Southeast Europe Continues to Improve Business Regulations for Entrepreneurs, Finds IFC-World Bank

Vienna, Austria, June 28, 2011—A new IFC-World Bank report finds that business regulation reform across southeast Europe is saving local entrepreneurs both time and money. Launched today, Doing Business in Southeast Europe 2011 is the second in a series that analyses the ease of doing business in 22 cities from seven economies: Albania, Bosnia and Herzegovina, Kosovo, FYR Macedonia, Moldova, Montenegro, and Serbia.

Economies of southeast Europe have continued to reform business regulations despite the global financial crisis. Results show that all 19 cities evaluated in the 2008 report have improved in at least one of the four regulatory areas measured—starting a business, dealing with construction permits, registering property and enforcing contracts. Across the region, the average cost to start a business decreased from 22 percent to 13 percent of the average per capita income. The average time required to process construction permits and register property also decreased by more than one month.

While no single city performs well on all four indicators measured, across the region, it is easiest to deal with construction permits in Niksic (Montenegro) and transfer a property title in Balti and Chisinau (Moldova). Skopje (FYR Macedonia) and Banja Luka (Bosnia and Herzegovina) made the most progress by introducing business reforms in all four areas measured. On the other hand, it is most difficult to start a business in Pristina (Kosovo), register property in Mostar (Bosnia and Herzegovina), and enforce a contract in Prizren (Kosovo). Dealing with construction permits is most burdensome in Belgrade (Serbia).

In certain categories, the region’s cities are comparable to the world’s best performers. By setting up a one stop shop, Skopje (FYR Macedonia) has simplified business start-up and become the world’s fifth top performer in this area. Computerization and mediation in commercial disputes have improved court efficiency in Zrenjanin (Serbia), where contract enforcement is now as fast as in the United States.

“Competitive economies cannot survive as islands,” said Augusto Lopez Claros, Director of Global Indicators and Analysis at the World Bank Group. “Sharing reform experiences is an opportunity to improve national and regional competitiveness.”

Doing Business in Southeast Europe 2011 examines business regulations from the perspective of small and medium domestic enterprises. The study was produced with financial support from Switzerland’s State Secretariat for Economic Affairs (SECO), the Austrian Government, and the U.S. Agency for International Development (USAID). For more information, please visit www.doingbusiness.org/SEE.

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