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Unrest Stalls Progress on Business Regulatory Reforms in the Middle East and North Africa

Washington, D.C., October 29, 2013—A new World Bank Group report finds that the pace of business regulatory reform in the Middle East and North Africa has slowed amid the unrest affecting the region. Governments find it increasingly challenging to keep up with reforms taking place in other regions of the world, the report finds.

Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises finds that the Middle East and North Africa had the world's smallest share of economies implementing at least one business regulatory reform in 2012/13. Forty percent of the region's economies reformed in an area tracked by the report, compared with 75 percent in South Asia and 73 percent in Europe and Central Asia. Among the region's economies, the United Arab Emirates has the best business regulatory environment overall, as measured by the *Doing Business* indicators.

The report finds that economies in the region have been slow to adopt new technology for filing and paying taxes. Only five of 20 economies have implemented electronic filing and payment systems that are widely used by firms, as measured by the report. These include Morocco, Saudi Arabia, and the United Arab Emirates, which reformed in this area in the past five years.

"Despite the challenges facing the Middle East and North Africa, several economies in the region continue to take steps to improve their business climate," said Augusto Lopez-Claros, Director, Global Indicators and Analysis, World Bank Group. "In the past year the United Arab Emirates strengthened investor protections, improved electricity access, and simplified property transfers. Djibouti adopted a new Commercial Code that has helped expand access to credit for firms and has made starting a business and resolving insolvency easier."

Morocco made starting a business easier by reducing company registration fees and eliminating the minimum capital requirement for limited liability companies. It made transferring property easier by reducing the time required to register a deed of transfer. And it made paying taxes easier for companies by increasing the use of the electronic filing and payment system for social security contributions.

For the first time, *Doing Business* this year includes data on Libya, Myanmar, and South Sudan. The data show that Libya has complex and costly regulatory processes and weak regulatory institutions. This is reflected in its ranking of 187 among 189 economies globally on the ease of doing business.

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 regulations are Hong Kong SAR, China; New Zealand; the United States; Denmark; Malaysia; the Republic of Korea; Georgia; Norway; and the United Kingdom.

In addition to the global rankings, every year *Doing Business* reports the economies that have improved the most on the indicators since the previous year. The 10 economies topping that list this year are (in order of improvement) Ukraine, Rwanda, the Russian Federation, the Philippines, Kosovo, Djibouti, Côte d'Ivoire, Burundi, the former Yugoslav Republic of Macedonia, and Guatemala. Yet challenges persist: five of this year's top improvers—Burundi, Côte d'Ivoire, Djibouti, the Philippines, and Ukraine—are still in the bottom half of the global ranking on the ease of doing business.

About the *Doing Business* report series
The joint World Bank and IFC 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 10 indicators 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. This year's report marks the 11th edition of the global *Doing Business* report series and covers 189 economies. For more information about the *Doing Business* reports, please visit doingbusiness.org and join us on doingbusiness.org/Facebook.

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