

DOING BUSINESS 2013

Smarter Regulations for
Small and Medium-Size Enterprises

Doing Business 2013 Philippines Results

Period covered: June 2011 – June 2012

COMPARING BUSINESS REGULATIONS FOR DOMESTIC FIRMS IN 185 ECONOMIES



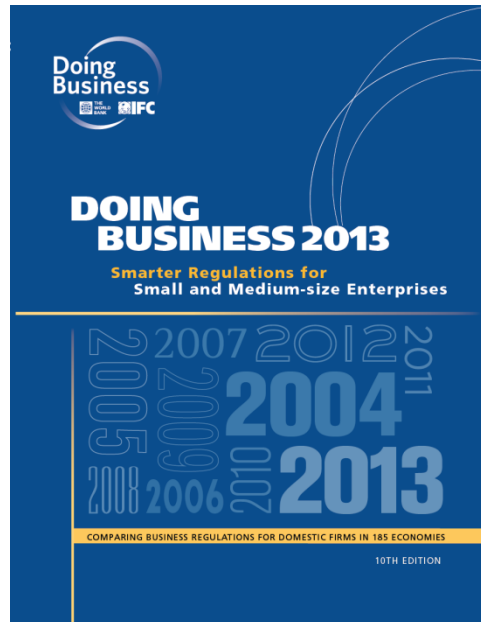
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What does Doing Business measure?



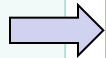
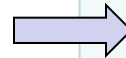
Doing Business indicators:

- ✓ 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, of regulation specific to foreign investment or financial markets.

Doing Business indicators – 11 areas of business regulation (10 included in ease of doing business ranking)

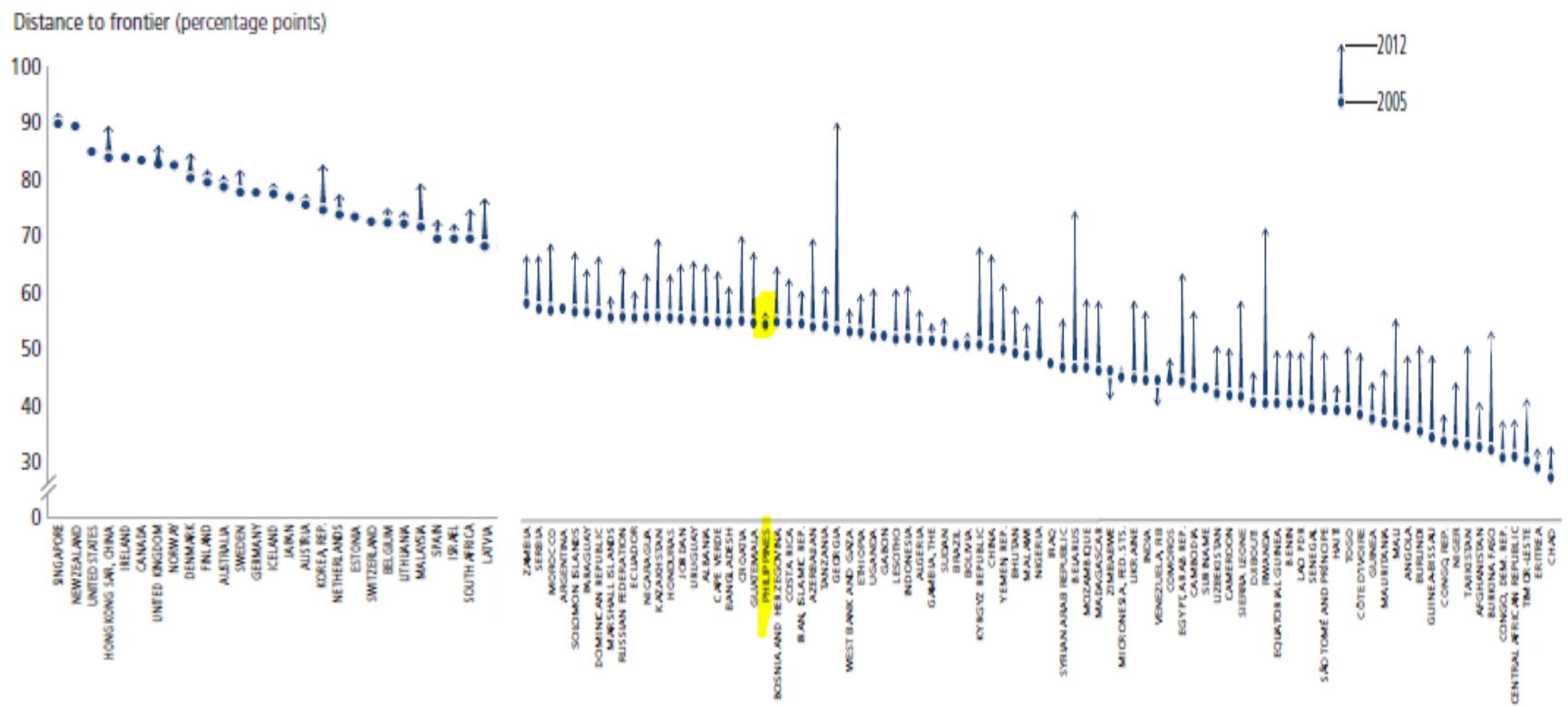
Start-up	Expansion	Operations	Closing
<ul style="list-style-type: none"> Starting a business <p><i>Minimum capital requirement, procedures, time and cost</i></p>	<ul style="list-style-type: none"> Registering property <i>Procedures, time and cost</i> Getting credit <i>Credit information systems</i> <i>Movable collateral laws</i> Protecting investors <i>Disclosure and liability in related party transactions</i> Enforcing contracts <i>Procedures, time and cost to resolve a commercial dispute</i> 	<ul style="list-style-type: none"> Dealing with construction permits <i>Procedures, time and cost</i> Employing workers <i>Flexibility in hiring, work schedule, redundancy procedures</i> Paying taxes <i>Payments, time and Total Tax Rate</i> Trading across borders <i>Documents, time and cost</i> Getting electricity <i>Procedures, time and cost</i> 	<ul style="list-style-type: none"> Resolving insolvency <i>Time, cost and recovery rate</i>
<div style="border: 1px solid black; background-color: yellow; padding: 5px; width: fit-content;">Entry</div>	<div style="border: 1px solid black; background-color: yellow; padding: 5px; width: fit-content;">Property rights Investor protection Access to credit</div>	<div style="border: 1px solid black; background-color: yellow; padding: 5px; width: fit-content;">Administrative burden Flexibility in hiring</div>	<div style="border: 1px solid black; background-color: yellow; padding: 5px; width: fit-content;">Recovery rate Reallocation of assets</div>



Philippines ranking did not change

Indicator	2013	2012
Ease of doing business	138	136
Starting a business	161	158
Dealing with construction permits	100	101
Getting electricity	57	53
Registering property	122	120
Getting credit	129	127
Protecting investors	128	124
Paying taxes	143	136
Trading across borders	53	56
Enforcing contracts	111	109
Resolving insolvency	165	166

Philippines improved very little in absolute terms



Indicator	2013	2012	Best Practice in EAP
Procedures (number)	16	15	3 (Malaysia)
Time (days)	36	35	4 (Indonesia)
Cost (% GNI pc)	18.1	19.1	2.1 (China)
Paid-in minimum cap (% GNI pc)	4.8	5.2	0 (Lao PDR, Malaysia, PNG, Thailand, Vietnam)
Rank	161	158	54 (Malaysia)

Indicator	2013	2012	Best Practice in EAP
Procedures (number)	29	30	8 (Thailand)
Time (days)	84	85	84 (Philippines)
Cost (% GNI pc)	103	110.5	9.2 (Thailand)
Rank	100	101	16 (Thailand)

Indicator	2013	2012	Best Practice in EAP
Procedures (number)	5	5	3 (Timor-Leste)
Time (days)	50	50	35 (Thailand)
Cost (% GNI pc)	833.3	762	53.9 (Malaysia)
Rank	57	53	10 (Thailand)

Indicator	2013	2012	Best Practice in EAP
Procedures (number)	8	8	2 (Thailand)
Time (days)	39	39	2 (Thailand)
Cost (% of property value)	4.8	4.8	1.1 (Lao PDR)
Rank	122	120	26 (Thailand)

Indicator	2013	2012	Best Practice in EAP
Strength of legal rights index (0–10)	4	4	10 (Malaysia)
Depth of credit information index (0–6)	3	3	6 (Malaysia)
Public registry coverage (% of adults)	0	0	56.1 (Malaysia)
Private bureau coverage (% of adults)	9	8.2	81.8 (Malaysia)
Rank	129	127	1 (Malaysia)

Indicator	2013	2012	Best Practice in EAP
Extent of disclosure index (0–10)	2	2	10 (China, Indonesia, Malaysia, Thailand)
Extent of director liability index (0–10)	3	2	9 (Cambodia, Malaysia)
Ease of shareholder suits index (0–10)	8	8	8 (Philippines, Papua New Guinea)
Strength of investor protection index (0–10)	4.3	4	8.7 (Malaysia)
Rank	128	124	4 (Malaysia)

Indicator	2013	2012	Best Practice in EAP
Payments (number per year)	47	47	7 (China)
Time (hours per year)	193	195	133 (Malaysia)
Total tax rate (% of profit)	46.6	46.5	15.7 (Timor-Leste)
Rank	143	136	15 (Malaysia)

Indicator	2013	2012	Best Practice in EAP
Documents to export (number)	7	7	4 (Indonesia)
Time to export (days)	15	15	11 (Malaysia)
Cost to export (US\$ per container)	585	630	435 (Malaysia)
Documents to import (number)	8	8	5 (China, Thailand)
Time to import (days)	14	14	8 (Malaysia)
Cost to import (US\$ per container)	660	730	420 (Malaysia)
Rank	53	56	11 (Malaysia)

Indicator	2013	2012	Best Practice in EAP
Procedures (number)	37	37	29 (Malaysia)
Time (days)	842	842	400 (Vietnam)
Cost (% of claim)	26	26	11.1 (China)
Rank	111	109	19 (China)

Indicator	2013	2012	Best Practice in EAP
Time (years)	5.7	5.7	2 (China, Malaysia)
Cost (% of estate)	38	38	15 (Cambodia, Malaysia, Vietnam)
Recovery rate (cents on the dollar)	4.9	4.7	44.7 (Malaysia)
Rank	165	166	49 (Malaysia)

- Implement the Philippine Business Registry (PBR) for Sole Proprietorships and limited liability companies effectively
- Re-examine the process the Bureau of Internal Revenue (BIR) has required on businesses obtaining a certificate of registration (COR) and printed receipts
- Operationalize the credit bureau – Credit Information Corporation (CIC)
- Develop a working collateral registry
- Fully implement the Land Titling Computerization Project
- Implement the Financial Rehabilitation and Insolvency Act (FRIA) law

Thank you. For more information:
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