

See below table comparing Doing Business Ranking for 2015 vs 2014. It shows that Jamaica has moved from a ranking of 94 (using the old methodology but 85 under the new) to 58, which means that based on the last ranking we have moved 36 places, but if the current methodology were applied it would be 27.

The primary concern that many have had is, how can we move so high in the ranking but yet still businesses are still having challenges, and if this is correct. I would answer by first saying that I don't think that Jamaica could influence the computations done by the World Bank, and so I think based on the methods they use that this ranking may be accurate, and it is important to remember this. In other words the DBR is more focused on the regulatory and legal environment, and certainly Jamaica has passed significant reform, since the IMF agreement.

The areas of main improvement includes Starting a business, Dealing with construction permits, Getting electricity, Registering property, Getting credit, Protecting investors, Paying taxes, Trading across borders, and Enforcing contracts. The only area we declined in was Resolving insolvency risk, and it is to be noted that all the measurements were the same as 2014, and that at the time of this report the insolvency act has not yet passed. The reason why we fell in the ranking was because other countries such as Trinidad improved, through the passage of an updated insolvency act. The point to note here is that improvement or decline is not dependent alone on what Jamaica does but what other countries did or did not do, and there were a few countries that declined in the ranking that would have helped us.

The other point is that the DBR is primarily focused on the regulatory and legal environment, and over the past 1 to 2 years, Jamaica has had significant reform done, which would have caused a positive effect on the DBR. Of note are the new tax laws, which will effectively reduce corporate rates, and the approval of two credit bureaus. These two initiatives caused the slight improvement in paying taxes and the significant improvement in getting credit. Also the work done to improve the approval of construction permits caused a significant improvement. Registering property and enforcing contracts, also improved significantly. The former had the same metrics but may have jumped because other countries declined and the latter cause the number of days estimated to enforce a contract declined significantly.

What this shows us also is that the main inhibitor to business in Jamaica seems to be bureaucracy, such that when the bureaucracy improves it causes significant improvements in the ranking.

The report shows also that in the areas where businesses rely most on for efficiencies and competitiveness (Paying taxes and Trading across borders) there was not much improvement and the rankings were still very low. So the bureaucracy behind paying taxes (no of payments and time) have not changed and are still very high, and the total tax rate although decreased would not have fully impacted businesses as yet. Similarly under Trading across borders, the time to import is reduced significantly while there is no change in time to export, which is high, and the cost of export and import has increased. This could explain the disconnect between the improvement in the ranking and what is being felt on the ground. That is, apart from the fact that many of the changes would not have impacted yet, the truth is that the areas that businesses interact most with the bureaucracy on are still showing low rankings and would affect most businesses.

	2015	2014	
Overall Ease of Doing Business	58	94	
Starting a Business	20	23	
Procedures	2	5	
Time (days)	15	6	
Cost (% of income per capita)	6.0	6.4	
Dealing with construction permits	26	52	
Procedures (number)	7	8	
Time (days)	135	135	
Cost (% of income per capita)	2.2	207.1	
Getting electricity	111	132	
Procedures (number)	6	6	
Time (days)	96	96	
Cost (% of income per capita)	406.3	540.6	

Registering property	12	114	
Procedures (number)	6	6	
Time (days)	36	36	
Cost (% of property value)	9.5	9.5	
Getting Credit	12	109	
Strength of legal rights (0-12)	10	8	
Depth of credit information index (0-6)	0	0	
Public registry coverage (% of adults)	10.1	0.0	
Private bureau coverage (% of adults)	0.0	0.0	
Protecting investors	71	80	
Paying taxes	147	168	
Payments (no per year)	36	36	
Time (hours per year)	368	368	
Total tax rate (% of profit)	39.3	44.3	
Trading across borders	115	118	
Time to export (days)	20	20	
Cost to export (US\$ per container)	1,580	1,530	
Time to import (days)	1	17	
Cost to import (US\$)	2,180	2,130	
Enforcing contracts	11	131	
Procedures (number)	35	35	
Time (days)	55	655	
Cost (% of claims)	45	45.6	
Resolving insolvency risk	59	31	
Time (years)	1.1	1.1	
Cost (% of estate)	18	18	
Recovery rate (cents on the dollar)	69.2	69.2	