

Doing Business 2020

Comparing Business
Regulation in
190 Economies



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190 Economies

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Data on new business density (number of newly registered companies per 1,000 working-age people) for 156 economies
<http://www.doingbusiness.org/data/exploretopics/entrepreneurship>

Ease of doing business score

Data benchmarking 190 economies to the best regulatory practice and an ease of doing business score calculator
<https://www.doingbusiness.org/data/doing-business-score>

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- ◆ *Doing Business 2020* is the 17th in a series of annual studies investigating the regulations that enhance business activity and those that constrain it. *Doing Business* presents quantitative indicators on business regulations and the protection of property rights that can be compared across 190 economies—from Afghanistan to Zimbabwe—and over time.
- ◆ Regulations affecting 12 areas of the life of a business are covered: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency, employing workers, and contracting with the government. The employing workers and contracting with the government indicator sets are not included in this year's ranking on the ease of doing business.
- ◆ Data in *Doing Business 2020* are current as of May 1, 2019. The indicators are used to analyze economic outcomes and identify what reforms of business regulation have worked, where and why.

Foreword

The *Doing Business 2020* study shows that developing economies are catching up with developed economies in ease of doing business.

Still, the gap remains wide. An entrepreneur in a low-income economy typically spends around 50 percent of the country's per-capita income to launch a company, compared with just 4.2 percent for an entrepreneur in a high-income economy. It takes nearly six times as long on average to start a business in the economies ranked in the bottom 50 as in the top 20.

There's ample room for developing economies to catch up with developed countries on most of the *Doing Business* indicators. Performance in the area of legal rights, for example, remains weakest among low- and middle-income economies.

Doing Business recognizes the important work countries have done to improve their regulatory environments. Among the 10 economies that advanced the most, efforts were focused on the areas of starting a business, dealing with construction permits, and trading across borders. In general, economies that score the highest share several features, including the widespread use of electronic systems and online platforms to comply with regulatory requirements.

At the same time, the least reformed area was resolving insolvency. Putting in place reorganization procedures reduces the failure rates of small and medium-size enterprises and prevents the liquidation of insolvent but viable businesses.

Doing Business is a valuable tool that governments can use to design sound regulatory policies. By giving policymakers a way to benchmark progress, it stimulates policy debate, both by exposing potential challenges and by identifying good practices and lessons learned.

It's important to note that *Doing Business* isn't meant to be an investment guide, but rather a measurement of ease of doing business. Potential investors consider many other factors, such as the overall quality of an economy's business environment and its national competitiveness, macroeconomic stability, development of the financial system, market size, rule of law, and the quality of the labor force.

Ease of doing business is an important springboard to structural reforms that encourage broad-based growth. The World Bank Group stands ready to help countries move forward.

David R. Malpass
President
The World Bank Group

