

Doing Business 2008

Georgia: #18 on Ease of
doing business



THE WORLD BANK



IFC | International
Finance Corporation
World Bank Group

2007

- Starting a business
- Dealing with licenses
- Employing workers
- Registering property
- Enforcing contracts
- Getting credit
- Trading across borders
- Protecting investors
- Paying taxes
- Closing a business



2008

- Update of 2007
- Add 3 countries
- Reformers' Club:
 - 11 case studies of successful reforms



2009

- Add Not paying bribes
- Add Using infrastructure
- Research program on regulation and opportunities for women

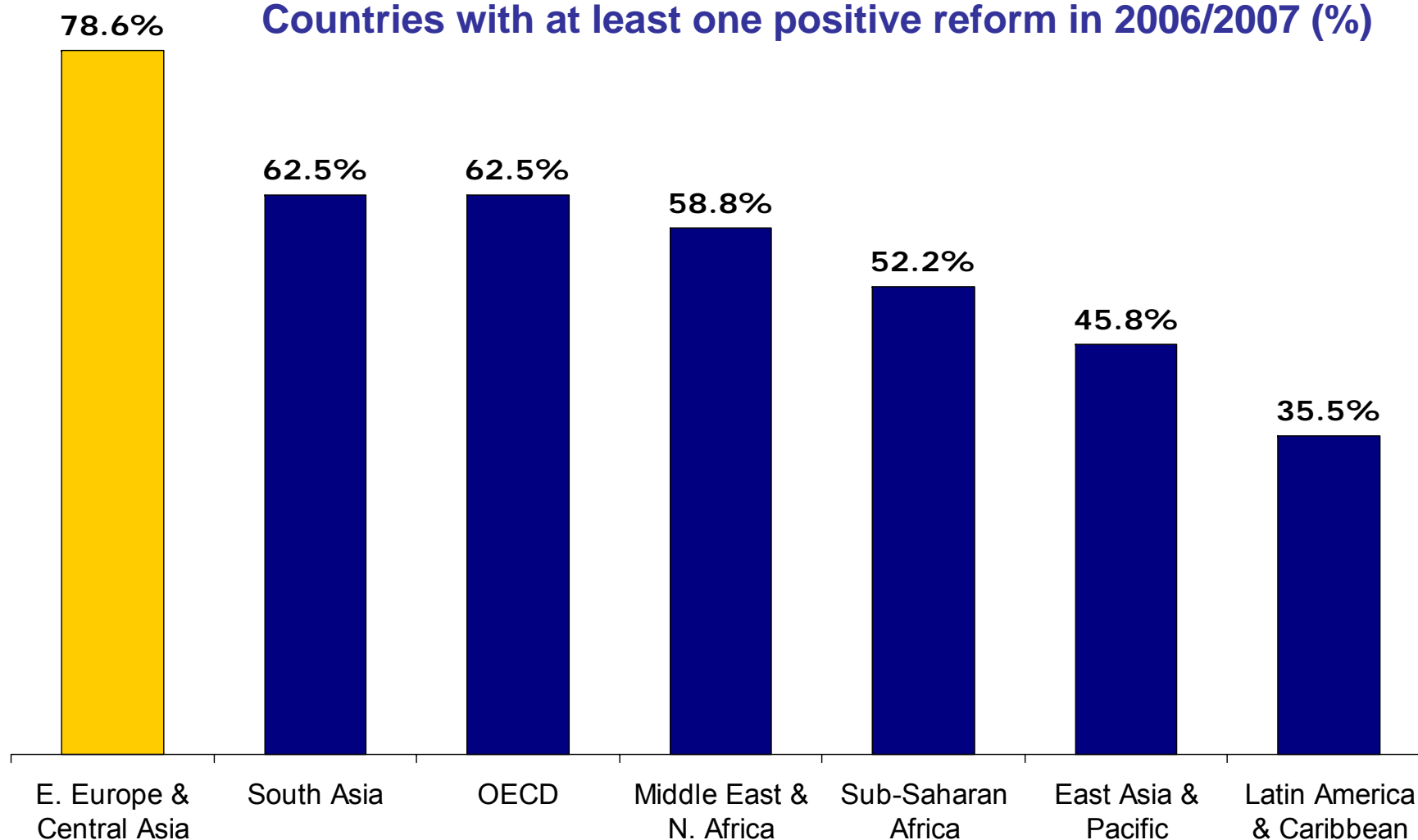
1. Singapore
2. New Zealand
3. United States
4. Hong Kong, China
5. Denmark
6. United Kingdom
7. Canada
8. Ireland
9. Australia
10. Iceland
11. Norway
12. Japan
13. Finland
14. Sweden
15. Thailand
16. Switzerland
17. Estonia
18. Georgia
19. Belgium
20. Germany
21. Netherlands
22. Latvia
23. Saudi Arabia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

Georgia among Top 10 Reformers in 2006/2007: reformed in 4 areas

Economy	Starting a business	Dealing with licenses	Employing workers	Registering property	Getting credit	Protecting investors	Paying taxes	Trading across borders	Enforcing contracts	Closing a business
Egypt	✓	✓		✓	✓			✓		
Croatia	✓			✓	✓					✓
Ghana	✓			✓	✓			✓	✓	
Macedonia, FYR	✓	✓					✓			
Georgia	✓	✓		✓	✓	✓				✓
Colombia						✓	✓	✓		
Saudi Arabia	✓				✓			✓		
Kenya	✓	✓		✓	✓					
China		✓			✓					✓
Bulgaria		✓					✓		✓	

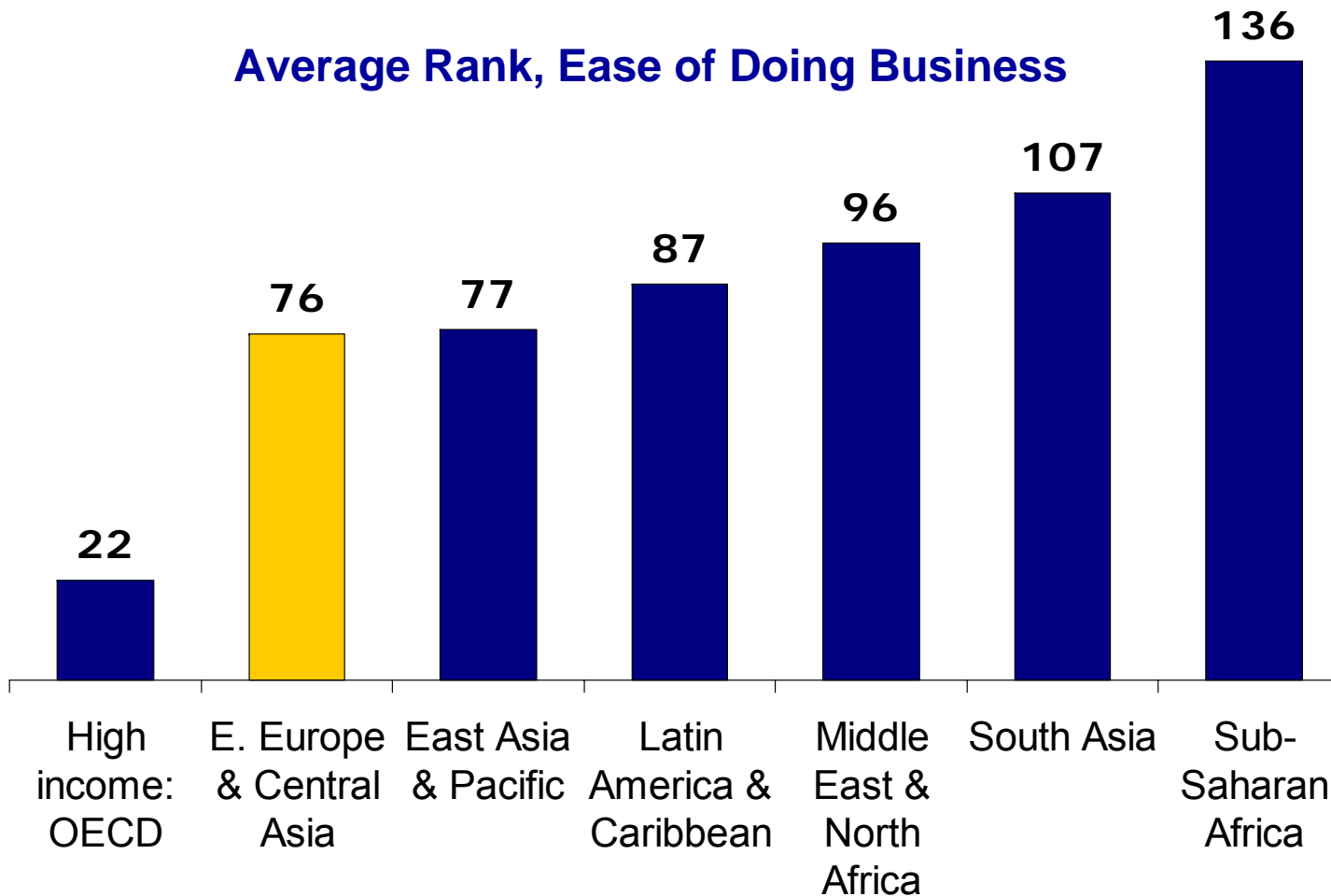
Eastern Europe countries reformed the most

Countries with at least one positive reform in 2006/2007 (%)

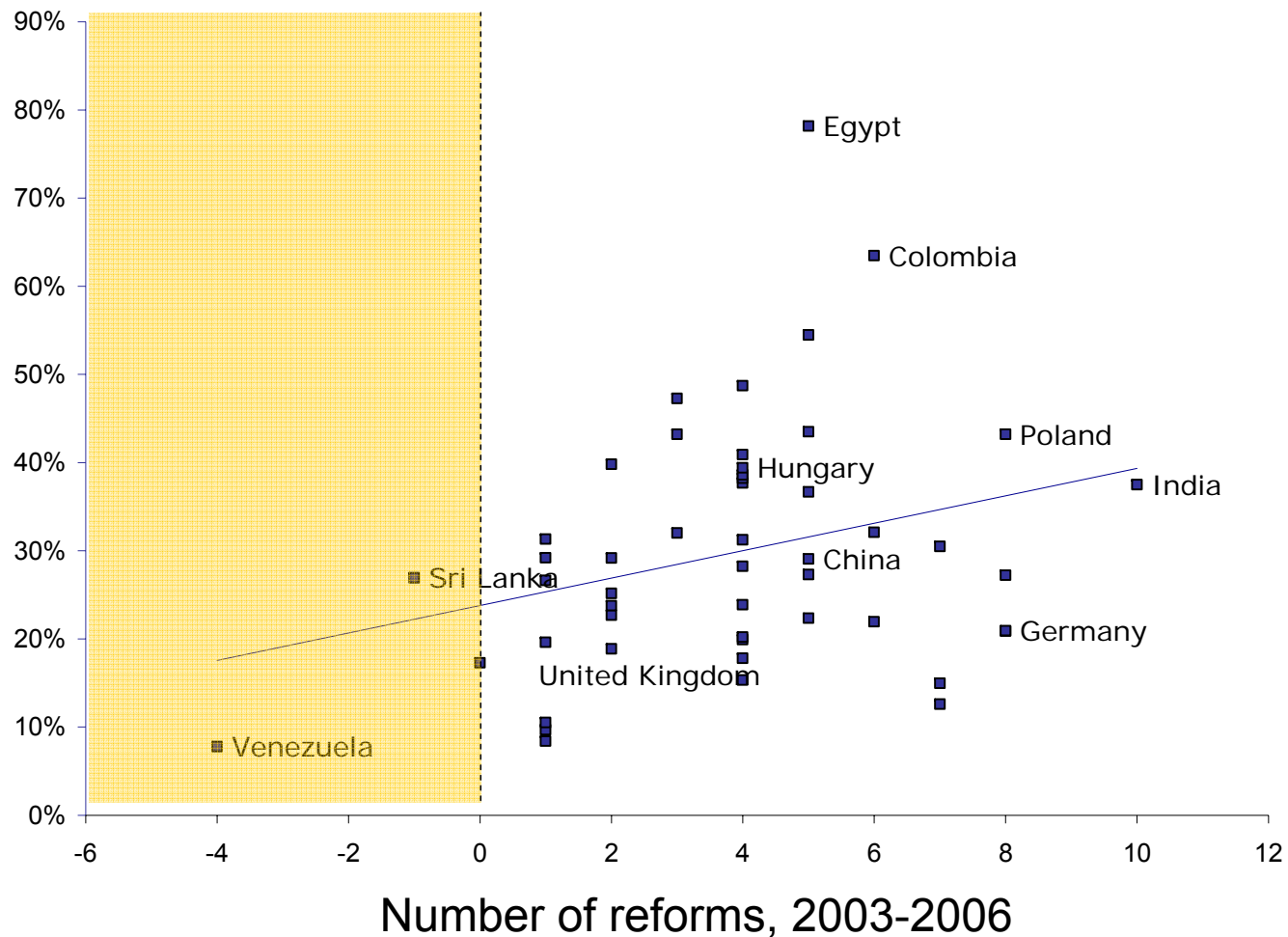


Eastern Europe surpasses East Asia in average rankings

Average Rank, Ease of Doing Business

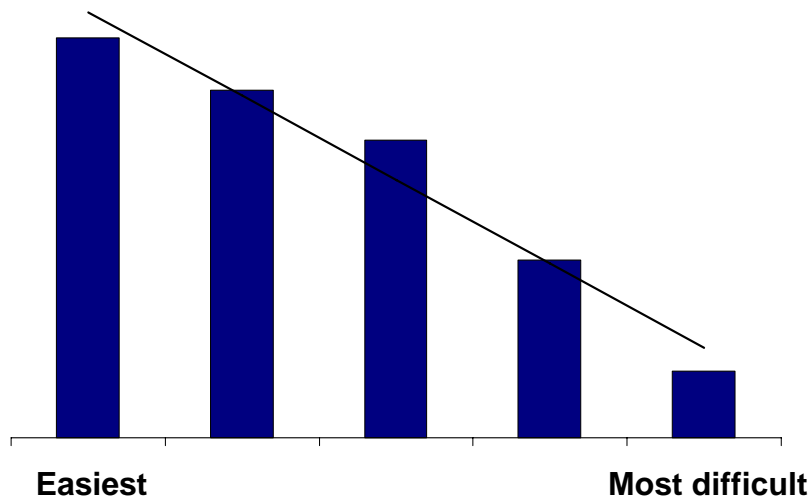


3-year shareholder returns

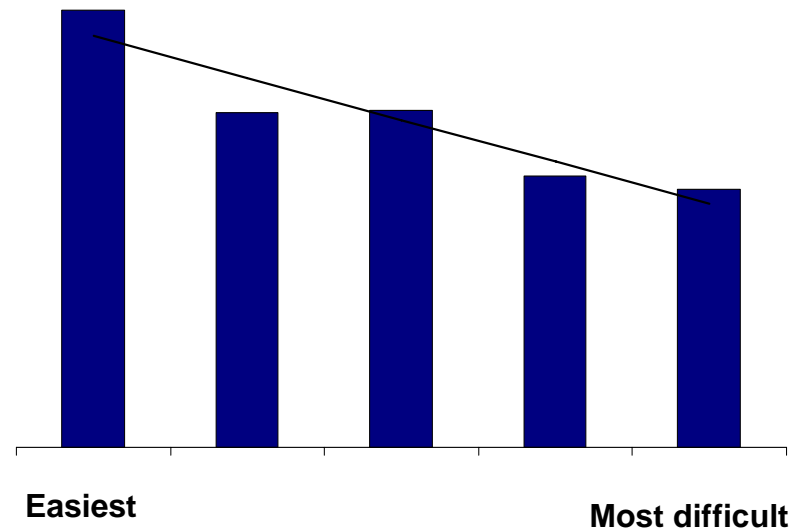


Source: *Doing Business* database, Morgan Stanley Capital International data

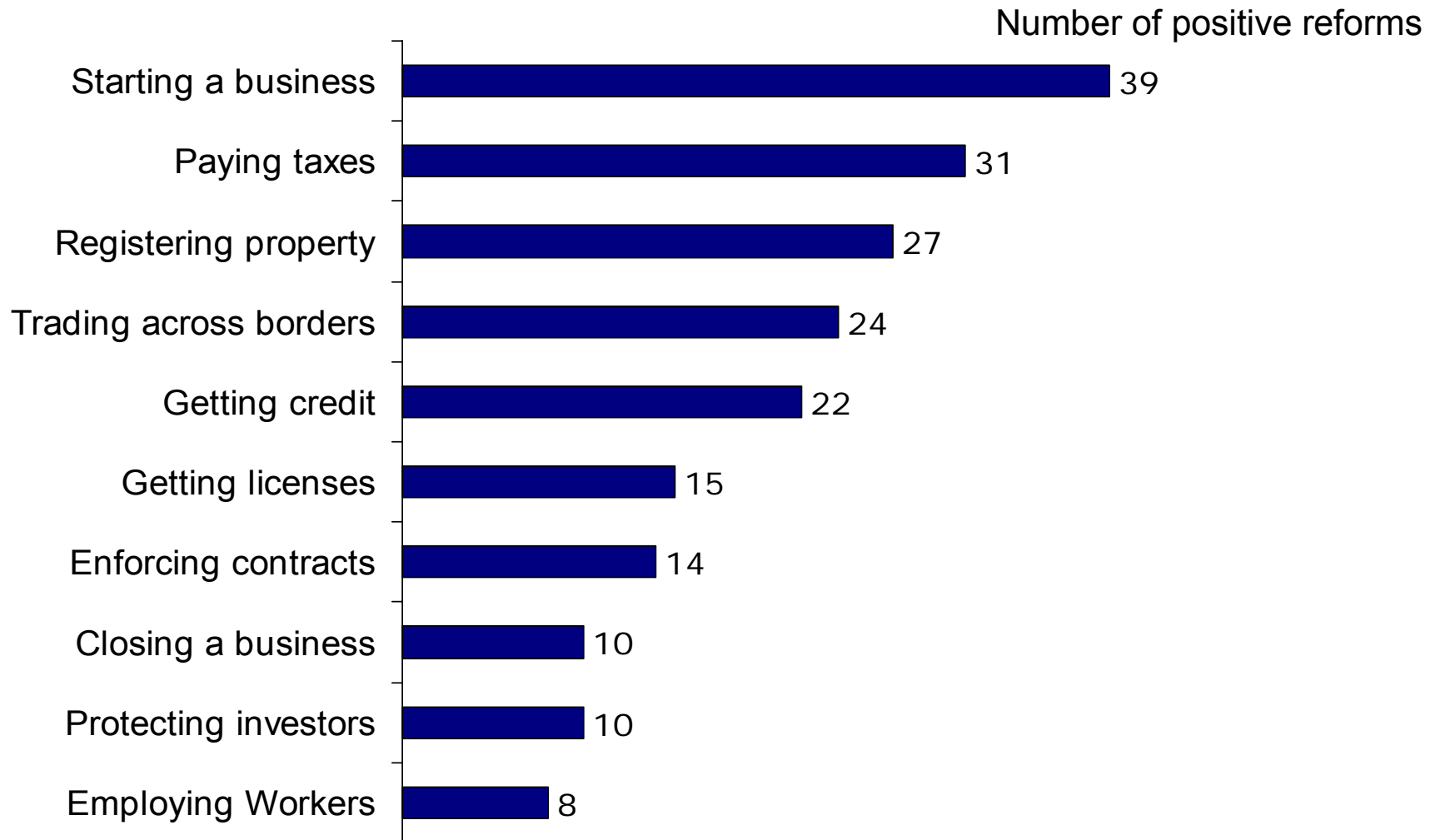
**Business density
(registered firms per capita)**



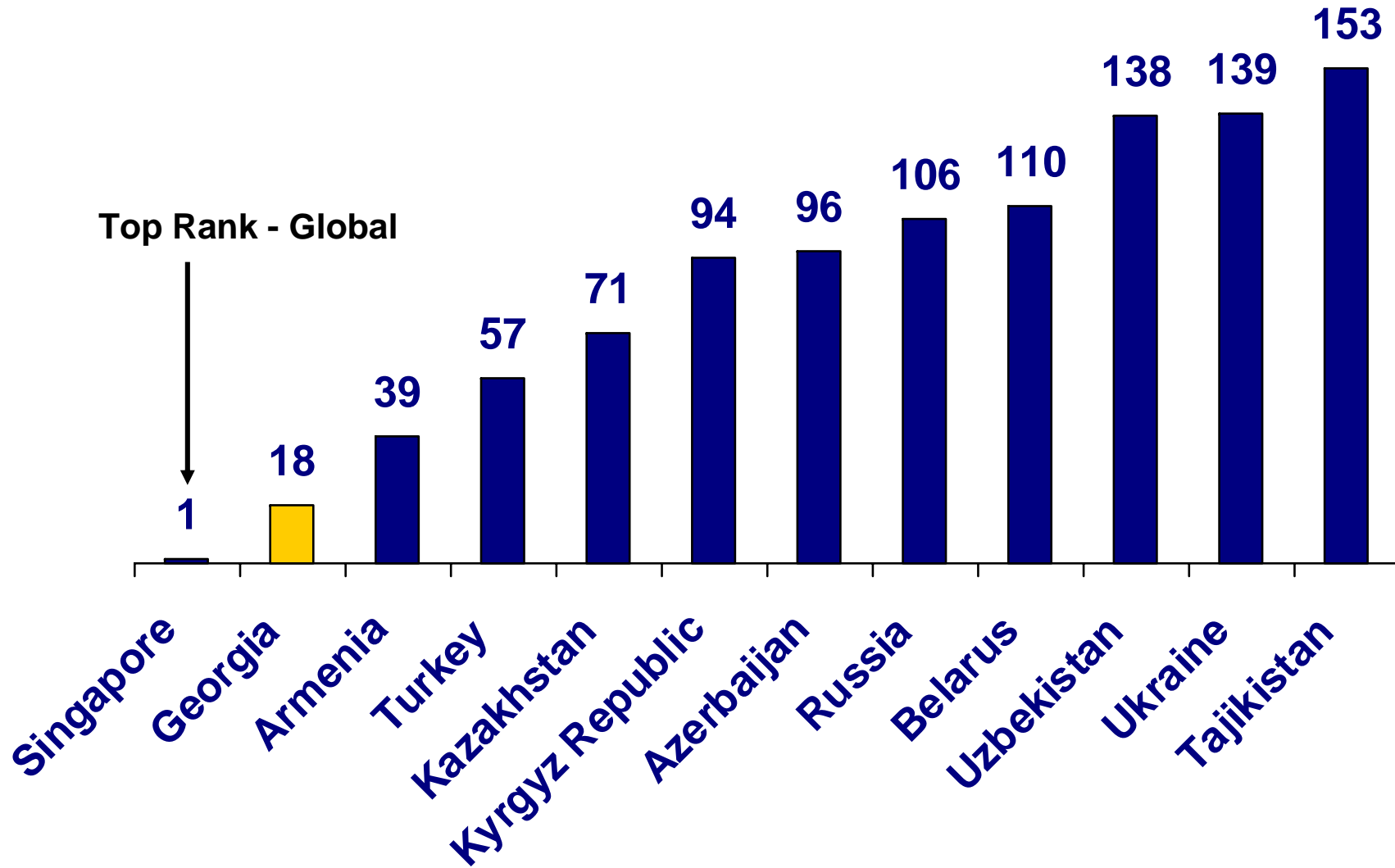
**Business entry
(new firms in % of registered firms)**



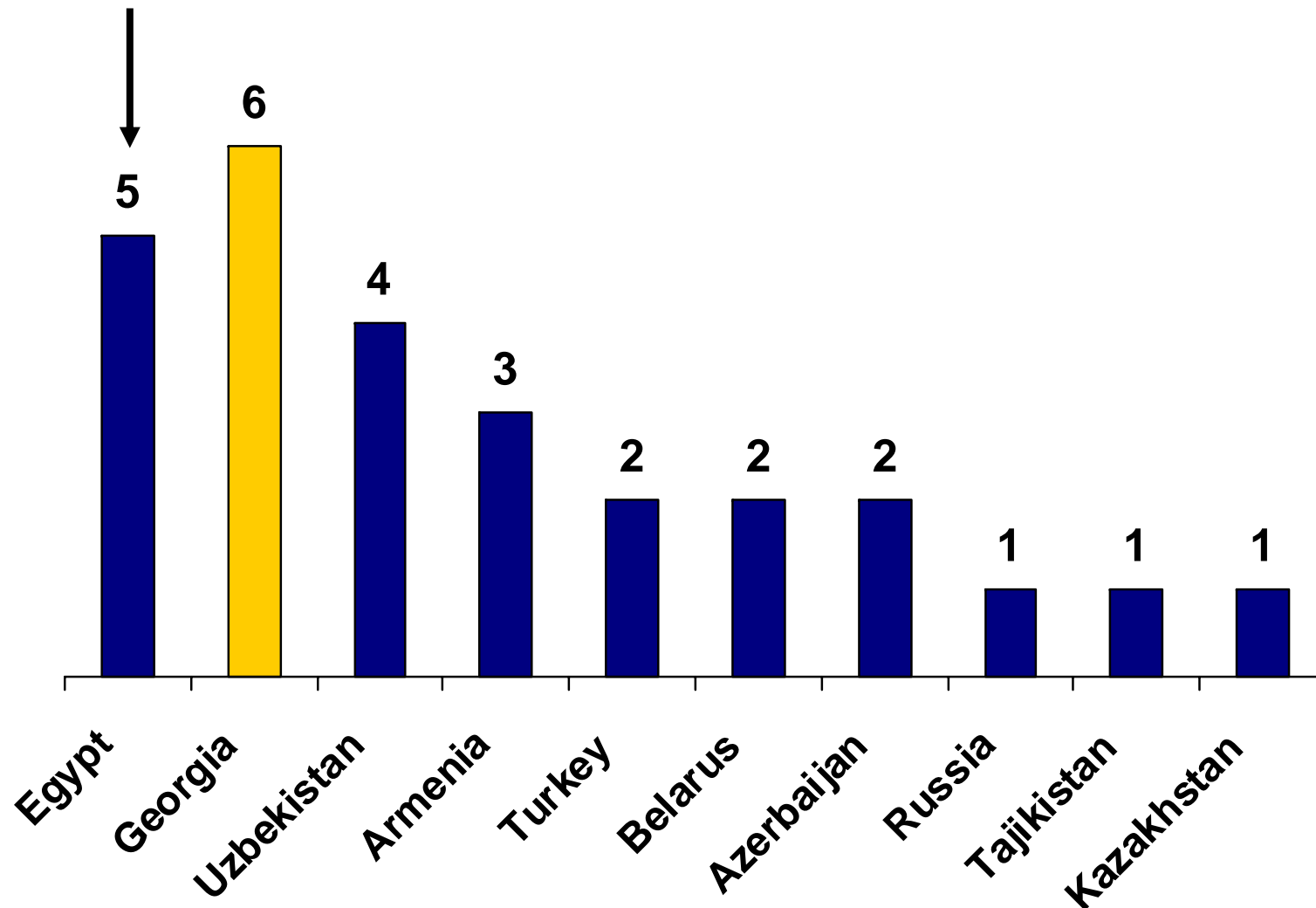
Countries ranked by ease of doing business, quintiles



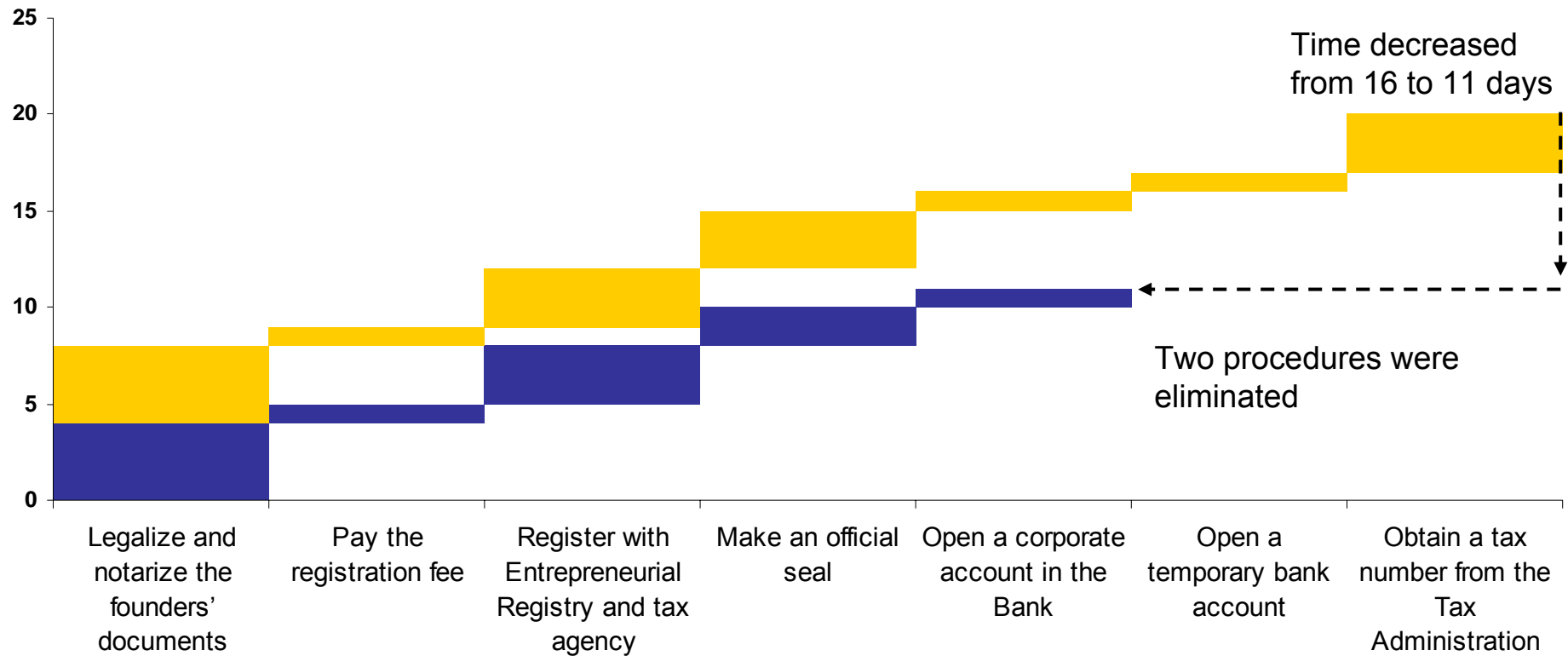
Georgia – Leader among its neighbors



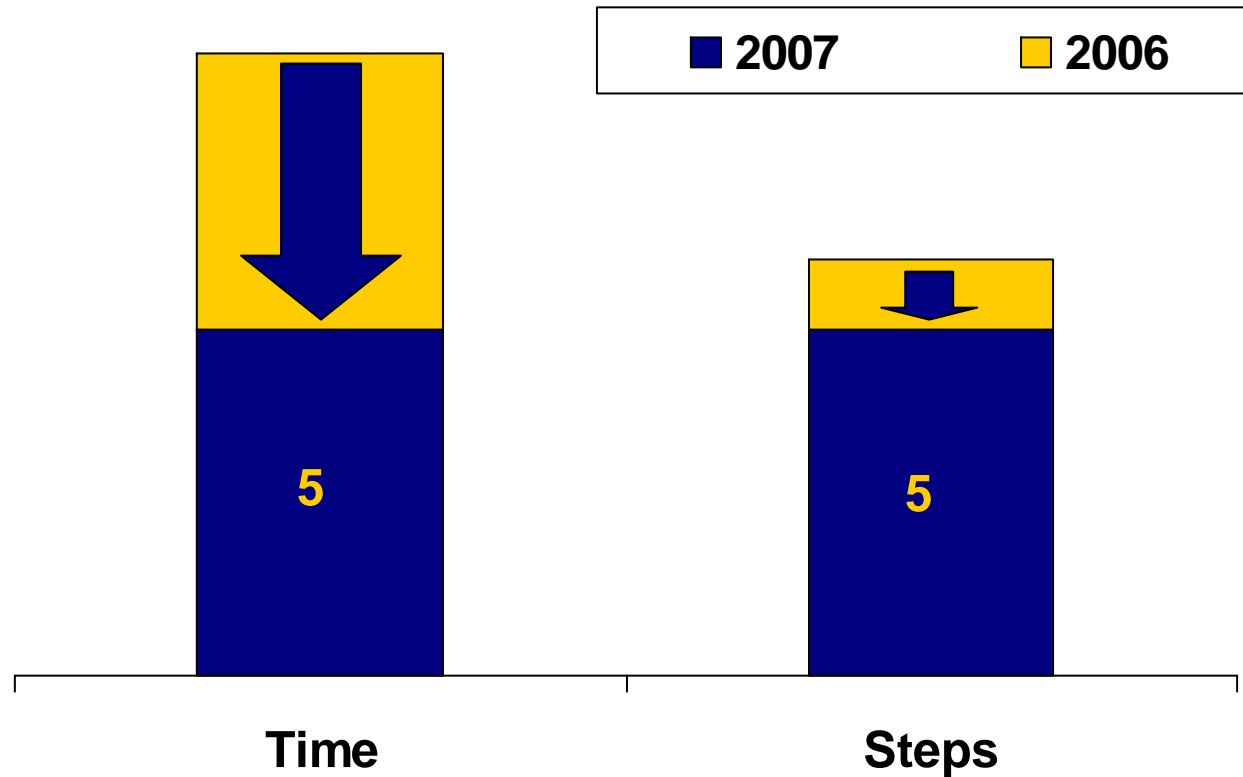
Top Reformer - Global



Reforming business entry in Georgia



The time needed to register property decreased from 9 days to 5 days, and steps were reduced from 6 to 5 due to revision of the Civil Code of Georgia.



- √ **Dealing with licenses:** Reformed the regulation of construction permits ...
- √ **Getting credit:** Added information from retailers, utilities and trade creditors ...
- √ **Protecting investors:** Amended securities law to eliminate loopholes ...
- √ **Closing a business:** New law on insolvency shortens the time ...



Corporate Governance Legislation Improved:

- ✓ IFC GCGP team in cooperation with the USAID Business Climate Reform Project drafted the article on Conflict of Interest
- ✓ The article entered into force in June, 2007 as amendment to the law on Securities Market

- The goal of the amendment is to protect rights and interests of minority shareholders/investors in joint stock companies
- From now on all company directors must disclose any conflicts of interest and abstain from voting on any transactions regarding which a conflict of interest exists.
- Liabilities for breaching the article comprise of compensating damages and refunding the profit earned.

Georgia's overall ranking: #18

Topic	Georgia's Rank	World's best
Starting a business	10	Australia
Dealing with licenses	11	St. Vincent & the Grenadines
Employing workers	4	United States
Registering property	11	New Zealand
Getting credit	48	United Kingdom
Protecting investors	33	New Zealand
Paying taxes	102	Maldives
Trading across borders	64	Singapore
Enforcing contracts	42	Hong Kong, China
Closing a business	105	Japan

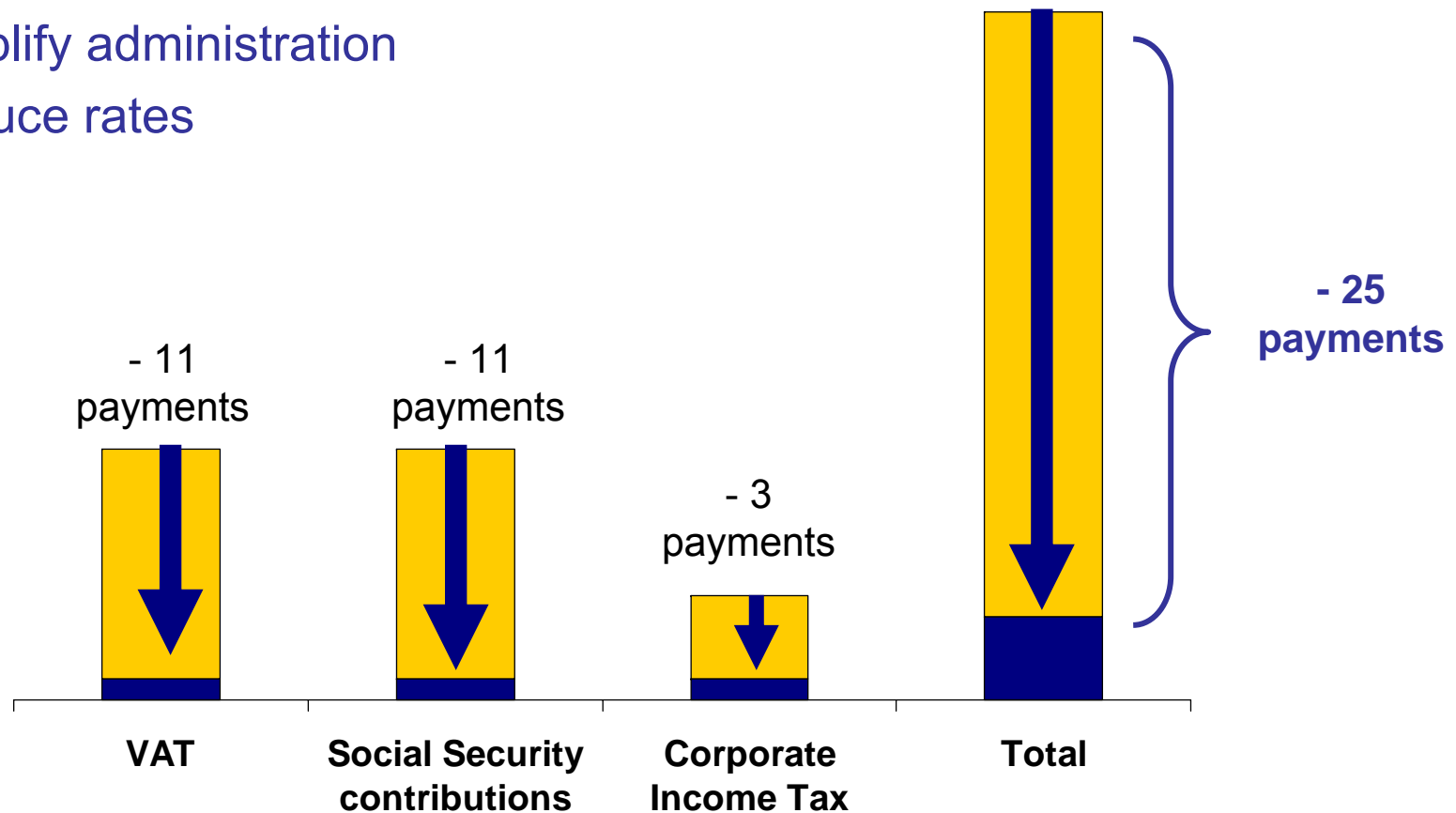
Georgia leads in best practices in Eastern Europe and Central Asia

Topic	Regional Leader
Starting a business	Georgia (10)
Dealing with licenses	Georgia (11)
Employing workers	Georgia (4)
Registering property	Armenia (2)
Getting credit	Slovakia (7)
Protecting investors	Slovenia (19)
Paying taxes	Latvia (20)
Trading across borders	Estonia (7)
Enforcing contracts	Latvia (3)
Closing a business	Lithuania (31)

Introducing online filing could reduce the number of tax payments by 25

How Georgia can reform:

- Introduce online filing
- Simplify administration
- Reduce rates



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www.doingbusiness.org