Starting a Business

Submitted by: World Bank
Presentation outline:

Section 1: DB 10 key finding for APEC

Section 2: starting a business methodology & DB10 rankings

Section 3: Starting a business benefits

Section 4: APEC-Starting a business reform
Section 1:  
APEC DB10: Key Findings

✓ For the fourth year running Singapore leads the rankings

✓ Indonesia is the region’s top reformer, moving up 7 places, from 129 to 122.

✓ Starting a Business: the most popular reforms

APEC tops the World’s DB 10 ranks

<table>
<thead>
<tr>
<th>Topic</th>
<th>World’s top ranked</th>
<th>APEC top ranked</th>
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</thead>
<tbody>
<tr>
<td>Starting a business</td>
<td>New Zealand</td>
<td>New Zealand (1)</td>
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<td>Australia (3)</td>
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<td>Dealing with construction permits</td>
<td>Hong Kong, China</td>
<td>Hong Kong, China (1)</td>
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<td>Singapore (2)</td>
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<td>Employing workers</td>
<td>Singapore</td>
<td>Singapore (1)</td>
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<td>Australia</td>
<td>Australia (1)</td>
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<td>Registering property</td>
<td>Saudi Arabia</td>
<td>New Zealand (3)</td>
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<td>Thailand (6)</td>
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<td>Getting credit</td>
<td>Malaysia</td>
<td>Malaysia (1)</td>
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<td>Australia (4)</td>
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<td>Protecting investors</td>
<td>New Zealand</td>
<td>New Zealand (1)</td>
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<td>Singapore (2)</td>
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<td>Paying taxes</td>
<td>Maldives</td>
<td>Hong Kong, China (3)</td>
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<td>Singapore (5)</td>
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<td>Trading across borders</td>
<td>Singapore</td>
<td>Singapore (1)</td>
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<td>Hong Kong, China (2)</td>
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<td>Enforcing contracts</td>
<td>Luxembourg</td>
<td>Hong Kong, China (3)</td>
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<td>Korea, Rep. (5)</td>
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<tr>
<td>Closing a business</td>
<td>Japan</td>
<td>Japan (1)</td>
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<td>Singapore (2)</td>
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Top 30 on the ease of Doing Business 2010

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<td>1.</td>
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<td>2.</td>
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<td>3.</td>
<td>Hong Kong, China</td>
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<td>4.</td>
<td>United States</td>
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<td>United Kingdom</td>
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<td>Denmark</td>
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<td>Iceland</td>
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<td>25.</td>
<td>Germany</td>
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<td>26.</td>
<td>Lithuania</td>
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<td>Latvia</td>
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<td>28.</td>
<td>Austria</td>
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<td>29.</td>
<td>Israel</td>
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<tr>
<td>30.</td>
<td>Netherlands</td>
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</tbody>
</table>

Section two:
Starting a Business definition & performance

Rankings are based on 4 subindicators

- Preregistration, registration and postregistration (in calendar days)
- As % of income per capita, no bribes included
- 25% Time
- 25% Cost
- 25% Procedures
- 25% Paid-in minimum capital

Procedure is completed when final document is received

Hunds deposited in a bank or with a notary before registration, as % of income per capita

Getting a Limited Liability Company (LLC) up and running
Starting a business - the process

Pre-registration
- Minimum capital requirement
- Company name search
- Document preparation & notarization

Registration / Incorporation
- Register with the commercial registry at the court, at a ministry, or agency or in an independent central registry/one-stop shop.
- Pay registration fees

Post-incorporation
- Publication
- Company seal
- Tax and social security registration
- Mandatory insurance registration

What does Starting a business measure?

Procedures to start a business (number)
What does Starting a business measure?

Minimum capital to start a business (% of income per capita)

- New Zealand:
- Australia:
- Brunei Darussalam:
- Canada:
- Chile:
- Hong Kong, China:
- Japan:
- Korea, Rep.:
- Malaysia:
- Papua New Guinea:
- Peru:
- Singapore:
- Taiwan, China:
- Thailand:
- United States:
- Vietnam:
- Russian Federation:
- Philippines:
- Mexico:
- Indonesia:
- China:

This graph compares the minimum capital an entrepreneur has to organize before starting a business. An economy with the lowest cost to incorporate as a benchmark. 35 economies have undergone minimum capital requirements. Data are based on the Doing Business website.

Big improvements since 2004

35 economies reduced or abolished their minimum capital requirements
Section 3: Starting a business reforms

Why it matters?
- Increase in number of business registered
- Create employment opportunities
- Encourage entrepreneurialship
- Enhance productivity
### Section 4: Who reformed & reform trends

#### Who reformed Start-up (DB 2005-2010)?

<table>
<thead>
<tr>
<th>Country</th>
<th>Reforms</th>
<th>Country</th>
<th>Reforms</th>
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</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>DB07, DB08, DB09, DB10</td>
<td>Vietnam</td>
<td>DB05, DB06</td>
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<td>Malaysia</td>
<td>DB08, DB09, DB10</td>
<td>Australia</td>
<td>DB08</td>
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<tr>
<td>Singapore</td>
<td>DB06, DB09, DB10</td>
<td>Chile</td>
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<td>PNG</td>
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<td>China</td>
<td>DB07</td>
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<td>Philippines</td>
<td>DB06</td>
<td>Hong Kong, China</td>
<td>DB10</td>
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<tr>
<td>Peru</td>
<td>DB10, DB07</td>
<td>Japan</td>
<td>DB07</td>
</tr>
<tr>
<td>Taiwan, China</td>
<td>DB10</td>
<td>Korea Rep.</td>
<td>DB05</td>
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<td>Thailand</td>
<td>DB10</td>
<td>New Zealand</td>
<td>DB09</td>
</tr>
<tr>
<td>Mexico</td>
<td>DB07, DB10</td>
<td>Russian Federation</td>
<td>DB05, DB06, DB07</td>
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<td>US</td>
<td>0</td>
<td>Canada</td>
<td>DB09</td>
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<tr>
<td>Brunei</td>
<td>0</td>
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</table>

### APEC - Starting a business trends 2005 - 2009

The table above shows the reforms in various countries from 2005 to 2010. The diagram illustrates the APEC starting a business trends from 2005 to 2009, showing the changes in procedures, time, cost, and paid-in minimum capital as a percentage of GNI per capita.
Starting a business - Top 10 and best practices

1. New Zealand
2. Canada
3. Australia
4. Singapore
5. Georgia
6. Macedonia, FYR
7. Belarus
8. United States
9. Ireland
10. Mauritius

- Nominal or zero minimum capital
- Standardized forms
- No court involvement
- Online registration
- Fixed registration fee
- Simple publication requirements (or none)
- 3 procedures, 5 days, fees 1.5% GNI per capita (on average)

DB10- APEC reform features

Created or improved one-stop shop: Malaysia

Simplified registration formalities: Hong Kong (China), Indonesia, Republic of Korea, Taiwan (China), Thailand.

Abolished or reduced minimum capital requirement: Taiwan (China),

Introduced or improved online procedures: Indonesia, Mexico, Singapore.

Cut or simplified post registration procedures: Indonesia
Singapore made starting a business even faster – 3 procedures and 3 days

- No. 1 for the fourth year running
- 3 reforms, including starting a business

Thailand made starting a business faster

- Reform in Starting a business
- Merging registration of memorandum and application for registration of company => 1 procedure and 1 day
Indonesia: Improved Starting a Business process

- Time reduced by 16 days to 60 days
- Two procedures removed resulting in 9 procedures
- Cost reduced by almost 45.61% of GNI per capita

For more information visit: www.doingbusiness.org

Thank you. For more information: visit: www.doingbusiness.org