



Doing Business 2015 Fact Sheet: South Asia

- Four of eight economies in South Asia implemented at least one regulatory reform aimed at improving the business environment for local entrepreneurs in the year from June 1, 2013, to June 1, 2014—six reforms in total. The share of economies in the region implementing at least one reform in 2013/14 (50 percent) was down from the share in the previous year (75 percent).
- Since 2005, all economies in the region have implemented regulatory reforms improving the business environment in the areas measured by *Doing Business*. Together, the eight economies have recorded 81 reforms. **India** implemented the largest number of reforms in the region during this period, with 20, followed by **Sri Lanka** with 16.
- **Sri Lanka** has the region's highest ranking on the ease of doing business, at 99 among 189 economies worldwide. It also recorded the region's largest improvement in the distance to frontier score between 2013 and 2014.
- **India** had the region's largest number of regulatory reforms benefiting local entrepreneurs in 2013/14. It implemented three such reforms, in the areas of starting a business, getting electricity, and protecting minority investors, including through the adoption of the new Companies Act of 2013.
- For the first time this year, *Doing Business* collected data for a second city in the 11 economies with a population of more than 100 million. In **Bangladesh**, the report analyzes business regulations in Chittagong and Dhaka; in **India**, in Delhi and Mumbai; and in **Pakistan**, in Lahore and Karachi. The report finds that differences between cities are common in indicators measuring the steps, time, and cost to complete regulatory transactions where local agencies play a larger role.

Summary of 2013/14 *Doing Business* Reforms in South Asia¹

Afghanistan

Afghanistan made starting a business more difficult by increasing the publication fees and prolonging the time required for registration.

Areas of business regulatory reform: Starting a business (making it more difficult)

DB2015 ease of doing business rank: 183

DB2014 back-calculated ease of doing business rank: 182

DB2015 distance to frontier score: 41.2

DB2014 back-calculated distance to frontier score: 41.2; improvement: -0.1

Bangladesh

Bangladesh made trading across borders easier by introducing a fully automated, computerized customs data management system, ASYCUDA (Automated System for Customs Data) World. This reform applies to both Chittagong and Dhaka.

¹ The *DB2014 ease of doing business rank* may differ from the one published in the *Doing Business 2014* report. The rank is adjusted to take into account the recent changes implemented by *Doing Business* in the calculation of the ranking, now based on the distance to frontier score; the inclusion of data for a second city in the 11 economies with a population of more than 100 million; the changes in methodology for different indicator sets; and any revisions in the data due to corrections.

The distance to frontier score shows the distance of each economy to the "frontier"—which represents the best performance observed on each of the *Doing Business* indicators. The measure is normalized to range between 0 and 100, with 100 representing the frontier. The difference between the scores shown for DB2015 (2014) and DB2014 (2013) may differ from the size of the improvement reported because of rounding.

Areas of business regulatory reform: Trading across borders

DB2015 ease of doing business rank: 173

DB2014 back-calculated ease of doing business rank: 170

DB2015 distance to frontier score: 46.8

DB2014 back-calculated distance to frontier score: 46.4; improvement: 0.5

Bhutan

DB2015 ease of doing business rank: 125

DB2014 back-calculated ease of doing business rank: 122

DB2015 distance to frontier score: 57.5

DB2014 back-calculated distance to frontier score: 57.5; improvement: -0.1

India

India made starting a business easier by considerably reducing the registration fees, but also made it more difficult by introducing a requirement to file a declaration before the commencement of business operations—changes applying to both Delhi and Mumbai. In addition, the utility in Mumbai made getting electricity less costly by reducing the security deposit for a new connection. Finally, India strengthened minority investor protections by requiring greater disclosure of conflicts of interest by board members, increasing the remedies available in case of prejudicial related-party transactions, and introducing additional safeguards for shareholders of privately held companies. This reform applies to both Delhi and Mumbai.

Areas of business regulatory reform: Starting a business, Getting electricity, Protecting minority investors

DB2015 ease of doing business rank: 142

DB2014 back-calculated ease of doing business rank: 140

DB2015 distance to frontier score: 54.0

DB2014 back-calculated distance to frontier score: 52.8; improvement: 1.2

Maldives

DB2015 ease of doing business rank: 116

DB2014 back-calculated ease of doing business rank: 114

DB2015 distance to frontier score: 58.7

DB2014 back-calculated distance to frontier score: 58.5; improvement: 0.3

Nepal

Nepal made dealing with construction permits easier by implementing a new electronic building permit system.

Areas of business regulatory reform: Dealing with construction permits

DB2015 ease of doing business rank: 108

DB2014 back-calculated ease of doing business rank: 109

DB2015 distance to frontier score: 60.3

DB2014 back-calculated distance to frontier score: 59.6; improvement: 0.8

Pakistan

Pakistan made trading across borders easier by introducing a fully automated, computerized system (the Web-Based One Customs system) for the submission and processing of export and import documents. This reform applies to both Lahore and Karachi.

Areas of business regulatory reform: Trading across borders

DB2015 ease of doing business rank: 128

DB2014 back-calculated ease of doing business rank: 127

DB2015 distance to frontier score: 56.6

DB2014 back-calculated distance to frontier score: 56.4; improvement: 0.2

Sri Lanka

Sri Lanka made paying taxes more costly for companies by increasing the reduced corporate income tax rate for qualifying small and medium-size enterprises.

Areas of business regulatory reform: Paying taxes (making it more difficult)

DB2015 ease of doing business rank: 99

DB2014 back-calculated ease of doing business rank: 105

DB2015 distance to frontier score: 61.4

DB2014 back-calculated distance to frontier score: 60.0; improvement: 1.4

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](https://www.facebook.com/doingbusiness.org).

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