

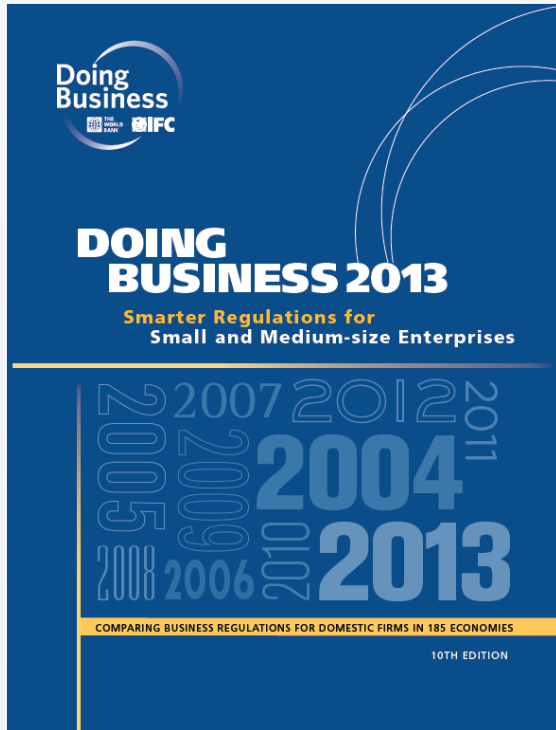
Doing Business in East Asia and the Pacific

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Washington, DC
October 22, 2012

What does *Doing Business* measure?



Doing Business indicators:

- ✓ Focus on regulations relevant to the life cycle of a small to medium-sized domestic business.
- ✓ Are built on standardized case scenarios.
- ✓ Are measured for the most populous city in each country.
- ✓ Are focused on the formal sector.

DO NOT measure all aspects of the business environment such as macroeconomic stability, corruption, level of labor skills, proximity to markets, or of regulation specific to foreign investment or financial markets.

How does *Doing Business* define SMART business regulations?

S

- STREAMLINED—regulations that accomplish the desired outcome in the most efficient way

M

- MEANINGFUL—regulations that have a measurable positive impact in facilitating interactions in the marketplace

A

- ADAPTABLE—regulations that adapt to changes in the environment

R

- RELEVANT—regulations that are proportionate to the problem they are designed to solve

T

- TRANSPARENT—regulations that are clear and accessible to anyone who needs to use them

Doing Business indicators – 11 areas of business regulation

Complexity and cost of regulatory processes

Starting a business	Procedures, time, cost and paid-in minimum capital requirement
Dealing with construction permits	Procedures, time and cost
Getting electricity	Procedures, time and cost
Registering property	Procedures, time and cost
Paying taxes	Payments, time and total tax rate
Trading across borders	Documents, time and cost

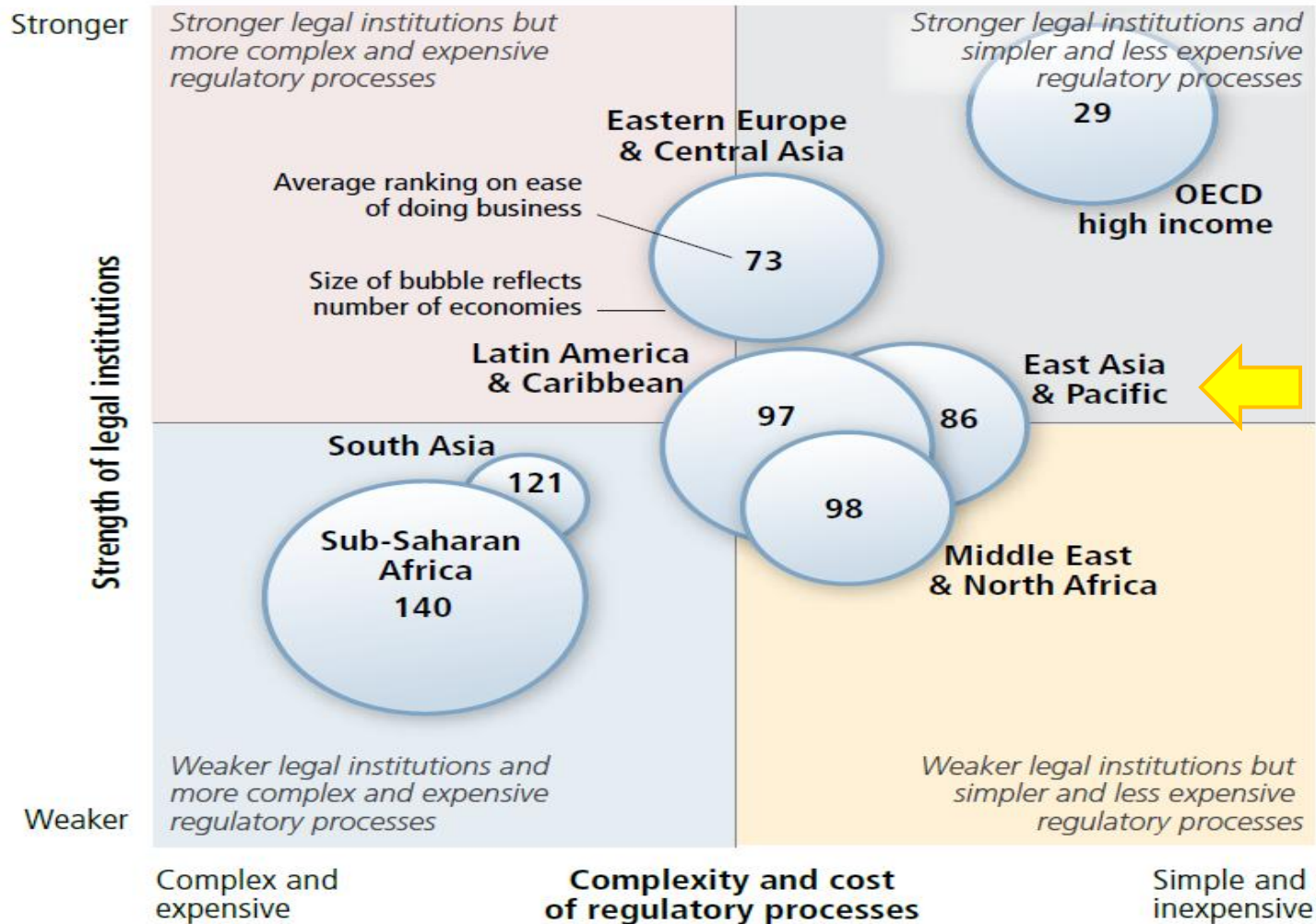
Strength of legal institutions

Getting credit	Movable collateral laws and credit information systems
Protecting investors	Disclosure and liability in related-party transactions
Enforcing contracts	Procedures, time and cost to resolve a commercial dispute
Resolving insolvency	Time, cost, outcome and recovery rate
Employing workers ^a	Flexibility in the regulation of employment

a. The employing workers indicators are not included in this year's ranking on the ease of doing business nor in the calculation of any data on the strength of legal institutions included in figures in the report.

East Asia & Pacific economies rank relatively well in the complexity and cost of regulatory processes, but less so in terms of the strength of legal institutions

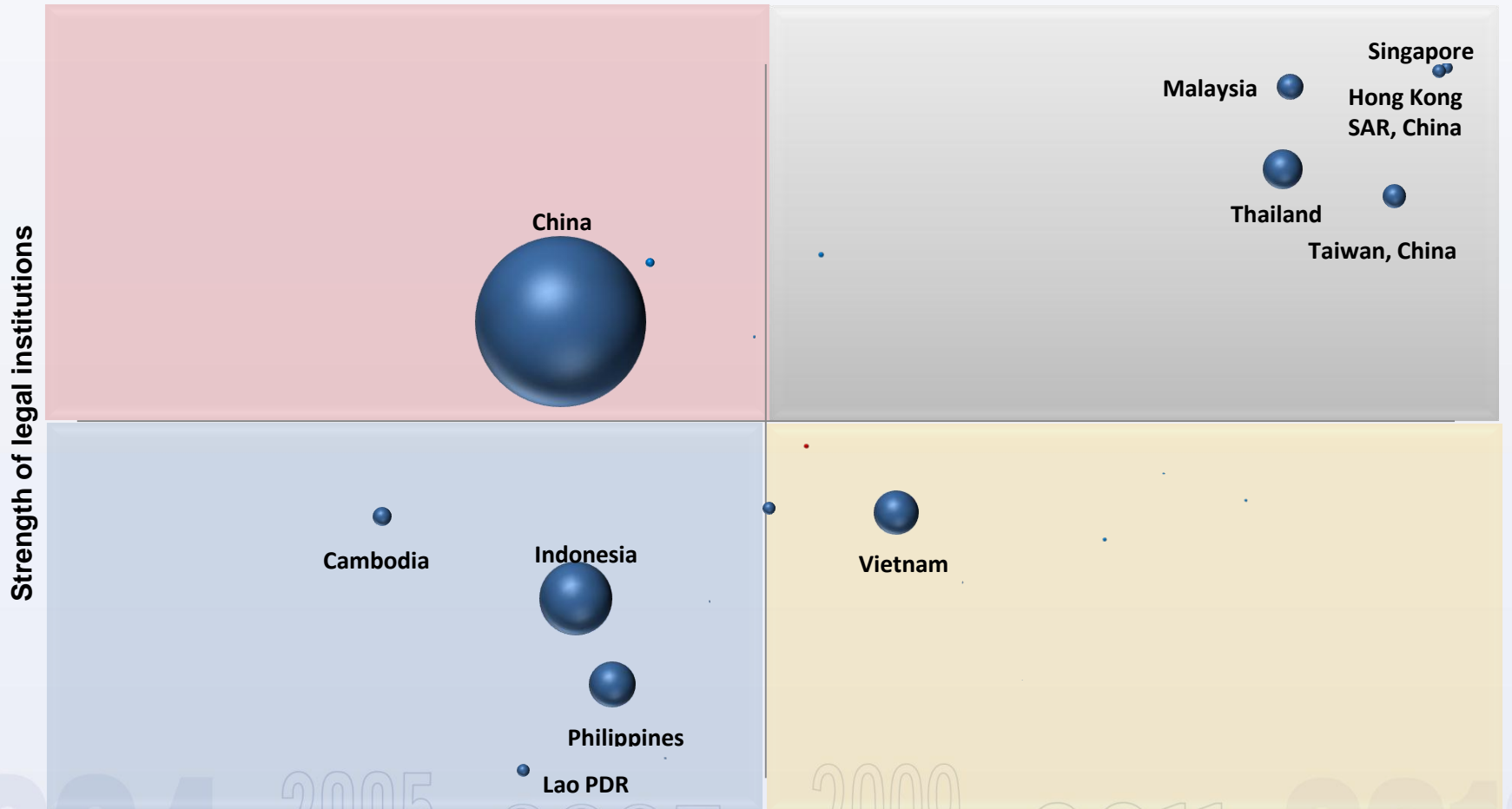
Average ranking on sets of *Doing Business* indicators



Singapore and Hong Kong SAR, China have stronger legal institutions and less expensive regulatory processes, which would set examples for the rest of East Asia and the Pacific

Stronger legal institutions but more expensive regulatory processes

Stronger legal institutions and less expensive regulatory processes



Weaker legal institutions and more expensive regulatory processes

Complexity and cost of regulatory processes

Weaker legal institutions but less expensive regulatory processes

East Asia and the Pacific economies on average rank near the middle in the global ease of doing business



Two Asian economies – **Singapore and Hong Kong SAR (China)** led the world in the ease of doing business for local firms

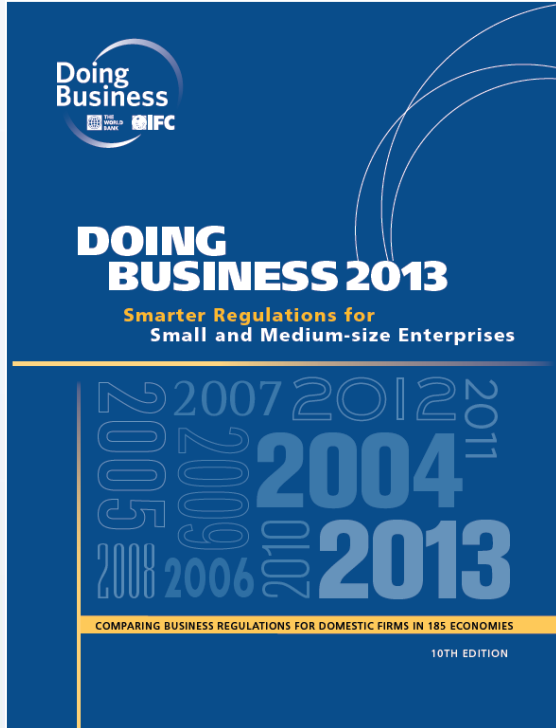
Asia-Pacific Economic Cooperation (APEC) (average ranking)*: Australia, Brunei Darussalam, Canada, Chile, China, Hong Kong SAR (China), Indonesia, Japan, Korea, Rep., Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russian Federation, Singapore, Taiwan (China), Thailand, United States, Vietnam

Association of Southeast Asian Nations (ASEAN) (average ranking)*: Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Philippines, Singapore, Thailand, Vietnam

*Doing Business does not collect data for Myanmar who is a member of ASEAN.

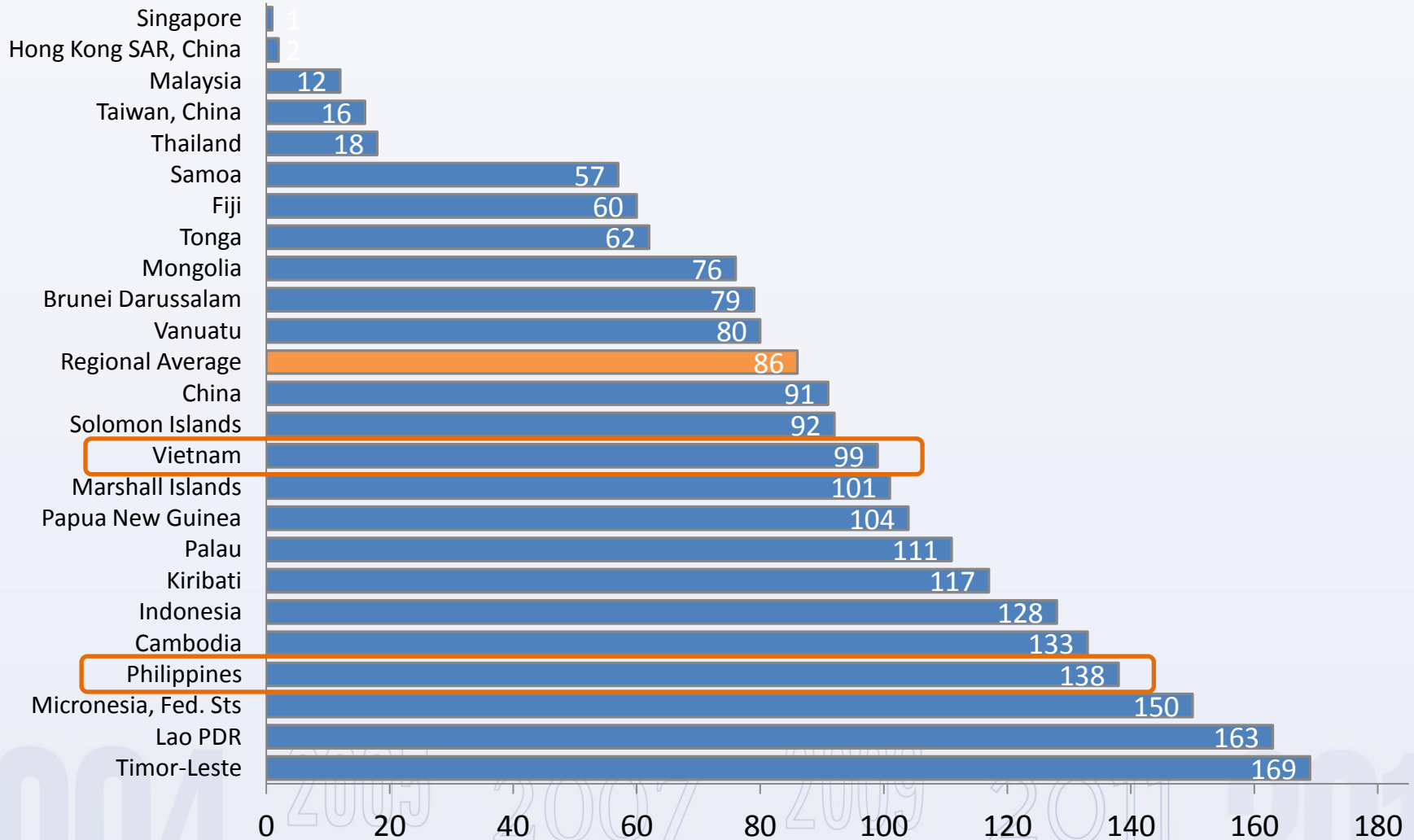


Asia-Pacific economies are well represented in the top 30 on the ease of doing business



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

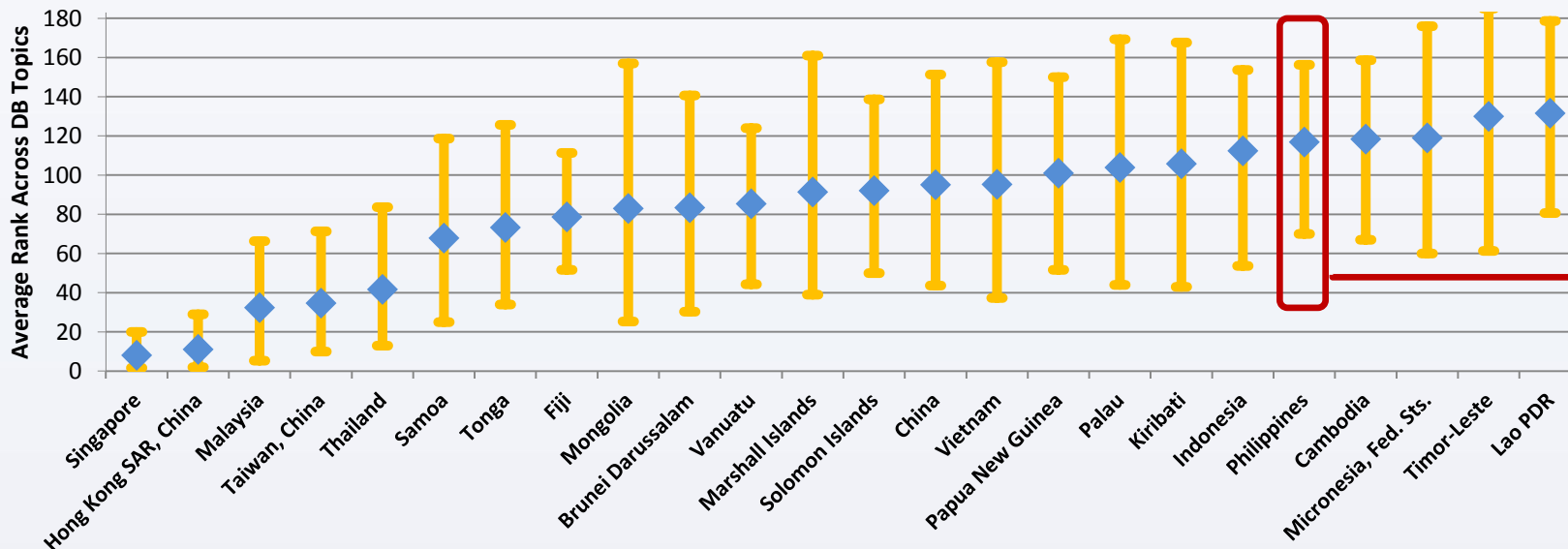
DB13 Ranking East Asia and the Pacific



Several East Asia and the Pacific economies rank high in numerous areas of business regulations

Indicator	World's top ranked	East Asia and Pacific's top ranked
<i>Starting a business</i>	New Zealand	Singapore (4) Hong Kong SAR, China (6)
<i>Dealing with construction permits</i>	Hong Kong SAR, China	Hong Kong SAR, China (1) Singapore (2)
<i>Getting electricity</i>	Iceland	Hong Kong SAR, China (4) Singapore (5)
<i>Registering property</i>	Georgia	Palau (17) Mongolia (22)
<i>Getting credit</i>	Malaysia / U.K. / South Africa	Malaysia (1) Hong Kong SAR, China (4)
<i>Protecting investors</i>	New Zealand	Singapore (2) Hong Kong SAR, China (3)
<i>Paying taxes</i>	United Arab Emirates	Hong Kong SAR, China (4) Singapore (5)
<i>Trading across borders</i>	Singapore	Singapore (1) Hong Kong SAR, China (2)
<i>Enforcing contracts</i>	Luxembourg	Hong Kong SAR, China (10) Singapore (12)
<i>Resolving Insolvency</i>	Japan	Singapore (2) Taiwan, China (15)

There is often a high degree of variability across areas of business regulation in East Asia and the Pacific



Philippines TOP 3 rankings:

- Trading across Borders: 53
- Getting Electricity: 57
- Dealing with Construction Permits: 100

Philippines BOTTOM 3 rankings:

- Paying Taxes: 143
- Starting a Business: 161
- Resolving Insolvency: 165

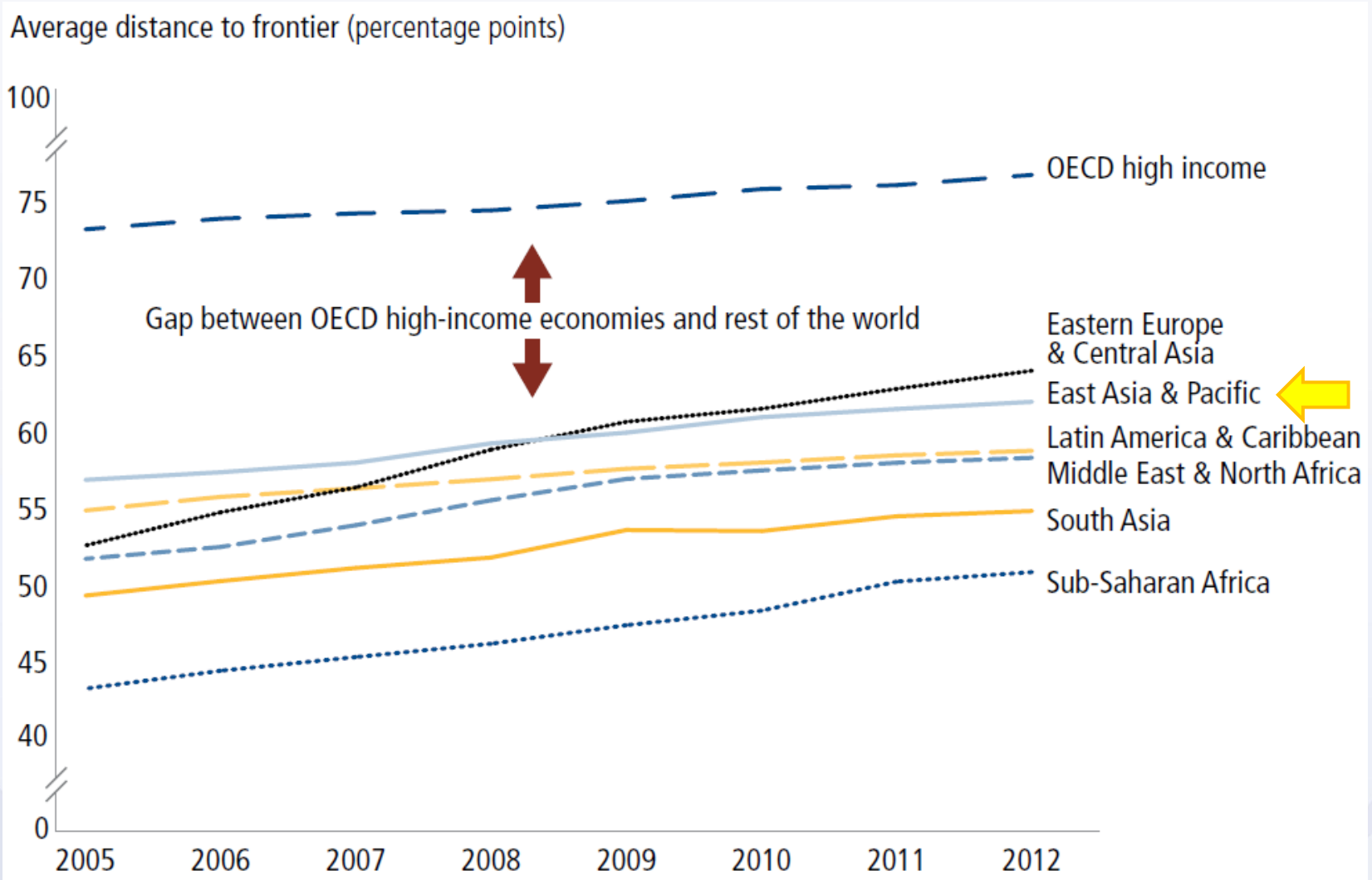
The average rank in 10 areas of business regulation in Philippines is 117, but in fact performance varies significantly across indicators.

5 economies from East Asia and the Pacific are among the 50 economies narrowing the distance to frontier the most since 2005

Rank	Economy	Region	Improvement (percentage points)
1	Georgia	ECA	31.6
2	Rwanda	SSA	26.5
3	Belarus	ECA	23.5
4	Burkina Faso	SSA	18.5
5	Macedonia, FYR	ECA	17.4
6	Egypt, Arab Rep.	MENA	16.3
7	Mali	SSA	15.8
8	Colombia	LAC	15.3
9	Tajikistan	ECA	15.2
10	Kyrgyz Republic	ECA	14.8
11	Sierra Leone	SSA	14.7
12	China	EAP	14.3
13	Azerbaijan	ECA	12.9
14	Croatia	ECA	12.8
15	Ghana	SSA	12.7
16	Burundi	SSA	12.6
17	Poland	OECD	12.3
18	Guinea-Bissau	SSA	12.2
19	Armenia	ECA	12.2
20	Ukraine	ECA	12.0
21	Kazakhstan	ECA	11.9
22	Senegal	SSA	11.5
23	Cambodia	EAP	11.1
24	Angola	SSA	11.0
25	Mauritius	SSA	10.9

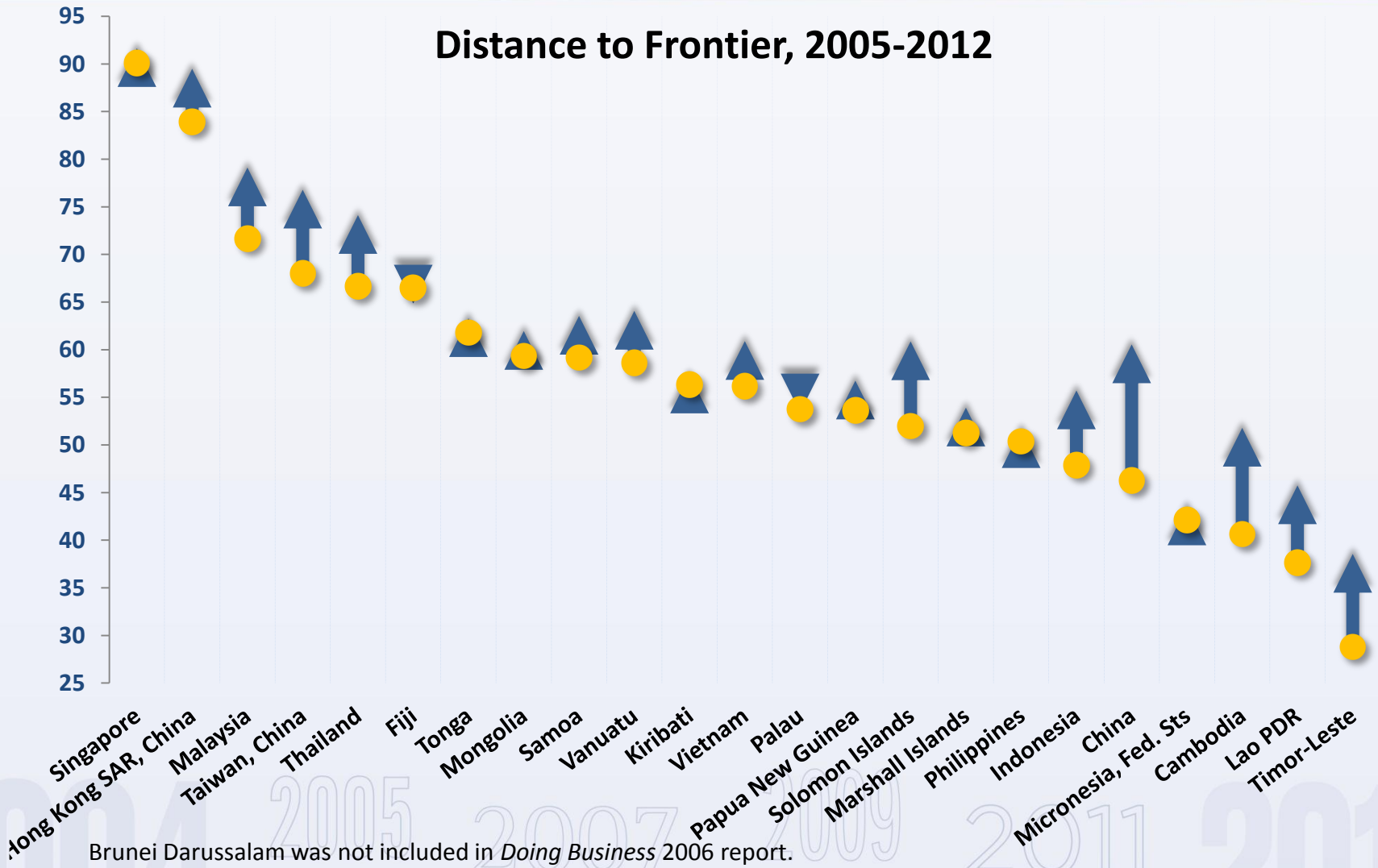
Rank	Economy	Region	Improvement (percentage points)
26	Saudi Arabia	MENA	10.7
27	India	SAS	10.6
28	Guatemala	LAC	10.4
29	Madagascar	SSA	10.3
30	Morocco	MENA	10.1
31	Yemen, Rep.	MENA	10.1
32	Peru	LAC	10.1
33	Mozambique	SSA	10.0
34	Czech Republic	OECD	9.8
35	Timor-Leste	EAP	9.7
36	Côte d'Ivoire	SSA	9.5
37	Togo	SSA	9.5
38	Slovenia	OECD	9.5
39	Mexico	LAC	9.4
40	Niger	SSA	9.4
41	Nigeria	SSA	9.0
42	Portugal	OECD	9.0
43	Solomon Islands	EAP	8.9
44	Uruguay	LAC	8.8
45	Dominican Republic	LAC	8.8
46	Taiwan, China	EAP	8.8
47	São Tomé and Príncipe	SSA	8.7
48	France	OECD	8.6
49	Bosnia and Herzegovina	ECA	8.4
50	Albania	ECA	8.3

East Asia and the Pacific has been gradually improving its business environment since 2005, but still has a long way to go in narrowing the distance to the frontier



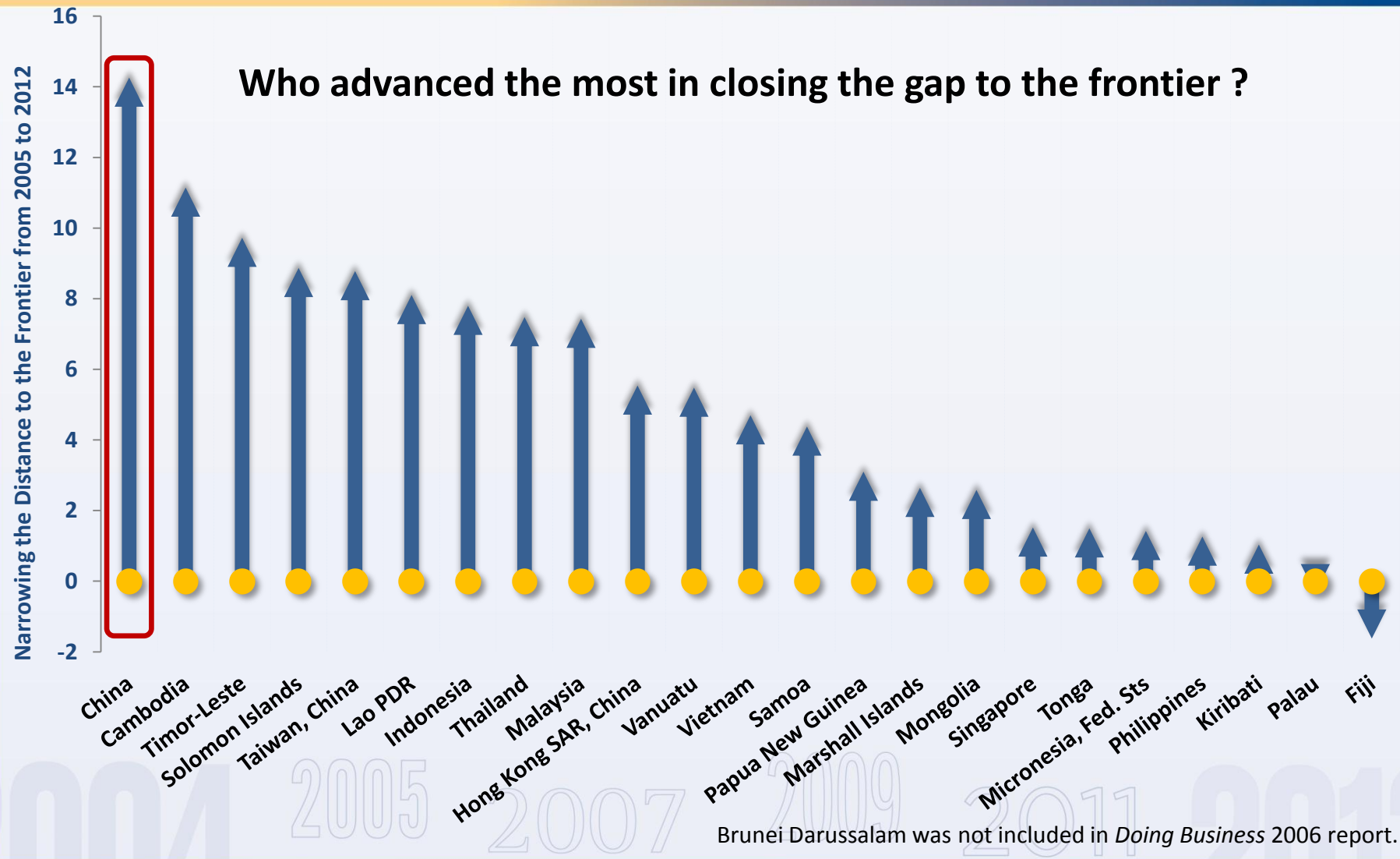
Overall improvements in East Asia & Pacific in narrowing the distance to the frontier, but performance varies considerably by economy

Distance to Frontier, 2005-2012



Brunei Darussalam was not included in *Doing Business* 2006 report.

With 16 reforms in the past 8 years, China is the economy that has advanced most in closing the gap to the frontier in East Asia and the Pacific



Brunei Darussalam was not included in *Doing Business* 2006 report.

China has reformed in several areas of business regulation since 2005, leading to improvements across indicators

Exempted business registration fee, production cost for Organization Code Certificate, fee to register for both local and state tax, and production cost of tax invoices in 2011/12.

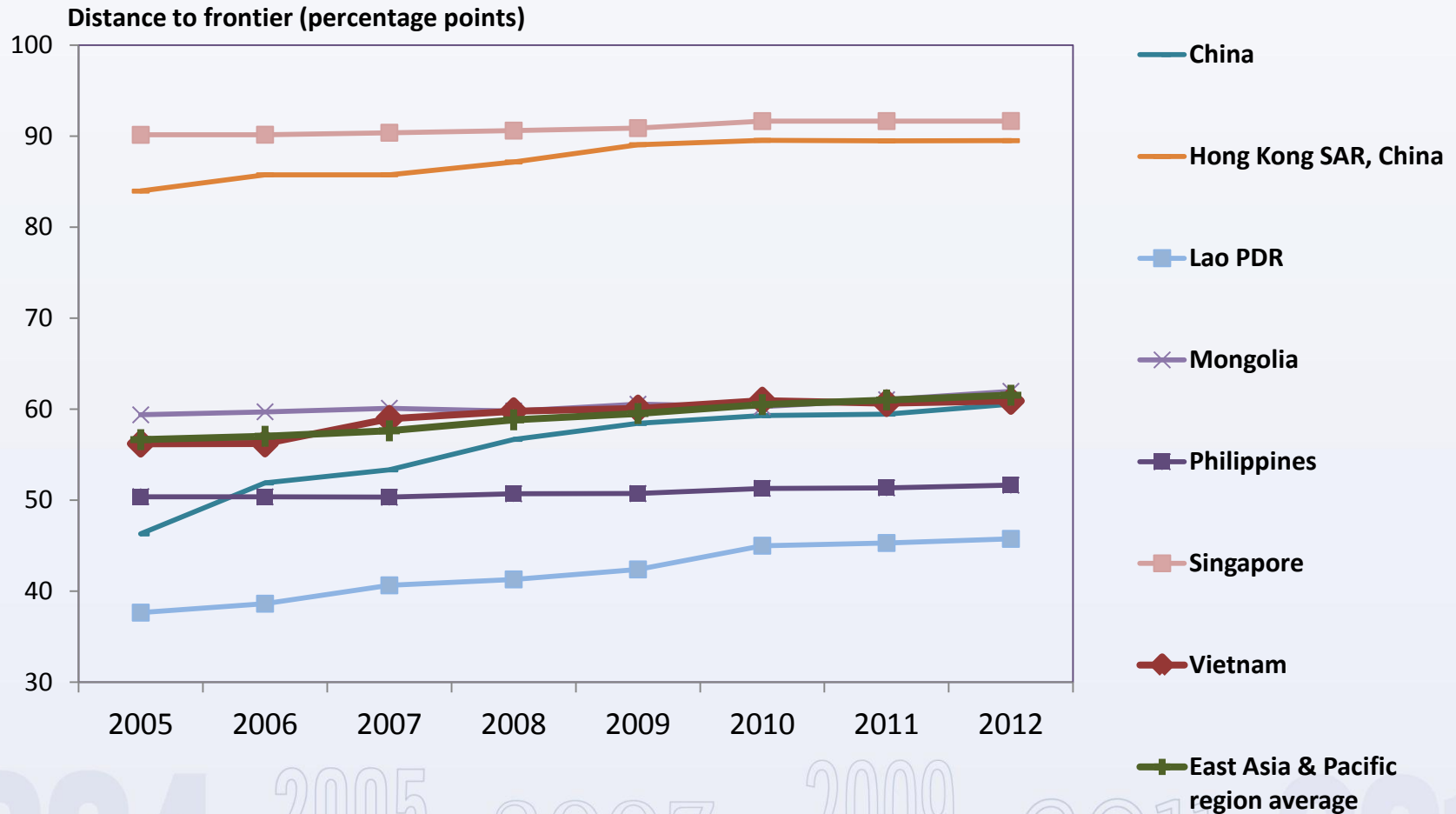
In the last 8 years, China simplified taxes payment for businesses, in addition of decreasing time and number of payment, taxes rate dropped from 80% of profit to 63.7%.



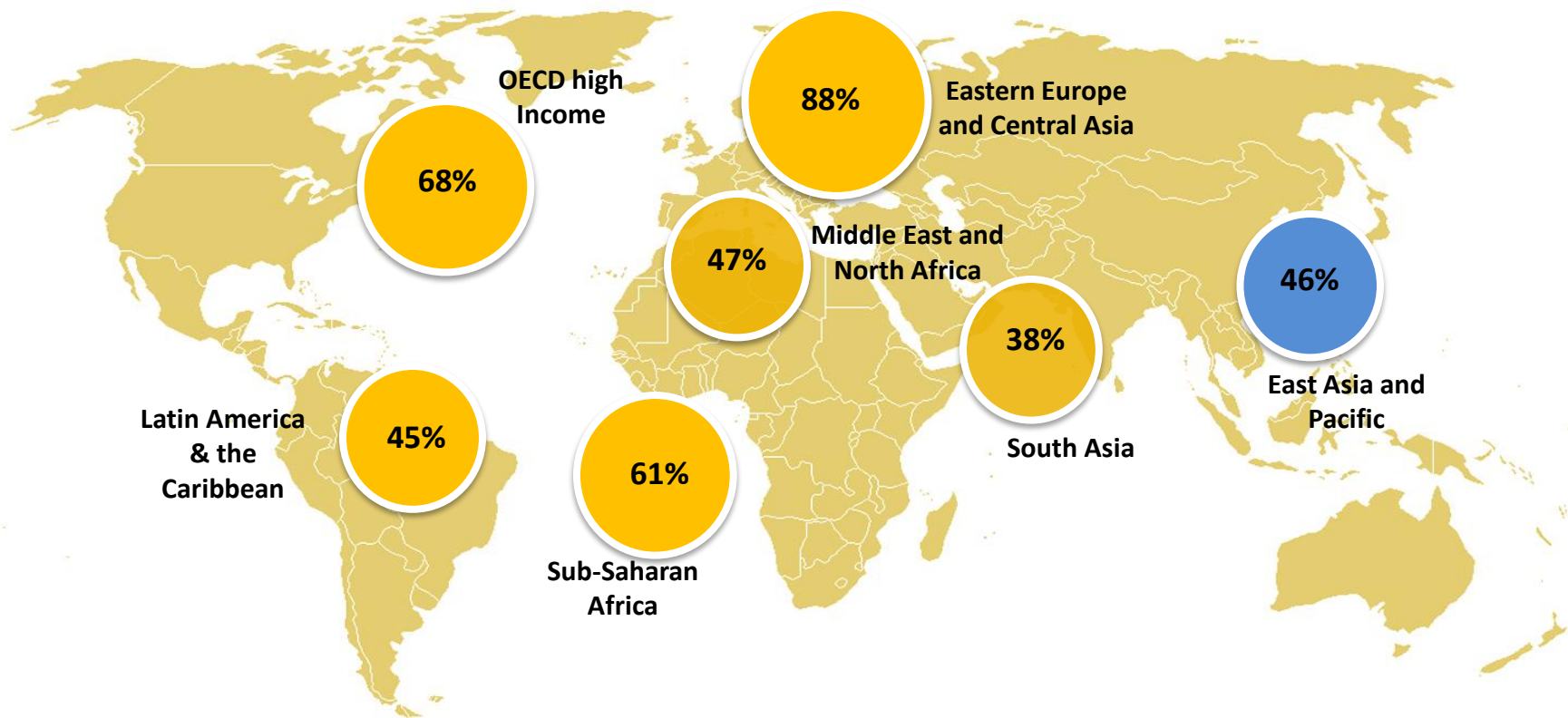
Request and obtain land use and planning conditions approvals from the Construction, Communication, Transportation Commission (20 days, no cost) are merged into a new procedure in 2011/12.

Allowed entrepreneurs to use accounts receivables and a changing pool of assets to secure a loan in October 2007.

East Asia & Pacific economies have made efforts to improve their business regulatory environment, but there are still large gaps in terms of the distance to the frontier



Pace of reforms remains strong worldwide: 108 economies implemented 201 reforms in 2011/12



Nearly half of all economies in East Asia and Pacific reformed in one or more areas of business regulation in 2011/12

With a total of 20 reforms, 11 economies in East Asia and the Pacific improved business regulations this year



In 2011/12, Vietnam made starting a business easier by allowing companies to use self-printed value added tax invoices.

Mongolia is among the 10 economies improving the most across 3 or more areas measured by *Doing Business* in 2011/12

		Ease of Doing Business rank	Starting a Business	Dealing with construction permits	Getting electricity	Registering property	Getting credit	Protecting investors	Paying taxes	Trading across borders	Enforcing contracts	Resolving insolvency
1	Poland	55				√			√		√	√
2	Sri Lanka	81	√			√	√			√		
3	Ukraine	137	√			√			√			
4	Uzbekistan	154	√				√			√		√
5	Burundi	159	√	√		√				√		
6	Costa Rica	110	√	√			√		√			
7	Mongolia	76	√				√	√				
8	Greece	78		√				√				√
9	Serbia	86	√								√	√
10	Kazakhstan	49	√				√					√

Mongolia reformed in 3 different areas of business regulations in 2011/12 and is one of the 10 most improved economies

Starting a Business

Elimination of the **minimum starting capital** required to establish a local limited liability

The paid in minimum capital requirement decreased by 36 percentage points (% of the GNI per capita)

Getting Credit

Improvement of **access to credit information index** by guaranteeing borrowers' right to inspect their personal data

→
1-point improvement on the depth of credit information index

Protecting Investors

Increasing of the **disclosure requirements for related-party transactions.**

The new Company Law increases Mongolia's score on the disclosure index from 5 to 6.



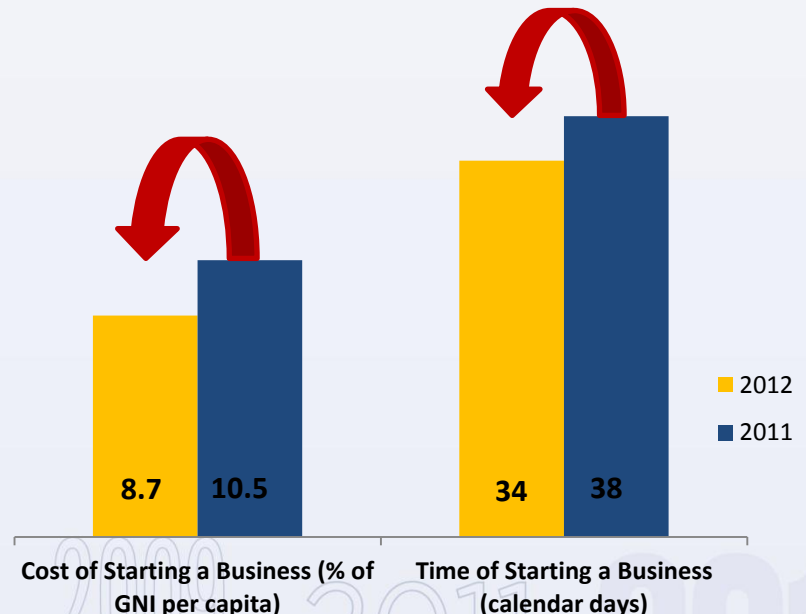
Vietnam keeps its pace of improving business regulations and environment

Over the past 10 years, Vietnam has implemented 20 business regulatory reforms in almost every area measured by *Doing Business*.

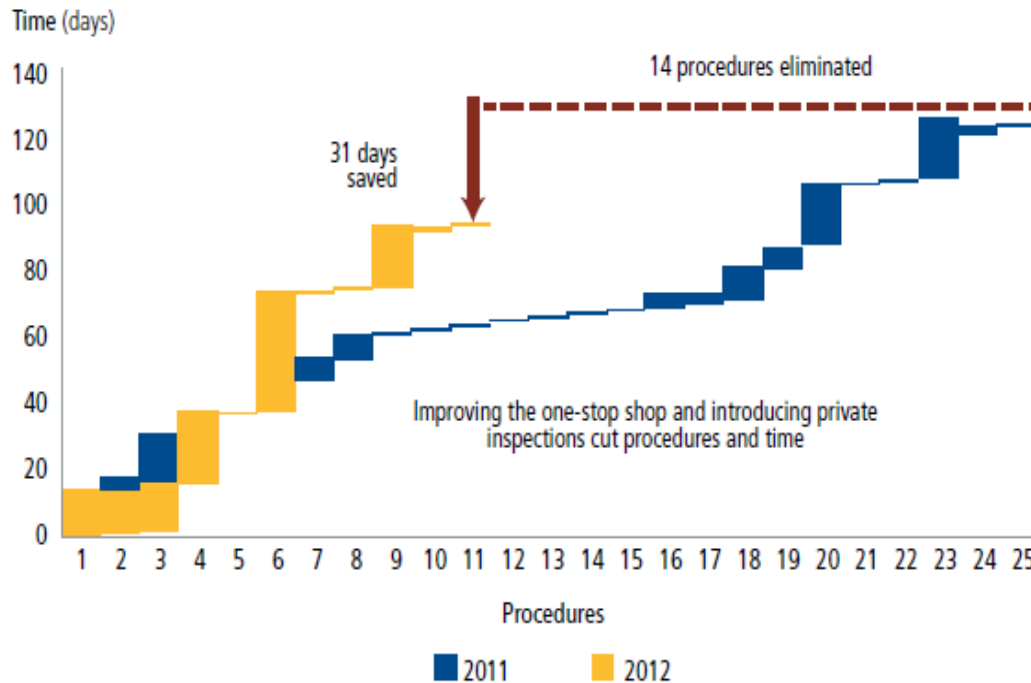
Supported by previous international trade reforms, **In 2011/12, Vietnam is among the 10 economies with the lowest cost for both export and import cost** per container, as measured by Trading Across Borders indicator.

Export cost		Import cost	
Cost (US\$ per container)		Cost (US\$ per container)	
Least		Least	
Malaysia	435	Malaysia	420
Singapore	456	Singapore	439
Finland	540	Hong Kong SAR, China	565
Hong Kong SAR, China	575	Israel	565
Morocco	577	São Tomé and Príncipe	577
China	580	United Arab Emirates	590
Philippines	585	Vietnam	600
Thailand	585	China	615
Latvia	600	Finland	620
Vietnam	610	Fiji	635

In 2011/12, Vietnam eased business start-up by allowing companies to use self-printed value added tax invoices. Therefore, the time to buy and certify VAT invoices has been reduced.



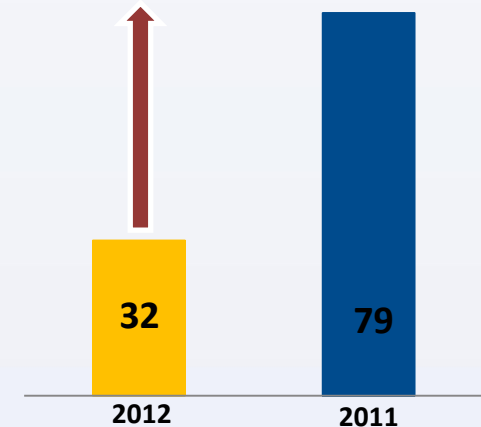
Taiwan, China joined the global list of top 20 economies on the ease of doing business in 2011/12



Source: Doing Business database.

Taiwan, China made dealing with construction permits faster and easier in 2011/12 by improving its one-stop shop and introducing private inspections.

Protecting Investors rank



Taiwan, China strengthened investor protections by increasing disclosure requirements for related-party transaction and improving the liability regime for company directors in 2011/12.

Philippines has made efforts in *Starting a Business* in recent years

In 2009/10, **Philippines** made starting a business easier by setting up a one-stop shop at the municipal level.

DB 2011

In 2010/11, **Philippines** eased the process of starting a business by streamlining the modalities to obtain a business permit.

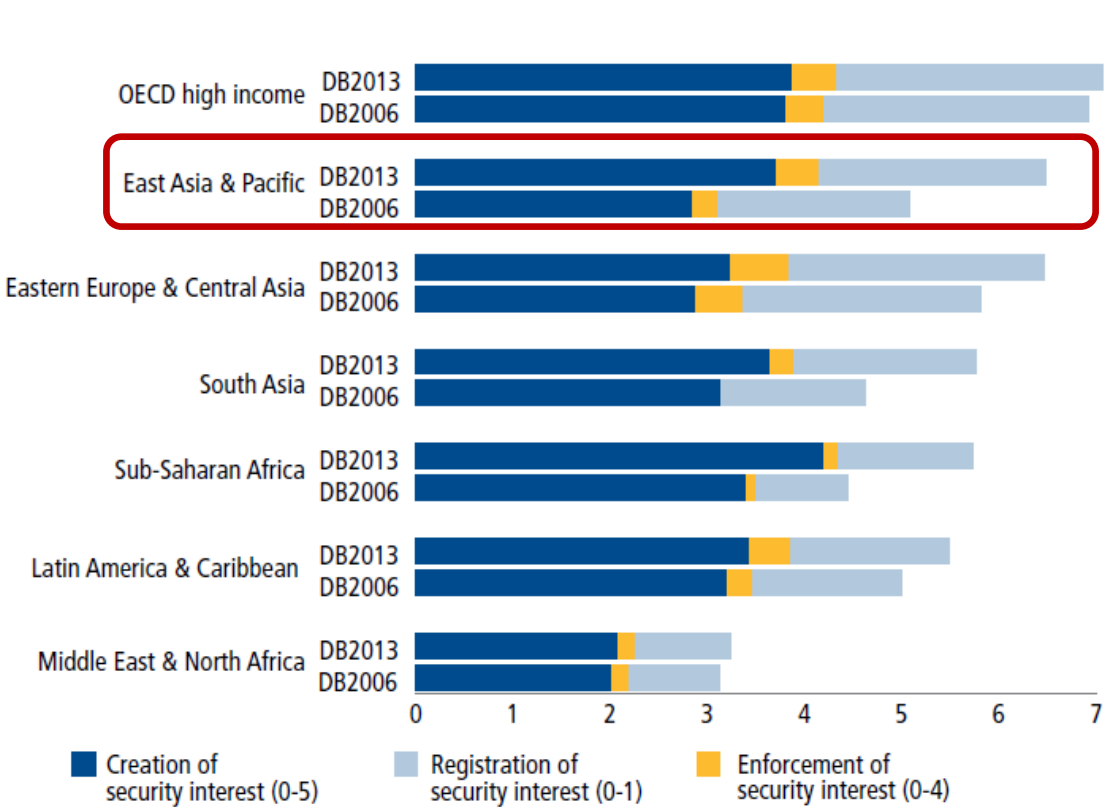
DB 2012

What to do next and in other business areas?



East Asia and the Pacific has made the biggest improvement in laws on the creation of security interests in movable property since 2005

Regional averages in strength of legal rights

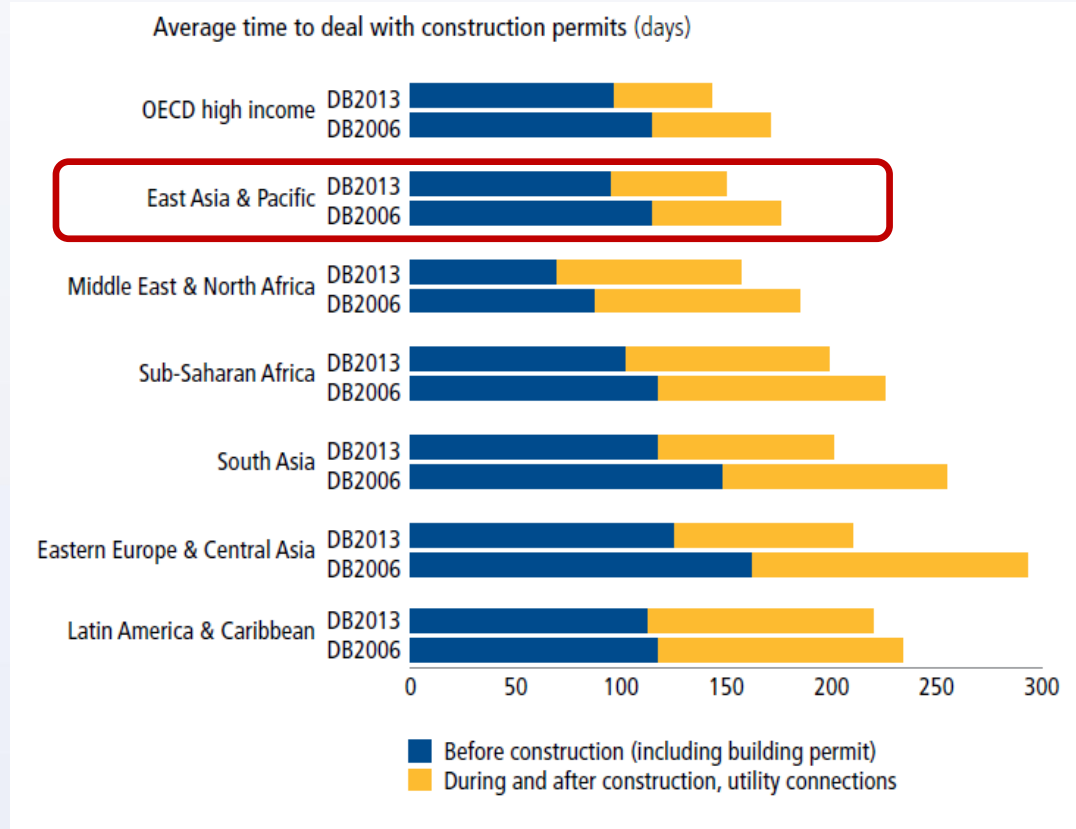


□ In 2007/08, Cambodia enacted a new secured transactions law which enables moveable property to be used as collateral.

□ In 2006/07, Vietnam expanded the range of assets that can be used as collateral and allowed them to be generically described.



East Asia and the Pacific made the most reforms in establishing or improving one-stop shops to ease construction permitting since 2005



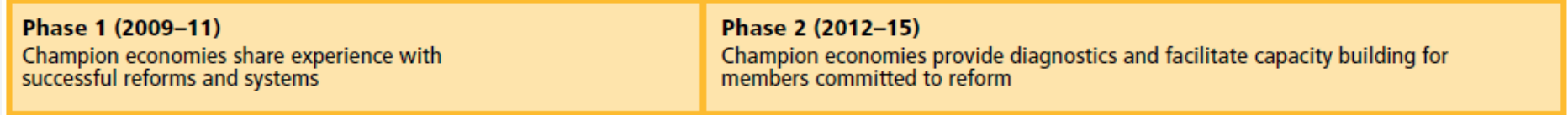
□ One-stop shops improve the organization of the review process and therefore could boost the efficiency of construction permitting.

□ In the past 8 years 18 regulatory reforms were implemented to set up or improve one-stop shops. 5 of them happened in East Asia and the Pacific.

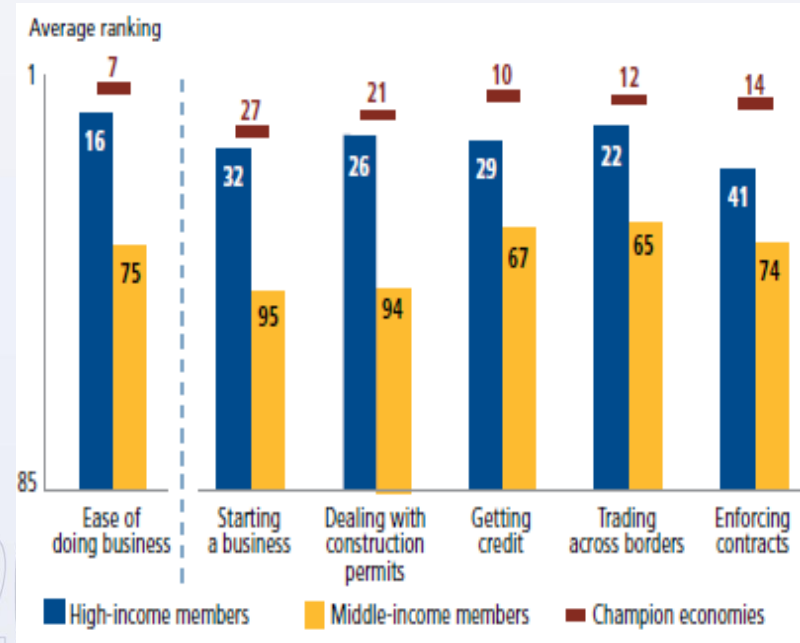
✓ **Brunei Darussalam, Malaysia, and Taiwan, China made such efforts in 2011/12.**



APEC : sharing goals and experience using Doing Business indicators



- Identifies **champion economies** to lead capacity building activities
- For example, U.S. assisting Thailand in starting a business; Korea assisting Indonesia and Peru in enforcing contracts.
- In 2009-2012, improved their performance on the 5 indicator sets by 11.5% on average.
- But wide variation within APEC in the ease of doing business and in the rate of progress
 → by enhancing cooperation, moving closer to APEC-wide goal.



Thank you. For more information: www.doingbusiness.org

The screenshot shows the homepage of the Doing Business 2013 website. At the top, there are logos for IFC (International Finance Corporation) and THE WORLD BANK. The main header features the text 'DOING BUSINESS' and 'MEASURING BUSINESS REGULATIONS'. A search bar is located on the right side of the header. Below the header is a navigation menu with links for DATA, RANKINGS, REPORTS, METHODOLOGY, RESEARCH, BUSINESS REFORMS, LAW LIBRARY, CONTRIBUTORS, and ABOUT US. A 'PRESS' link is also visible.

The main content area is divided into several sections:

- NEW GLOBAL REPORT:** A large section for the 'Doing Business 2013' report. It includes a cover image of the report and a list of key features:
 - » Poland is the most improved economy this year
 - » Singapore is first on ease of doing business
 - » See how economies have improved over time
 - » New data on entrepreneurship, good practice & transparency
 - » Download the report (PDF, 3.2MB)
- Explore Economy Data:** A yellow box containing two dropdown menus: 'Select an economy' and 'Select a topic', with '- OR -' between them. Below the dropdowns are 'OTHER OPTIONS' including 'Get all data' and 'Use reform simulator'.
- The Doing Business project:** A text block stating: 'The Doing Business project provides objective measures of business regulations for local firms in 185 economies and selected cities at the subnational level. [ABOUT US](#)'
- 2013 Doing Business Report:** A box with the report cover and a 'DOWNLOAD NOW' button.
- RECENT PUBLICATIONS:** A section featuring 'Subnational Doing Business' with a sub-headline: 'Doing Business in Hargeisa 2012 provides an in-depth look at the business climate in Hargeisa, the largest economic center in Somaliland.'
- STAY CONNECTED!:** A section with social media icons for Facebook, Twitter, and DB News, and a 'Subscribe to get alerts.' form.
- Distance to Frontier:** A section with a bar chart showing improvement over time and the text: 'See how economies have improved over time.'
- Reform Simulator:** A section with a world map icon and the text 'Reform Simulator'.