

# DOING BUSINESS IN SAINT LUCIA

PRESENTER: AVIVA ST CLAIR

CHIEF ECONOMIST

ECONOMIC PLANNING

DEPT OF ECONOMIC DEVELOPMENT

# Content

- Discussion on the *business environment*.
  - Factors external to a business that impacts its performance.
- Doing Business Report which examines primarily regulations.
- *Doing Business* does not for example, measure security, macroeconomic stability, corruption, labour skills of the population, underlying quality of institutions and infrastructure or the strength of the financial system.
- This can be examined to some extent by the Enterprise Survey.

# Doing Business Ranking



# 190 countries

## What does it measure

How easy is it for a local firm to operate in a country based on a standardized case study.

The rankings are determined by sorting the aggregate [distance to frontier](#) scores on 10 topics.

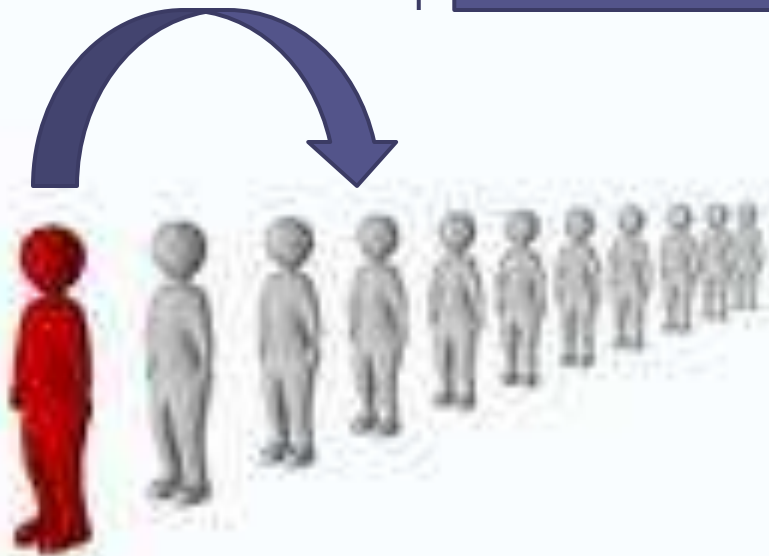
Each topic consisting of several indicators. There are in total.

# Distance to Frontier Score

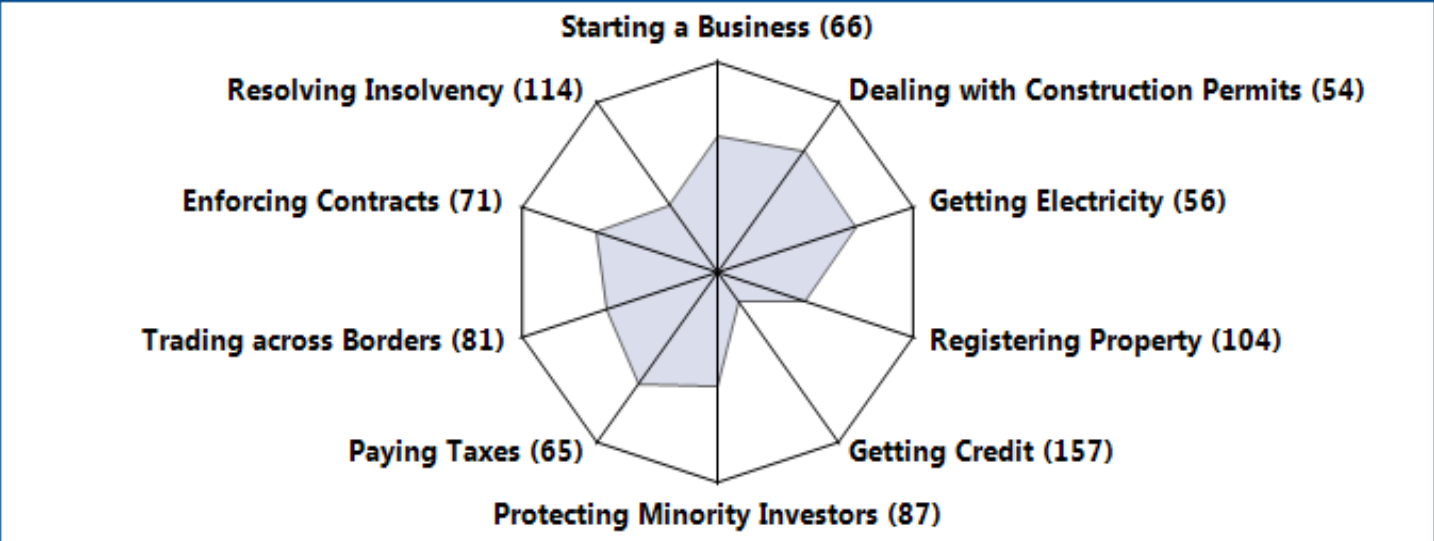
Difference  
between country  
performance and  
best practice

Over time this will indicate whether this gap is closing.

An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier.



# Results of Doing Business 2017

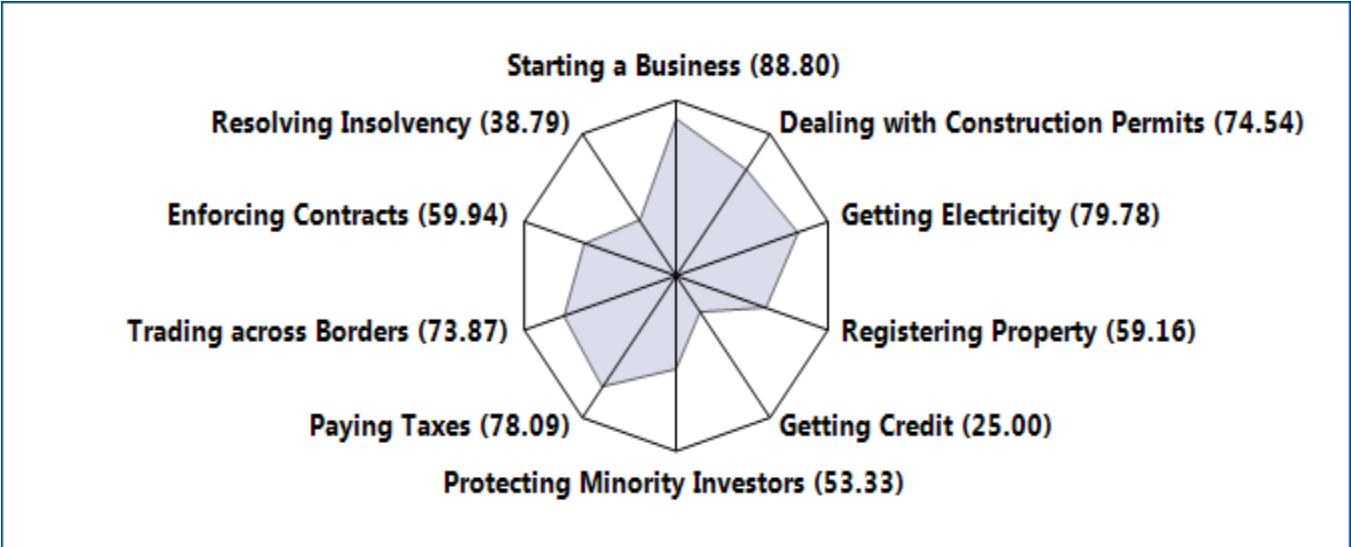


**Rankings on  
Doing Business  
topics - St. Lucia**  
(Scale: Rank 190  
center, Rank 1 outer  
edge)

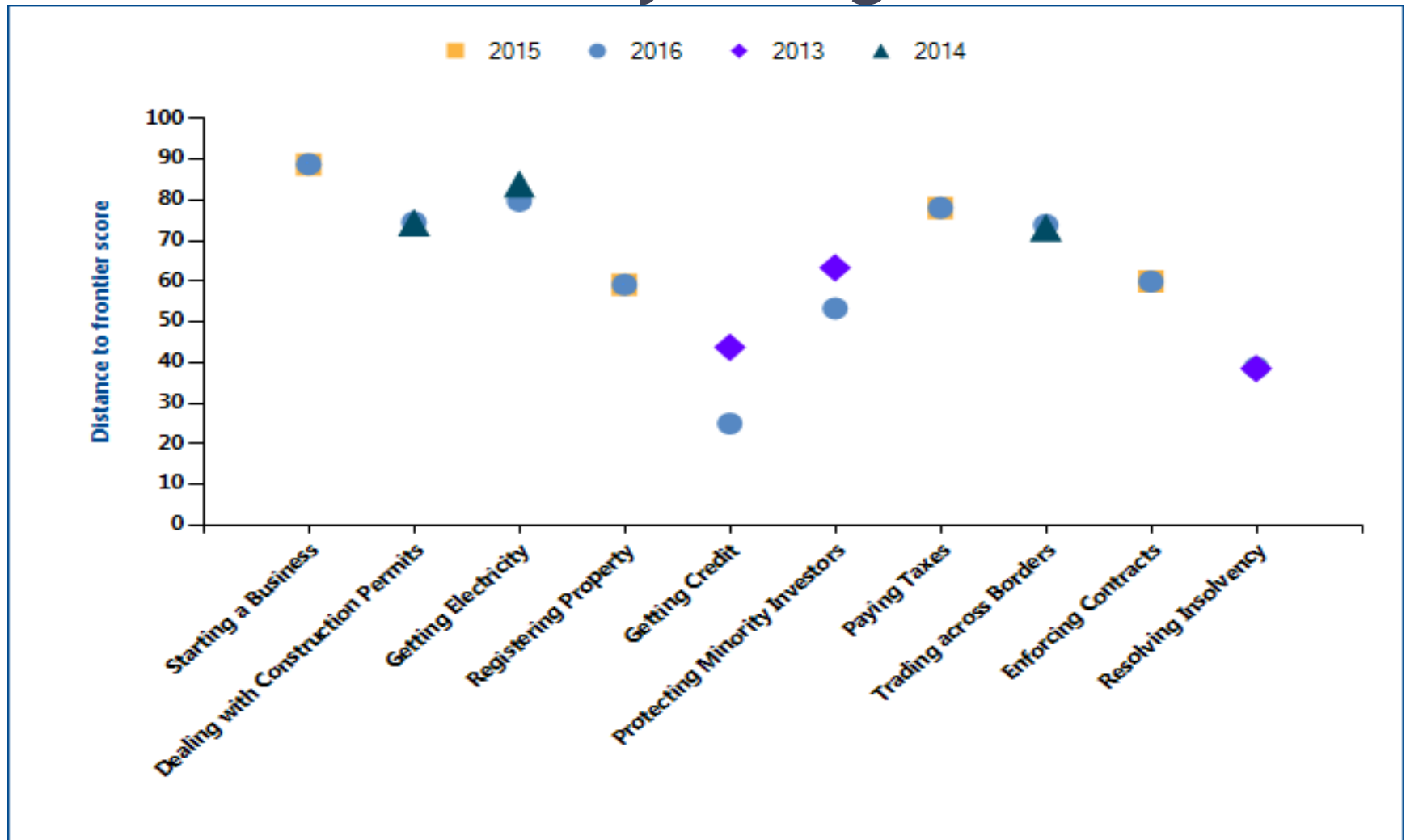
Source Doing Business  
Economy Profile Saint  
Lucia

## Distance to frontier scores on *Doing Business* topics - St. Lucia

(Scale: Score 0 center,  
Score 100 outer edge)



# How far has St. Lucia come in the areas measured by *Doing Business*?



# Construction Permits



Any interaction of the building company' representatives and government procedures to connect the warehouse to water, electricity and sewerage are included



days



%  
Warehouse  
Value

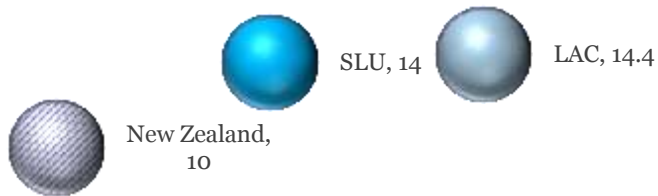


Building quality  
control

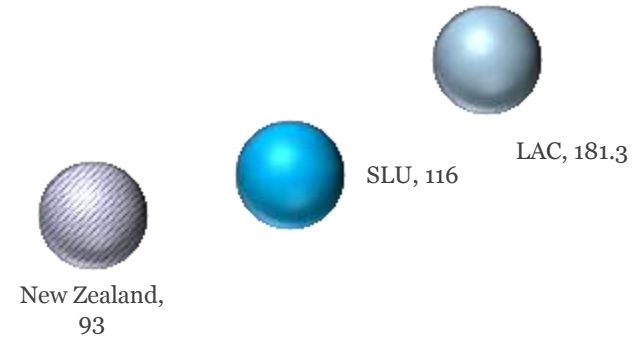


Completed  
Warehouse

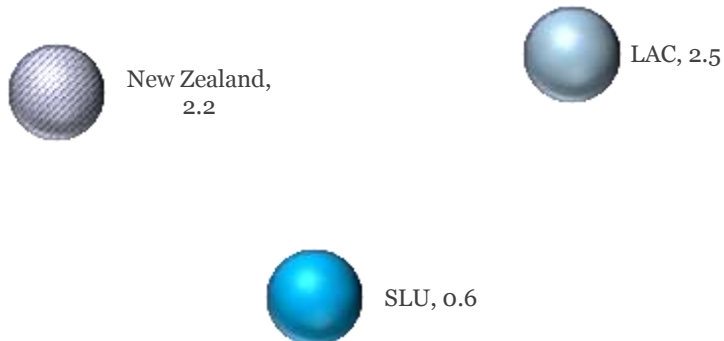
## PROCEDURE – (NUMBER)



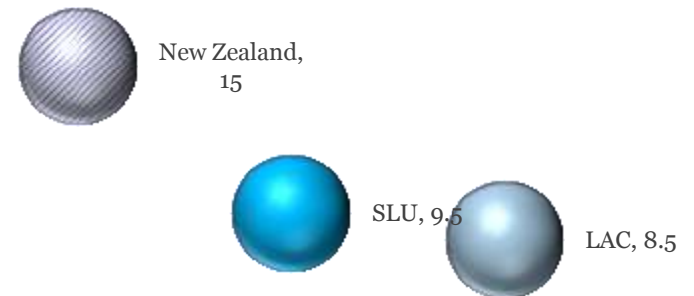
## TIME – (DAYS)



## COST – (% OF WAREHOUSE VALUE)



## BUILDING QUALITY CONTROL INDEX (0-15)





# What reforms are underway



- **Team**

## *Rapid Results Initiative*

- **Pilot of a single application form**
- **Delivered in 120 days**

- **PHYSICAL PLANNING**
- **LUCELEC**
- **WASCO**
- **FIRE DEPT.**
- **ENVIRONMENTAL HEALTH**
- **PUBLIC SECTOR MODERNISATION**
- **INFRASTRUCTURE**

# Registering Property



The full sequence of procedures necessary for a business (the buyer) to purchase a property from another business (the seller) and to transfer the property title to the buyer's name



days



% Property value

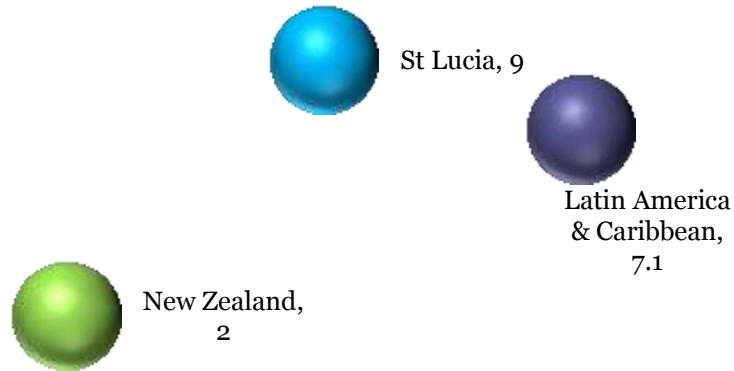


Building quality control

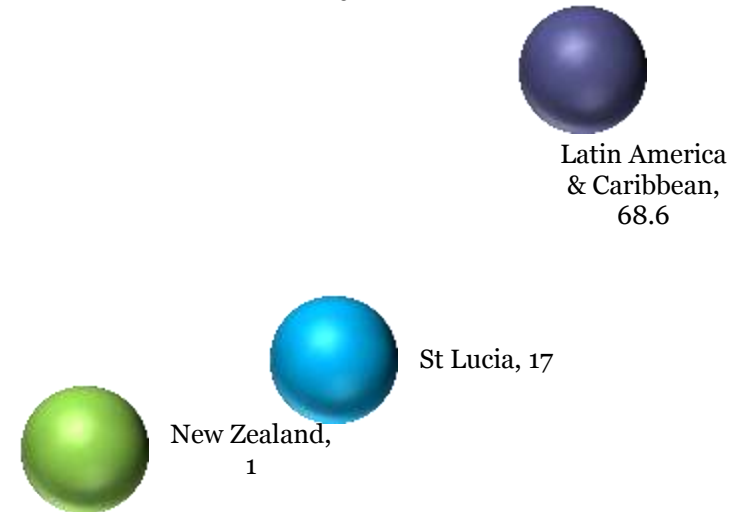


Transfer of Ownership

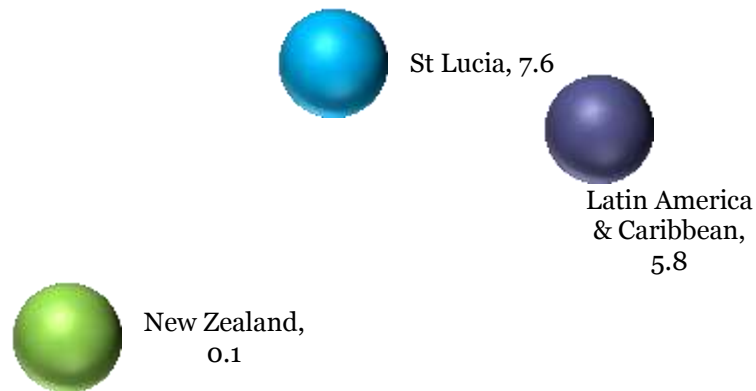
## Procedures (number)



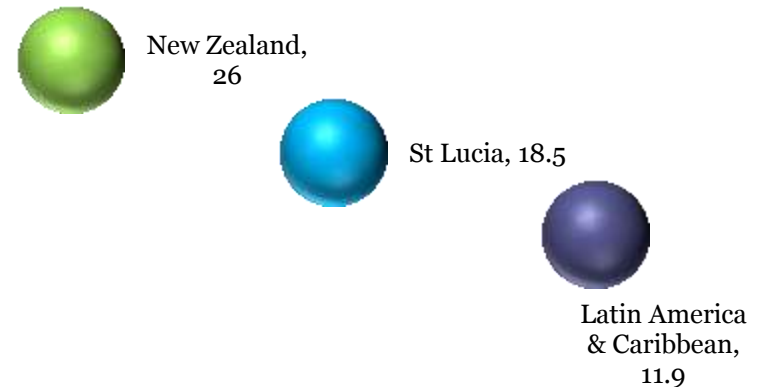
## Time (days)



## Cost (% of property value)

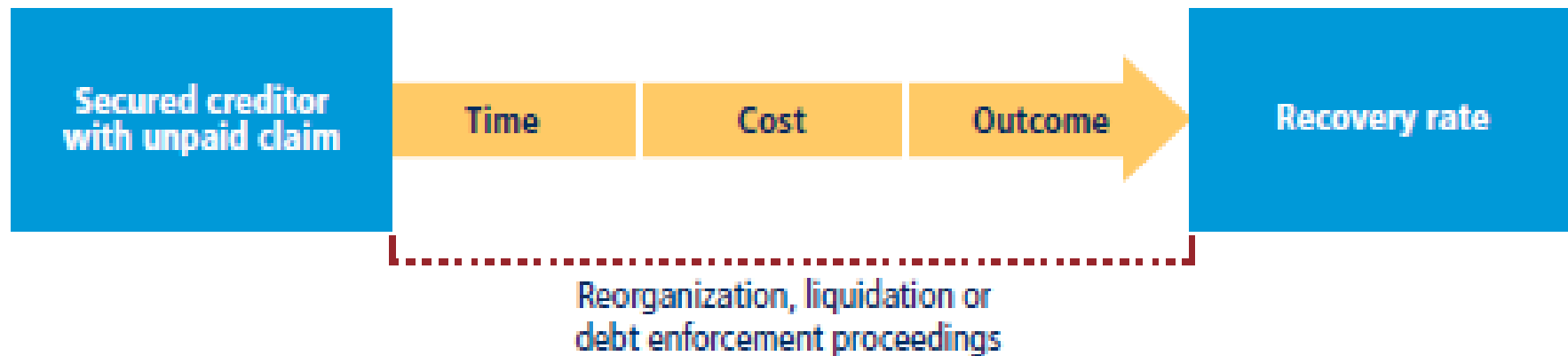


## Quality of the land administration index (0-30)



# Resolving Insolvency

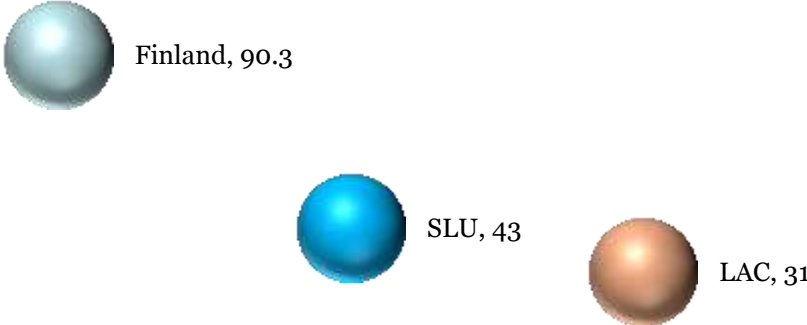
How quick and cost effective can bankruptcy be undertaken at minimal disruption to the business.



- Strength of Insolvency framework
  - Commencement of Proceedings
  - Management of debtors asset's index
  - Re-organisation proceedings index
  - Creditor Participation index

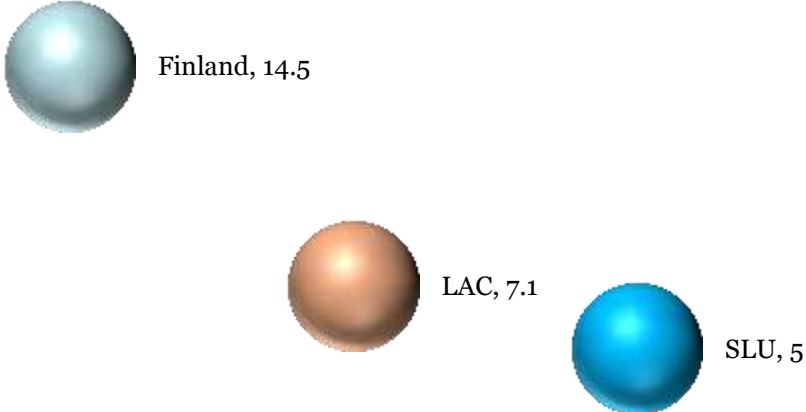
# Recovery rate

Cents on the dollar



# Strength of insolvency framework

Index (0-16)



# Reform

- New Draft Insolvency Bill has been prepared
- Regulations to be completed by June.
- Public Consultations to commence short.
- New Bill provide for:-
  - Reorganisation
  - Operating as a going concern
  - Will improve time frame for resolving insolvency.

# Getting Credit

LEGAL RIGHTS



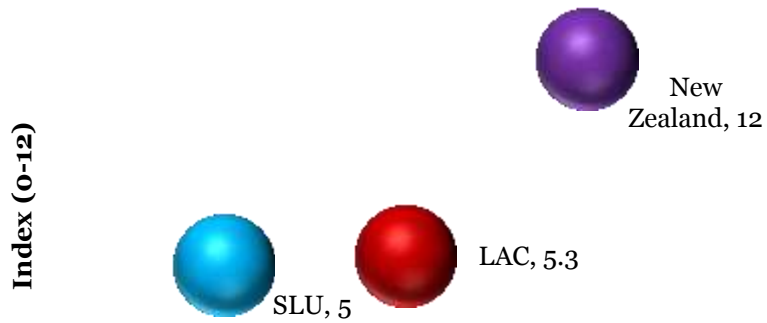
Degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders

Coverage, scope and accessibility of credit information

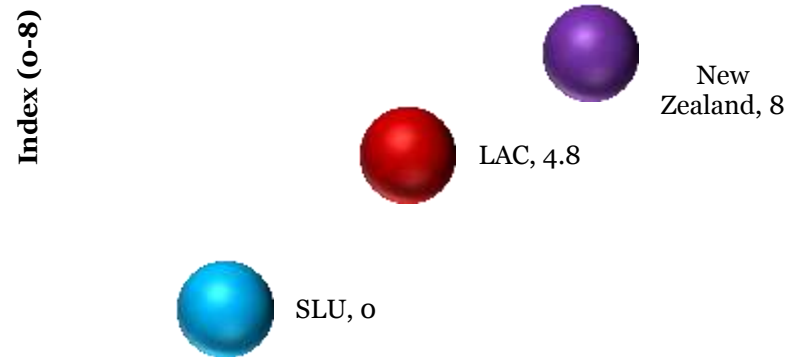


% business & firms covered by registry (public or private)

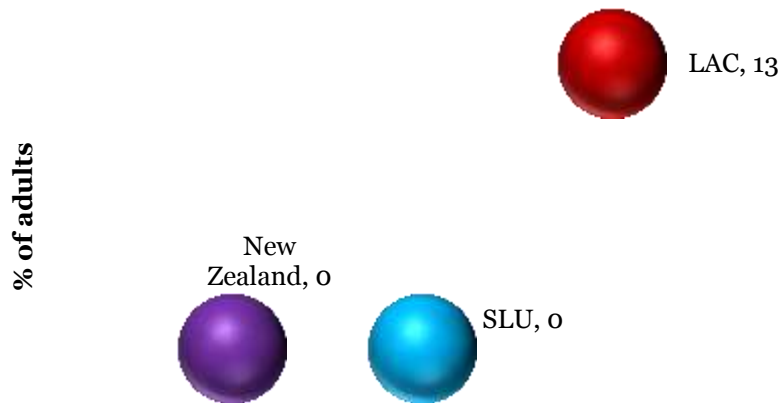
## Strength of legal rights



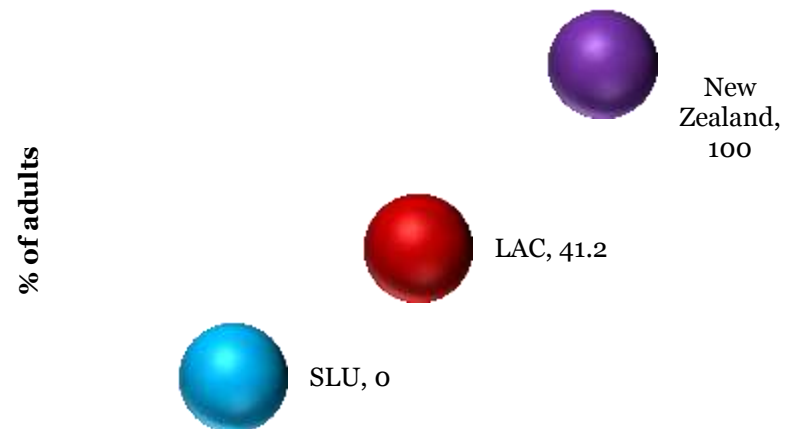
## Depth of credit information



## Credit registry coverage



## Credit Bureau Coverage





# Reforms

- **Credit Infrastructure (CRINFRA)** is the set of laws and institutions that enable efficient and effective access to finance, financial inclusion, stability and socially responsible economic growth.
- Modernizing the Insolvency Regimes will support this indicator.
- Additionally St. Lucia is drafting a “Secured Transactions Bill” & Development of a Notice Registry so that lenders and borrowers would have the ability to use more movable assets that have value in the marketplace as collateral.
- **Partial Credit Guarantee Scheme**  
The project's goal is to facilitate additional financial intermediation for the Small and Medium Enterprises (SMEs) and strengthen the enabling environment for SMEs lending, by setting up a regional partial guarantee fund.
- Draft legislation to create a legal landscape for operations of a private credit bureau.

# Paying Taxes

Records the taxes and mandatory contributions that a medium-size company must pay in a given year as well as the administrative burden of paying taxes and contributions and complying with post filing procedures

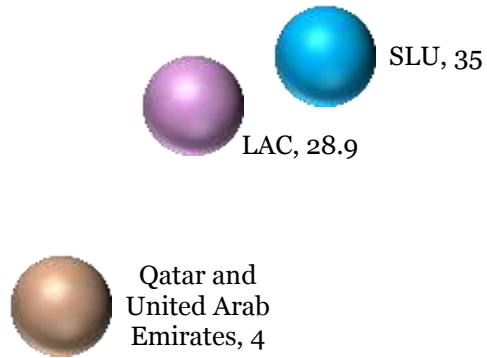
## When Paying Taxes...

- How many payments per year?
- How long does payment take in hours?
- What is the tax rate as a % of profit?

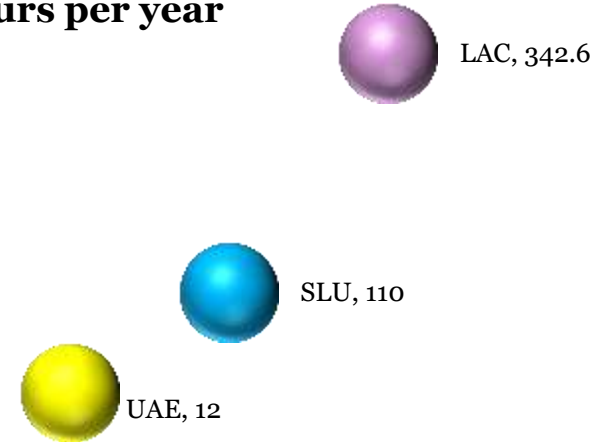
## Post Filing

- How much time is required to comply with and obtain VAT Refund?
- How much time is required to comply and complete Corporate income tax audit?

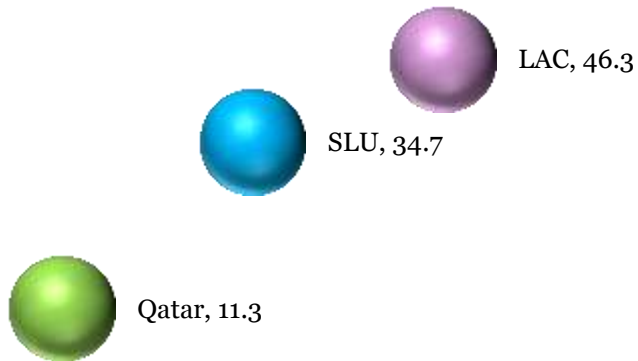
## Payments Number per year



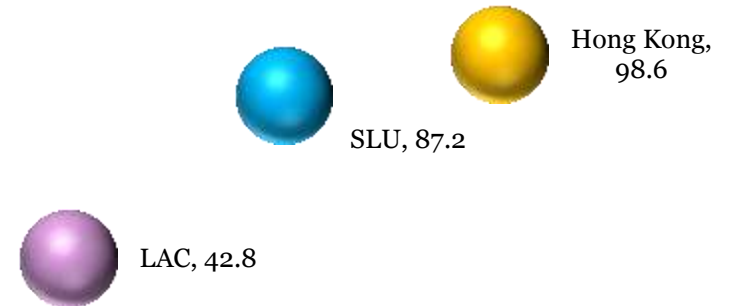
## Time Hours per year



## Total tax rate % of Profit



## Post filing Index 1 -100



# Trading Across Borders



- Boarder & Document Compliance

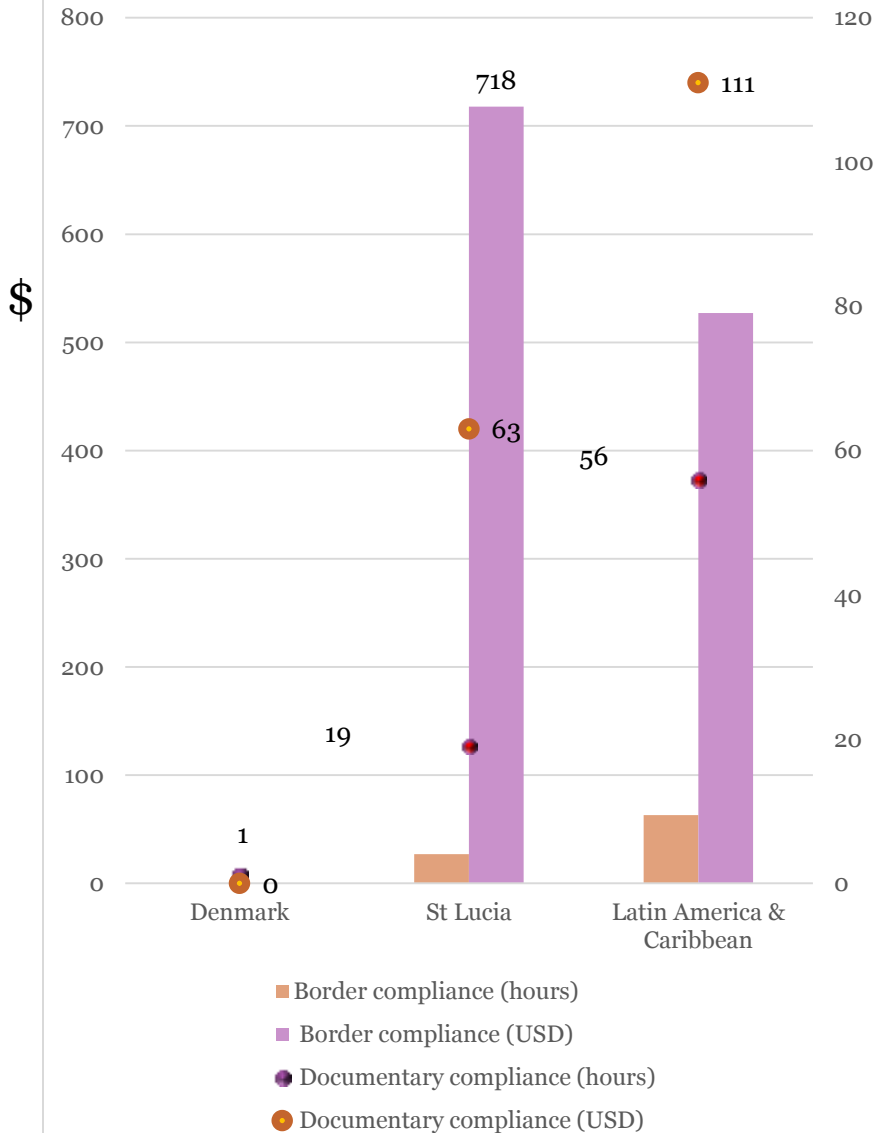
Hours



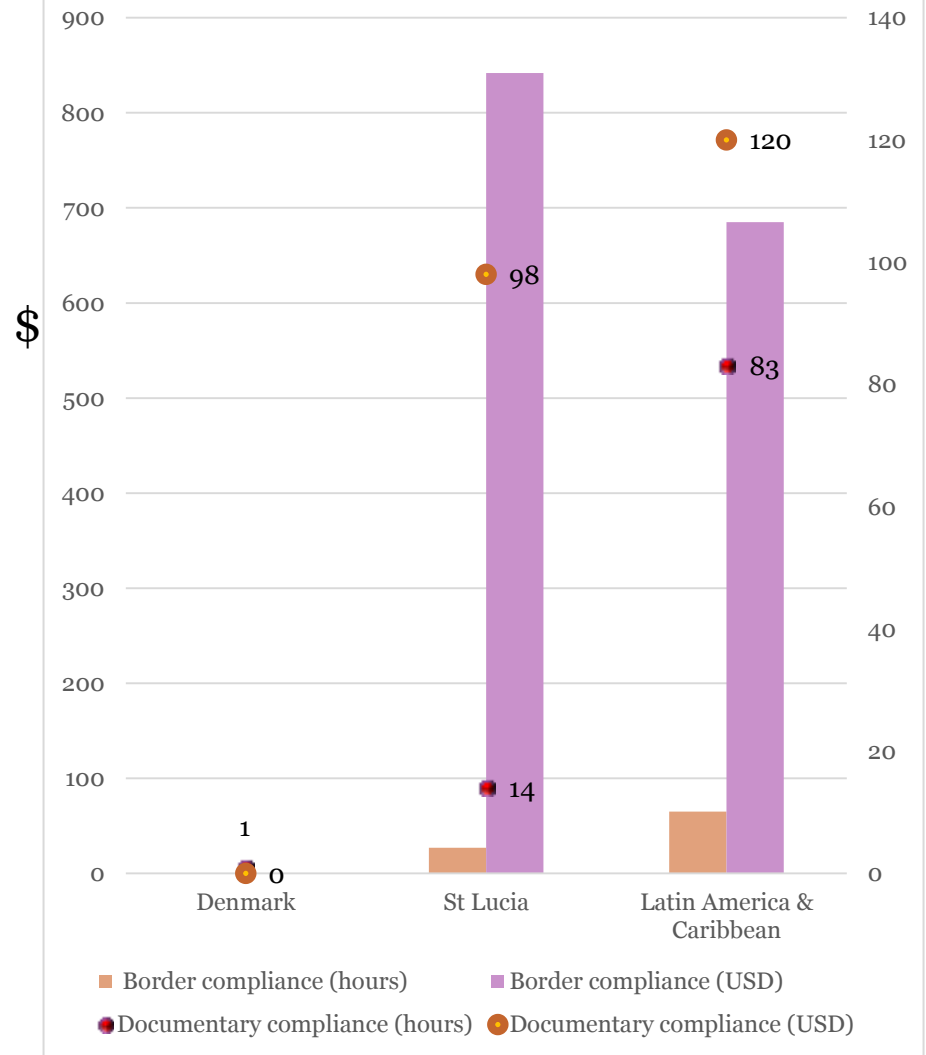
- Boarder & Document Compliance

USD

### Trading Accross Borders (Exports)



### Trading Accross Borders (Imports)



# Reforms

- **DB 2017:** St. Lucia upgraded to an electronic data interchange system and linking the customs and port authorities through a common online platform.
- **DB 2015:** Implemented ASYCUDA World electronic system for the submission of export and import documents and by reducing the number of export documents required.
- Saint Lucia examining using a single Port Interface using a PPP Framework.
- Electronic interface between Customs and Bureau of Standards is being piloted.
- Assessment of specific steps needed to operate a single window for trading accross borders due in May.

ANY  
QUESTIONS  
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