

News Release

Doing Business 2009: East Asia Gains Momentum in Regulatory Reform—Singapore Tops Global Rankings

WASHINGTON, D.C., September 10, 2008—East Asia and the Pacific had the greatest momentum among regions in reforming business regulations this year, according to *Doing Business 2009*—the sixth in an annual series of reports published by IFC and the World Bank. The new report identifies 26 reforms between June 2007 and June 2008 that make it easier to do business in 24 countries across the region.

Among the world's large emerging markets, China led with reforms that make it easier to obtain credit, pay taxes, and enforce contracts. The region's other top economies in reforming business regulations include Thailand, Cambodia, and Malaysia. Improvements made it easier to pay taxes, start a business, trade across borders, and register property. These countries also took steps to protect investors, improve bankruptcy procedures, and strengthen the legal rights of creditors and borrowers. Cambodia's new secured transactions law made it the world's leading economy in easing access to credit.

Doing Business ranks economies based on 10 indicators of business regulation that track the time and cost to meet government requirements in starting and operating a business, trading across borders, paying taxes, and closing a business. The rankings do not reflect such areas as macroeconomic policy, quality of infrastructure, currency volatility, investor perceptions, or crime rates.

Singapore leads the global rankings on the overall regulatory ease of doing business for a third consecutive year. New Zealand is runner-up, and the United States third. Hong Kong (China) retains fourth place, while Thailand advanced to 13 and Malaysia to 20.

Mongolia, in 58th place in global rankings, holds the 7th position in the East Asia & Pacific region, well ahead of China (83), Vietnam (92), Cambodia (135) and the Lao PDR (165). Mongolia also outperformed most countries of the former Soviet Union, including Russia (120), Kazakhstan (70) and Uzbekistan (138). Only the Baltic countries, now in the European Union, and the three countries of the Caucasus, did better.

Although Mongolia made improvements to its business environment, it lost three places since 2008. These changes include facilitating trade by creating a single window for customs clearance and reducing employers' social insurance contribution from 19 percent to 10 percent of gross salaries. These changes eased the tax burden to employers and reduced both the time and the e-documents required for exporting and importing.

“Countries in the region are clearly committed to reform agendas,” said Dahlia Khalifa, a coauthor of the report. “Regardless of their stage of economic development, they are recognizing the role that regulatory reform can play in staying competitive while boosting entrepreneurship and job creation,” she added.

“Economies need rules that are efficient, easy to use, and accessible to all who have to use them. Otherwise, businesses get trapped in the unregulated, informal economy, where they have less access to finance and hire fewer workers, and where workers lack the protection of labor law,” said Michael Klein, World Bank/IFC Vice President for Financial and Private Sector Development. “*Doing Business* encourages good rules, and good rules are a better basis for healthy business than ‘who you know,’” he added.

Doing Business 2009 ranks 181 economies on the overall ease of doing business. The top 25 are, in order, Singapore, New Zealand, the United States, Hong Kong (China), Denmark, the United Kingdom, Ireland, Canada, Australia, Norway, Iceland, Japan, Thailand, Finland, Georgia, Saudi Arabia, Sweden, Bahrain, Belgium, Malaysia, Switzerland, Estonia, Korea, Mauritius, and Germany.

For more information on *Doing Business 2009*, please contact:

In Washington, D.C.

Maria Alexandra Velez Henao 1 (202) 458-8789 Rebecca Ong 1(202) 458-0434

E-mail: mvelezhenao@ifc.org E-mail: rong@worldbank.org

East Asia & Pacific

Andrew Mak (852) 25-09-81-10 Mohamad Al Arief 1(202) 458-5964

E-mail: amak@ifc.org E-mail: malarief@worldbank.org