

World Bank Group releases
Doing Business in South Asia 2007:
Dhaka is the city with the most business-friendly regulations in Bangladesh

Washington DC, February 13, 2007 – The World Bank and its private sector arm, IFC, released today a new report entitled [Doing Business in South Asia 2007](#), which, for the first time, includes subnational data from Bangladesh. The report finds that out of the four major Bangladeshi cities covered in the study, **Dhaka** has the most business-friendly regulations, as measured by the [Doing Business](#) reports. By contrast, Bogra imposes the most complex and costly administrative barriers, while Chittagong and Khulna rank in between.

The report compares business regulations in the World Bank’s South Asia region with 175 economies around the world. The top-ranked countries in the region are the Maldives (53) and Pakistan (74), followed by Bangladesh (88), Sri Lanka (89), Nepal (100), India (134), Bhutan (138), and Afghanistan (162). This year, Bangladesh implemented reforms to simplify property registration.

Doing Business in South Asia 2007 is the third report in a series of reports on the region based on the methodology of the annual global *Doing Business* report. *Doing Business* tracks a set of regulatory indicators related to business start-up, operation, trade, payment of taxes, and closure by measuring the time and cost associated with various government requirements. It does not track variables such as macroeconomic policy, quality of infrastructure, currency volatility, investor perceptions, or crime rates.

Bangladesh recently improved the environment for businesses by introducing the land registration act (in force since July 1, 2005) to reduce fraud in land tenure. Despite improvements in the area of property registration—one of the 10 *Doing Business* indicators—Bangladesh can still do much better.

“Bangladesh could jump in the [international rankings](#) if it simply adopted the best practices in business regulation that already exist within the country—from 88th to 62nd on the global *Doing Business* rankings. This would leave all other countries in the region, except the Maldives, behind,” said Caralee McLiesh, an author of the *Doing Business in South Asia* report.

Local regulations and different implementation of national-level regulations cause large differences in the ease of doing business among Bangladeshi cities. For example, in Dhaka it takes 13 procedures and 185 days to obtain a license, compared to 150 days and 15 procedures in Chittagong, and 146 days and 14 procedures in Bogra. Within Bangladesh, it is fastest to start a businesses in Khulna and Bogra (30 days), compared to Dhaka and Chittagong, where it takes a week longer (37 days).

“Although the variations within the country are less significant for Bangladesh than for India and Pakistan, local authorities can still learn from each other in several areas of business regulation. In Khulna, for example, resolving a commercial dispute through the courts is faster than other cities, but at 1,373 days it still requires almost four years,” said Simon Bell, World Bank Manager for Financial and Private Sector Development in South Asia.

	Indicator	City with best score on indicator
1	Starting a business	Bogra, Khulna
2	Dealing with licenses	Bogra
3	Employing workers	<i>No regional variation</i>
4	Registering property	Bogra, Chittagong
5	Getting credit	<i>No regional variation</i>
6	Protecting investors	<i>No regional variation</i>
7	Paying taxes	<i>No regional variation</i>
8	Trading across borders	Chittagong
9	Enforcing contracts	Khulna
10	Closing a business	Dhaka
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Current global ranking of Bangladesh: 88		
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Hypothetical ranking after adopting Bangladesh best practices: 62		
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The *Doing Business* project is based on the efforts of more than 5,000 local experts – business consultants, lawyers, accountants, government officials, and leading academics around the world, who provide methodological support and review. The data, methodology, and names of contributors are publicly available online at <http://www.doingbusiness.org>.

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