



In Washington, D.C.:

Nadine Ghannam
Phone: +1 (202) 473-3011
E-mail: nsghannam@ifc.org

Merrell J. Tuck-Primdahl
Phone: +1 (202) 473-9516
E-mail: Mtuckprimdahl@worldbank.org

Regulatory Efficiency and Strong Legal Protections Key to Helping Entrepreneurs Thrive, Finds *Doing Business* Report

Washington, D.C., October 29, 2014—A new World Bank Group report finds that in the past year, governments around the world continued to implement a broad range of reforms aimed at improving the regulatory environment for local entrepreneurs. Economies that both improve the efficiency of regulatory procedures and strengthen the legal institutions that support enterprise, trade, and exchange are better able to facilitate growth and development, the report finds.

Doing Business 2015: Going Beyond Efficiency finds that local entrepreneurs in 123 economies saw improvements in their regulatory environment in the past year. From June 2013 to June 2014, the report, which covers 189 economies worldwide, documented 230 business reforms—with 145 aimed at reducing the complexity and cost of complying with business regulations, and 85 aimed at strengthening legal institutions. Sub-Saharan Africa accounted for the largest number of reforms.

“An economy’s success or failure depends on many variables; among these, often overlooked, are the nuts and bolts that facilitate enterprise and business,” said Kaushik Basu, Senior Vice President and Chief Economist of the World Bank. *“By this I mean the regulations that determine how easy it is to start a business, the speed and efficiency with which contracts are enforced, the paperwork needed for trade, and so on. Making improvements in these regulations is virtually costless, but it can play a transformative role in promoting growth and development.”*

Since its inception, *Doing Business* has captured more than 2,400 regulatory reforms making it easier to do business. These efforts have led to tangible results for small businesses all over the world. For example, 10 years ago, importing key inputs from overseas took 48 days for a Colombian entrepreneur; now, it takes only 13 days—the same as for an entrepreneur in Portugal. Similarly, starting a business took 57 days for a budding entrepreneur in Senegal 10 years ago; now that process requires just six days—just one more day than in Norway. And in India a little over a decade ago, an entrepreneur seeking a loan to grow his business would have had little luck, because financial institutions lacked access to information systems to assess creditworthiness. Today, thanks to the creation and expansion of a national credit bureau offering credit scores and coverage on par with those in some high-income economies, a small business in India with a good financial history is more likely to get credit and hire more workers.

Every year, *Doing Business* reports the economies that have improved the most in performance on its indicators since the previous year. This year’s report highlights 10 economies that have done so, including five in Sub-Saharan Africa. These 10 economies are Tajikistan, Benin, Togo, Côte d’Ivoire, Senegal, Trinidad and Tobago, the Democratic Republic of Congo, Azerbaijan, Ireland, and the United Arab Emirates.

“The global convergence process continues,” said Augusto Lopez-Claros, Director, Global Indicators Group, Development Economics, World Bank Group. *“Doing Business finds that several low-income economies continue to adopt better regulatory practices, eliminating costly and complex procedures and strengthening their legal institutions. This not only reduces the burden on local entrepreneurs; it also improves the economy and the livelihoods of those affected by creating a better and more efficient business environment.”*

This year, for the first time, *Doing Business* collected data for a second city in the 11 economies with a population of more than 100 million. These economies are Bangladesh, Brazil, China, India, Indonesia,

Japan, Mexico, Nigeria, Pakistan, the Russian Federation, and the United States. 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.

The report this year also expands the data for three of the 10 topics covered, and there are plans to do so for five more topics next year. In addition, the ease of doing business ranking is now based on the distance to frontier score. This measure shows how close each economy is to global best practices in business regulation. A higher score indicates a more efficient business environment and stronger legal institutions.

The report finds that 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 regulatory environments are New Zealand; Hong Kong SAR, China; Denmark; the Republic of Korea; Norway; the United States; the United Kingdom; Finland; and Australia.

###

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).

About the World Bank Group

The World Bank Group plays a key role in the global effort to end extreme poverty and boost shared prosperity. It consists of five institutions: the World Bank, including the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA); the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). Working together in more than 100 countries, these institutions provide financing, advice, and other solutions that enable countries to address the most urgent challenges of development. For more information, please visit www.worldbank.org, www.miga.org, and www.ifc.org.

Regional Media Contacts:

East Asia and the Pacific

Hannfried von Hindenburg +852 2509-8115

E-mail: hvonhindenburg@ifc.org

Diana Chung +1(202) 473-8357

E-mail: Dchung1@worldbank.org

Europe & Central Asia

Nezhdanan Bukova +7 (985) 411-3986

E-mail: nbukova@ifc.org

Kristyn Schrader +1 (202) 458-2736

E-mail: kschrader@worldbank.org

Slobodan Brkic +381 (11) 30-23-750

E-mail: sbrkic@ifc.org

Elena Karaban +1 (202) 473-9277

E-mail: ekaraban@worldbank.org

Latin America and the Caribbean

Adriana Gomez +1 (202) 458-5204

E-mail: agomez@ifc.org

Marcela Sanchez-Bender +1 (202) 473-5863

E-mail: msanchezbender@worldbank.org

Middle East and North Africa

Olena Harmash +380-44-490-6400

E-mail: OHarmash@ifc.org

Lara Saade +1 (202) 473-9887

E-mail: lsaade@worldbank.org

South Asia

Minakshi Seth +91 (11) 4111-1058

E-mail: mseth@ifc.org

Gabriela Aguilar +1 (202) 473-6768

E-mail: gaguilar2@worldbank.org

Sub-Saharan Africa

Zibusiso M. Sibanda + 221-33-859-7117

E-mail: ZSibanda@ifc.org

Aby K. Toure +1 (202) 473-8302

E-mail: Akonate@worldbank.org

Western Europe

Oliver Griffith +33-1-4069-3195

E-mail: OGriffith@ifc.org

Valerie Chevalier +33 (0) 1 40-69-3048

E-mail: vchevalier@worldbank.org

Egidio Germanetti +33-1-4069-3182

E-mail: egermanetti@worldbankgroup.org

Derek Warren +44 (207) 592-8402

E-mail: dwarren1@worldbank.org