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New World Bank Group Report Says Poland's Cities Are Business-Friendly, but Room for Improvement Remains

WARSAW, June 25, 2015 — A new report by the World Bank Group compares business regulations affecting domestic firms in Poland and finds that good regulatory practices exist across many of the cities measured. The report highlights that sharing of local good practices among the cities can help improve the overall business climate.

Of 18 Polish cities examined in the *Doing Business in Poland 2015* report, released today, the northern city of Bydgoszcz topped the aggregate ranking. The report analyzes business regulations on four *Doing Business* topics: starting a business, dealing with construction permits, registering property, and enforcing contracts.

Polish entrepreneurs face different regulatory hurdles depending on where they establish their business. This is due to varying efficiency levels at the public agencies in charge of the four areas benchmarked and discrepancies in the interpretation of national legislation. According to the report, it is easier to start a business in Poznań, obtain construction permits in Bydgoszcz, transfer property in Białystok, and resolve a commercial dispute in Olsztyn.

While smaller cities tend to do better overall across the four indicators, several large cities rank at or near the top of individual indicators by capitalizing on economies of scale or using resources at their disposal to invest in administrative modernization. Administrations in Łódź and Wrocław can issue a building permit in just over one month—similar to the delay in smaller cities with significantly lower volume of applications—proving that high demand for business services can be dealt with efficiently. Similarly, despite having one of the highest number of incoming cases per judge in Poland, trial time is less than a year—one week faster than the 18-city average—at the regional court of Krakow, where judges follow best national practices and use active case management to handle the flow of incoming cases.

Although no city does equally well in all four areas, there are good practices to be found across many of the cities measured in Poland. Reform-minded local officials can make tangible improvements by replicating measures already successfully implemented in other cities in Poland. If a Polish city were to adopt all the best practices found across the 18 cities, it would rank 24th out of 189 economies in the global *Doing Business* ranking—8 positions higher than Poland's current ranking, as represented by Warsaw, according to *Doing Business 2015*—placing the country ahead of France and the Netherlands.

Despite a number of good practices documented in the report, challenges remain. Firms across Poland still face inefficient and complex procedures, especially in the area of dealing with construction permits. The numerous amendments to the Building Law, not disseminated consistently across enforcement agencies and private practitioners, resulted in confusion and uneven implementation across the cities.

*"Poland has a track record of looking to the European Union and using international benchmarks—such as *Doing Business* or other similar indicators, to improve its regulatory framework," said Mamta Murthi, World Bank Group Regional Director for Central Europe and the Baltic Countries. "Now it is time to look inward: we hope that this study will empower local policy-makers with the right data to inform their*

strategies, share lessons across cities and regions, and help improve the local business regulatory environment across the country,” Murthi added.

Doing Business in Poland 2015 is the first World Bank Group sub-national report studying the ease of doing business in the country. The study was requested and substantially funded by the Ministry of Infrastructure and Development of the Republic of Poland and Bank Gospodarstwa Krajowego (BGK) and produced in partnership with the Polish Confederation Lewiatan. A similar sub-national study was conducted in Italy in 2012, benchmarking 20 cities and there is an ongoing project in Spain to be released later this year.

For more information or to access the report, please visit: www.doingbusiness.org/Poland. Join us on [Facebook](https://www.facebook.com/DoingBusiness.org) at www.facebook.com/DoingBusiness.org.

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