

**What are the ranking trends?**

- South Asian economies have an average ranking on the ease of doing business of 128.
- **Bhutan** claims the region's highest spot in the ease of doing business ranking, at 71 of 189 economies, followed by **Nepal** (99) and **Sri Lanka** (107).
- The economies with the region's lowest rankings are **Afghanistan** (177) and **Bangladesh** (174).
- Among South Asian economies, **India** made the biggest improvement in business regulation, increasing its distance to frontier score by 2 points and moving up in the ease of doing business ranking from 134 to 130. India ranks in the top 10 in Protecting Minority Investors (8), as its law grants minority shareholders strong protection from conflicts of interest and provides extensive rights for shareholders in major corporate governance.
- On average, the region's economies rank best in the areas of Protecting Minority Investors and Starting a Business. Except for **Maldives**, no South Asian economy has a minimum capital requirement for starting a business.
- **Pakistan**, with a global ranking of 138, is among the best performers in South Asia in Resolving Insolvency and Protecting Minority Investors. In Dealing with Construction Permits, it also has the highest score in the region on the building quality control index, which measures good practices in construction regulation and safety mechanisms. Challenges remain, however, in areas like Paying Taxes or Getting Electricity. For instance, it takes 178 days to get a new electricity connection in Pakistan compared to a global average of 97 days.
- The areas with room for improvement are Enforcing Contracts (where the region's average ranking is 143) and Registering Property (136). In South Asia, resolving a commercial dispute through the courts takes 1,077 days on average—almost twice the global average of 630 days.

**What are the reform trends?**

- Six of 8 economies in South Asia implemented at least one reform making it easier to do business in the past year, 9 reforms in total—outdoing the region's annual average of 8 reforms over the past 5 years. And with 75 percent of economies reforming, South Asia had the second largest regional share after Europe and Central Asia.
- Starting a Business, Paying Taxes, and Getting Electricity were the areas with the most reforms, with two each. No reforms were recorded in the areas of Trading across Borders, Protecting Minority Investors, Enforcing Contracts, or Resolving Insolvency, however.
- In the past 5 years **Sri Lanka** implemented the most reforms in the region, with 12, followed by **India** with 7.
- **Bhutan, India, and Sri Lanka** each implemented 2 regulatory reforms benefiting local entrepreneurs in the past year; **Afghanistan, Bangladesh, and Maldives** each implemented 1. Some details of the reforms:
  - **Bhutan** made getting electricity easier by speeding up the process for obtaining a new connection. And it made transferring property easier by introducing a computerized land information system.
  - **Sri Lanka** made starting a business easier by eliminating the requirement to notify the Registrar of Companies of the payment of stamp duty for the initial issuance of shares. In addition, Sri Lanka made dealing with construction permits less time-consuming by streamlining the internal review process for building permit applications.
  - **India** made starting a business easier by eliminating the minimum capital requirement and the need to obtain a certificate to commence business operations. The utility in Delhi made the process for getting an electricity connection simpler and faster by eliminating the internal writing inspection by the Electrical Inspectorate. And the utility in Mumbai reduced the procedures and time required to connect to electricity by improving internal work processes.

**Rankings Data for South Asia**

Economy	Rank (1–189)		Distance to frontier score (0–100)		Reforms	
	DB2015	DB2016	DB2015	DB2016	DB2015	DB2016
Afghanistan	175	177	40.65	40.58	0	1
Bangladesh	172	174	42.71	43.10	1	1
Bhutan	70	71	64.90	65.21	0	2
India	134	130	52.67	54.68	3	2
Maldives	125	128	55.05	55.04	0	1
Nepal	94	99	60.30	60.41	1	0
Pakistan	136	138	51.62	51.69	1	0
Sri Lanka	113	107	57.50	58.96	0	2

Source: *Doing Business* database.

Note: The rankings are based on the average of each economy's distance to frontier scores for the 10 topics included in this year's aggregate ranking. This measure shows how close each economy is to global best practices in business regulation. A higher score indicates a more efficient business environment and stronger legal institutions. The scores for both *Doing Business 2015* and *Doing Business 2016* are based on the new methodology.