



**Asia-Pacific
Economic Cooperation**


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Agenda Item: 6

Presentation on APEC's Ease of Doing Business – Interim Assessment 2009-2012

Purpose: Information
Submitted by: Policy Support Unit, APEC Secretariat



**First Economic Committee Meeting
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1-2 February 2013**



Asia-Pacific
Economic Cooperation


APEC's Ease of Doing Business Interim Assessment 2009-2012

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Economic Committee Meeting
APEC Secretariat, Policy Support Unit

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Advancing Free Trade for Asia-Pacific Prosperity

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The APEC's Ease of Doing Business Initiative

- ❖ Endorsed in 2009.
- ❖ **Objective:** to improve business environment in APEC through regulatory reform.
- ❖ Five priority areas:
 - Starting a Business
 - Getting Credit
 - Enforcing Contracts
 - Trading Across Borders
 - Dealing with Permits
- ❖ Goals in **priority areas:**
 - ✓ APEC-wide **25% improvement by 2015**
 - ✓ Interim target **5% improvement by 2011**
- ❖ APEC's interim assessment 2009-2012 evaluates whether APEC's performance is reaching a **10% pro-rata improvement target by 2012** or not.

Interim Assessment 2009-12



- Uses Doing Business 2013 database. Data is available until year 2012.
- Following the methodology of last year's assessment report, APEC simple averages and median values are calculated for each priority area's indicators.
- APEC figures for years 2009 and 2012 are compared.
- Priority areas' improvement rates are calculated by combining the percentage change of their average or median indicators.
- The APEC's overall improvement rate is obtained by combining the improvement rates in all priority areas by using a simple average.

APEC's Evolution in EoDB



APEC's overall progress measured by **average values**:

Period/Priority Area	Starting a Business	Dealing with Construction Permits	Getting Credit	Trading Across Borders	Enforcing Contracts	Overall Progress	Benchmark
2009 – 2010*	7.5	-0.8	5.6	1.8	0.0	2.8	2.5%
2009 – 2011 [†]	18.3	10.3	8.8	3.1	0.7	8.2	5%
2009 – 2012 [†]	23.4	15.8	16.1	2.3	0.1	11.5	10%

Notes:

* The figures were taken from the APEC's Ease of Doing Business Interim Assessment published in October 2011.

◆ The figures were taken from the APEC Economic Policy Report published in October 2012.

† The figures were computed from the Doing Business 2013 dataset.

APEC's Evolution in EoDB



APEC's overall progress measured by **median values**:

Improvement	Starting a Business	Dealing with Construction Permits	Getting Credit	Trading Across Borders	Enforcing Contracts	Overall Progress	Benchmark
2009 – 2011 [♦]	24.7	-1.0	0.9	5.0	0.0	5.9	5%
2009 – 2012 [†]	23.0	1.2	11.2	5.0	-0.3	8.0	10%

Notes:

♦ The figures were taken from the APEC Economic Policy Report published in October 2012.

† The figures were computed from the Doing Business 2013 dataset.

APEC's EoDB Overall Progress Comparison with other regions



By using average values (2009-2012):

Region	Starting Business ^a	Dealing with Construction Permits	Getting Credit	Trading Across Borders	Enforcing Contracts	Overall Progress
APEC	23.4	15.8	16.1	2.3	0.1	11.5
ROW	22.1	13.9	22.8	-0.3	-0.1	11.7
East Asia & Pacific	30.7	6.5	36.0	1.0	0.7	15.0
Eastern Europe & Central Asia	32.7	18.6	34.5	-5.8	-1.2	15.8
European Union	13.2	-5.1	17.3	3.3	-0.2	5.7
Latin America & Caribbean	-2.3	7.5	4.5	0.2	-0.4	1.9
Middle East & North Africa	12.7	2.0	36.2	3.8	-0.2	10.9
OECD	12.3	-6.1	11.0	3.1	-0.2	4.0
South Asia	23.7	8.2	87.3	-6.8	0.4	22.6
Sub Saharan Africa	24.4	17.4	42.5	0.6	0.1	17.0

* Benchmark: 10% pro rata improvement target

APEC's EoDB Overall Progress Comparison with other regions



By using median values (2009-2012):

Region	Starting a Business	Dealing with Construction Permits	Getting Credit	Trading Across Borders	Enforcing Contracts	Overall Progress
APEC	23.0	1.2	11.2	5.0	-0.3	8.0
ROW	33.9	9.1	13.3	3.3	-13.3	9.3
East Asia & Pacific	11.1	15.4	4.2	2.6	1.2	6.9
Eastern Europe & Central Asia	44.4	16.8	138.0	1.6	-2.9	39.6
European Union	16.1	4.8	44.4	3.0	0.1	13.7
Latin America & Caribbean	13.8	14.0	2.5	-1.1	-0.2	5.8
Middle East & North Africa	9.3	-0.3	270.8	3.5	2.3	57.1
OECD	23.8	2.3	7.4	1.4	0.3	7.1
South Asia	15.8	-4.9	85.7	-6.9	0.7	18.1
Sub Saharan Africa	36.4	15.1	25.0	5.8	-1.1	16.2

* Benchmark: 10% pro rata improvement target

APEC's Performance vis-à-vis Rest of the World – Starting a Business



APEC's progress in Starting a Business has been remarkable: combined improvement of 23.4% by average values.

	Procedures (number)		Time (days)		Cost (% income capita)		Paid-in Min. Capital (% of income capita)	
	APEC	ROW	APEC	ROW	APEC	ROW	APEC	ROW
Average 2009	7.9	8.0	28.1	37.2	8.8	48.9	9.9	70.2
Average 2012	6.4	7.4	21.8	30.6	7.4	34.3	6.4	46.9
Improvement (-)	-19.2%	-7.9%	-22.5%	-17.8%	-16.4%	-29.8%	-35.2%	-33.2%
Median 2009	8.0	7.0	23.0	20.0	7.5	17.8	0.0	3.5
Median 2012	6.0	7.0	10.0	17.0	6.7	14.1	0.0	0.0
Improvement (-)	-25.0%	0.0%	-56.5%	-15.0%	-10.7%	-20.6%	0.0%	-100.0%

* Benchmark: 10% pro rata improvement target

APEC's Performance vis-à-vis Rest of the World – Dealing with Permits



APEC has room for improvement. Less average procedures in ROW in comparison with APEC.

Not all APEC's median values are moving in the same direction.

	Procedures (number)		Time (days)		Cost (% income capita)	
	APEC	ROW	APEC	ROW	APEC	ROW
Average 2009	18.1	15.6	160.1	203.2	102.7	614.1
Average 2012	16.6	15.3	132.1	192.1	80.7	403.5
Improvement (-)	-8.5%	-1.9%	-17.5%	-5.4%	-21.4%	-34.3%
Median 2009	13.0	14.0	142.0	175.0	53.5	145.0
Median 2012	13.0	14.0	112.0	161.5	62.8	116.9
Improvement (-)	0.0%	0.0%	-21.1%	-7.7%	+17.4%	-19.4%

* Benchmark: 10% pro rata improvement target

APEC's Performance vis-à-vis Rest of the World – Getting Credit



APEC's combined progress (16.1%) is above the pro rata benchmark.

In general, APEC's credit information systems and collateral and bankruptcy laws bring better protection than those in the ROW

	Strength of Legal Right Index (0-10)		Depth of Credit Information (0-6)		Public Bureau Coverage (% adults)		Private Bureau Coverage (% adults)	
	APEC	ROW	APEC	ROW	APEC	ROW	APEC	ROW
Average 2009	6.8	5.3	4.5	2.8	7.6	6.2	48.8	18.3
Average 2012	7.0	5.8	4.8	3.2	10.8	8.9	55.7	22.6
Improvement (+)	2.8%	8.5%	5.3%	14.1%	42.1%	45.2%	14.3%	23.3%
Median 2009	7.0	6.0	5.0	3.0	0.0	0.0	40.3	0.0
Median 2012	7.0	6.0	5.0	4.0	0.0	0.0	58.3	0.0
Improvement (+)	0.0%	0.0%	0.0%	33.3%	0.0%	0.0%	44.7%	0.0%

* Benchmark: 10% pro rata improvement target

APEC's Performance vis-à-vis Rest of the World – Trading Across Borders



While time to trade is declining, cost to trade is increasing.

	Exports				Imports			
	Time (days)		Cost (USD per container)		Time (days)		Cost (USD per container)	
	APEC	ROW	APEC	ROW	APEC	ROW	APEC	ROW
Average 2009	14.2	24.6	872.0	1437.7	15.5	27.4	953.4	1686.7
Average 2012	12.9	23.0	910.0	1542.1	14.1	25.8	973.1	1840.3
Improvement (-)	-9.7%	-6.6%	+4.4%	+7.3%	-8.7%	-6.0%	+2.1%	+9.1%
Median 2009	13.0	20.0	745.0	1215.5	13.0	21.5	795.0	1365.0
Median 2012	12.0	19.0	680.0	1235.0	12.0	20.0	750.0	1435.0
Improvement (-)	-7.7%	-5.0%	-8.7%	+1.6%	-7.7%	-7.0%	-5.7%	+5.1%

* Benchmark: 10% pro rata improvement target

APEC's Performance vis-à-vis Rest of the World – Enforcing Contracts



Improving conditions to enforce contracts continue to be a challenge for most of the regions including APEC.

	Procedures (number)		Time (days)		Cost (% of claim)	
	APEC	ROW	APEC	ROW	APEC	ROW
Average 2009	35.2	38.5	426.0	634.8	32.9	34.7
Average 2012	35.0	38.5	424.0	636.0	33.2	34.8
Improvement (-)	-0.5	-0.2	-0.7	+0.1	+0.8	+0.4
Median 2009	36.0	38.5	415.0	562.5	25.8	27.5
Median 2012	36.0	38.5	415.0	636.0	26.0	34.8
Improvement (-)	0.0	0.0	0.0	+13.0	+0.8	+26.8

* Benchmark: 10% pro rata improvement target

Summary of Outcomes




- APEC's combined improvement measured by average values: 11.5%, above the 10% pro rata benchmark target:
 - Starting a Business is the area with best performance. Only one with all its indicators above the 10% pro rata benchmark target.
 - Progress in terms of time has been more evident compared with cost and number of procedures.
 - Progress not keeping necessary pace in all areas to meet the 25% improvement target by 2015. Number of indicators with progress above pro rata benchmarks is falling across time.

Summary of Outcomes



- APEC's combined improvement measured by median values: 8.0%, below the 10% pro rata benchmark target:
 - Starting a Business is the only priority area with most of its median indicators improving above the 10% pro rata benchmark target.
 - Uneven progress across APEC economies. Progress of median indicators moving slower than average indicators in areas such as Dealing with Permits and Getting Credit.
- There is room for additional reforms and improvement, since APEC is still behind other regions in some areas.
- Individual efforts and collective support through capacity building must continue to meet the 25% improvement goal by 2015.



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