

# What to Do with Doing Business Report

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By Siromani Dhungana

The government has expressed serious concern and dissatisfaction pertaining to the ranking on ease in doing business survey by International Finance Corporation (IFC), the private sector lending arm of the World Bank.

According to the report, Nepal has been ranked 108th among 185 different economies surveyed. Government officials, however, are in no mood to accept the position of Nepal as fixed by the IFC.

"This survey could not reflect Nepal's reality due to lack of proper communication from the business community with the international surveyors," says Krishna Hari Baskota, Secretary at the Office of the Prime Minister and Council of Ministers.

Baskota claims that the country has been effortful in improving its status on doing business and significant improvement can be

noticed in various aspects.

On the other hand, the private sector blames political instability and labour unrest as factors hindering the environment in doing business.

"A lot still needs to be done to address the country's infrastructure problems and bring down high transaction costs," says Fred

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The survey, conducted every year, takes account of 10 different parameters that include starting a business, dealing with construction permits, getting electricity and registering property among others.

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Zake, head of IFC's Investment Climate Reform Program in Nepal.

The survey, conducted every year, takes account of 10 different parameters: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and

resolving insolvency, to determine the ranking in terms of doing business environment.

Economist Ratnakar Adhikari opines that the Doing Business survey has some problem including the communication front and sampling. "IFC has incorporated views from a very limited number of people and has failed to include multiple stakeholders," he says.

According to him, the IFC has failed to include views from the government officials, academic sector, and independent organizations from private sector while conducting the survey.

He further opined that load-shedding crisis, labour unrest and political instability are some serious problems that prevail in the

## Topic-wise Business Environment

Topic	Economy's Ranking
Starting a business	105
Dealing with construction permits	97
Getting electricity	96
Registering property	21
Getting credit	70
Protecting investors	82
Paying taxes	114
Trading across borders	171
Enforcing contracts	137
Resolving insolvency	121
Employing workers	185

Source: Doing Business 2013, IFC.

country. "In spite of these problems, the overall indicator of doing business scenario would have shown better results had the survey been done accurately," said Adhikari.