

Doing Business 2007: How to reform

Georgia #1 Reformer in the World

Simeon Djankov
Washington DC
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Top reformers in 2005/06

Reforms affecting Doing Business indicators on:

Country	Starting a business	Dealing with Licenses	Employing workers	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading across borders	Enforcing contracts	Closing a business
Georgia	√	√	√		√			√	√	
Romania		√	√		√	√		√		√
Mexico	√					√	√			
China	√				√	√		√		
Peru	√				√	√			√	X
France		√			√			√	√	√
Croatia	√			√					√	
Guatemala	√	√		√						
Ghana				√			√	√		
Tanzania	√			√		√		√		

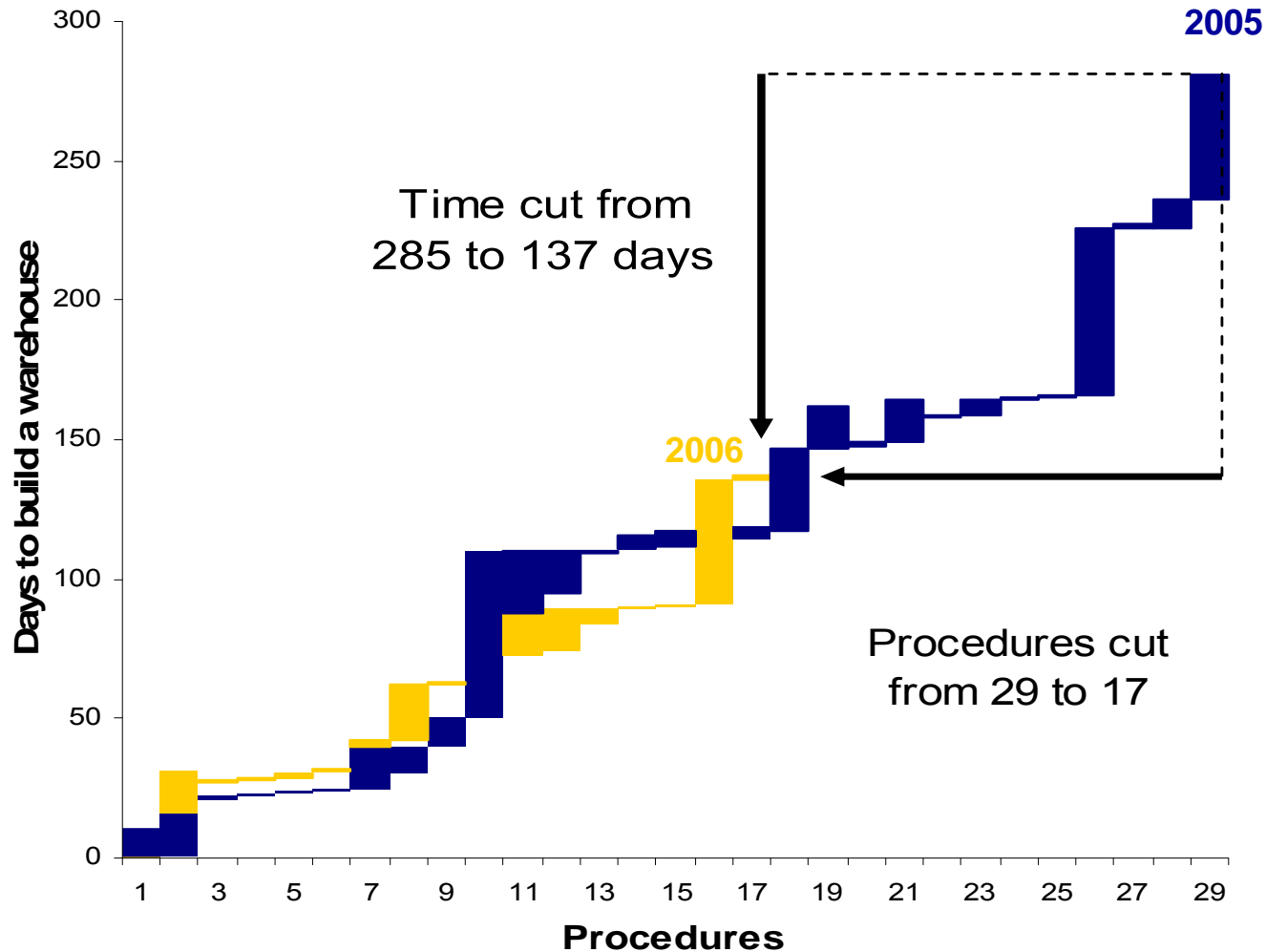
Georgia, the #1 reformer

- Starting a business
 - reduced minimum capital requirement by 90%
 - business registrations rose 55% in 2005-2006
- Dealing with licenses
 - #1 reformer in the world for second year in a row
 - now as easy as in Hong Kong
 - building permits issued at a single office
 - several procedures abolished
- Getting credit
 - Established a new credit registry

Georgia, the #1 reformer

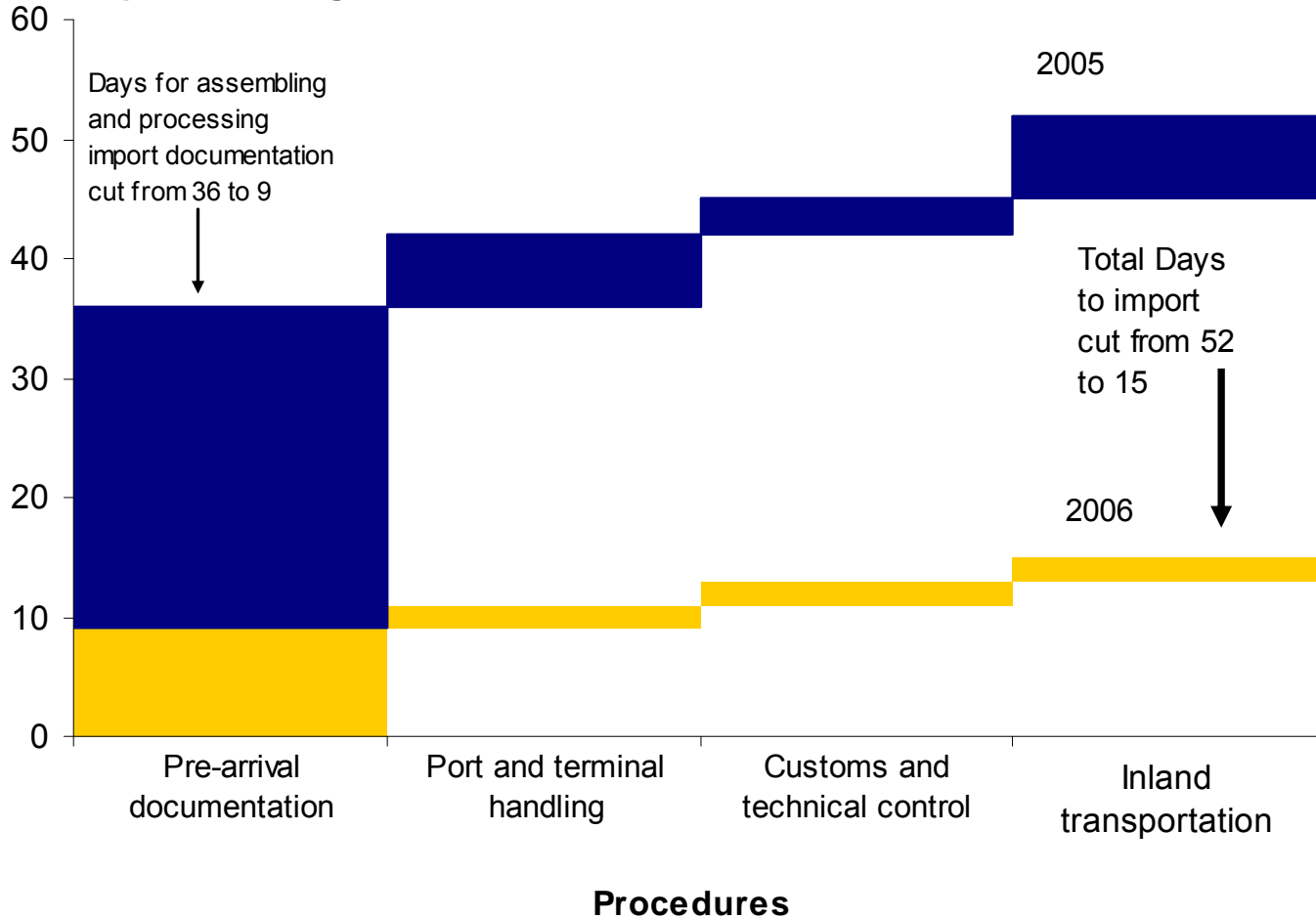
- Employing workers
 - #1 reformer in the world
 - decreased mandatory notice period and severance pay
 - eliminated overtime premium requirement
 - removed procedural requirements for redundancy
- Trading across borders
 - #2 reformer in the world
 - introduced customs administration reforms
- Enforcing contracts
 - #1 reformer in the world
 - faster procedures introduced

Georgia, #1 reformer in construction licensing



Georgia, #2 reformer in trade

Days to import in Georgia



Top 25 on the ease of doing business

1. Singapore
2. New Zealand
3. United States
4. Canada
5. Hong Kong
6. United Kingdom
7. Denmark
8. Australia
9. Norway
10. Ireland
11. Japan
12. Iceland
13. Sweden
14. Finland
15. Switzerland
16. Lithuania
17. Estonia
18. Thailand
19. Puerto Rico
20. Belgium
21. Germany
22. Netherlands
23. Korea
24. Latvia
25. Malaysia

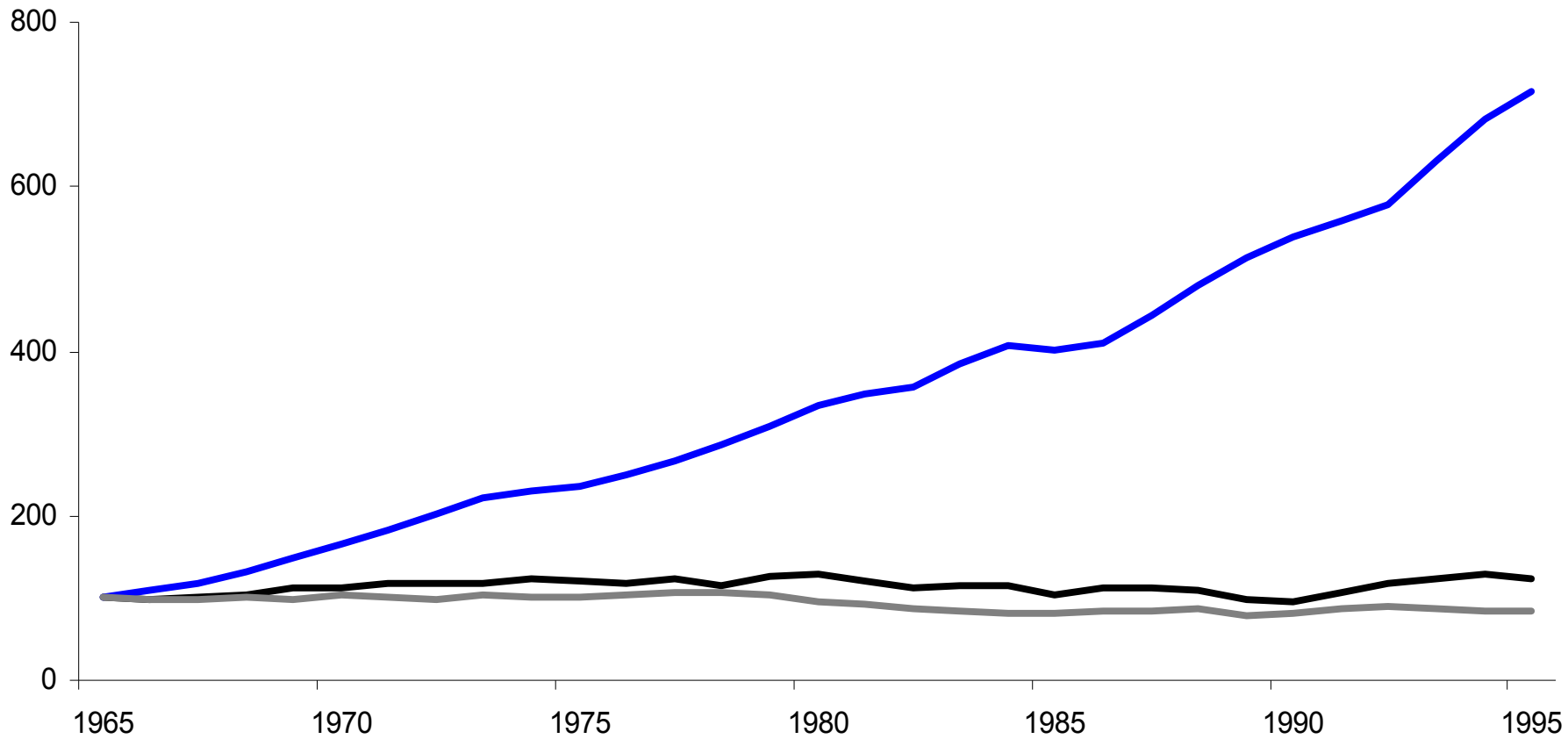
How to get there?

- Pass a new bankruptcy law
- New customs code
- Improve credit information
- Lower taxes (especially social security)

Gunnar Myrdal said this about a country (1965)

“Potentially explosive problems, including political uncertainty, unfavorable location, ... lack of investment, would lead to a mounting unemployment burden.”

The Singapore growth miracle



Argentina — Singapore — Venezuela, RB

Is Georgia the next Singapore?

Answer in *Doing Business 2017*