

# FIU

## Continuing Education



April 30, 2020

Welcome to the Lunch & Learn Series  
Presented by FIU Continuing Education  
in partnership with CAMACOL

Today's Webinar: "World Bank Doing Business  
Indicators and the Importance for Business &  
Investment"  
Presented by Pedro Souss

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# Background

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**IOS Partners Inc.** was incorporated in 1999. It is an international economic development and financial advisory firm. It mostly provides consultancy services to multi- and bi-lateral donor agencies, government institutions and the private sector and promotes sound and sustained initiatives by supporting the development of human capital, critical infrastructure, regional competitiveness, trade and investment, social inclusion, health, safety, and literacy around the world.



**IOSsoft, Inc.** is affiliate company of **IOS Partners, Inc.** since 2005. Its sole focus is the provision of Information and Communication Technologies for Development (**ICT4D**) and the delivery of eGovernment solution advisory services. **IOSsoft's** core competencies include software planning, mobile and web technology development, and the implementation of social media campaigns for the public sector, often with a view to assisting countries to improve their rankings on the **World Bank's Doing Business Indicators**. **IOSsoft** focuses on comprehensive and turn-key solutions that addresses the legal, operational and administrative frameworks – and utilizes relevant information technology - to improve and enable a favorable business climate.

# Questions to be answered

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- **What are the World Bank (WB) Doing Business Indicators?**
- **What is the methodology they use?**
- **Why is it so important to understand it?**
- **Cases Studied**

# Economic Indicators

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What is an Economic indicator? It is a **statistical data about an economic activity**, which allows for the analysis of economic performance and predictions:

The most popular are:

1. Real GDP (Gross Domestic Product)
2. M2 (Money Supply)
3. Consumer Price Index (CPI)
4. Producer Price Index (PPI)
5. Consumer Confidence Survey
6. Current Employment Statistics (CES)
7. Retail Trade Sales and Food Services Sales.
8. Housing Starts (Formally Known as "New Residential Construction")
9. Manufacturing and Trade Inventories and Sale
10. S&P 500 Stock Index (the S&P 500)

# What are the World Bank Doing Business Indicators ?

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- They **are not an Economic Indicator**. They **does not keep** a pulse on the economy and they are not vital economic indicator.
- **Does not** directly measure general conditions such as a quality of infrastructure, inflation, crime or unemployment
- They measure how easy is for an inventors to do business in a country.
- The correct name is World Bank Ease Doing Business Indicators.
- They born from the need to have a quantified which country has a **better business environment**.
- They are a comprehensive **quantitative method** used to analyze data. That provide the basis for understanding regulatory environment in a specific country and its direct effect on the economy.
- Every year WB aims to measure costs to doing business in **190** countries.
- The Indicators measure the time, governments requirements and cost to do business in a specific country.
- The Doing Business Report (DB) study is elaborated by the World Bank and International Finance Corp (IFC).
- Every year WB visits the **190** countries to gather data surveys of over 12,500 expert contributors among interviewers are (lawyers, accountants, regulators, exporters and importers etc.

# What the World Bank measures with these indicators?



# What are the areas measured?



Source: WB

Note: The employing workers and contracting with the government indicator sets are not included in the ease of doing business ranking.

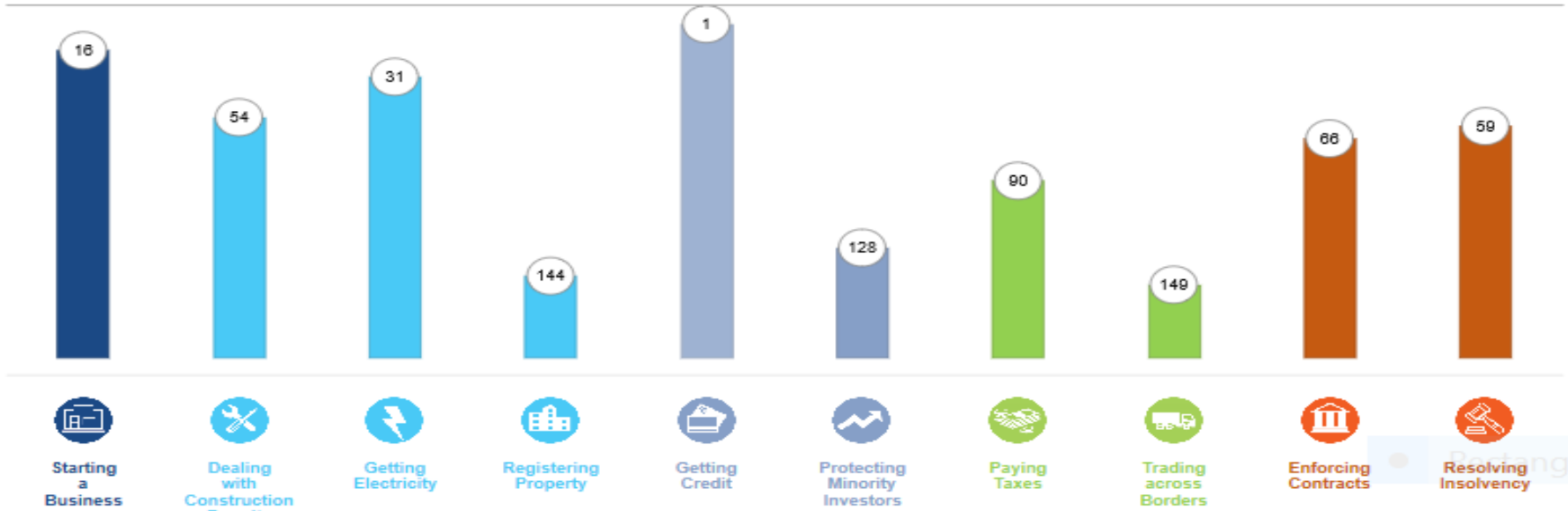
**What is the methodology that the WB uses?**



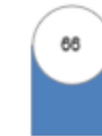
# Visualization of the Information

## Case: Kingdom Of Brunei Darussalam

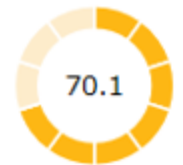
Rankings on Doing Business topics (1-190) - Brunei Darussalam



DB Rank



DB Score



Topic Scores (0-100) - Brunei Darussalam



# Description of the 11 WB Doing Business Indicators

<b>Starting a business</b>	Procedures, time, cost and paid-in minimum capital to start a limited liability company
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
<b>Getting electricity</b>	Procedures, time and cost to get connected to the electrical grid, the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' rights in related-party transactions and in corporate governance
<b>Paying taxes</b>	Payments, time and total tax rate for a firm to comply with all tax regulations as well as post-filing processes
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes
<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency

**Why are they important to understand?**

# Positive Impact of the Indicator and Rank

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- Doing Business Indicators are a major force for institutional development.
- One example is the Rwandan government. In 2018 they rolled out a series of reforms explicitly designed to improve their standing in the Doing Business data. These included reforms to cut bureaucracy in construction, delays in connecting to the electricity grid, and delays exporters experienced at customs end. This turned into incredible growth for this country.
- Importance of knowledge of world economy.
- Comparability of data over time is crucial to its value in research.

# Doing Business Indicators Can be Challenged

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- Sudden changes in economy of country are not reflected
- Potentially tainted by political motivations of country and other participants
- Does not reflect the social economic situation of the country
- Does not measure the impact of the “Grey economy”
- Some indicators are at the level of national economy and other at the regional
- Frequent Methodology Changes Do Cause Problems

# Cases Studied

# IOSsoft Case Study - Success in WB Doing Business Indicators



## Brunei Darussalam

Topics	DB 2020 Rank	DB 2020 Score	DB 2019 Score ⓘ	Change in Score (% points)
Overall	66	70.1	69.6	↑ 0.5
Starting a Business	16	94.9	94.9	..
Dealing with Construction Permits	54	73.6	73.5	↑ 0.1
Getting Electricity	31	87.7	87.7	..
Registering Property	144	50.7	51.5	↓ 0.8
Getting Credit	1	100	100	..
Protecting Minority Investors	128	40.0	40.0	..
Paying Taxes	90	74.0	74.0	..
Trading across Borders	149	58.7	58.7	..
Enforcing Contracts✓	66	62.8	60.9	↑ 1.9
Resolving Insolvency✓	59	58.2	55.1	↑ 3.1

✓ = Doing Business reform making it easier to do business. ✗ = Change making it more difficult to do business.  
[Click here to see all reforms made by Brunei Darussalam](#)

# New Zealand

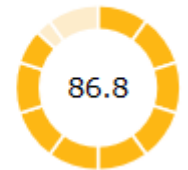
Rankings on Doing Business topics (1-190) - New Zealand



DB Rank



DB Score




Topic Scores (0-100) - New Zealand



Source: WB



# USA

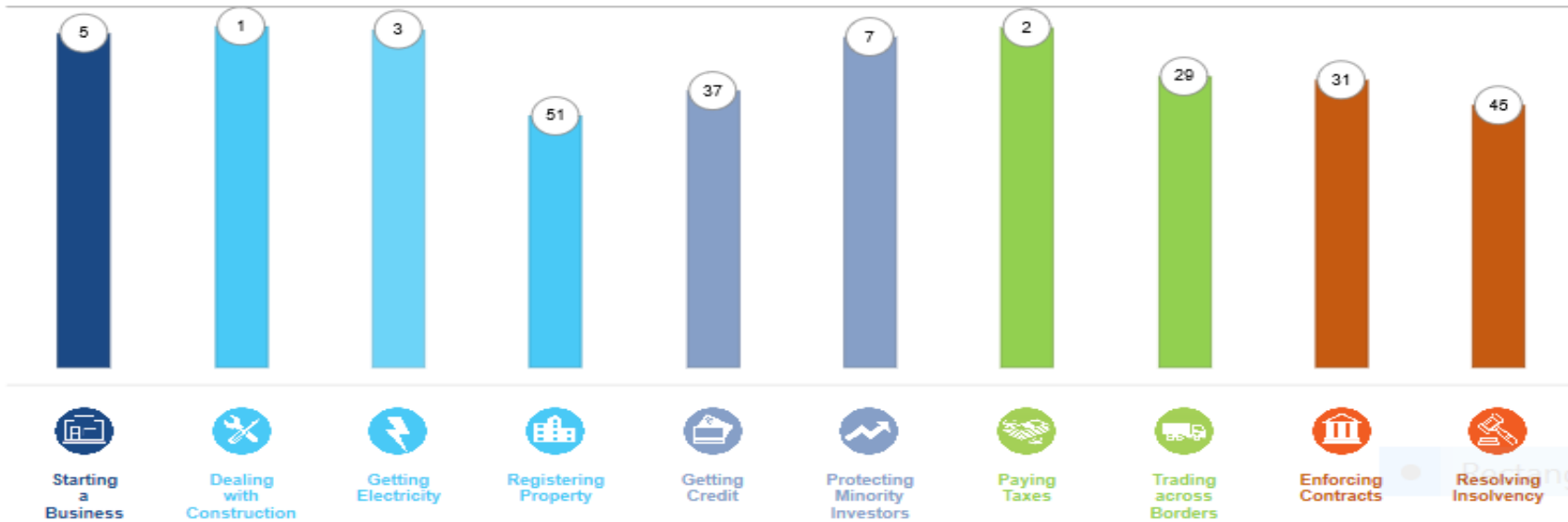
Topics	DB 2020 Rank	DB 2020 Score	DB 2019 Score 	Change in Score (% points)
Overall	6	84.0	83.6	↑ 0.4
Starting a Business ✓	55	91.6	91.2	↑ 0.4
Dealing with Construction Permits	24	80.0	79.9	↑ 0.1
Getting Electricity	64	82.2	82.1	↑ 0.1
Registering Property	39	76.9	76.9	..
Getting Credit	4	95.0	95.0	..
Protecting Minority Investors	36	71.6	71.6	..
Paying Taxes ✓	25	86.8	84.1	↑ 2.7
Trading across Borders	39	92.0	92.0	..
Enforcing Contracts ✓	17	73.4	72.0	↑ 1.4
Resolving Insolvency	2	90.5	90.9	↓ 0.4

Source: WB

✓ = Doing Business reform making it easier to do business. ✗ = Change making it more difficult to do business.  
[Click here to see all reforms made by United States](#)

# Hong Kong SAR, China

Rankings on Doing Business topics (1-190) - Hong Kong SAR, China



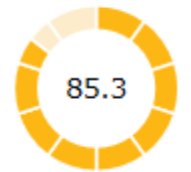
Topic Scores (0-100) - Hong Kong SAR, China



DB Rank



DB Score

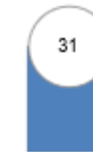


# China

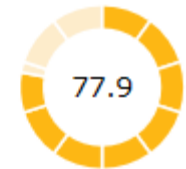
Topics	DB 2020 Rank	DB 2020 Score	DB 2019 Score <sup>ⓘ</sup>	Change in Score (% points)
Overall	31	77.9	74.0	↑ 3.9
Starting a Business✓	27	94.1	93.4	↑ 0.7
Dealing with Construction Permits✓	33	77.3	65.2	↑ 12.1
Getting Electricity✓	12	95.4	92.0	↑ 3.4
Registering Property	28	81.0	80.8	↑ 0.2
Getting Credit	80	60.0	60.0	..
Protecting Minority Investors✓	28	72.0	62.0	↑ 10
Paying Taxes✓	105	70.1	67.9	↑ 2.2
Trading across Borders✓	56	86.5	83.4	↑ 3.1
Enforcing Contracts✓	5	80.9	79.0	↑ 1.9
Resolving Insolvency✓	51	62.1	55.8	↑ 6.3

✓ = Doing Business reform making it easier to do business. ✗ = Change making it more difficult to do business.  
[Click here to see all reforms made by China](#)

DB Rank



DB Score



● Rectangular

# Doing Business 2020 found that the 10 economies that improved the most in their ease of doing business score

Economy	Ease of doing business rank	Change in ease of doing business score	Reforms making it easier to do business									
			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
Saudi Arabia	62	7.7	✓	✓	✓		✓	✓		✓	✓	✓
Jordan	75	7.6					✓		✓			✓
Togo	97	7.0	✓	✓	✓	✓	✓					
Bahrain	43	5.9		✓	✓	✓	✓	✓	✓	✓	✓	✓
Tajikistan	106	5.7	✓				✓			✓		
Pakistan	108	5.6	✓	✓	✓	✓			✓	✓		
Kuwait	83	4.7	✓	✓	✓	✓	✓	✓		✓		
China	31	4.0	✓	✓	✓			✓	✓	✓	✓	✓
India	63	3.5	✓	✓						✓		✓
Nigeria	131	3.4	✓	✓	✓	✓				✓	✓	

Source: Doing Business database.

# IOSsoft's Solutions for World Bank Doing Business Indicators



## Business Register

Business Licensing E-Registry/Notice



## Trade Across Border

Development of a Single Window Trade Portal



## Getting Credit

Secured Transaction Registry (STR)



## Dealing with Construction Permits

Construction Permit One-Stop Shop Register



THE WORLD BANK



## Paying Taxes E-Filing Portal

Case Management System for Tax Service Operations

# Questions? Thank You!!



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