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Washington, D.C., October 29, 2013?A new World Bank Group report finds that the pace of regulatory reform in Europe and Central Asia remains strong, with 19 economies implementing 65 reforms to improve business regulation in the past year.
Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises shows that efforts to strengthen legal institutions and reduce the complexity and cost of regulatory processes have paid off for entrepreneurs in Europe and Central Asia. The region has overtaken East Asia and the Pacific as the second most business-friendly after the high-income economies in the Organization for Economic Co-operation and Development (OECD).
The report finds that since 2009, 92 percent of economies in Europe and Central Asia have improved their process for starting a business, a higher share than in any other region. Thanks to these efforts, today it is the easiest region for business entry, ahead of the OECD high-income economies. In response to the financial crisis, 73 percent of the regions economies reformed insolvency proceedings over the same period, and 85 percent made it easier to pay taxes.
"Joining the European Union (EU) in 2004 was a great motivator for some economies in the region, said Augusto Lopez-Claros, Director, Global Indicators and Analysis, World Bank Group. "Our report finds that these economies have continued on a path of comprehensive and ambitious economic and institutional reform even after EU entry, ensuring that they could compete with their more developed high-income partners. Beyond that, the report finds that there is encouraging news across Europe and Central Asia. Of the 20 economies narrowing the gap with better business regulatory practices the most since 2009, nine are in the region: Armenia, Georgia, Kosovo, Ukraine, Belarus, the Russian Federation, the former Yugoslav Republic of Macedonia, Moldova and Poland.
This years report ranks Moldova 78 out of the 189 economies reviewed. Moldova strengthened its secured transactions system by introducing new grounds for relief from an automatic stay during insolvency and restructuring proceedings. In addition, it made paying taxes easier for companies by introducing an electronic filing and payment system for the value added tax, corporate income tax, land improvement tax, and tax on immovable property. Finally, Moldova made resolving insolvency easier by introducing new restructuring mechanisms, reducing opportunities for appeals, adding moratorium provisions, and establishing strict statutory periods for several stages of the insolvency proceeding.
"Moldova has made good improvements over the past year in paying taxes and resolving insolvency, noted Abdoulaye Seck, World Bank Country Manager for Moldova. "But to fully deliver on the important objective of achieving sustainable, export-driven growth, the country needs to take further bold steps to ensure better protection of investors, ease trading across borders and address construction permit issuance. The World Bank Group stands ready to assist the country and share international practice to facilitate private sector development.
Singapore tops the global ranking on the ease of doing business. 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.
In addition to the global rankings, every year Doing Business reports the economies that have improved the most on the indicators since the previous year. The 10 economies topping that list this year are (in order of improvement) Ukraine, Rwanda, the Russian Federation, the Philippines, Kosovo, Djibouti, Côte dIvoire, Burundi, the former Yugoslav Republic of Macedonia, and Guatemala. Yet challenges persist: five of this years top improvers?Burundi, Côte dIvoire, Djibouti, the Philippines, and Ukraine?are still in the bottom half of the global ranking on the ease of doing business.

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