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Improvements in Business Regulatory Climate Continue in Many Latin American Economies

Washington, D.C., October 29, 2014—A new World Bank Group report finds that local entrepreneurs in Latin America saw an improvement in the business environment in the past year as the pace of reforms to improve business regulations remained strong. Half the economies in the region implemented at least one such reform in 2013/14, the report finds.

Released today, *Doing Business 2015: Going Beyond Efficiency* shows that economies in Latin America and the Caribbean[1] took steps to remove obstacles to business activity and strengthen legal institutions. For example, Costa Rica and Guatemala both adopted an electronic system for filing and paying corporate taxes, saving companies more than 60 hours a year in the time spent on tax compliance. Uruguay passed a law aimed at speeding up the resolution of commercial disputes and implemented a risk-based inspection system that reduced customs clearance time.

The report finds that Colombia is the economy in the region where it is easiest to do business. In addition, Colombia has implemented the largest number of regulatory reforms in the region since 2005, with 29 in total. For example, in 2013/14, Colombia facilitated access to credit through a new law improving its secured transactions system.

Joining Colombia in the top five on the ease of doing business in Latin America are Peru, Mexico, Chile, and Puerto Rico (territory of the United States). These economies are now among the best performers globally in several areas measured by the report. For example, ten years ago, a Peruvian entrepreneur would have had to spend more than 33 days to register a property transfer. Now it would take her only 6.5 days, less time than in the United States (15 days) or Austria (20.5 days).

"Some Latin American economies have been improving their business environment for almost a decade, reaching levels in many cases on par with global best practices," said Augusto Lopez-Claros, Director, Global Indicators Group, Development Economics, World Bank Group. *"Accelerating and expanding this process would help close the gap with global top performers and boost competitiveness."*

This year, for the first time, *Doing Business* collected data for a second city in the 11 economies with a population of more than 100 million. In Brazil, the report now analyzes business regulations in Rio de Janeiro and São Paulo; and in Mexico, in Mexico City and Monterrey. Differences between cities are common in indicators measuring the steps, time, and cost to complete regulatory transactions where local agencies play a larger role, finds the report.

The report this year also expands the data for three of the 10 topics covered, and there are plans to do so for five more topics next year. In addition, the ease of doing business ranking is now based on the distance to frontier score. 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.

[1] Excludes Chile, which is classified as an OECD high-income economy.

The report finds that Singapore tops the global ranking on the ease of doing business. Joining it on the list of the top 10 economies with the most business-friendly regulatory environments are New Zealand; Hong Kong SAR, China; Denmark; the Republic of Korea; Norway; the United States; the United Kingdom; Finland; and Australia.

About the Doing Business report series

The annual World Bank Group flagship *Doing Business* report analyzes regulations that apply to an economy's businesses during their life cycle, including start-up and operations, trading across borders, paying taxes, and resolving insolvency. The aggregate ease of doing business rankings are based on the distance to frontier scores for 10 topics and cover 189 economies. *Doing Business* does not measure all aspects of the business environment that matter to firms and investors. For example, it does not measure the quality of fiscal management, other aspects of macroeconomic stability, the level of skills in the labor force, or the resilience of financial systems. Its findings have stimulated policy debates worldwide and enabled a growing body of research on how firm-level regulation relates to economic outcomes across economies. Each year the report team works to improve the methodology and to enhance their data collection, analysis and output. The project has benefited from feedback from many stakeholders over the years. With a key goal to provide an objective basis for understanding and improving the local regulatory environment for business around the world, the project goes through rigorous reviews to ensure its quality and effectiveness. This year's report marks the 12th edition of the global *Doing Business* report series. For more information about the *Doing Business* reports, please visit doingbusiness.org and join us on doingbusiness.org/Facebook.

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The World Bank Group plays a key role in the global effort to end extreme poverty and boost shared prosperity. It consists of five institutions: the World Bank, including the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA); the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). Working together in more than 100 countries, these institutions provide financing, advice, and other solutions that enable countries to address the most urgent challenges of development. For more information, please visit www.worldbank.org, www.miga.org, and ifc.org.

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