



## THE DOING BUSINESS REPORT 2011

**The Doing Business Report** describes and analyzes property rights protection in an economy in an effort to encourage investment and entrepreneurial ventures into the country. The Report is successful in pinpointing areas of weaknesses and comparing reform policies in a large sample of economies. Accordingly, policies can be adapted from other successful economies.

The nine indicators in the Doing business report present a measure of business regulation and the protection of property rights in a certain economy, and their effect on small and medium-size domestic businesses:

- The indicators document the 'degree of regulation' in an economy; such as the number of procedures needed to register property, or start and close a business.
- They present a measure of the extent of legal protection of property.
- They show the regulatory outcomes of an economy, such as time and cost to enforce a contract.
- In the employment regulation indicator, several aspects of employment and how businesses deal with employees are measured.
- Finally, a set of indicators in the Report are allocated to measure the tax burden on businesses.

In 2010, 117 economies carried out 216 reforms that make it easier to start and operate a business, strengthen transparency and property rights, and improve the effectiveness of dispute resolution in commercial settings and the effectiveness of procedures related to bankruptcy.

### NOTES ON METHODOLOGY IN DB2011

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**The International Finance Corporation** in their Doing Business Report, place great emphasis on achieving a transparent methodology that gives factual information by interacting with local respondents to check for misinterpretations of information and by regularly checking answers with respondents for accuracy. The methodology is inexpensive and easily replicable to make it possible to collect data for a large representative sample of economies.

Standard assumptions are used in data collection across all economies to make benchmarking valid. This makes it possible for the data presented to identify the sources in regulatory obstacles and to point out areas where reform is required.

DB2011 does not include the Employing Workers indicator in this year's aggregate ranking. Due to several changes in the methodologies, and the standard cases employed in this indicator, the report discusses the Employing Workers indicator separately.<sup>1</sup>

This year's report also looked at Getting Electricity in different economies; however, this indicator was also not included in the aggregate ranking of economies.

### JORDAN'S PERFORMANCE IN DB2011

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**Between 2009-2010** Jordan improved by 4 ranks; it went from 104 in 2009 to 100 in 2010. Between 2010-2011 Jordan slipped by 4 ranks, it went from 107\* in 2010 to 111 in 2011. This ranking places Jordan in the ninth place among the 18 Middle Eastern and North African countries participating in the survey.

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<sup>1</sup> For a detailed account on the changes made, please refer to DB2011 report publication, chapter Data Notes, page 110



With the exception of Starting a Business and Dealing with Construction Permits, all other indicators either declined or remained the same (Table 1). The main areas of deterioration were:

1. Getting credit;
2. Paying Taxes;
3. Trading Across Borders.

While Jordan made a clear effort for reform in making doing business easier over the past year, the overall ranking drop is explained by the relative faster improvement in procedures by other economies surveyed which enhanced their business practices.

Table 1 presents an analysis of the trends and findings of the DB report in the years 2009, 2010 and 2011. In 2009, 181 economies were studied, and Jordan's Ease of Doing Business rank placed at 104 out of 181. In 2010, Jordan placed at 107<sup>2</sup> out of 183 and in 2011, it placed at 111 out of 183.

Table 1 Jordan's performance in the nine Doing Business indicators and the corresponding trends in performance over the last three years

Ease of Doing Business	2009	2010 <sup>3</sup>	Trend 09/10	2010	2011	Trend 10/11
	104/181	100/183	4+	107/183	111/183	4-
<b>Starting a Business</b>	119	125	6-	129	127	2+
Procedures (number)	9	8		8	8	
Time (days)	14	13		13	13	
Cost (% of income per capita)	60.4	49.5		49.5	44.6	
Min. capital (% of income per capita)	24.2	19.9		19.9	17.9	
<b>Dealing with Construction Permits</b>	116	92	24+	95	92	3+
Procedures (number)	22	19		19	19	
Time (days)	107	87		87	87	
Cost (% of income per capita)	849	697.1		697.1	634.1	
<b>Registering Property</b>	105	106	1-	106	106	0
Procedures (number)	7	7		7	7	
Time (days)	21	21		21	21	
Cost (% of property value)	10	7.5		7.5	7.5	
<b>Getting Credit</b>	125	127	2-	125	128	3-
Strength of legal rights index (0-10)	4	4		4	4	
Depth of credit information index (0-6)	2	2		2	2	
Public registry coverage (% of adults)	1.0	1.0		1.0	1.5	
Private bureau coverage (% of adults)	0.0	0.0		0.0	0.0	
<b>Protecting Investors</b>	114	119	5-	119	120	1-
Extent of disclosure index (0-10)	5	5		5	5	
Extent of director liability index (0-10)	4	4		4	4	
Ease of shareholder suits index (0-10)	4	4		4	4	

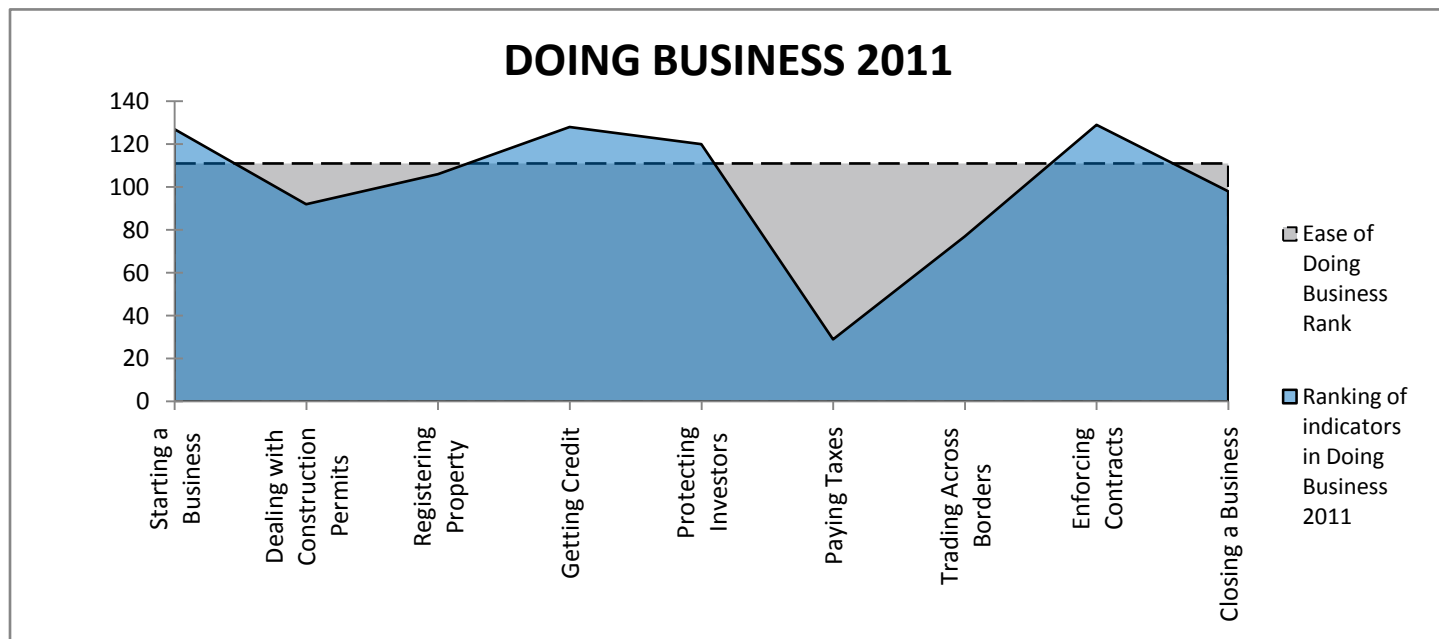
<sup>2</sup> Doing Business rankings have been recalculated to reflect changes to the methodology, the aggregate ranking has been recalculated to exclude the Employing Workers indicator.

<sup>3</sup> Doing Business rankings have been recalculated to reflect changes to the methodology. This column represents the original data published in 2010, which is no longer valid, but is presented to perform a just comparison to the DB2009 rankings.



Ease of Doing Business	2009	2010 <sup>3</sup>	Trend 09/10	2010	2011	Trend 10/11
Strength of investor protection index (0-10)	4.3	4.3		4.3	4.3	
<b>Paying Taxes</b>	22	26	4-	26	29	3-
Payments (number per year)	26	26		26	26	
Time (hours per year)	101	101		101	101	
Total tax rate (% profit)		31.1		31.1	31.2	
<b>Trading Across Borders</b>	77	71	6+	74	77	3-
Documents to export (number)	7	7		7	7	
Time to export (days)	19	17		17	14	
Cost to export (US\$ per container)	730	730		730	825	
Documents to import (number)	7	7		7	7	
Time to import (days)	22	19		19	18	
Cost to import (US\$ per container)	1,290	1,290		1,290	1,335	
<b>Enforcing Contracts</b>	129	124	5+	128	129	1-
Procedures (number)	39	38		38	38	
Time (days)	689	689		689	689	
Cost (% of claim)	31.2	31.2		31.2	31.2	
<b>Closing a Business</b>	96	96	0	97	98	1-
Time (years)	4.3	4.3		4.3	4.3	
Cost (% of estate)	9	9		9	9	
Recovery rate (cents on the dollar)	27.3	27.3		27.3	26.9	

JORDAN'S PERFORMANCE IN DOING BUSINESS INDICATORS



Graph 1 The following graph shows how the nine Doing Business indicators compare to Jordan's Overall Ease of Doing Business Rank



## STARTING A BUSINESS

This indicator measures and compares regulations related to the lifecycle of small and medium sized domestic businesses. It describes the state of bureaucracy and legal hurdles an investor or entrepreneur is likely to go through when registering a new business. Factors like the number of procedures, time and cost requirements in starting 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) are considered.

This was one of the two indicators where Jordan's performance improved: in 2010, Jordan placed at 129 versus 127 in 2011. While the number of procedures and time did not change, the cost and minimum capital required for starting a business as a percentage of income per capita both decreased, making it easier to start a business. The Jordanian Firms Law has been amended, it is no longer required to deposit 50% of a company's capital in a commercial bank to register a limited liability company. Jordan reduced its minimum capital requirement from 30,000 Jordanian dinars to 1,000, the number of newly registered companies in the country increased by 18%. Jordan is one of 72 economies among Peru, Italy and Azerbaijan (out of 183 economies surveyed) who have a one-stop shop to start a business, which is considered a good practice in making it easy to start a business.

Egypt's performance in this indicator improved by 5 ranks, it went up from 23 in 2010 to 18 in 2011. This is mainly because Egypt reduced the cost to start a business; the cost to start a business (as a % of income per capita) was 16.1% in 2010 and reduced to 6.3% in 2011. This follows a steady trend of improvement in Egypt's performance over the past years. In 2006 only 19% of registered firms were limited liability companies, in 2008 it rose to 30%. With the reforms the government is making, this trend is expected to continue, high minimum capital requirements discourage companies from registering. Similarly, Lebanon improved by 5 ranks; it went from 108 in 2010 to 103 in 2011 for the same reasons. Furthermore, we can see in Table 2, how Syria's relative high required minimum capital (as a percentage of income per capita) puts it at a great disadvantage compared to other economies – even though it drastically reduced this number from 1,012.5% in 2010 to 355.1% in 2011.

Table 2 presents a summary of the data assessing the complexity of procedures, time and cost requirements involved in Starting a Business in the seven benchmark countries considered: Egypt, Lebanon, Singapore, Syria, Tunisia, Turkey and UAE.

Economy	Year	Ease of Doing Business Rank	Starting a Business Rank	Procedures (number)	Time (days)	Cost (% of income per capita)	Min. capital (% of income per capita)
Egypt	DB2010	99	23	6	7	16.1	0
Egypt	DB2011	94	18	6	7	6.3	0
Lebanon	DB2010	109	108	5	9	78.2	51
Lebanon	DB2011	113	103	5	9	75	39.8
Singapore	DB2010	1	4	3	3	0.7	0
Singapore	DB2011	1	4	3	3	0.7	0
Syria	DB2010	144	133	7	15	27.8	1,012.5
Syria	DB2011	144	134	7	13	38.1	355.1
Tunisia	DB2010	58	45	10	11	5.7	0
Tunisia	DB2011	55	48	10	11	5	0
Turkey	DB2010	60	56	6	6	14.2	9.5
Turkey	DB2011	65	63	6	6	17.2	9.9
UAE	DB2010	37	43	8	15	6.2	0
UAE	DB2011	40	46	8	15	6.4	0
Jordan	DB2010	107	129	8	13	49.5	19.9
Jordan	DB2011	111	127	8	13	44.6	17.9



## DEALING WITH CONSTRUCTION PERMITS

This indicator also measures the number of procedures, time, and costs needed for building a warehouse (*and uses this as a standard case for comparison purposes*). It takes into consideration the necessary licenses, permits, required notifications, inspections and utility connections associated with constructing a warehouse.

This is another area that Jordan's performance saw a steady improvement and reform. In 2010, Jordan placed at 95 out of 183, in 2011 it placed at 92 out of 183, improving by 3 ranks overall. Here too, the time and number of procedures remained unchanged, but the cost associated with construction and obtaining permits as a percentage of the economy's income per capita went from 697.1% in 2010 to 634.1% in 2011.

This is another area Egypt improved its performance. In 2010, Egypt placed at 155 and improved by one point to 154 in 2011. Egypt reduced its cost (as a percentage of the economy's income per capita) from 351.6% to 284.7%.

Table 3 presents a summary of the data that measures the number of procedures, time and cost for acquiring Construction Permits in the seven benchmark countries considered: Egypt, Lebanon, Singapore, Syria, Tunisia, Turkey and UAE.

Economy	Year	Ease of Doing Business Rank	Dealing with Construction Permits Rank	Procedures (number)	Time (days)	Cost (% of income per capita)
Egypt	DB2010	99	155	25	218	331.6
Egypt	DB2011	94	154	25	218	293.7
Lebanon	DB2010	109	140	21	211	351.6
Lebanon	DB2011	113	142	21	218	284.7
Singapore	DB2010	1	2	11	25	19.9
Singapore	DB2011	1	2	11	25	19.7
Syria	DB2010	144	130	26	128	540.3
Syria	DB2011	144	134	26	128	568.4
Tunisia	DB2010	58	105	20	84	998.3
Tunisia	DB2011	55	106	20	97	858.7
Turkey	DB2010	60	133	25	188	218.8
Turkey	DB2011	65	137	25	188	231.4
UAE	DB2010	37	24	17	64	30.7
UAE	DB2011	40	26	17	64	35.8
Jordan	DB2010	107	95	19	87	697.1
Jordan	DB2011	111	92	19	87	634.1

## REGISTERING PROPERTY

This indicators looks at the procedures, time and cost involved in registering property. It assumes a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute.<sup>4</sup>

In this indicator, Jordan saw no change in performance or laws. All three measurements involved – number of procedures, time and cost (as a percentage of income per capita) – remained the same. The overall rank in Registering Property was 106 in 2010 and still is 106 in 2011.

<sup>4</sup> From DB2011 page 110 and



Table 4 presents a summary of the data assessing the complexity, time and cost requirements for Registering Property in the seven benchmark countries considered: Egypt, Lebanon, Singapore, Syria, Tunisia, Turkey and UAE.

Economy	Year	Ease of Doing Business Rank	Registering Property Rank	Procedures (number)	Time (days)	Cost (% of property value)
Egypt	DB2010	99	89	7	72	0.9
Egypt	DB2011	94	93	7	72	0.8
Lebanon	DB2010	109	110	8	25	5.8
Lebanon	DB2011	113	111	8	25	5.8
Singapore	DB2010	1	16	3	5	2.8
Singapore	DB2011	1	15	3	5	2.8
Syria	DB2010	144	80	4	19	28
Syria	DB2011	144	80	4	19	27.9
Tunisia	DB2010	58	58	4	39	6.1
Tunisia	DB2011	55	64	4	39	6.1
Turkey	DB2010	60	35	6	6	3
Turkey	DB2011	65	38	6	6	3
UAE	DB2010	37	6	1	2	2
UAE	DB2011	40	4	1	2	2
Jordan	DB2010	107	106	7	21	7.5
Jordan	DB2011	111	106	7	21	7.5

## GETTING CREDIT

This topic look at the following two issues:

- The effectiveness of collateral and bankruptcy laws in facilitating lending;
- and credit information registries.

Jordan lowered the threshold for loans to be reported to the public credit registry and set up a regulatory framework for establishing a private credit bureau to improve its credit information system. Nonetheless, Jordan's performance in this indicator dropped by 3 points: it went from 125 in 2010 to 128 in 2011. The measurements on the Strength of legal rights<sup>5</sup>, Depth of credit information index<sup>6</sup> and Private bureau coverage remained unchanged. On the other hand, the percentage of public registry coverage<sup>7</sup> improved by 0.5%. In light of the aforementioned reforms, a more drastic improvement is expected to be reflected in future reports.

Syria improved its rank to 168 in 2011 from 181 in 2010 by improving the following two measures:

1. Depth of credit information index : 2/10 in 2011 compared to 0/10 in 2010, and
2. Public registry coverage (% of adults) 2.2% in 2011 compared to 0% in 2010.

<sup>5</sup> the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending

<sup>6</sup> This index measures rules and practices affecting the coverage, scope and accessibility of credit information available through either a public credit registry or a private credit bureau.

<sup>7</sup> number of individuals and firms listed in a public credit registry with information on their borrowing history from the past 5 years.



Basically, Syria improved the accessibility to credit by removing the minimum threshold for loans in the database – this led to increased coverage of firms and individuals to become 2.2%. The depth of credit information and public registry coverage are areas of weaknesses Jordan should work on improving.

Table 5 presents a summary of the data for Getting Credit in the seven benchmark countries considered: Egypt, Lebanon, Singapore, Syria, Tunisia, Turkey and UAE.

Economy	Year	Ease of Doing Business Rank	Getting Credit Rank	Strength of legal rights index (0-10)	Depth of credit information index (0-6)	Public registry coverage (% of adults)	Private bureau coverage (% of adults)
Egypt	DB2010	99	69	3	6	2.5	8.2
Egypt	DB2011	94	72	3	6	2.9	10.3
Lebanon	DB2010	109	87	3	5	8.3	0
Lebanon	DB2011	113	89	3	5	8.7	0
Singapore	DB2010	1	6	10	4	0	40.3
Singapore	DB2011	1	6	10	4	0	60.8
Syria	DB2010	144	181	1	0	0	0
Syria	DB2011	144	168	1	2	2.2	0
Tunisia	DB2010	58	87	3	5	19.9	0
Tunisia	DB2011	55	89	3	5	22.9	0
Turkey	DB2010	60	69	4	5	15.9	42.9
Turkey	DB2011	65	72	4	5	18.3	42.2
UAE	DB2010	37	69	4	5	7.3	12.6
UAE	DB2011	40	72	4	5	8.4	17.7
Jordan	DB2010	107	125	4	2	1	0
Jordan	DB2011	111	128	4	2	1.5	0

## PROTECTING INVESTORS

This measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain.<sup>8</sup>

Measurements of sub indicators did not change, but the overall rank dropped by 1, it went from 119 in 2010 to 120 in 2011. Many economies showed a faster relative improvement in this topic, especially since there's much room for improvement when it comes to regulations relating to this topic. This does not mean that Jordan is not improving generally; however, it does mean that Jordan's relative improvement is slow, or that the reforms made are not as aggressive as those in other economies.

Jordan is one of 5 economies (Guyana, Rwanda, UAE and Vietnam) that improved regulatory framework related to sharing credit information out of the 183 economies that have been studied.

Here too, Syria improved drastically. In 2010, Syria ranked at 119 out of 183, in 2011 it ranked at 109 out of 183. The Extent of disclosure index improved from 6/10 in 2010 to 7/10 in 2011. and the Strength of investor protection index improved from 4.3/10 to 4.7/10 in 2010 and 2011 respectively.

<sup>8</sup> From DB2011



Table 6 presents a summary of the data measuring Protecting Investors in the seven benchmark countries considered: Egypt, Lebanon, Singapore, Syria, Tunisia, Turkey and UAE.

Economy	Year	Ease of Doing Business Rank	Protecting Investors Rank	Extent of disclosure index (0-10)	Extent of director liability index (0-10)	Ease of shareholder suits index (0-10)	Strength of investor protection index (0-10)
Egypt	DB2010	99	73	8	3	5	5.3
Egypt	DB2011	94	74	8	3	5	5.3
Lebanon	DB2010	109	92	9	1	5	5
Lebanon	DB2011	113	93	9	1	5	5
Singapore	DB2010	1	2	10	9	9	9.3
Singapore	DB2011	1	2	10	9	9	9.3
Syria	DB2010	144	119	6	5	2	4.3
Syria	DB2011	144	109	7	5	2	4.7
Tunisia	DB2010	58	73	5	5	6	5.3
Tunisia	DB2011	55	74	5	5	6	5.3
Turkey	DB2010	60	57	9	4	4	5.7
Turkey	DB2011	65	59	9	4	4	5.7
UAE	DB2010	37	119	4	7	2	4.3
UAE	DB2011	40	120	4	7	2	4.3
Jordan	DB2010	107	119	5	4	4	4.3
Jordan	DB2011	111	120	5	4	4	4.3

## PAYING TAXES

This topic 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.<sup>9</sup>

Here too Jordan's performance dropped: in 2010 Jordan placed at 26 and dropped by 3 at 29 in 2011. No change in payment numbers or time happened, but the total tax rate as a percentage of profit went up by 0.1% in 2011.

Tunisia made a drastic improvement it went up from 117 in 2010 to 58 in 2011. An improvement of 59 points:

Table 7 presents a summary of the data measuring procedures and payments in Paying Taxes in the seven benchmark countries considered: Egypt, Lebanon, Singapore, Syria, Tunisia, Turkey and UAE.

Economy	Year	Ease of Doing Business Rank	Paying Taxes Rank	Payments (number per year)	Time (hours per year)	Total tax rate (% profit)
Egypt	DB2010	99	136	29	480	43
Egypt	DB2011	94	136	29	433	42.6
Lebanon	DB2010	109	35	19	180	30.2
Lebanon	DB2011	113	36	19	180	30.2
Singapore	DB2010	1	5	5	84	27.8
Singapore	DB2011	1	4	5	84	25.4

<sup>9</sup> From DB2011



Economy	Year	Ease of Doing Business Rank	Paying Taxes Rank	Payments (number per year)	Time (hours per year)	Total tax rate (% profit)
Syria	DB2010	144	105	20	336	42.9
Syria	DB2011	144	110	20	336	42.9
Tunisia	DB2010	58	117	22	228	62.8
Tunisia	DB2011	55	58	8	144	62.8
Turkey	DB2010	60	73	15	223	44.5
Turkey	DB2011	65	75	15	223	44.5
UAE	DB2010	37	4	14	12	14.1
UAE	DB2011	40	5	14	12	14.1
Jordan	DB2010	107	26	26	101	31.1
Jordan	DB2011	111	29	26	101	31.2

As can be seen in table 7, Tunisia improved in all measures except for the Total tax rate which remained the same in both years.

Jordan too made changes to tax laws: it abolished certain taxes and made it possible to file income and sales tax returns electronically. Jordan is one of 30 economies that lowered tax burdens and made paying taxes easier in 2009/2010.

## TRADING ACROSS BORDERS

This topic looks at the procedural requirements for exporting and importing a standardized cargo of goods. Documents associated with every official procedure are counted—from the contractual agreement between the 2 parties to the delivery of goods—along with the time necessary for completion.<sup>10</sup>

Here Jordan's performance dropped by 3 to become 77 in 2011 compared to 74 in 2010, so that Jordan retreated to its previous performance in 2009 when it also placed at 77. The time to export improved (17 days to 14 days in 2010 and 2011 respectively), and the time to import improved (19 days to 18 days in 2010 and 2011 respectively). However the cost to export and the cost to import all increased (cost to import in 2010 was \$1,290 and became \$ 1,335 in 2011, cost to export was \$730 in 2010 and became \$825 in 2011).

Egypt improved its rank to 21 from 30 in 2011 and 2010 respectively. While the number of documents for import and export remained the same. The time of export and import was reduced, and the cost to import and export also decreased. Tunisia and the UAE also improved their ranks (refer to **Table 3**).

The Jordanian Customs adopted the ESCODA System, that is expected to streamline and accelerate the process of customs clearance. By the end of 2011, 90% of documents associated with custom clearance procedures will be included in this scheme.

Table 8 presents a summary of the state of Trading Across Borders for the seven benchmark countries considered: Egypt, Lebanon, Singapore, Syria, Tunisia, Turkey and UAE.

Economy	Year	Ease of Doing Business Rank	Trading Across Borders Rank	Documents to export (#)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (#)	Time to import (days)	Cost to import (US\$ per container)
Egypt	DB2010	99	30	6	14	737	6	15	823
Egypt	DB2011	94	21	6	12	613	6	12	698

<sup>10</sup> From DB2011



Economy	Year	Ease of Doing Business Rank	Trading Across Borders Rank	Documents to export (#)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (#)	Time to import (days)	Cost to import (US\$ per container)
Lebanon	DB2010	109	95	5	26	1,002	7	35	1,203
Lebanon	DB2011	113	95	5	26	1,000	7	35	1,200
Singapore	DB2010	1	1	4	5	456	4	4	439
Singapore	DB2011	1	1	4	5	456	4	4	439
Syria	DB2010	144	119	8	15	1,190	9	21	1,625
Syria	DB2011	144	120	8	15	1,190	9	21	1,625
Tunisia	DB2010	58	32	4	13	773	7	21	858
Tunisia	DB2011	55	30	4	13	773	7	17	858
Turkey	DB2010	60	72	7	14	990	8	15	1,063
Turkey	DB2011	65	76	7	14	990	8	15	1,063
UAE	DB2010	37	6	4	8	593	5	9	579
UAE	DB2011	40	3	4	7	521	5	7	542
Jordan	DB2010	107	74	7	17	730	7	19	1,290
Jordan	DB2011	111	77	7	14	825	7	18	1,335

## ENFORCING CONTRACTS

This topic measures the time, cost and complexity of procedures associated with resolving a commercial lawsuit between two domestic businesses- from the moment the plaintiff files the lawsuit until actual payment. This topic ranks the economies based on the efficiency of their processes for dispute resolution, bearing in mind that improving court functions remains essential to sustaining a healthy, stable economy. Figure 1 describes the case study this report assumes: the dispute involves the breach of a sales contract with twice the income per capita of the economy, and the court hears an expert on the quality of the goods in dispute.

### What are the time, cost and number of procedures to resolve a commercial dispute through the courts?

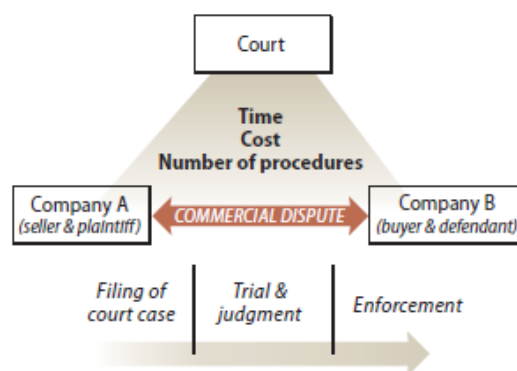


Figure 1 Source: Doing Business 2011 Enforcing Contracts, page 70

Jordan's performance in 2010 was 128 and 129 in 2011. Procedures and measures in this indicator remained unchanged. Court reform takes time to show results, as the courts and users become accustomed to the new system, efficiency continues to improve for years after the change. Therefore, the number of procedures, time and cost considerations do not change immediately with reform.



Lebanon, Egypt and Syria's ranks did not change at 143, 122 and 176 respectively (please refer to Table 4 for a detailed account on the changes in ranking and measures for the different benchmark countries considered).

In an effort to accelerate the process, many economies (especially in eastern Europe) focused on the enforcement of judgment after the trial. One such trend has been to move enforcement of judgments to the private sector by replacing enforcement officers with private enforcement agents. Another such initiative (primarily in African economies) has been to introduce small claims courts which target small businesses that cannot afford the time or cost of a typical court. This solution offers simplified processes that take less time, and parties can choose to represent themselves which saves fees that would otherwise go to lawyers. Additionally, judges issue decisions more quickly and filing fees are lower. East Asia and the Pacific focused on reducing the complexity of court procedures. Saudi Arabia will allow electronic filing of claims and also set up automatic assignment of court dates – all in an effort to improve the efficiency of court procedures and to reduce backlogs. Jordanian courts introduced online access to court records and automated notification and case tracking. Additionally, there has been an initiative to maximize the number of procedures that can be done electronically. In the Doing Business report, a lot of emphasis is placed on the benefits of using technology in court processes. Finally, in Jordan procedures, costs and time requirements have been reengineered to reduce complexity and inefficiencies.

In 2008, Jordan set up commercial divisions in its courts, judges are assigned only commercial cases. This is in imitation of the fast-becoming popular option of introducing specialized courts. Dubai was successful in resolving 58% more cases in 2009 than previous years, by creating such specialized courts.

Table 9 presents a summary of the data measuring Enforcing Contracts in the seven benchmark countries considered: Egypt, Lebanon, Singapore, Syria, Tunisia, Turkey and UAE.

Economy	Year	Ease of Doing Business Rank	Enforcing Contracts Rank	Procedures (number)	Time (days)	Cost (% of claim)
<b>Egypt</b>	DB2010	99	143	41	1,010	26.2
<b>Egypt</b>	DB2011	94	143	41	1,010	26.2
<b>Lebanon</b>	DB2010	109	122	37	721	30.8
<b>Lebanon</b>	DB2011	113	122	37	721	30.8
<b>Singapore</b>	DB2010	1	13	21	150	25.8
<b>Singapore</b>	DB2011	1	13	21	150	25.8
<b>Syria</b>	DB2010	144	176	55	872	29.3
<b>Syria</b>	DB2011	144	176	55	872	29.3
<b>Tunisia</b>	DB2010	58	76	39	565	21.8
<b>Tunisia</b>	DB2011	55	78	39	565	21.8
<b>Turkey</b>	DB2010	60	25	35	420	18.8
<b>Turkey</b>	DB2011	65	26	35	420	18.8
<b>UAE</b>	DB2010	37	133	49	537	26.2
<b>UAE</b>	DB2011	40	134	49	537	26.2
<b>Jordan</b>	DB2010	107	128	38	689	31.2
<b>Jordan</b>	DB2011	111	129	38	689	31.2



## CLOSING A BUSINESS

This topic identifies weaknesses in the existing bankruptcy law and the main procedural and administrative bottlenecks in the bankruptcy process.<sup>11</sup> Doing Business studies the time, cost and outcome of insolvency proceeding involving domestic entities. Figure 2 explains the basic measures identified in this topic:

### What are the time, cost and outcome of the insolvency proceedings against a local company?

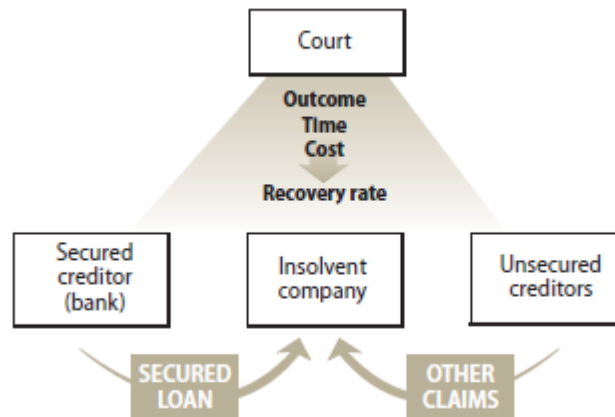


Figure 2 Source: Doing Business 2011, Closing a Business page 77

The goal here is to **improve speed of procedures, reduce costs and to maximize the continuation of viable businesses** – all of which characterize top-performing economies. In recent years, more emphasis has been placed on the survival of viable business and the availability of strong reorganization procedures rather the older stricter approaches to insolvency.

Here, Jordan's performance went from 97 in 2010 to 98 in 2011, lagging behind by 1 point. No change in Time or Cost of closing a business as a percentage of estate occurred, however the recovery rate ( cents on the dollar) became 26.9 in 2011 compared to 27.3 in 2010. Jordan is in the process of revising its Insolvency and Bankruptcy law.

Turkey improved its rank (115 in 2010 to 119 in 2011) with no change but an increase in recovery rate to 21.1 in 2010 from 20.2 in 2011. The average recovery rate in the Middle East is relatively low (33.0 cents on the dollar) compared to that of other regions (OECD:69.1 cents on the dollar, global average: 37.7 cents on the dollar).

According to Doing Business findings and recommendations, features that can enhance a bankruptcy system are:

- *The availability of mechanisms for creditor coordination/ creditor committees*- this gives creditors control over bankruptcy proceedings.
- *Qualified insolvency administrators*- this ensures that viable businesses have higher chances of survival and nonviable ones generate higher proceeds in liquidation;
- *A framework that facilitates out of court negotiations between parties*- this is primarily to ease the burden on courts by limiting their involvement to cases where parties cannot reach an agreement on their own.
- *And finally, an efficient judicial process.*

<sup>11</sup> From DB2011



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Table 10 presents a summary of the data measuring the ease of closing a business in the seven benchmark countries considered: Egypt, Lebanon, Singapore, Syria, Tunisia, Turkey and UAE.

Economy	Year	Ease of Doing Business Rank	Closing a Business Rank	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)
<b>Egypt</b>	DB2011	99	131	16.8	4.2	22
<b>Egypt</b>	DB2010	94	131	17.4	4.2	22
<b>Lebanon</b>	DB2011	109	122	19	4	22
<b>Lebanon</b>	DB2010	113	122	19.8	4	22
<b>Singapore</b>	DB2011	1	2	91.3	0.8	1
<b>Singapore</b>	DB2010	1	2	91.3	0.8	1
<b>Syria</b>	DB2011	144	88	29.5	4.1	9
<b>Syria</b>	DB2010	144	95	27.4	4.1	9
<b>Tunisia</b>	DB2011	58	34	52.3	1.3	7
<b>Tunisia</b>	DB2010	55	37	51.7	1.3	7
<b>Turkey</b>	DB2011	60	119	20.2	3.3	15
<b>Turkey</b>	DB2010	65	115	21.1	3.3	15
<b>UAE</b>	DB2011	37	143	10.2	5.1	30
<b>UAE</b>	DB2010	40	143	11.2	5.1	30
<b>Jordan</b>	DB2010	107	97	27.3	4.3	9
<b>Jordan</b>	DB2011	111	98	26.9	4.3	9