Doing Business in the European Union 2021: Austria, Belgium and the Netherlands

Comparing Business Regulation for Domestic Firms in 24 Cities in Austria, Belgium and the Netherlands with Other European Union Member States
THE NETHERLANDS

Julien Vilquin, Subnational Doing Business, World Bank Group

September 2, 2021
AGENDA

- Scope of the study
- Main findings
- Findings per topic
- Potential for improvement by adopting local good practices
AGENDA

- Scope of the study
- Main findings
- Findings per topic
- Potential for improvement by adopting local good practices
“Global” and “Subnational” *Doing Business*: what are the differences?

- Demand driven
- Go beyond the largest city
- Selected indicators
- Local good practices
- City stories

**Global Doing Business**
- WBG flagship
- Largest business city used as proxy
- 10 indicators
- International good practices
- Country stories

**Subnational Doing Business**
Subnational Doing Business in the EU

- Three studies published, covering 71 cities across 10 EU member states.

- Current study includes 24 cities from 3 EU member states.

- Next study will cover cities in Denmark, Finland and Sweden.
Five regulatory areas and ten cities measured across the Netherlands

**Starting a business**
Procedures, time, cost and paid-in minimum capital to open a business

**Registering property**
Procedures, time and cost to transfer property between two local companies + Quality of land administration

**Dealing with construction permits**
Procedures, time and cost to comply with formalities to build a warehouse + Quality of building regulation

**Enforcing contracts**
Time and cost to resolve a commercial dispute + Quality of judicial processes

**Getting Electricity**
Procedures, time and cost to obtain an electricity connection + Reliability of supply and transparency of tariffs

**THE CITIES**
- Amsterdam
- Arnhem
- Eindhoven
- Enschede
- Groningen
- The Hague
- Maastricht
- Middelburg
- Rotterdam
- Utrecht
How we collected the data

**Private sector experts**
- Local experts on each area covered as primary source of information
  - For example:
    - Lawyers, notaries
    - Accountants, auditors
    - Architects, engineers, developers
    - Electrical contractors

**WBG Team**

**Public officials**
- Data collected for quality cross-check purposes
  - For example:
    - Municipal and utility officials
    - Judges and judicial officers
    - Representatives of local tax offices, regional economic chambers, regulatory authority for energy
AGENDA

- Scope of the study
- Main findings
- Findings per topic
- Potential for improvement by adopting local good practices
Main findings

- Strong performance in one area coexists with weak performance in another

- Subnational score variations are most significant in the ease of construction permitting and getting electricity.

- Dutch cities perform almost homogenously in starting a business and registering property.

- Time is the main source of variation among the performances of the Dutch cities benchmarked.

- Good practices identified in some of the cities could be replicated in others, especially in dealing with construction permits and getting electricity.
Six different cities top the ranking in at least one of the five areas measured

Eindhoven and Middelburg place consistently in the top five across indicator areas.

<table>
<thead>
<tr>
<th>City</th>
<th>Starting a business</th>
<th>Dealing with construction permits</th>
<th>Getting electricity</th>
<th>Registering property</th>
<th>Enforcing contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rank (1–10)</td>
<td>Score (0–100)</td>
<td>Rank (1–10)</td>
<td>Score (0–100)</td>
<td>Rank (1–10)</td>
</tr>
<tr>
<td>Amsterdam</td>
<td>7</td>
<td>91.50</td>
<td>4</td>
<td>66.92</td>
<td>4</td>
</tr>
<tr>
<td>Arnhem</td>
<td>1</td>
<td>91.70</td>
<td>7</td>
<td>65.85</td>
<td>6</td>
</tr>
<tr>
<td>Eindhoven</td>
<td>5</td>
<td>91.57</td>
<td>2</td>
<td>68.89</td>
<td>2</td>
</tr>
<tr>
<td>Enschede</td>
<td>1</td>
<td>91.70</td>
<td>10</td>
<td>62.75</td>
<td>10</td>
</tr>
<tr>
<td>Groningen</td>
<td>1</td>
<td>91.70</td>
<td>5</td>
<td>66.88</td>
<td>9</td>
</tr>
<tr>
<td>The Hague</td>
<td>7</td>
<td>91.50</td>
<td>9</td>
<td>65.11</td>
<td>5</td>
</tr>
<tr>
<td>Maastricht</td>
<td>5</td>
<td>91.57</td>
<td>6</td>
<td>65.95</td>
<td>1</td>
</tr>
<tr>
<td>Middelburg</td>
<td>1</td>
<td>91.70</td>
<td>1</td>
<td>69.47</td>
<td>3</td>
</tr>
<tr>
<td>Rotterdam</td>
<td>7</td>
<td>91.50</td>
<td>3</td>
<td>68.32</td>
<td>7</td>
</tr>
<tr>
<td>Utrecht</td>
<td>7</td>
<td>91.50</td>
<td>8</td>
<td>65.60</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Subnational Doing Business and Doing Business databases.
Variation in regulatory performance shows that Dutch cities have opportunities to learn from each other.

On average, Dutch cities outperform their EU peers in starting a business, getting electricity and registering property, but not in dealing with construction permits and enforcing contracts.
Eindhoven has the fastest turnaround times overall

<table>
<thead>
<tr>
<th>City</th>
<th>Time (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eindhoven</td>
<td></td>
</tr>
<tr>
<td>Rotterdam</td>
<td></td>
</tr>
<tr>
<td>Middelburg</td>
<td></td>
</tr>
<tr>
<td>Amsterdam</td>
<td></td>
</tr>
<tr>
<td>Groningen</td>
<td></td>
</tr>
<tr>
<td>Maastricht</td>
<td></td>
</tr>
<tr>
<td>The Hague</td>
<td></td>
</tr>
<tr>
<td>Arnhem</td>
<td></td>
</tr>
<tr>
<td>Enschede</td>
<td></td>
</tr>
<tr>
<td>Utrecht</td>
<td></td>
</tr>
</tbody>
</table>

- Time to start a business
- Time to obtain construction permits
- Time to obtain electricity
- Time to register property
- Time to resolve a commercial dispute

Netherlands average (845 days) EU average (964 days)
AGENDA

- Scope of the study
- Main findings
- **Findings per topic**
- Potential for improvement by adopting local good practices
### Enforcing Contracts: trial and judgment time in Enschede is almost three months shorter than in Maastricht

<table>
<thead>
<tr>
<th>Location</th>
<th>Trial and Judgment</th>
<th>Enforcement of Judgment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eindhoven</td>
<td>396</td>
<td>60</td>
<td>456</td>
</tr>
<tr>
<td>Rotterdam</td>
<td>410</td>
<td>60</td>
<td>470</td>
</tr>
<tr>
<td>Enschede</td>
<td>390</td>
<td>90</td>
<td>480</td>
</tr>
<tr>
<td>Middelburg</td>
<td>421</td>
<td>61</td>
<td>482</td>
</tr>
<tr>
<td>Amsterdam</td>
<td>442</td>
<td>62</td>
<td>504</td>
</tr>
<tr>
<td>Arnhem</td>
<td>435</td>
<td>62</td>
<td>507</td>
</tr>
<tr>
<td>Groningen</td>
<td>442</td>
<td>62</td>
<td>504</td>
</tr>
<tr>
<td>The Hague</td>
<td>442</td>
<td>62</td>
<td>504</td>
</tr>
<tr>
<td>Utrecht</td>
<td>449</td>
<td>62</td>
<td>511</td>
</tr>
<tr>
<td>Maastricht</td>
<td>475</td>
<td>66</td>
<td>541</td>
</tr>
<tr>
<td>EU average</td>
<td>469</td>
<td>143</td>
<td>612</td>
</tr>
</tbody>
</table>

Costs also vary considerably (% of claim):
- Middelburg: 18.9%
- Amsterdam: 23.9%
Getting electricity: Same four procedures but variation in the cost to obtain electricity

<table>
<thead>
<tr>
<th>Distribution companies</th>
<th>Cost (% of income per capita)</th>
<th>Cost (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enexis</td>
<td>18.3%</td>
<td>€8,591</td>
</tr>
<tr>
<td>Enduris</td>
<td>23.7%</td>
<td>€11,150</td>
</tr>
<tr>
<td>Liander</td>
<td>24.1%</td>
<td>€11,352</td>
</tr>
<tr>
<td>Stedin</td>
<td>24.6%</td>
<td>€11,580</td>
</tr>
<tr>
<td>EU Average</td>
<td>125.7%</td>
<td></td>
</tr>
</tbody>
</table>
Water and sewage connection times show the most subnational variation in dealing with construction permits.
Registering property is homogenous, with a high level of quality for the land administration framework.
Starting a business takes just over a week anywhere in the Netherlands
Starting a business costs more in economies with third-party involvement
AGENDA

- Scope of the study
- Main findings
- Findings per topic
- Potential for improvement by adopting local good practices
How to improve? Emulation of good local practices
An example from the construction permitting process

A city combining these domestic good practices would improve its DB score by almost 5 points (32 places) on this indicator.
THANK YOU!

Visit us at www.doingbusiness.org/EU

www.doingbusiness.org/netherlands