



## Explanatory Notes on Main Statistical Indicators

**Number of Procedures for Starting a Business** is the number of procedures required to start a business, including interactions to obtain necessary permits and licenses and to complete all inscriptions, verifications, and notifications to start operations. Data are for businesses with specific characteristics of ownership, size, and type of production.

**Time Required for Starting a Business** is the number of calendar days to complete the procedures for legally operating a business. If a procedure can be expedited at additional cost, the fastest procedure, independent of cost, is chosen.

**Ease of Doing Business Rank** Economies are ranked on their ease of doing business, with first place being the best. A high ranking means that the regulatory environment is conducive to business operation. The index ranks the simple average of the country's percentile rankings on 10 topics (Starting a business, Dealing with construction permits, Getting electricity, Registering property, Getting credit, Protecting investors, Paying taxes, Trading across borders, Enforcing contracts, Resolving Insolvency). The ranking on each topic is the simple average of the percentile rankings on its component indicators.

**Starting a Business** identifies the bureaucratic and legal hurdles an entrepreneur must overcome to incorporate and register a new firm. It examines the procedures, time, and cost involved in launching a commercial or industrial firm with up to 50 employees and start-up capital of 10 times the economy's per-capita gross national income (GNI).

**New Businesses Registered** are the number of limited liability firms registered in the calendar year.

**New Businesses Density** are the number of new limited liability corporations registered per 10 thousand people in the calendar year.

**Dealing with Construction Permits** tracks the procedures, time, and costs to build a warehouse, including

obtaining necessary licenses and permits, completing required notifications and inspections, and obtaining utility connections.

**Registering Property** examines the steps, time, and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute.

**Getting Credit** explores two sets of issues—credit information registries and the effectiveness of collateral and bankruptcy laws in facilitating lending.

**Paying Taxes** addresses the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as measures of administrative burden in paying taxes.

**Trading Across Borders** looks at the procedural requirements for exporting and importing a standardized cargo of goods. Every official procedure is counted—from the contractual agreement between the 2 parties to the delivery of goods—along with the time necessary for completion.

**Protecting Investors** measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain.

**Enforcing Contracts** looks at the efficiency of contract enforcement by following the evolution of a sale of goods dispute and tracking the time, cost, and number of procedures involved from the moment the plaintiff files the lawsuit until actual payment.

**Resolving Insolvency** identifies weaknesses in existing bankruptcy law and the main procedural and administrative bottlenecks in the bankruptcy process.

**Domestic Credit to Private Sector** is financial resources provided to the private sector—such as through loans, purchases of non-equity securities, and trade credits and other accounts receivable—that establish a claim for repayment. For some countries these claims include credit to public enterprises.