

Doing Business

2009

Doing Business 2009

Albania



THE WORLD BANK



IFC

International
Finance Corporation
World Bank Group

What's new in Doing Business 2009?

DB 2007

- Starting a business
- Dealing with construction permits
- Employing workers
- Registering property
- Getting credit
- Protecting investors
- Paying taxes
- Trading across borders
- Enforcing contracts
- Closing a business

DB 2008



- Update of 2007
- Add 3 countries
- Reformer's Club:
 - 16 case studies

DB 2009

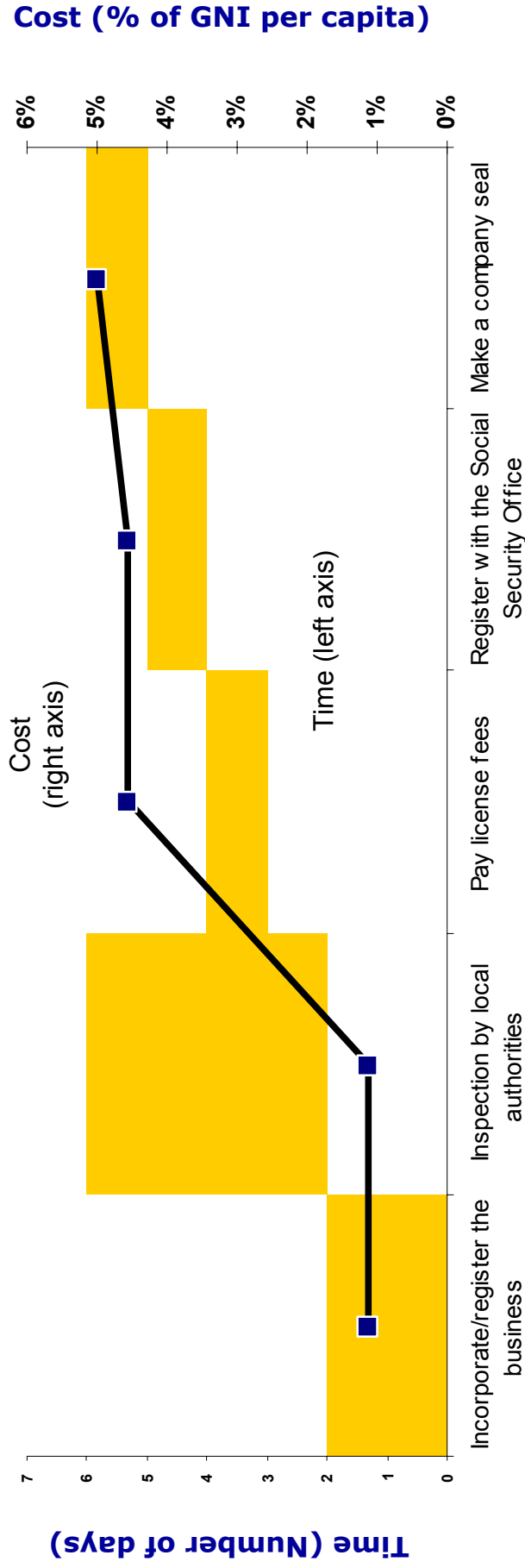


- New "About DB" chapter
- Trends analysis DB04-DB09
 - Most popular reforms
 - Most effective reforms
 - Lessons learned
- Add 3 new countries (Bahamas, Bahrain, Qatar)
- Methodology change in Getting Credit (Legal Rights)

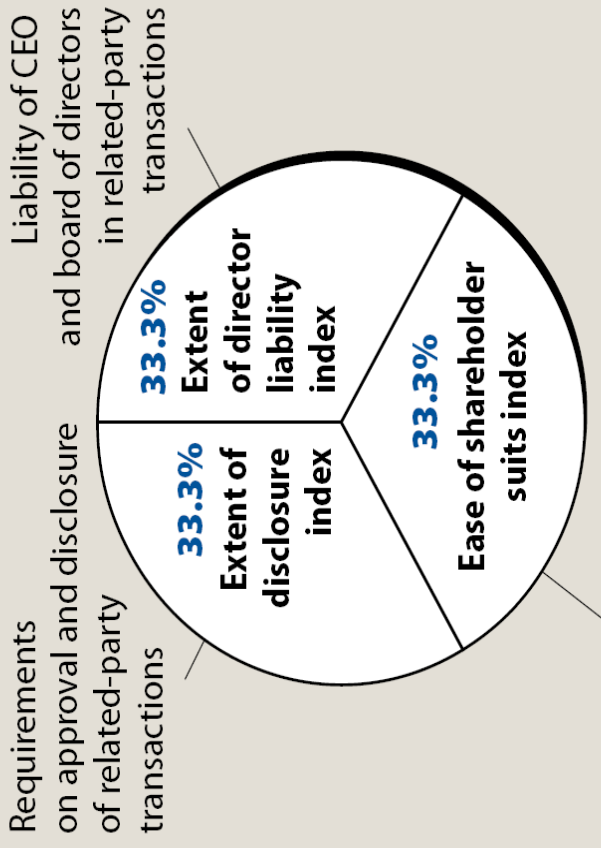
Why does it all matter? Emerging research shows that

- Lower barriers to start-up are associated with a smaller informal sector.
- Lower costs of entry can encourage entrepreneurship and reduce corruption.
- Simpler start-up can translate into greater employment opportunities.

Starting a business in Mauritius: only 5 procedures which take 6 days and cost 5% of income per capita



Rankings on protecting investors are based on 3 subindicators



Type of evidence that can be collected before and during the trial

Top 30 on the ease of doing business, 2009

	1. Singapore		16. Saudi Arabia
	2. New Zealand		17. Sweden
	3. United States		18. Bahrain
	4. Hong Kong, China		19. Belgium
	5. Denmark		20. Malaysia
	6. United Kingdom		21. Switzerland
	7. Ireland		22. Estonia
	8. Canada		23. Korea
	9. Australia		24. Mauritius
	10. Norway		25. Germany
	11. Iceland		26. Netherlands
	12. Japan		27. Austria
	13. Thailand		28. Lithuania
	14. Finland		29. Latvia
	15. Georgia		30. Israel

The top 10 reformers in 2007/08

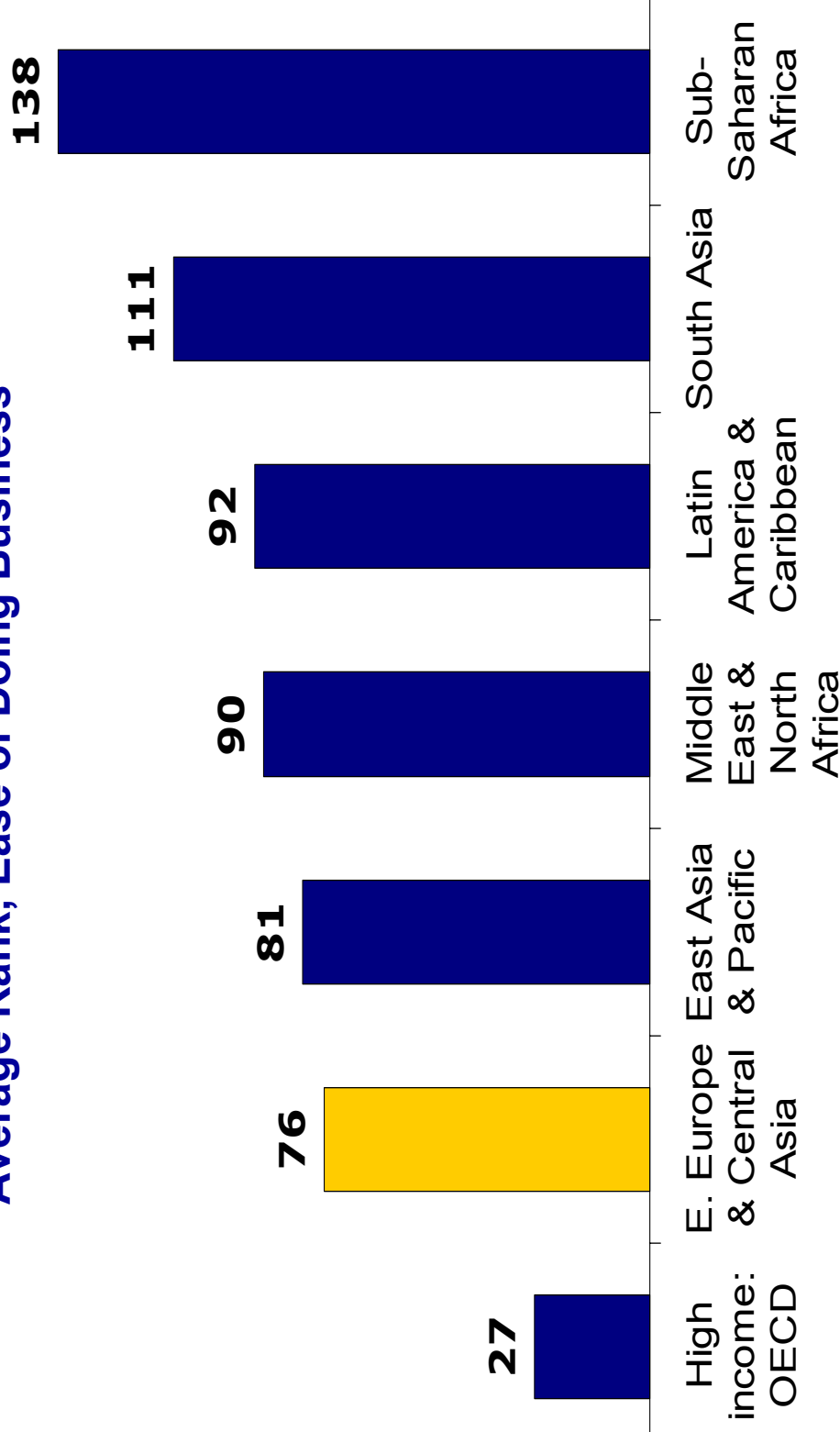
Economy	Starting a business	Dealing with construction permits	Employing workers	Registering property	Getting credit	Protecting investors	Paying taxes	Trading across borders	Enforcing contracts	Closing a business
Azerbaijan	✓		✓	✓	✓	✓	✓		✓	
Albania	✓				✓	✓	✓			
Kyrgyz Republic	✓					✓				
Belarus	✓						✓	✓		
Senegal	✓							✓		
Burkina Faso							✓			
Botswana	✓					✓		✓		
Colombia	✓						✓	✓		✓
Dominican Republic	✓						✓	✓		
Egypt	✓							✓		

Top reformers in 2007/08 by indicator set

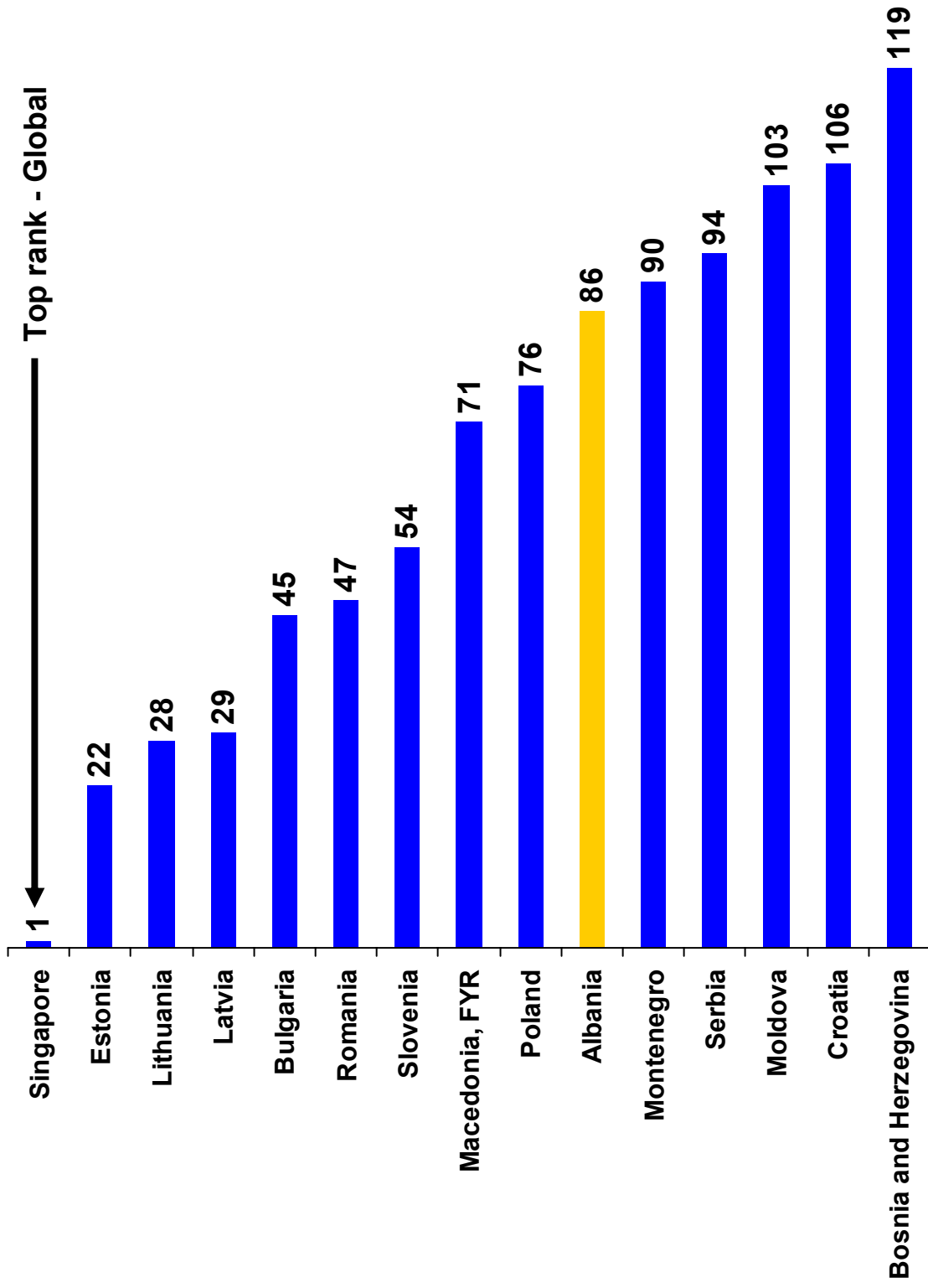
Starting a business	Yemen
Dealing with construction permits	Kyrgyz Republic
Employing workers	Burkina Faso
Registering property	Belarus
Getting credit	Cambodia
Protecting investors	Albania
Paying taxes	Dominican Republic
Trading across borders	Senegal
Enforcing contracts	Mozambique
Closing a business	Poland

Eastern Europe and Central Asia surpasses East Asia and Pacific in average rankings

Average Rank, Ease of Doing Business



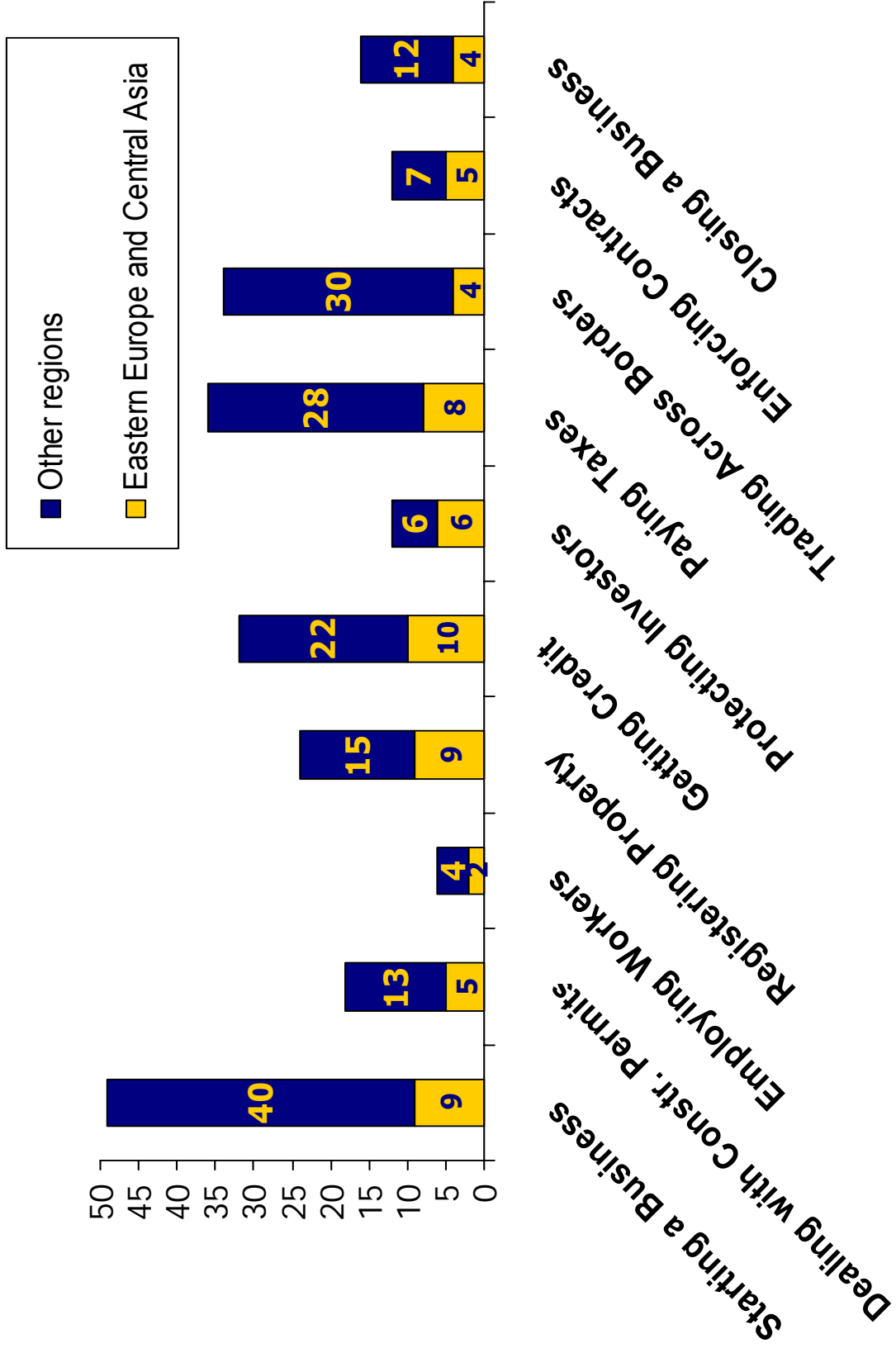
Eastern Europe Ranking on Ease of Doing Business

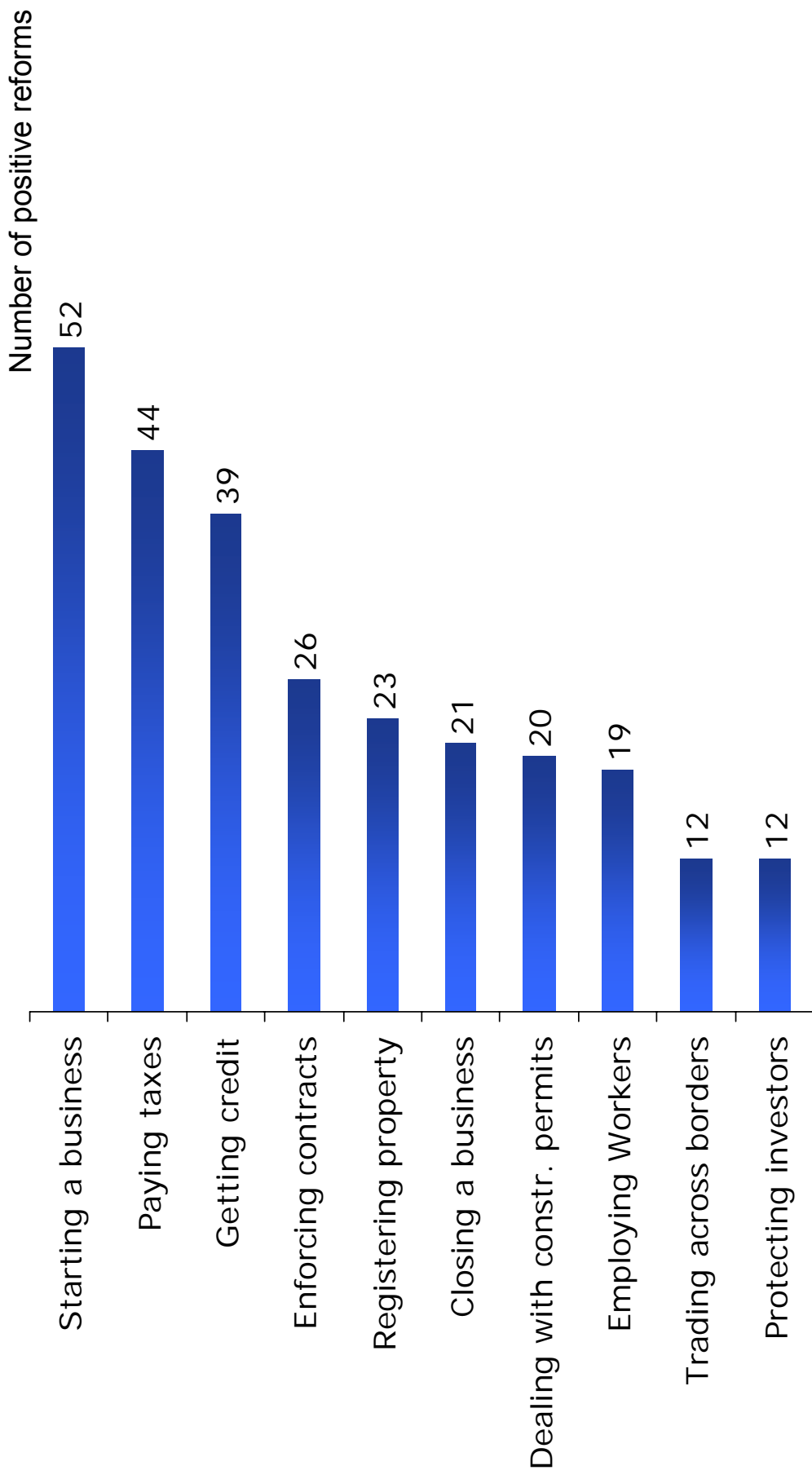


Best of the Region

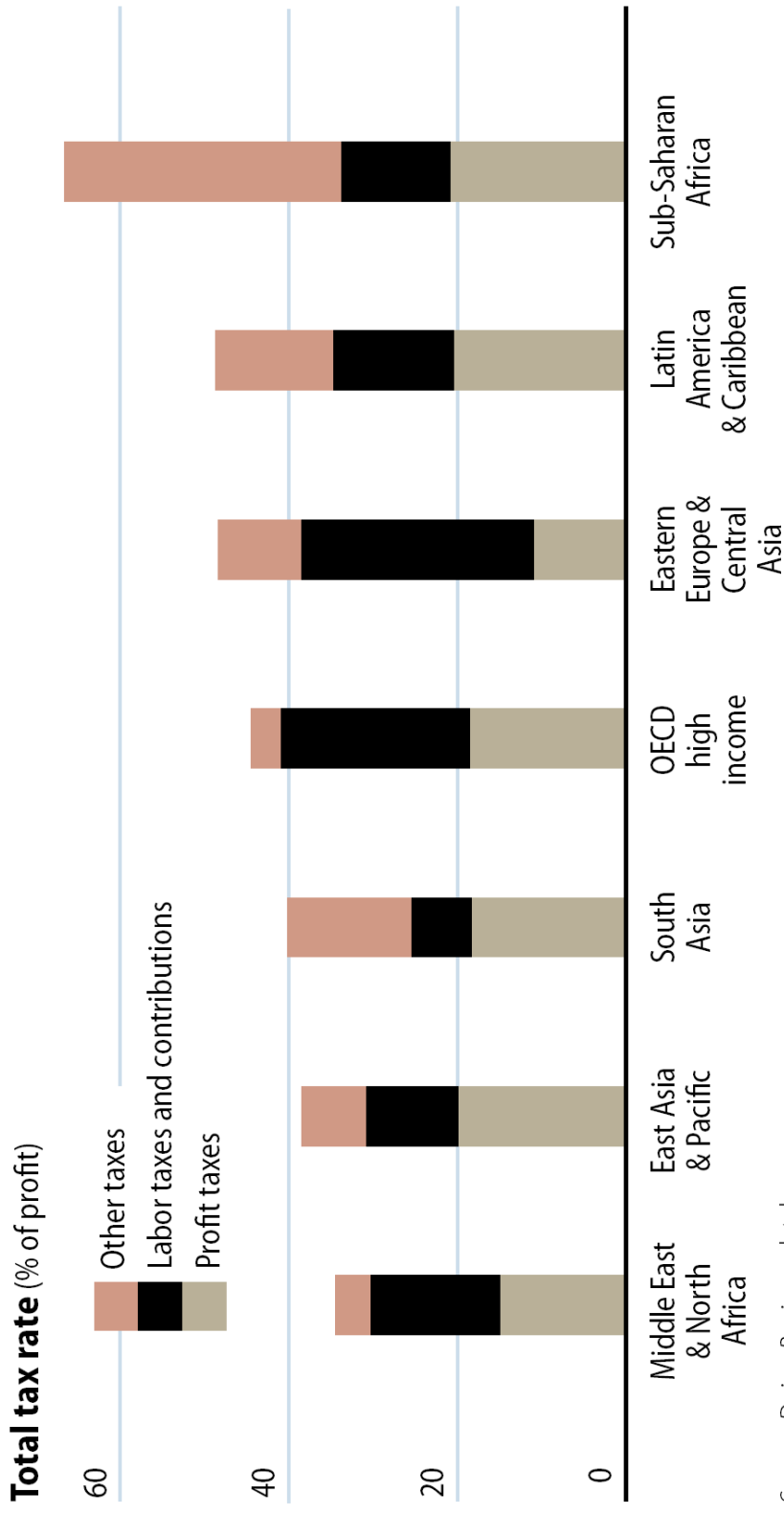
Topic	ECA Leader	Albania
Starting a business	Georgia (4)	67
Dealing with construction permits	Georgia (10)	170
Employing workers	Georgia (5)	108
Registering property	Georgia (2)	62
Getting credit	Bulgaria (5)	12
Protecting investors	Kyrgyz Republic (11)	14
Paying taxes	Macedonia, FYR (27)	143
Trading across borders	Estonia (5)	77
Enforcing contracts	Latvia (4)	89
Closing a business	Lithuania (34)	181*

Getting credit, easier entry regulations and registering property among the most popular reforms in ECA in DB2009








Profit taxes lowest, but overall tax burden still high in Eastern Europe & Central Asia



Source: Doing Business database.

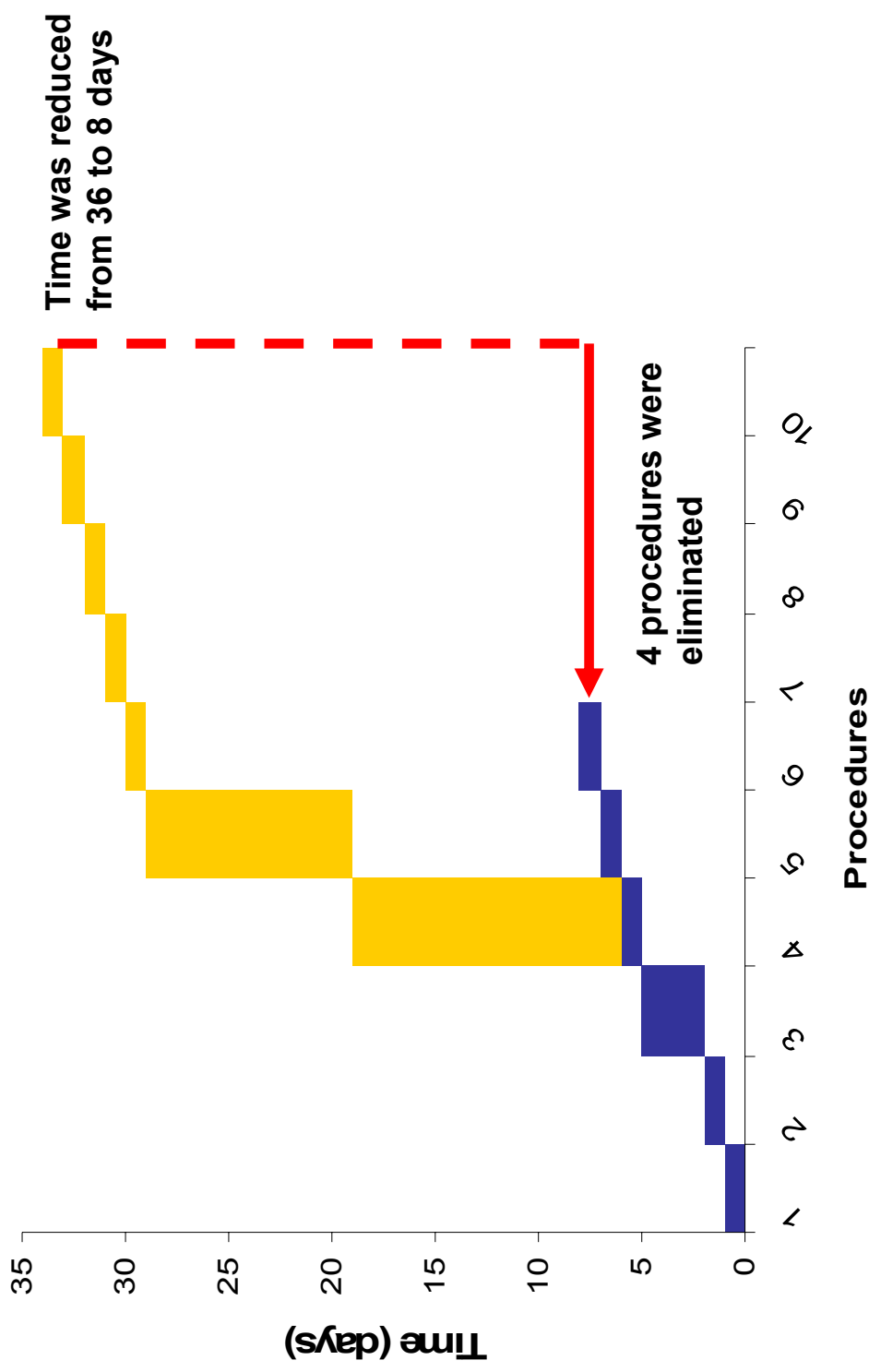
Albania in comparison...

Indicator	Albania DB2008	Albania DB2009	ECA avg DB2009	OECD avg DB2009
Starting a business	130 	67	74	47
Dealing with constr. permits	166	170	121	46
Employing Workers	109	108	97	78
Registering property	56	62	66	51
Getting credit	61 	12	52	36
Protecting investors	168 	14	68	63
Paying taxes	125	143	111	59
Trading across borders	73	77	101	33
Enforcing contracts	88	89	51	33
Closing a business	181	181	89	24
Ease of Doing Business	135	86	76	27

- ✓ Established a public credit registry allowing financial institutions to share credit information and covering 8.3 percent of the adult population.
- ✓ Starting a business became easier with online publication, reduction of the registration cost, and the consolidation of tax, health insurance, and labor registration into a single application.
- ✓ Strengthened investor protections. A new company law requires that disinterested shareholders approve transactions between interested parties and obligates those parties to disclose all information on the transaction to the public.
- ✓ The corporate income tax rate was reduced from 20 percent to 10 percent effective January 1, 2008.

Easier and faster to open a business in Albania

- 4 procedures were consolidated into NRC
- Another 2 procedures reduced to a day each



Getting Credit		DB2008	DB2009
Rank		61	12
Legal Rights Index (0-10)		9	9
Credit Information Index (0-6)		0	4
Public registry coverage (% adults)		0	8.3
Private bureau coverage (% adults)		0	0

- ✓ Credit registry collects positive & negative data on firm & individuals, low threshold for loans to be reported, and guarantees borrowers the right to inspect their data.
- ✓ TO DO: 2yrs of data collection & data from non-bank creditors as well

DB2008 DB2009

Rank	168	14
Disclosure Index	0	8
Director Liability Index	5	9
Shareholder Suits Index	3	5
Investor Protection Index	2.7	7.3

- ✓ New company law requires disinterested shareholders to approve transactions between interested parties and obligates disclosure of all information on the transaction to the public.
- ✓ Law also reinforces directors' duties and requires directors, when found liable, to pay damages and return profits to the company

- ✓ **Getting a construction permit (Albania rank: 170)**
For example, 60 days for registering new building with Real Estate Registry
- ✓ **Registering property transfers (62)**
42 days including notarizing, registering, paying taxes
- ✓ **Employing workers (108)**
Redundancy costs at 56 weeks among highest in the region.
- ✓ **Paying taxes (143)**
44 payments per year and 244 hours for paying taxes
- ✓ **Contract enforcement (89)**
390 days for a judgement (no appeal)
- ✓ **Closing a business (181)**
No practice rating, < 5 cases per year in any of the last 5 years.

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Doing Business
Measuring business regulations

The Doing Business project...
provides objective measures of business regulations and their enforcement across 181 economies and selected cities at the subnational and regional level. Learn more...

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select an economy
Data Time Series

Current Features



Doing Business 2009: Five years of reforms: More regulatory reforms were recorded worldwide between June 2007 and June 2008 than in any previous year, according to *Doing Business 2009*. For the fifth year in a row, Eastern Europe and Central Asia led the world in Doing Business reforms. Once again, Singapore tops the rankings, followed by New Zealand, the United States, and Hong Kong, China.

- ▶ Learn more about reform trends
- ▶ Download report overview (PDF, 339KB)



Azerbaijan: This year's top reformer: Azerbaijan led the world as the top reformer in 2007/08, with improvements on seven out of 10 indicators of regulatory reform, according to *Doing Business 2009*. Extensive reforms moved it far up the ranks, from 97 to 33 in the overall ease of doing business. Learn more about reforms in Azerbaijan and the other top 10 reformers.



Doing Business Profiles: *Doing Business 2009* profiles of 13 regions are available for download! Each profile summarizes Doing Business indicators for that region of the world. Regional data appear in graphs that allow for comparison across economies. Good-practice economies are also identified by indicator and overall ranking.

Doing Business 2009 regional profiles

▶ Presentation: World Bank official highlights the findings of *Doing Business 2009* report (PPT, 1.9 MB)

▶ Countries added: *Doing Business 2009* expands coverage to the Bahamas, Bahrain, and Qatar

▶ Regional data & report: First regional and subnational *Doing Business* report on S.E. Europe covers 22 cities

▶ Celebrating reformers: Sixteen *Doing Business* reform case studies available for download

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Featured video



Special Features



Doing Business Blog: Shares the experiences and insights of the Doing Business team, its local partners, and successful reformers.



Doing Business on Facebook: Connect with other users of Doing Business products!



Simulate reforms: See the impact of reforms by using the ranking simulator (Excel, 420KB) to change indicator values.

Press Releases