



THE WORLD BANK



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Consistent Reformers Manizales and Ibagué Remain on Top, as Large Business Cities Enhance their Reform Agenda

Bogotá, Colombia, August 29, 2013—A new report from the World Bank and IFC finds that cities across Colombia continue to implement regulatory business reforms with the large business cities making the biggest strides. Released today, *Doing Business in Colombia 2013* finds that Manizales and Ibagué once again top the rankings thanks to continuous improvements that make it easier to do business.

The report compares business regulations across 23 Colombian cities and focuses on local and national regulations that affect five stages in the life of a small to medium-size domestic firm: starting a business, dealing with construction permits, registering property, paying taxes and trading across borders. It also finds Medellín, Bucaramanga, and Cartagena the top three most improved cities. Medellín and Bucaramanga significantly simplified their business start-up and construction permitting processes. In Medellín, entrepreneurs can now file and pay the local industry and commerce tax online, reducing the administrative tax burden. Cartagena moved up 16 positions on the starting a business indicator, mainly because the municipality replaced the physical certificate of land use with an online verification system.

“Colombian cities are converging with the best local practices as the country gets closer to global best practices,” said **Augusto Lopez-Claros, Director, World Bank Group**. *“Colombia’s pace towards bettering its business regulatory environment during the past few years has been the fastest in Latin America, moving the country’s performance closer to the average across the high-income Organisation for Economic Co-operation and Development (OECD) economies.”*

All Colombian cities measured benefited from nationwide legal reforms, such as law 1429 of 2010, which promotes the entry of small and medium-size enterprises as well as job creation. Thanks to the new legal provisions, business start-up costs dropped by more than 40 percent on average. The electronic customs system “MUISCA” and the single window for foreign trade “VUCE” facilitated the payment of duties and preparation of customs declarations, permits and other trade-related documentation, allowing traders to keep up with rapidly growing trade flows more efficiently.

Close collaboration between national and local governments enabled the expansion of the Single Window for Property Registration (VUR) to 11 cities, while the elimination of certificates and a speedier process for issuing construction licenses ensured construction permitting is now easier in 17 cities. Local entrepreneurs preparing to file and pay their taxes are also finding the process easier than in the past, thanks to improved electronic systems.

According to the National Planning Department, *“the report results show the importance of coordinated and consistent efforts made by the National Government, the regions and the Chambers of Commerce in implementing more simplified and efficient regulatory frameworks for all Colombians. These make cities more attractive to investments and easier to do business.”*

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distinct role in the mission to fight poverty and improve living standards for people in the developing world. For more information, please visit www.worldbank.org , www.miga.org , and www.ifc.org.

Doing Business in Colombia 2013 is the third in a series of sub-national reports studying the ease of doing business in the country. The report is a joint World Bank and IFC publication produced in partnership with Universidad del Norte and Fundesarrollo. The report was sponsored by the United States Agency for International Development (USAID) and Colombia's National Planning Department (DNP).

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