



COMPETITIVENESS
OFFICE OF ABU DHABI

دائرة التنمية الاقتصادية
DEPARTMENT OF ECONOMIC DEVELOPMENT



Competitiveness Office of Abu Dhabi

Doing Business 2020

December 2019

What does Doing Business measure?



Doing Business indicators:

- ✓ Focus on regulations relevant to the life cycle of a small to medium-sized domestic business.
- ✓ Are built on standardized case scenarios.
- ✓ Are measured for the most populous city in each country, and the second largest business city in countries with more than 100 million inhabitants.
- ✓ Are focused on the formal sector.
- ✓ 190 Countries are measured.

DO NOT measure all aspects of the business environment such as security, macroeconomic stability, prevalence of bribery and corruption, level of training and skills of the labor force, proximity to markets, regulations specific to foreign investment or the state of the financial system.

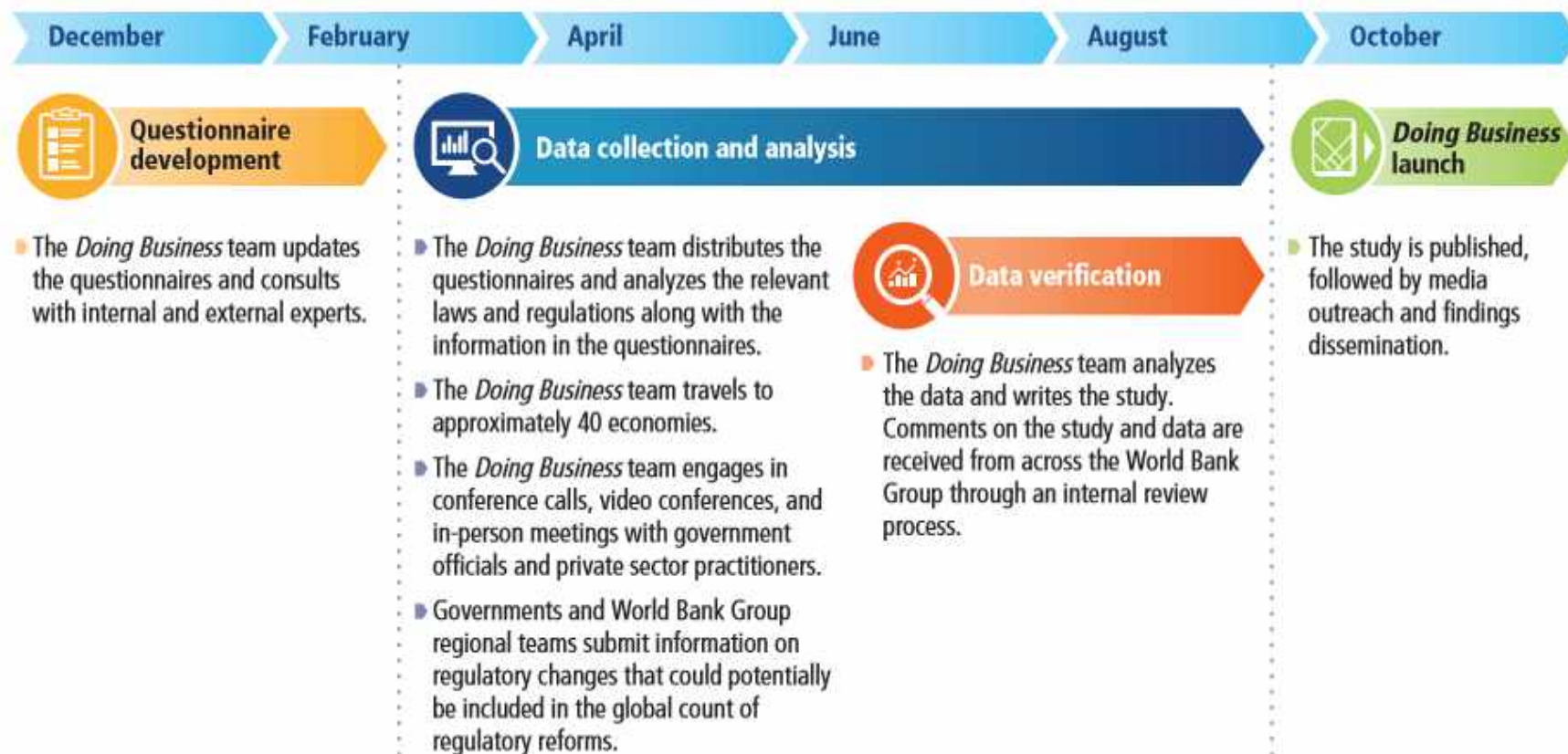
You can download the full report through the website: <http://www.doingbusiness.org/>

The 12 areas of business regulation measured by Doing Business affect firms throughout their life cycle



Indicator set	What is measured
Starting a business	Procedures, time, cost and paid-in minimum capital to start a limited liability company
Employing workers	Flexibility in employment regulation and aspects of job quality
Dealing with construction permits	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
Getting electricity	Procedures, time and cost to get connected to the electrical grid, the reliability of the electricity supply and the transparency of tariffs
Registering property	Procedures, time and cost to transfer a property and the quality of the land administration system
Getting credit	Movable collateral laws and credit information systems
Protecting minority investors	Minority shareholders' rights in related-party transactions and in corporate governance
Trading across borders	Time and cost to export the product of comparative advantage and import auto parts
Paying taxes	Payments, time and total tax rate for a firm to comply with all tax regulations as well as post-filing processes
Enforcing contracts	Time and cost to resolve a commercial dispute and the quality of judicial processes
Resolving insolvency	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
Contracting with the government	Procedures and time to participate in and win a works contract through public procurement and the public procurement regulatory framework

How Doing Business collects and verifies the data



Business Reforms in the United Arab Emirates – Rank: 16 (11)



Starting a business

The United Arab Emirates made starting a business less expensive by reducing the fees for business incorporation.

Dealing with construction permits

The United Arab Emirates made dealing with construction permits easier by using a risk-based approach to reduce the number of inspections.

Protecting minority investors

The United Arab Emirates increased minority investor protections by providing for disqualification of directors in cases of prejudicial conflicts of interest.

Paying taxes

The United Arab Emirates introduced a value added tax.

Trading across borders

The United Arab Emirates made trading across borders easier by reducing the time to export by fully digitizing certificates of origin and the cost to import by issuing certificates of conformity that cover multiple shipments.

Starting a business:

The United Arab Emirates made starting a business easier by improving online registration

Getting Electricity:

The United Arab Emirates made getting electricity easier by eliminating all costs for commercial and industrial connections of up to 150 kilo-Volt-Amperes (kVA).

Getting credit:

The United Arab Emirates strengthened access to credit by introducing the possibility of granting a nonpossessory security right in a single category of movable assets without requiring a specific description of the collateral, by allowing out-of-court enforcement of the security interest and by establishing a unified and modern collateral registry.

Registering property:

The United Arab Emirates made registering property easier by increasing the transparency of the land administration system.



Top 5 World Rankings

Country/ Economy	Ease of Doing Business		Starting a Business		Dealing with Constructio n Permits		Getting Electricity		Registering Property		Getting Credit		Protecting Minority Investors		Paying Taxes		Trading Across Border		Enforcing Contract		Resolving Insolvency	
	'20	'19	20	'19	'20	'19	'20	'19	'20	'19	'20	'19	'20	'19	'20	'19	'20	'19	'20	'19	'20	'19
New Zealand	1	1	1	1	7	6	48	45	2	1	1	1	3	2	9	10	63	60	23	21	36	31
Singapore	2	2	4	3	5	8	19	16	21	21	37	32	3	7	7	8	47	45	1	1	27	27
Denmark	4	3	45	42	4	4	21	21	11	11	48	44	28	38	8	9	1	1	14	14	6	6
Hong Kong SAR,	3	4	5	5	1	1	3	3	51	53	37	32	7	11	2	1	29	27	31	30	45	44
Korea, Rep.	5	5	33	11	12	10	2	2	40	40	67	60	25	23	21	24	36	33	2	2	11	11

You can download the full report through the website: <http://www.doingbusiness.org/>

GCC Rankings

Country/Economy	Ease of Doing Business		Starting a Business		Dealing with Construction Permits		Getting Electricity		Registering Property		Getting Credit		Protecting Minority Investors		Paying Taxes		Trading Across Border		Enforcing Contract		Resolving Insolvency	
	'20	'19	'20	'19	'20	'19	'20	'19	'20	'19	'20	'19	'20	'19	'20	'19	'20	'19	'20	'19	'20	'19
UAE	16	11	17	25	3	5	1	1	10	7	48	44	13	15	30	2	92	98	9	9	80	75
Abu Dhabi*	--	12	--	25	--	15	--	19	--	15	--	**	--	**	--	**	--	58	--	8	--	**
Bahrain	43	62	67	66	17	57	72	82	17	26	94	112	51	38	1	5	77	77	59	128	60	93
Saudi Arabia	62	92	38	141	28	36	18	64	19	24	80	112	3	7	57	78	86	158	51	59	168	168
Oman	68	78	32	37	47	66	35	66	52	52	144	134	88	125	11	12	64	72	69	73	97	100
Qatar	77	83	108	84	13	20	49	69	1	20	119	124	157	178	3	2	101	97	115	122	123	120
Kuwait	83	97	82	133	68	131	66	95	45	69	119	134	51	72	6	7	162	159	74	77	115	115

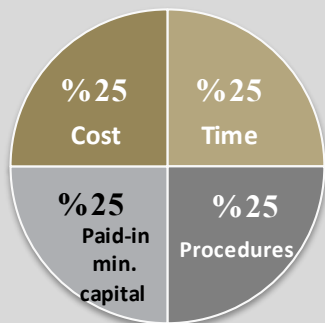
*2019 Abu Dhabi Subnational Report

** not measured in the Abu Dhabi Subnational Report

Starting a Business

Starting a Business

getting a local limited liability company up and running



Public & Private Sectors



Interviews



Survey

Assumptions about the business

1. Limited liability company, 100% domestically owned and has five owners
2. Performs general industrial or commercial activities, such as the production or sale to the public of products or services.

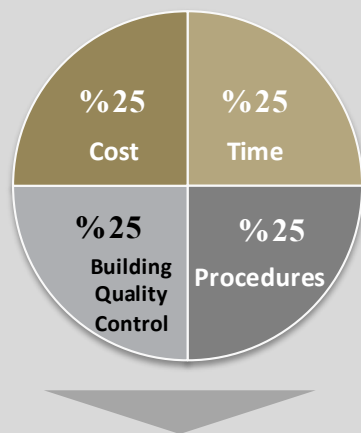
Country	Ranking 2019	Ranking 2020	Procedures	Time	Cost (% of income per capita)	Paid-in min. capital
UAE	25	17	3	4.5	17.2	0
Oman	78	32	5	5	3.1	0
KSA	92	38	4	11	5.4	0
Bahrain	62	67	7	9	1	0
Kuwait	97	82	6	20	1.7	0
Qatar	83	108	9	9.5	6.3	0

Abu Dhabi (Subnational 2019)	25	-	4	5.5	11.2	0
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Dealing with Construction Permits

Dealing with Construction Permits

procedures required for a business in the construction industry to build a warehouse



Assumptions about the business

1. Warehouse will be used for general storage activities, such as storage of books or stationery
2. Procedures necessary to register the warehouse so that it can be used as collateral or transferred to another entity are also counted.
3. The building quality control index is based on six other indices—the quality of building regulations, quality control before, during, and after construction, liability and insurance regimes, and professional certifications indices

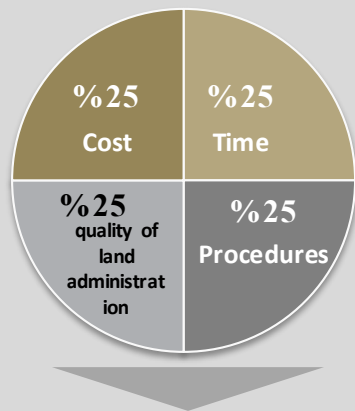
Country	Ranking 2019	Ranking 2020	Procedures	Time	Cost (% of warehouse value)	Building Quality Control
UAE	5	3	11	47.5	2.2	15
Qatar	20	13	13	87.5	0.1	13
Bahrain	57	17	9	71	3.7	12
KSA	36	28	14	100	1.9	12
Oman	66	47	15	125	0.8	11
Kuwait	131	68	19	103	5.5	14

Abu Dhabi (Subnational 2019)	15	-	14	39	2.1	12
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Registering Property

Registering Property

records the full sequence of procedures necessary for a business to purchase a property from another business



Assumptions about the business

1. limited liability company
2. is located in the peri urban area of the economy's largest business city
3. The transaction is considered complete when it is opposable to third parties and when the buyer can use the property, use it as collateral for a bank loan or resell it
Every procedure required by law or necessary in practice is included, whether it is the responsibility of the seller or the buyer or must be completed by a third party on their behalf.

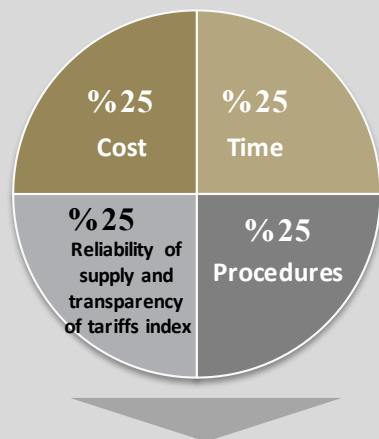
Country	Ranking 2019	Ranking 2020	Procedures	Time (days)	Cost (% of Property value)	Quality of land administration
Qatar	20	1	1	1	0.3	26
UAE	7	10	2	1.5	0.2	21
Bahrain	26	17	2	2	1.7	19.5
KSA	24	19	2	1.5	0.0	14
Kuwait	69	45	7	17	0.5	18.5
Oman	52	52	3	18	6.0	17

Abu Dhabi (Subnational 2019)	15	-	2	2	2.1	20.5
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Getting Electricity

Getting Electricity

all procedures for a business to obtain a permanent electricity connection and supply for a standardized warehouse



Assumptions about the business

1. procedures include applications and contracts with electricity utilities, all necessary inspections and clearances from the distribution utility and other agencies, and the external and final connection works.
2. The reliability of supply and transparency of tariffs index encompasses quantitative data on the duration and frequency of power outages as well as qualitative information on the mechanisms put in place by the utility for monitoring power outages and restoring power supply

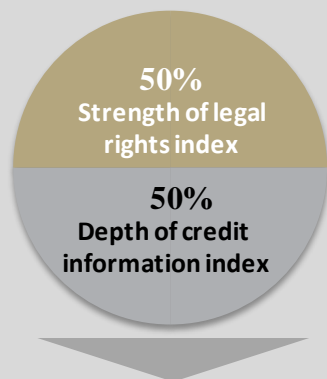
Country	Ranking 2019	Ranking 2020	Procedures	Time (days)	Cost (% of income per capita)	Reliability of supply and transparency of tariffs
UAE	1	1	2	7	0.0	8
KSA	64	18	2	35	27.9	6
Oman	66	35	5	30	50.0	7
Qatar	69	49	4	44	9.2	5
Kuwait	95	66	5	49	55.7	6
Bahrain	82	72	5	69	57.4	6

Abu Dhabi (Subnational 2019)	19	-	4	38	9.2	7
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Getting Credit

Getting Credit

measures the legal rights of borrowers and lenders with respect to secured transactions through one set of indicators and the reporting of credit information through another.



Assumptions about the business

1. The first set of indicators measures whether certain features that facilitate lending exist within the applicable collateral and bankruptcy laws.
2. The second set measures the coverage, scope and accessibility of credit information available through credit reporting service providers such as credit bureaus or credit registries

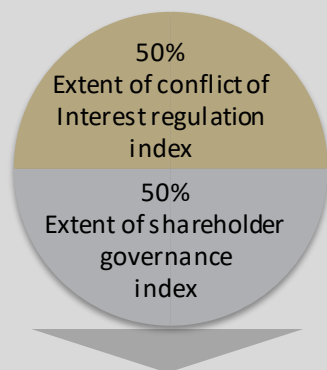
Country	Ranking 2019	Ranking 2020	Strength of legal rights index (0-12)	Depth of credit information index (0-8)	Credit registry coverage (% of adults)	Credit bureau coverage (% of adults)*
UAE	44	48	6	8	12.0	51.3
KSA	112	80	4	8	0.0	56.7
Bahrain	112	94	3	8	0.0	40.9
Kuwait	134	119	1	8	16.8	31.6
Qatar	124	119	1	8	34.7	0.0
Oman	134	144	1	6	27.1	0.0

*Credit registry coverage & Credit bureau coverage are measured but don't count for the rankings

Protecting Minority Investors

Protecting Minority Investors

protection of minority investors from conflicts of interest through one set of indicators and shareholders' rights in corporate governance through another



Assumptions about the business

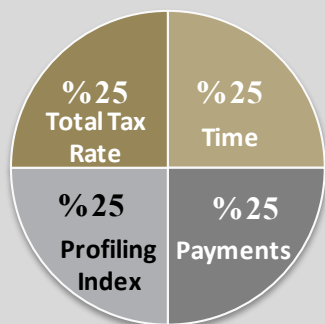
1. The extent of conflict of interest regulation index is the average of the extent of disclosure index, the extent of director liability index and the ease of shareholder suits index.
2. The extent of shareholder governance index is the average of the extent of shareholder rights index, the extent of ownership and control index and the extent of corporate transparency index.

Country	Ranking 2019	Ranking 2020	Extent of disclosure index (0-10)	Extent of director liability index (0-10)	Ease of shareholders suits index (0-10)	Extent of shareholder rights index (0-10)	Extent of ownership and control index (0-10)	Extent of corporate transparency index (0-10)
KSA	7	3	9.0	9.0	7.0	5.0	6.0	7.0
UAE	15	13	10	10	4.0	4.0	7.0	5.0
Bahrain	38	51	8.0	4.0	5.0	5.0	7.0	4.0
Kuwait	72	51	5.0	9.0	4.0	2.0	6.0	7.0
Oman	125	88	8.0	5.0	3.0	4.0	5.0	3.0
Qatar	178	157	2.0	2.0	2.0	3.0	2.0	3.0

Paying Taxes

Paying Taxes

taxes and mandatory contributions a medium-size company must pay in a given year



Assumptions about the business

1. The tax payments indicator reflects the total number of taxes and contributions paid, the method of payment, the frequency of payment, the frequency of filing and the number of agencies involved for the standardized case study company during the second year of operation.
2. Time is recorded in hours per year.

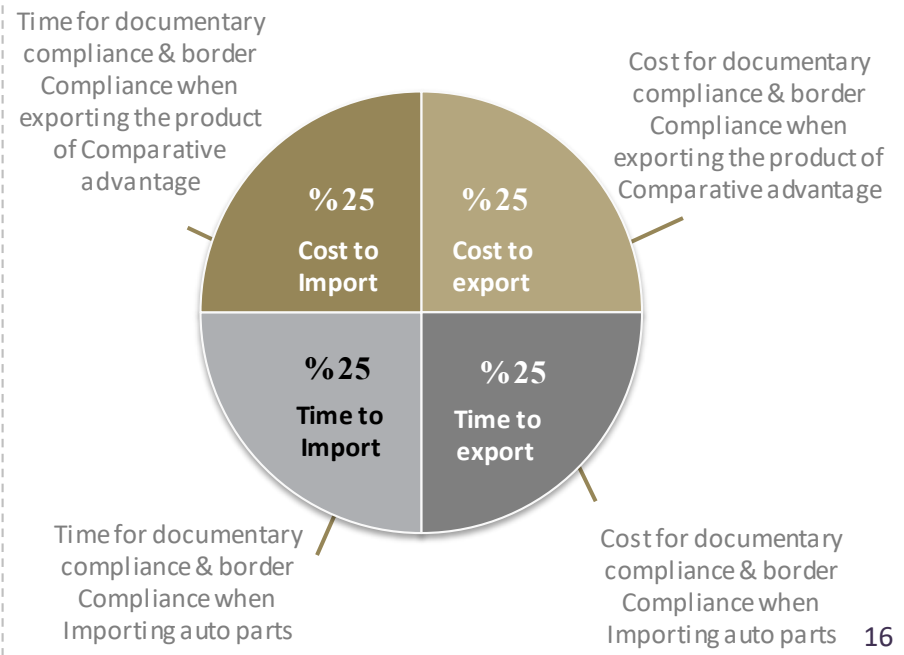
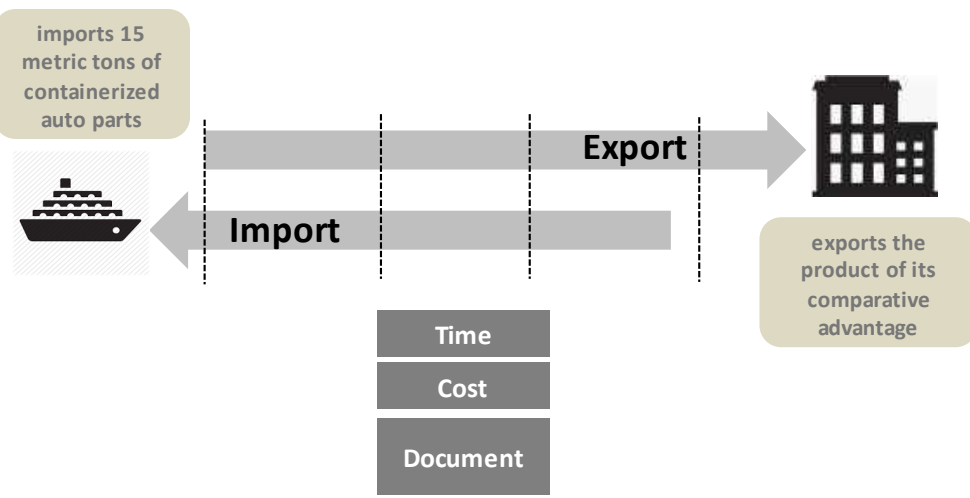
Country	Ranking 2019	Ranking 2020	Payments	Time (Hours)	Total Tax Rate	Profiling Index
Bahrain	5	1	3	23	13.8	--
Qatar	2	3	4	41	11.3	--
Kuwait	7	6	12	98	13.0	--
Oman	12	11	15	68	27.4	85.3
UAE	2	30	5	116	15.9	55.0
KSA	78	57	4	104	15.7	32.2

Trading Across Borders

About Trading Across Borders

- ◀ Doing Business measures the time and cost (excluding tariffs) associated with three sets of procedures — documentary compliance, border compliance and domestic transport — within the overall process of exporting or importing a shipment of goods.
- ◀ The ranking of economies on the ease of trading across borders is determined by sorting their distance to frontier scores for trading across borders.

Indicators Measure For Import & Export



Trading Across Borders

Country	Ranking 2019	Ranking 2020	Time to Export		Cost to Export		Time to Import		Cost to Import	
			Documentary compliance (Hours)	Border compliance (Hours)	Documentary compliance (\$)	Border compliance (\$)	Documentary compliance (Hours)	Border compliance (Hours)	Documentary compliance (\$)	Border compliance (\$)
Oman	72	64	7	28	107	279	7	39	124	244
Bahrain	77	77	24	59	100	47	60	42	130	397
KSA	158	86	11	37	73	319	32	72	267	464
UAE	98	92	5	27	140	462	12	54	283	553
Qatar	97	101	10	25	150	382	72	48	290	558
Kuwait	159	162	72	84	227	665	96	72	332	634

Abu Dhabi (Subnational 2019)	58	-	4	26	134	192	4	9	186	231
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Enforcing Contract

Enforcing Contract

Time and cost to resolve a commercial dispute through a local first-instance court



Assumptions about the business

1. The data on time and cost are built by following the step-by-step evolution of a commercial sale dispute
2. The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city.
3. The quality of judicial processes index measures whether each economy has adopted a series of good practices in its court system.

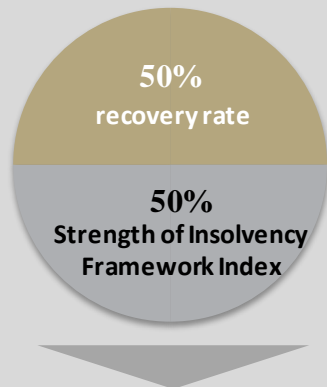
Country	Ranking 2019	Ranking 2020	Time (days)	Cost (% of the claim value)	Quality of Judicial Processes
UAE	9	9	445	21.0	14.0
KSA	59	51	575	27.5	11.5
Bahrain	128	59	635	14.7	9.0
Oman	73	69	598	15.1	7.5
Kuwait	77	74	566	18.6	7.5
Qatar	122	115	570	21.6	4.5

Abu Dhabi (Subnational 2019)	8	-	201	17.5	10.5
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Resolving Insolvency

Resolving Insolvency

the time, cost & outcome of insolvency proceedings involving domestic entities & strength of the legal framework applicable to judicial liquidation and reorganization proceedings



Assumptions about the business

1. The recovery rate is calculated based on the time, cost and outcome of insolvency proceedings in each economy.
2. The strength of insolvency framework index is based on four other indices: commencement of proceedings index, management of debtor's assets index, reorganization proceedings index and creditor participation index

Country	Ranking 2019	Ranking 2020	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)	Strength of insolvency framework index (0-16)
Bahrain	93	60	41.3	2.5	9.5	11.5
UAE	75	80	27.7	3.2	20.0	11.0
Oman	98	97	41.1	3.0	7.0	7.0
Kuwait	115	115	32.2	4.2	10.0	7.0
Qatar	120	123	30.0	2.8	22.0	7.0
KSA	168	168	--	--	--	--