, 100%). In leading trading nations the share is only about 10%.

The market for critical trade services such as trucking, customs brokerage and container terminal services remains uncompetitive in many of the region's economies, often as a result of government regulations and cartelization.[2] Traders pay the price through higher costs and lower quality of service.

The good news is that reformers seeking ways to create an environment more conducive to trade need not look far. Trade facilitation reforms have been picking up in the region. The United Arab Emirates has created an electronic portal linking ports and customs. Now traders can complete transactions mostly online, and the country ranks among the top 10 on the ease of trading across borders. Jordan has set an example by adopting risk-based inspections. Now physical inspections are limited to the riskiest cargo. And both Jordan and Egypt have introduced postclearance audits for some of the largest importers, allowing fast-track clearance for companies with a good track record.

1. Dennis (2006).

2. Devlin and Yee (2005).

Technology is no magic wand. The benefits of electronic data interchange systems can be undercut by many factors. Traders in several African economies that have developed automated customs systems—such as Ghana—complain about lack of access to uninterrupted power supply and high-speed internet connections.

Lack of legislation on electronic signatures and transactions can also cause problems and lead to duplications in the clearance system. In Tunisia, for example, traders still have to file paper documents even though an electronic system is in place.

For electronic data interchange reforms to succeed, all these concerns need to be addressed.

CREATING A SINGLE WINDOW

Implementing a single window for trade transactions is another way to make it faster and easier to trade. In Korea a comprehensive single-window project completed in July 2008 made it possible for traders, government agencies and private sector participants—including banks, customs brokers, insurance companies and freight forwarders—to exchange information in real time, speeding up approvals. Firms' savings in labor, printing, paper delivery, storage and inventory costs are estimated at about $2 billion a year.

Reforms do not always go smoothly. Because a single window brings together several parties, some of which may have to cede some control, it requires strong political support to succeed. In Korea the single window succeeded thanks to the priority accorded to trade facilitation reforms at high levels of government.

EASING PRIVATE PARTICIPATION IN TRADE SERVICES

Customs formalities are not the only factor affecting the time and cost for trading across borders. Private providers of trade services—such as customs brokers, trucking companies and port service providers—all play an important role. The quality of their services and the fees they charge inevitably affect trade competitiveness. By removing overly burdensome restrictions on their operations, governments can help increase competition and thus improve the quality and lower the cost of service.

In several developing economies, despite lower wage levels, traders must pay higher fees to customs brokers than their counterparts in developed economies. Customs brokers are often regulated by government agencies. But caps on the number of brokers, high license fees, onerous eligibility requirements and infrequent training opportunities restrict entry, limit competition and contribute to higher brokerage fees.

Greater competition makes a difference. After Algeria accelerated the approval of license applications for brokers, customs clearance fees dropped by 40–50%. Yet in some economies the high service fees reflect the facilitation payments brokers must pay to navigate the maze of trade procedures. These should be tackled first.

Competition is just as critical in trucking. And access to competitive, efficient ports can provide a big boost to an economy's trade prospects. Low-income economies generally face higher port costs, in part because of poorer infrastructure. And port infrastructure is costly. The development of an economy's port competitiveness can be hindered by many issues, one of which is unfavorable regulations.

In many economies regulations restrict or discourage private participation in the provision of port services. And without the right regulatory regime and incentive structure, an inefficient public service provider could simply be replaced by an inefficient private monopoly service provider. Good contractual and regulatory design and oversight—embodied in favorable pricing policies, labor regulations and contract duration—can help translate private participation into competitive port services.

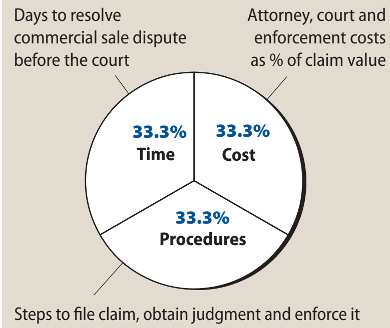
Recent years have seen a turnaround in performance at the port of Djibouti and the Jordanian port of Aqaba. This is thanks in part to favorable contractual and regulatory design encouraging investments by some of the world's leading private container terminal operators.

Enforcing contracts

FIGURE 10.1

Enforcing contracts: resolving a commercial dispute through the courts

Rankings are based on 3 subindicators



Where contract enforcement is efficient, businesses are more likely to engage with new borrowers or customers. *Doing Business* tracks the efficiency of the judicial system in resolving a commercial dispute, following the step-by-step evolution of a commercial sale dispute before local courts. The data are collected through study of the codes of civil procedure and other court regulations as well as through surveys completed by local litigation lawyers (and, in a quarter of the economies, by judges as well).

The dispute concerns a contract for the sale of goods between 2 businesses (the Seller and the Buyer), both located in the economy's largest business city. The Seller sells and delivers goods, worth 200% of the economy's income per capita, to the Buyer. The Buyer refuses to pay on the grounds that the goods are not of adequate quality. The Seller sues the Buyer to recover the amount under the sales agreement (200% of the economy's income per capita). The claim is filed before a court in the economy's largest business city with jurisdiction over commercial cases worth 200% of income per capita and is disputed on the merits. The judgment is 100% in favor of the Seller and is not appealed. The Seller enforces the judgment and the money is successfully collected through a public sale of the Buyer's assets.

TABLE 10.1

Where is enforcing contracts easy—and where not?

Easiest (AW RANK 1–5)	GLOBAL RANK	**Most difficult** (AW RANK 16–20)	GLOBAL RANK
Yemen, Rep.	35	Sudan	146
Tunisia	77	Egypt, Arab Rep.	148
Mauritania	83	Comoros	153
Qatar	95	Djibouti	161
Oman	106	Syrian Arab Republic	176

Note: Rankings are the average of the economy's rankings on the procedures, time and cost to resolve a commercial dispute through the courts.

Source: Doing Business database.

Rankings on enforcing contracts are based on 3 subindicators:

- Number of procedures, which are defined as any interaction between the parties or between them and the judge or court officer. This includes steps to file the case, steps for trial and judgment and steps necessary to enforce the judgment.
- Time, which counts the number of calendar days from the moment the Seller files the lawsuit in court until payment is received. This includes both the days on which actions take place and the waiting periods in between.
- Cost, which is recorded as a percentage of the claim (assumed to be equivalent to 200% of income per capita). Three types of costs are recorded: court costs (including expert fees), enforcement costs (including costs for a public sale of the Buyer's assets) and attorney fees.

Justice delayed is often justice denied. And in many economies only the rich can afford to go to court. For the rest, justice is out of reach. In the absence of efficient courts, firms undertake fewer investments or business transactions. And they prefer to involve only a small group of people who know one another from previous dealings.

WHO REFORMED IN 2008/09?

In the Arab world 4 economies had reforms making it easier to enforce contracts in 2008/09: Algeria, Egypt, Jordan and West Bank and Gaza.

ALGERIA introduced a new code of civil procedure and is computerizing its courts. The new code formalizes and details procedures and sets strict time limits, making the judge responsible for enforcing them. The law limits the number of hearings to dispose of a case to 5 unless there are exceptional circumstances. And it requires judges to offer the parties to a lawsuit an opportunity to seek mediation. The new code also requires that all documents be produced in Arabic, the official language of Algeria. The courts are being fully computerized, including with an electronic case register and case management software.

EGYPT began operating its new commercial courts in October 2008.

JORDAN implemented an extensive court reform. With the aim of better distributing the caseload, it raised the threshold for cases heard by its lowest first-instance civil court, the "conciliation court," from 3,000 Jordanian dinars to 7,000 (about $10,000). Specialized commercial divisions were established at the level of both the first-instance courts and conciliation courts. Jordan also introduced a computerized case management system, Mizan II, an improved version of the original used in neighboring West Bank and Gaza. The system adds such features as text message notification of attorneys, online access to court records for authorized users and the possibility to consult electronic copies of each case file.

West Bank and Gaza is piloting Mizan II while implementing wide-ranging court reform. New judges have been recruited and trained. A legal provision authorizing a settlement judge to hear conciliation court cases (those involving values less than 10,000 Jordanian dinars) entered into force. Courts with a substantial caseload, such as the Ramallah magistrates' court, have been assigned an enforcement judge responsible solely for handling issues arising from the execution of judgments. The changes reduced the average time to resolve a commercial dispute from 700 days to 600.

TOWARD SMART REGULATION

Since 2004 *Doing Business* has recorded 5 reforms in enforcing contracts in 5 Arab economies. Policy makers often assume that judicial reform takes years and costs millions of dollars. Saudi Arabia, for example, plans to spend almost $2 billion to upgrade its court system over the coming years.

But court efficiency can often be improved through simple, targeted measures. An initial analysis of the entire process of taking a commercial case through the court system, along with collection of court statistics, helps focus reform efforts. Related consultancy fees range from $80,000 to $500,000, depending on the size of the judicial system and the quality of the data.

Depending on the caseload of the courts, it can make sense to establish new commercial courts. Where a limited number of commercial cases need to be handled, specialized commercial sections provide a less expensive alternative. In Cairo a one-step filing procedure was introduced in the busiest first-instance court to increase efficiency and reduce opportunities for bribes. The initiative, including relocation and training of staff, the creation of new forms and even building renovations, cost less than $1 million.

UPDATING CLAIM THRESHOLDS

Most economies redistribute the responsibilities of first-instance courts to ensure more efficient processing of cases. The vast majority of the economies covered by *Doing Business* operate a 2-tiered civil court system. Depending on the litigation value of the claim and, in some cases, the subject matter, first-instance cases go either to a lower court—often the magistrate's court, city court or justice of the peace—or to the higher court. Some economies further divide lower and higher jurisdictions.

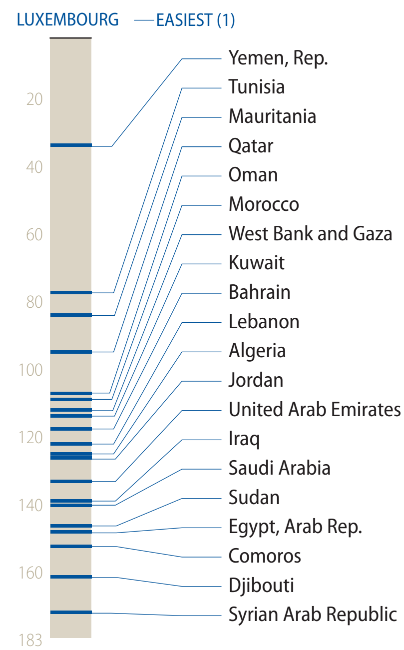
Where economies draw the line between their lower and higher courts differs starkly. The thresholds range from $240 in Guyana to $45,000 in Australia. Globally, higher courts deal with cases above 126% of income per capita on average.

Regardless of the level, monetary thresholds have to be updated regularly to ensure that the workload is distributed as initially intended. With economic growth and inflation, thresholds can quickly become outdated, and higher jurisdictions overburdened. Some economies have recently adjusted thresholds. In 2009 Jordan more than doubled the threshold for its lower court.

RELYING ON SMALL CLAIMS COURTS

Simple commercial disputes can often be resolved in small claims courts, lessening the burden on higher-instance courts. Simplified procedural rules help speed up trial and judgment. These include the use of standard forms to file claims,

FIGURE 10.2
How Arab economies rank on the ease of enforcing contracts
Global ranking (1–183)



oral proceedings and limits on types of evidence and on cross-examination. Small claims courts also oblige judges to issue a decision shortly after concluding a hearing.

Small claims courts deal with claims ranging from as little as $200 in India to as much as $21,000 in Korea. Most economies with small claims courts fix the threshold at 20% or less of income per capita.

Small and medium-size businesses can especially benefit from small claims courts. Recognizing this, in January 2009 the European Union issued a new regulation to create a small claims procedure for cross-border cases of less than €2,000. The measure is aimed at tackling inefficient debt enforcement, which was seen as a major threat to the survival of businesses, particularly small and medium-size ones.

USING BENCHMARKS AS A GUIDE

A global comparison of the number of judges involved in the standardized case used by *Doing Business* is informative. In most economies just 1 judge would be

TABLE 10.2
Who makes enforcing contracts easy—and who does not?

Procedures *(number of steps)*			
Fewest		**Most**	
Yemen, Rep.	36	Kuwait	50
Lebanon	37	Iraq	51
Jordan	38	Oman	51
Tunisia	39	Sudan	53
Morocco	40	Syrian Arab Republic	55
Time *(days)*			
Fastest		**Slowest**	
Mauritania	370	Lebanon	721
Comoros	506	Sudan	810
Iraq	520	Syrian Arab Republic	872
Yemen, Rep.	520	Egypt, Arab Rep.	1,010
United Arab Emirates	537	Djibouti	1,225
Cost *(% of claim)*			
Least		**Most**	
Oman	13.5	Syrian Arab Republic	29.3
Bahrain	14.7	Lebanon	30.8
Yemen, Rep.	16.5	Jordan	31.2
Kuwait	18.8	Djibouti	34.0
Sudan	19.8	Comoros	89.4

Source: Doing Business database.

assigned to this simple commercial case. But in roughly 10% of economies, mainly in the Middle East and North Africa, the law requires 3 judges to hear the case. While additional judges can add value to the decision-making process, many commercial cases, particularly routine ones, can be handled by a single judge.

MAKING LEGAL INFORMATION PUBLIC

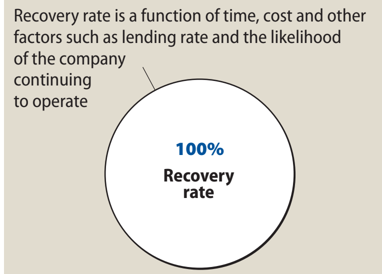
Most economies make legal texts and recent court judgments publicly available. Making information readily available on the law, and on the courts' interpretation of the law, benefits both the general public and the courts. Public information makes the law more predictable. It also helps potential parties to a lawsuit more easily find an out-of-court solution—and that helps reduce the workload of the courts.

Closing a business

FIGURE 11.1

Closing a business: time, cost and outcome of bankruptcy of a local company

Rankings are based on 1 subindicator



Note: Time and cost do not count separately for the ranking.

The economic crises of the 1990s in emerging markets—from East Asia to Latin America, from the Russian Federation to Mexico—raised concerns about the design of bankruptcy systems and the ability of such systems to help reorganize viable companies and close down nonviable ones. Where bankruptcy is inefficient, nonviable businesses linger for years, keeping assets and human capital from being reallocated to more productive uses.

The *Doing Business* indicators identify weaknesses in the bankruptcy law as well as the main procedural and administrative bottlenecks in the bankruptcy process. In many developing economies bankruptcy is so inefficient that creditors hardly ever use it. In economies such as these, reform would best focus on improving contract enforcement outside bankruptcy.

The data on closing a business are developed using a standard set of case assumptions to track a company going through the step-by-step procedures of the bankruptcy process. It is assumed that the company is a domestically owned, limited liability corporation operating a hotel in the economy's largest business city. The company has 201 employees, 1 main secured creditor and 50 unsecured creditors. Assumptions are also made about the future cash flows. The case is designed so that the company has a higher value as a going concern—that is, the efficient outcome is either reorganization or sale as a going concern, not piecemeal liquidation. The data are derived from questionnaires answered by attorneys at private law firms.

TABLE 11.1

Where is it easy to close a business—and where not?

Easiest (AW RANK 1–5)	GLOBAL RANK	**Most difficult** (AW RANK 16–20)	GLOBAL RANK
Bahrain	26	Mauritania	150
Qatar	33	Comoros	183
Tunisia	34	Iraq	183
Algeria	51	Sudan	183
Saudi Arabia	60	West Bank and Gaza	183

Note: Rankings are based on the recovery rate: how many cents on the dollar claimants (creditors, tax authorities and employees) recover from the insolvent firm.
Source: Doing Business database.

Three measures are constructed from the survey responses: the time to go through the insolvency process, the cost to go through the process and the recovery rate—how much of the insolvency estate is recovered by stakeholders, taking into account the time, the cost, the depreciation of assets and the outcome of the insolvency proceeding.

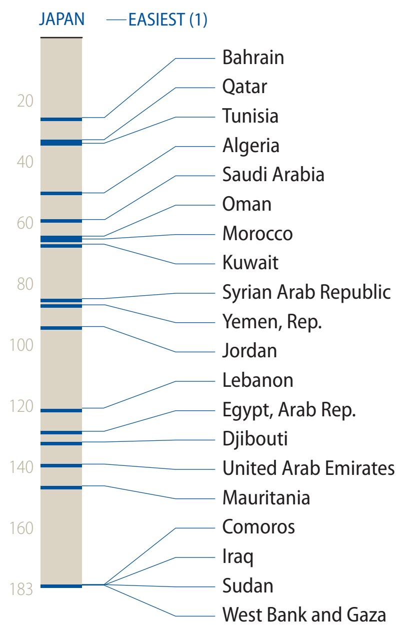
Bottlenecks in bankruptcy cut into the amount claimants can recover. In economies where bankruptcy laws are inefficient, this is a strong deterrent to investment. Access to credit shrinks, and nonperforming loans and financial risk grow because creditors cannot recover overdue loans. Conversely, efficient bankruptcy laws can encourage entrepreneurs. The freedom to fail, and to do so through an efficient process, puts people and capital to their most effective use. The result is more productive businesses and more jobs.

WHO REFORMED IN 2008/09?

Kuwait was the only economy in the Arab world with a reform making it easier to close a business in 2008/09.

Kuwait introduced a new legal procedure allowing companies that face financial difficulties but are not yet insolvent to reorganize themselves, restructure their debt and apply other measures to restore their financial health and profitability. Only companies still paying their debt obligations can file a petition with the appeals court for a restructuring plan. The central bank can also file a petition for restructuring. If the petition is accepted by the court, no secured or unsecured creditors can file proceedings against the company. Once the court has reviewed and accepted the petition, the central bank asks a consulting company to analyze the company's financial situation and provide a report with detailed recommendations for avoiding bankruptcy. Once this is submitted, the court decides on the duration of the restructuring procedure.

FIGURE 11.2
How Arab economies rank on the ease of closing a business
Global ranking (1–183)



BOX 11.1
Modernizing bankruptcy

Every economy needs an efficient and effective regime for corporate insolvency—to channel companies that cannot be saved to swift liquidation, so that their assets can be sold to more efficient entities, and permit viable companies an opportunity to reorganize. The continuation of a business, through reorganization or en masse liquidation, is often the most desirable outcome.

The Middle East and North Africa, with its divergent economies, generally ranks among the weakest regions when it comes to the effectiveness of insolvency regimes. Recovery rates are often less than 30 cents on the dollar. This can be attributed in part to many of the same structural weaknesses that plague many insolvency regimes around the world: courts that are unable to handle cases swiftly and predictably; a predisposition by lenders to attempt swift, piecemeal liquidation rather than work through a difficult turnaround; and inadequate legislation that leads disproportionately to business failure rather than rescue.

Some unique factors are also at play. The region has some of the largest family-owned businesses in the world and a disproportionate number of privately held businesses. Such companies are unlikely to want to undergo a formal bankruptcy process, which, under most bankruptcy laws in the region, would result in a loss of control of the business. Moreover, an understanding of corporate distress as a natural outgrowth of risk-taking is still developing. These factors help explain why insolvency reforms appear to have been a relatively low priority in the region.

Yet some of the factors that have held the region back may now serve as a catalyst for future reforms. Several economies in the region are exploring the possibility of introducing out-of-court workout (or "London") rules to encourage debtors and creditors to deal with one another in a nonadversarial environment outside the court system and without the debtor ceding control of the company. Such rules, which would likely be nonbinding, could help induce the parties to begin the difficult work of turning around a troubled company before it is too late to save it.

Also promising was a recent meeting in Abu Dhabi, organized by the Hawkamah Institute of Dubai and bringing together 11 governments from the region. Participants adopted a declaration calling for, among other things, the modernization of insolvency regimes around the region. This first broad public recognition of the need to improve the region's insolvency regimes may mark the beginning of a new era of reform.

TOWARD SMART REGULATION

In times of crisis, overburdened courts, unqualified liquidators and rigid laws become even bigger obstacles to the orderly exit of nonviable businesses. And reorganizing viable firms to preserve jobs becomes more important than ever. Governments can help by encouraging firms to seek preinsolvency solutions, improving the efficiency of courts and training receivers and liquidators to do a good job in administering distressed companies and selling their assets efficiently. Since 2004 *Doing Business* has recorded 3 reforms making it easier to close a business in 3 Arab economies.

FACING REALITY EARLY ON

Debtors should not wait until it is too late to save the company. In economies where reorganization functions well, such as Finland and Norway, companies typically file for bankruptcy a couple of weeks after default. Many economies, particularly those with old bankruptcy regimes, could save more companies by getting debtors to face reality early on.

One way policy makers can encourage businesses to seek timely solutions is to expand the grounds on which companies suffering financial problems can file for reorganization. The law should allow debtors to file for reorganization when facing financial distress rather than requiring that they wait for the much worse situation of insolvency. In 2008/09 Kuwait was among the reformers that implemented rescue statutes introducing or promoting the use of preinsolvency procedures. Requiring debtors to file for insolvency as soon as they default or as soon as default is imminent is another way to encourage companies to face reality before it is too late.

Creating a framework for prepackaged reorganizations can help keep companies operating as a going concern. Italy and Korea introduced prepackaged reorganizations in 2006/07. Now a firm can negotiate a reorganization plan with its creditors before filing for bankruptcy. Once it reaches an agreement with the required majority of creditors, the firm files for bankruptcy and asks the court to approve its reorganization plan. Once the court approves, it imposes the agreement on the creditors still holding out. The advance negotiations with creditors clear the way for quickly scheduling a court hearing, allowing a rapid exit from bankruptcy.

TABLE 11.2

Who makes it easy to close a business—and who does not?

Time *(years)*

Fastest		Slowest	
Tunisia	1.3	Egypt, Arab Rep.	4.2
Saudi Arabia	1.5	Jordan	4.3
Morocco	1.8	Djibouti	5.0
Algeria	2.5	United Arab Emirates	5.1
Bahrain	2.5	Mauritania	8.0

Cost *(% of estate)*

Least		Most	
Kuwait	1	Egypt, Arab Rep.	22
Oman	4	Lebanon	22
Algeria	7	Qatar	22
Tunisia	7	Saudi Arabia	22
Yemen, Rep.	8	United Arab Emirates	30

Recovery rate *(cents on the dollar)*

Highest		Lowest	
Bahrain	63.2	Lebanon	19.0
Qatar	52.7	Egypt, Arab Rep.	16.8
Tunisia	52.3	Djibouti	15.9
Algeria	41.7	United Arab Emirates	10.2
Saudi Arabia	37.5	Mauritania	6.7

Note: The rankings reflected in the table include only Arab economies with a practice of bankruptcy (16 in total). Another 4 have no practice.
Source: Doing Business database.

SPEEDING UP COURT PROCEDURES

Once an insolvency case is brought before the court, a timely resolution becomes essential, especially if the aim is to save the company. Proceedings that end with an efficient outcome—the firm continuing to operate or being sold as a going concern—go through the insolvency process in less than 2 years.

The court systems in many economies lack the infrastructure, training and technical expertise to resolve commercial disputes in a timely way.[1] In the coming years growth in the number of bankruptcy filings could further strain the capacity of courts, increasing their risk of becoming overwhelmed. But some economies in recent years have introduced specialized bankruptcy courts to deal more efficiently with insolvency procedures.

TRAINING ADMINISTRATORS

Receivers and liquidators play essential roles in insolvency procedures. Receivers take part in managing debtor companies —either replacing management or coadministering with it. Liquidators are in charge of selling the assets of nonviable companies. Many economies have launched reforms to ensure that both professions have adequate business and educational qualifications and are being well supervised. In recent years such economies as Bulgaria, Canada, Chile, China, Poland, Romania, the United Kingdom and the United States have introduced qualification standards. The aim is to encourage trustees to sell distressed assets quickly, maximizing returns.

1. Djankov (2009).

Ease of doing business

The ease of doing business index ranks economies from 1 to 183. For each economy the index is calculated as the ranking on the simple average of its percentile rankings on each of the 10 topics covered in *Doing Business 2010,* that is, exclusive of the electricity pilot data. The ranking on each topic is the simple average of the percentile rankings on its component indicators (table 12.1).

If an economy has no laws or regulations covering a specific area—for example, bankruptcy—it receives a "no practice" mark. Similarly, an economy receives a "no practice" or "not possible" mark if regulation exists but is never used in practice or if a competing regulation prohibits such practice. Either way, a "no practice" mark puts the economy at the bottom of the ranking on the relevant indicator.

Here is one example of how the ranking is constructed. In Iceland it takes 5 procedures, 5 days and 3% of annual income per capita in fees to open a business. The minimum capital required amounts to 15.8% of income per capita. On these 4 indicators Iceland ranks in the 14th, 4th, 19th and 67th percentiles. So on average Iceland ranks in the 26th percentile on the ease of starting a business. It ranks in the 50th percentile on protecting investors, 38th percentile on trading across borders, 8th percentile on enforcing contracts, 8th percentile on closing a business and so on. Higher rankings indicate simpler regulation and stronger protection of property rights. The simple average of Iceland's percentile rankings on all topics is 25%. When all economies are ordered by their average percentile rank, Iceland is in 14th place.

More complex aggregation methods —such as principal components and unobserved components—yield a nearly identical ranking.[1] The choice of aggregation method has little influence on the rankings because the 10 sets of indicators in *Doing Business* provide sufficiently broad coverage across topics. So *Doing Business* uses the simplest method.

The ease of doing business index is limited in scope. It does not account for an economy's proximity to large markets, the quality of its infrastructure services (other than services related to trading across borders), the strength of the financial system, the security of property from theft and looting, macroeconomic conditions or the strength of underlying institutions. There remains a large unfinished agenda for research into what regulation constitutes binding constraints, what package of reforms is most effective and how these issues are shaped by the context of an economy. The *Doing Business* indicators provide a new empirical data set that may improve understanding of these issues.

Doing Business also uses a simple method to calculate the top reformers. First, it selects the economies that reformed in 3 or more of the 10 *Doing Business* topics. This year 38 economies met this criterion: Afghanistan, Albania, Algeria, Angola, Armenia, Bangladesh, Belarus, Burkina Faso, Cameroon, Colombia, the Czech Republic, Egypt, Ethiopia, Guatemala, Honduras, Hong Kong (China), Indonesia, the Islamic Republic of Iran, Jordan, Kazakhstan, the Kyrgyz Republic, Liberia, FYR Macedonia, Mali, Mauritius, Moldova, Montenegro, Peru, the Philippines, Poland, Portugal, Russia, Rwanda, Sierra Leone, Singapore, Tajikistan, the United Arab Emirates and the Republic of Yemen. Second, *Doing Business* ranks these economies on the increase in their ranking on the ease of doing business from the previous year using comparable rankings.

1. See Djankov and others (2005).

TABLE 12.1
Which indicators make up the ranking?

Starting a business	***Protecting investors***
Procedures, time, cost and paid-in minimum capital to open a new business	Strength of investor protection index: extent of disclosure index, extent of director liability index and ease of shareholder suits index
Dealing with construction permits	***Paying taxes***
Procedures, time and cost to obtain construction permits, inspections and utility connections	Number of tax payments, time to prepare and file tax returns and to pay taxes, total taxes as a share of profit before all taxes borne
Employing workers	***Trading across borders***
Difficulty of hiring index, rigidity of hours index, difficulty of redundancy index, redundancy cost	Documents, time and cost to export and import
Registering property	***Enforcing contracts***
Procedures, time and cost to transfer commercial real estate	Procedures, time and cost to resolve a commercial dispute
Getting credit	***Closing a business***
Strength of legal rights index, depth of credit information index	Recovery rate in bankruptcy

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Doing Business indicators

	Algeria	Bahrain	Comoros	Djibouti	Egypt, Arab Rep.	Iraq	Jordan
Ease of doing business (Arab world rank)	13	2	18	19	10	16	9
Ease of doing business (global rank)	136	20	162	163	106	153	100
STARTING A BUSINESS (ARAB WORLD RANK)	15	7	17	20	2	18	12
Procedures (number)	14	7	11	11	6	11	8
Time (days)	24	9	24	37	7	77	13
Cost (% of income per capita)	12.1	0.5	182.1	195.1	16.1	75.9	49.5
Min. capital (% of income per capita)	31	195.2	261.8	500.5	0	30.3	19.9
DEALING WITH CONSTRUCTION PERMITS (ARAB WORLD RANK)	13	1	6	11	19	9	8
Procedures (number)	22	13	18	14	25	14	19
Time (days)	240	43	164	195	218	215	87
Cost (% of income per capita)	39.6	54.6	72.6	948.3	331.6	397.9	697.1
EMPLOYING WORKERS (ARAB WORLD RANK)	14	1	19	17	13	6	5
Difficulty of hiring index (0-100)	44	0	39	67	0	33	11
Rigidity of hours index (0-100)	40	0	40	40	20	20	0
Difficulty of redundancy index (0-100)	40	30	40	30	60	20	60
Rigidity of employment index (0-100)	41	10	40	46	27	24	24
Redundancy cost (weeks of salary)	17	4	100	56	132	0	4
REGISTERING PROPERTY (ARAB WORLD RANK)	20	4	15	19	13	7	16
Procedures (number)	11	2	5	7	7	5	7
Time (days)	47	31	24	40	72	8	21
Cost (% of property value)	7.1	0.9	20.8	13.2	0.9	7.7	7.5
GETTING CREDIT (ARAB WORLD RANK)	11	4	16	19	2	16	9
Strength of legal rights index (0-10)	3	4	3	1	3	3	4
Depth of credit information index (0-6)	2	4	0	1	6	0	2
Public registry coverage (% of adults)	0.2	0.0	0.0	0.2	2.5	0.0	1.0
Private bureau coverage (% of adults)	0.0	34.9	0.0	0.0	8.2	0.0	0.0
PROTECTING INVESTORS (ARAB WORLD RANK)	5	4	15	20	5	11	11
Extent of disclosure index (0-10)	6	8	6	5	8	4	5
Extent of director liability index (0-10)	6	4	1	2	3	5	4
Ease of shareholder suits index (0-10)	4	5	5	0	5	4	4
Strength of investor protection index (0-10)	5.3	5.7	4	2.3	5.3	4.3	4.3
PAYING TAXES (ARAB WORLD RANK)	19	6	10	12	17	11	7
Payments (number per year)	34	25	20	35	29	13	26
Time (hours per year)	451	36	100	114	480	312	101
Total tax rate (% of profit)	72	15	41.1	38.7	43	28.4	31.1
TRADING ACROSS BORDERS (ARAB WORLD RANK)	15	4	17	5	3	20	8
Documents to export (number)	8	5	10	5	6	10	7
Time to export (days)	17	14	30	19	14	102	17
Cost to export (US$ per container)	1,248	955	1,073	836	737	3,900	730
Documents to import (number)	9	6	10	5	6	10	7
Time to import (days)	23	15	21	18	15	101	19
Cost to import (US$ per container)	1,428	995	1,057	911	823	3,900	1,290
ENFORCING CONTRACTS (ARAB WORLD RANK)	11	9	18	19	17	14	12
Procedures (number)	46	48	43	40	41	51	38
Time (days)	630	635	506	1,225	1,010	520	689
Cost (% of claim)	21.9	14.7	89.4	34	26.2	27.3	31.2
CLOSING A BUSINESS (ARAB WORLD RANK)	4	1	20	14	13	20	11
Time (years)	2.5	2.5	NO PRACTICE	5.0	4.2	NO PRACTICE	4.3
Cost (% of estate)	7	10	NO PRACTICE	18	22	NO PRACTICE	9
Recovery rate (cents on the dollar)	41.7	63.2	0.0	15.9	16.8	0.0	27.3

	Kuwait	Lebanon	Mauritania	Morocco	Oman	Qatar	Saudi Arabia
Ease of doing business (Arab world rank)	5	11	20	12	6	4	1
Ease of doing business (global rank)	61	108	166	128	65	39	13
STARTING A BUSINESS (ARAB WORLD RANK)	14	10	16	9	6	8	1
Procedures (number)	13	5	9	6	5	6	4
Time (days)	35	9	19	12	12	6	5
Cost (% of income per capita)	1	78.2	34.7	16.1	2.2	7.1	7.7
Min. capital (% of income per capita)	59.2	51	450.4	11.8	273.6	59	0
DEALING WITH CONSTRUCTION PERMITS (ARAB WORLD RANK)	7	14	18	10	15	3	4
Procedures (number)	25	20	25	19	16	19	17
Time (days)	104	211	201	163	242	76	94
Cost (% of income per capita)	124.1	194.8	506.3	263.7	427.9	0.6	32.8
EMPLOYING WORKERS (ARAB WORLD RANK)	3	7	15	20	2	8	9
Difficulty of hiring index (0-100)	0	44	56	89	33	0	0
Rigidity of hours index (0-100)	0	0	20	40	40	20	40
Difficulty of redundancy index (0-100)	0	30	40	50	0	20	0
Rigidity of employment index (0-100)	0	25	39	60	13	13	13
Redundancy cost (weeks of salary)	78	17	31	85	4	69	80
REGISTERING PROPERTY (ARAB WORLD RANK)	14	17	11	18	3	8	1
Procedures (number)	8	8	4	8	2	10	2
Time (days)	55	25	49	47	16	16	2
Cost (% of property value)	0.5	5.8	5.2	4.9	3.0	0.3	0.0
GETTING CREDIT (ARAB WORLD RANK)	4	4	14	4	9	11	1
Strength of legal rights index (0-10)	4	3	3	3	4	3	4
Depth of credit information index (0-6)	4	5	1	5	2	2	6
Public registry coverage (% of adults)	0.0	8.3	0.2	0.0	17.0	0.0	0.0
Private bureau coverage (% of adults)	30.4	0.0	0.0	14.0	0.0	0.0	17.9
PROTECTING INVESTORS (ARAB WORLD RANK)	2	8	17	19	8	8	1
Extent of disclosure index (0-10)	7	9	5	6	8	5	9
Extent of director liability index (0-10)	7	1	3	2	5	6	8
Ease of shareholder suits index (0-10)	5	5	3	1	2	4	4
Strength of investor protection index (0-10)	6.33	5	3.67	3	5	5	7
PAYING TAXES (ARAB WORLD RANK)	5	9	20	16	4	1	3
Payments (number per year)	15	19	38	28	14	1	14
Time (hours per year)	118	180	696	358	62	36	79
Total tax rate (% of profit)	15.5	30.2	86.1	41.7	21.6	11.3	14.5
TRADING ACROSS BORDERS (ARAB WORLD RANK)	12	11	19	9	16	7	2
Documents to export (number)	8	5	11	7	10	5	5
Time to export (days)	17	26	39	14	22	21	17
Cost to export (US$ per container)	1,060	1,002	1,520	700	821	735	681
Documents to import (number)	10	7	11	10	10	7	5
Time to import (days)	19	35	42	17	26	20	18
Cost to import (US$ per container)	1,217	1,203	1,523	1,000	1,037	657	678
ENFORCING CONTRACTS (ARAB WORLD RANK)	8	10	3	6	5	4	15
Procedures (number)	50	37	46	40	51	43	43
Time (days)	566	721	370	615	598	570	635
Cost (% of claim)	18.8	30.8	23.2	25.2	13.5	21.6	27.5
CLOSING A BUSINESS (ARAB WORLD RANK)	8	12	16	7	6	2	5
Time (years)	4.2	4.0	8.0	1.8	4.0	2.8	1.5
Cost (% of estate)	1	22	9	18	4	22	22
Recovery rate (cents on the dollar)	34.5	19.0	6.7	35.1	35.1	52.7	37.5

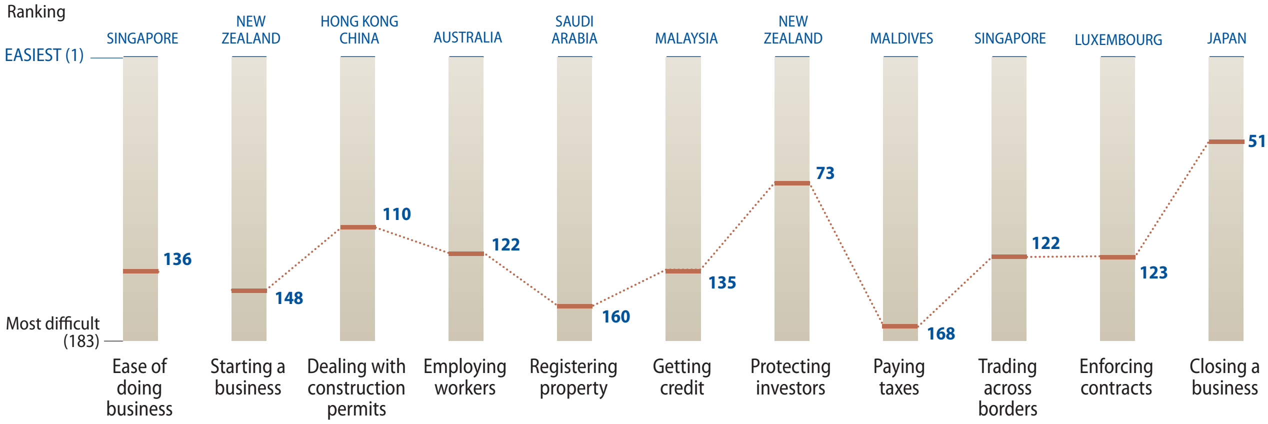
	Sudan	Syrian Arab Republic	Tunisia	United Arab Emirates	West Bank and Gaza	Yemen, Rep.
Ease of doing business (Arab world rank)	17	15	7	3	14	8
Ease of doing business (global rank)	154	143	69	33	139	99
STARTING A BUSINESS (ARAB WORLD RANK)	11	13	4	3	19	5
Procedures (number)	10	7	10	8	11	6
Time (days)	36	17	11	15	49	12
Cost (% of income per capita)	36	27.8	5.7	6.2	55	83
Min. capital (% of income per capita)	0	1012.5	0	0	220.4	0
DEALING WITH CONSTRUCTION PERMITS (ARAB WORLD RANK)	17	16	12	2	20	5
Procedures (number)	19	26	20	17	21	15
Time (days)	271	128	84	64	199	107
Cost (% of income per capita)	206.5	540.3	998.3	30.7	1,110.6	144.1
EMPLOYING WORKERS (ARAB WORLD RANK)	18	11	12	4	16	10
Difficulty of hiring index (0-100)	39	11	28	0	33	22
Rigidity of hours index (0-100)	20	0	13	20	40	20
Difficulty of redundancy index (0-100)	50	50	80	0	20	30
Rigidity of employment index (0-100)	36	20	40	7	31	24
Redundancy cost (weeks of salary)	118	80	17	84	91	17
REGISTERING PROPERTY (ARAB WORLD RANK)	5	12	9	2	10	6
Procedures (number)	6	4	4	1	7	6
Time (days)	9	19	39	2	47	19
Cost (% of property value)	3.0	28.0	6.1	2.0	0.7	3.8
GETTING CREDIT (ARAB WORLD RANK)	11	20	4	2	16	14
Strength of legal rights index (0-10)	5	1	3	4	0	2
Depth of credit information index (0-6)	0	0	5	5	3	2
Public registry coverage (% of adults)	0.0	0.0	19.9	7.3	6.5	0.2
Private bureau coverage (% of adults)	0.0	0.0	0.0	12.6	0.0	0.0
PROTECTING INVESTORS (ARAB WORLD RANK)	18	11	5	11	3	15
Extent of disclosure index (0-10)	0	6	5	4	6	6
Extent of director liability index (0-10)	6	5	5	7	5	4
Ease of shareholder suits index (0-10)	4	2	6	2	7	2
Strength of investor protection index (0-10)	3.33	4.33	5.33	4.33	6	4
PAYING TAXES (ARAB WORLD RANK)	13	14	15	2	8	18
Payments (number per year)	42	20	22	14	27	44
Time (hours per year)	180	336	228	12	154	248
Total tax rate (% of profit)	36.1	42.9	62.8	14.1	16.8	47.8
TRADING ACROSS BORDERS (ARAB WORLD RANK)	18	13	6	1	10	14
Documents to export (number)	6	8	5	4	6	6
Time to export (days)	32	15	15	8	25	27
Cost to export (US$ per container)	2,050	1,190	783	593	835	1,129
Documents to import (number)	6	9	7	5	6	9
Time to import (days)	46	21	21	9	40	25
Cost to import (US$ per container)	2,900	1,625	858	579	1,225	1,475
ENFORCING CONTRACTS (ARAB WORLD RANK)	16	20	2	13	7	1
Procedures (number)	53	55	39	49	44	36
Time (days)	810	872	565	537	600	520
Cost (% of claim)	19.8	29.3	21.8	26.2	21.2	16.5
CLOSING A BUSINESS (ARAB WORLD RANK)	20	9	3	15	20	10
Time (years)	NO PRACTICE	4.1	1.3	5.1	NO PRACTICE	3.0
Cost (% of estate)	NO PRACTICE	9	7	30	NO PRACTICE	8
Recovery rate (cents on the dollar)	0.0	29.5	52.3	10.2	0.0	28.6

Country tables

COUNTRY PROFILE

Algeria

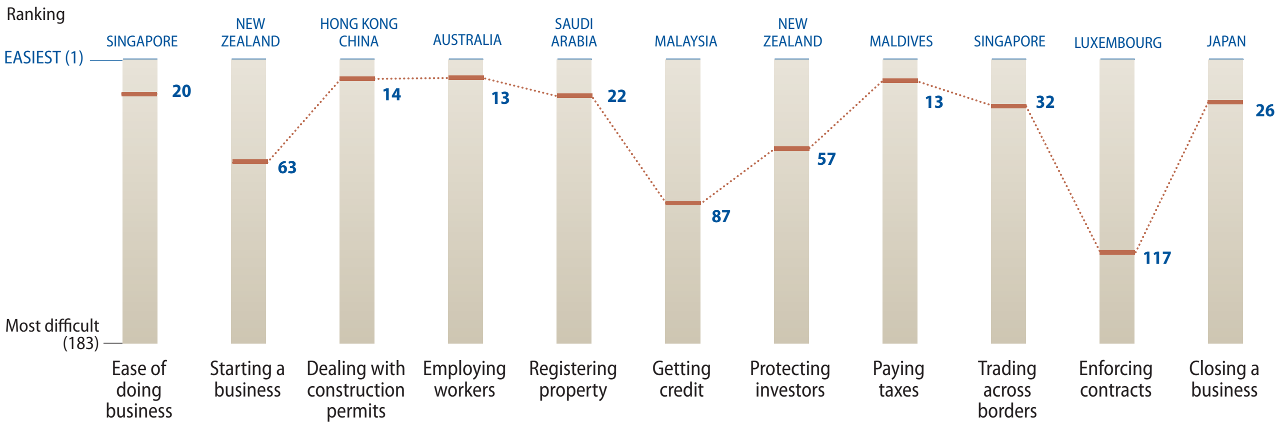
Ranking



ALGERIA		Ease of doing business (rank)	136 (AW 13)
Middle East & North Africa		GNI per capita (US$)	4,260
Upper middle income		Population (m)	34.4
Starting a business (rank)	148 (AW 15)	**Protecting investors** (rank)	73 (AW 5)
Procedures (number)	14	Extent of disclosure index (0-10)	6
Time (days)	24	Extent of director liability index (0-10)	6
Cost (% of income per capita)	12.1	Ease of shareholder suits index (0-10)	4
Minimum capital (% of income per capita)	31	Strength of investor protection index (0-10)	5.3
Dealing with construction permits (rank)	110 (AW 13)	**Paying taxes** (rank)	168 (AW 19)
Procedures (number)	22	Payments (number per year)	34
Time (days)	240	Time (hours per year)	451
Cost (% of income per capita)	39.6	Total tax rate (% of profit)	72
Employing workers (rank)	122 (AW 14)	**Trading across borders** (rank)	122 (AW 15)
Difficulty of hiring index (0-100)	44	Documents to export (number)	8
Rigidity of hours index (0-100)	40	Time to export (days)	17
Difficulty of redundancy index (0-100)	40	Cost to export (US$ per container)	1,248
Rigidity of employment index (0-100)	41	Documents to import (number)	9
Redundancy cost (weeks of salary)	17	Time to import (days)	23
		Cost to import (US$ per container)	1,428
Registering property (rank)	160 (AW 20)		
Procedures (number)	11	**Enforcing contracts** (rank)	123 (AW 11)
Time (days)	47	Procedures (number)	46
Cost (% of property value)	7.1	Time (days)	630
		Cost (% of claim)	21.9
Getting credit (rank)	135 (AW 11)		
Strength of legal rights index (0-10)	3	**Closing a business** (rank)	51 (AW 4)
Depth of credit information index (0-6)	2	Time (years)	2.5
Public registry coverage (% of adults)	0.2	Cost (% of estate)	7
Private bureau coverage (% of adults)	0.0	Recovery rate (cents on the dollar)	41.7

COUNTRY PROFILE

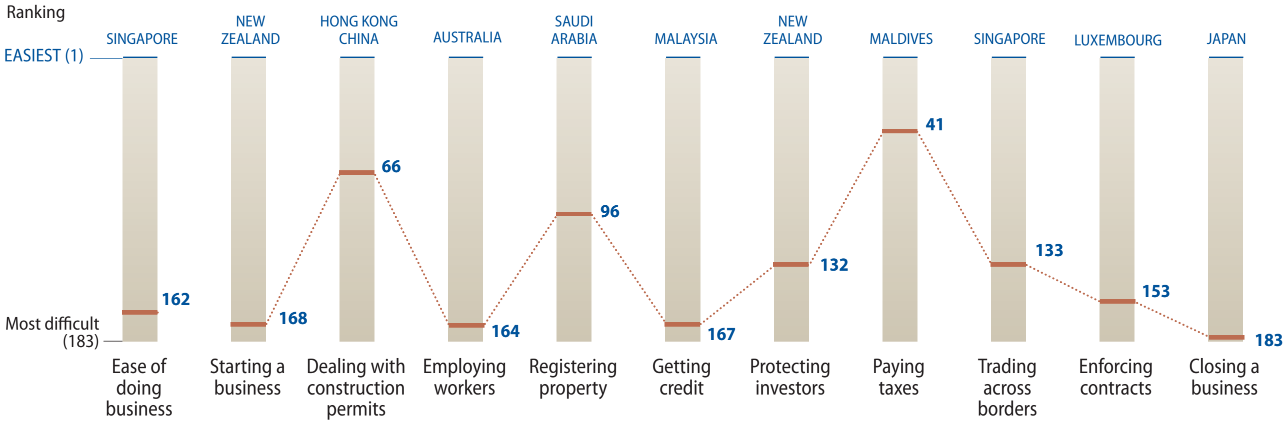
Bahrain



BAHRAIN		Ease of doing business (rank)	20 (AW 2)
Middle East & North Africa		GNI per capita (US$)	27,248
High income		Population (m)	0.8
Starting a business (rank)	63 (AW 7)	**Protecting investors** (rank)	57 (AW 4)
Procedures (number)	7	Extent of disclosure index (0-10)	8
Time (days)	9	Extent of director liability index (0-10)	4
Cost (% of income per capita)	0.5	Ease of shareholder suits index (0-10)	5
Minimum capital (% of income per capita)	195.2	Strength of investor protection index (0-10)	5.7
Dealing with construction permits (rank)	14 (AW 1)	**Paying taxes** (rank)	13 (AW 6)
Procedures (number)	13	Payments (number per year)	25
Time (days)	43	Time (hours per year)	36
Cost (% of income per capita)	54.61	Total tax rate (% of profit)	15
Employing workers (rank)	13 (AW 1)	**Trading across borders** (rank)	32 (AW 4)
Difficulty of hiring index (0-100)	0	Documents to export (number)	5
Rigidity of hours index (0-100)	0	Time to export (days)	14
Difficulty of redundancy index (0-100)	30	Cost to export (US$ per container)	955
Rigidity of employment index (0-100)	10	Documents to import (number)	6
Redundancy cost (weeks of salary)	4	Time to import (days)	15
		Cost to import (US$ per container)	995
Registering property (rank)	22 (AW 4)		
Procedures (number)	2	**Enforcing contracts** (rank)	117 (AW 9)
Time (days)	31	Procedures (number)	48
Cost (% of property value)	0.9	Time (days)	635
		Cost (% of claim)	14.7
Getting credit (rank)	87 (AW 4)		
Strength of legal rights index (0-10)	4	**Closing a business** (rank)	26 (AW 1)
Depth of credit information index (0-6)	4	Time (years)	2.5
Public registry coverage (% of adults)	0.0	Cost (% of estate)	10
Private bureau coverage (% of adults)	34.9	Recovery rate (cents on the dollar)	63.2

COUNTRY PROFILE

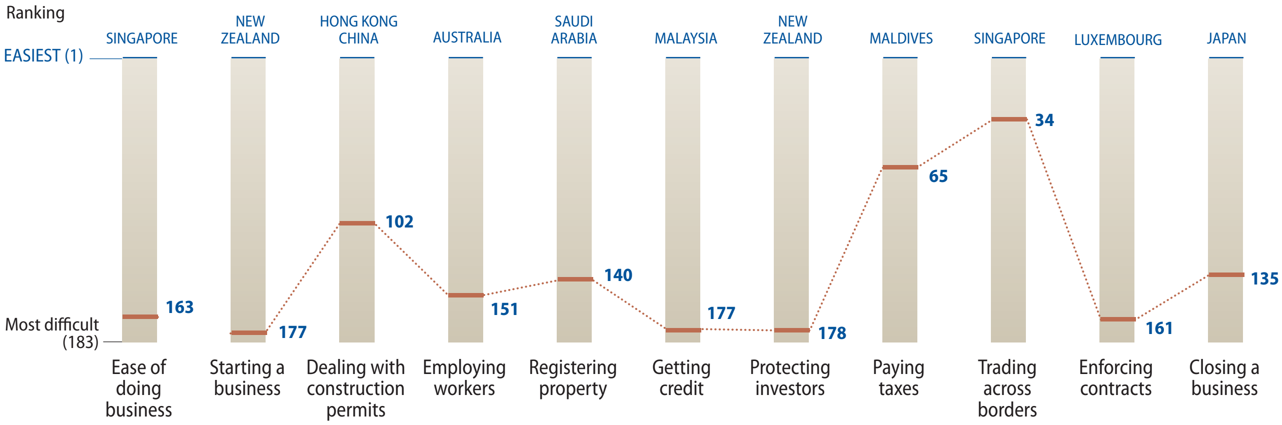
Comoros



COMOROS		Ease of doing business (rank)	162 (AW 18)
Sub-Saharan Africa		GNI per capita (US$)	751
Low income		Population (m)	0.6
Starting a business (rank)	168 (AW 17)	**Protecting investors** (rank)	132 (AW 15)
Procedures (number)	11	Extent of disclosure index (0-10)	6
Time (days)	24	Extent of director liability index (0-10)	1
Cost (% of income per capita)	182.1	Ease of shareholder suits index (0-10)	5
Minimum capital (% of income per capita)	261.8	Strength of investor protection index (0-10)	4
Dealing with construction permits (rank)	66 (AW 6)	**Paying taxes** (rank)	41 (AW 10)
Procedures (number)	18	Payments (number per year)	20
Time (days)	164	Time (hours per year)	100
Cost (% of income per capita)	72.6	Total tax rate (% of profit)	41.1
Employing workers (rank)	164 (AW 19)	**Trading across borders** (rank)	133 (AW 17)
Difficulty of hiring index (0-100)	39	Documents to export (number)	10
Rigidity of hours index (0-100)	40	Time to export (days)	30
Difficulty of redundancy index (0-100)	40	Cost to export (US$ per container)	1,073
Rigidity of employment index (0-100)	40	Documents to import (number)	10
Redundancy cost (weeks of salary)	100	Time to import (days)	21
		Cost to import (US$ per container)	1,057
Registering property (rank)	96 (AW 15)	**Enforcing contracts** (rank)	153 (AW 18)
Procedures (number)	5	Procedures (number)	43
Time (days)	24	Time (days)	506
Cost (% of property value)	20.8	Cost (% of claim)	89.4
Getting credit (rank)	167 (AW 16)	**Closing a business** (rank)	183 (AW 20)
Strength of legal rights index (0-10)	3	Time (years)	NO PRACTICE
Depth of credit information index (0-6)	0	Cost (% of estate)	NO PRACTICE
Public registry coverage (% of adults)	0.0	Recovery rate (cents on the dollar)	0.0
Private bureau coverage (% of adults)	0.0		

COUNTRY PROFILE

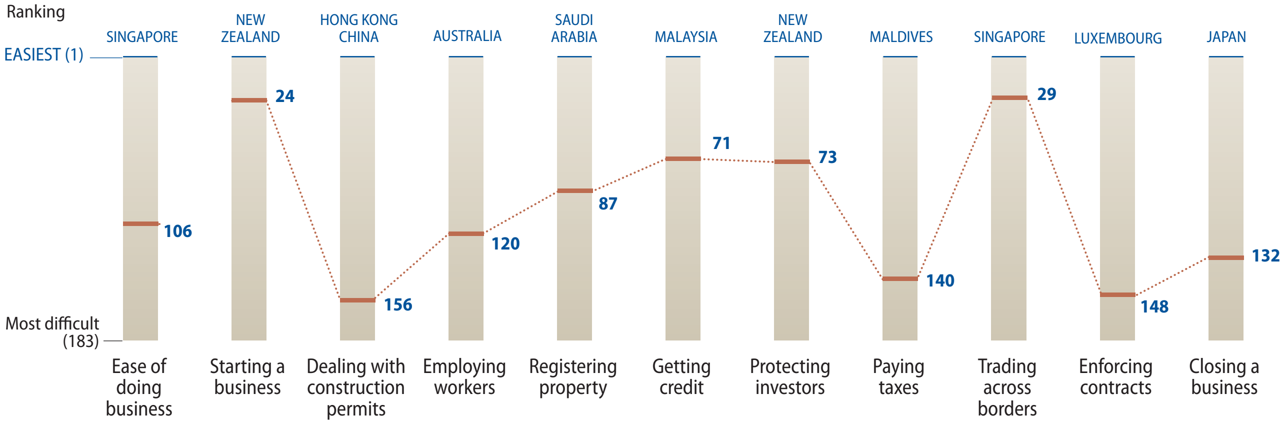
Djibouti



DJIBOUTI		Ease of doing business (rank)	163 (AW 19)
Middle East & North Africa		GNI per capita (US$)	1,130
Lower middle income		Population (m)	0.8
Starting a business (rank)	177 (AW 20)	**Protecting investors** (rank)	178 (AW 20)
Procedures (number)	11	Extent of disclosure index (0-10)	5
Time (days)	37	Extent of director liability index (0-10)	2
Cost (% of income per capita)	195.1	Ease of shareholder suits index (0-10)	0
Minimum capital (% of income per capita)	500.5	Strength of investor protection index (0-10)	2.3
Dealing with construction permits (rank)	102 (AW 11)	**Paying taxes** (rank)	65 (AW 12)
Procedures (number)	14	Payments (number per year)	35
Time (days)	195	Time (hours per year)	114
Cost (% of income per capita)	948.3	Total tax rate (% of profit)	38.7
Employing workers (rank)	151 (AW 17)	**Trading across borders** (rank)	34 (AW 5)
Difficulty of hiring index (0-100)	67	Documents to export (number)	5
Rigidity of hours index (0-100)	40	Time to export (days)	19
Difficulty of redundancy index (0-100)	30	Cost to export (US$ per container)	836
Rigidity of employment index (0-100)	46	Documents to import (number)	5
Redundancy cost (weeks of salary)	56	Time to import (days)	18
		Cost to import (US$ per container)	911
Registering property (rank)	140 (AW 19)		
Procedures (number)	7	**Enforcing contracts** (rank)	161 (AW 19)
Time (days)	40	Procedures (number)	40
Cost (% of property value)	13.2	Time (days)	1,225
		Cost (% of claim)	34
Getting credit (rank)	177 (AW 19)		
Strength of legal rights index (0-10)	1	**Closing a business** (rank)	135 (AW 14)
Depth of credit information index (0-6)	1	Time (years)	5.0
Public registry coverage (% of adults)	0.2	Cost (% of estate)	18
Private bureau coverage (% of adults)	0.0	Recovery rate (cents on the dollar)	15.9

COUNTRY PROFILE

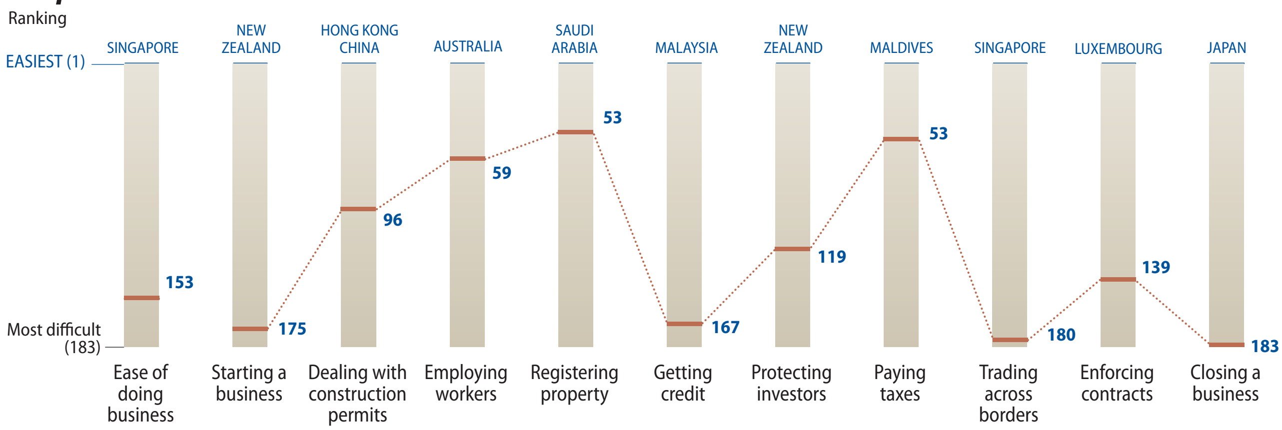
Egypt, Arab Rep.



EGYPT, ARAB REP.		Ease of doing business (rank)	106 (AW 10)
Middle East & North Africa		GNI per capita (US$)	1,801
Lower middle income		Population (m)	81.5
Starting a business (rank)	24 (AW 2)	**Protecting investors** (rank)	73 (AW 5)
Procedures (number)	6	Extent of disclosure index (0-10)	8
Time (days)	7	Extent of director liability index (0-10)	3
Cost (% of income per capita)	16.1	Ease of shareholder suits index (0-10)	5
Minimum capital (% of income per capita)	0	Strength of investor protection index (0-10)	5.3
Dealing with construction permits (rank)	156 (AW 19)	**Paying taxes** (rank)	140 (AW 17)
Procedures (number)	25	Payments (number per year)	29
Time (days)	218	Time (hours per year)	480
Cost (% of income per capita)	331.6	Total tax rate (% of profit)	43
Employing workers (rank)	120 (AW 13)	**Trading across borders** (rank)	29 (AW 3)
Difficulty of hiring index (0-100)	0	Documents to export (number)	6
Rigidity of hours index (0-100)	20	Time to export (days)	14
Difficulty of redundancy index (0-100)	60	Cost to export (US$ per container)	737
Rigidity of employment index (0-100)	27	Documents to import (number)	6
Redundancy cost (weeks of salary)	132	Time to import (days)	15
		Cost to import (US$ per container)	823
Registering property (rank)	87 (AW 13)		
Procedures (number)	7	**Enforcing contracts** (rank)	148 (AW 17)
Time (days)	72	Procedures (number)	41
Cost (% of property value)	0.9	Time (days)	1,010
		Cost (% of claim)	26.2
Getting credit (rank)	71 (AW 2)		
Strength of legal rights index (0-10)	3	**Closing a business** (rank)	132 (AW 13)
Depth of credit information index (0-6)	6	Time (years)	4.2
Public registry coverage (% of adults)	2.5	Cost (% of estate)	22
Private bureau coverage (% of adults)	8.2	Recovery rate (cents on the dollar)	16.8

COUNTRY PROFILE

Iraq



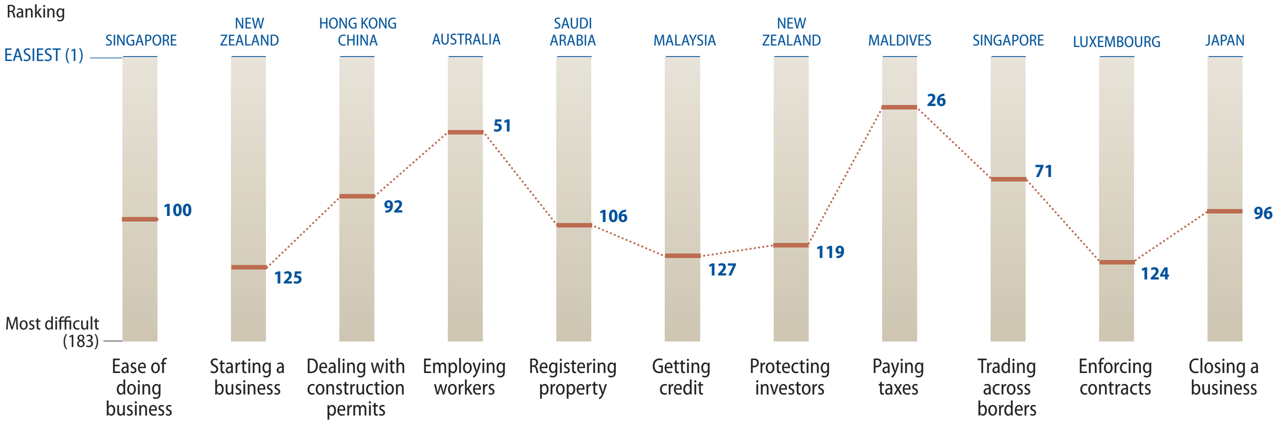
IRAQ		Ease of doing business (rank)	153 (AW 16)
Middle East & North Africa		GNI per capita (US$)	2,815
Lower middle income		Population (m)	30.1

Starting a business (rank)	175 (AW 18)
Procedures (number)	11
Time (days)	77
Cost (% of income per capita)	75.9
Minimum capital (% of income per capita)	30.3
Dealing with construction permits (rank)	94 (AW 9)
Procedures (number)	14
Time (days)	215
Cost (% of income per capita)	397.9
Employing workers (rank)	59 (AW 6)
Difficulty of hiring index (0-100)	33
Rigidity of hours index (0-100)	20
Difficulty of redundancy index (0-100)	20
Rigidity of employment index (0-100)	24
Redundancy cost (weeks of salary)	0
Registering property (rank)	53 (AW 7)
Procedures (number)	5
Time (days)	8
Cost (% of property value)	7.7
Getting credit (rank)	167 (AW 16)
Strength of legal rights index (0-10)	3
Depth of credit information index (0-6)	0
Public registry coverage (% of adults)	0.0
Private bureau coverage (% of adults)	0.0

Protecting investors (rank)	119 (AW 11)
Extent of disclosure index (0-10)	4
Extent of director liability index (0-10)	5
Ease of shareholder suits index (0-10)	4
Strength of investor protection index (0-10)	4.3
Paying taxes (rank)	53 (AW 11)
Payments (number per year)	13
Time (hours per year)	312
Total tax rate (% of profit)	28.4
Trading across borders (rank)	180 (AW 20)
Documents to export (number)	10
Time to export (days)	102
Cost to export (US$ per container)	3,900
Documents to import (number)	10
Time to import (days)	101
Cost to import (US$ per container)	3,900
Enforcing contracts (rank)	139 (AW 14)
Procedures (number)	51
Time (days)	520
Cost (% of claim)	27.3
Closing a business (rank)	183 (AW 20)
Time (years)	NO PRACTICE
Cost (% of estate)	NO PRACTICE
Recovery rate (cents on the dollar)	0.0

COUNTRY PROFILE

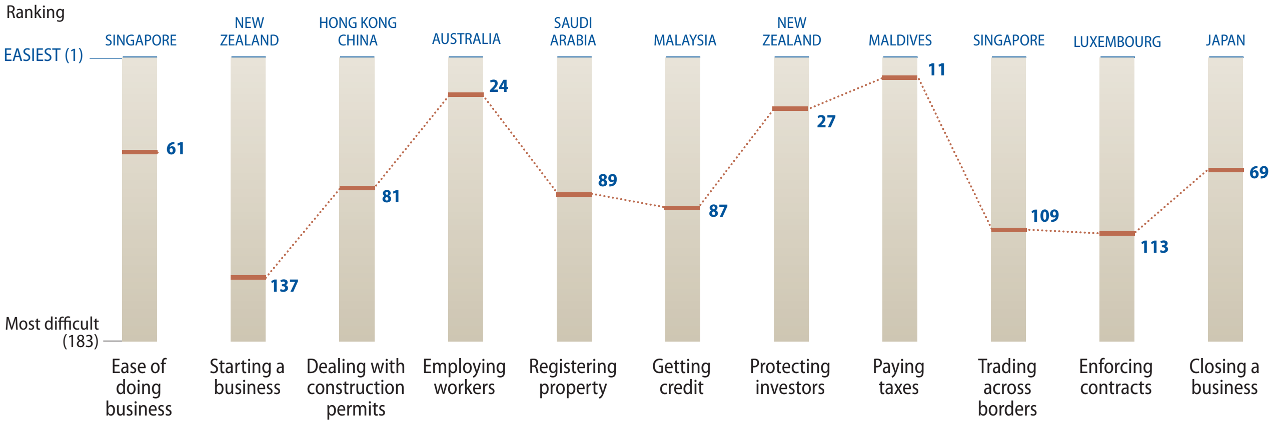
Jordan



JORDAN		Ease of doing business (rank)	100 (AW 9)
Middle East & North Africa		GNI per capita (US$)	3,306
Lower middle income		Population (m)	5.9
Starting a business (rank)	125 (AW 12)	**Protecting investors** (rank)	119 (AW 11)
Procedures (number)	8	Extent of disclosure index (0-10)	5
Time (days)	13	Extent of director liability index (0-10)	4
Cost (% of income per capita)	49.5	Ease of shareholder suits index (0-10)	4
Minimum capital (% of income per capita)	19.9	Strength of investor protection index (0-10)	4.3
Dealing with construction permits (rank)	92 (AW 8)	**Paying taxes** (rank)	26 (AW 7)
Procedures (number)	19	Payments (number per year)	26
Time (days)	87	Time (hours per year)	101
Cost (% of income per capita)	697.1	Total tax rate (% of profit)	31.1
Employing workers (rank)	51 (AW 5)	**Trading across borders** (rank)	71 (AW 8)
Difficulty of hiring index (0-100)	11	Documents to export (number)	7
Rigidity of hours index (0-100)	0	Time to export (days)	17
Difficulty of redundancy index (0-100)	60	Cost to export (US$ per container)	730
Rigidity of employment index (0-100)	24	Documents to import (number)	7
Redundancy cost (weeks of salary)	4	Time to import (days)	19
		Cost to import (US$ per container)	1,290
Registering property (rank)	106 (AW 16)		
Procedures (number)	7	**Enforcing contracts** (rank)	124 (AW 12)
Time (days)	21	Procedures (number)	38
Cost (% of property value)	7.5	Time (days)	689
		Cost (% of claim)	31.2
Getting credit (rank)	127 (AW 9)		
Strength of legal rights index (0-10)	4	**Closing a business** (rank)	96 (AW 11)
Depth of credit information index (0-6)	2	Time (years)	4.3
Public registry coverage (% of adults)	1.0	Cost (% of estate)	9
Private bureau coverage (% of adults)	0.0	Recovery rate (cents on the dollar)	27.3

COUNTRY PROFILE

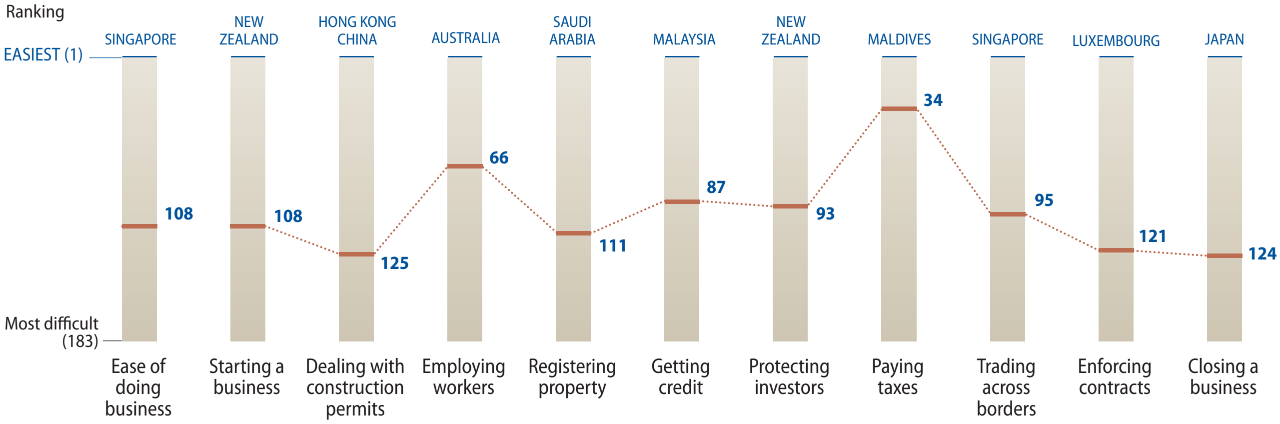
Kuwait



KUWAIT		Ease of doing business (rank)	61 (AW 5)
Middle East & North Africa		GNI per capita (US$)	45,920
High income		Population (m)	2.7
Starting a business (rank)	137 (AW 14)	**Protecting investors** (rank)	27 (AW 2)
Procedures (number)	13	Extent of disclosure index (0-10)	7
Time (days)	35	Extent of director liability index (0-10)	7
Cost (% of income per capita)	1	Ease of shareholder suits index (0-10)	5
Minimum capital (% of income per capita)	59.2	Strength of investor protection index (0-10)	6.3
Dealing with construction permits (rank)	81 (AW 7)	**Paying taxes** (rank)	11 (AW 5)
Procedures (number)	25	Payments (number per year)	15
Time (days)	104	Time (hours per year)	118
Cost (% of income per capita)	124.1	Total tax rate (% of profit)	15.5
Employing workers (rank)	24 (AW 3)	**Trading across borders** (rank)	109 (AW 12)
Difficulty of hiring index (0-100)	0	Documents to export (number)	8
Rigidity of hours index (0-100)	0	Time to export (days)	17
Difficulty of redundancy index (0-100)	0	Cost to export (US$ per container)	1,060
Rigidity of employment index (0-100)	0	Documents to import (number)	10
Redundancy cost (weeks of salary)	78	Time to import (days)	19
		Cost to import (US$ per container)	1,217
Registering property (rank)	89 (AW 14)		
Procedures (number)	8	**Enforcing contracts** (rank)	113 (AW 8)
Time (days)	55	Procedures (number)	50
Cost (% of property value)	0.5	Time (days)	566
		Cost (% of claim)	18.8
Getting credit (rank)	87 (AW 4)		
Strength of legal rights index (0-10)	4	**Closing a business** (rank)	69 (AW 8)
Depth of credit information index (0-6)	4	Time (years)	4.2
Public registry coverage (% of adults)	0.0	Cost (% of estate)	1
Private bureau coverage (% of adults)	30.4	Recovery rate (cents on the dollar)	34.5

COUNTRY PROFILE

Lebanon



LEBANON		Ease of doing business (rank)	108 (AW 11)
Middle East & North Africa		GNI per capita (US$)	6,353
Upper middle income		Population (m)	4.1

Starting a business (rank)	108 (AW 10)
Procedures (number)	5
Time (days)	9
Cost (% of income per capita)	78.2
Minimum capital (% of income per capita)	51

Dealing with construction permits (rank)	125 (AW 14)
Procedures (number)	20
Time (days)	211
Cost (% of income per capita)	194.8

Employing workers (rank)	66 (AW 7)
Difficulty of hiring index (0-100)	44
Rigidity of hours index (0-100)	0
Difficulty of redundancy index (0-100)	30
Rigidity of employment index (0-100)	25
Redundancy cost (weeks of salary)	17

Registering property (rank)	111 (AW 17)
Procedures (number)	8
Time (days)	25
Cost (% of property value)	5.8

Getting credit (rank)	87 (AW 4)
Strength of legal rights index (0-10)	3
Depth of credit information index (0-6)	5
Public registry coverage (% of adults)	8.3
Private bureau coverage (% of adults)	0.0

Protecting investors (rank)	93 (AW 8)
Extent of disclosure index (0-10)	9
Extent of director liability index (0-10)	1
Ease of shareholder suits index (0-10)	5
Strength of investor protection index (0-10)	5

Paying taxes (rank)	34 (AW 9)
Payments (number per year)	19
Time (hours per year)	180
Total tax rate (% of profit)	30.2

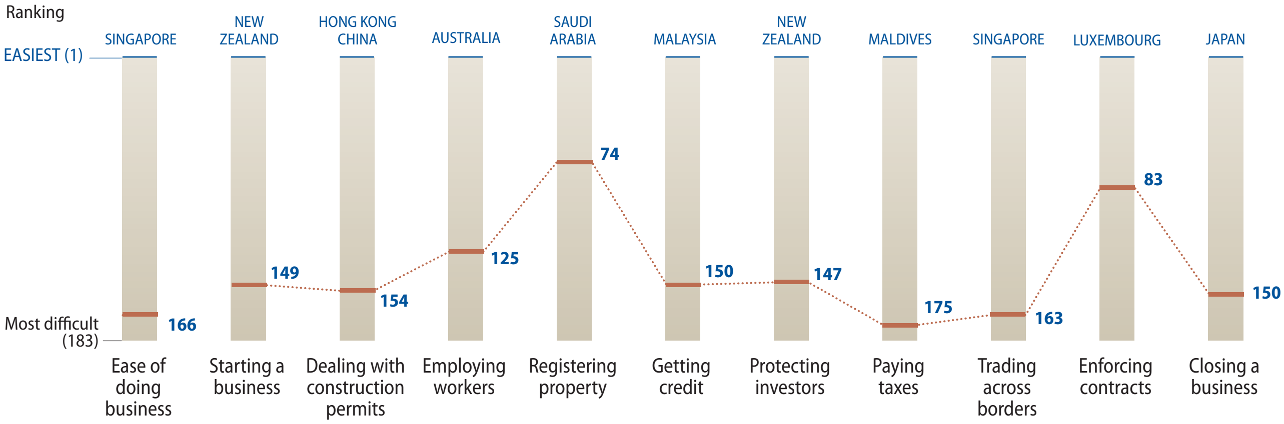
Trading across borders (rank)	95 (AW 11)
Documents to export (number)	5
Time to export (days)	26
Cost to export (US$ per container)	1,002
Documents to import (number)	7
Time to import (days)	35
Cost to import (US$ per container)	1,203

Enforcing contracts (rank)	121 (AW 10)
Procedures (number)	37
Time (days)	721
Cost (% of claim)	30.8

Closing a business (rank)	124 (AW 12)
Time (years)	4.0
Cost (% of estate)	22
Recovery rate (cents on the dollar)	19.0

COUNTRY PROFILE

Mauritania

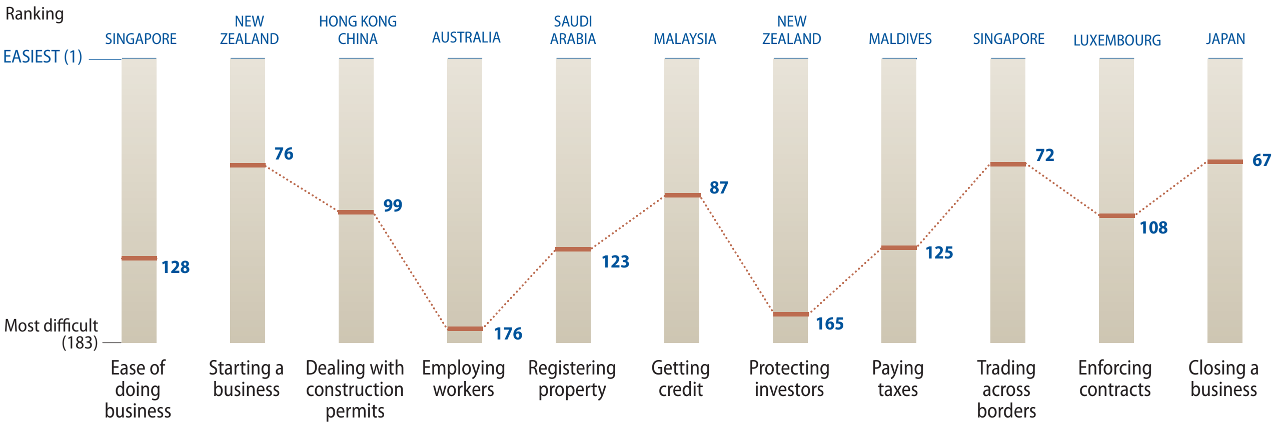


MAURITANIA		Ease of doing business (rank)	166 (AW 20)
Sub-Saharan Africa		GNI per capita (US$)	906
Low income		Population (m)	3.2

Starting a business (rank)	149 (AW 16)
Procedures (number)	9
Time (days)	19
Cost (% of income per capita)	34.7
Minimum capital (% of income per capita)	450.4
Dealing with construction permits (rank)	154 (AW 18)
Procedures (number)	25
Time (days)	201
Cost (% of income per capita)	506.3
Employing workers (rank)	125 (AW 15)
Difficulty of hiring index (0-100)	56
Rigidity of hours index (0-100)	20
Difficulty of redundancy index (0-100)	40
Rigidity of employment index (0-100)	39
Redundancy cost (weeks of salary)	31
Registering property (rank)	74 (AW 11)
Procedures (number)	4
Time (days)	49
Cost (% of property value)	5.2
Getting credit (rank)	150 (AW 14)
Strength of legal rights index (0-10)	3
Depth of credit information index (0-6)	1
Public registry coverage (% of adults)	0.2
Private bureau coverage (% of adults)	0.0
Protecting investors (rank)	147 (AW 17)
Extent of disclosure index (0-10)	5
Extent of director liability index (0-10)	3
Ease of shareholder suits index (0-10)	3
Strength of investor protection index (0-10)	3.7
Paying taxes (rank)	175 (AW 20)
Payments (number per year)	38
Time (hours per year)	696
Total tax rate (% of profit)	86.1
Trading across borders (rank)	163 (AW 19)
Documents to export (number)	11
Time to export (days)	39
Cost to export (US$ per container)	1,520
Documents to import (number)	11
Time to import (days)	42
Cost to import (US$ per container)	1,523
Enforcing contracts (rank)	83 (AW 3)
Procedures (number)	46
Time (days)	370
Cost (% of claim)	23.2
Closing a business (rank)	150 (AW 16)
Time (years)	8.0
Cost (% of estate)	9
Recovery rate (cents on the dollar)	6.7

COUNTRY PROFILE

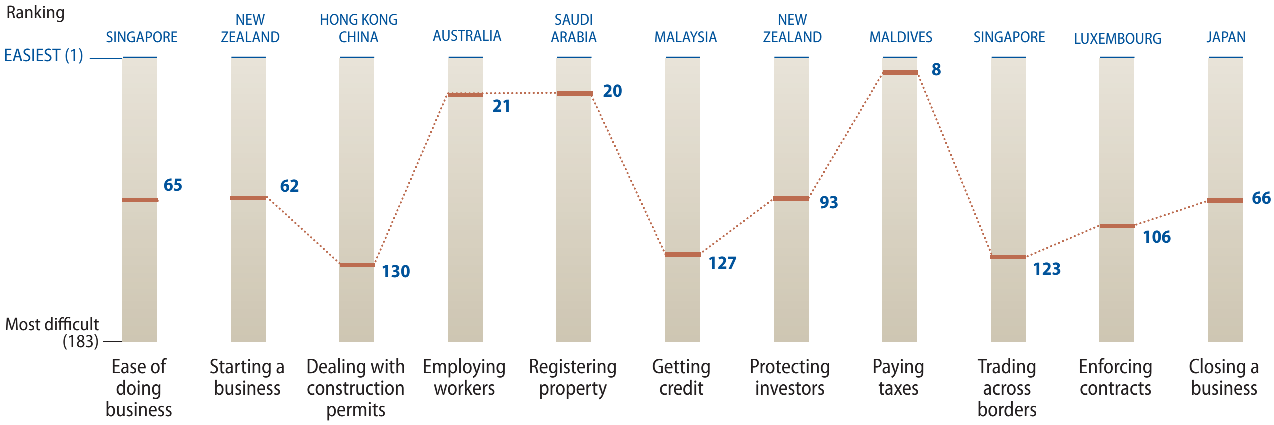
Morocco



MOROCCO		Ease of doing business (rank)	128 (AW 12)
Middle East & North Africa		GNI per capita (US$)	2,579
Lower middle income		Population (m)	31.2
Starting a business (rank)	76 (AW 9)	**Protecting investors** (rank)	165 (AW 19)
Procedures (number)	6	Extent of disclosure index (0-10)	6
Time (days)	12	Extent of director liability index (0-10)	2
Cost (% of income per capita)	16.1	Ease of shareholder suits index (0-10)	1
Minimum capital (% of income per capita)	11.8	Strength of investor protection index (0-10)	3
Dealing with construction permits (rank)	99 (AW 10)	**Paying taxes** (rank)	125 (AW 16)
Procedures (number)	19	Payments (number per year)	28
Time (days)	163	Time (hours per year)	358
Cost (% of income per capita)	263.7	Total tax rate (% of profit)	41.7
Employing workers (rank)	176 (AW 20)	**Trading across borders** (rank)	72 (AW 9)
Difficulty of hiring index (0-100)	89	Documents to export (number)	7
Rigidity of hours index (0-100)	40	Time to export (days)	14
Difficulty of redundancy index (0-100)	50	Cost to export (US$ per container)	700
Rigidity of employment index (0-100)	60	Documents to import (number)	10
Redundancy cost (weeks of salary)	85	Time to import (days)	17
		Cost to import (US$ per container)	1,000
Registering property (rank)	123 (AW 18)		
Procedures (number)	8	**Enforcing contracts** (rank)	108 (AW 6)
Time (days)	47	Procedures (number)	40
Cost (% of property value)	4.9	Time (days)	615
		Cost (% of claim)	25.2
Getting credit (rank)	87 (AW 4)		
Strength of legal rights index (0-10)	3	**Closing a business** (rank)	67 (AW 7)
Depth of credit information index (0-6)	5	Time (years)	1.8
Public registry coverage (% of adults)	0.0	Cost (% of estate)	18
Private bureau coverage (% of adults)	14.0	Recovery rate (cents on the dollar)	35.1

COUNTRY PROFILE

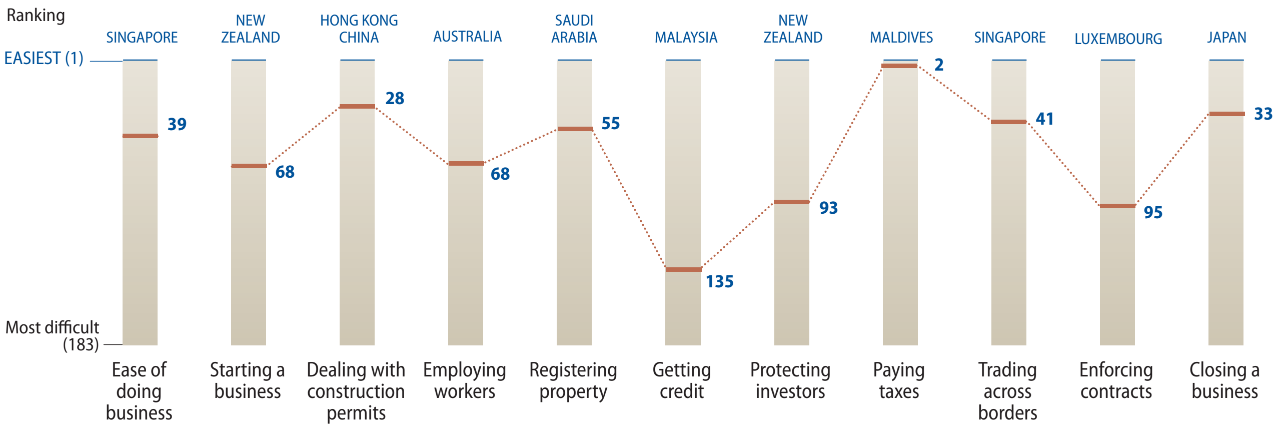
Oman



OMAN		Ease of doing business (rank)	65 (AW 6)
Middle East & North Africa		GNI per capita (US$)	18,988
High income		Population (m)	2.8
Starting a business (rank)	62 (AW 6)	**Protecting investors** (rank)	93 (AW 8)
Procedures (number)	5	Extent of disclosure index (0-10)	8
Time (days)	12	Extent of director liability index (0-10)	5
Cost (% of income per capita)	2.2	Ease of shareholder suits index (0-10)	2
Minimum capital (% of income per capita)	273.6	Strength of investor protection index (0-10)	5
Dealing with construction permits (rank)	130 (AW 15)	**Paying taxes** (rank)	8 (AW 4)
Procedures (number)	16	Payments (number per year)	14
Time (days)	242	Time (hours per year)	62
Cost (% of income per capita)	427.9	Total tax rate (% of profit)	21.6
Employing workers (rank)	21 (AW 2)	**Trading across borders** (rank)	123 (AW 16)
Difficulty of hiring index (0-100)	0	Documents to export (number)	10
Rigidity of hours index (0-100)	40	Time to export (days)	22
Difficulty of redundancy index (0-100)	0	Cost to export (US$ per container)	821
Rigidity of employment index (0-100)	13	Documents to import (number)	10
Redundancy cost (weeks of salary)	4	Time to import (days)	26
		Cost to import (US$ per container)	1,037
Registering property (rank)	20 (AW 3)		
Procedures (number)	2	**Enforcing contracts** (rank)	106 (AW 5)
Time (days)	16	Procedures (number)	51
Cost (% of property value)	3.0	Time (days)	598
		Cost (% of claim)	13.5
Getting credit (rank)	127 (AW 9)		
Strength of legal rights index (0-10)	4	**Closing a business** (rank)	66 (AW 6)
Depth of credit information index (0-6)	2	Time (years)	4.0
Public registry coverage (% of adults)	17.0	Cost (% of estate)	4
Private bureau coverage (% of adults)	0.0	Recovery rate (cents on the dollar)	35.1

COUNTRY PROFILE

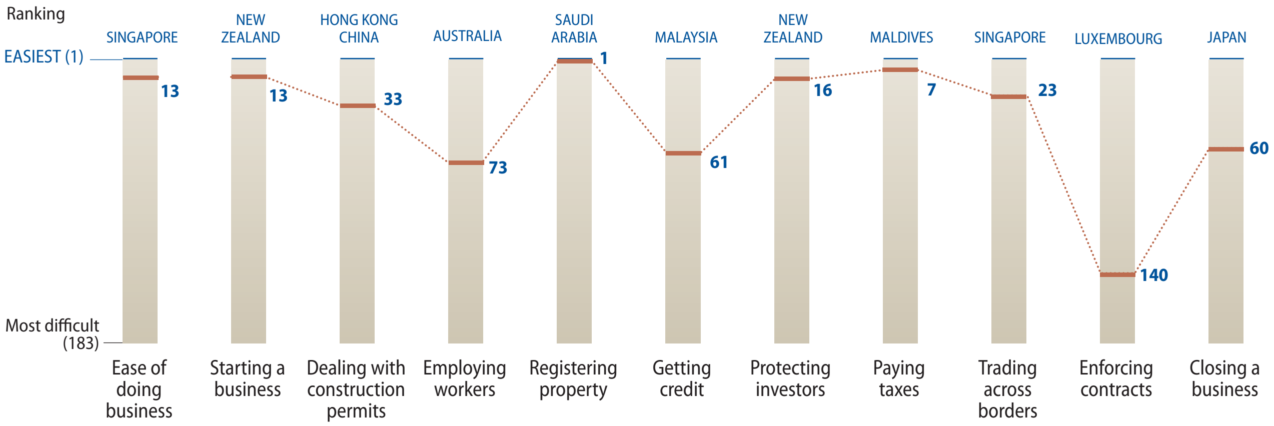
Qatar



QATAR		Ease of doing business (rank)	39 (AW 4)
Middle East & North Africa		GNI per capita (US$)	93,204
High income		Population (m)	1.3
Starting a business (rank)	68 (AW 8)	**Protecting investors** (rank)	93 (AW 8)
Procedures (number)	6	Extent of disclosure index (0-10)	5
Time (days)	6	Extent of director liability index (0-10)	6
Cost (% of income per capita)	7.1	Ease of shareholder suits index (0-10)	4
Minimum capital (% of income per capita)	59	Strength of investor protection index (0-10)	5
Dealing with construction permits (rank)	28 (AW 3)	**Paying taxes** (rank)	2 (AW 1)
Procedures (number)	19	Payments (number per year)	1
Time (days)	76	Time (hours per year)	36
Cost (% of income per capita)	0.6	Total tax rate (% of profit)	11.3
Employing workers (rank)	68 (AW 8)	**Trading across borders** (rank)	41 (AW 7)
Difficulty of hiring index (0-100)	0	Documents to export (number)	5
Rigidity of hours index (0-100)	20	Time to export (days)	21
Difficulty of redundancy index (0-100)	20	Cost to export (US$ per container)	735
Rigidity of employment index (0-100)	13	Documents to import (number)	7
Redundancy cost (weeks of salary)	69	Time to import (days)	20
		Cost to import (US$ per container)	657
Registering property (rank)	55 (AW 8)		
Procedures (number)	10	**Enforcing contracts** (rank)	95 (AW 4)
Time (days)	16	Procedures (number)	43
Cost (% of property value)	0.3	Time (days)	570
		Cost (% of claim)	21.6
Getting credit (rank)	135 (AW 11)		
Strength of legal rights index (0-10)	3	**Closing a business** (rank)	33 (AW 2)
Depth of credit information index (0-6)	2	Time (years)	2.8
Public registry coverage (% of adults)	0.0	Cost (% of estate)	22
Private bureau coverage (% of adults)	0.0	Recovery rate (cents on the dollar)	52.7

COUNTRY PROFILE

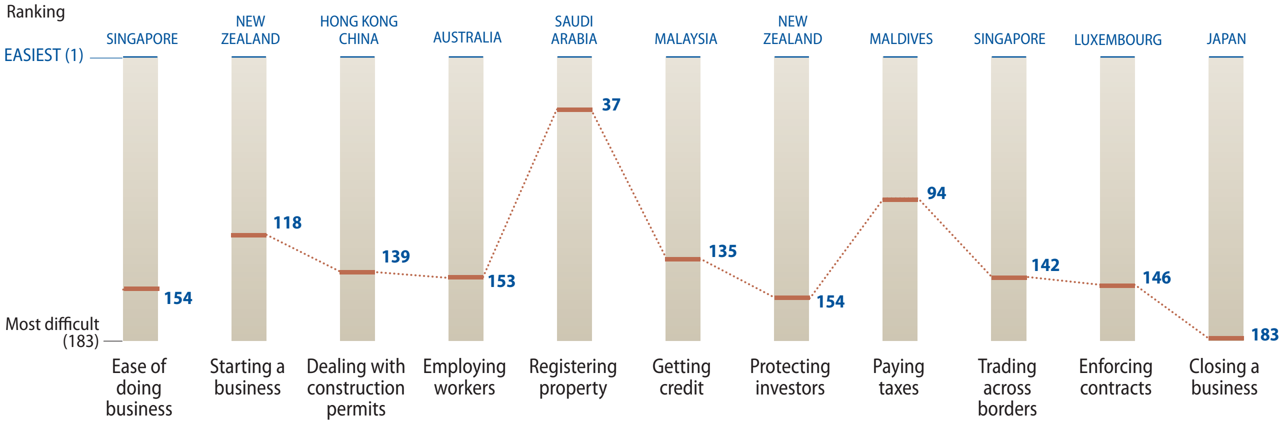
Saudi Arabia



SAUDI ARABIA		Ease of doing business (rank)	13 (AW 1)
Middle East & North Africa		GNI per capita (US$)	19,345
High income		Population (m)	24.6
Starting a business (rank)	13 (AW 1)	**Protecting investors** (rank)	16 (AW 1)
Procedures (number)	4	Extent of disclosure index (0-10)	9
Time (days)	5	Extent of director liability index (0-10)	8
Cost (% of income per capita)	7.7	Ease of shareholder suits index (0-10)	4
Minimum capital (% of income per capita)	0	Strength of investor protection index (0-10)	7
Dealing with construction permits (rank)	33 (AW 4)	**Paying taxes** (rank)	7 (AW 3)
Procedures (number)	17	Payments (number per year)	14
Time (days)	94	Time (hours per year)	79
Cost (% of income per capita)	32.8	Total tax rate (% of profit)	14.5
Employing workers (rank)	73 (AW 9)	**Trading across borders** (rank)	23 (AW 2)
Difficulty of hiring index (0-100)	0	Documents to export (number)	5
Rigidity of hours index (0-100)	40	Time to export (days)	17
Difficulty of redundancy index (0-100)	0	Cost to export (US$ per container)	681
Rigidity of employment index (0-100)	13	Documents to import (number)	5
Redundancy cost (weeks of salary)	80	Time to import (days)	18
		Cost to import (US$ per container)	678
Registering property (rank)	1 (AW 1)		
Procedures (number)	2	**Enforcing contracts** (rank)	140 (AW 15)
Time (days)	2	Procedures (number)	43
Cost (% of property value)	0.0	Time (days)	635
		Cost (% of claim)	27.5
Getting credit (rank)	61 (AW 1)		
Strength of legal rights index (0-10)	4	**Closing a business** (rank)	60 (AW 5)
Depth of credit information index (0-6)	6	Time (years)	1.5
Public registry coverage (% of adults)	0.0	Cost (% of estate)	22
Private bureau coverage (% of adults)	17.9	Recovery rate (cents on the dollar)	37.5

COUNTRY PROFILE

Sudan



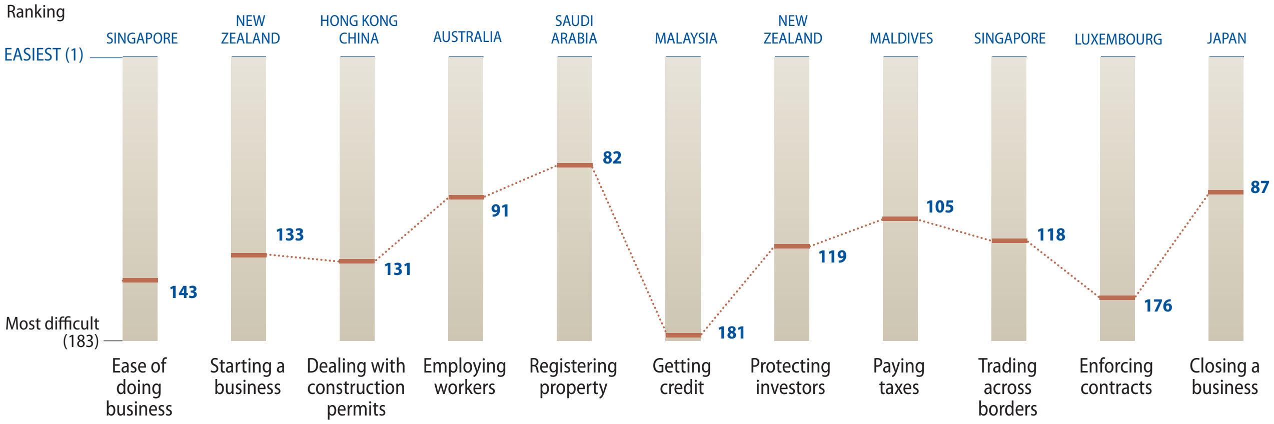
SUDAN		Ease of doing business (rank)	154 (AW 17)
Sub-Saharan Africa		GNI per capita (US$)	1,125
Lower middle income		Population (m)	41.3

Starting a business (rank)	118 (AW 11)
Procedures (number)	10
Time (days)	36
Cost (% of income per capita)	36
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	139 (AW 17)
Procedures (number)	19
Time (days)	271
Cost (% of income per capita)	206.5
Employing workers (rank)	153 (AW 18)
Difficulty of hiring index (0-100)	39
Rigidity of hours index (0-100)	20
Difficulty of redundancy index (0-100)	50
Rigidity of employment index (0-100)	36
Redundancy cost (weeks of salary)	118
Registering property (rank)	37 (AW 5)
Procedures (number)	6
Time (days)	9
Cost (% of property value)	3.0
Getting credit (rank)	135 (AW 11)
Strength of legal rights index (0-10)	5
Depth of credit information index (0-6)	0
Public registry coverage (% of adults)	0.0
Private bureau coverage (% of adults)	0.0

Protecting investors (rank)	154 (AW 18)
Extent of disclosure index (0-10)	0
Extent of director liability index (0-10)	6
Ease of shareholder suits index (0-10)	4
Strength of investor protection index (0-10)	3.3
Paying taxes (rank)	94 (AW 13)
Payments (number per year)	42
Time (hours per year)	180
Total tax rate (% of profit)	36.1
Trading across borders (rank)	142 (AW 18)
Documents to export (number)	6
Time to export (days)	32
Cost to export (US$ per container)	2,050
Documents to import (number)	6
Time to import (days)	46
Cost to import (US$ per container)	2,900
Enforcing contracts (rank)	146 (AW 16)
Procedures (number)	53
Time (days)	810
Cost (% of claim)	19.8
Closing a business (rank)	183 (AW 20)
Time (years)	NO PRACTICE
Cost (% of estate)	NO PRACTICE
Recovery rate (cents on the dollar)	0.0

COUNTRY PROFILE

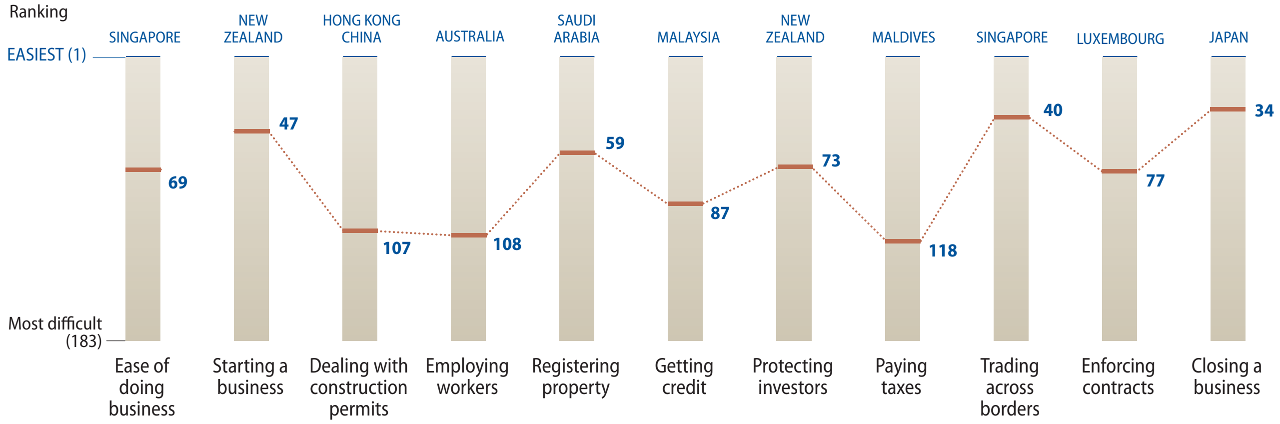
Syrian Arab Republic



SYRIAN ARAB REPUBLIC		Ease of doing business (rank)	143 (AW 15)
Middle East & North Africa		GNI per capita (US$)	2,094
Lower middle income		Population (m)	21.2
Starting a business (rank)	133 (AW 13)	**Protecting investors** (rank)	119 (AW 11)
Procedures (number)	7	Extent of disclosure index (0-10)	6
Time (days)	17	Extent of director liability index (0-10)	5
Cost (% of income per capita)	27.8	Ease of shareholder suits index (0-10)	2
Minimum capital (% of income per capita)	1012.5	Strength of investor protection index (0-10)	4.3
Dealing with construction permits (rank)	132 (AW 16)	**Paying taxes** (rank)	105 (AW 14)
Procedures (number)	26	Payments (number per year)	20
Time (days)	128	Time (hours per year)	336
Cost (% of income per capita)	540.3	Total tax rate (% of profit)	42.9
Employing workers (rank)	91 (AW 11)	**Trading across borders** (rank)	118 (AW 13)
Difficulty of hiring index (0-100)	11	Documents to export (number)	8
Rigidity of hours index (0-100)	0	Time to export (days)	15
Difficulty of redundancy index (0-100)	50	Cost to export (US$ per container)	1,190
Rigidity of employment index (0-100)	20	Documents to import (number)	9
Redundancy cost (weeks of salary)	80	Time to import (days)	21
		Cost to import (US$ per container)	1,625
Registering property (rank)	82 (AW 12)		
Procedures (number)	4	**Enforcing contracts** (rank)	176 (AW 20)
Time (days)	19	Procedures (number)	55
Cost (% of property value)	28.0	Time (days)	872
		Cost (% of claim)	29.3
Getting credit (rank)	181 (AW 20)		
Strength of legal rights index (0-10)	1	**Closing a business** (rank)	87 (AW 9)
Depth of credit information index (0-6)	0	Time (years)	4.1
Public registry coverage (% of adults)	0.0	Cost (% of estate)	9
Private bureau coverage (% of adults)	0.0	Recovery rate (cents on the dollar)	29.5

COUNTRY PROFILE

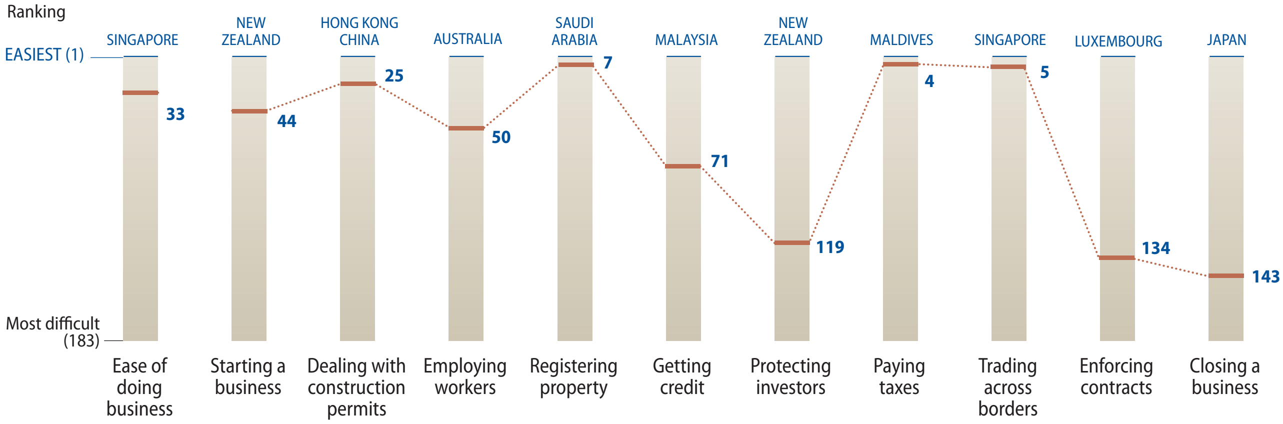
Tunisia



TUNISIA		Ease of doing business (rank)	69 (AW 7)
Middle East & North Africa		GNI per capita (US$)	3,292
Lower middle income		Population (millions)	10.3
Starting a business (rank)	47 (AW 4)	**Protecting investors** (rank)	73 (AW 5)
Procedures (number)	10	Extent of disclosure index (0-10)	5
Time (days)	11	Extent of director liability index (0-10)	5
Cost (% of income per capita)	5.7	Ease of shareholder suits index (0-10)	6
Minimum capital (% of income per capita)	0	Strength of investor protection index (0-10)	5.3
Dealing with construction permits (rank)	107 (AW 12)	**Paying taxes** (rank)	118 (AW 15)
Procedures (number)	20	Payments (number per year)	22
Time (days)	84	Time (hours per year)	228
Cost (% of income per capita)	998.3	Total tax rate (% of profit)	62.8
Employing workers (rank)	108 (AW 12)	**Trading across borders** (rank)	40 (AW 6)
Difficulty of hiring index (0-100)	28	Documents to export (number)	5
Rigidity of hours index (0-100)	13	Time to export (days)	15
Difficulty of redundancy index (0-100)	80	Cost to export (US$ per container)	783
Rigidity of employment index (0-100)	40	Documents to import (number)	7
Redundancy cost (weeks of salary)	17	Time to import (days)	21
		Cost to import (US$ per container)	858
Registering property (rank)	59 (AW 9)		
Procedures (number)	4	**Enforcing contracts** (rank)	77 (AW 2)
Time (days)	39	Procedures (number)	39
Cost (% of property value)	6.1	Time (days)	565
		Cost (% of claim)	21.8
Getting credit (rank)	87 (AW 4)		
Strength of legal rights index (0-10)	3	**Closing a business** (rank)	34 (AW 3)
Depth of credit information index (0-6)	5	Time (years)	1.3
Public registry coverage (% of adults)	19.9	Cost (% of estate)	7
Private bureau coverage (% of adults)	0.0	Recovery rate (cents on the dollar)	52.3

COUNTRY PROFILE

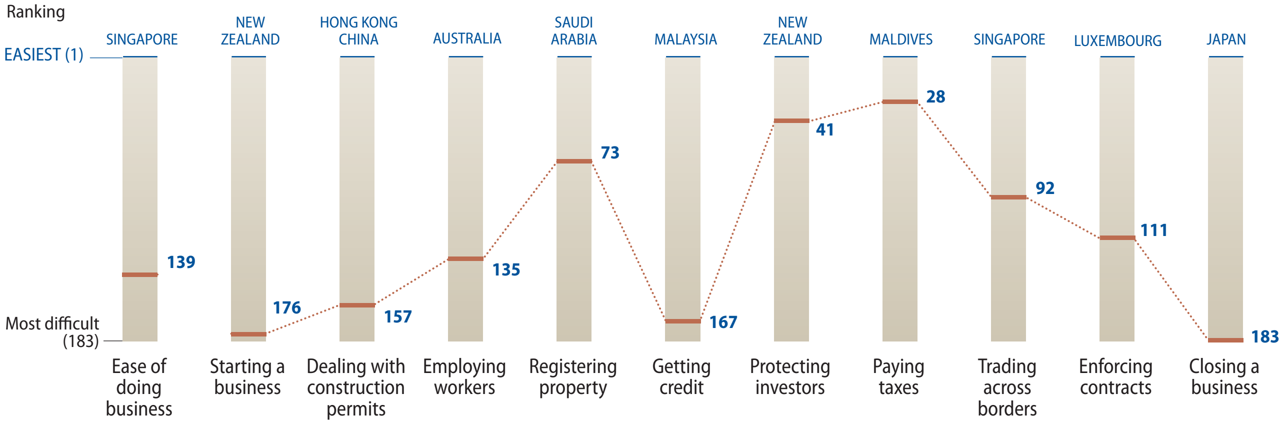
United Arab Emirates



UNITED ARAB EMIRATES		Ease of doing business (rank)	33 (AW 3)
Middle East & North Africa		GNI per capita (US$)	54,607
High income		Population (m)	4.5
Starting a business (rank)	44 (AW 3)	**Protecting investors** (rank)	119 (AW 11)
Procedures (number)	8	Extent of disclosure index (0-10)	4
Time (days)	15	Extent of director liability index (0-10)	7
Cost (% of income per capita)	6.2	Ease of shareholder suits index (0-10)	2
Minimum capital (% of income per capita)	0	Strength of investor protection index (0-10)	4.3
Dealing with construction permits (rank)	27 (AW 2)	**Paying taxes** (rank)	4 (AW 2)
Procedures (number)	17	Payments (number per year)	14
Time (days)	64	Time (hours per year)	12
Cost (% of income per capita)	30.7	Total tax rate (% of profit)	14.1
Employing workers (rank)	50 (AW 4)	**Trading across borders** (rank)	5 (AW 1)
Difficulty of hiring index (0-100)	0	Documents to export (number)	4
Rigidity of hours index (0-100)	20	Time to export (days)	8
Difficulty of redundancy index (0-100)	0	Cost to export (US$ per container)	593
Rigidity of employment index (0-100)	7	Documents to import (number)	5
Redundancy cost (weeks of salary)	84	Time to import (days)	9
		Cost to import (US$ per container)	579
Registering property (rank)	7 (AW 2)		
Procedures (number)	1	**Enforcing contracts** (rank)	134 (AW 13)
Time (days)	2	Procedures (number)	49
Cost (% of property value)	2.0	Time (days)	537
		Cost (% of claim)	26.2
Getting credit (rank)	71 (AW 2)		
Strength of legal rights index (0-10)	4	**Closing a business** (rank)	143 (AW 15)
Depth of credit information index (0-6)	5	Time (years)	5.1
Public registry coverage (% of adults)	7.3	Cost (% of estate)	30
Private bureau coverage (% of adults)	12.6	Recovery rate (cents on the dollar)	10.2

COUNTRY PROFILE

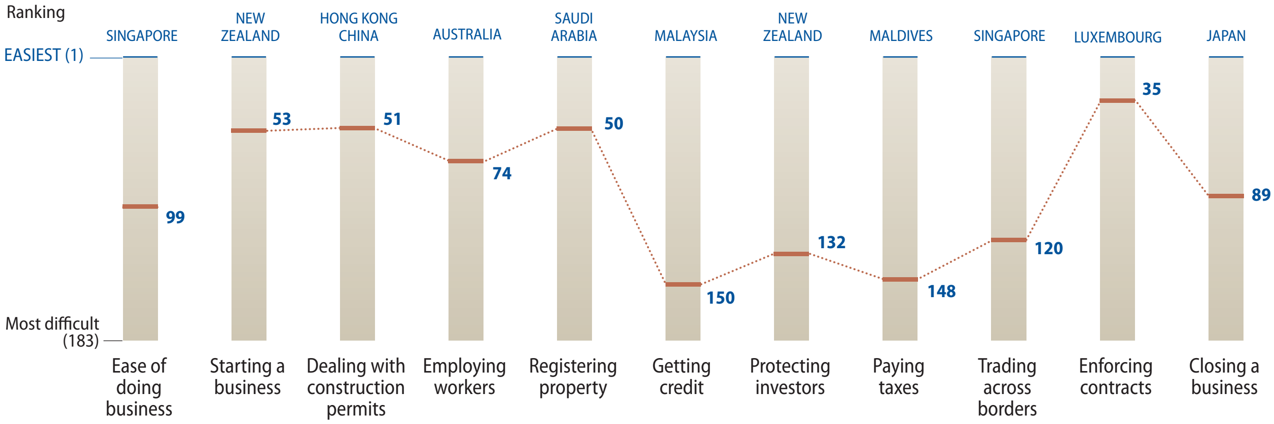
West Bank and Gaza



WEST BANK AND GAZA		Ease of doing business (rank)	139 (AW 14)
Middle East & North Africa		GNI per capita (US$)	1,564
Lower middle income		Population (m)	3.8
Starting a business (rank)	176 (AW 19)	**Protecting investors** (rank)	41 (AW 3)
Procedures (number)	11	Extent of disclosure index (0-10)	6
Time (days)	49	Extent of director liability index (0-10)	5
Cost (% of income per capita)	55	Ease of shareholder suits index (0-10)	7
Minimum capital (% of income per capita)	220.4	Strength of investor protection index (0-10)	6
Dealing with construction permits (rank)	157 (AW 20)	**Paying taxes** (rank)	28 (AW 8)
Procedures (number)	21	Payments (number per year)	27
Time (days)	199	Time (hours per year)	154
Cost (% of income per capita)	1,110.6	Total tax rate (% of profit)	16.8
Employing workers (rank)	135 (AW 16)	**Trading across borders** (rank)	92 (AW 10)
Difficulty of hiring index (0-100)	33	Documents to export (number)	6
Rigidity of hours index (0-100)	40	Time to export (days)	25
Difficulty of redundancy index (0-100)	20	Cost to export (US$ per container)	835
Rigidity of employment index (0-100)	31	Documents to import (number)	6
Redundancy cost (weeks of salary)	91	Time to import (days)	40
		Cost to import (US$ per container)	1,225
Registering property (rank)	73 (AW 10)		
Procedures (number)	7	**Enforcing contracts** (rank)	111 (AW 7)
Time (days)	47	Procedures (number)	44
Cost (% of property value)	0.7	Time (days)	600
		Cost (% of claim)	21.2
Getting credit (rank)	167 (AW 16)		
Strength of legal rights index (0-10)	0	**Closing a business** (rank)	183 (AW 20)
Depth of credit information index (0-6)	3	Time (years)	NO PRACTICE
Public registry coverage (% of adults)	6.5	Cost (% of estate)	NO PRACTICE
Private bureau coverage (% of adults)	0.0	Recovery rate (cents on the dollar)	0.0

COUNTRY PROFILE

Yemen, Rep.



YEMEN, REP.		Ease of doing business (rank)	99 (AW 8)
Middle East & North Africa		GNI per capita (US$)	870
Low income		Population (millions)	22.4
Starting a business (rank)	53 (AW 5)	**Protecting investors** (rank)	132 (AW 15)
Procedures (number)	6	Extent of disclosure index (0-10)	6
Time (days)	12	Extent of director liability index (0-10)	4
Cost (% of income per capita)	83	Ease of shareholder suits index (0-10)	2
Minimum capital (% of income per capita)	0	Strength of investor protection index (0-10)	4
Dealing with construction permits (rank)	50 (AW 5)	**Paying taxes** (rank)	148 (AW 18)
Procedures (number)	15	Payments (number per year)	44
Time (days)	107	Time (hours per year)	248
Cost (% of income per capita)	144.1	Total tax rate (% of profit)	47.8
Employing workers (rank)	74 (AW 10)	**Trading across borders** (rank)	120 (AW 14)
Difficulty of hiring index (0-100)	22	Documents to export (number)	6
Rigidity of hours index (0-100)	20	Time to export (days)	27
Difficulty of redundancy index (0-100)	30	Cost to export (US$ per container)	1,129
Rigidity of employment index (0-100)	24	Documents to import (number)	9
Redundancy cost (weeks of salary)	17	Time to import (days)	25
		Cost to import (US$ per container)	1,475
Registering property (rank)	50 (AW 6)		
Procedures (number)	6	**Enforcing contracts** (rank)	35 (AW 1)
Time (days)	19	Procedures (number)	36
Cost (% of property value)	3.8	Time (days)	520
		Cost (% of claim)	16.5
Getting credit (rank)	150 (AW 14)		
Strength of legal rights index (0-10)	2	**Closing a business** (rank)	89 (AW 10)
Depth of credit information index (0-6)	2	Time (years)	3.0
Public registry coverage (% of adults)	0.2	Cost (% of estate)	8
Private bureau coverage (% of adults)	0.0	Recovery rate (cents on the dollar)	28.6

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Contact details for local partners are available on the Doing Business website at http://www.doingbusiness.org

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