

## SUBNATIONAL DOING BUSINESS

# Doing Business in Poland 2015



*Doing Business in Poland 2015* is the first World Bank Group sub-national report studying the ease of doing business in the country. It compares business regulations affecting domestic firms in 18 cities representing all 16 voivodeships. Regulations relevant to four stages in the life of a small to medium-size firm are measured: starting a business, dealing with construction permits, registering property, and enforcing contacts. In each of these areas, the report highlights good practices that can be leveraged to empower local entrepreneurs and firms.

### DOING BUSINESS IN POLAND 2015

*Doing Business in Poland 2015* goes beyond the largest business city—Warsaw—to identify good regulatory practices, uncover administrative bottlenecks, and recommend reforms based on examples from the country and the other 188 economies measured by the *Doing Business* project.

The subnational study was requested and substantially funded by the Ministry of Infrastructure and Development of the Republic of Poland and Bank Gospodarstwa Krajowego (BGK). Data collection was done in partnership with the Polish Confederation Lewiatan (Konfederacja Lewiatan).



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### MAIN FINDINGS

- Polish entrepreneurs face different regulatory hurdles depending on where they establish their businesses. This is due to varying efficiency levels at the public agencies in charge of the four areas benchmarked—starting a business, dealing with construction permits, registering property and enforcing contracts—and discrepancies in the interpretation of national legislation
- Smaller cities tend to do better overall across the four indicators: of the 18 cities measured, Bydgoszcz tops the aggregate ranking. However, several large cities rank at or near the top of individual indicators—for example, Poznań and Wrocław on starting a business and dealing with construction permits, respectively—proving that high demand for business services can be dealt with efficiently.
- No single city does equally well on all four indicators. With the exception of Kielce, all cities do better than average on at least one indicator and 13 out of 18 rank in the top third on at least one indicator.
- On all indicators, there are good practices to be found across Poland. If a Polish city were to adopt all the best practices found across the 18 cities, it would rank 24th out of 189 economies in the global *Doing Business* ranking—8 positions higher than Poland's current ranking, as represented by Warsaw, according to *Doing Business 2015*—placing the country ahead of France and the Netherlands.

- Reform-minded local officials can make tangible improvements by replicating measures already successfully implemented in other cities in Poland.
- In Poznań, half of limited liability companies are set up through the faster and less expensive “S24” online registration system introduced in 2012—the highest uptake among the 18 cities measured.
- On average, it takes longer to deal with construction permits in the most populated cities—193 days—than it does in cities with less than half a million inhabitants—168 days. However, the experience of Łódź—one of Poland’s largest cities, where dealing with construction permits takes 164 days—shows that high demand for services can be met with relative efficiency.
- In Białystok and Zielona Góra, it only takes 10 days to register a property with the Land and Mortgage Registry thanks to improved court efficiency and the use of a caseload management software.
- Resolving a commercial dispute as fast as in Olsztyn (328 days) and with as low a cost as in Białystok (13.6% of claim value), would place Poland in the 13th place globally, same as Germany and ahead of Finland.
- Trial time at the busy regional court of Kraków is less than a year—one week faster than the 18-city average. Judges in Kraków follow best national practices and use active case management, leveraging the existing provisions of the Code of Civil Procedure to frontload evidence and set a schedule of anticipated hearings and pleadings where possible.

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#### ABOUT SUBNATIONAL DOING BUSINESS

*Subnational Doing Business* studies capture differences in business regulations and their enforcement across locations in a single country. The reports provide data on the ease of doing business in selected areas, rank each location, and recommend reforms to improve performance at the local level in each area.

Since 2005, subnational *Doing Business* projects have benchmarked more than 367 locations in 55 countries and have recorded 389 business regulatory reforms. [www.doingbusiness.org/subnational](http://www.doingbusiness.org/subnational)

#### WHY SUBNATIONAL?

##### ▪ Offers a new diagnostic tool

Applying the methodology used in the cross-country global *Doing Business* report in a number of locations in the same country or region, the projects create micro-level data on various areas of business regulation. This allows the participating locations to compare their business regulations among themselves and with 188 economies worldwide.

##### ▪ Motivates regulatory improvements

The studies uncover bottlenecks, provide policy recommendations and identify local good practices that can easily be replicated without changing the country’s legal and regulatory framework. The studies motivate regulatory improvements, mainly through peer-to-peer learning.

##### ▪ Measures progress over time

Repeated benchmarking measures progress over time and creates incentives to maintain the reform effort, even when governments change. The studies become a public-policy tool to guide policymakers throughout the business regulatory reform cycle.

#### FULL REPORT AVAILABLE AT:

[www.doingbusiness.org/Poland](http://www.doingbusiness.org/Poland)