

# Doing Business in Afghanistan 2010

## ”Measuring Business Regulations”

World Bank publishes the report “doing business” annually which measures doing business regulation in 183 countries. Afghanistan ranked 160<sup>th</sup> in 2010 while it was 168<sup>th</sup> in 2009. Key findings of the report are in the tables below.

### Starting a Business

DB10 rank: 23	DB09 rank: 24	Change in rank: +1
The challenges of launching a business are shown below. Included are: the number of steps entrepreneurs can expect to go through to launch, the time it takes on average, and the cost and minimum capital required as a percentage of gross national income (GNI) per capita.		
Procedures (number)	4	
Time (days)	7	
Cost (% of income per capita)	30.2	
Min. capital(% of income per capita)	0.0	

### Dealing with Construction Permits

DB10 rank: 149	DB09 rank: 143	Change in rank: -6
Shown below are the procedures, time, and costs to build a warehouse, including obtaining necessary licenses and permits, completing required notifications and inspections, and obtaining utility connections.		
Procedures (number)	13	
Time (days)	340	
Cost (% of income per capita)	12,877.6	

### Employing Workers

DB10 rank: 69	DB09 rank: 63	Change in rank: -6
The difficulties that employers face in hiring and firing workers are shown below. Each index assigns values between 0 and 100, with higher values representing more rigid regulations. The Rigidity of Employment Index is an average of the three indices.		
Difficulty of hiring index (0-100)	0	
Rigidity of hours index (0-100)	20	
Difficulty of redundancy index (0-100)	40	
Rigidity of employment index (0-100)	20	
Redundancy costs (weeks of salary)	30	

## Registering Property

DB10 rank: 164	DB09 rank: 176	Change in rank: +12
The ease with which businesses can secure rights to property is shown below. Included are the number of steps, time, and cost involved in registering property.		
Procedures (number)	9	
Time (days)	250	
Cost (% of property value)	4.0	

## Getting Credit

DB10 rank: 127	DB09 rank: 180	Change in rank: +53
Measures on credit information sharing and the legal rights of borrowers and lenders are shown below. The Legal Rights Index ranges from 0-10, with higher scores indicating that those laws are better designed to expand access to credit. The Credit Information Index measures the scope, access and quality of credit information available through public registries or private bureaus. It ranges from 0-6, with higher values indicating that more credit information is available from a public registry or private bureau.		
Strength of legal rights index (0-10)	6	
Depth of credit information index (0-6)	0	
Public registry coverage (% of adults)	0.0	
Private bureau coverage (% of adults)	0.0	

## Protecting Investors

DB10 rank: 183	DB09 rank: 183	Change in rank: -
The indicators below describe three dimensions of investor protection: transparency of transactions (Extent of Disclosure Index), liability for self-dealing (Extent of Director Liability Index), shareholders' ability to sue officers and directors for misconduct (Ease of Shareholder Suits Index) and Strength of Investor Protection Index. The indexes vary between 0 and 10, with higher values indicating greater disclosure, greater liability of directors, greater powers of shareholders to challenge the transaction, and better investor protection.		
Extent of disclosure index (0-10)	0	
Extent of director liability index (0-10)	0	
Ease of shareholder suits index (0-10)	2	
Strength of investor protection index (0-10)	0.7	

## Paying Taxes

DB10 rank: 55	DB09 rank: 51	Change in rank: -4
The data below shows the tax that a medium-size company must pay or withhold in a given year, as well as measures of the administrative burden in paying taxes. These measures include the number of payments an entrepreneur must make; the number of hours spent preparing, filing, and paying; and the percentage of their profits they must pay in taxes.		
Payments (number per year)	8	
Time (hours per year)	275	
Profit tax (%)	0.0	
Labor tax and contributions (%)	0.0	
Other taxes (%)	36.4	
Total tax rate (% profit)	36.4	

## Trading Across Borders

DB10 rank: 183	DB09 rank: 181	Change in rank: -2
The costs and procedures involved in importing and exporting a standardized shipment of goods are detailed under this topic. Every official procedure involved is recorded - starting from the final contractual agreement between the two parties, and ending with the delivery of the goods.		
Documents to export (number)	12	
Time to export (days)	74	
Cost to export (US\$ per container)	3,350	
Documents to import (number)	11	
Time to import (days)	77	
Cost to import (US\$ per container)	3,000	

## Enforcing Contracts

DB10 rank: 164	DB09 rank: 163	Change in rank: -1
The ease or difficulty of enforcing commercial contracts is measured below. This is determined by following the evolution of a payment dispute and tracking the time, cost, and number of procedures involved from the moment a plaintiff files the lawsuit until actual payment.		
Procedures (number)	47	
Time (days)	1,642	
Cost (% of claim)	25.0	

## Closing a Business

DB10 rank: 183	DB09 rank: 183	Change in rank: -
The time and cost required to resolve bankruptcies is shown below. The data identifies weaknesses in existing bankruptcy law and the main procedural and administrative bottlenecks in the bankruptcy process. The recovery rate, expressed in terms of how many cents on the dollar claimants recover from the insolvent firm, is also shown.		
Time (years)	no practice	
Cost (% of estate)	no practice	
Recovery rate (cents on the dollar)	0.0	