

In Washington, D.C.:

Nadine Ghannam

Phone: +1 (202) 473-3011

E-mail: nsghannam@ifc.org

World Bank Report Finds More Economies Implemented Business Reforms in 2010-2011

Washington D.C., October 20, 2011—A new IFC and World Bank report finds that economies continued to implement reforms that enhance local firms' ability to do business, with transparency and access to information playing a key role in the reforms.

Released today, *Doing Business 2012: Doing Business in a More Transparent World* assesses regulations affecting domestic firms in 183 economies and ranks the economies in 10 areas of business regulation, such as starting a business, resolving insolvency and trading across borders. This year's report data cover regulations measured from June 2010 through May 2011. The report rankings on ease of doing business have expanded to include indicators on getting electricity. The report finds that getting an electrical connection is most efficient in Iceland; Germany; Taiwan, China; Hong Kong SAR, China; and Singapore.

The global report shows that governments in 125 economies out of 183 measured implemented a total of 245 business regulatory reforms—13 percent more reforms than in the previous year. In Sub-Saharan Africa, a record 36 out of 46 economies improved business regulations this year. Over the past six years, 163 economies have made their regulatory environment more business-friendly. China, India, and the Russian Federation are among the 30 economies that improved the most over time.

This year, Singapore led on the overall ease of doing business, followed by Hong Kong SAR, China; New Zealand; the United States; and Denmark. The Republic of Korea was a new entrant to the top 10. The 12 economies that have improved the ease of doing business the most across several areas of regulation as measured by the report are Morocco, Moldova, the former Yugoslav Republic of Macedonia, São Tomé and Príncipe, Latvia, Cape Verde, Sierra Leone, Burundi, the Solomon Islands, the Republic of Korea, Armenia, and Colombia. Two-thirds are low- or lower-middle-income economies.

“At a time when persistent unemployment and the need for job creation are in the headlines, governments around the world continue to seek ways to improve the regulatory climate for domestic business. Small and medium businesses that benefit most from these improvements are the key engines for job creation in many parts of the world,” said Augusto Lopez-Claros, Director, Global Indicators and Analysis, World Bank Group.

Against the backdrop of the global financial and economic crisis, more economies strengthened their insolvency regimes in 2010-11 than in any previous year. Twenty-nine economies implemented insolvency reforms, up from 16 the previous year and 18 the year before. Most were in Eastern Europe and Central Asia, or were high-income economies that are part of the Organisation for Economic Co-operation and Development (OECD). In low- and lower-middle-income economies, more than 40 percent of regulatory reforms measured by the report improved institutions such as courts, credit bureaus, and insolvency regimes.

New data show that improving access to information on business regulations can aid entrepreneurs. Fee schedules and documentation requirements are most easily accessible in OECD economies and least accessible in Sub-Saharan Africa and the Middle East and North Africa. However, e-government initiatives are on the rise. “More than 100 economies use electronic systems for services ranging from business registration to customs clearance to court filings,” said Sylvia Solf, lead author of the report. “This saves time and money for business and government alike. It also provides new opportunities for increasing transparency.”

About the *Doing Business* report series

Doing Business 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 183 economies. Previous year's rankings are back-calculated to account for the addition of new indicator(s), data corrections, and methodology changes in existing indicators so as to provide a meaningful comparison with the new rankings. *Doing Business* does not measure all aspects of the business environment that matter to firms and investors. For example, it does not measure security, macroeconomic stability, corruption, the level of skills, or the strength of financial systems. Its findings have stimulated policy debates in more than 80 economies and enabled a growing body of research on how firm-level regulation relates to economic outcomes across economies.

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Regional Media Contacts:

Central and Eastern Europe

Ilya Sverdlov +7 (495) 411-7555

E-mail: isverdlov@ifc.org

Nezhdana Bukova +7 (985) 411-3986

E-mail: nbukova@ifc.org

Southern Europe

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

E-mail: sbrkic@ifc.org

Kristyn Schrader +1 (202) 458-2736

E-mail: kschrader@worldbank.org

East Asia and the Pacific

Hannfried von Hindenburg +852 2509-8115

E-mail: hvonhindenburg@ifc.org

Carl Hanlon +1(202) 473-8087

E-mail: chanlon@worldbank.org

Latin America and the Caribbean

Adriana Gomez +1 (202) 458-5204

E-mail: agomez@ifc.org

Stevan Jackson +1 (202) 458-5054

E-mail: Sjackson@worldbank.org

Middle East and North Africa

Riham Mustafa +202 (2) 4691-4230

E-mail: rmustafa@ifc.org

Tina Taheri Moayed 1 (202) 473-1075

E-mail: ttaheri@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

Southern and Western Europe

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

E-mail: vchevalier@worldbank.org

Oliver Griffith +33 (6) 24-10- 2924

E-mail: OGriffith@ifc.org

Andrea Engel +32 (2) 552-00-39

E-mail: aengel@ifc.org

Derek Warren +44 (207) 592-8402

E-mail: dwarren1@worldbank.org

Sub-Saharan Africa

Lucie Cecile Giraud +254 717 717 910

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

E-mail: LGiraud@ifc.org

E-mail: Akonate@worldbank.org