

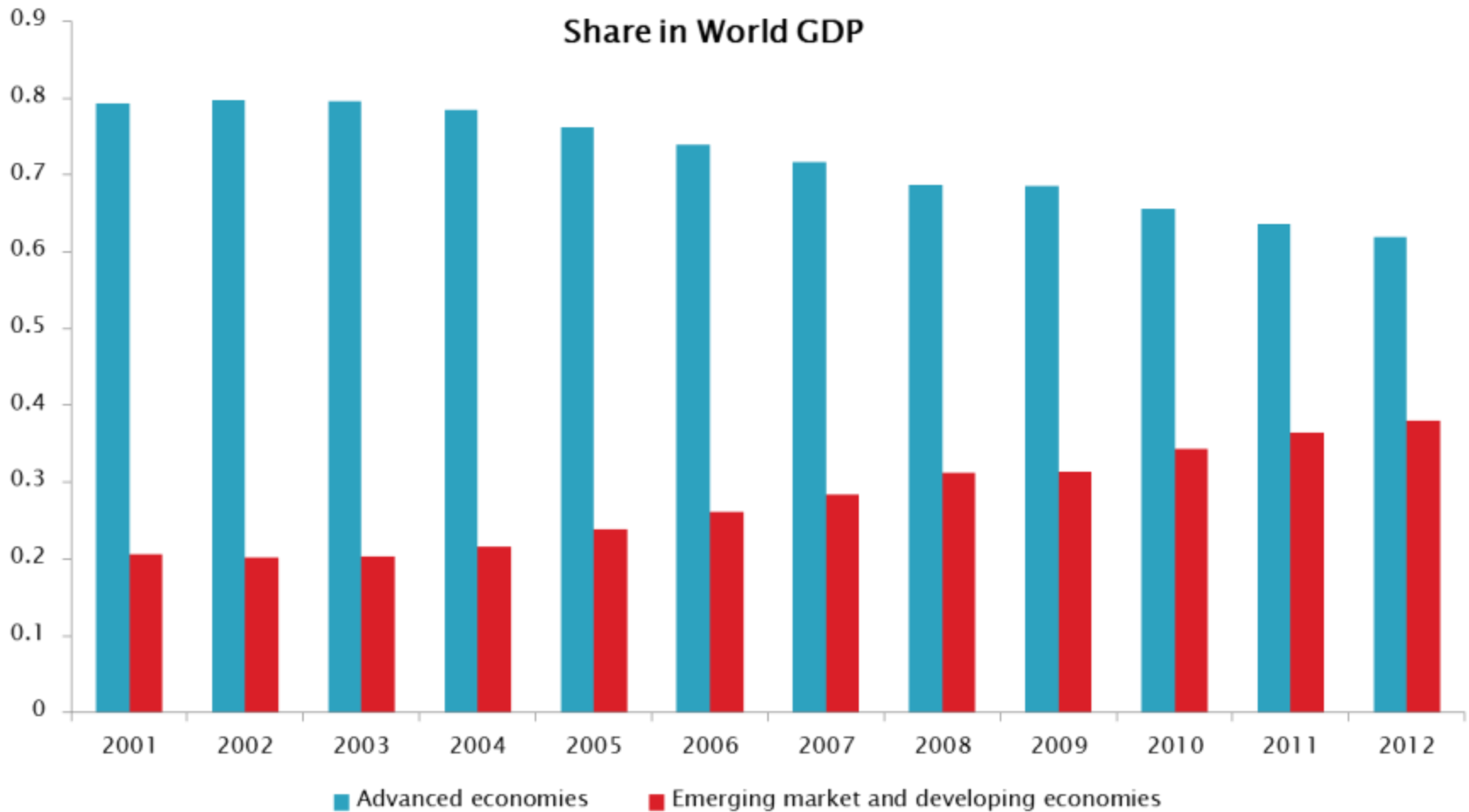


G20 2014 Growth Strategies: Improving the Business Environment

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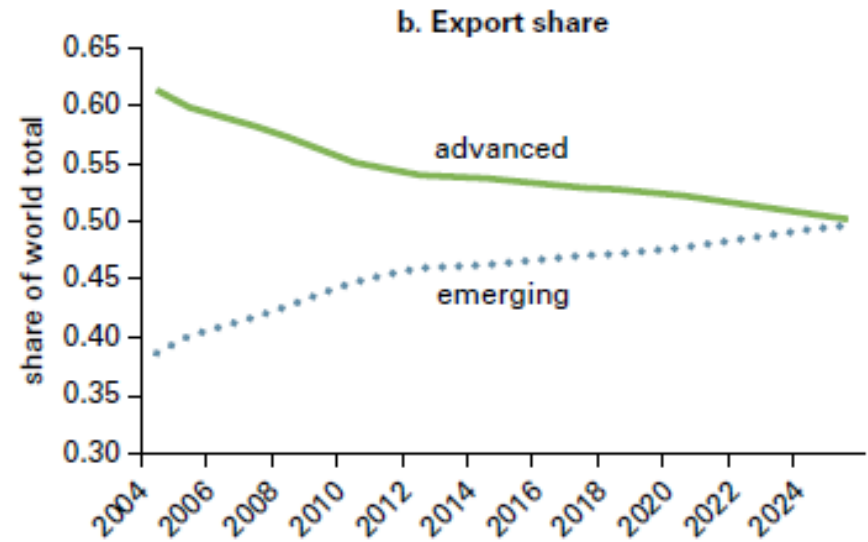
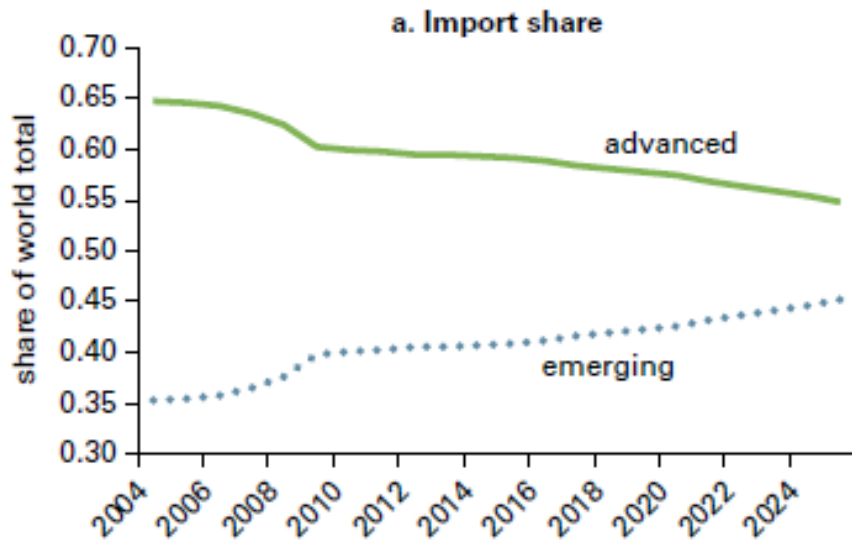


Strong growth in emerging markets has changed the global economic landscape





Emerging markets' share in world trade has been increasing



Source: World Bank staff calculations.

Note: Shares are computed from levels measured in constant 2004 prices relative to the basket of OECD exports in the same year.



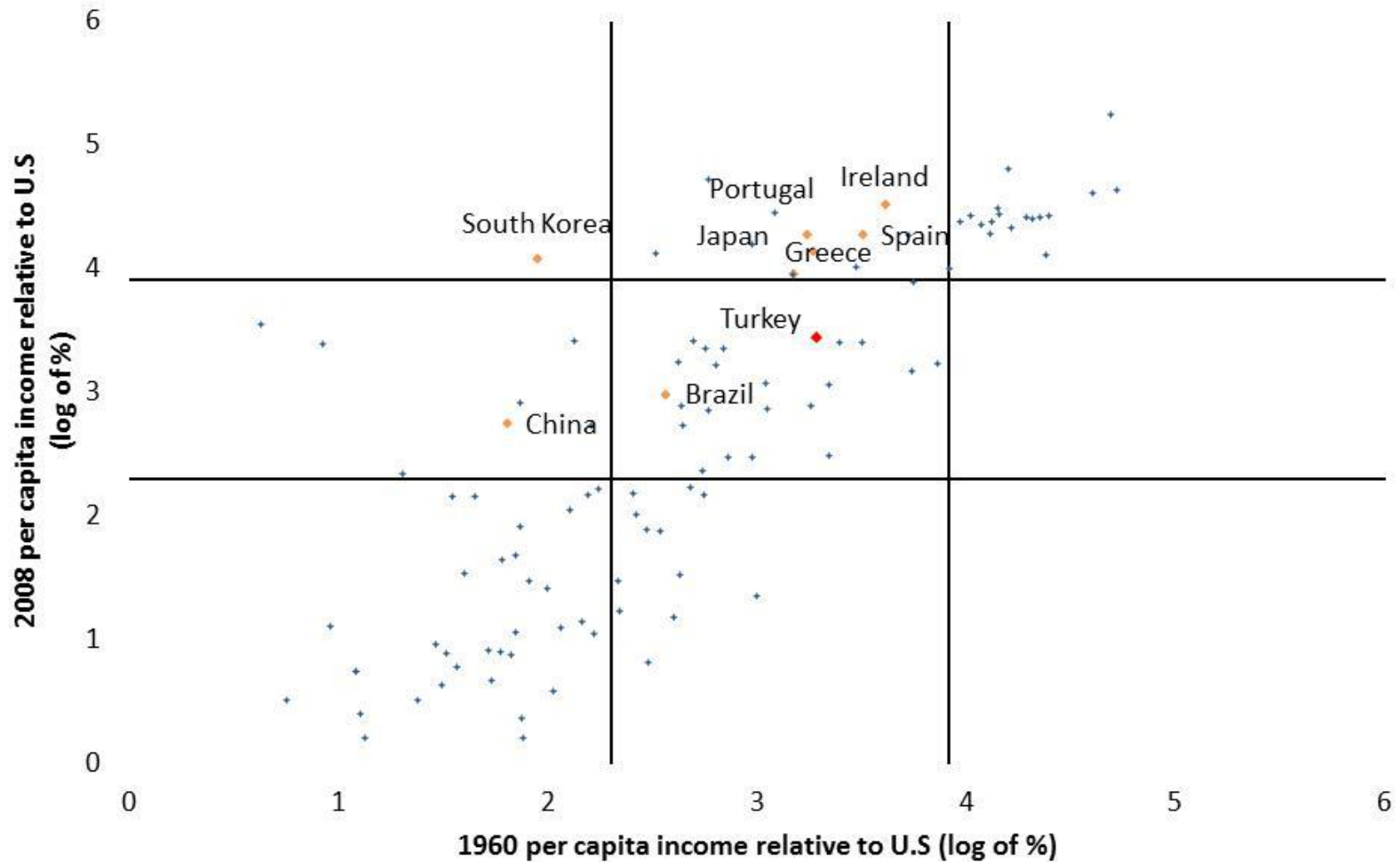
Global economic landscape will change further in the next decade



- Advanced economies recovering post-2008 crisis
- Global environment will be less favorable
 - characterized by less liquidity
 - many EMs face risk of middle income trap underscoring the importance of sustaining TFP growth and structural reform



Crossing the threshold to high income





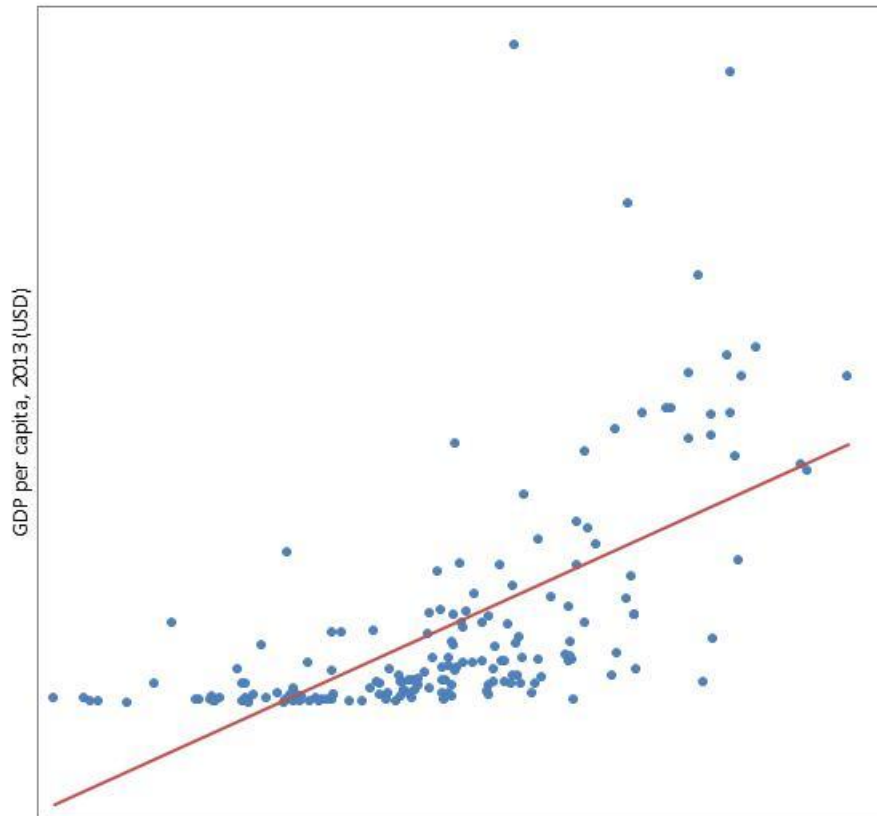
Improving the business environment will sustain productivity growth and make growth inclusive



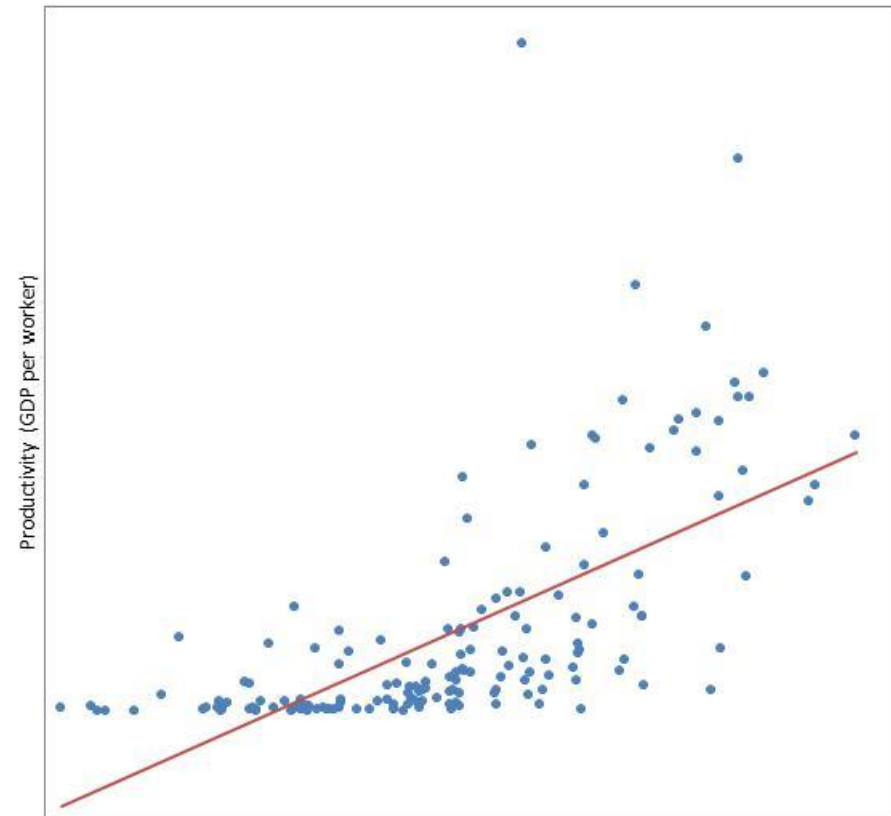
- Sound regulatory environment and strong institutions matter for growth and job creation
- The business environment also matters for inclusive growth: SMEs typically account for 60-70% of job creation.



An improved business environment is strongly correlated with higher GDP per capita and productivity



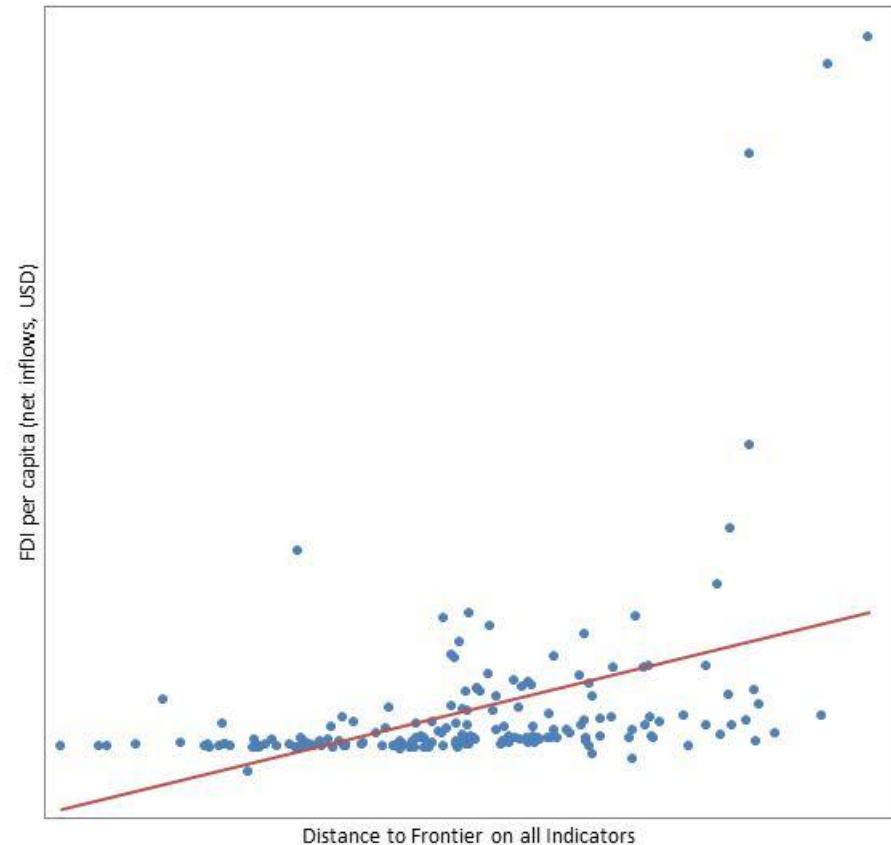
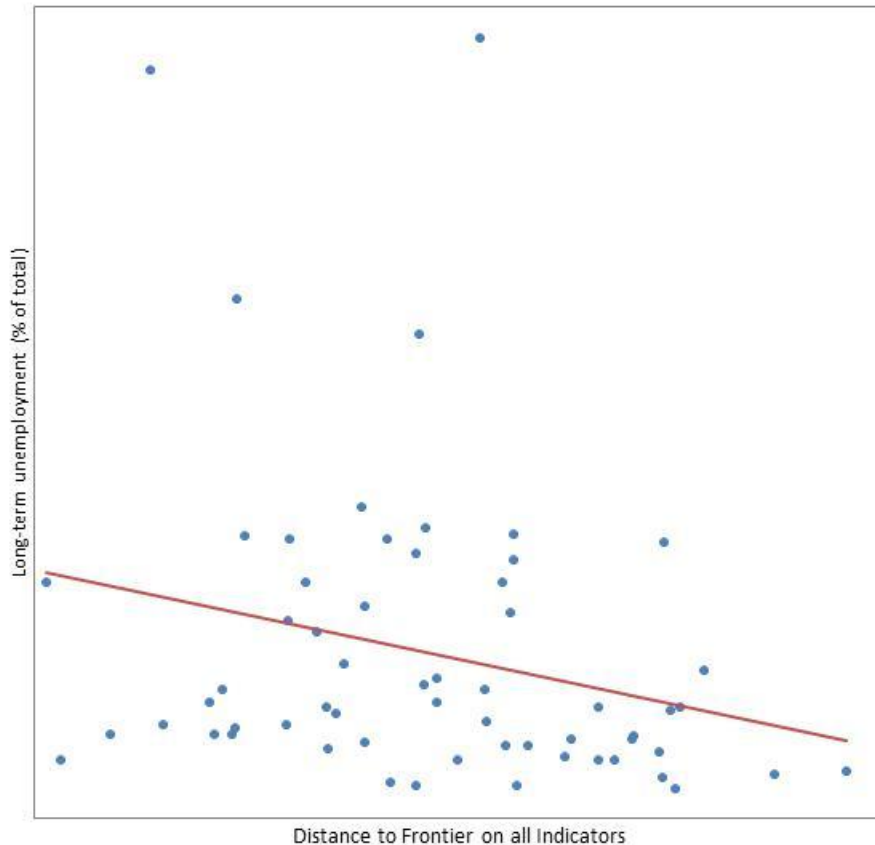
Distance to Frontier on all Indicators



Distance to Frontier on all Indicators

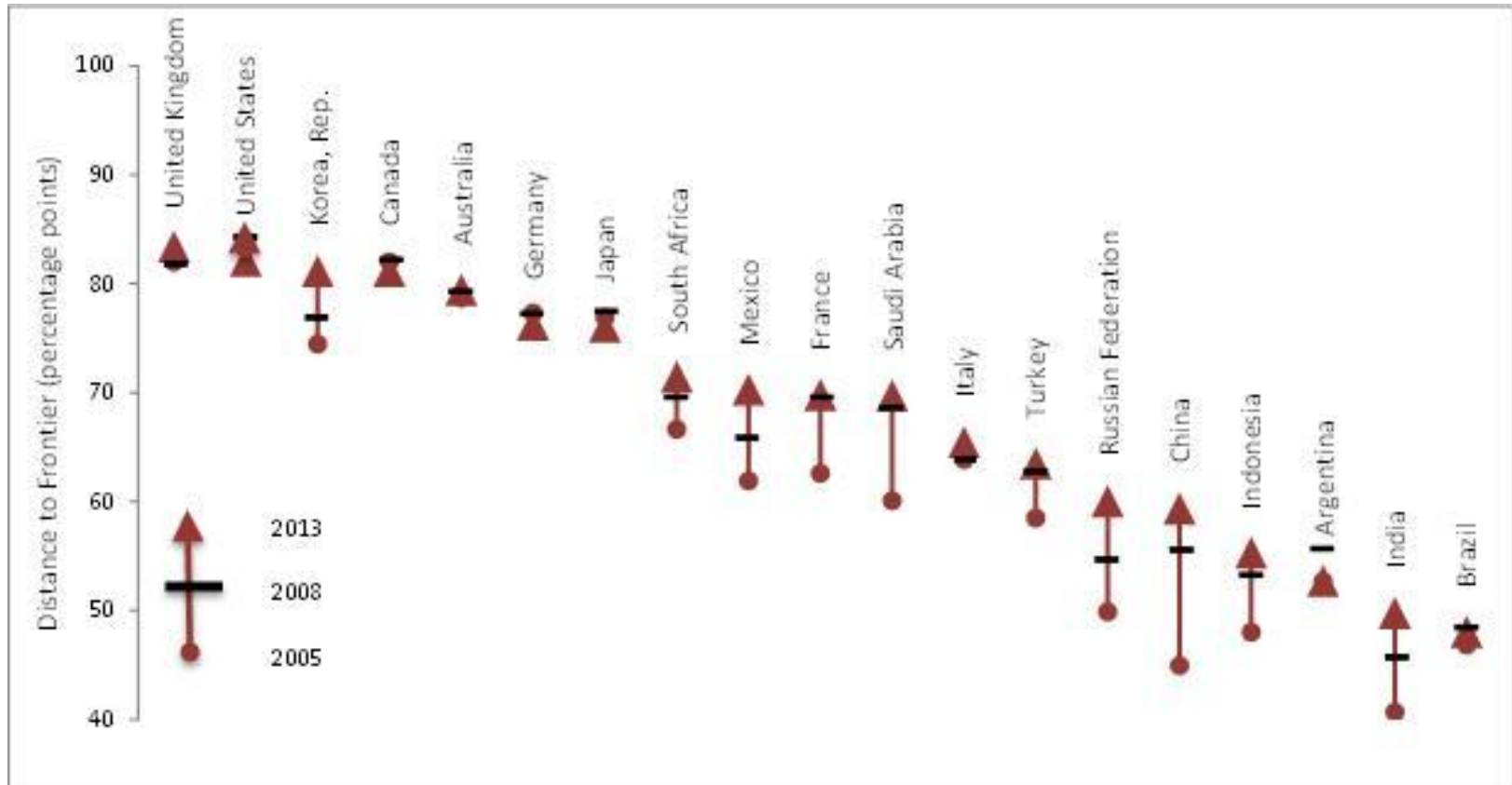


Improved business environment is strongly correlated with lower long-term unemployment and higher FDI



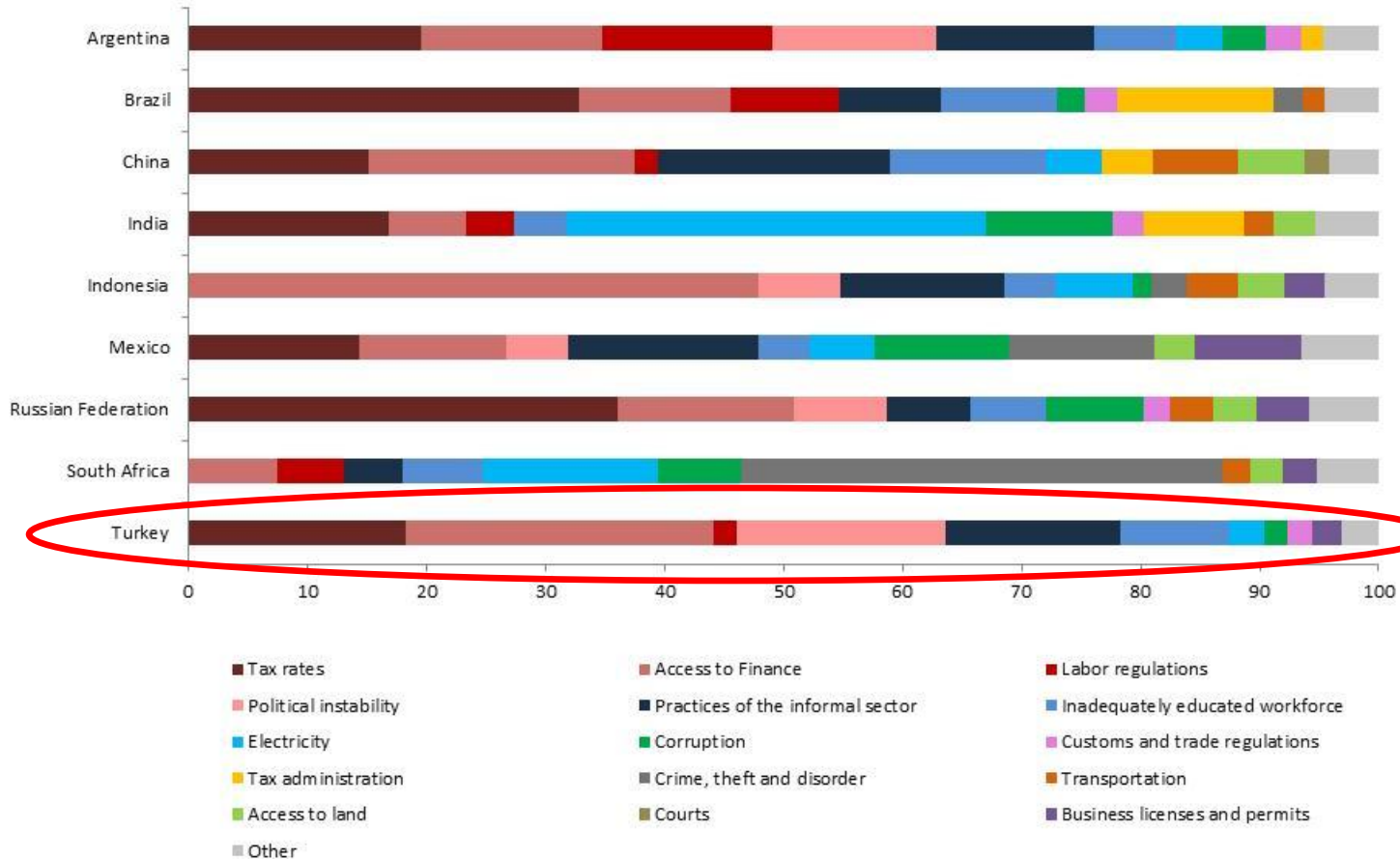


There is progress but much remains to be done on business environment reform





Top 10 business environment constraints reported by firms





Turkey's doing business rankings



TOPICS	DB2014 RANK	Distance to Frontier
Starting a Business	93	87.69
Dealing with Construction Permits	148	66.62
Getting Electricity	49	84.22
Registering Property	50	75.90
Getting Credit	86	56.25
Protecting Investors	34	63.33
Paying Taxes	71	76.83
Trading Across Borders	86	69.93
Enforcing Contracts	38	64.95
Resolving Insolvency	130	23.62



Tenth Development Plan addresses many of the remaining challenges

