

COMPARING

REGULATION IN 175 ECONOMIES

Doing Business 2007

How to reform

Contents

Doing Business 2007: How to Reform is the fourth in a series of annual reports 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 175 economies—from Afghanistan to Zimbabwe—and over time.

Regulations affecting 10 areas of everyday business are measured: starting a business, dealing with licenses, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business. The indicators are used to analyze economic outcomes and identify what reforms have worked, where and why.

The methodology has limitations. Other areas important to business—such as a country's proximity to large markets, quality of infrastructure services (other than services related to trading across borders), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions or the underlying strength of institutions—are not studied directly by *Doing Business*. To make the data comparable across countries, the indicators refer to a specific type of business—generally a limited liability company operating in the largest business city.

The methodology for 4 of the *Doing Business* topics changed in this edition. For paying taxes, the total tax rate now includes all labor contributions paid by the employer and excludes consumption taxes. For enforcing contracts, the case study was revised to reflect a typical contractual dispute over the quality of goods rather than a simple debt default. For trading across borders, *Doing Business* now reports the cost associated with exporting and importing cargo in addition to the time and number of documents required. And for employing workers, nonwage labor costs are no longer included in the calculation of the ease of employing workers. For these reasons—as well as the addition of 20 new economies—last year's rankings on the ease of doing business are recalculated using the new methodology and reported in the Overview.

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TABLE 1.2

Rankings on the ease of doing business

2007 rank	2006 rank	Economy	2007 rank	2006 rank	Economy	2007 rank	2006 rank	Economy
1	2	Singapore	60	58	Kiribati	119	113	Iran
2	1	New Zealand	61	56	Slovenia	120	115	Albania
3	3	United States	62	57	Palau	121	122	Brazil
4	4	Canada	63	82	Kazakhstan	122	119	Suriname
5	6	Hong Kong, China	64	70	Uruguay	123	120	Ecuador
6	5	United Kingdom	65	78	Peru	124	134	Croatia
7	7	Denmark	66	60	Hungary	125	125	Cape Verde
8	9	Australia	67	72	Nicaragua	126	121	Philippines
9	8	Norway	68	95	Serbia	127	127	West Bank and Gaza
10	10	Ireland	69	61	Solomon Islands	128	132	Ukraine
11	12	Japan	70	64	Montenegro	129	124	Belarus
12	11	Iceland	71	75	El Salvador	130	135	Syria
13	14	Sweden	72	65	Dominica	131	126	Bolivia
14	13	Finland	73	63	Grenada	132	129	Gabon
15	16	Switzerland	74	66	Pakistan	133	130	Tajikistan
16	15	Lithuania	75	74	Poland	134	138	India
17	17	Estonia	76	67	Swaziland	135	131	Indonesia
18	19	Thailand	77	68	United Arab Emirates	136	133	Guyana
19	18	Puerto Rico	78	73	Jordan	137	139	Benin
20	20	Belgium	79	76	Colombia	138	143	Bhutan
21	21	Germany	80	77	Tunisia	139	136	Haiti
22	22	Netherlands	81	79	Panama	140	137	Mozambique
23	23	Korea	82	69	Italy	141	156	Côte d'Ivoire
24	31	Latvia	83	80	Kenya	142	150	Tanzania
25	25	Malaysia	84	83	Seychelles	143	142	Cambodia
26	26	Israel	85	85	St. Kitts and Nevis	144	141	Comoros
27	27	St. Lucia	86	87	Lebanon	145	140	Iraq
28	24	Chile	87	86	Marshall Islands	146	152	Senegal
29	28	South Africa	88	81	Bangladesh	147	151	Uzbekistan
30	30	Austria	89	89	Sri Lanka	148	146	Mauritania
31	29	Fiji	90	104	Kyrgyz Republic	149	148	Madagascar
32	32	Mauritius	91	84	Turkey	150	157	Equatorial Guinea
33	33	Antigua and Barbuda	92	94	FYR Macedonia	151	154	Togo
34	37	Armenia	93	108	China	152	147	Cameroon
35	47	France	94	102	Ghana	153	145	Zimbabwe
36	34	Slovakia	95	91	Bosnia and Herzegovina	154	161	Sudan
37	112	Georgia	96	97	Russia	155	166	Mali
38	35	Saudi Arabia	97	96	Ethiopia	156	155	Angola
39	38	Spain	98	101	Yemen	157	149	Guinea
40	45	Portugal	99	100	Azerbaijan	158	158	Rwanda
41	36	Samoa	100	90	Nepal	159	164	Lao PDR
42	39	Namibia	101	93	Argentina	160	170	Niger
43	62	Mexico	102	92	Zambia	161	153	Djibouti
44	42	St. Vincent and the Grenadines	103	88	Moldova	162	159	Afghanistan
45	41	Mongolia	104	98	Vietnam	163	171	Burkina Faso
46	40	Kuwait	105	99	Costa Rica	164	144	Venezuela
47	43	Taiwan, China	106	105	Micronesia	165	165	Egypt
48	44	Botswana	107	103	Uganda	166	160	Burundi
49	71	Romania	108	109	Nigeria	167	162	Central African Republic
50	48	Jamaica	109	111	Greece	168	163	Sierra Leone
51	46	Tonga	110	106	Malawi	169	167	São Tomé and Príncipe
52	50	Czech Republic	111	107	Honduras	170	168	Eritrea
53	49	Maldives	112	110	Paraguay	171	169	Congo, Rep.
54	59	Bulgaria	113	118	Gambia	172	172	Chad
55	52	Oman	114	116	Lesotho	173	173	Guinea-Bissau
56	51	Belize	115	117	Morocco	174	174	Timor-Leste
57	53	Papua New Guinea	116	123	Algeria	175	175	Congo, Dem. Rep.
58	54	Vanuatu	117	114	Dominican Republic			
59	55	Trinidad and Tobago	118	128	Guatemala			

Note: The rankings for all economies are benchmarked to April 2006 and reported in the Country tables. Rankings on the ease of doing business are the average of the country rankings on the 10 topics covered in *Doing Business 2007*. Last year's rankings are presented in *italics*. These are adjusted for changes in the methodology, data corrections and the addition of 20 new economies. See the Data notes for details.
Source: *Doing Business* database.