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BUSINESS ENVIRONMENT COUNTRY PROFILES

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Outline

- Introduction
- Rationale
- Description
- Capabilities
- Next Steps

Introduction

What is it?: A web-enabled resource for aggregating country level information on the business environment.

Objective: Develop a tool for MIS & Planning, Collaboration and Coordination and Results Management for BE professionals.

Audience: WBG management team, WBG country directors, IFC regional directors, task team leaders, project managers, and donor agencies



Rationale

- Improving the environment for doing business is a high priority in the development agenda
- Variety of analytical information targeting different aspects of business environment
- Need for prioritizing the development projects aimed at improving the business environment
- Need for coordinating the efforts of various stakeholders

Description

1. Snapshot of the Business Environment

- Presentation of available quantitative data

2. Private Sector Legislation

- Resource for current legislation (DB Law Library)

3. Analytical Work

- Collection of WBG analytical work on the Financial & Private Sector

4. WBG business environment portfolio

- Listing of private sector projects from across the WBG with gradual inclusion of other donors



Description: Snapshot (Ranks)

- Global Ranks
- Trends
- Comparisons
- Highlights

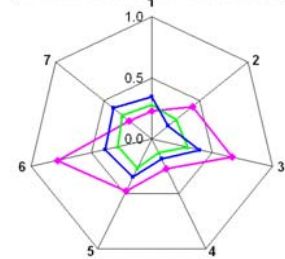
Country:	India	Population (2005) million:	1,094
Region:	South Asia	GNI per capita-US\$ (2005):	720
Income Category:	Low Income (+)	Informal economy estimate (% GNP):	23.1

India Country Assistance Strategy (CAS) PSD focus: (November 2004)

The focus of the private sector development strategy will be on:

- 1) Facilitating greater private sector competitiveness through: (a) improvements in the investment climate; (b) improved financial intermediation to the private sector; and (c) direct support to firms to promote their growth and competitiveness;
- 2) Improving the quantity and quality of infrastructure through greater private sector participation;
- 3) Promoting private sector participation in the provision of health and education services;
- 4) Promoting improved rural productivity and growth through greater private investment.

Global Index Ranking Ratios (0=Ranked Last and 1=Ranked First)



#	Indicator	Source	Rank		Scale	Scores					Trend over past year*
			2006	2005		2006	2005	2004	2003	2002	
1	Economic Freedom Index	The Heritage Foundation	121 (157)	119 (155)	1-5**	3.49	3.53	3.53	3.58	3.61	↑
2	Political Risk Rating (ICRG)	International Country Risk Guide (PRS)	81 (140)	91 (140)	0-100	64.50	63.00	64.00	58.00	55.00	↑
3	Country Credit Rating	Institutional Investor	58 (173)	59 (173)	0-100***	57.10	55.30	53.00	49.40	48.00	↑
4	Business Environment Index	Economist Intelligence Unit Country Forecast Report		60 (82)	1-10		5.32	5.13	5.16	5.27	↑
5	Control of Corruption Indicator	World Bank Group Governance Indicators		108 (204)	-2.5-2.5		-0.31	-0.38	-0.39	-0.41	↑
6	Quality of National Business Environment Ranking	World Economic Forum Global Competitiveness Report	27 (125)	31 (116)	1-125****	27	31	32	36	36	N/A
7	Doing Business Ranking	World Bank Group	134 (175)	138 (175)	1-175****	134	138				N/A

Data Highlights:

1. Though relative to all countries India ranks in the lower half of 5 of the 7 business environment indicators, it has been improving its scores for the past year.
2. One of the justifications for India's strong ranking in the Quality of National Business Environment is that they rank number one in the world with the number of available scientists and engineers and number two in local equity market.
3. Two of the lowest three ranked Doing Business indicators are among the Enforcing Contracts category contributing to the sub-index for Enforcing Contracts being rated 173 of 175.
4. Doing Business notes a tax rate of 81.1% of profit, which contributes to a sub-index rating for paying taxes of 158 out of 175.

* ↑ Please note: An up or down rating requires a change within the last two years with available data of at least 1%.
 ** Please note: The Economic Freedom Index runs from 1-5 with one being most free. It is the only variable where the low value is preferred.
 *** Please note: The ranks are given by the Institutional Investor, we do not calculate. Ranks are from Dsp. 00 and Dsp. 05. (Rating reflects the average of 8 months upon which is why the ranking of the rating doesn't line up with the ranks which are for a given month).
 **** Please note: Scores for Doing Business Ranking and the Quality of National Business Environment Index are actually rankings, so individual scores are not provided. We don't report trends, as trends in ranks are not to be compared with trends in scores.



Description: Snapshot (DB/ES)

➤ Doing Business and Enterprise Surveys

➤ Country Level and Comparisons

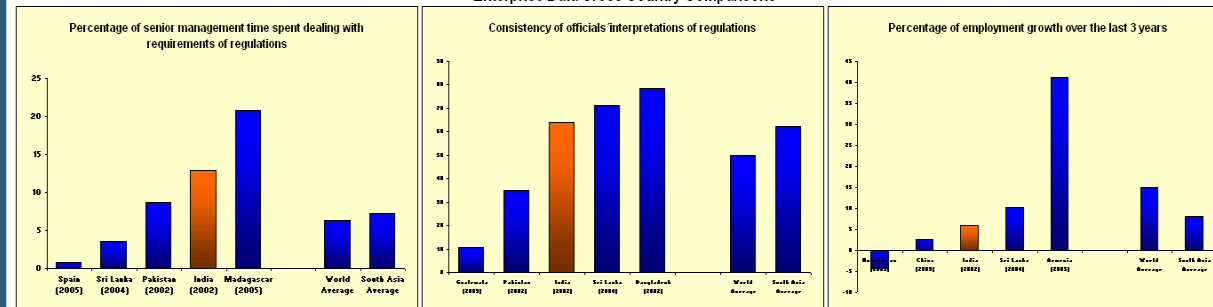
Enterprise Survey Perception Rankings



Doing Business 2007 Country Rankings, 1-175 (Sub-indices)

Ease of...	2006 rank	2005 rank	Change in rank
Doing Business	134	138	-4
Starting a Business	88	102	14
Dealing with Licenses	155	154	-1
Employing Workers	112	113	1
Registering Property	110	108	-2
Getting Credit	65	96	31
Protecting Investors	33	33	0
Paying Taxes	158	159	1
Trading Across Borders	139	139	0
Enforcing Contracts	173	173	0
Closing a Business	133	128	-5

Enterprise Data Cross Country Comparisons



Doing Business 2007 Comparisons of 175 Economies

Three best indicators	India				Three worst indicators	India			
	Country Rank	Indicator Value	Income Group Average	Region Average		Country Rank	Indicator Value	Income Group Average	Region Average
Starting a Business: Minimum Capital (% of income per capita)	1	0	231.41	0.88	Paying Taxes: Total tax rate (% of profit)	162	81.1	52.37	45
Employing workers: Rigidity of Hours Index	16	20	45.19	25	Enforcing Contracts: Procedures (number)	165	56	41.22	38.71
Protecting Investors: Extent of Disclosure Index	30	7	4.71	4.375	Enforcing Contracts: Time (Days)	172	1420	573.33	968.88



Description: *Snapshot (Time-Series)*

- Time-series data on:
 - Macro environment
 - Financial Sector
 - Private Sector

- Demonstrates country level change

Country: INDIA											
Private Sector Development Indicators											
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Macro Indicators											
GDP growth (annual %)	7.65	7.39	4.48	5.99	7.13	3.99	5.28	3.63	8.28	8.53	8.53
Inflation, consumer prices (annual %)	10.22	8.98	7.16	13.23	4.67	4.01	3.68	4.39	3.81	3.77	4
Emerging Markets Total Returns Index (Source: Standard & Pooors)	349.23	341.8	366.06	316.45	583.94	421.43	336.78	365.03	726.26	911.47	1236.22
FPD Indicators											
Foreign Direct Investment, Net Inflows (%GDP)	0.60	0.63	0.87	0.64	0.49	0.78	1.15	1.11	0.76	0.77	..
Gross Fixed Capital Formation, private sector (%GDP)	16.65	15.90	15.33	15.05	15.57	15.89	16.47	16.62	16.76	17.50	..
Tax Revenue (% GDP)	9.36	9.41	9.14	8.26	8.87	9.02	8.23	8.78	9.24	10.23	..
Exports of goods and services (% of GDP)	11.00	10.59	10.85	11.22	11.62	13.20	12.75	14.51	14.77	18.95	..
Imports of goods and services (% of GDP)	12.2	11.77	12.11	12.91	13.56	14.12	13.63	15.51	16.06	20.99	..
Business Entries (Source: ICSO: Monthly Abstract of Statistics)	..	..	..	..	..	..	20,958	24,057	29,897	40,134	..
Private Credit to GDP	..	..	..	..	23.51	26.72	27.92	29.85	30.73	32.84	..
Private Credit to Total Domestic Credit	..	..	..	51.48	52.60	54.41	53.20	55.74	55.82	61.76	..
Interest rate spread	..	..	..	..	..	..	..	..	..	..	..
Private sector employment (% total)	39.22	41.34	41.18	42.13	41.80	41.96	42.23	41.51	41.54	..	..



Description: *Legislation/AW/Projects*

- The remaining 3 sections, legislation, analytical work and project portfolio, are simply tabular listings
- Legislation and analytical work are intended to provide background information for the country
- The project portfolio will have a search capability across countries to enable learning, collaboration and coordination (future expansion across other donors)

DB Law Database				
Law 1	xxx	xxx	xxx	xxx
Law 2	xxx	xxx	xxx	xxx
Law 3	xxx	xxx	xxx	xxx
Law 4	xxx	xxx	xxx	xxx
Law 5	xxx	xxx	xxx	xxx

Analytical Work				
AW 1	xxx	xxx	xxx	xxx
AW 2	xxx	xxx	xxx	xxx
AW 3	xxx	xxx	xxx	xxx
AW 4	xxx	xxx	xxx	xxx
AW 5	xxx	xxx	xxx	xxx

Project Portfolio				
Project 1	xxx	xxx	xxx	xxx
Project 2	xxx	xxx	xxx	xxx
Project 3	xxx	xxx	xxx	xxx
Project 4	xxx	xxx	xxx	xxx
Project 5	xxx	xxx	xxx	xxx



Capabilities

➤ MIS & Planning

- ❑ Aggregating disparate information into a single user-friendly resource
- ❑ By outlining strengths and weaknesses, as well as current/past efforts, project planning will benefit from more comprehensive information

➤ Collaboration and Coordination

- ❑ Understanding in country efforts, as well as similar project designs in other regions or institutions will create new synergies
- ❑ Collaboration and coordination across donors enhanced when other donor information is incorporated

➤ Learning

- ❑ By searching for similar projects, lessons learned can be incorporated into the design
- ❑ Experienced resources from past projects can provide advisory support during implementation

➤ Results Management

- ❑ Monitor whether efforts are positively impacting the selected indicators

Next Steps

- Internal Launch (50 countries)
- Collaborate with users on possible enhancements
- Expand to more countries
- Collaborate with donors on non-WBG project data
- External Launch

