Doing Business in the European Union 2020: Greece, Ireland and Italy

Comparing Business Regulation for Domestic Firms in 24 Cities in Greece, Ireland and Italy with 187 Other Economies

WORLD BANK GROUP

European Commission
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Subnational Doing Business

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Doing Business in the European Union 2020: Greece, Ireland and Italy
Cost of dealing with construction permits in Irish cities

- **Galway**
  - EUR 28,000
  - (1.1% of warehouse value)
  - € 8 million in savings per 100 constructions

- **Dublin**
  - EUR 107,000
  - (4.1% of warehouse value)
"Global” and “Subnational” Doing Business: what are the differences?

- Demand driven
- Go beyond the largest city
- Selected DB indicators relevant at subnational level
- Replicable local good practices
- Tailored reform recommendations
- City stories
- 500+ cities in 76 economies

Global Doing Business

- WBG annual flagship
- Largest business city used as proxy
- 11 indicators
- International good practices
- 190 economies
- More than 3,000 recorded reforms
- Country stories
Two studies published, covering 47 cities across 7 EU member states.

Current study includes 24 cities from 3 EU member states.

Next study will cover cities in Austria, Belgium and the Netherlands.
Five cities and five indicators measured across Ireland

- Starting a business
- Dealing with construction permits
- Getting electricity
- Registering property
- Enforcing contracts

AND 6 cities in Greece and 13 cities in Italy
No city dominates across the five areas measured

<table>
<thead>
<tr>
<th>City</th>
<th>Starting a business Rank (1-5)</th>
<th>Score (0-100)</th>
<th>Dealing with construction permits Rank (1-5)</th>
<th>Score (0-100)</th>
<th>Getting electricity Rank (1-5)</th>
<th>Score (0-100)</th>
<th>Registering property Rank (1-5)</th>
<th>Score (0-100)</th>
<th>Enforcing contracts Rank (1-5)</th>
<th>Score (0-100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cork</td>
<td>3</td>
<td>93.90</td>
<td>5</td>
<td>74.37</td>
<td>2</td>
<td>84.17</td>
<td>4</td>
<td>69.91</td>
<td>1</td>
<td>61.59</td>
</tr>
<tr>
<td>Dublin</td>
<td>2</td>
<td>94.40</td>
<td>4</td>
<td>76.58</td>
<td>1</td>
<td>84.21</td>
<td>3</td>
<td>71.71</td>
<td>2</td>
<td>57.88</td>
</tr>
<tr>
<td>Galway</td>
<td>1</td>
<td>94.91</td>
<td>3</td>
<td>78.59</td>
<td>5</td>
<td>80.83</td>
<td>1</td>
<td>73.02</td>
<td>4</td>
<td>56.41</td>
</tr>
<tr>
<td>Limerick</td>
<td>3</td>
<td>93.90</td>
<td>2</td>
<td>78.69</td>
<td>3</td>
<td>83.95</td>
<td>2</td>
<td>72.78</td>
<td>5</td>
<td>55.40</td>
</tr>
<tr>
<td>Waterford</td>
<td>3</td>
<td>93.90</td>
<td>1</td>
<td>80.57</td>
<td>4</td>
<td>81.37</td>
<td>5</td>
<td>69.32</td>
<td>3</td>
<td>57.57</td>
</tr>
</tbody>
</table>
Variation in regulatory performance shows Irish cities have opportunities to learn from each other.
VAT registration remains a common bottleneck that drives variation in the time to start a business.
Differences in time to register property are driven by the efficiency of regional PRA offices and local planning departments

<table>
<thead>
<tr>
<th>City</th>
<th>Due diligence</th>
<th>Registration at the Land Registry</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dublin</td>
<td>20</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Galway</td>
<td>18</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Limerick</td>
<td>15</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Cork</td>
<td>25</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Waterford</td>
<td>30</td>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>
Limerick and Galway have the highest score on the quality of land administration index and lead the indicator overall.
Time for trial and judgment is shorter for Cork

- Cork: 60 days filing and service, 365 days trial and judgment, 90 days enforcement of judgment
- EU average: 41 days filing and service, 458 days trial and judgment, 138 days enforcement of judgment
- Dublin: 60 days filing and service, 500 days trial and judgment, 90 days enforcement of judgment
- Irish average: 60 days filing and service, 473 days trial and judgment, 130 days enforcement of judgment
- Waterford: 60 days filing and service, 500 days trial and judgment, 110 days enforcement of judgment
- Limerick: 60 days filing and service, 500 days trial and judgment, 180 days enforcement of judgment
- Galway: 60 days filing and service, 500 days trial and judgment, 180 days enforcement of judgment

Time to resolve a commercial dispute (calendar days)

- Filing and service
- Trial and judgment
- Enforcement of judgment
The average cost of litigating is higher in Ireland than in the European Union.
On average, Circuit Court cases take one and a half times longer in Galway and Limerick.
The construction permitting process can be completed over a month faster in Waterford than in Cork.

<table>
<thead>
<tr>
<th>City</th>
<th>Time to deal with construction permits (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waterford</td>
<td>158</td>
</tr>
<tr>
<td>Dublin</td>
<td>164</td>
</tr>
<tr>
<td>Limerick</td>
<td>165</td>
</tr>
<tr>
<td>Galway</td>
<td>189</td>
</tr>
<tr>
<td>Cork</td>
<td>200</td>
</tr>
</tbody>
</table>
The development contribution fee in Dublin is more than three times higher than in Galway.
Getting electricity in Dublin takes nearly twice as long as in the other Irish cities
Reliability of supply and transparency of tariffs index

- Communication of tariffs and tariff changes (0-1)
- Financial deterrents aimed at limiting outages (0-1)
- Regulatory monitoring (0-1)
- Mechanisms for restoring service (0-1)
- Mechanisms for monitoring outages (0-1)
- Total duration and frequency of outages per customer a year (0-3)

Cork, Dublin, Limerick
Galway, Waterford
How to improve? Emulation of local good practices

*Dealing with Construction Permits*

A city combining these best practices would climb 14 places in the ranking on this indicator (from 36 to 22)
Potential for improvement through the emulation of local good practices

If Dublin adopted each city’s best practices, Ireland would climb 9 places on the overall ease of doing business, from 24 to 15.
How has peer-to-peer learning worked in other member states?

What did they learn?
- Registering electronically is four times as fast and half as costly as registering on paper
- Inspired by Poznan (best practice), they promoted electronic registration and trained their staff how to use the system
- Inspired by Gdansk (paper registration, but more efficient), they improved document handling
- They consulted with the registry authority in Bialystok on how to handle seasonal spikes in demand and reduce backlog

What was the result?
- $ COST
  - Share of online registrations grew faster in Kielce and Rzeszow than in the rest of the country
- TIME

What did the Polish cities with the least efficient business registration learn from their peers with better practices
Doing Business in the European Union

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