

Fast-Paced Reforms Lead to Improvements in Ease of Doing Business Across Kazakhstan

Ensuring local ownership of reforms and improving monitoring of implementation are key to benefiting entrepreneurs

Nur-Sultan, June 17, 2019 – Regions of Kazakhstan have made doing business easier by improving business regulation over the past two years, says the World Bank in a new report released today.

According to the subnational [Doing Business in Kazakhstan 2019](#) report, the pace of reform has been fast across Kazakhstan. Lower performing regions cut the gap with Almaty city, the top performer, by half on *getting electricity* and *dealing with construction permits*. These reforms are reducing red tape for entrepreneurs and are moving the whole country toward global good practices in business regulation. Good practices found throughout the individual regions pave the way for reform-minded policy makers to improve further by replicating best practices in other locations.

“The government of Kazakhstan is adopting unprecedented system-wide reforms aimed at improving the business climate, and reducing administrative barriers and business costs. As a result, today Kazakhstan is among the top 30 countries in the World Bank’s Doing Business ranking. For further dynamic development of entrepreneurship in the country, the World Bank’s assessment of whether an economy has good rules and processes at the local level will help us significantly improve the local business climate,” said **Arman Dzhumabekov, First Vice-Minister of National Economy of the Republic of Kazakhstan**.

This is the second *Doing Business* report on Kazakhstan, examining the performance of 16 locations – 13 regions, as well as the cities of Almaty, Nur-Sultan, and Shymkent. It expands the scope of coverage from the eight locations that were measured in the first report produced in 2017.

“As Kazakhstan strives to improve opportunities for all citizens and diversify its economy through increasing the contribution of small and medium-size enterprises, the right regulatory environment can help entrepreneurs overcome obstacles such as low productivity and corruption. Better managing the pace of reforms and addressing gaps in implementation will enable firms to realize their full potential and contribute to growth,” said **Ato Brown, World Bank Country Manager for Kazakhstan**.

To determine the ease of doing business for *small and medium-size enterprises*, the report measures four regulatory areas – *starting a business*, *dealing with construction permits*, *getting electricity*, and *registering property*.

Across the areas measured, **Almaty city** scores highest, leading on three indicators - *getting electricity*, *registering property* and *dealing with construction permits*. **Nur-Sultan** ranks first on *starting a business*, owing to the availability of electronic processes and uptake in the use of the E-Government system. **East Kazakhstan** and **Pavlodar** also share the top score with Almaty city on *registering property*. These regions keep land registry titles in digital format. No location does equally well across all areas measured, but each location ranks in the top half on at least one indicator. This leaves room for all regions to learn from each other.

Notably, all eight locations that were studied in both the 2017 and 2019 reports improved their business environment, with **Nur-Sultan** making the most significant progress. Of the 24 reforms implemented since 2017, eight reforms decreased the time to start a business by more than half, on average. Significant reforms were observed in *getting electricity*; all eight locations improved the quality and reliability of power supply. **The cities of Nur-Sultan and Shymkent, as well as the Karagandy region** made the largest improvements in this area, through the recording and reporting of data on the frequency and duration of power outages. All eight locations also eliminated the need for an expert opinion after external works and streamlined requests for technical conditions.

Globally, Kazakhstan is improving faster than many economies and is competitive in the time and cost of doing business; in three out of the four regulatory areas measured in this study, the time needed to complete all requirements has dropped at a faster rate, on average, than in the Europe and Central Asia region and high-income OECD economies. However, challenges remain in procedural complexity, especially in *dealing with construction permits*, and, at the regional level, there are gaps in the implementation of central government reforms.

Going forward, the key to success will be ensuring that national initiatives are properly implemented, so that entrepreneurs can benefit from efficient and good quality service delivery at the local level. Kazakhstan can improve further by **increasing ownership at the local level**. Local policy makers need to go beyond the national initiatives and address regional obstacles to doing business through practical solutions that make service delivery more efficient.

The annual [Doing Business](#) report measures 190 economies globally, with Almaty city representing Kazakhstan as its largest business city. The subnational ***Doing Business in Kazakhstan*** reports aim to gain a broader understanding of the regulatory environment for businesses across the country. Tools like *Doing Business in Kazakhstan 2019* help identify the implementation gaps at the point of service in the regions, to inform the policy agenda.

Contacts:

In Nur-Sultan: Shynar Jetpissova, +7 (7172) 691- 449, sjetpissova@worldbank.org

In Washington: Chisako Fukuda, +1 (202) 473-9424, cfukuda@worldbankgroup.org

For more information, please visit: <http://www.worldbank.org>

Visit us on Facebook: <http://www.facebook.com/worldbank>

Be updated via Twitter: <http://www.twitter.com/worldbank>

For our YouTube channel: <http://www.youtube.com/worldbank>

News Release

2019/ECA/134