

PRESS RELEASE (ENGLISH)

BRUNEI DARUSSALAM IMPROVES ITS EASE OF DOING BUSINESS SCORE FROM 69.6 TO 70.1 IN WORLD BANK'S DOING BUSINESS REPORT 2020

Bandar Seri Begawan, 24 October 2019 – The World Bank has published this year's edition of its annual Doing Business report (Doing Business 2020), which measures and benchmarks the domestic business regulatory environment and provides a general outlook of the ease of doing business of a country, based on the performance of 10 indicators.

This year's report recorded Brunei Darussalam implementing two new reforms further improving the business regulatory framework. Substantive improvements were seen in the local regulatory framework for the indicators on 'Enforcing Contracts', and 'Resolving Insolvency', championed by the Prime Minister's Office.

This can be attributed to the publication of judicial reports and statistics online by the State Judiciary Department and reforms made in improving creditor's rights when undertaking insolvency proceedings, hence contributing to the strengthening of the overall Insolvency Framework of the country.

Other indicators that saw improvement are 'Dealing with Construction Permits' indicator, championed by the Ministry of Development; as well as 'Getting Electricity', championed by the Ministry of Energy, Manpower and Industry, which has also made great strides in streamlining the approval process through a reduction in the time taken for obtaining electricity which has improved in terms of its efficiency from 35 calendar days to 25 calendar days.

Brunei Darussalam still maintained the number one ranking in 'Getting Credit', together with top-ranking country, New Zealand. This indicator, championed by Autoriti Monetari Brunei Darussalam, reflects the strength of credit reporting systems and borrowers' information, due to the credit registry offering credit scores to banks to better inform their lending decisions, therefore, further easing the process for businesses to obtain financial support.

Meanwhile, indicators that have also maintained their position from last year's report are 'Starting A Business' (16) and 'Trading Across Borders' (149).

Nonetheless, even with current efforts in improving business-related processes across all indicators, due to the increasing competitiveness and rate of reforms implemented by other participating economies, as well as a methodology adjustment, several indicators experienced a slip in ranking such as Registering Property from 142 to 144, Paying Taxes from 84 to 90 and Protecting Minority Investors from 48 to 128.

The Doing Business 2020 Report this year sees several changes in methodology and scope of assessment not previously accounted for in past years. For example, the 'Protecting Minority Investors' indicator assumptions now considers corporate governance for listed companies – in the absence of an active stock exchange with at least ten listings (that are not state-owned), no points are awarded under the shareholder governance index for this indicator. The Autoriti Monetari Brunei Darussalam and Ministry of Finance and Economy are actively working to establish a national stock exchange.

Similar revisions in World Bank's methodology have been seen in past years – for example in Doing Business Report 2015, which resulted in change in the country's ranking to 105th from initial 59th.

Overall, this has resulted in Brunei Darussalam being ranked 66 out of 190 economies with an Ease of Doing Business (EODB) score that has seen a gradual increase from 69.6 (adjusted) in 2019 to 70.1 in 2020. Brunei Darussalam remains ranked 4th among ASEAN nations behind Singapore, Malaysia and Thailand. This also coincides with an improvement in its rank in the Global Competitiveness 2019 Report by the World Economic Forum by scoring 62.8 points out of 100 and climbing 6 positions to 56th position out of 141 economies with improvements in scores of various pillars including 'Macroeconomic Stability', 'Skills', 'Labour Market', 'Financial System', 'Market Size', 'Business Dynamism' as well as 'Innovation Capability'. Meanwhile the top 3 pillars are 'ICT Adoption' (26), 'Labour Market' (30) and 'Product Market' (37).

The drive to improve the domestic business regulatory environment is underpinned by a Whole-of-Nation approach spearheaded and monitored by the Ease of Doing Business Steering Committee, chaired by the Minister of Energy, Manpower and Industry, and collectively delivered by respective 'Champion Groups' from Departments and Agencies under the Prime Minister's Office, Ministry of Finance and Economy, Ministry of Home Affairs, Ministry of Religious Affairs, Ministry of Primary Resources and Tourism, Ministry of Health, Ministry of Development, Ministry of Energy, Manpower and Industry, Ministry of Transport and Infocommunications, Autoriti Monetari Brunei Darussalam (AMBD), Darussalam Enterprise (DARE) as well as Management Service Department, Prime Minister's Office.

The Government remains committed to streamlining, delivering and enforcing more efficient and innovative business processes and regulations in order to remain globally competitive.

Prepared by:
Ease of Doing Business Secretariat
Ministry of Energy, Manpower and Industry.