

Doing Business 2009

The Philippines: Performance
and Current Initiatives



The World Bank



**International
Finance Corporation**
World Bank Group

Kim S. Jacinto-Henares
September 10, 2008

Doing Business 2009 Overall Ranking

Topic	Phils. Rank	World's Best (#1)	ASEAN's Best
Ease of doing business	140	Singapore (#1)	Singapore (#1)
Starting a business	155	New Zealand	Singapore (#10)
Dealing with construction permits	105	St. Vincent & the Grenadines	Singapore (#5)
Employing workers	126	United States	Singapore (#2) Brunei (#5)
Registering property	97	Saudi Arabia	Thailand (#6)
Getting credit	123	Malaysia	Malaysia (#1) Singapore (#9)
Protecting investors	126	New Zealand	Singapore (#2) Malaysia (#4)
Paying taxes	129	Maldives	Singapore (#4)
Trading across borders	58	Singapore	Singapore (#1) Thailand (#10)
Enforcing contracts	114	Hong Kong (China)	Singapore (#14)
Closing a business	151	Japan	Singapore (#2)

Starting a business: entry regulation

Indicator	2009	2008	Top 1/3		ASEAN's Best
Procedures (number)	15	15	7	8	4 (Singapore)
Time (days)	52 ↓	58	16	14	4 (Singapore)
Cost (% of income per capita)	29.8 ↑	26.8	137.5	108.9	0.7 (Singapore)
Paid-in minimum capital (% of income per capita)	6.0 ↓	6.9	0.0	0.0	0.0 (B, L, M, S, T, V)
Rank (-4)	155	151	Micronesia	Rwanda	

Dealing with construction permits

Indicator	2009	2008	Top 1/3	ASEAN's Best
Procedures (number)	24 ↑	21	16	11 (Singapore, Thailand)
Time (days)	203 ↑	177	210	38 (Singapore)
Cost (% of income per capita)	90.1 ↑	75.9	39.4	5.3 (Brunei)
Rank (-3)	105	102	Gabon	

Employing workers: labor regulation

Indicator	2009	2008	Top 1/3	ASEAN's Best
Difficulty of Hiring Index (0-100)	56	56	17	0 (Brunei, Singapore)
Rigidity of Hours Index (0-100)	20	20	60	0 (Singapore)
Difficulty of Firing Index (0-100)	30	30	10	0 (Brunei, Singapore)
Rigidity of Employment Index (0-100)	35	35	29	0 (Singapore)
Firing cost (weeks of salary)	91	91	9	4 (Brunei, Singapore)
Rank (-3)	126	123	Bulgaria	5

Indicator	2009	2008	Top 1/3	ASEAN's Best
Procedures (number)	8	8	4	2 (Thailand)
Time (days)	33	33	315	2 (Thailand)
Cost (% of property values)	4.3 ↑	4.2	0.6	1.1 (Thailand)
Rank (-9)	97	88	Rwanda	

Getting credit: credit info & legal rights

Indicator	2009	2008	Top 1/3		ASEAN's Best
Strength of Legal Rights Index (0-10)	3	3	6	4	10 (Malaysia, Singapore)
Depth of Credit Information Index (0-6)	3	3	4	6	6 (Malaysia)
Public registry coverage (% adults)	0.0	0.0	58.8	0.0	52.9 (Malaysia)
Private bureau coverage (% adults)	5.4 ↓	5.5	0.0	70.8	48.3 (Singapore)
Rank (-7)	123	116	China	Mexico	7

Protecting investors: corporate governance

Indicator	2009	2008	Top 1/3		ASEAN's Best
Extent of Disclosure Index (0-10)	2 ↑	1	9	9	10 (Malaysia, Thailand)
Extent of Director Liability Index (0-10)	2	2	5	4	9 (Cambodia, Malaysia, Singapore)
Ease of Shareholder Suits Index (0-10)	8	8	3	4	9 (Singapore)
Strength of Investor Protection Index (0-10)	4.0 ↑	3.7	5.7	5.7	9.3 (Singapore)
Rank (-1)	126	125	Indonesia	Turkey	8

Paying taxes: tax payable & compliance

Indicator	2009	2008	Top 1/3	ASEAN's Best
Payments (number per year)	47	47	37	5 (Singapore)
Time (hours per year)	195	195	224	84 (Singapore)
Total tax rate (% of profit)	50.8 ↓	52.8	18.9	22.6 (Cambodia)
Rank (+3)	129	132	Samoa	

Trading across borders: importing & exporting

Indicator	2009	2008	The 1/3 placer		ASEAN's Best
Documents to export (number)	8	8	5	6	4 (Singapore, Thailand)
Time to export (days)	16 ↓	17	20	14	5 (Singapore)
Cost to export (US\$ per container)	816 ↑	800	1,305	1,078	450 (Malaysia)
Documents to import (number)	8	8	5	5	3 (Thailand)
Time to import (days)	16 ↓	18	18	18	3 (Singapore)
Cost to import (US\$ per container)	819 ↑	800	1,305	1,920	439 (Singapore)
Rank (0)	58	58	Italy	Senegal	10

Enforcing contracts: court efficiency

Indicator	2009	2008	Top 1/3	ASEAN's Best
Procedures (number)	37	37	36	21 (Singapore)
Time (days)	842	842	476	150 (Singapore)
Cost (% of claim)	26.0	26.0	27.4	14.3 (Thailand)
Rank (-1)	114	113	Marshall Is.	

Indicator	2009	2008	Top 1/3	ASEAN's Best
Time to go through insolvency (years)	5.7	5.7	3.3	0.8 (Singapore)
Cost of insolvency (% of estate)	38	38	9	1 (Singapore)
Recovery rate (cents on the dollar)	4.4 ↑	4.2	35.9	91.3 (Singapore)
Rank (-1)	151	150	Bosnia & Herzegovina	

ASEAN performance

	1	2	3	4	5	6	7	8	9
Starting a business	S	T	M	L	V	B	P	C	I
Dealing with construction permits	S	T	V	B	I	M	P	L	C
Employing workers	S	B	M	T	L	V	P	C	I
Registering property	T	S	V	M	P	I	C	L	B
Getting credit	M	S	V	C	T	B	I	P	L
Protecting investors	S	M	T	I	C	B	P	V	L
Paying taxes	S	M	C	B	T	L	I	P	V
Trading across borders	S	T	M	I	B	P	V	C	L
Enforcing contracts	S	T	V	M	L	P	C	I	B
Closing a business	S	B	T	M	V	I	P	C	L

Egypt # 1 reformer last year; still in top 10

- Reformed in 6 areas
 - Areas of Reform: Starting a Business, Dealing with Construction Permits, Registering Property, Getting Credit (Information), Protecting Investors, Trading across Borders
 - Rank in *Doing Business 2009*: 114 (rose 11 places in the rankings from 125 to 114)
 - Rank in *Doing Business 2008*: 125 (rose 26 places in the rankings from 151 to 125)
1. Made starting a business easier by reducing the paid-in minimum capital requirement by more than 80%, abolishing bar association fees, and automating the tax registration process
 2. Passed a new building code to establish a single window for processing construction-related approvals and reduce the procedures and time to deal with construction permits
 3. Simplified administrative procedures for registering property and introduced time limits for various procedures, reducing the time to transfer property in Cairo from 193 to 72 days
 4. Continued to upgrade facilities and speed customs clearance at the port of Alexandria, while banks delivered letters of credit faster this year, leading to a reduction of 1 day for export and 3 days for import
 5. Strengthened protections for minority investors by introducing new listing rules for the Cairo Stock Exchange, which require an independent body to assess transactions between interested parties before the transactions are approved
 6. Allowed borrowers to have the right to inspect the data stored in the private credit bureau, as per new regulations from the Central Bank of Egypt

Topic	Current initiative(s)
Starting a business	<ul style="list-style-type: none"> • Philippine Business Registry (PBR) • Review of Building Code, Fire Code • Anti-Red Tape Law - IRR
Dealing with construction permits	<ul style="list-style-type: none"> • Review of Building Code, Fire Code • Anti-Red Tape Law - IRR
Getting credit	<ul style="list-style-type: none"> • Credit Information System Act (CISA)
Trading across borders	<ul style="list-style-type: none"> • National Single Window (NSW) • Revised Kyoto Convention (RKC) • Anti-Red Tape Law - IRR

Formula for success:

1. Systematically targeted reforms
2. Showed sustained commitment & perseverance
3. Showed boldness & courage (Not averse to undertaking broad reform programs)
4. Learned from other economies
5. Mobilized broad coalition of stakeholders

Thank you.

For more information, please contact:

Penelope Brook pbrook@worldbank.org

Sylvia Solf ssolf@worldbank.org

Media:

Maria Alexandra Velez Henao mvelezhenao@ifc.org

Rebecca Ong rong@worldbank.org

www.doingbusiness.org