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INDEPENDENT NEWS FROM RUSSIA

Russia Climbs 30 Places in World Bank Business Ranking

By Sam Skove

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Russia also experienced growth in its rankings last year, rising 19 spots to land in 92nd place.

Despite dire forecasts for its sanctions-struck economy, Russia has leaped up an unprecedented 30 positions in the World Bank's annual "Doing Business" survey for 2015, the bank said Wednesday.

Russia rose to 62nd place out of 189 ranked countries, ahead of China at 90, Brazil at 120 and India at 142, although still below many nations in the West.

The World Bank noted Russia's worsening businesses climate for the category of "trading across borders," where Russia dropped six ranks to 61st place, while most other categories registered a one to three-level drop in their rankings relative to Russia's 2014 ranking.

But the country went up 24 ranks to 34th place in the category of "starting a business," up 16 ranks to 156th place in "dealing with construction permits," and five ranks to 12th place

in "registering property." In each case the World Bank cited simplified or reduced legislation for its decision.

The only category that saw no change was "enforcing contracts," where Russia stayed in 14th place.

The World Bank's methodology for each criteria varies but typically focuses on how legal procedures affect the time and cost of a particular goal. The "enforcing contracts" section, for instance, notes that the standard length of time for a trial and judgment is 160 days, and the average attorney fee is 10 percent of the claim. The report's results are based on studies made in Moscow and St. Petersburg, the country's two key metropolitan centers.

But while Russia's victory against overregulation is encouraging, the country is currently facing bigger problems than red tape.

Political stability, macroeconomic development, infrastructure and labor market concerns are more important to the economy at the moment, said Natalia Volchkova, professor at Moscow's New Economic School, Russian business newspaper Vedomosti reported.

The World Bank predicts that Russia's economy will achieve annual economic growth of 0.5 percent or less through 2016. The economy has been squeezed by the falling oil price, Western sanctions over Ukraine, and Russian counter-sanctions against Western food imports.

Russia also experienced growth in its rankings last year, rising 19 spots to land in 92nd place. While this year the evaluation method has changed, Russia's position might have even climbed to 53

under the old rules, Andrei Nikitin, director of Russia's Agency for Strategic Initiatives (ASI), told Vedomosti.

The ASI was created specifically to fulfill President Vladimir Putin's 2012 directive that Russia would be ranked 20th on the "Doing Business" rankings by 2018. In 2012, Russia was ranked 120th.

The World Bank's rating method has changed so significantly, however, that making comparisons to last year's ranking are impossible, according to the report's co-author, Valentina Saltane, Vedomosti reported.

Russian Federation			
Topics	2015 Rank	2014 Rank	Change in Rank
Starting a Business	34	58	24
Dealing With Construction Permits	156	172	16
Getting Electricity	143	141	-2
Registering Property	12	17	5
Getting Credit	61	55	-6

Protecting Minority Investors	100	97	-3
Paying Taxes	49	48	-1
Trading Across Borders	155	154	-1
Enforcing Contracts	14	14	No change
Resolving Insolvency	65	62	-3

Source: Doing Business

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