

# Doing Business az Európai Unió tagállamaiban 2017: Bulgária, Magyarország és Románia

*A Hazai Vállalatok  
Üzleti Szabályozásának  
Összehasonlítása Bulgária,  
Magyarország és Románia  
22 Városában További 187  
Gazdasággal*



# Doing Business in the European Union 2017: Bulgaria, Hungary and Romania

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Subnational Doing Business



Székesfehérvár, 27 June 2017



- I. **About Subnational Doing Business**
- II. *Doing Business in the European Union 2017:  
Bulgaria, Hungary and Romania*–Main Findings
- III. Findings and Recommendations by Regulatory  
Area

# About Subnational *Doing Business*

Generates micro-level data on business regulations globally comparable.

**Diagnostic Tool**

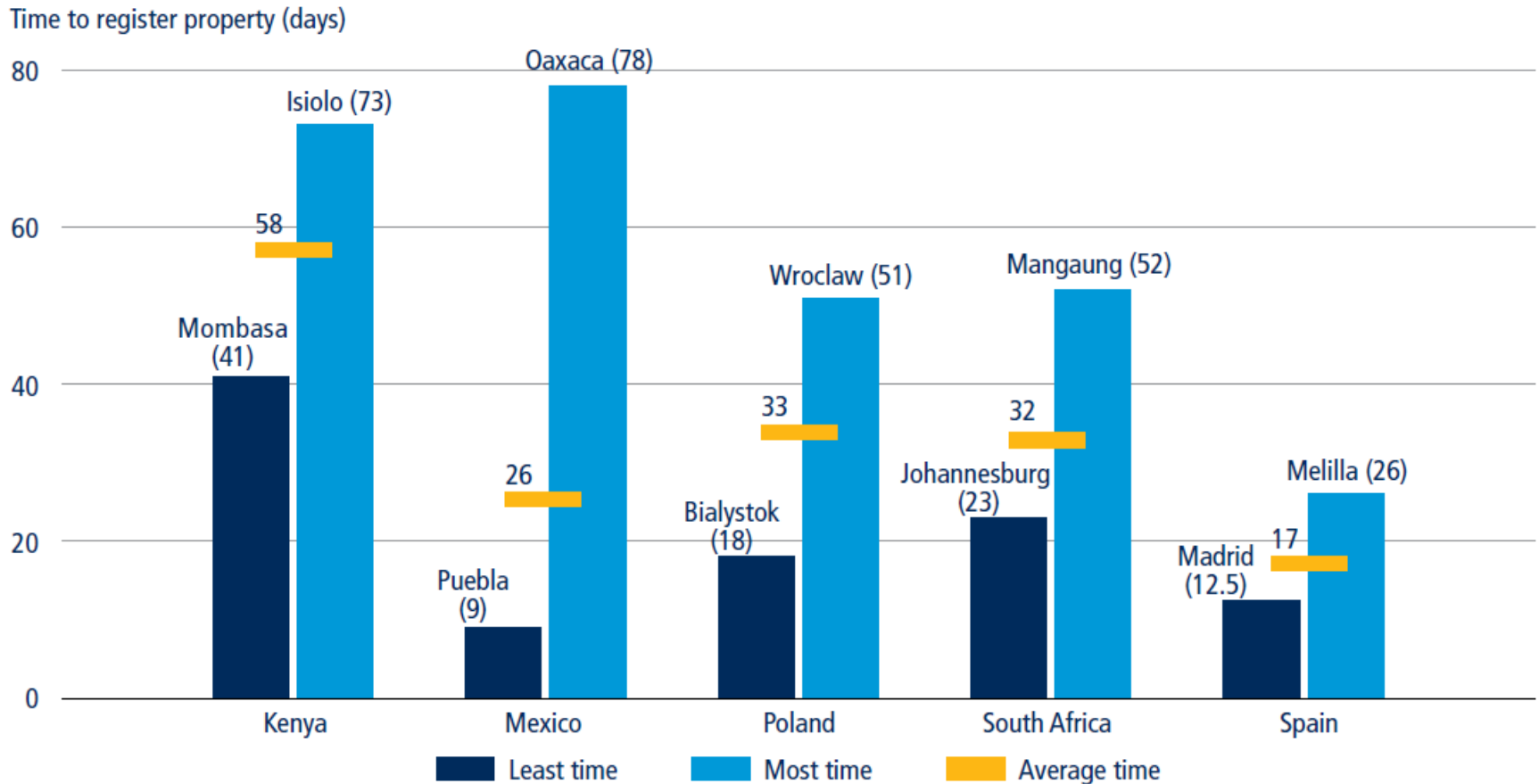
**Reform Instrument**

Identifies bottlenecks, highlights opportunities for improvement and presents good practices.

**Monitoring Device**

Creates baseline that can be used to measure progress over time.

# Different locations, different regulatory processes, same country



# Significant potential for improvement by emulation of good practices found across Italy



**The three cities share the same building law and the administrative structure and face similar problems: replicating the best practices at subnational level is an easy win for reform-minded policy makers.**

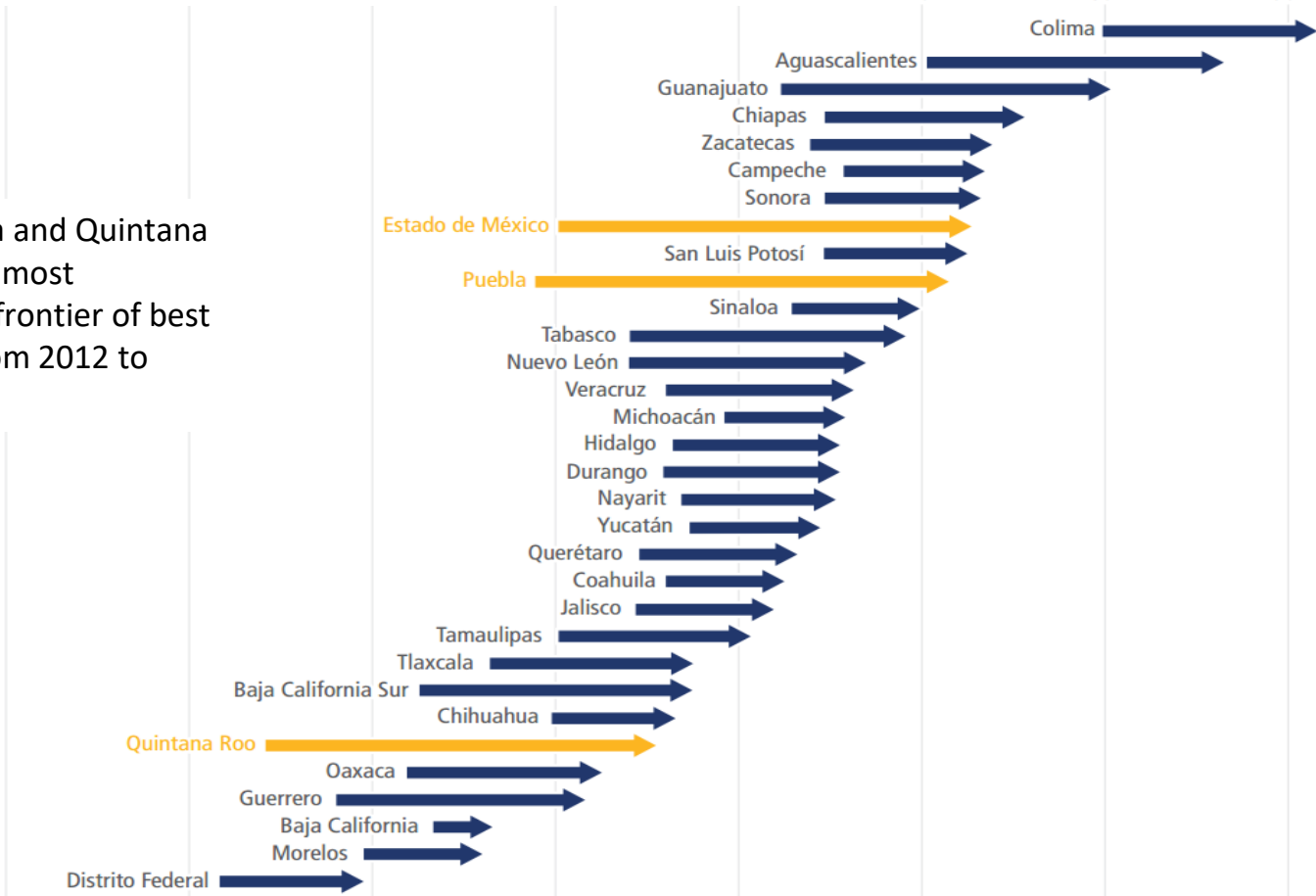
# Subnational *Doing Business* measures progress over time

Distance to the Mexican frontier, average of four measured areas (score)

DB 2012 → DB 2014

70 80 90

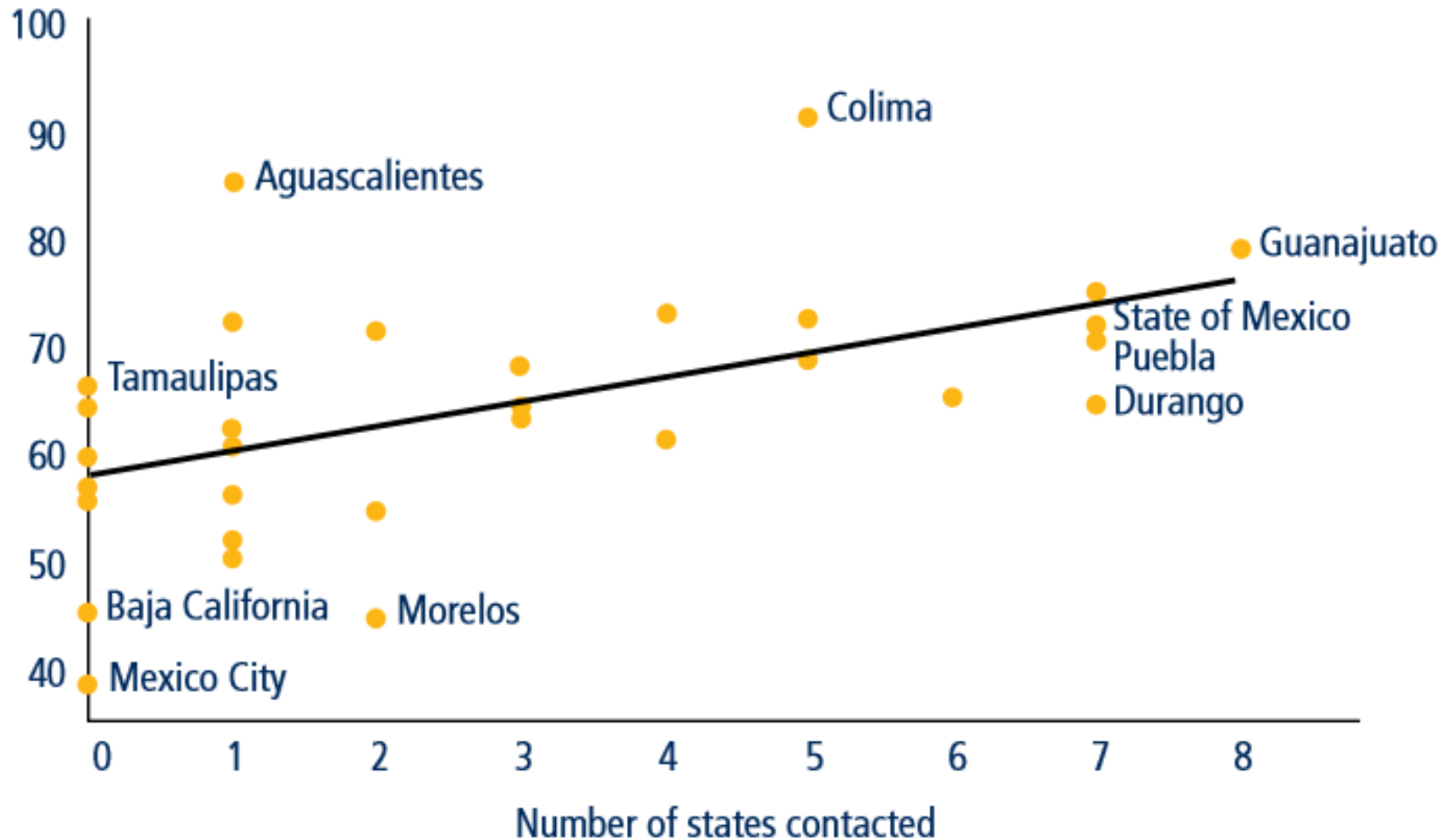
State of Mexico, Puebla and Quintana Roo are the states that most advanced towards the frontier of best regulatory practices from 2012 to 2014



# Leveraging domestic best practices through knowledge exchange

*An example from Mexico*

Average distance to frontier score for the four areas measured (0–100)





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# Which cities and indicators are measured in Hungary?

✓ 7 cities

✓ 5 Doing Business indicators

- Starting a business
- Dealing with construction permits
- Getting Electricity
- Registering Property
- Enforcing Contracts



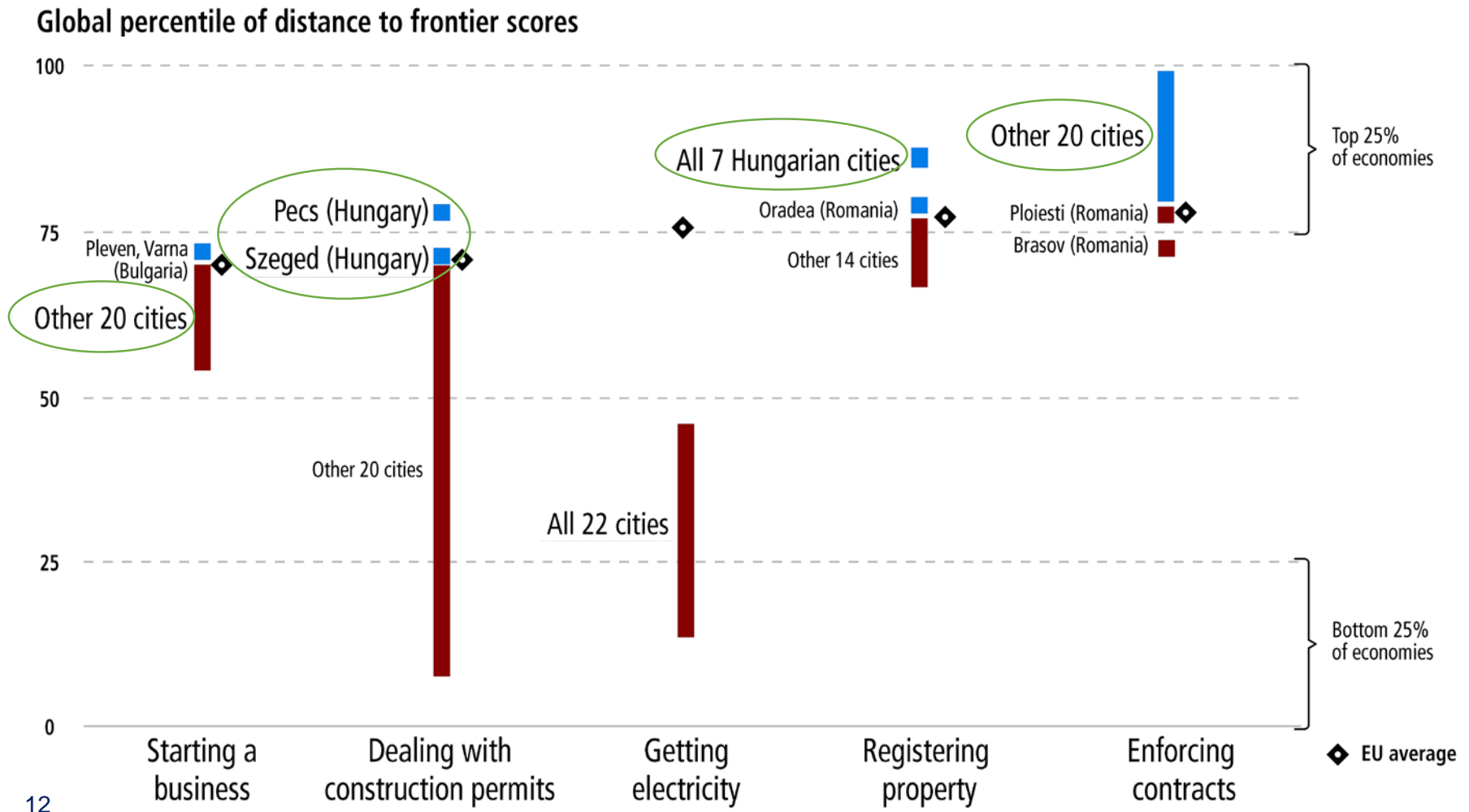
**PLUS 15 more cities in 2 additional EU member states: Bulgaria and Romania.**

# Compared to Romania and Bulgaria, Hungarian cities stand out in 4 out of 5 areas measured

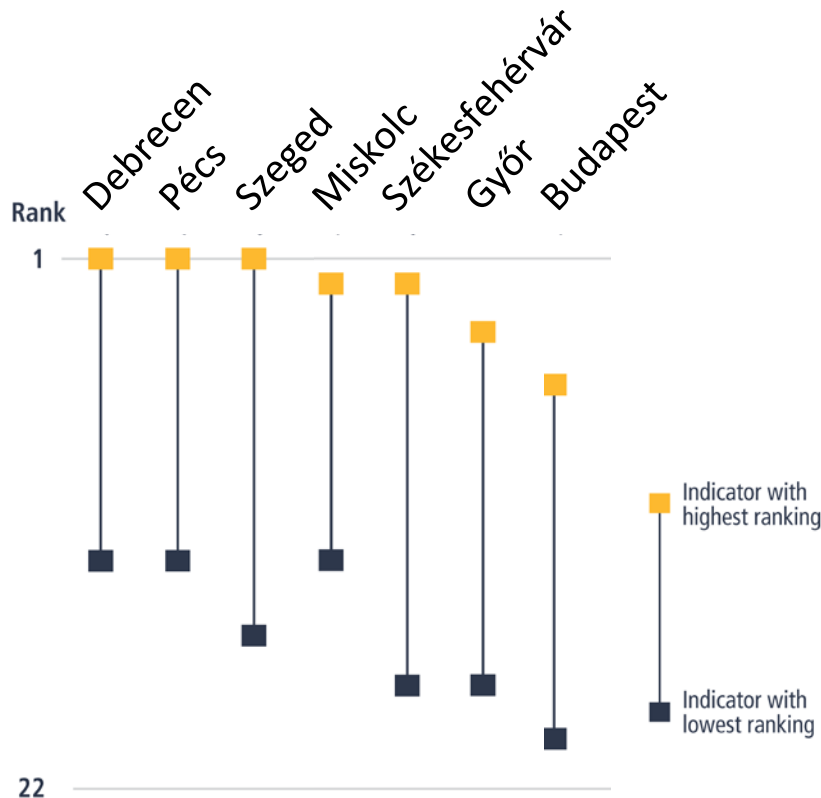
	City	Starting a business	Dealing with construction permits	Getting electricity	Registering property	Enforcing contracts
Bulgaria	Burgas	3	11	3	18	15
	Pleven	2	8	13	19	12
	Plovdiv	3	12	5	21	17
	Ruse	11	9	12	17	7
	Sofia	21	6	14	22	20
	Varna	1	10	10	20	9
Hungary	<b>Budapest</b>	<b>20</b>	<b>13</b>	<b>7</b>	<b>6</b>	<b>11</b>
	<b>Debrecen</b>	<b>13</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>1</b>
	<b>Győr</b>	<b>18</b>	<b>5</b>	<b>7</b>	<b>4</b>	<b>10</b>
	<b>Miskolc</b>	<b>13</b>	<b>4</b>	<b>9</b>	<b>2</b>	<b>2</b>
	<b>Pécs</b>	<b>13</b>	<b>1</b>	<b>4</b>	<b>7</b>	<b>4</b>
	<b>Szeged</b>	<b>16</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>6</b>
	<b>Székesfehérvár</b>	<b>18</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>3</b>
Romania	Braşov	9	17	19	9	22
	Bucharest	5	15	15	9	18
	Cluj-Napoca	9	20	18	16	14
	Constanţa	17	21	20	9	8
	Craiova	22	14	16	9	13
	Iaşi	12	18	11	9	16
	Oradea	5	16	17	8	19
	Ploieşti	5	19	21	15	21
	Timişoara	5	22	22	9	5

# All Hungarian cities outperform the EU average in property registration and contract enforcement

Pécs and Szeged also outperform the average EU in construction permitting

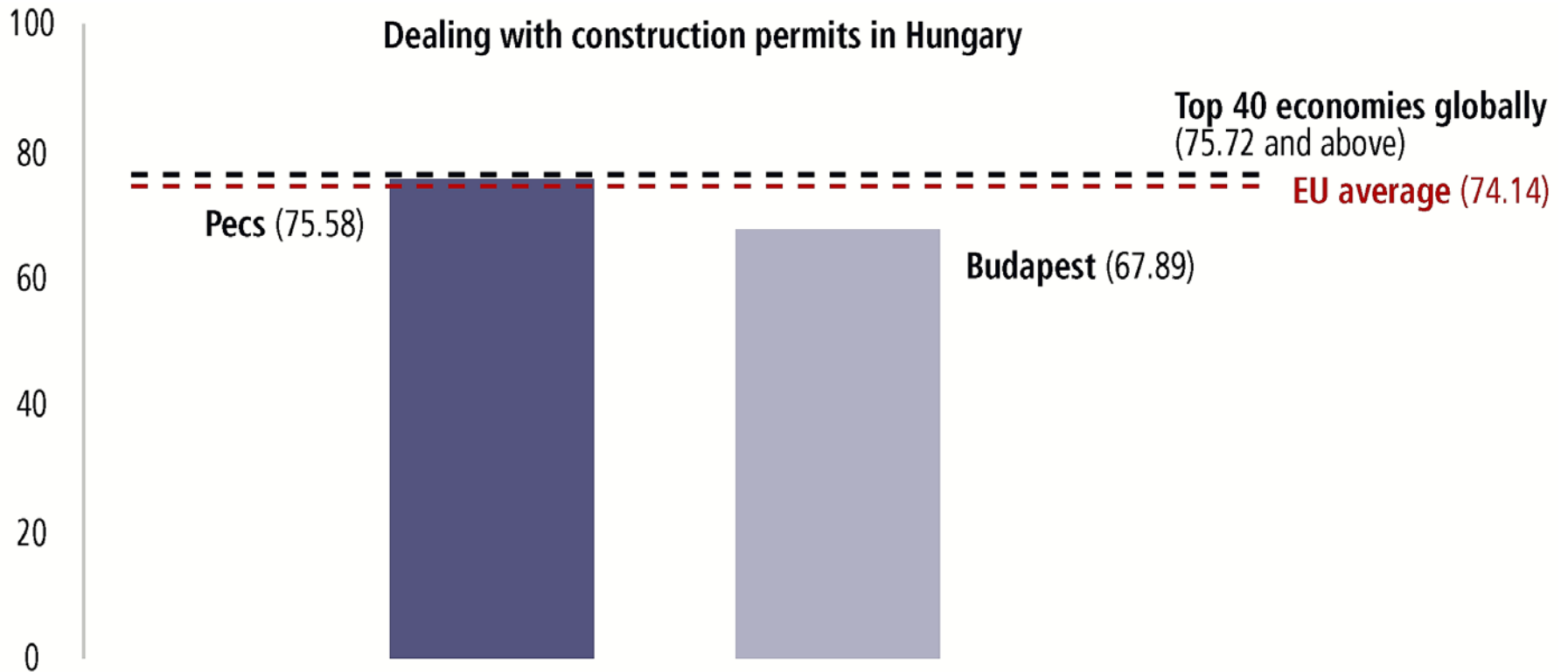


# Cities' uneven performance across the different areas measured reveals opportunities for reform and exchange of good practices



- ✓ **Debrecen** leads in registering property and enforcing contracts but lags behind most other Hungarian cities in construction permits
- ✓ **Pécs** tops construction permits, but ranks last among Hungarian cities in registering property
- ✓ **Szeged** ranks first in getting electricity but could improve in starting a business

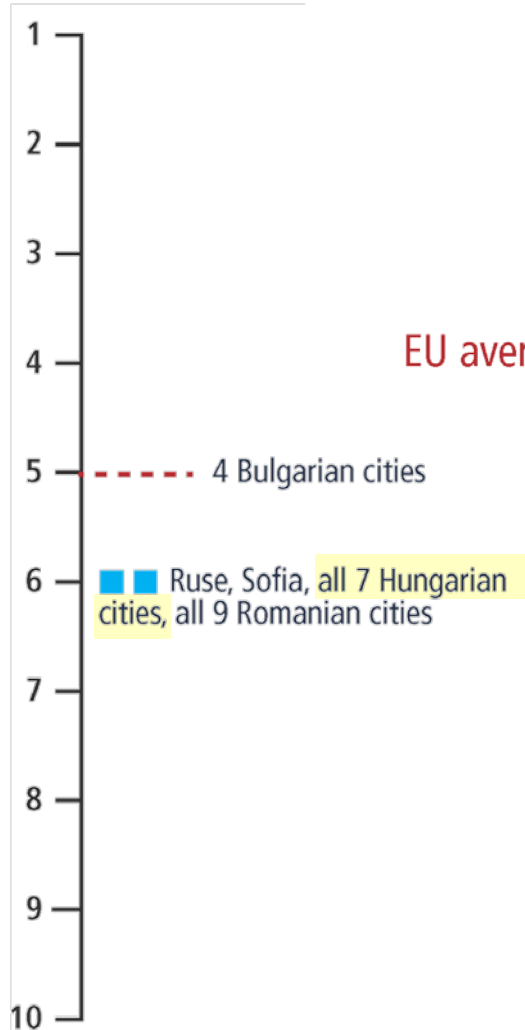
# Big differences among Hungarian cities on construction permitting



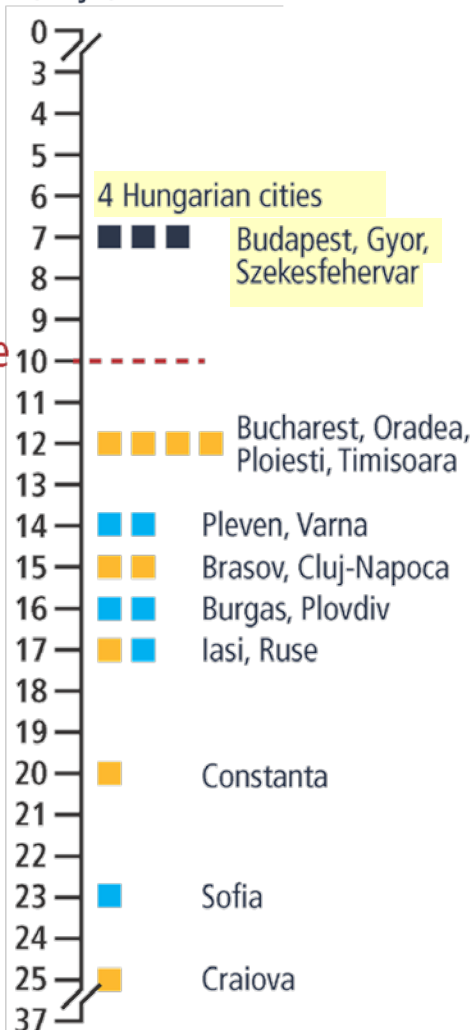
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# Starting a business in Hungarian cities is fast, but expensive

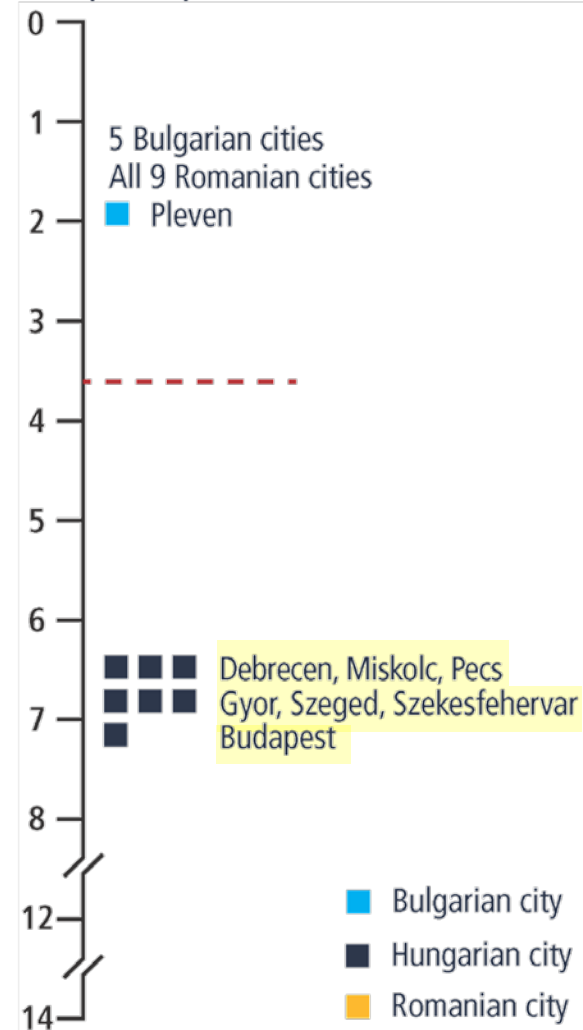
**Procedures**  
(number)



**Time**  
(days)



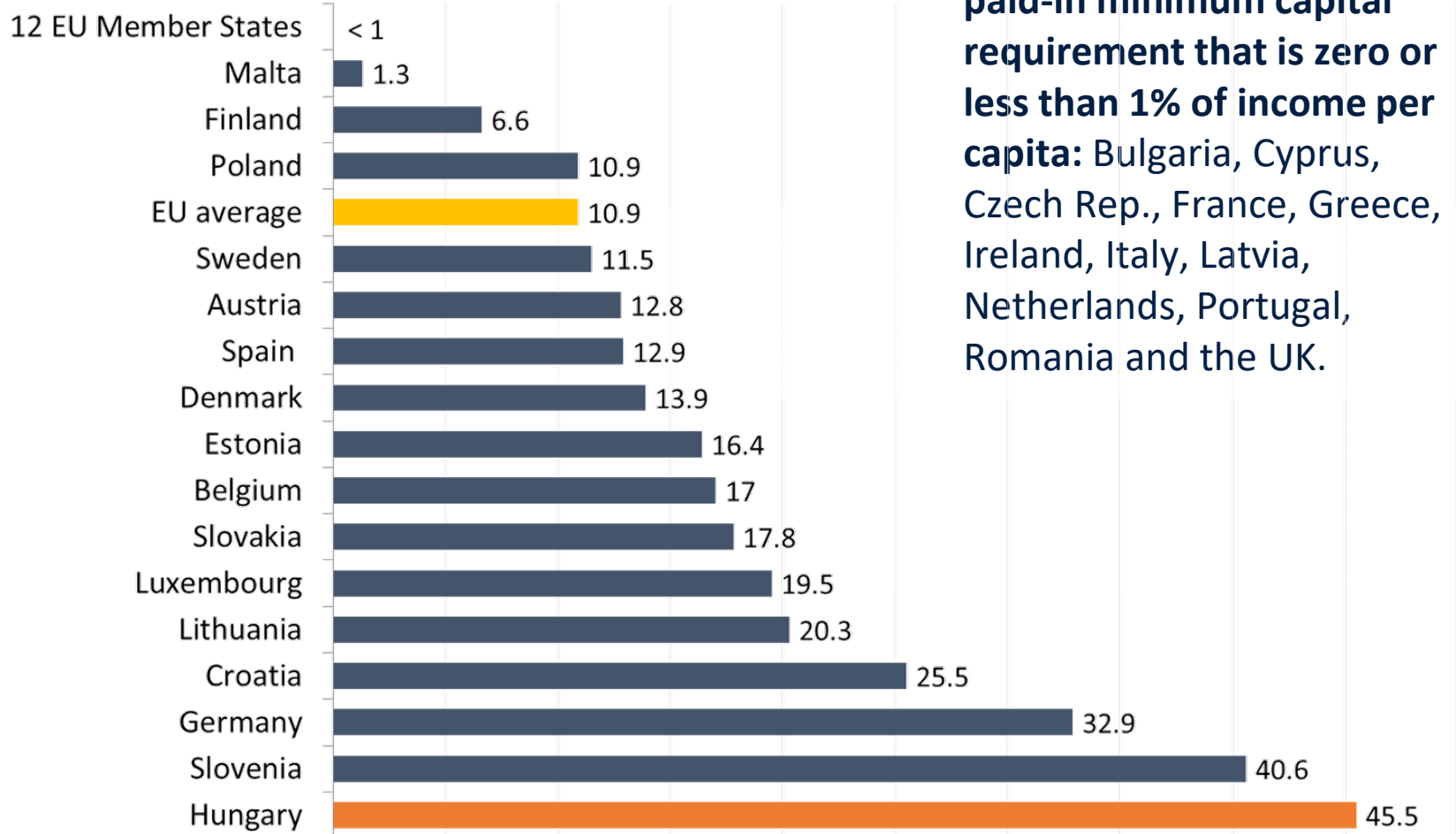
**Cost**  
(% of income per capita)





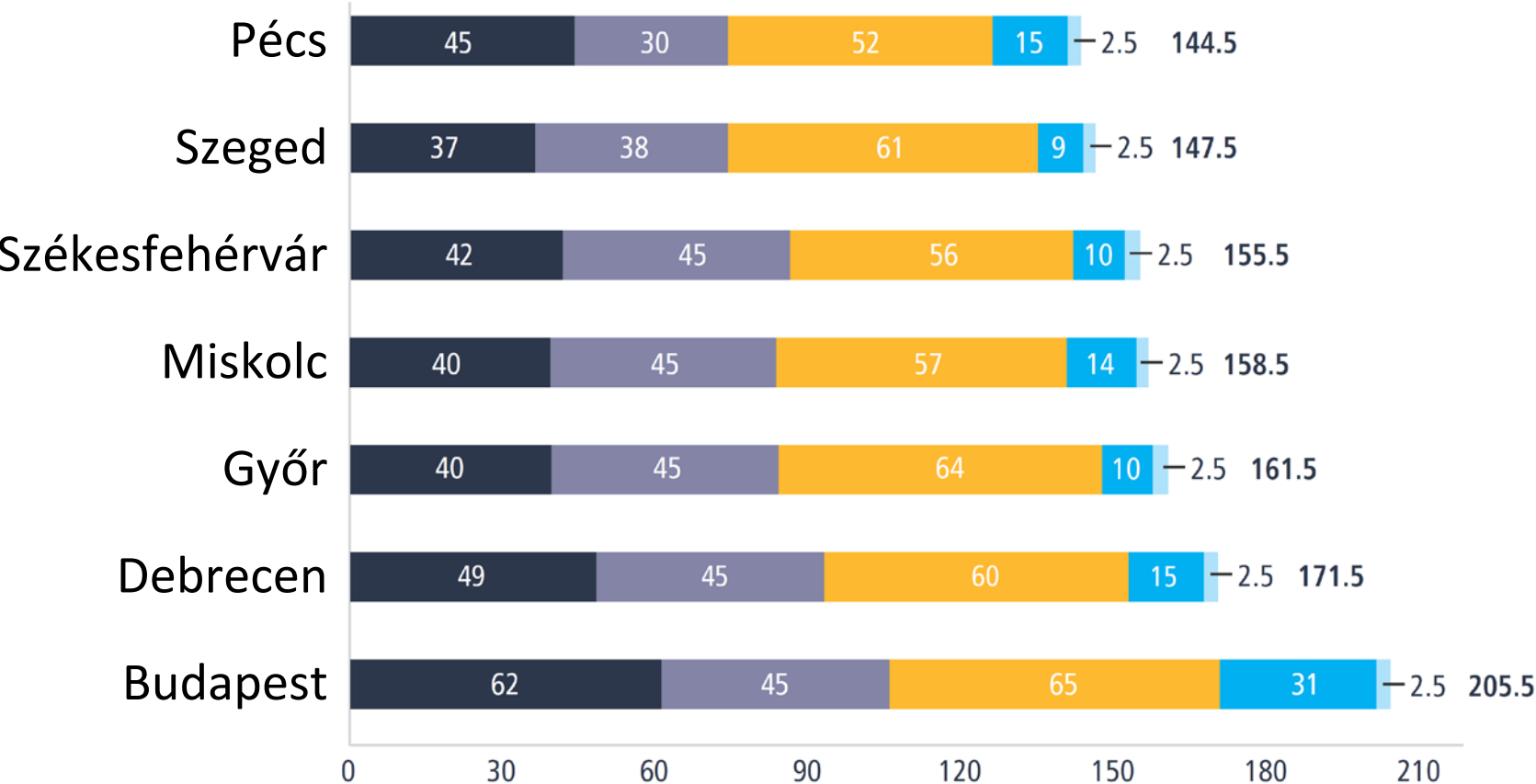
# Hungary has the highest paid-in minimum capital requirement in the EU

**Paid-in minimum capital** (% of income per capita)



**12 EU member states have a paid-in minimum capital requirement that is zero or less than 1% of income per capita:** Bulgaria, Cyprus, Czech Rep., France, Greece, Ireland, Italy, Latvia, Netherlands, Portugal, Romania and the UK.

# The construction permitting process can be completed two months faster in Pécs than in Budapest



Time to deal with construction permits (days)

- Obtain all documents and approvals required for building permit
- Obtain building permit
- Undergo final approvals and register building
- Connect to water and sewerage
- Other

# The post-construction process is burdensome in Hungary

## Hungary

### After construction

- Obtain water and sewerage connection
- Close e-construction log
- Obtain approval on the cleanliness of water
- Submit new geodetic map to land registry
- Receive final inspection from Fire Protection Unit
- Receive final inspection from Public Health Unit
- Receive final inspection from Mayor's Office
- Obtain occupancy permit and update site ownership certificate

## Estonia

### After construction

- Apply for permit of use and request final inspection from Municipality
- Receive final inspection from Municipality and obtain permit of use
- Obtain connection to water and sewerage

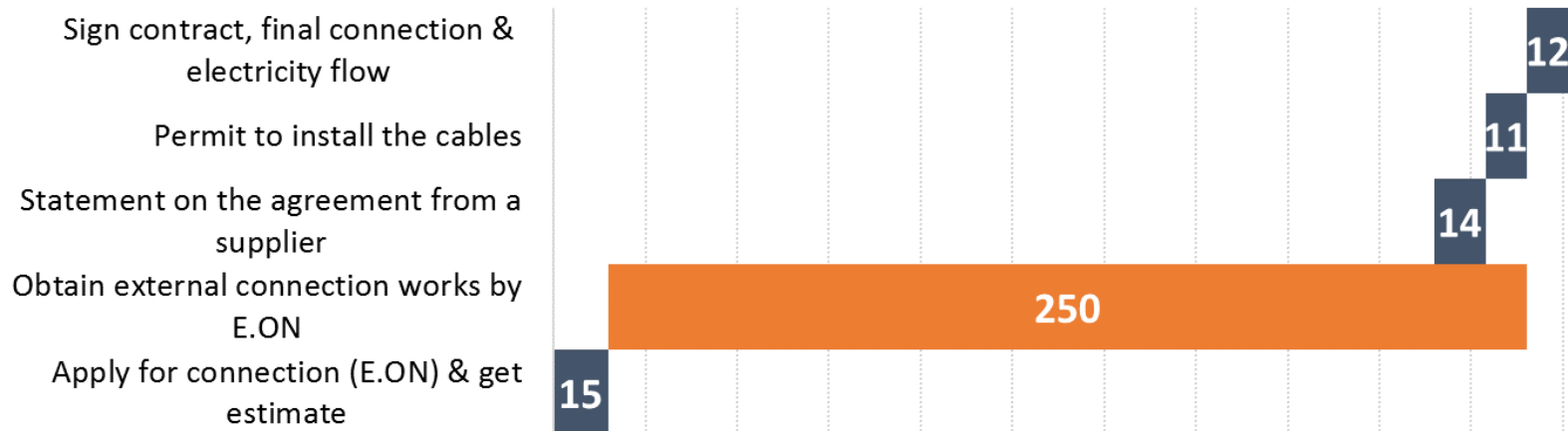
● Local authority

● National authority

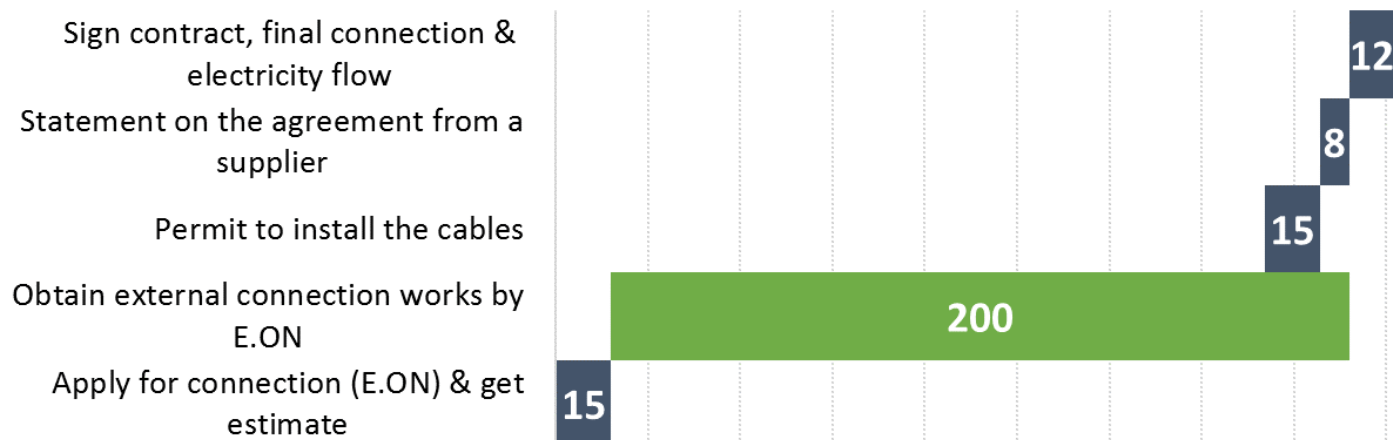
○ Private party

# Connection works are 7 weeks faster in Székesfehérvár than in Győr—however, time is still one of the longest compared globally

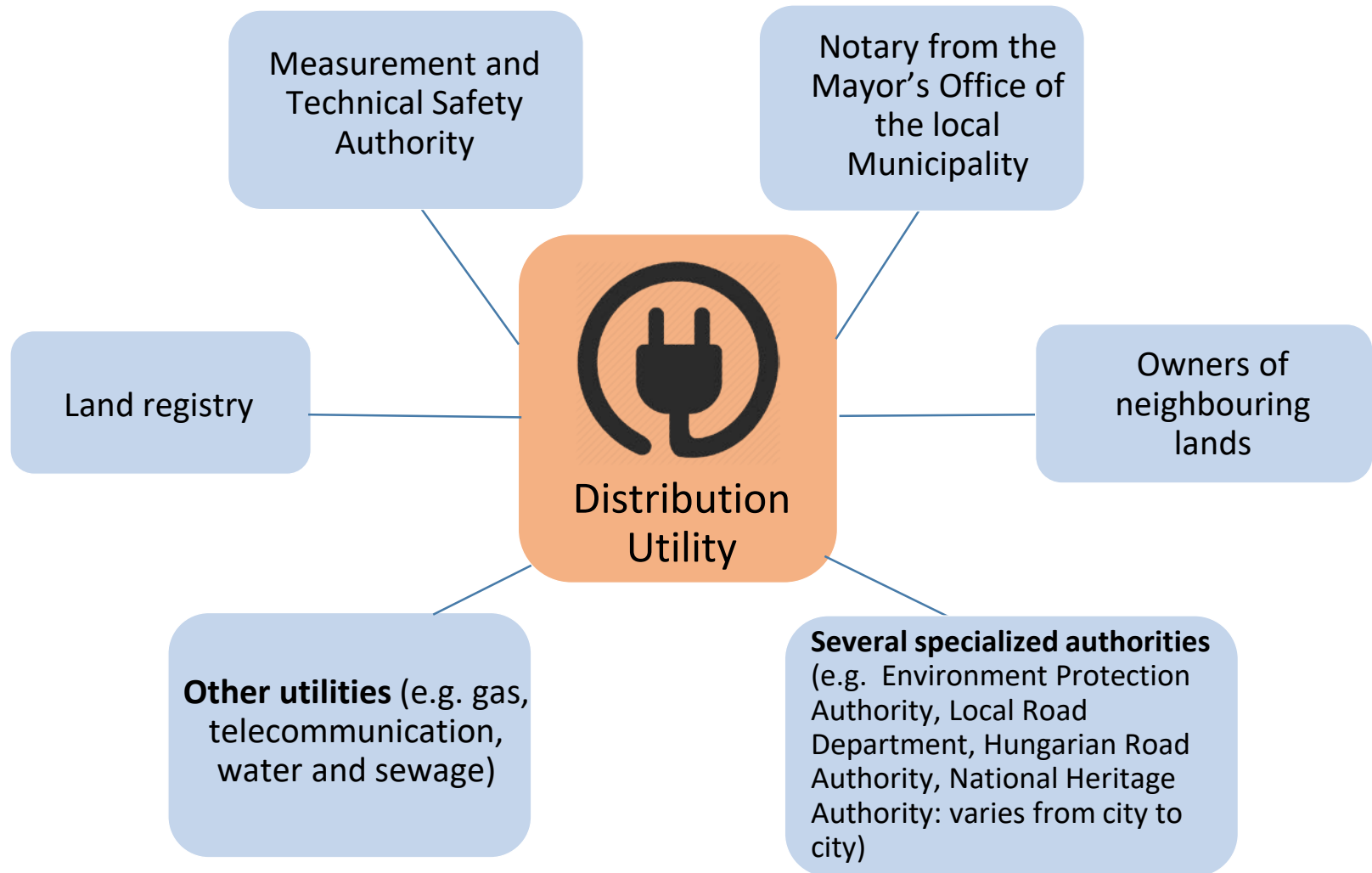
## Győr



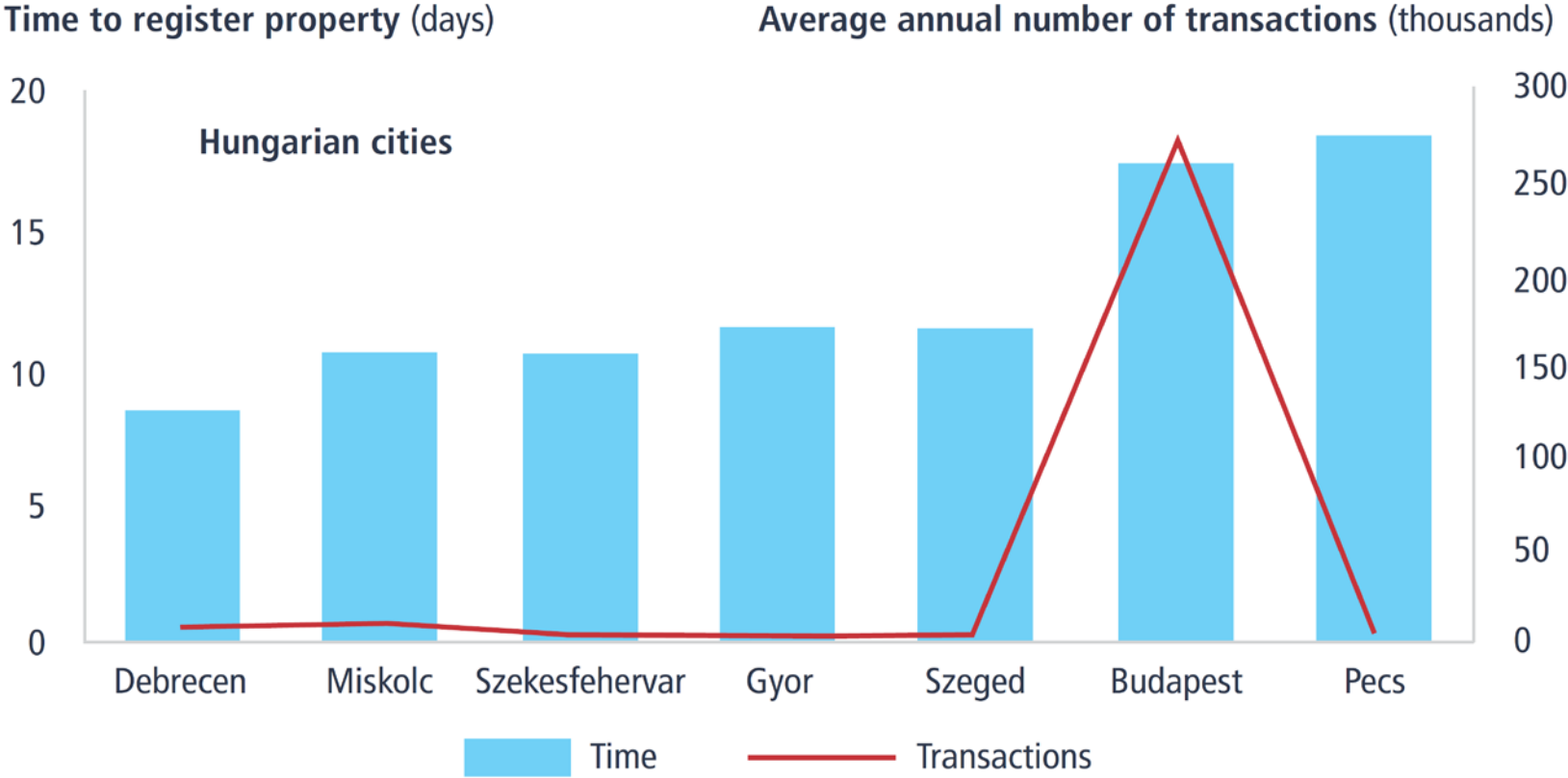
## Székesfehérvár



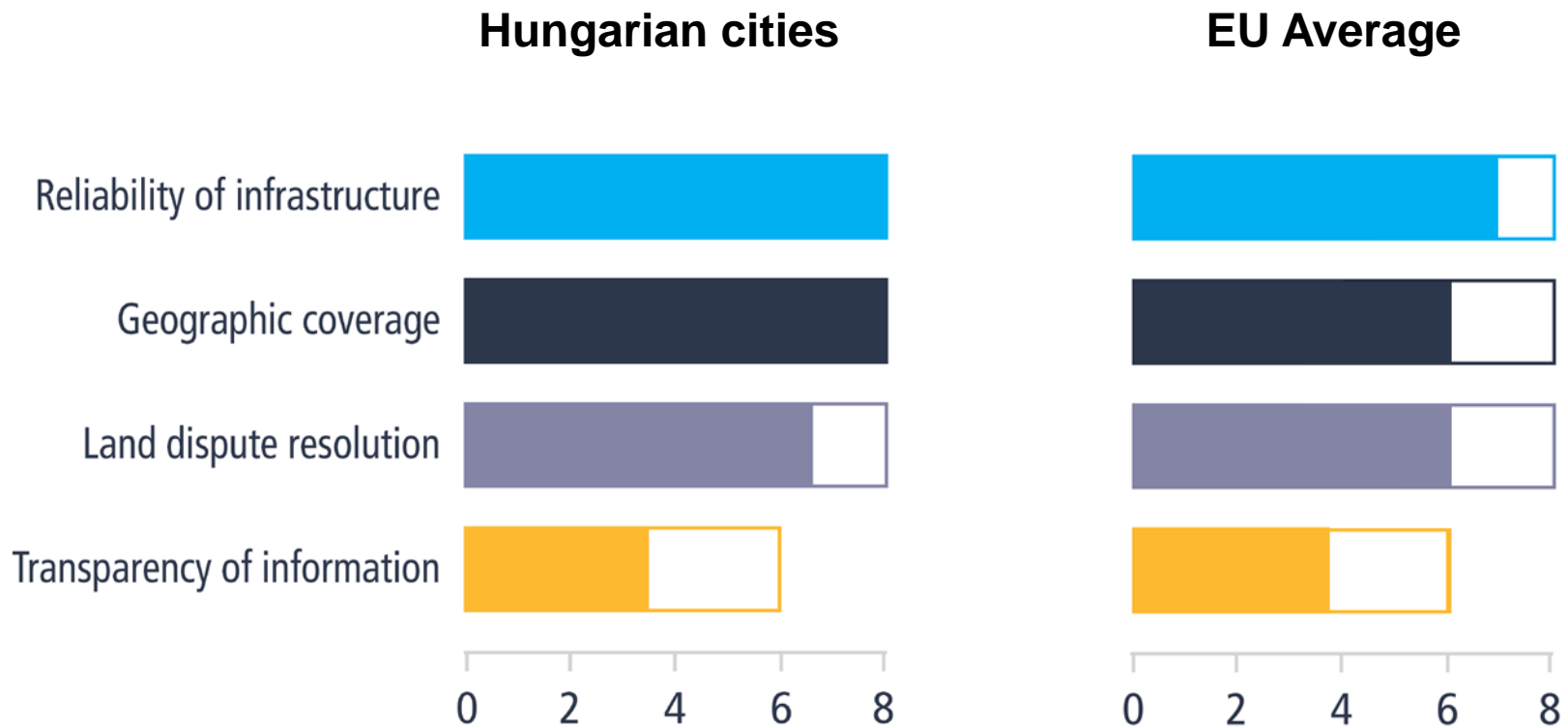
# Streamlining the approvals processes for electrical connections can reduce time



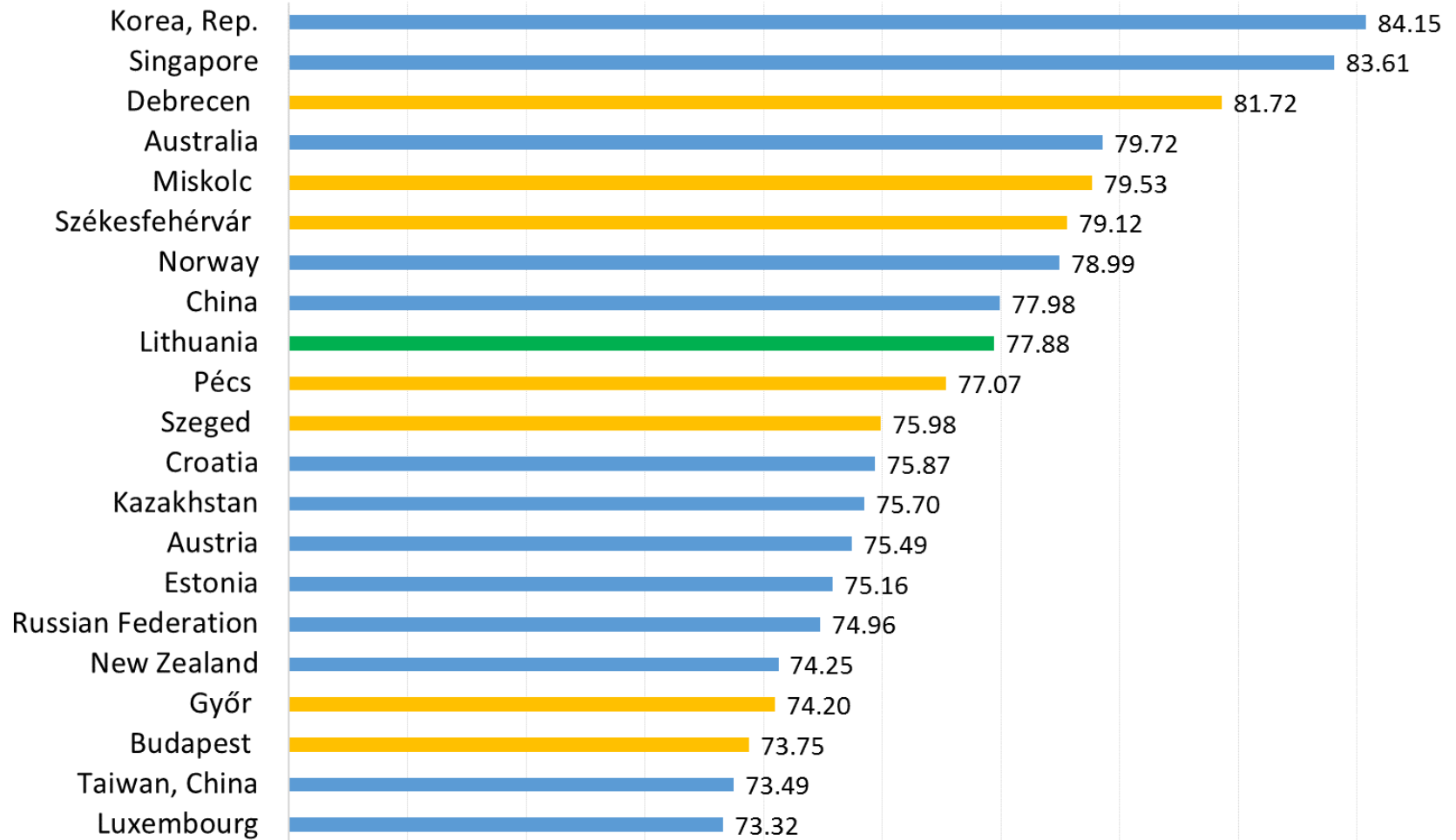
# The Budapest Land Registry processes more sale transactions than all six other Hungarian cities combined—at a faster rate than Pécs



# High quality of land administration set Hungarian cities apart— but there is room for improvement on transparency of information

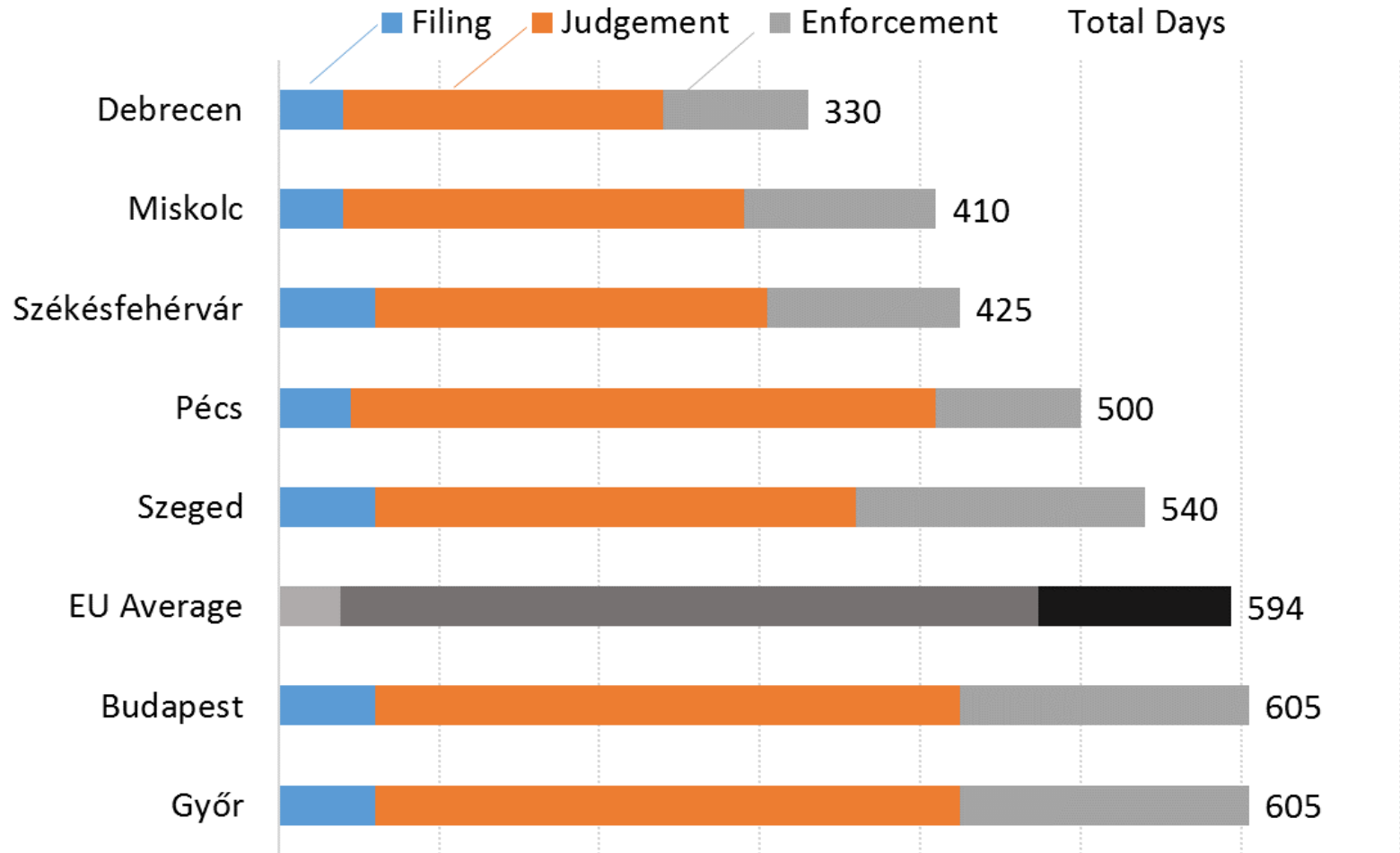


# Hungarian cities are among the 15 top countries globally in the ease of commercial dispute resolution

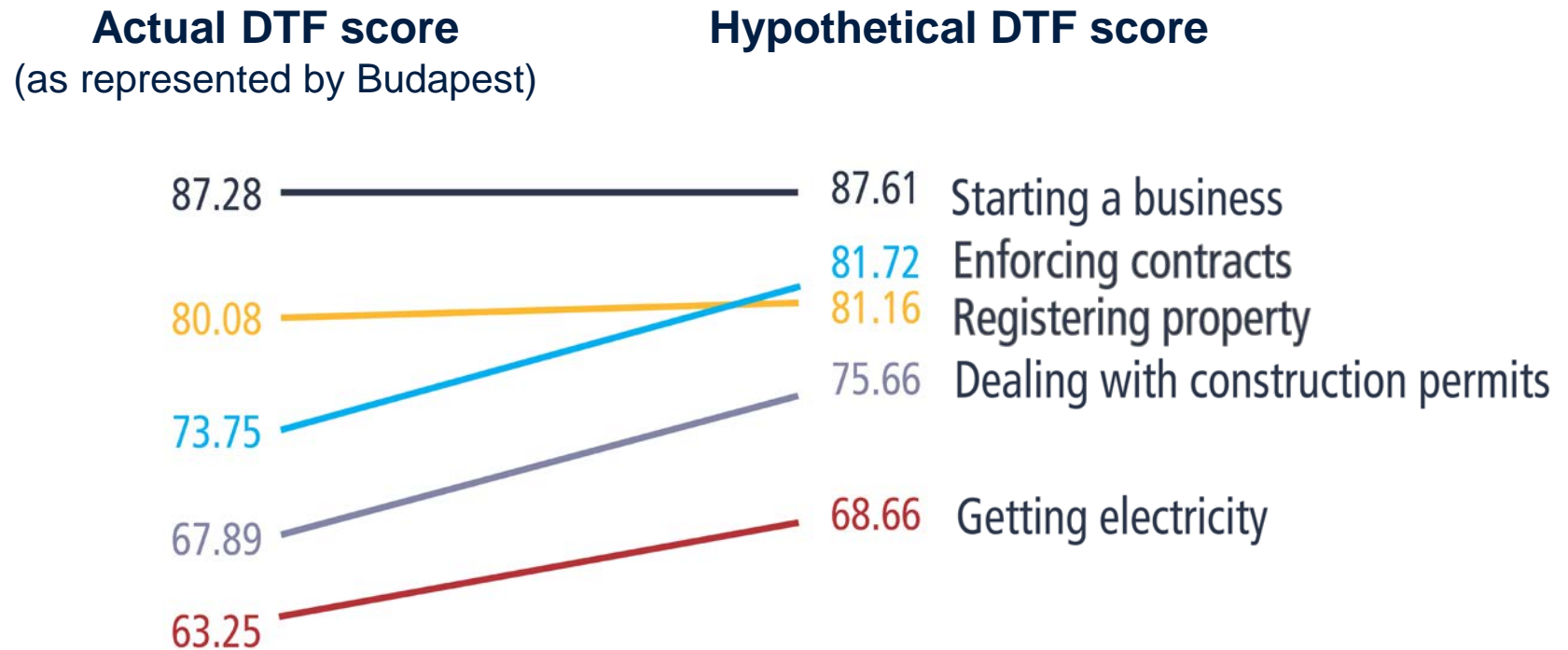




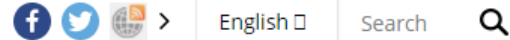
# Low costs, fast trials make Hungarian courts efficient



# If all local good practices were adopted, the global performance of Hungary would improve



# Köszönöm!



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*Doing Business in Kazakhstan 2017* is the first report of