Sub-Saharan Africa Implements the Most Business Regulatory Reforms Worldwide

Washington, D.C., October 29, 2014—A new World Bank Group report finds that Sub-Saharan Africa had the highest number of business regulatory reforms globally in 2013/14, with 74 percent of the region’s economies improving their business regulatory environment for local entrepreneurs.

Released today, Doing Business 2015: Going Beyond Efficiency finds that Benin, the Democratic Republic of Congo, Côte d’Ivoire, Senegal, and Togo are among the 10 top improvers worldwide, having improved business regulation the most in the past year among the 189 economies covered. Since 2005, all countries in the region1 have improved the business regulatory environment for small and medium-size businesses, with Rwanda implementing the most reforms, followed by Mauritius and Sierra Leone.

The report series shows that over the past five years, 11 different Sub-Saharan African countries have appeared on the annual list of the 10 global top improvers. Some have done so multiple times, such as Burundi, Cabo Verde, Côte d’Ivoire, and Rwanda.

“Sub-Saharan African economies have come a long way in reducing burdensome business regulations,” said Melissa Johns, Advisor, Global Indicators Group, Development Economics, World Bank Group. “Our data show that Sub-Saharan Africa accounts for the largest number of regulatory reforms making it easier to do business in the past year, with 75 of the 230 documented worldwide. Yet despite broad regulatory reform agendas, challenges persist in the region, where business incorporation continues to be costlier and more complex on average than in any other region.”

The report finds that Senegal implemented regulatory reforms in six of the 10 areas tracked by Doing Business—a global high for the year. Thanks to such reforms, Senegal is gradually narrowing the gap with best practices seen elsewhere. For example, in 2005, completing every official procedure to import goods from overseas took 27 days. Today it takes 14 days, the same as in Poland.

This year, for the first time, Doing Business collected data for a second city in the 11 economies with a population of more than 100 million. In Nigeria, the report now analyzes business regulations in Kano as well as in Lagos.

The report this year also expands the data for three of the 10 topics covered, and there are plans to do so for five more topics next year. In addition, the ease of doing business ranking is now based on the distance to frontier score. This measure shows how close each economy is to global best practices in business regulation. A higher score indicates a more efficient business environment and stronger legal institutions.

The report finds that Singapore tops the global ranking on the ease of doing business. Joining it on the list of the top 10 economies with the most business-friendly regulatory environments are New Zealand; Hong Kong SAR, China; Denmark; the Republic of Korea; Norway; the United States; the United Kingdom; Finland; and Australia.

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1 Excludes South Sudan, which was added to the Doing Business sample in 2013.
About the Doing Business report series
The annual World Bank Group flagship Doing Business report analyzes regulations that apply to an economy’s businesses during their life cycle, including start-up and operations, trading across borders, paying taxes, and resolving insolvency. The aggregate ease of doing business rankings are based on the distance to frontier scores for 10 topics and cover 189 economies. Doing Business does not measure all aspects of the business environment that matter to firms and investors. For example, it does not measure the quality of fiscal management, other aspects of macroeconomic stability, the level of skills in the labor force, or the resilience of financial systems. Its findings have stimulated policy debates worldwide and enabled a growing body of research on how firm-level regulation relates to economic outcomes across economies. Each year the report team works to improve the methodology and to enhance their data collection, analysis and output. The project has benefited from feedback from many stakeholders over the years. With a key goal to provide an objective basis for understanding and improving the local regulatory environment for business around the world, the project goes through rigorous reviews to ensure its quality and effectiveness. This year’s report marks the 12th edition of the global Doing Business report series. For more information about the Doing Business reports, please visit doingbusiness.org and join us on doingbusiness.org/Facebook.

About the World Bank Group
The World Bank Group plays a key role in the global effort to end extreme poverty and boost shared prosperity. It consists of five institutions: the World Bank, including the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA); the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). Working together in more than 100 countries, these institutions provide financing, advice, and other solutions that enable countries to address the most urgent challenges of development. For more information, please visit www.worldbank.org, www.miga.org, and ifc.org.

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