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Washington, D.C. - Kyiv, October 29, 2013 ? A new World Bank Group report finds that Ukraine has improved its business regulatory environment for local entrepreneurs by implementing regulatory reforms in eight areas between June 2012 and June 2013. Nevertheless, major challenges persist in the country, where firms continue to face regulatory hurdles in doing business.
Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises shows that Ukraine made starting a business easier in the past year by eliminating the requirement for registration with the statistics authority and by eliminating the cost for value added tax registration.
It made dealing with construction permits easier by introducing a risk-based approval system, eliminating requirements for certain approvals and technical conditions, and simplifying the process for registering real estate ownership rights. And it made getting electricity easier by streamlining the process for obtaining a new connection.
Ukraine also made transferring property easier, by streamlining procedures and revamping the property registration system. Yet transferring property still takes 45 days - a month and a half.
As a result, according to Doing Business 2014, Ukraine is ranked 112 among 189 economies globally.
"We, at the World Bank Group, are encouraged by Ukraines regulatory improvements in the past year. The country's ranking in this year's Doing Business report shows that a lot can be achieved in a short time when there is a political will for reform, said Qimiao Fan, World Bank Country Director for Belarus, Moldova and Ukraine.
At the same time, Doing Business 2014 shows that much remains to be done as Ukraine compares unfavorably with its neighboring countries: Poland is ranked 45, Hungary - 54, Belarus - 63, Romania - 73, Moldova - 78 and the Russian Federation - 92.
In particular, Doing Business 2014 shows that companies operating in Ukraine still face high costs in getting electricity (ranked 172), protecting investors (ranked 128), paying taxes (ranked 164), trading across borders (ranked 148) and resolving insolvency (ranked 162). Thus, for instance, enforcing a contract through the courts still takes more than a year in Ukraine (378 days). And completing all the formalities required to import or export a standard container of goods takes nearly a month - 28 days to import and 29 days to export.
"It is also critical for the authorities, in consultation with the business community, to make steady progress in addressing the broader investment climate issues including, in particular, security of property rights, competition regime and corruption - factors that contribute to the challenges in the country, but are not measured by the report," Fan added.
Ukraine is among the top 10 global economies improving the most on the Doing Business indicators over the past year, along with Rwanda, the Russian Federation, the Philippines, Kosovo, Djibouti, Côte d'Ivoire, Burundi, the former Yugoslav Republic of Macedonia, and Guatemala. Yet challenges persist within this group: five of this years top improvers - Burundi, Côte d'Ivoire, Djibouti, the Philippines, and Ukraine - are still in the bottom half of the global ranking on the ease of doing business.
The reports global annual ranking on the ease of doing business puts Singapore in the top slot. Joining it on the list of the top 10 economies with the most business-friendly regulations are Hong Kong SAR, China; New Zealand; the United States; Denmark; Malaysia; the Republic of Korea; Georgia; Norway; and the United Kingdom.
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