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GROUP OF FIFTEEN

DOING BUSINESS IN G-15 COUNTRIES

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DOING BUSINESS IN G-15 COUNTRIES

INTRODUCTION

Over the years, developing countries are changing their development strategy from one of "reducing poverty" to one of creating wealth and employment. In part, this is an acknowledgement of the failure of the old socialistic development model with its overarching emphasis on 'redistribution'. As a consequence, most developing countries are warming up to private businesses and private firms, both domestic and foreign. This is evident from the manner in which more and more are marketing themselves as business destinations. Many countries of the erstwhile Soviet Union run high profile advertisements in leading international newspapers and journals to woo prospective businessmen and entrepreneurs. This trend is not lost among G-15 countries. The Kenyan Investment Authority, Keninvest, for example, has a slogan that states that the country is "Open For Business". The Jamaican Investment Authority's slogan is "Today's Jamaica Means Business". The Board of Investment of Sri Lanka promotes that country as 'Your profit center in South Asia'.

Developing countries are not only opening different sectors of the economy to private business, but are also undertaking regulatory reforms to ease the procedure for doing business. According to the World Bank, between June 2009 and May 2010 governments in 117 economies implemented 216 business regulation reforms making it easier to start and operate a business, strengthening transparency and property rights and improving the efficiency of commercial dispute resolution and bankruptcy procedures.[1] This was partly a response to the global economic crisis of 2008-09, when firms around the world felt the repercussions of what began as a financial crisis in the rich countries and then spread as an economic crisis to many more countries.

Collectively, the Group of Fifteen comprises an enormous market for doing business. In 2010, G-15 countries accounted for one-third of the world's population, 28 % of global crude oil output, 34 % of total exports and 33% of total imports of goods and services by developing countries. However, in the absence of a common G-15 Economic Zone or a G-15 free-trading arrangement, what matters to businesses is the attractiveness of individual member countries. This paper attempts to provide a brief assessment of the business opportunities available and the advantages of carrying out business in individual G-15 countries. The data is partly derived from the World Bank's studies of the business environment in different countries.

The World Bank's own rankings on the relative ease of doing business in 183 countries are given in Annex 1. These rankings, based on a set of nine measures, such as level of taxation, dealing with permits, enforcing contracts and investor protection, show that Malaysia, Mexico and Chile are the most attractive destinations for doing business in G-15 countries. However, this analysis does not cover all factors relevant for business. For example, it does not evaluate resource endowments, market size or workforce skills. As the following pages will show, nearly all G-15 countries are exciting business destinations, being endowed with several material, human or regulatory advantages, unique to each member country.

[1] Doing Business 2011, The World Bank, Executive Summary.

1. ALGERIA

Apart from being a leading producer of oil and natural gas, Algeria produces and exports dates, citrus fruits, marine products and lamb. It also exports raw material for fertilizers such as ammonia and phosphates. The country's chief imports are food grains (wheat and maize), other food items like milk, medicaments, motorcars, aircrafts and capital goods.

Algeria's oil resources remain under exploited and this is the most important area for potential business entry. The State-owned oil firm Sonatrach holds a monopoly in this sector. However, it has negotiated specific contracts or joint venture operations with foreign firms, especially with firms from the US and Europe. The only G-15 oil firm to have done major business with Sonatrach is Malaysia's Petronas. This means there are ample opportunities for oil majors from other G-15 countries like India's OVL, Venezuela's PDVSA and Petrobras of Brazil to do business in Algeria.

There is significant potential for doing business in other sectors of the Algerian economy, especially in infrastructure. Within the infrastructure sectors, one area where there appears to be ample scope is the water and sanitation sector as the country faces an inadequate supply of water, being comprised largely of arid lands with few rivers or water bodies.

What are the inherent advantages of doing business in Algeria? For one, the World Bank has calculated that the average time required for starting a business is a fairly brisk 24 days. The time for enforcing contracts (very important for businesses, especially businesses operating in foreign countries) is 630 days, which is only a little more than the global average of 607 days. Algeria also has a strong commitment to the protection of investors, having signed bilateral investment treaties with over 50 countries, including Egypt, Argentina, Indonesia, Malaysia, Iran and Nigeria. Firms from these G-15 countries therefore have an added level of security of investment while venturing to set up businesses in Algeria.

Further details on the business environment in Algeria can be obtained from the document "Invest in Algeria" available from the website: *www.algeria-us.org/forms/Invest_in_Algeria.pdf*

2. ARGENTINA

For a country that is one of the most urbanized in the world, with 91% of its population living in cities and towns, Argentina happens to be a world leader in the production and export of agricultural products, especially wheat and maize, and is also a leading exporter of quality meat produce. The country's import profile in recent years consists of motor vehicles and parts, tractors, transmission apparatus for telephony, computers, iron ore and medicaments.

Among the priority areas of the economy identified by the Government of Argentina are Food and Beverages, Biotechnology, Bio-fuels, Software and Information Technology, Creative industries (e.g. TV content), the Wine industry, the Automotive industry and Technical and Professional Services (e.g. business process outsourcing). These are currently the areas of maximum business potential in the country.

Argentina's investment development agency, Prosperar, states the advantages of doing business in Argentina as "widespread availability of qualified human resources, abundance of natural resources and extremely fertile lands, a modern and permanently expanding infrastructure and a public sector that actively supports businesses."

To this can be added a high level of trade facilitation (important for export-oriented businesses) with the average time to clear exports through customs a mere 5 ½ days. Workers in Argentina also keep long hours, with the official work limit pegged at 48 hours per week. Levels of corruption are moderate, with 18.7% of firms reporting informal payments to public officials, according to a World Bank Enterprise Survey.

Argentina has signed bilateral investment treaties with nearly 60 countries, including Algeria, Chile, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Senegal and Venezuela. Investors from these G-15 countries, therefore, have a higher degree of protection when setting up businesses in Argentina.

Further information on doing business in Argentina can be found in the following portal maintained by Prosperar: *http://prosperar.gov.ar/en/component/remository/Investor's-Services/Doing-Business-In-Argentina/---An-Investor's-Guide*.

3. BRAZIL

Brazil is one of the largest and truly diversified economies in the G-15. Among its leading exports in recent years have been iron-ore, motorcars, aircraft, sugar, poultry and coffee. Brazil's leading imports are oil and its derivatives, motorcars and parts, medicaments, chemical fertilizers, electronic integrated circuits and micro assemblies and coal.

Brazil's Ministry of Foreign Relations maintains a list of priority sectors for foreign investors. At present these are semi conductors, pharmaceuticals, software, biomass and bio energy and capital goods. Private firms in G-15 countries in these sectors seeking market access to Latin America's largest market, should gear up to exploit such business opportunities.

What are the enabling features for doing business in Brazil? The country has the biggest organized private sector in the entire world with more than 5.5 million registered businesses, slightly larger than the United States, which has 5.2 million businesses registered. This implies that a foreign entrepreneur can easily hope to find an appropriate business partner in the Brazilian market. Interaction with government departments is also relatively free of corruption. Informal payments to government officials were reported by just 9.7% of firms. Brazil also has a stock market with market capitalization at 37.4 % of GDP. This means firms can reasonably expect to raise finances through the sale of equity. For firms that prefer credit to equity for financing their business, the country's banks have a strong tradition of providing loans, and domestic credit by banks crossed 101% of GDP in 2008, the highest among all G-15 countries and more than almost any developing country outside Asia and the Pacific. Finally, the country has an educated workforce, which is quality conscious. Evidence of this is the fact that more than a quarter of all firms in Brazil have internationally recognized quality certification ownership.

Further information on specific trade and investment opportunities can be obtained from the website: *www.braziltradenet.gov.br*, an interactive database which also allows Brazilian and non-Brazilian firms to form Business-to Business relationships online.

4. CHILE

With a GDP per capita of US$ 10,080, Chile is the third richest country in the G-15- a fact that, by itself, makes it an attractive destination for business. The country is a world leader in the production and export of copper, which is the single largest revenue source for the government. With over 4000 mining firms operating in Chile, the mining suppliers industry (tires, explosives, chemical reagents) is a major business opportunity. Chile's other exports include marine products, fresh fruit (especially grapes) and wine. Chile's main imports in recent times have been petroleum oils and gases, motor vehicles, computers and building machinery.

According to the Chilean Economic Development Agency, CORFO, the current priority sectors of the economy are technology-intensive sectors like off shoring (especially knowledge process outsourcing), biotechnology, renewable energy and emerging sectors like the natural stone industry, premium white wines, dairy, meat, tourism and logistic services in Antarctica.

According to the Economist Intelligence Unit (March 2009), Chile has the best business environment in Latin America. With only 8.2% of firms stating having made informal payments to government officials, the level of corruption is low. Infrastructure is also developed with hardly any power cuts and the average time for customs clearance is 5.8 days. The legal setup is also relatively speedy, and it takes an average of 480 days to enforce a contract through law. Firms can easily raise business finance through the stock market that has a market capitalization of 78.1% of GDP. Alternatively, banks are willing to lend to firms and domestic credit provided by the banking sector amounted to 98.3% of GDP in 2008. Lastly, taxes are low in Chile, levied at 25.3% of profit – a tax incidence that is lower than many OECD countries.

Further information on business opportunities in Chile can be obtained from the portal: *www.investchile.com*. For G-15 businesses interested in the country's huge mining sector, the document ***'Identification of strategic supplies for leading mining companies'*** found in the above mentioned website can be particularly useful.

5. EGYPT

A country's export profile usually mirrors the sectors in which it possesses comparative advantage. In the case of Egypt, it comprises hydrocarbons (crude oil and gas), readymade garments, nitrogenous fertilizers and citrus fruits, both fresh and dried. The country's imports include food grains (wheat and maize), metal scrap, semi-finished products of iron and steel, gold and motor vehicles.

The international financial institutions have acknowledged Egypt as one of the world's fast reforming economies. Many sectors that were earlier state-owned such as telecommunications, tourism and cement have been privatized. Regulations have also been streamlined to make it easier for businesses. To this end, a notable initiative has been the establishment of the Nile Stock Exchange as the first medium and small cap capital market in the Middle East and North African region. Current priority sectors are the development of railways, ports, sewage plants, water plants, integrated development projects of the Upper-Egypt Red Sea Road, the Special Economic Zones in the Suez Gulf, development of technological industries, integrated civil and commercial centres throughout Egypt, tourism and the establishment of new ‘medical cities’.

What are the advantages of conducting business in Egypt? According to surveys, the average time required for starting a business is just 7 days – the lowest among all G-15 countries and the same as in France or Norway. Egypt also offers a high level of investor protection with the Investment Code amended in 1995 to guarantee against confiscation, sequestration or nationalization. With a market capitalization crossing 53% of GDP in 2008, the new Stock Exchange has been functioning reasonably well. For firms looking for business finance through loans, domestic credit provided by the banking sector amounted to 78% of GDP in 2008, reflecting easy availability of bank loans. Finally, the level of corporate taxation was a moderate 43% of profits in June 2009.

Further information about the business environment in the country as well as current business opportunities can be obtained from the website: *www.investment.gov.eg/en*, maintained by Egypt’s Ministry of Investment.

6. INDIA

A large, fast growing economy with a 350-million strong middle class, India has emerged as one of the most attractive business destinations among G-15 countries. The country has exhibited a competitive advantage in the services sector during the past decade, particularly in software and ICT-enabled services, in which it is a world leader. Other leading exports in recent years have been diamonds, gems and jewellery, iron ore, generic medicines and readymade garments. Major imports (excluding petroleum) are gold, superior grade coal, telecom equipment, aircraft and computer hardware.

Current priority sectors are mostly in infrastructure such as generation and distribution of electricity, roads and highways, urban transportation systems and the development of railways, seaports and airports. The government is also promoting public-private partnerships in the education and health sectors. The retail sector is also likely to be opened for foreign investors in the near future. All this provides ample opportunities to firms from other G-15 countries to establish businesses in India.

What are the advantages of conducting business in India? Apart from its huge market, the country has a relatively large private sector with a long history of doing business. This makes it simpler for G-15 businesses interested in entering the Indian market through joint ventures. There is also a long established stock exchange with nearly 5000 listed companies, a figure second only to the US stock market. Banks are also willing to lend readily and domestic credit provided by the banking sector amounted to 72% of GDP in 2008. The dynamism of the stock market and the banking sector implies relatively easy access to business finance. The government has also been instituting regulatory reforms in order to make it easier to conduct business. It has recently allowed online payment of stamp fees for new firms registering to do business. Indian workers generally keep long work hours, as there is no legal cap on the maximum hours of work per week.

Further information on different aspects of the Indian business sector such as the tax and legal system, labour laws, incorporation of a business etc. can be found on the link "Doing Business in India", which can be accessed from the website: *www.indianembassy.org/doing-business-in-india.php*.

7. INDONESIA

Among the main attractions of Indonesia as a business destination is that it is a country with an abundance of natural resources, which is also a huge market, with the fourth largest population in the world. The main items produced and exported by Indonesia (apart from oil and gas) are palm oil, coal, natural rubber, copper ores, zinc and coconut. The main items of import in recent years have been aircraft, motor vehicle parts, wheat, telecommunications equipment, TV cameras and computer hardware.

According to Indonesia's Investment Coordinating Board (BKPM), the key investment opportunities being offered by the government currently are in infrastructure, including toll roads, marine transportation, railways, power and water supply. The government also seeks investment and technology to increase farm yields in the agricultural sector, especially in palm oil and natural rubber, in which Indonesia is already a world leader. In the energy sector, the country seeks greater refining capacity and also wider exploration for the discovery of new oilfields. Finally, the government seeks better exploitation of geothermal energy for the generation of electricity, given that Indonesia owns 40% of the global potential of geothermal energy.

Among the advantages of doing business in Indonesia is the availability of basic infrastructure such as uninterrupted electricity supply and the speedy clearance of exports through customs (3.7 days average). Indonesia also has a high level of safety when it comes to the protection of investments from nationalization or confiscation – at par with developed countries like the USA or Singapore. Finally, taxes payable by businesses are moderate, and amounted to 37.6 % of profits in 2009.

More information on doing business in Indonesia can be obtained from the web portal: *www4.bkpm.go.id.*

8. IRAN

The fundamental strength of Iran's economy is derived from the production and export of crude oil and natural gas. The country is the fourth largest producer of both products in the world. A less known fact is that thanks to a favourable climate in many parts, the country is also the 7th largest vegetables producer and the 9th largest fruits producer in the world. It also produces raw wool in significant quantities and Iranian woolen carpets are valued for their beauty and quality all over the world. Caviar and marine products from the Caspian Sea are also produced and exported in significant quantities. Major imports in recent times (apart from refined petroleum products) are iron and steel, turbines, machines and mechanical appliances and telecommunications equipment.

What are the advantages of doing business in Iran? For a start, Iran has a long tradition of conducting private business. Numerous large business houses or 'boniyads' have existed from pre-revolution times and continue to be tax exempt. These can be useful for forging business partnerships or joint ventures with firms from other G-15 countries. World Bank data puts the average time for starting a business in Iran at just 9 days. Domestic credit provided by the banking sector amounts to a respectable 50 % of GDP, reflecting ease of obtaining business finance. Finally, Iran has a moderate tax structure and taxes payable by businesses amounted to 44.2 % of profits in June 2009.

More information on business opportunities and list of projects in Iran can be obtained from the website: www.investiniran.ir maintained by the Organization for Economic and Technical Assistance of Iran.

9. JAMAICA

A GDP per capita estimated at $8,400 in 2010 makes Jamaica an attractive business destination among G-15 countries. Its economic profile is a mix of agriculture, mining, industry and services. Traditionally, the country has been an important producer and exporter of agricultural projects like sugar, bananas and coffee. With the discovery of aluminum ores in the 1940s, it became a major exporter of bauxite, which continues to be the single largest source of revenue. In recent times, tourism and ICT-enabled services like call centres, have vastly increased the importance of the tertiary sector in the economy. The country's vibrant creative industry (especially music) and the telecommunications sector are also attractive business propositions. Jamaica's main imports are petroleum, motor vehicles, medicaments, printed books and telecommunications equipment.

Under the Medium Term Socio-economic Policy Framework (MTF) of the government of Jamaica, some of the current priorities are security and safety of the public (better policing), development of infrastructure, energy security and the development of world-class educational and training facilities. There are thus a number of opportunities for G-15 firms seeking to do business in Jamaica.

Specific factors that make business in Jamaica appealing include a relatively low level of corruption – less than 20% of firms in an Enterprise Survey conducted by the World Bank stated they had made informal payments to public officials. Trade infrastructure at the border is also efficient with the average time to clear exports through customs at 4.3 days. Business procedures are also less cumbersome than in many other countries and it takes, on an average, 8 days to start a new business. Access to business finance through banks is good. An additional advantage for businessmen is the absence of any legal limit on working hours. This provides flexibility in fixing the work hours beyond which overtime payments become due.

More information on doing business in Jamaica can be found on the website: *www.jamaicatradeandinvest.org/doing_business* maintained by Jamaica Promotions Corporation (JAMPRO)

10. KENYA

The Kenyan economy has several features that make it attractive for business. The country is the third biggest tea producer in the world, after China and India. It is also a large exporter of fresh cut flowers and vegetables with a big market in Europe. In the services sector, Kenya has pioneered a new method of making financial transactions through mobile telephones, which has become the model for other countries of the region. It is also a major tourist destination, which offers a range of activities like wild life safaris, beach holidaying, ornithology, camping and hiking.

Kenya's export profile also includes coffee, readymade garments and tobacco. Its main imports (besides petroleum) are machinery and transport equipment, palm oil, medicaments, wheat and polymers of ethylene (used in the packaging industry).

According to Keninvest, the Kenya Investment Authority, business opportunities can currently be found in Agriculture, Tourism, Manufacturing, Wholesale and Retail Trade, ICT and Financial Services, Geothermal Energy, Mining and Building and Construction. Specific details can be found on the Keninvest website: www.investmentkenya.com under the section "What Opportunities?"

One positive for doing business in Kenya is that there is no national limit prescribed for working hours. So, individual businesses can fix their own limits after which overtime allowance for employees become due. A second plus point which is relevant for businesses that export goods, is the relatively short time of 5-6 days for customs clearance. The government also offers a range of tax exemptions and concessions for firms establishing new businesses including an Investment Deduction Allowance, Industrial building allowance, Mining Deduction Allowance and an allowance on capital expenditure on agricultural land.

More information on registering businesses in Kenya, investment opportunities etc. can be obtained from the section on Trade and Investment on the website: www.kenyaembassy.com/economycommerce.html.

11. MALAYSIA

A middle-income country with a per capita GDP of $8,210 and one of Asia's fastest emerging economies, Malaysia ranks highest among G-15 countries in the World Bank's 2011 world rankings on the ease of doing business. Indeed, its 21st rank on this index is higher than that of many developed countries such as Germany, Belgium, France, Switzerland and the Netherlands. Contributing to this are the several reforms undertaken by Malaysia to ease business start-up, property registration and improve credit information sharing. Malaysia has also introduced a performance index for judges, which is likely to improve the speed of enforcing contracts.

The country's principal exports are electronic and electrical products and machinery, computer hardware, oil and gas, and palm oil. Its chief imports are integrated circuits, diodes, transistors and other intermediate goods such as printed circuits – many of which are needed in the country's large export-oriented electronic products industry.

Current priority areas in the manufacturing sector are base metal products, electrical and electronic products, medical instruments and pharmaceuticals, rubber and wood-based products, food processing and textiles and apparels. In all these areas, Malaysia seeks higher value addition and higher technologies. In the services sector, tourism (both conventional and 'medical tourism') and ICT are priority areas along with real estate, alternative energy, R & D services, environment management and financial services. Special incentives are available to firms that set up businesses in these sectors.

Factors that make Malaysia an attractive business destination are a well-developed infrastructure (just 3% value lost due to electrical outages), a business environment that cares for quality (54% of firms have an internationally recognized quality certificate ownership), efficient customs clearance (2.7 days on average), a well developed stock exchange (nearly 1000 firms listed and market capitalization of 85% of GDP), easy availability of bank credit (domestic credit is 115% of GDP) and a moderate level of taxation (34% of profit).

More information on the costs of doing business in Malaysia can be found at: www.mida.gov.my/en_v2, maintained by the Malaysian Investment Development Authority.

12. MEXICO

With a GDP per head of $10,230, Mexico is one of the most affluent countries of the G-15 and the only member country that is also a member of the OECD. Its geographical location makes it an excellent entrepòt for businesses to access the world's single largest market, the USA. Apart from oil, of which Mexico is among the top 10 producers in the world, the country also has vast resources of lead and zinc. It is also the 6th biggest producer of meat products and the 8th biggest producer of fresh fruits in the world.

The country's chief exports are crude oil, motorcars and parts, TVs, computers and telecom equipment. Its leading imports in recent times have been motor vehicles and parts, electronic integrated circuits, petroleum oil and computer hardware. The overlap of many items of import and export reflect the country's status as an entrepòt. Mexico also has a vibrant tourism sector and ranks 8th in the world in the number of tourist arrivals.

Among other areas with business potential are educational services (including English language education), mining (a vast proportion of the country's mineral reserves remain under-exploited), construction of roads and highways, telecommunications, and environmental products and services.

G-15 investors looking for business partners in Mexico are unlikely to be disappointed as the country has a large private sector with nearly 4.5 million registered businesses. Basic infrastructure support is available with assured electricity supply and speedy customs clearance

(5.2 days). Regulations for starting a business are streamlined and it takes around 13 days on an average to start an enterprise. Investor protection is also good and Mexico has signed bilateral investment treaties with a number of countries including Argentina and India from the G-15. The government has also been working to further simplify business procedures. The World Bank has reported that thanks to a simplified municipal registration process, the number of registered businesses increased by 5% in 2009[2].

There are numerous websites in English freely accessible on the Internet that provides information on doing business in Mexico. Notable among them is the one prepared by the Australian government titled " Doing Business in Mexico. A practical guide on how to break into the market" which can be accessed at:
www.dfat.gov.au/publications/business_mexico/doing_business_mexico.pdf.

13. NIGERIA

Nigeria's population of 151.5 million makes the country the largest market in all of Africa. Its exports are composed almost entirely of hydrocarbons while its import profile is more heterogeneous, consisting of food grains (wheat), motor vehicles, sea food, milk, electricity generating sets, tractors and printing machinery.

Under the government's recent priorities, private enterprises are encouraged to invest in and compete with government owned firms in many sectors such as telecommunications, electricity generation, exploration of petroleum, oil refining, coal and bitumen exploration and hotels and tourism. The government is also keen to diversify exports away from oil and seeks to revive production and exports in sectors in which it used to have comparative advantage – cassava and oilseeds cultivation, rice production, livestock and fisheries. It also seeks to develop its textile and garment industry to take advantage of the Africa Growth and Opportunity Act (AGOA) that facilitates easy access to the US market for textiles and clothing. There are thus ample new business opportunities in the country.

Among the advantages of doing business in Nigeria is a relatively speedy judicial process that is vital when it comes to the enforcement of contracts. Labour laws are also less rigid than in many other countries, which makes it easy for businesses to hire and fire workers. For export-oriented firms, customs clearances are quite swift, taking 5 days on an average. There is no national limit on working hours so that businesses are free to fix the cut-off time after which overtime pay becomes due to their employees. The government also provides an array of incentives including tax concessions, import duty rebates and guarantees against expropriation.

Further information on tax incentives and other details of doing business in Nigeria can be obtained from the web portal: www.nigeriaembassyusa.org/index.php?page=business

14. SENEGAL

Historically, Senegal's main income came from the production and export of groundnuts. Today, its export profile is more diversified, comprising of non-crude petroleum oils, chemicals

[2] Doing Business 2011, The World Bank. Executive Summary, page 7

(especially phosphates), cement, marine products and groundnut oil. Imports consist of crude oil, rice, wheat, motor vehicles, medicaments, milk and cream and petroleum gases.

The geographical location of the country, on the west coast of Africa, makes it a strategic one on the crossroads between Europe, North America, South America and sub-Saharan Africa. It's capital Dakar, has a natural harbour, which is equipped with modern facilities for the handling of cargo. The average customs clearance time is 7 ½ days. Senegal is also politically stable, with a multi-party democratic system in place.

Among the priority sectors mentioned by Senegal's State Investment Agency (APIX) are agro-business (floriculture, horticulture, mahogany and groundnut plantations), ICT- enabled services (call centers, business process outsourcing), mining (phosphates, gold, marble, oil and gas), tourism, textiles and marine products.

One advantage of doing business in Senegal is a relatively corruption free environment. According to the World Bank's Enterprise Survey, just 18 % of firms reported informal payments to public officials – a good record by developing country standards. Another advantage is that the average time taken to start a business in Senegal is just 8 days. Business taxation is also at a moderate level, with taxes payable in June 2009 at 46 % of total profits.

Further details of current business opportunities in Senegal are available from the portal www.investinsenegal.com, maintained in French by APIX.

15. SRI LANKA

An open economy, with its capital, Colombo, located on a major sea route between East Asia and Europe, Sri Lanka's attractiveness as a business destination has significantly increased following the end of civil war in 2009. Presently, tea and readymade garments dominate its export profile, while its major imports are petroleum, wheat, textiles and fabrics, fertilizers, cement and motorcars.

Sri Lanka's services sector, especially telecommunications, tourism and the construction sector, offer numerous business opportunities. In the tourism sector alone, the government welcomes businesses in 45 specified tourism zones for the development of beach resorts, lake resorts, world heritage sights, wild life parks and hill-country resorts. The Sri Lanka Tourism Development Agency's website: www.sltda.lk/investment_process offers detailed suggestions on how to fast-track investment in the tourism sector of the country.

The government of Sri Lanka's current priority is the development of infrastructure. Consequently, private investment in power, ports, water and sanitation, highways, railways and information technology are being encouraged. Other 'thrust' sectors are education, manufacturing for exports, and export of services, agriculture and agro-projects.

Among the advantages of conducting business in Sri Lanka is a relatively corruption-free environment, with only 16% of enterprises in the World Bank enterprise survey acknowledging informal payments to public officials. Customs clearance time is around one week, on the average. Labour laws are quite flexible, which makes it easy for businesses to hire and fire employees. Sri Lanka has signed over 25 bilateral investment treaties, including ones with India, Egypt, Indonesia and Iran. Businesses from these G-15 countries therefore benefit from a higher level of protection of their investments in Sri Lanka.

Further information about the costs of doing business in Sri Lanka, thrust sectors, etc., can be found in the Investor's Guide section on the website: www.boi.lk maintained by the Board of Investment.

16. VENEZUELA

With a GDP per head of $11,250, Venezuela is the most affluent country in the G-15, in nominal terms. It is also one of the most urbanized countries in the world, with 93.4% of its population living in towns and cities. However, unlike its neighbours Argentina and Chile, which are also highly urbanized, Venezuela does not have a strong international presence in agricultural products. Rather, its economy is based on crude oil production, of which it has the second largest proven reserves, after Saudi Arabia. Crude oil comprises 92.6 % of Venezuela's total exports. Venezuela's import profile is more diversified with major imports being motor vehicles and parts, telecommunications equipment, medicaments, computers and ships and boats.

The rising level of affluence, high rate of urbanization and the prominence of the oil industry are factors that should, *ipso facto*, make Venezuela worthy of consideration as a business destination. Foreign businesses participate in the country's oil sector through joint venture agreements with the state-owned oil company PDVSA. Certain services sectors, notably telecommunications, banking and insurance are also open for entry by foreign businesses.

Venezuela has signed bilateral agreements for the promotion and protection of investments with several countries, including Argentina and Chile. Businesses from these G-15 countries can therefore expect a higher degree of protection for their investments in Venezuela.

A good English language site for obtaining information on establishing a business in Venezuela is: www.lexmundi.com/images/lexmundi/PDF/guide_vene.pdf.

17. ZIMBABWE

Zimbabwe is rich in natural resources with an abundance of minerals, and also has a climate that favours the development of plantations and the cultivation of agricultural produce. Not surprisingly, the country's chief exports are from the mining and agricultural sectors and include coal and its variants such as coke and peat, nickel ores, gold, platinum and ferro-alloys, cut flowers and raw tobacco. Its major imports are petroleum, copper intermediates, motor vehicles, maize, electricity and tractors.

Among the business opportunities listed on the government's official website: www.gta.gov.zw, are those in textiles and clothing, footwear, chemicals, wood and furniture, metal and metal products, diamond cutting and polishing, mining, tourism, agro-processing and agro-forestry, construction and infrastructure development. Maximum foreign ownership permitted in these industries ranges from 35% to 100%.

One plus point about doing business in Zimbabwe is an efficient legal system in which enforcement of contracts takes less than 14 months on the average. Zimbabwe is also signatory to a number of international agreements on investor protection such as MIGA, UNCITRAL and the International Convention on the Settlement of Investment Disputes. The country has a moderate level of corporate taxation under which businesses have to pay less than 40% of profits as taxes. There is also no universal national limit for working hours, which means that businesses can fix their own timings after which overtime pay becomes due to workers.

Further information on how to start a business in Zimbabwe is available at the World Bank website:
www.doingbusiness.org/data/exploreeconomies/zimbabwe/starting-a-business.
Information on business opportunities is available at www.gta.gov.zw.

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March 2011

Annex 1
World Bank's 2011 Rankings on the Ease of Doing Business

Rank	Economy	Rank	Economy	Rank	Economy
1	Singapore	**62**	Fiji	**123**	Russian Federation
2	Hong Kong	**63**	Czech Republic	**124**	Uruguay
3	New Zealand	**64**	Antigua and Barbuda	**125**	Costa Rica
4	United Kingdom	**65**	Turkey	**126**	Mozambique
5	United States	**66**	Montenegro	**127**	**Brazil**
6	Denmark	**67**	Ghana	**128**	Tanzania
7	Canada	**68**	Belarus	**129**	**Iran**
8	Norway	**69**	Namibia	**130**	Ecuador
9	Ireland	**70**	Poland	**131**	Honduras
10	Australia	**71**	Tonga	**132**	Cape Verde
11	Saudi Arabia	**72**	Panama	**133**	Malawi
12	Georgia	**73**	Mongolia	**134**	**India**
13	Finland	**74**	Kuwait	**135**	West Bank and Gaza
14	Sweden	**75**	St. Vincent and the Grenadines	**136**	**Algeria**
15	Iceland	**76**	Zambia	**137**	**Nigeria**
16	Republic of Korea	**77**	Bahamas	**138**	Lesotho
17	Estonia	**78**	Vietnam	**139**	Tajikistan
18	Japan	**79**	China	**140**	Madagascar
19	Thailand	**80**	Italy	**141**	Micronesia
20	Mauritius	**81**	**Jamaica**	**142**	Bhutan
21	**Malaysia**	**82**	Albania	**143**	Sierra Leone
22	Germany	**83**	Pakistan	**144**	Syria
23	Lithuania	**84**	Croatia	**145**	Ukraine
24	Latvia	**85**	Maldives	**146**	Gambia
25	Belgium	**86**	El Salvador	**147**	Cambodia
26	France	**87**	St. Kitts and Nevis	**148**	Philippines
27	Switzerland	**88**	Dominica	**149**	Bolivia
28	Bahrain	**89**	Serbia	**150**	Uzbekistan
29	Israel	**90**	Moldova	**151**	Burkina Faso
30	Netherlands	**91**	Dominican Republic	**152**	**Senegal**
31	Portugal	**92**	Grenada	**153**	Mail
32	Austria	**93**	Kiribati	**154**	Sudan
33	Taiwan	**94**	**Egypt**	**155**	Liberia
34	South Africa	**95**	Seychelles	**156**	Gabon
35	**Mexico**	**96**	Solomon Islands	**157**	**Zimbabwe**
36	Peru	**97**	Trinidad and Tobago	**158**	Djibouti
37	Cyprus	**98**	**Kenya**	**159**	Comoros
38	Macedonia	**99**	Belize	**160**	Togo
39	Colombia	**100**	Guyana	**161**	Suriname
40	United Arab Emirates	**101**	Guatemala	**162**	Haiti
41	Slovak republic	**102**	**Sri Lanka**	**163**	Angola
42	Slovenia	**103**	Papua New Guinea	**164**	Equatorial Guinea
43	**Chile**	**104**	Ethiopia	**165**	Mauritania
44	Kyrgyz Republic	**105**	Yemen	**166**	Iraq
45	Luxembourg	**106**	Paraguay	**167**	Afghanistan
46	Hungary	**107**	Bangladesh	**168**	Cameroon
47	Puerto Rico	**108**	Marshall Islands	**169**	Còte d'Ivoire
48	Armenia	**109**	Greece	**170**	Benin
49	Spain	**110**	Bosnia and Herzegovina	**171**	Lao
50	Qatar	**111**	Jordan	**172**	**Venezuela**
51	Bulgaria	**112**	Brunei Darussalam	**173**	Niger
52	Botswana	**113**	Lebanon	**174**	Timor-Leste
53	St. Lucia	**114**	Morocco	**175**	Congo , Dem Republic
54	Azerbaijan	**115**	**Argentina**	**176**	Guinea-Bissau
55	Tunisia	**116**	Nepal	**177**	Republic of Congo
56	Romania	**117**	Nicaragua	**178**	Sao Tomé and Principe
57	Oman	**118**	Swaziland	**179**	Guinea
58	Rwanda	**119**	Kosovo	**180**	Eritrea
59	Kazakhstan	**120**	Palau	**181**	Burundi
60	Vanuatu	**121**	**Indonesia**	**182**	Central African Republic
61	Samoa	**122**	Uganda	**183**	Chad

Source: Doing Business Database, World Bank, 2011