

Doing Business in the European Union 2021

Fact Sheet: **Belgium**



Doing Business in Belgium is the latest in a series that follows the diagnostic methodology used in the cross-country Doing Business reports—which measure aspects of regulation that enable or hinder entrepreneurs in starting, operating, or expanding their companies in the country's largest business city—and extends it to secondary cities in European Union (EU) member states with a population greater than four million. The report covers seven cities and focuses on five indicator sets that measure the complexity and cost of regulatory processes, as well as the strength of legal institutions: starting a business, dealing with construction permits, getting electricity, registering property and enforcing contracts. Top-performing cities are identified and best regulatory practices are highlighted. The report suggests that the different strengths of Belgian cities mean they have something to learn from each other.

DOING BUSINESS IN BELGIUM

Doing Business in Belgium goes beyond Brussels—the city measured by the World Bank global *Doing Business* report—to identify good regulatory practices, uncover administrative bottlenecks and provide good practice examples based on examples from the country and other EU member states.

The report assesses the business regulatory environment and its impact on local entrepreneurs in **seven cities**: Antwerp, Bruges, Brussels, Charleroi, Ghent, Liège and Namur.

Doing Business in Belgium was prepared by the World Bank Group, under the auspices of the Federal Public Service Finance and Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation, and funded by the European Commission, Directorate General for Regional and Urban Policy.

MAIN FINDINGS

- **Strong performance in one area coexists with weak performance in another suggesting that Belgian cities have something to teach and something to learn from their neighbors.** Ghent ranks highest for getting electricity but lowest for dealing with construction permits. Brussels is the runner-up for dealing with construction permits but ranks last in three other areas (getting electricity, registering property, and enforcing

contracts). Similarly, Bruges ranks on top on property registration but lags behind most cities on contract enforcement. The opposite is true of Namur, where is easiest to solve a commercial dispute in the local court but property registration is among the most difficult in the country.

- **Time is the main source of variation among the performances of the Belgian cities benchmarked.** Firms in Brussels spend more productive hours complying with regulatory requirements in the five areas benchmarked than elsewhere in the country: entrepreneurs in the Belgian capital spend nine months more on compliance than their peers in Namur. Wide variations in time reflect the efficiency of local, regional, and federal agencies. Even where legislative requirements are similar—for example, property transfer and contract enforcement—service provision standards can diverge.

- **The largest variations in regulatory performance among the Belgian cities are in enforcing contracts and registering property.** Resolving a commercial dispute is easiest in Namur, where it takes only 10 months and a half—faster than in any EU capital—and costs less than the EU average. A combination of relatively high costs and the longer time required to resolve a commercial dispute (almost 17 months) places Brussels below the EU average. These variations in regulatory performance can help policy makers identify and adopt in-country good practice examples

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to improve regulatory performance in their jurisdictions and take the steps needed to close the gap.

- **Starting a business is the only area in which the Belgian cities perform homogeneously.** There is a high level of centralization—with one-stop shops monitored at the federal level—and national digital infrastructure to carry out most processes in this area. Moreover, small and medium enterprises (SMEs) that do not pose environmental risks or are not subject to special licensing are exempted from most local permit authorizations.

- **The report identifies that local good practices, which can be easily replicated, exist in all three regions, especially in dealing with construction permits and enforcing contracts.** In starting a business, getting electricity, and registering property, Belgium can also look elsewhere in the European Union and globally to boost its competitiveness.

- **In response to the COVID-19-related measures that limited in-person interactions, the adoption of digital tools was accelerated.** Some solutions were designed and implemented at the national level, such as the use of video conferencing to notarize documents or to conduct oral hearings in courts. In areas where the use of digital tools depends on the initiative of local authorities, such as dealing with construction permits and getting electricity, the report identifies successful examples that can be replicated nationally. For example, Brussels began a phased rollout of its building permitting platform in December 2020. The platform is currently available for use by different Brussels-area municipalities.

FULL REPORT AVAILABLE AT:
www.doingbusiness.org/belgium

ABOUT SUBNATIONAL DOING BUSINESS

Subnational Doing Business reports capture differences in business regulations and their enforcement across locations in a single country. The reports provide data on the ease of doing business in selected areas, rank each location, and highlight good practices to improve performance at the local level.

- **Offers a new diagnostic tool.** Applying the methodology used in the cross-country global *Doing Business* report in a number of locations in the same country or region, the reports create micro-level data on various areas of business regulation. This allows the participating locations to compare their business regulations among themselves and with the rest of the world.
- **Motivates regulatory improvements.** The studies uncover bottlenecks and identify local good practices that can easily be replicated without changing the country's legal and regulatory framework. The studies motivate regulatory improvements, mainly through peer-to-peer learning.

Since 2005, Subnational Doing Business has benchmarked 599 locations in 83 economies, including 15 EU member states.

Subnational Doing Business studies are available at:
www.doingbusiness.org/subnational

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