

Doing Business 2008: Ukraine

This information shows summary *Doing Business 2008* data for Ukraine.

The first table lists the overall "Ease of Doing Business" rank (out of 178 economies) and the rankings by each topic. The rest of the tables summarize the key indicators for each topic and benchmark against regional and high-income economy (OECD) averages.

Economic data compare economies by income per capita, the informal sector, and population.

Ukraine

Region: Eastern Europe & Central Asia

Income category: Lower middle income

Population: 46,571,153

GNI per capita (US\$): 1,950.00

Ease of Doing Business	Doing Business 2008 rank	Doing Business 2007 rank	Change in rank
Doing Business	139	139 *	0
Starting a Business	109	105	-4
Dealing with Licenses	174	174	0
Employing Workers	102	103	+1
Registering Property	138	134	-4
Getting Credit	68	62	-6
Protecting Investors	141	141	0
Paying Taxes	177	177	0
Trading Across Borders	120	116	-4
Enforcing Contracts	46	46	0
Closing a Business	140	139	-1

Note: *Doing Business 2007* rankings are being recalculated to reflect [changes to the methodology](#) and the addition of three new countries.

Starting a Business

The challenges of launching a business are shown below. Included are: the number of steps entrepreneurs can expect to go through to launch, the time it takes on average, and the cost and minimum capital required as a percentage of gross national income (GNI) per capita.

Indicator	Ukraine	Region	OECD
Procedures (number)	10	8.8	6.0
Duration (days)	27	26.1	14.9
Cost (% GNI per capita)	7.8	11.1	5.1
Paid in Min. Capital (% of GNI per capita)	203.1	45.3	32.5

Dealing with Licenses*

Shown below are the procedures, time, and costs to build a warehouse, including obtaining necessary licenses and permits, completing required notifications and inspections, and obtaining utility connections.

Indicator	Ukraine	Region	OECD
Procedures (number)	29	24.0	14.0
Duration (days)	429	251.3	153.3
Cost (% of income per capita)	668.5	628.4	62.2

* 'Dealing with Licenses' indicator concerns only building, and mostly, in fact, permits. Data was recalculated for most CIS countries (not only Ukraine). As further research showed that previous *Doing Business* data included only the 'core' procedure, but not all the necessary permits and approvals. As a result, all these countries' rankings were revised downwards – this reflects better the true complexity of the procedure while comparing with consistent international practice.

Employing Workers

The difficulties that employers face in hiring and firing workers are shown below. Each index assigns values between 0 and 100, with higher values representing more rigid regulations. The Rigidity of Employment Index is an average of the three indices.

Indicator	Ukraine	Region	OECD
Difficulty of Hiring Index	44	36.3	25.2
Rigidity of Hours Index	60	51.4	39.2
Difficulty of Firing Index	30	32.1	27.9
Rigidity of Employment Index	45	40.0	30.8
Nonwage labor cost (% of salary)	38	25.4	20.7
Firing costs (weeks of wages)	13	26.1	25.7

Registering Property

The ease with which businesses can secure rights to property is shown below. Included are the number of steps, time, and cost involved in registering property.

Indicator	Ukraine	Region	OECD
Procedures (number)	10	6.2	4.9
Duration (days)	93	92.4	28.0
Cost (% of property value)	3.3	2.4	4.6

Getting Credit (2007)

Measures on credit information sharing and the legal rights of borrowers and lenders are shown below. The Legal Rights Index ranges from 0-10, with higher scores indicating that those laws are better designed to expand access to credit. The Credit Information Index measures the scope, access and quality of credit information available through public registries or private bureaus. It ranges from 0-6, with higher values indicating that more credit information is available from a public registry or private bureau.

Indicator	Ukraine	Region	OECD
Legal Rights Index	8	5.6	6.4
Credit Information Index	0	3.4	4.8
Public registry coverage (% adults)	0.0	2.4	8.6
Private bureau coverage (% adults)	0.0	15.4	59.3

Protecting Investors

The indicators below describe three dimensions of investor protection: transparency of transactions (Extent of Disclosure Index), liability for self-dealing (Extent of Director Liability Index), shareholders' ability to sue officers and directors for misconduct (Ease of Shareholder Suits Index) and Strength of Investor Protection Index. The indexes vary between 0 and 10, with higher values indicating greater disclosure, greater liability of directors, greater powers of shareholders to challenge the transaction, and better investor protection.

Indicator	Ukraine	Region	OECD
Disclosure Index	1	4.9	6.4
Director Liability Index	3	3.8	5.1
Shareholder Suits Index	7	6.3	6.5
Investor Protection Index	3.7	5.0	6.0

Paying Taxes

The data below shows the tax that a medium-size company must pay or withhold in a given year, as well as measures of the administrative burden in paying taxes. These measures include the number of payments an entrepreneur must make; the number of hours spent preparing, filing, and paying; and the percentage of their profits they must pay in taxes.

Indicator	Ukraine	Region	OECD
Payments (number)	99	46.3	15.1
Time (hours)	2,085	451.5	183.3
Profit tax (%)	12.2	11.2	20.0
Labor tax and contributions (%)	43.4	28.7	22.8
Other taxes (%)	1.8	10.8	3.4

Trading Across Borders

The costs and procedures involved in importing and exporting a standardized shipment of goods are detailed under this topic. Every official procedure involved is recorded - starting from the final contractual agreement between the two parties, and ending with the delivery of the goods.

Indicator	Ukraine	Region	OECD
Documents for export (number)	6	7.0	4.5
Time for export (days)	31	29.3	9.8
Cost to export (US\$ per container)	1,045	1,393.4	905.0
Documents for import (number)	10	8.3	5.0
Time for import (days)	39	30.8	10.4
Cost to import (US\$ per container)	1,065	1,551.4	986.1

Enforcing Contracts

The ease or difficulty of enforcing commercial contracts in is measured below. This is determined by following the evolution of a payment dispute and tracking the time, cost, and number of procedures involved from the moment a plaintiff files the lawsuit until actual payment.

Indicator	Ukraine	Region	OECD
Procedures (number)	30	35.9	31.3
Duration (days)	354	443.0	443.3
Cost (% of claim)	41.5	22.7	17.7

Closing a Business

The time and cost required to resolve bankruptcies is shown below. The data identifies weaknesses in existing bankruptcy law and the main procedural and administrative bottlenecks in the bankruptcy process. The recovery rate, expressed in terms of how many cents on the dollar claimants recover from the insolvent firm, is also shown.

Indicator	Ukraine	Region	OECD
Time (years)	2.9	3.2	1.3
Cost (% of income per capita)	42	13.7	7.5
Recovery rate (cents on the dollar)	9.1		

Source: <http://www.doingbusiness.org/ExploreEconomies/?economyid=194>