Doing Business Reform Programme

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Singapore - the improbable story

"To understand Singapore, you've got to start off with an improbable story: It should not exist. It is a nation with almost no natural resources, without a common culture, a fractured mix of Chinese, Malays and Indians, relying on its wits to stay afloat and prosper”

- Former Prime Minister Lee Kuan Yew
(The New York Times, 2007)
Singapore Today

1. Land Area : 714 sq km
2. Population : 5.18 million (3.79m residents)
3. GDP : S$326.8 billion (US$260.8 billion)
4. GDP Per Capita : S$65,048 (US$52,051)
5. Literacy Rate : 96.1%
6. Labor Force : 66.1% of population (aged ≥15)
8. Public Sector Officers : ≈ 127,000

Sources:
• 8: Public Services Division (http://www.psd.gov.sg/PublicService/SingaporePublicService/), Last accessed on 20 March 2012.
Evolution of Singapore’s Economic Development

Manufacturing driven economy
• Independence and early industrialisation
• Labour intensive

Investment driven economy
• Economic restructuring and newly industrialised economy
• Capital intensive

Innovation driven
• Globalised and diversified economy
• Knowledge intensive

Our economic evolution has been heavily supported and enabled by ICT

Investment driven economy

Innovation driven economy

Infocomm Development Authority (IDA) has played a pivotal role in Singapore's economic development

- Infocomm Development Authority of Singapore (IDA) is a statutory board under Ministry of Communications and Information (MCI) and is the ICT authority and eGovernment agency in Singapore
We have been awarded numerous global accolades

- **3rd** most competitive IT Industry  
  Economist Intelligence Unit, 2011

- Best eGovernment  
  Waseda University eGovernment Global Ranking, 5 years, 2009 - 2013

- City with the best investment potential  
  BERI Report, 2011

- **2nd** most network ready country  
  WEF Global Information Technology Report, 2 years, 2012 - 2013

- **2nd** most competitive country  
  WEF Global Competitiveness Index, 2 years, 2011 - 2012

- Easiest place to do business  
  World Bank Ease of Doing Business, 7 years, 2007 – 2013
Sector transformation helped to drive efficiencies, making Singapore the easiest place in the world to do business.

Legislation and Support from the Public and Private Sector is equally paramount.
<table>
<thead>
<tr>
<th>Business Needs</th>
<th>Previously or manually</th>
<th>Now through eServices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorporating a new company</td>
<td>S$1,200 to S$35,000 (depend on company size) Time required: 5 days</td>
<td>S$300 (flat fee) Time required: 2 hours</td>
</tr>
<tr>
<td>Submitting building plans</td>
<td>Manual dispatching of documents to 12 agencies 200 days</td>
<td>Online Submission 36 days 160m cost savings</td>
</tr>
<tr>
<td>Trade Clearance</td>
<td>At least 3 working days 3 – 30 documents</td>
<td>&lt; 1 min 1 document 25% Productivity Increase 50% Cost reduction</td>
</tr>
<tr>
<td>Register a New Vehicle</td>
<td>1 working day $5 - $10 (courier service)</td>
<td>10 to 15 minutes FREE!</td>
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<tr>
<td>Obtaining an Entertainment license</td>
<td>Time required: 8 weeks</td>
<td>Time required: 2 weeks</td>
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</tbody>
</table>
Doing Business Reform Programme
Past five years, Doing Business reported that Suriname did not improve but deteriorated

<table>
<thead>
<tr>
<th>Year</th>
<th>Starting a Business</th>
<th>Construction Permits</th>
<th>Getting Electricity</th>
<th>Registering Property</th>
<th>Getting Credit</th>
<th>Protecting Investors</th>
<th>Paying Taxes</th>
<th>Trade Across Borders</th>
<th>Enforcing Contracts</th>
<th>Resolving Insolvency</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>N</td>
<td>N</td>
<td>NA</td>
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<td>2013</td>
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</table>

- **DB 2010** – Suriname implemented new valuation requirements to insure proper tax payments at the Land Registry which increased procedures, cost and time to **Register Property**

- **DB2011** – VP reduced the time to under 21 days and simplified the procedures to **Start a Business**

- **DB 2013** - Suriname increased the time to export by involving more customs departments in clearing exports making it more tedious to **Trade Across Borders**
Our analyses of top performers provides a framework to replicate successes that will enable Suriname to keep up with the “High-Movers”

Economies in this group channelled significant efforts in reforming:
- Starting a Business
- Protecting Investors
- Paying Taxes
- Construction Permits

10 economies in this group reformed **Starting a Business**, which represents a cumulative increase of **428 ranks** for these 10 economies.

Suriname should consider following suit to keep pace with the top movers while reforming **Trading Across Borders**, a criteria that top movers have not been focusing on.

Data from **World Bank**
Lat Am & Caribbean countries have not been very strong performers; potential for Suriname to differentiate and “break away from the pack”

- 75% of economies in the Lam Am and Caribbean region dropped in their rankings in Doing Business 2013, with the main decliners being, Argentina, Bahamas, Ecuador, Jamaica and Suriname!
- 25% of the biggest decliners (bottom 36 economies) in DB 2013 are from this region – not a very strong performance from the region
- There were however a few high-achievers - Costa Rica, Guatemala, Honduras and Mexico and analysis revealed a common theme
  - These economies focused on reforms in 3 or more criteria simultaneously (diversification)
  - Focus of reforms by these economies: Trading Across Borders, Paying Taxes, Construction Permits & Starting a Business
Doing Business Reform Programme will be a journey, with the first step being a Diagnostic Study to identify quick-wins and plan improvements for succeeding phases.

- Conduct a Diagnostics Study
  - Conduct a time-boxed diagnostic study to identify low-inertia, high impact areas of potential reform

- Plan and Implement Quick Wins
  - Plan and Implement Quick-Win Implementations, typically less than 6 months; recognizable in Doing Business 2014

- Plan Medium / Long Term Reforms
  - Plan and Implement Medium / Long Term reforms concurrently with Quick-Wins, typically 24-36 month sector wide reforms (e.g. Trade)

Institute Operational and Governance Structures to drive business regulation reforms

Institute an engagement model to encourage potential government and non-government respondents to participate

Leverage on a partner with a proven track record

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Initial reform efforts should focus on low-hanging fruits...

- Focus initially on criteria that can be influenced by process improvements and automation
- Criteria that may require high-levels of policy reform may be tedious to implement with high change-inertia
- Potential Quick-Wins can therefore encompass the reengineering of overly lengthy business processes, e.g. Time to Start a Business, Number of Tax Payments
Analysis of Suriname leads us to conclude ...

• Suriname should channel efforts into reforming 4 criteria simultaneously
  • World Bank only recognises economies that have reformed 3 or more criteria as top-movers

• Selected criteria and specific reforms should be quickly implementable and yet yield the highest ranking and socio-economic impacts for Suriname

• Reforms should enable Suriname to keep pace with Regional and Global performers

• Reforms should be based on “proven” successes

• Keeping these in mind, the following criteria are recommended for initial focus
  • Starting a Business
  • Dealing with Construction Permits
  • Paying Taxes
  • Trading Across Borders
We seek from you, our stakeholders

1. Your support and participation during the diagnostics study to help us during the information gathering process

2. That you please be forthcoming with information – this is about how we can help Suriname improve

3. Your opinions on areas you feel could be best improved and we welcome your suggestions

4. Where would you want Suriname’s Doing Business Ranking to be in 2-3 years
We have worked with various countries around the world in helping them better harness the benefits of infocomm technologies to drive socio-economic outcomes.