



THE  
BLEYZER  
FOUNDATION

# *Investment Climate Survey 2016*

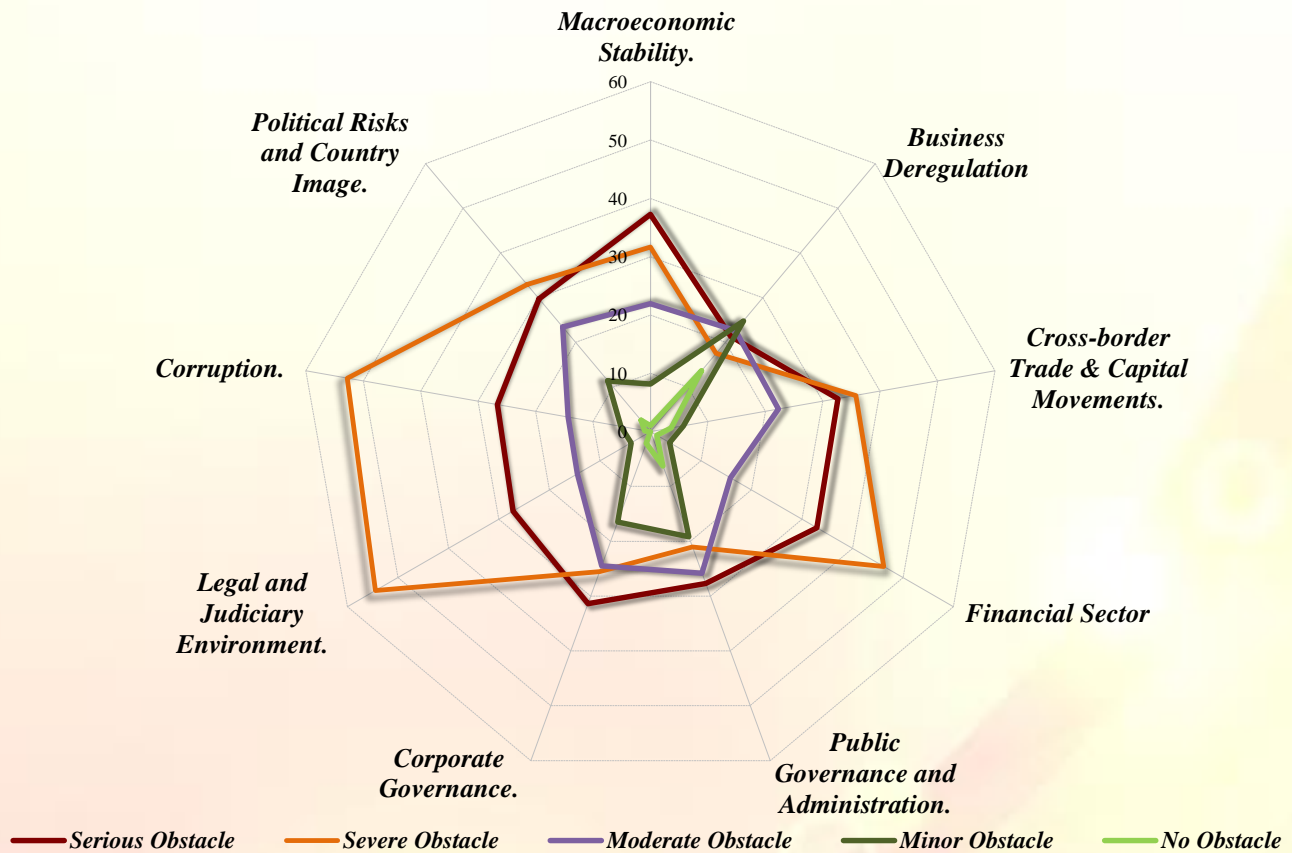
*The Bleyzer Foundation*



## UKRAINE’S INVESTMENT CLIMATE SURVEY 2016

The Bleyzer Foundation (TBF) has been monitoring the adequacy of Ukraine’s investment climate through periodic surveys. We greatly value the contribution of the members of the **US Ukraine Business Council** to this survey, as we believe that this collaboration will help to improve the investment and business climate in Ukraine. Based on the survey’s results, this report was prepared by Julia Segura of **The Bleyzer Foundation**.

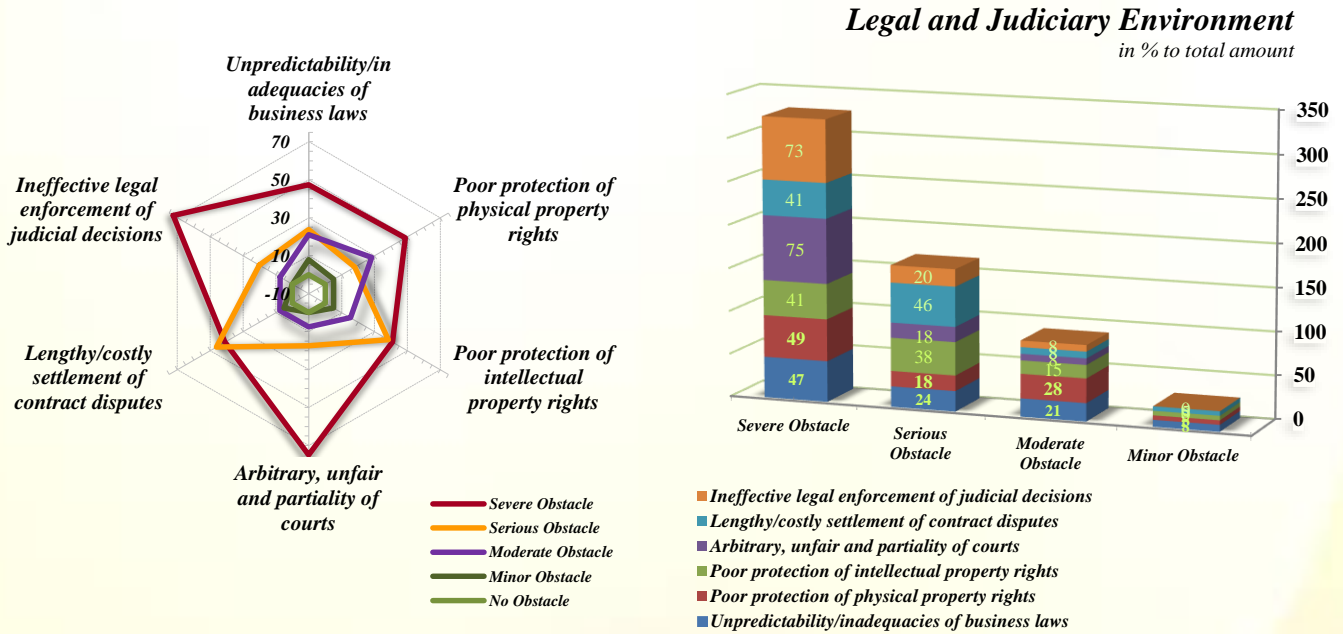
The summary chart and table below show that the major concerns of many companies operating in Ukraine about the country’s investment climate and business environment are deficiencies in the Legal and Judiciary Environment, Corruption and Financial Sector Inadequacies. **These three “investment drivers” were considered to be severe/serious/moderate problems by 93% to 96% of the respondents.**



<i>Investment Driver</i>	<i>% of respondents in each category</i>				<i>Total</i>
	<i>Severe/Serious Obstacle</i>	<i>Moderate Obstacle</i>	<i>Minor/No Obstacle</i>		
<i>Legal and Judiciary Environment</i>	<b>82</b>	14	4		100
<i>Corruption</i>	<b>79</b>	15	6		100
<i>Financial Sector</i>	79	16	5		100
<i>Macroeconomic Stability</i>	<b>69</b>	22	9		100
<i>Cross-border Trade &amp; Capital Movements</i>	68	23	9		100
<i>Political Risks and Country Image</i>	63	23	14		100
<i>Corporate Governance</i>	57	24	19		100
<i>Public Governance and Administration</i>	49	26	25		100
<i>Business Deregulation</i>	39	23	38		100

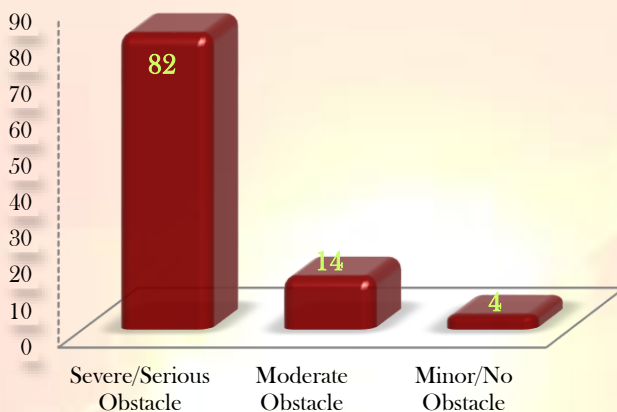


# 1. LEGAL AND JUDICIARY ENVIRONMENT



The Legal and Judiciary Environment was identified as the main obstacle to doing business in Ukraine. The chart above shows that two most troublesome aspects were (i) the ineffective legal enforcement of judicial decisions; and (ii) the arbitrary, unfair, and partiality of court decisions. Other severe obstacles included the poor protection of physical and intellectual property rights, the unpredictability/inadequacies of business laws, and lengthy/costly settlement of contract disputes.

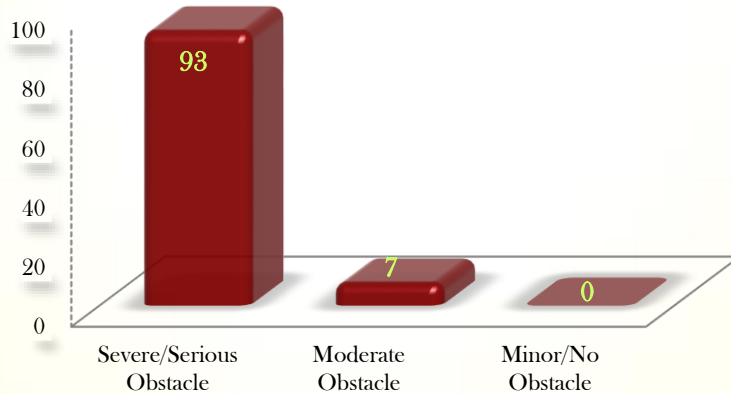
## Legal and Judiciary Environment.



The inadequacy of the overall legal and judiciary environment was regarded as a severe or serious obstacle by 82% of the respondents. An additional 14% of the respondents felt that it was a moderate obstacle, bringing the total for these two categories to 96% of the respondents. Only 4% of the respondents considered it as No or Minor obstacle.

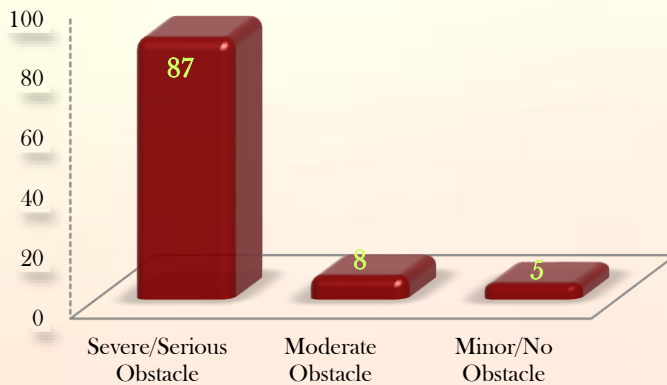


**▣ Ineffective legal enforcement of judicial decisions with arbitrary, unfair and partiality of courts**

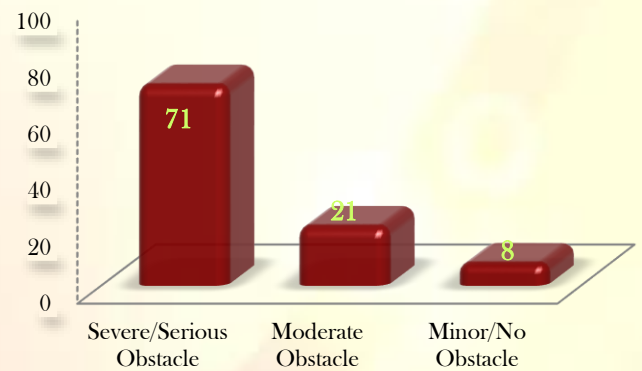


Within the legal and judiciary environment, the major issues are the ineffective legal enforcement of judicial decisions and the arbitrariness, unfairness and partiality of courts. A total of 93% of respondents identified both of them as severe and serious obstacles.

**▣ Lengthy/costly settlement of contract...**

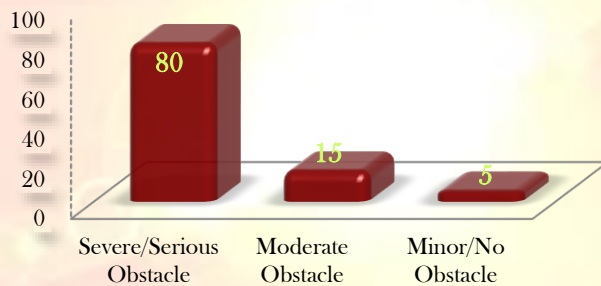


**▣ Unpredictability/inadequacies of business laws**

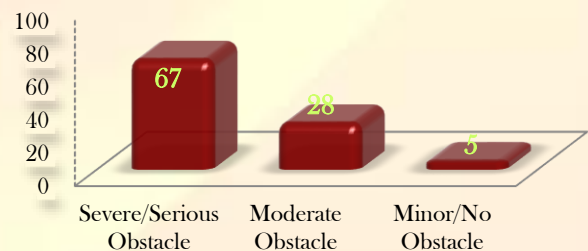


A total of 87% and 71% of the respondents identified the lengthy/costly settlement of contract disputes and inadequacies of business laws, respectively, as severe/serious obstacles.

**▣ Poor protection of intellectual property rights**



**▣ Poor protection of physical property rights**

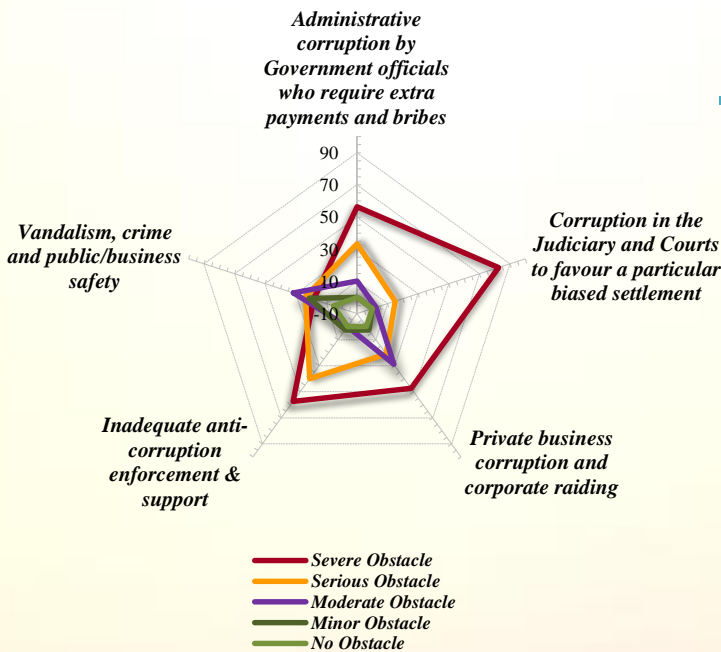


Poor protection of intellectual and physical rights of population was severe/serious obstacles for 80% and 67% of responses, respectively.



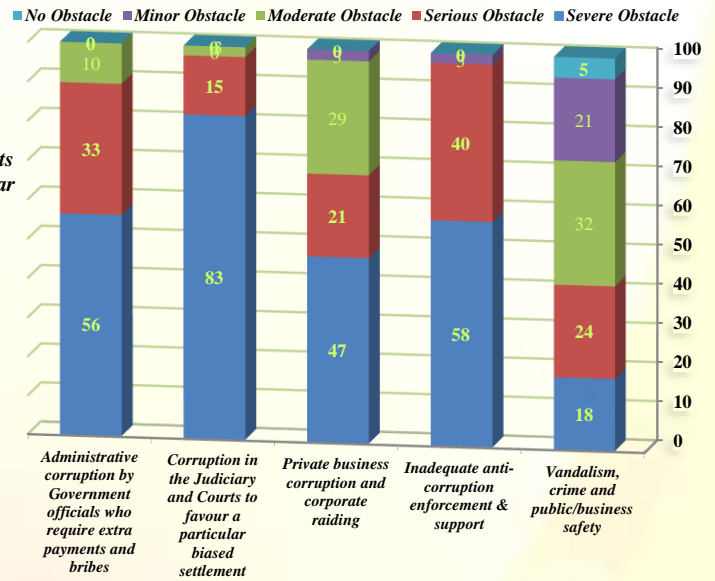
## 2. CORRUPTION

Corruption is considered the second most severe/serious obstacle for doing business by 79% of the survey's respondents.



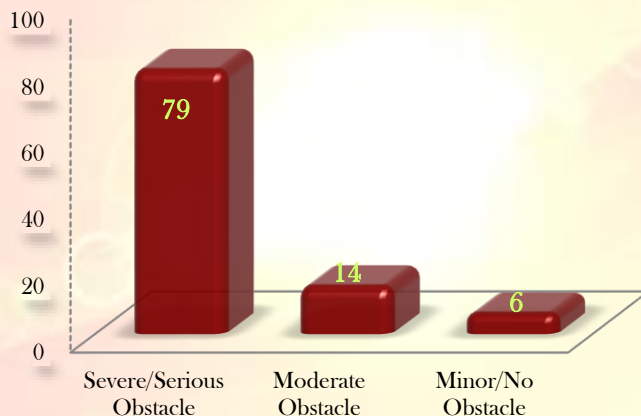
### Corruption

in % to total amount

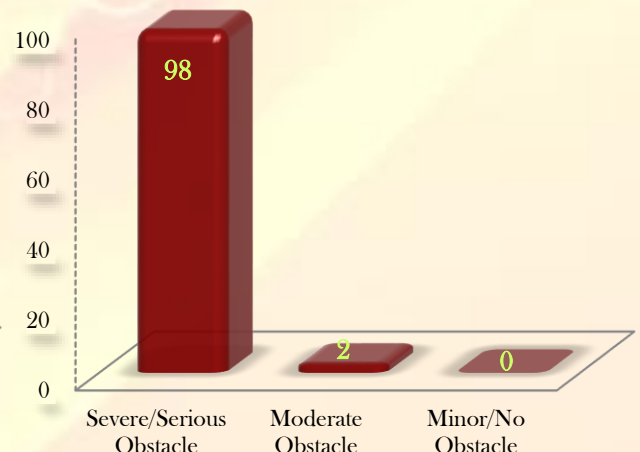


Within the Corruption category, almost the totality 98% of respondents felt that a serious/severe obstacle was corruption in the judiciary that favoured biased court decisions.

#### Corruption.

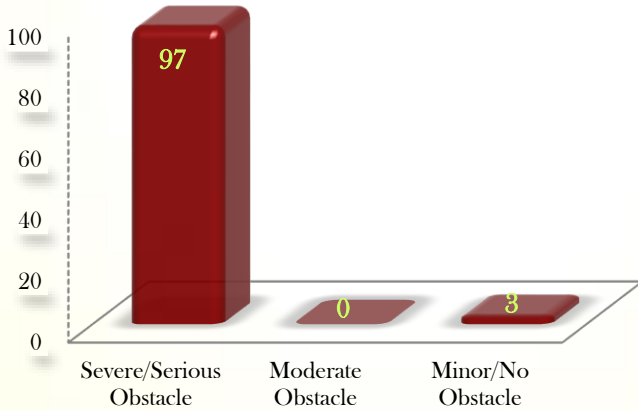


#### Corruption in the Judiciary and Courts to favour a particular biased settlement

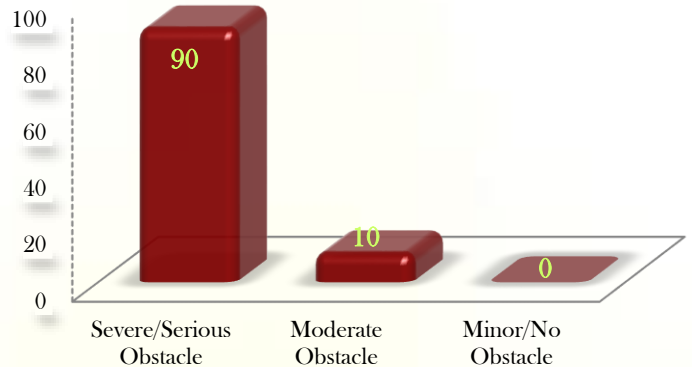




**■ Inadequate anti-corruption enforcement & support**



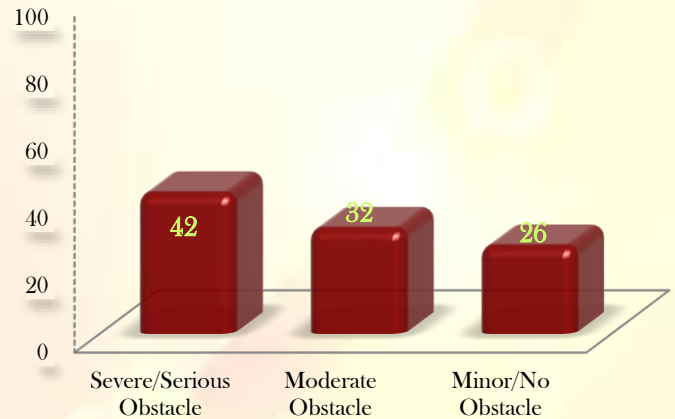
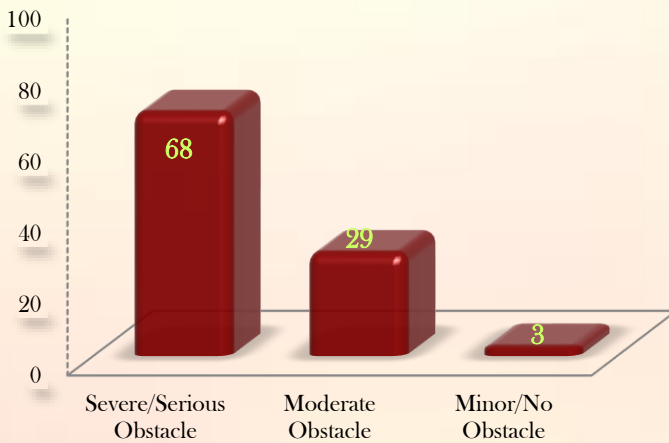
**■ Administrative corruption by Government officials who require extra payments and bribes.**



Moreover, 97% of respondents identified inadequate anti-corruption enforcement as a problem. The next item of concern for 90% of the respondents was administrative corruption by government officials, who require extra payments and bribes.

**■ Private business corruption and corporate raiding**

**■ Vandalism, crime and public/business safety**



A total of 68% of respondents felt that private business corruption and corporate raiding constitutes serious or severe problems. However, less than half, but still with significant range amount, of respondents were concerned with the existence of vandalism, crime and public/business safety, pointed out by 42% as severe/serious obstacles.



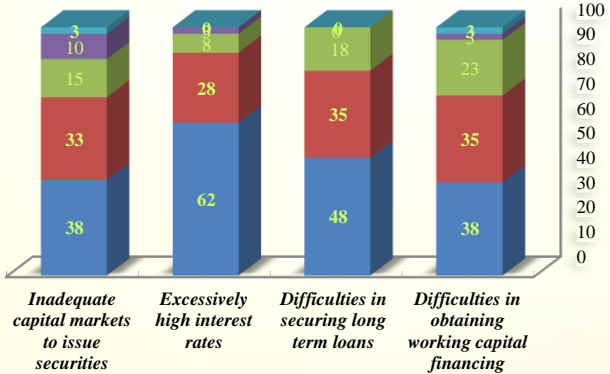
### 3. FINANCIAL SECTOR OF UKRAINE

For 79% of the respondents, the inability of the *Financial Sector* to provide reasonable domestic financing for working capital, trade and long-term investments was considered to be the third most severe/serious obstacle for businesses in Ukraine.

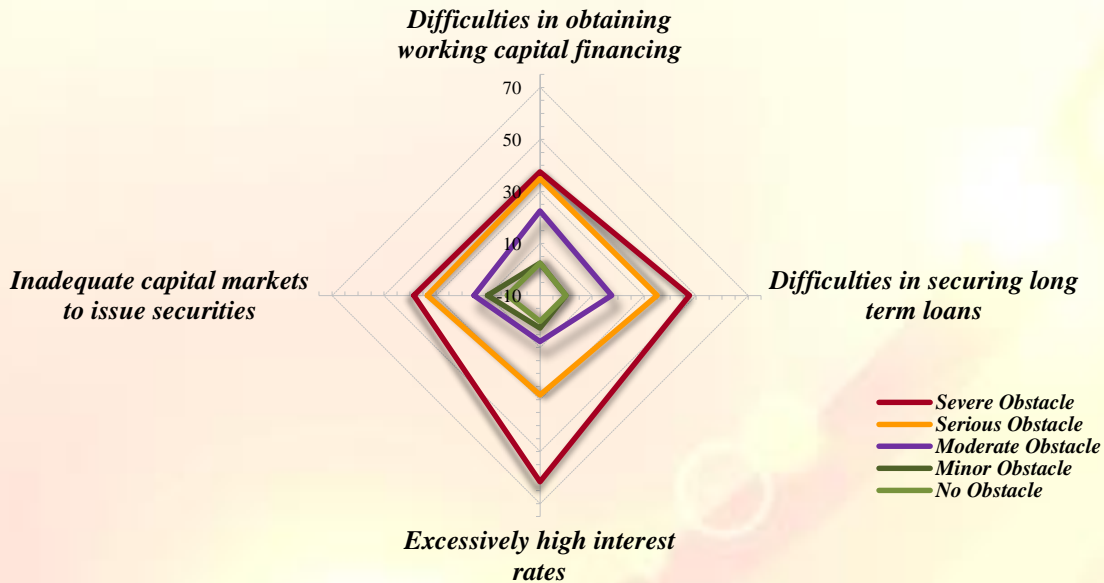
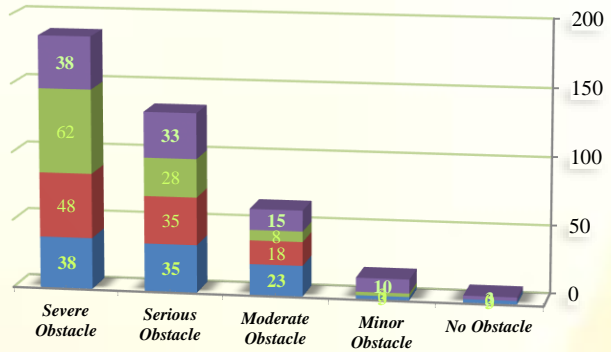
#### Financial Sector

in % to total amount

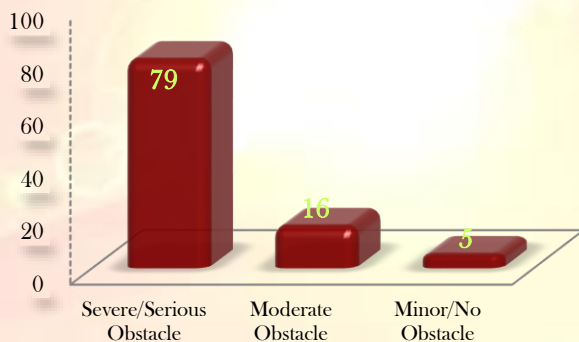
■ No Obstacle ■ Minor Obstacle ■ Moderate Obstacle ■ Serious Obstacle ■ Severe Obstacle



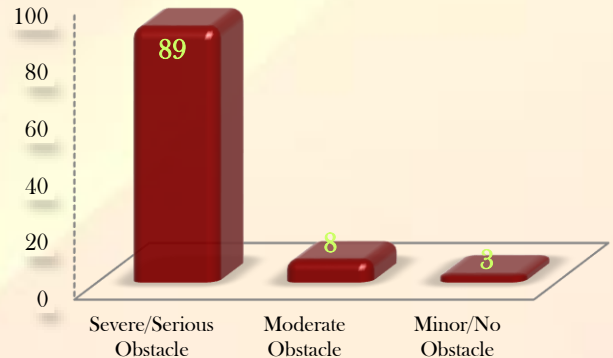
■ Inadequate capital markets to issue securities  
■ Excessively high interest rates  
■ Difficulties in securing long term loans  
■ Difficulties in obtaining working capital financing



#### Financial Sector.



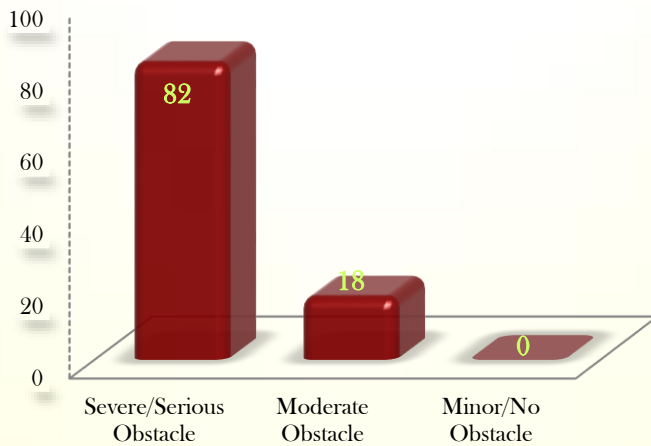
#### Excessively high interest rates



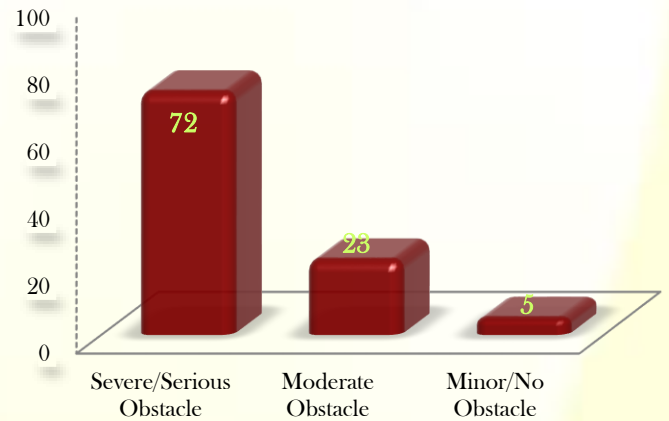


Within the financial sector, Ukraine's excessively high interest rates and difficulties in securing long term loans were the most severe/serious obstacles for investors, with 89% and 82% responses, respectively. Moreover, difficulties in obtaining working capital financing and inadequate capital markets to issue securities were also severe/serious constraints for 72% and 72% of respondents.

▣ *Difficulties in securing long term loans*

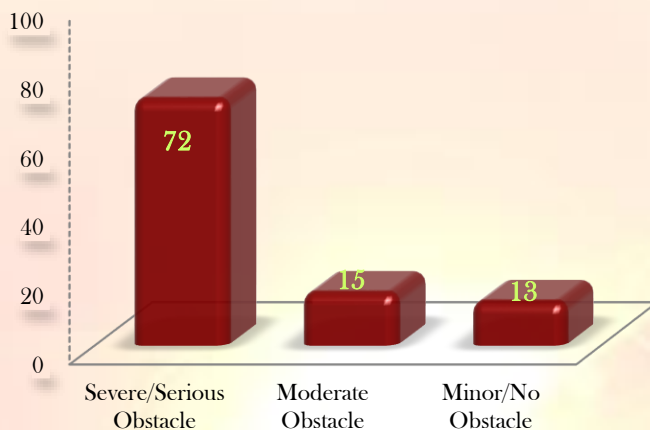


▣ *Difficulties in obtaining working capital financing*

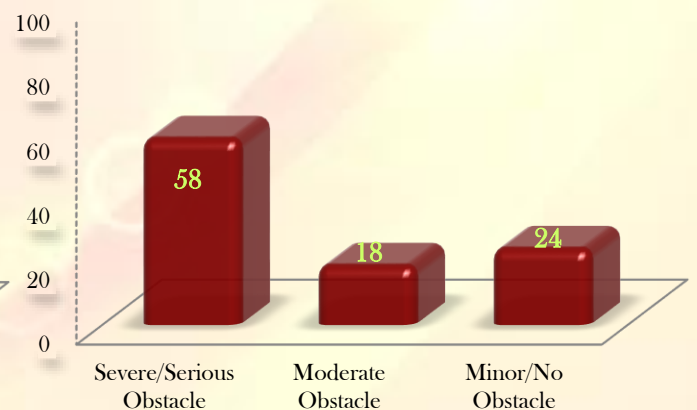


Moreover, conflictive government and functions, with state enterprises interfering in the financial market place caused problems for more than half of the problem, with the result of 58% of respondents calling it severe/serious obstacles.

▣ *Inadequate capital markets to issue securities*



▣ *Conflictive government role and functions, with state enterprises interfering in the market place:*

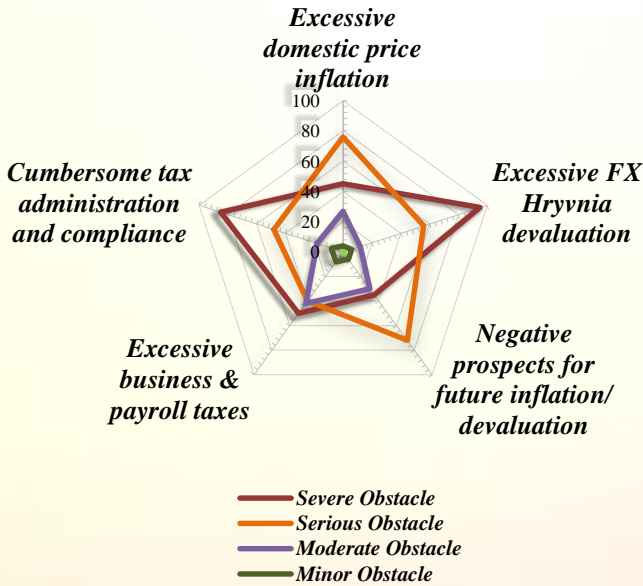




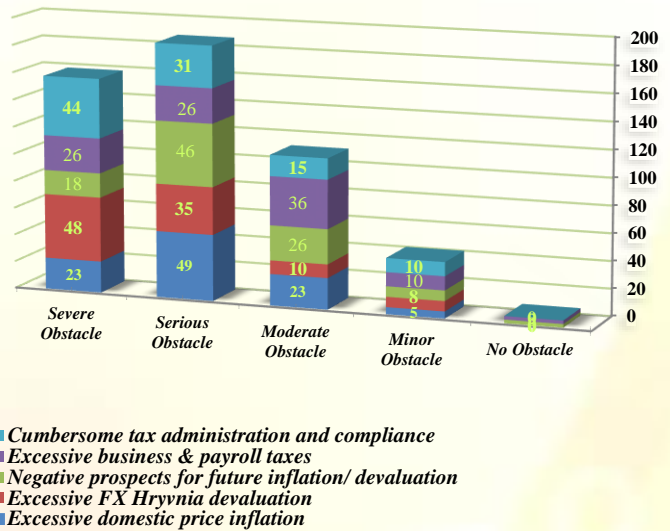


## 4. MACROECONOMIC STABILITY

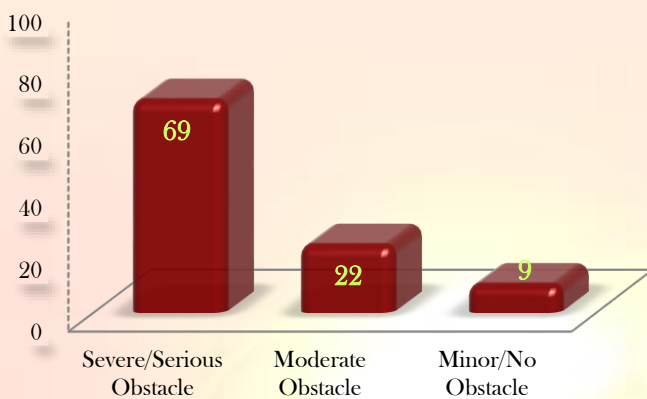
Inadequate Macroeconomic Stability, which has led to capital and operating losses caused by fluctuations in exchange rates and domestic prices, was considered a serious or severe obstacle by more than two-thirds of the respondents (69%).



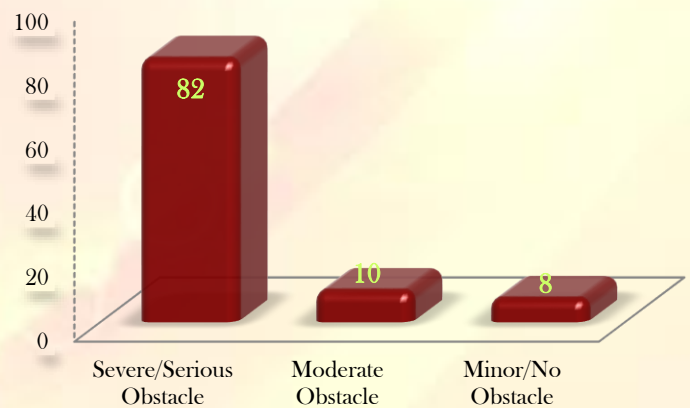
**Macroeconomic Stability**  
(in % to total amount)



■ **Macroeconomic Stability.**



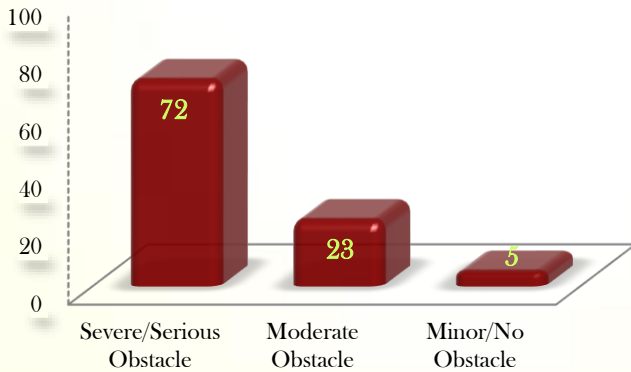
■ **Excessive FX Hryvnia devaluation**



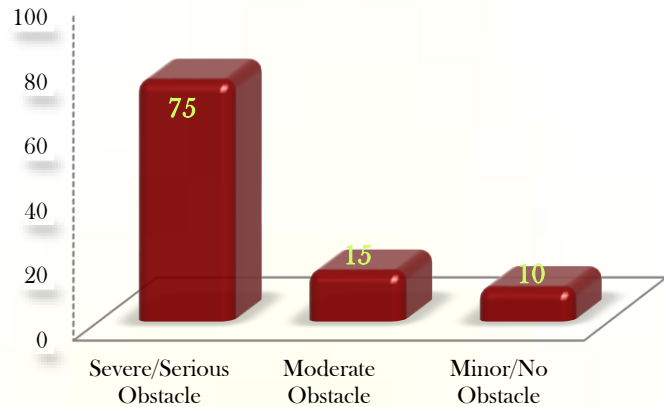
Excessive foreign exchange hryvna devaluation was considered as the main macroeconomic issue affecting the country, with 82% of respondents considering it a severe/serious problem.



▣ *Excessive domestic price inflation*

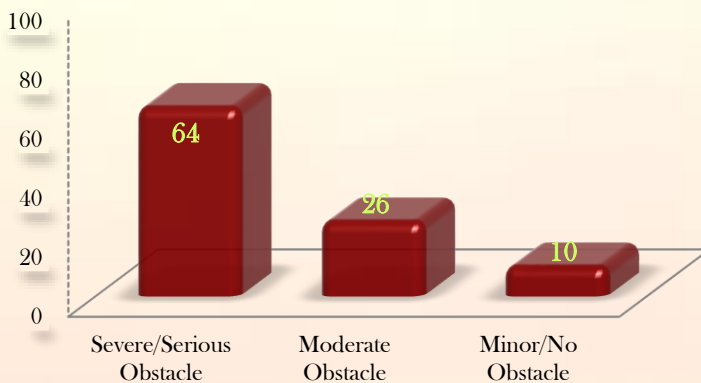


▣ *Cumbersome tax administration and compliance*

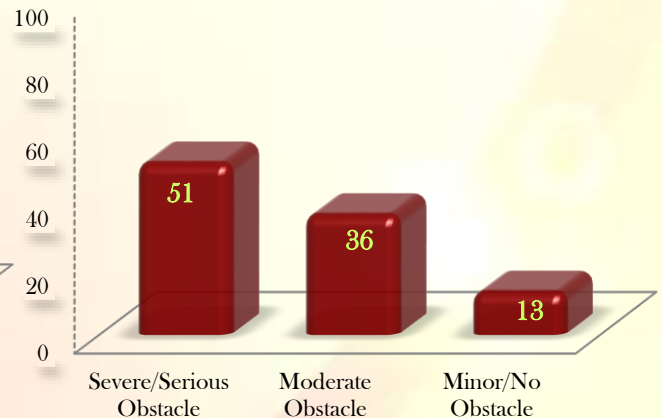


Cumbersome tax administration and compliance systems were mentioned by 75% of respondents as severe/serious obstacle, followed by excessive domestic price inflation (72% of respondents).

▣ *Negative prospects for future inflation/ devaluation*



▣ *Excessive business & payroll taxes*

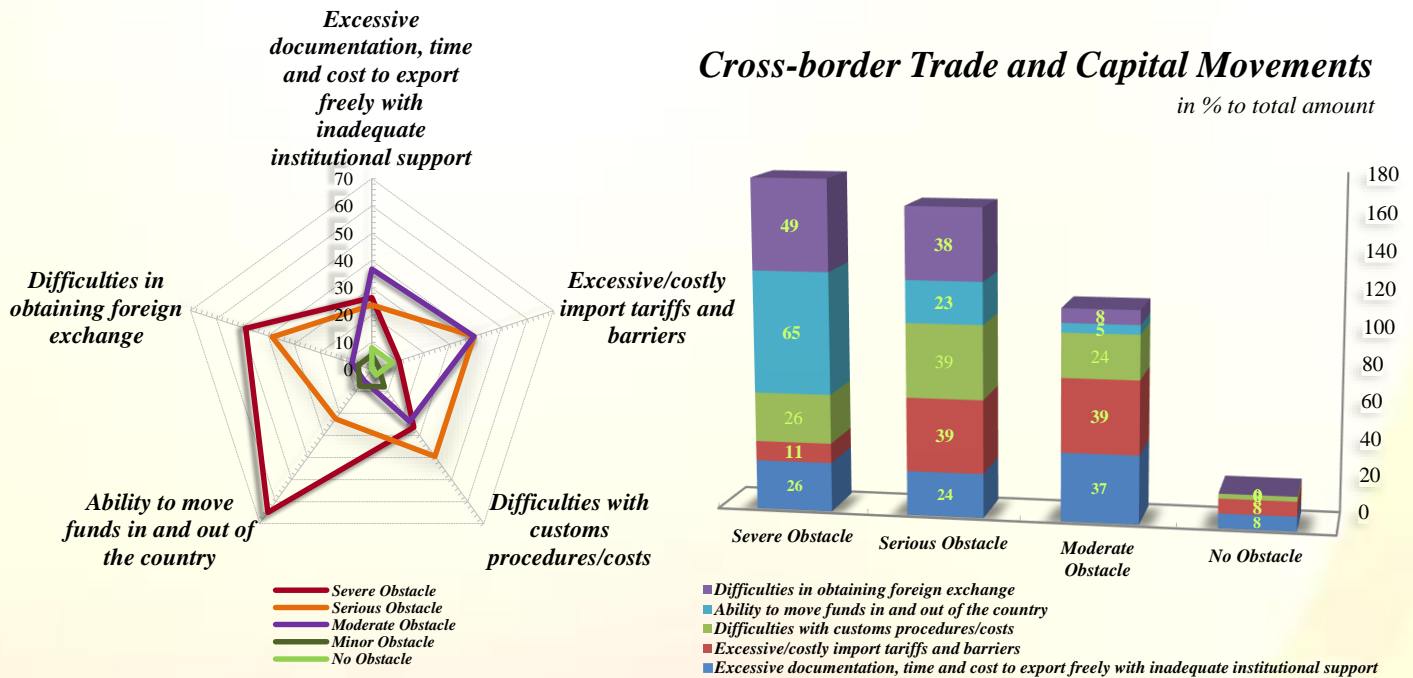


More than half (51%) of respondents mentioned excessive business and payroll taxes as severe/serious obstacles with an additional 36% considering them moderate obstacles.

Regarding future expectations, 64% of respondents feel that likely future inflation and devaluations constitute severe/serious obstacle in the country.

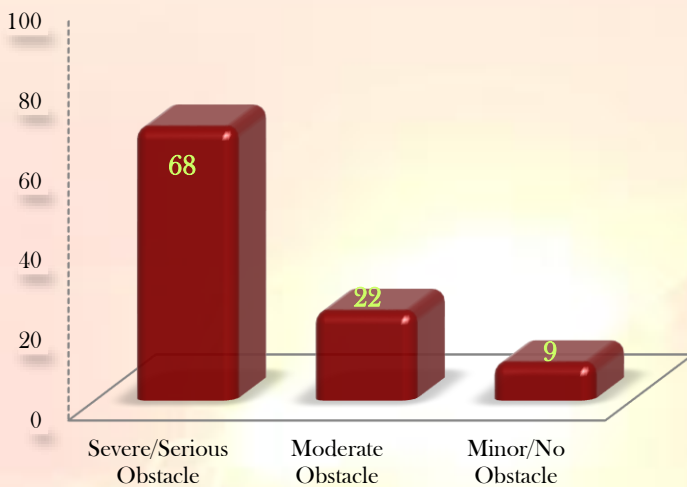
## 5. CROSS-BORDER TRADE AND CAPITAL MOVEMENTS

Difficulties regarding Cross-border Trade and Capital Movements (i.e., ability to export goods easily and to import equipment and raw materials freely, or to invest easily with minimum impediments and repatriate capital and profits freely), were considered them to be serious/severe obstacles by 68% of respondents.

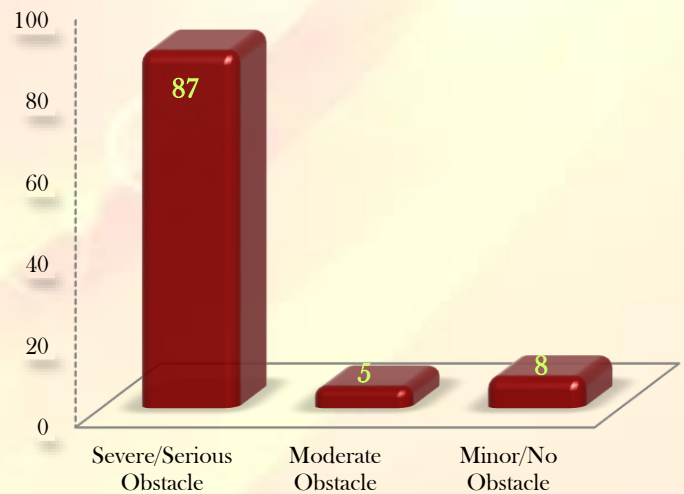


Within this category, the most serious/severe constraint for 87% of the respondents was the ability to move funds out of the country, such as for repatriation of capital.

■ **Cross-border Trade and Capital Movements.**



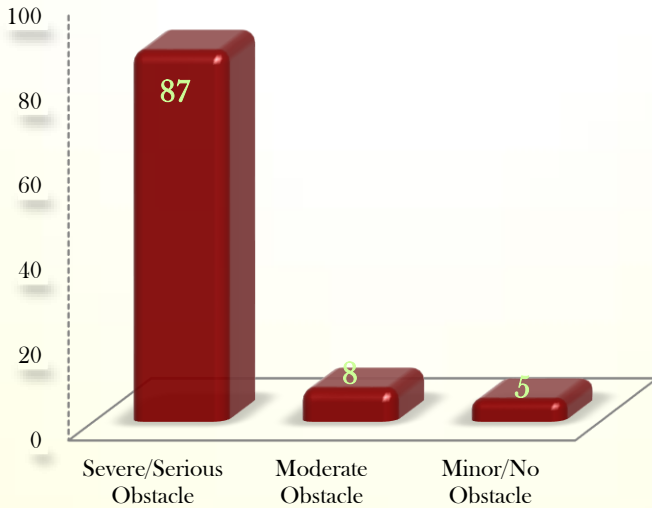
■ **Ability to move funds in and out of the country**



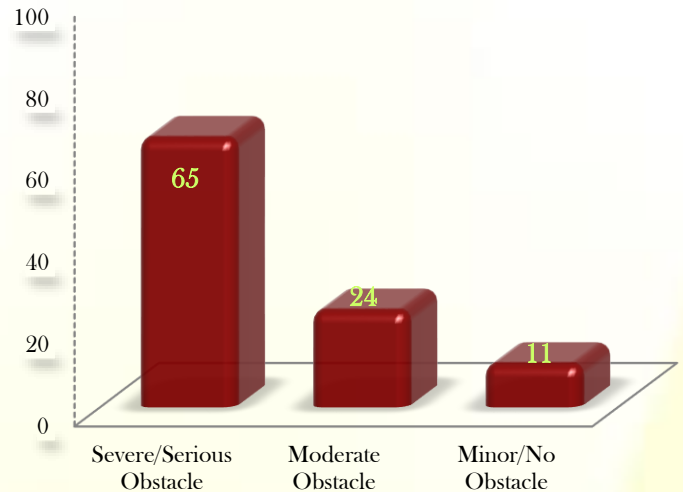


A total of 87% of the respondents felt that obtaining foreign exchange for their operations was a serious/severe problem.

**▣ Difficulties in obtaining foreign exchange**

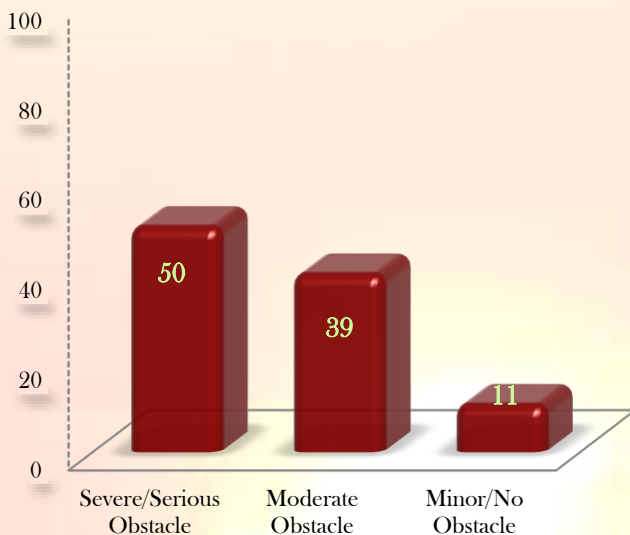


**▣ Difficulties with customs procedures/costs**

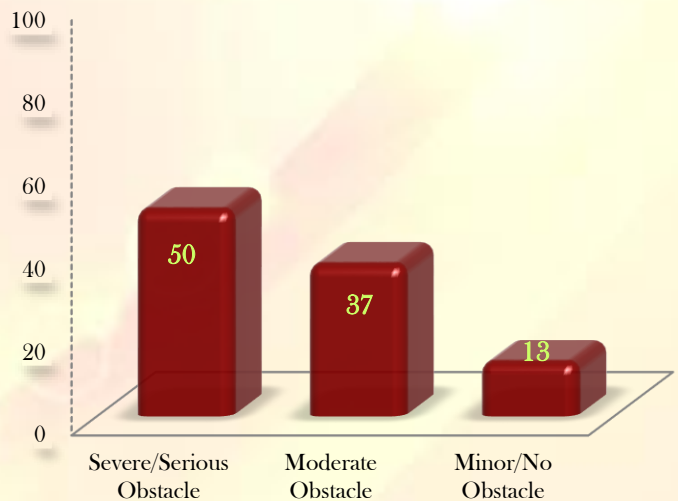


On the foreign trade side, the obstacles were not as severe, but nevertheless, difficulties with custom procedures, excessive import barriers, and excessive export documentation were considered serious/severe barriers by 65%, 50% and 50% of the respondents, respectively.

**▣ Excessive/costly import tariffs and barriers**



**▣ Excessive documentation, time and cost to export freely with inadequate institutional support**

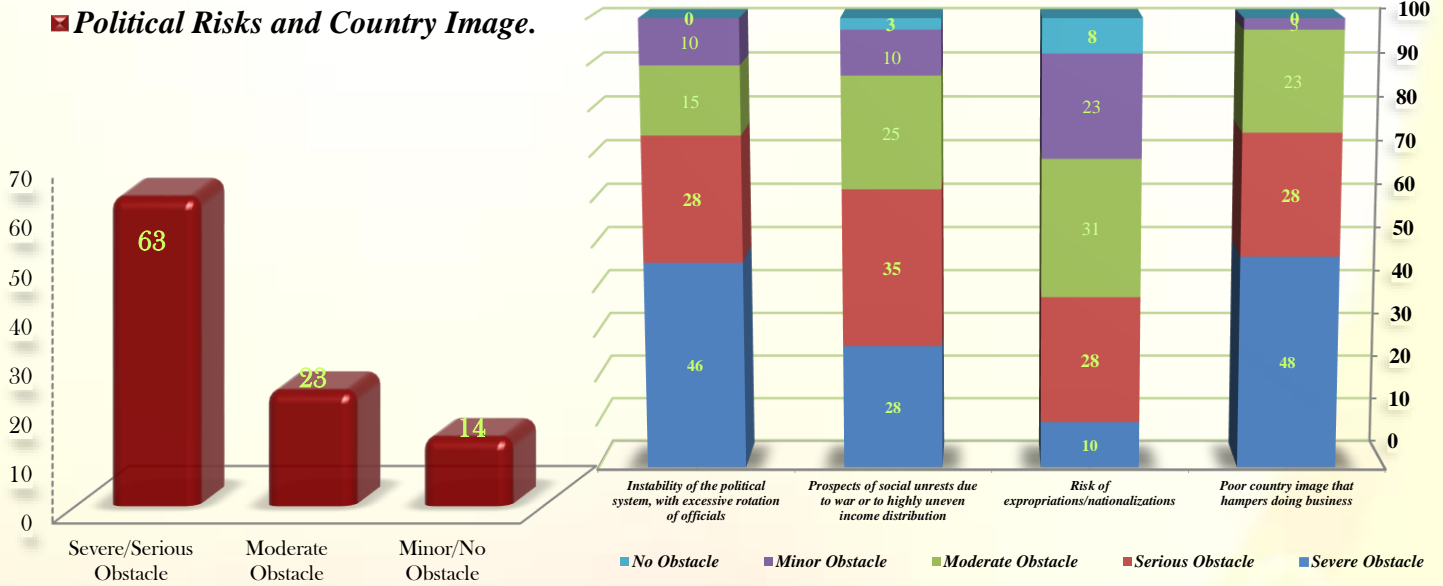




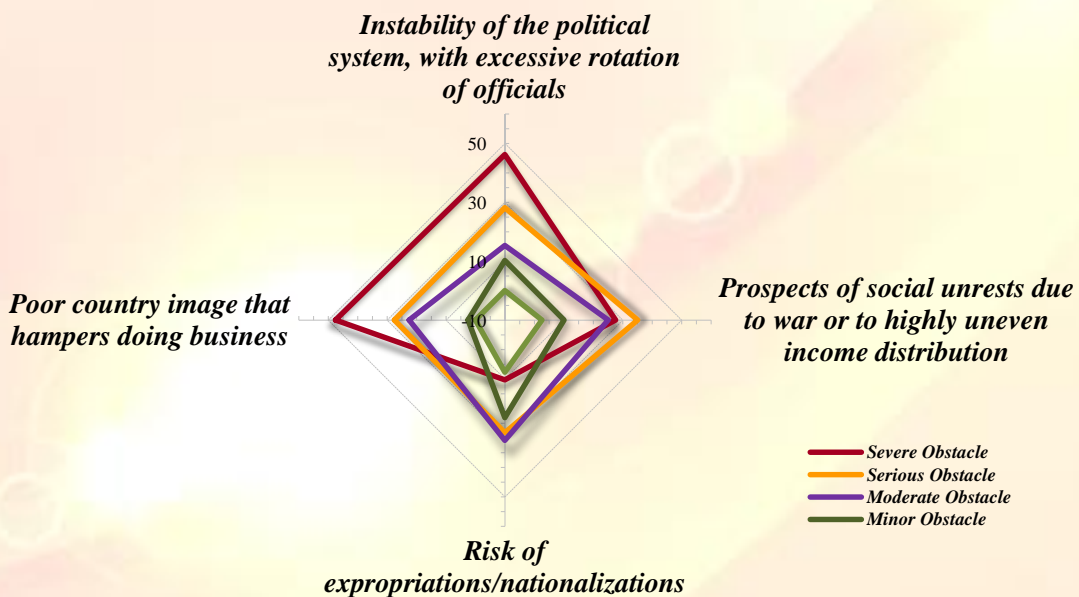
## 6. POLITICAL RISK AND COUNTRY IMAGE

For 63% of the respondents, *Political Risks and a negative country image* are major difficulties for doing business in the country.

*Political Risks and Country Image*  
in % to total amount

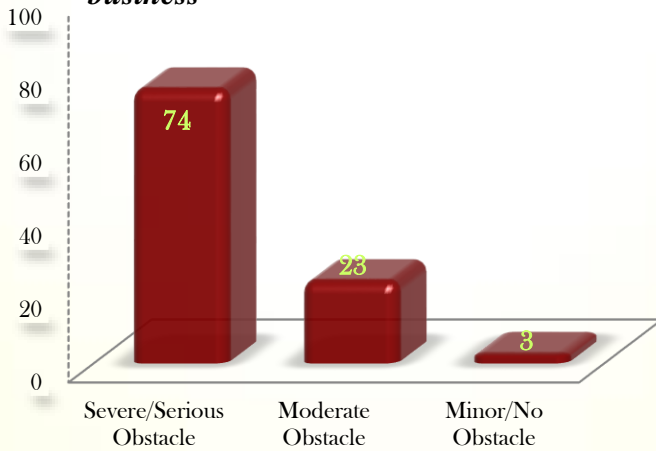


A major concern for 74% of the respondents is that a negative country image hampers the ability of companies to do business in the country. The instability of the political system was also a major concern for 74% of the respondents.

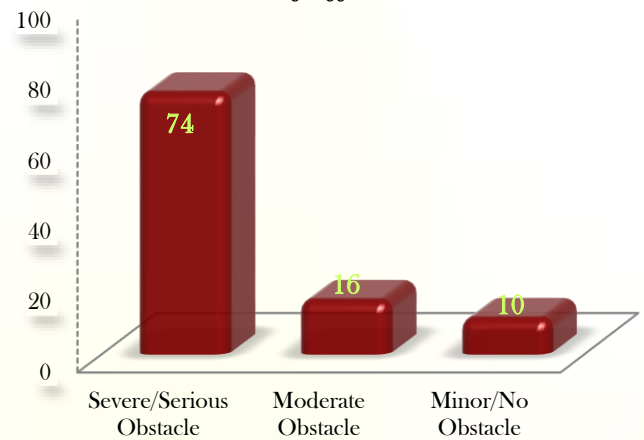




❑ **Poor country image that hampers doing business**

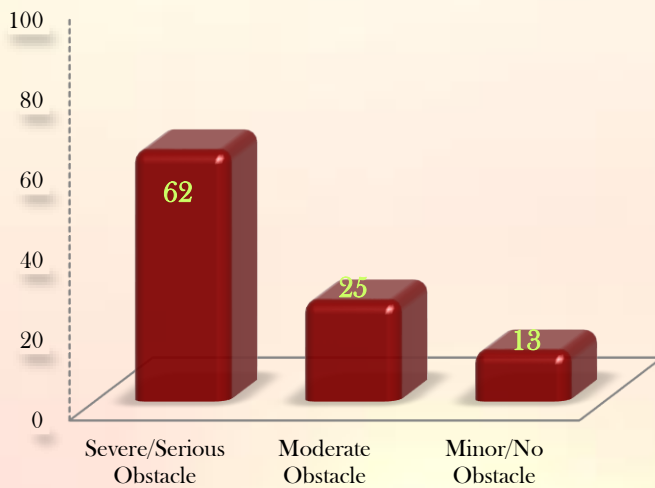


❑ **Instability of the political system, with excessive rotation of officials**

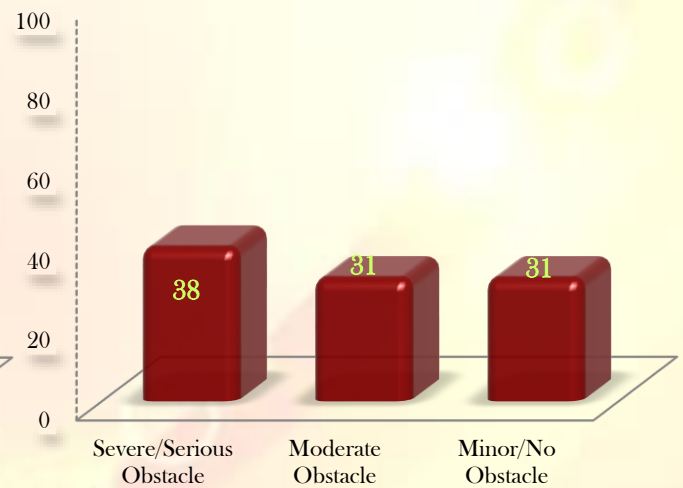


According to the survey's results, 62% of the responses indicated concerns about the possibilities of social unrests due to war or uneven income distribution. On the other hand, serious/severe concerns about the risks of expropriations and nationalization were expressed by only 38% of respondents.

❑ **Prospects of social unrests due to war or to highly uneven income distribution**



❑ **Risk of expropriations/nationalizations**

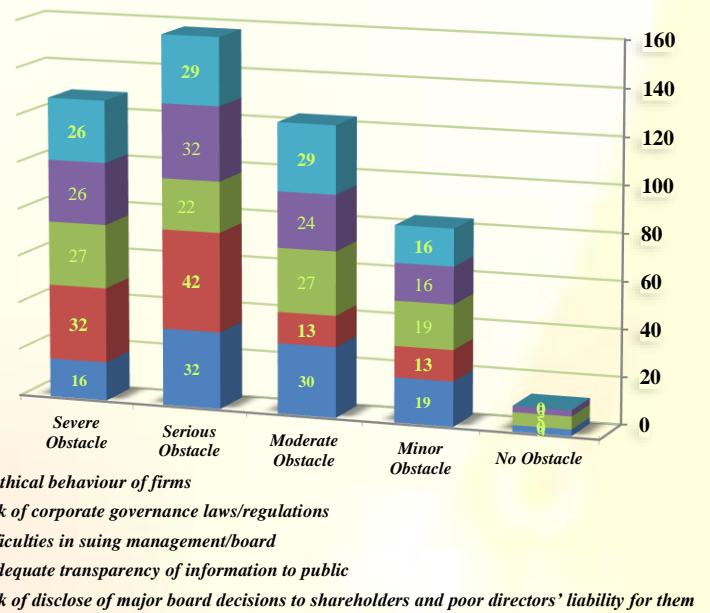
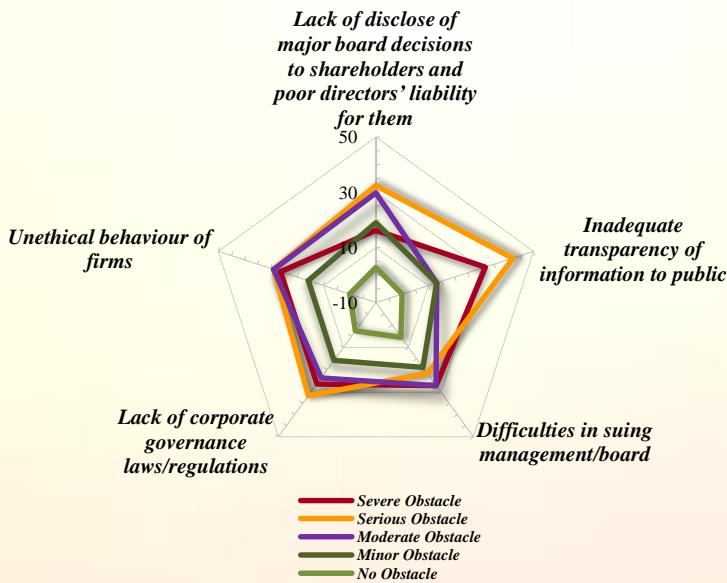




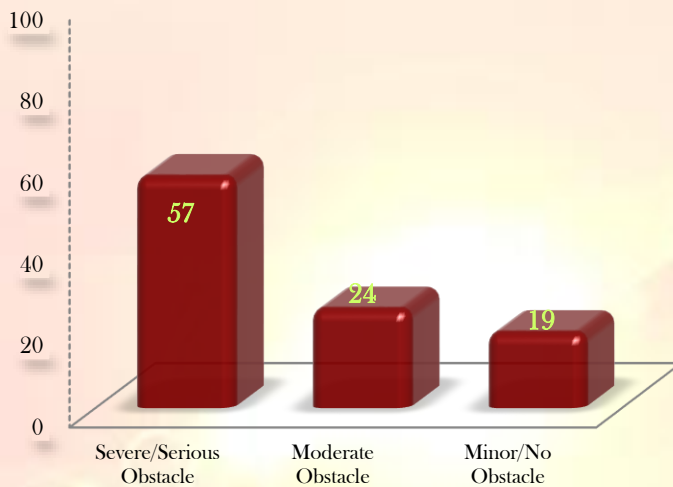
## 7. CORPORATE GOVERNANCE

Regarding the adequacy of Corporate Governance in Ukraine, 57% of the respondents felt that this was a serious/severe problem for business. These deficiencies do not ensure that shareholders rights are not violated by their own company's management or boards.

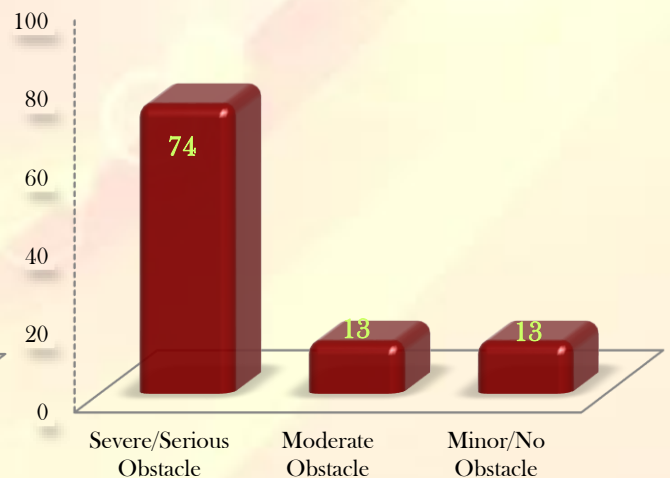
### Corporate Governance, in % to total amount



### Corporate Governance.



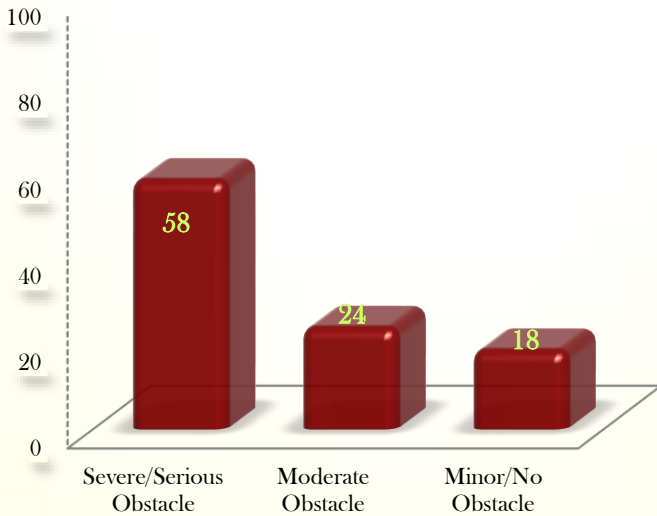
### Inadequate transparency of information to public



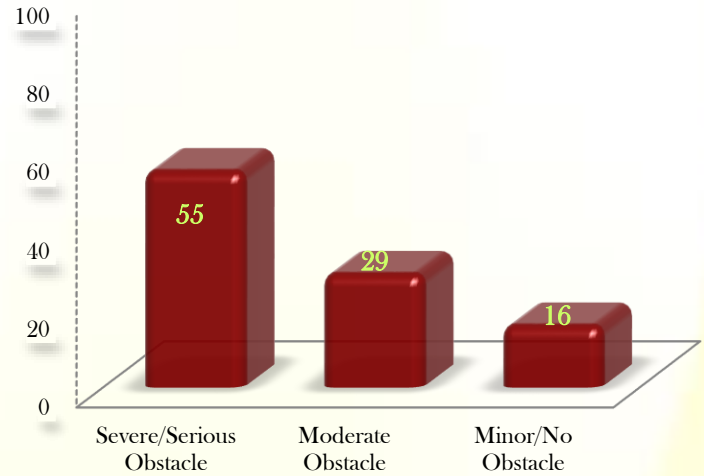
With reference to corporate governance, 74% of the responses identified inadequate transparency of information to the public as a major governance problem in corporate Ukraine.



❑ **Lack of corporate governance laws/regulations**

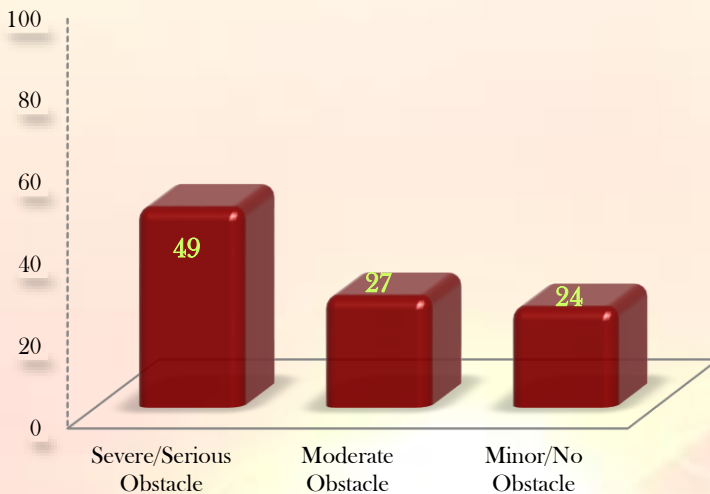


❑ **Unethical behaviour of firms**

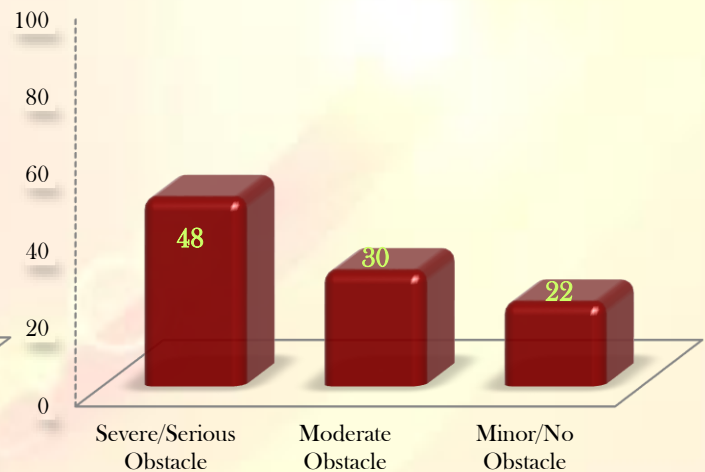


Moreover, 58% of respondents complained about serious/severe obstacles due to the lack of corporate governance laws/regulations, followed by unethical behaviour of firms, with 55% of responses.

❑ **Difficulties in suing management/board**



❑ **Lack of disclose of major board decisions to shareholders and poor directors' liability for them**



In addition, almost half (49%) of the respondents felt that in Ukraine it is quite difficult to sue management/boards for wrongdoing. This is compounded by lack of disclose of major board decisions to shareholders and poor directors' liability for them.



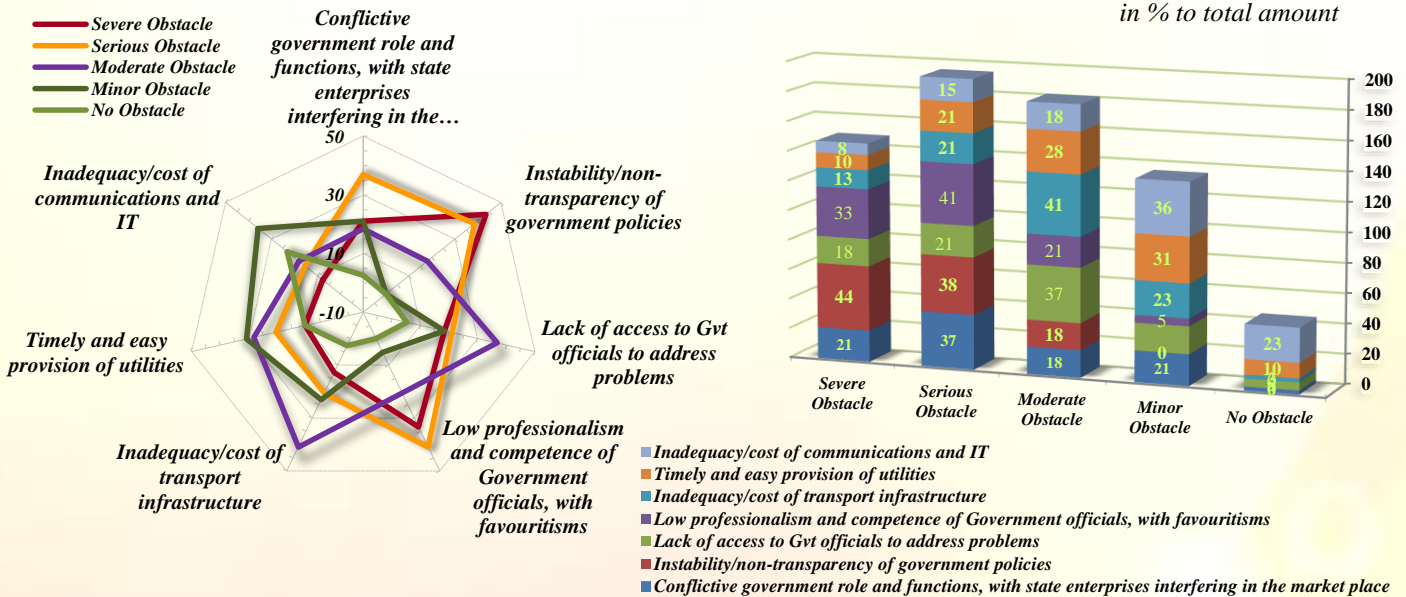


## 8. PUBLIC GOVERNANCE AND ADMINISTRATION

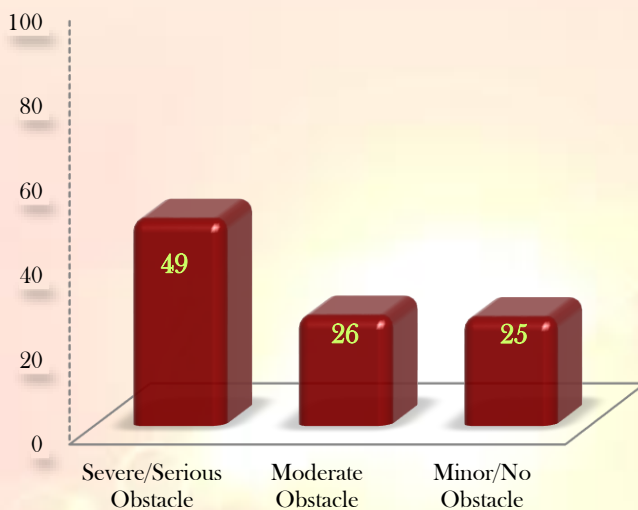
Corruption in public administration had been identified as a serious/severe problem in Section 2 above on Corruption with 90% of respondents saying that the main issue was administrative corruption by government officials, who require extra payments and bribes. In this section, other aspects of public governance are addressed, including instability of government policies, access to government officials and their capacity to resolve issues promptly, provide needed infrastructure and public goods, minimum interferences in business decisions, etc. In general, public governance is considered a serious/severe problem by 49% of the respondents, as noted below.

### Public Governance and Administration

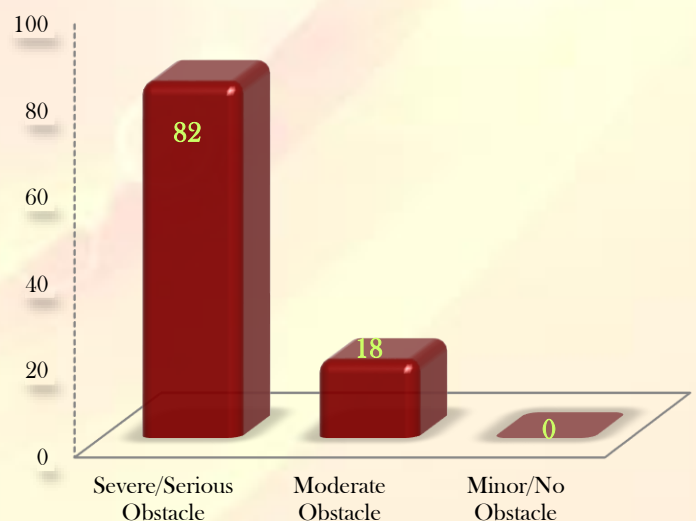
in % to total amount



#### Public Governance and Administration.



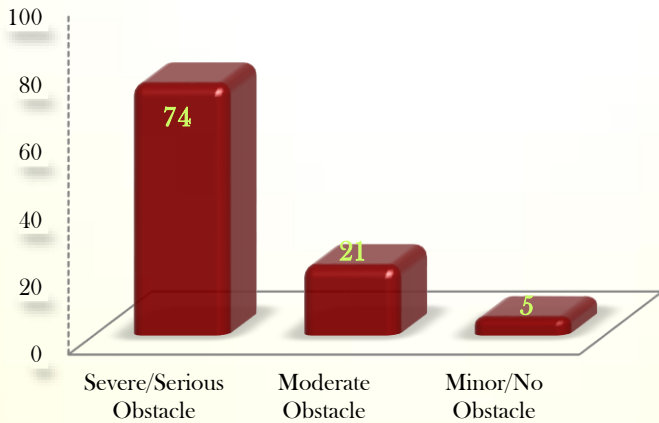
#### Instability/non-transparency of government policies



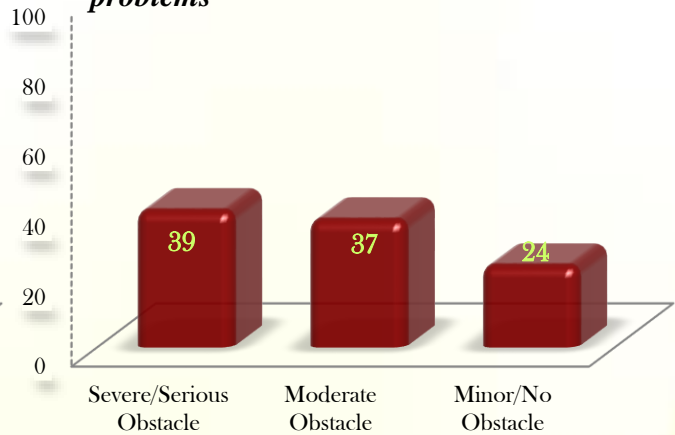


As shown in the chart above, almost half of the respondents reported that public governance and administration were severe/serious problems. Furthermore, within this category, 82% of respondents said that instability/non-transparency of government policies were major problems. In addition, low professionalism and competence of government officials of Ukrainian government were major problems for 74% of the respondents, according to the results of the survey.

**Low professionalism and competence of Government officials, with favouritisms**

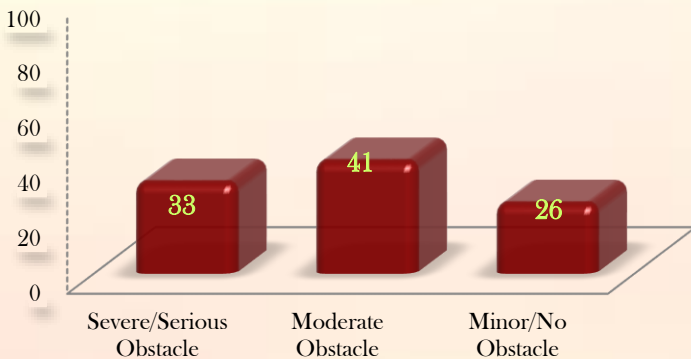


**Lack of access to Gvt officials to address problems**

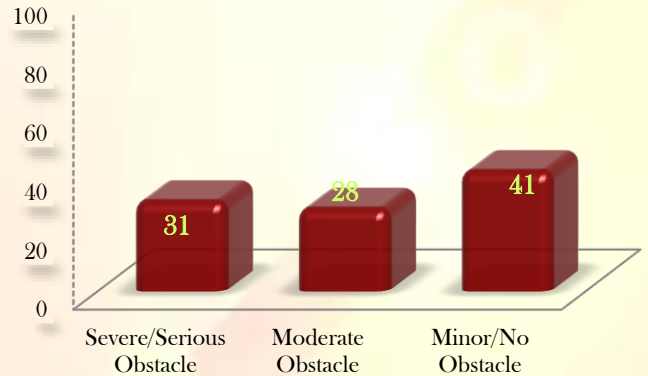


Moreover, 39% of respondents pointed out to lack of access to government officials to address problems, as serious/severe problems. Regarding the government’s provision of transport infrastructure and utilities, 33% and 31% of respondents, respectively, felt that these were major problems.

**Inadequacy/cost of transport infrastructure**

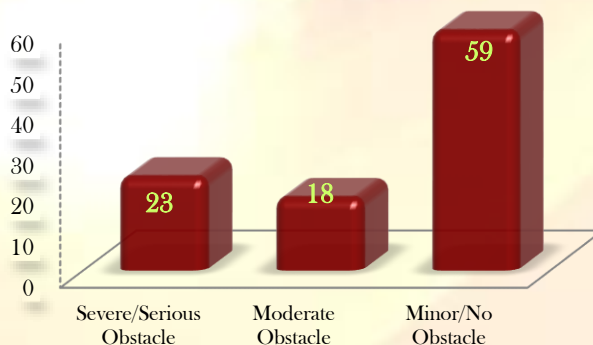


**Timely and easy provision of utilities**



Finally, inadequacy and high cost of communications and IT were not regarded as major concerns.

**Inadequacy/cost of communications and IT**



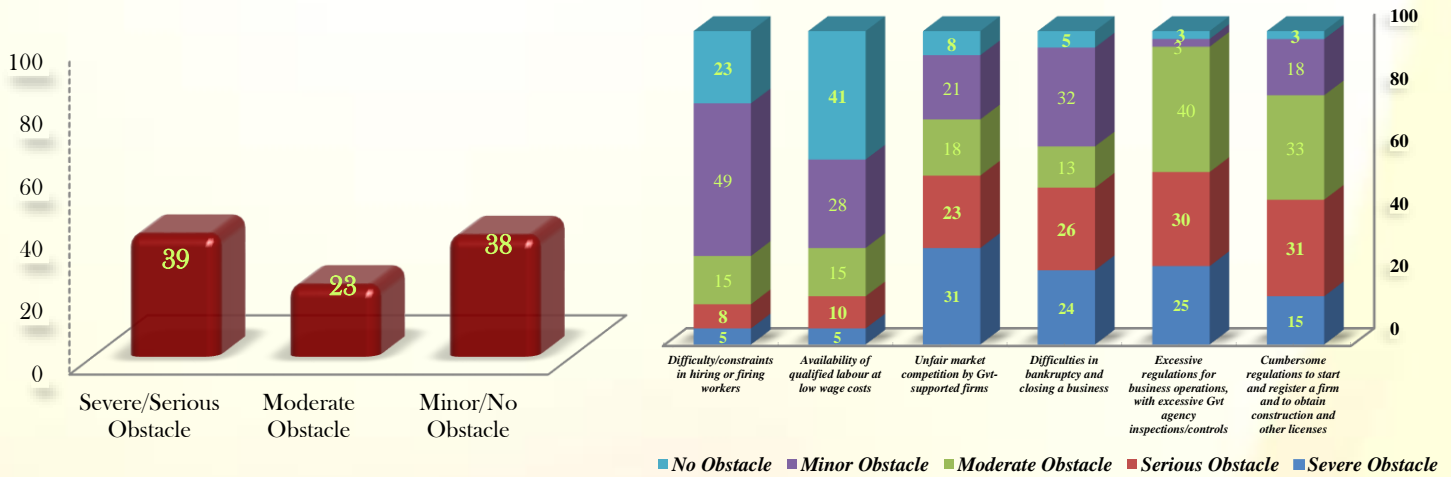


## 9. BUSINESS DEREGULATION

For 39% of the respondents, Excessive Business Regulations were serious/severe problems; but for another 38% of respondent, they were not an issue. The improvement in the ratings of this driver, compared to previous surveys, could be a reflection of the efforts made in the last two years.

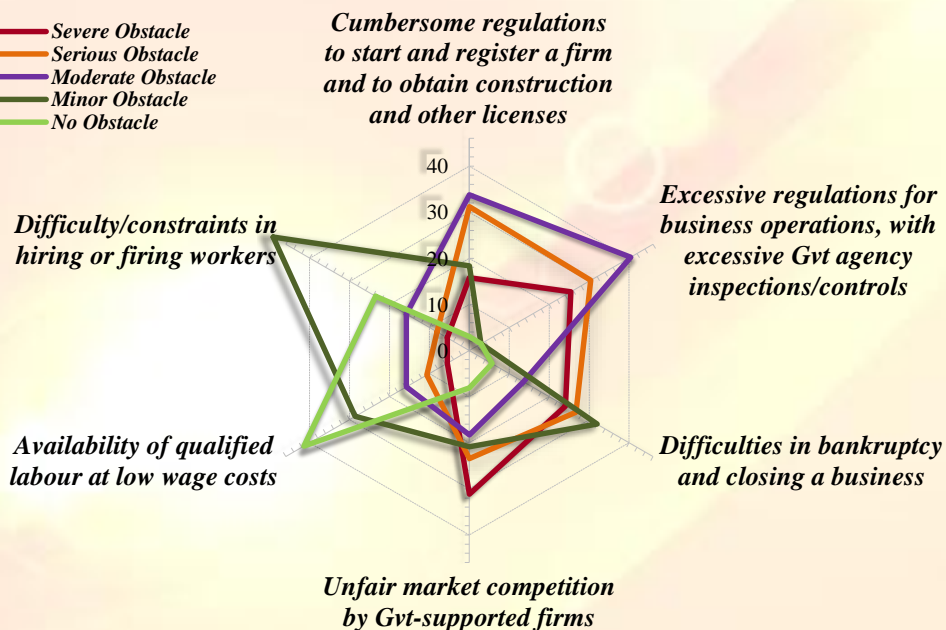
### Business deregulation

in % to total amount



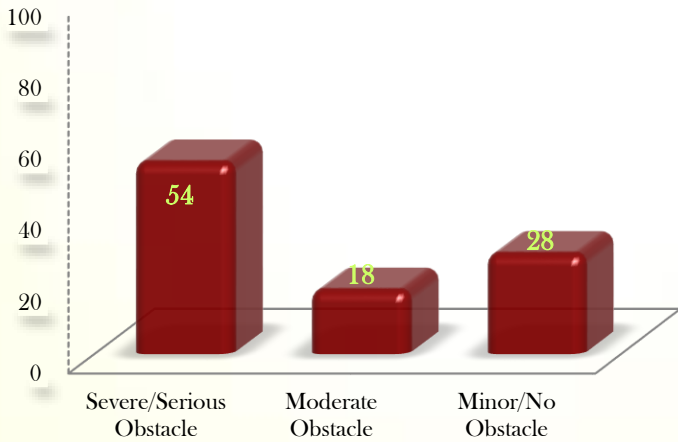
Nevertheless, some aspects of business regulations were considered serious/severe obstacles by more than 50% of the respondents, including excessive excessive regulations for business operations with excessive Government agency inspections to controls (55%), unfair market competition by state firms (54%), and difficulties with bankruptcies and closing of businesses (50%), and cumbersome regulations to start a business (46%).

- Severe Obstacle
- Serious Obstacle
- Moderate Obstacle
- Minor Obstacle
- No Obstacle

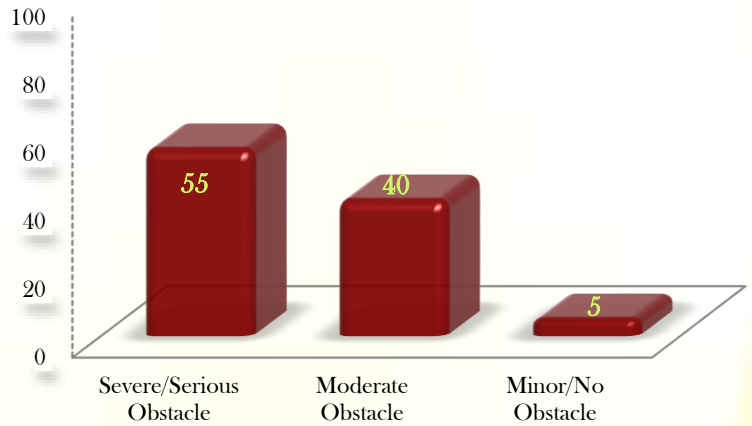




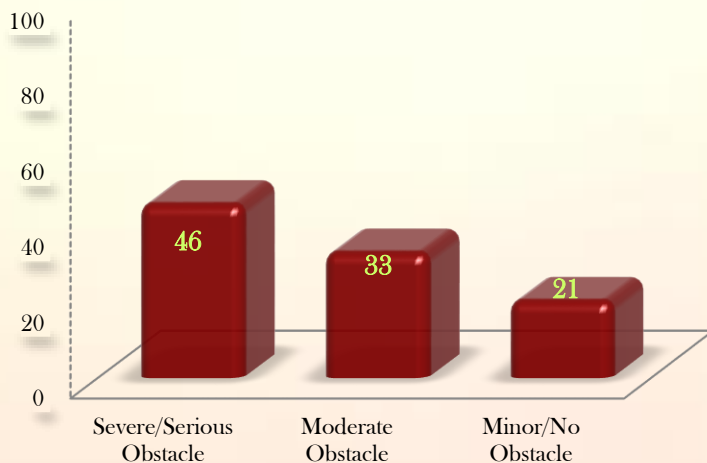
Unfair market competition by Gvt-supported firms



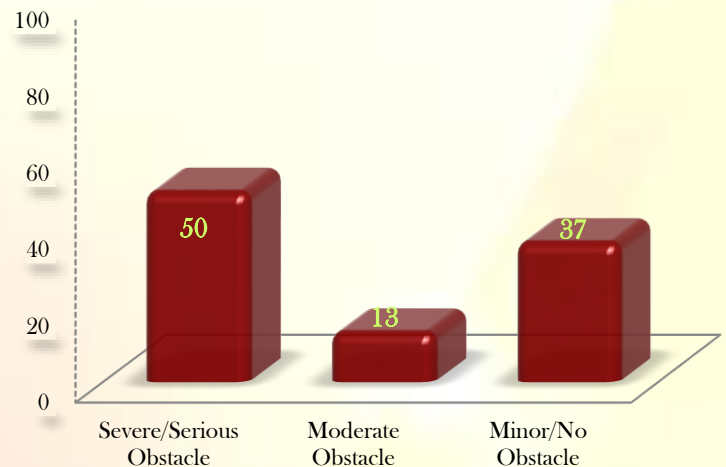
Excessive regulations for business operations, with excessive Gvt agency inspections/controls:



Cumbersome regulations to start and register a firm and to obtain construction and other licenses:

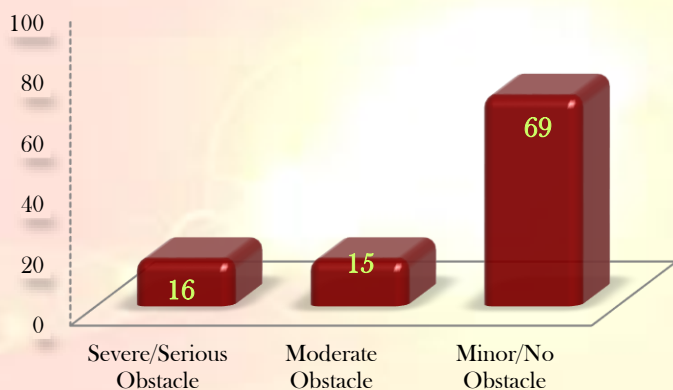


Difficulties in bankruptcy and closing a business

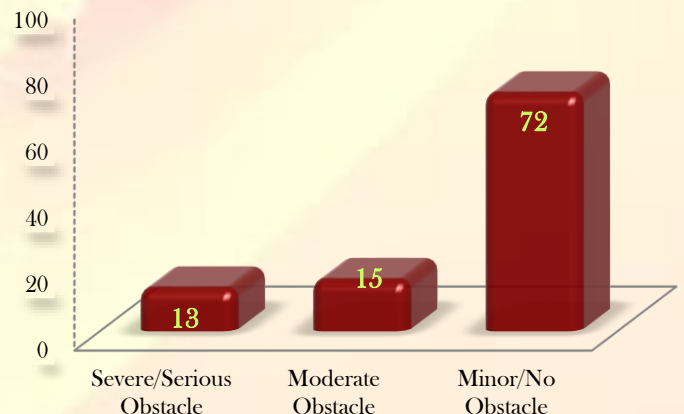


On the other hand, the availability of qualified labour at low cost was not a problem, neither was constraints in hiring workers, as shown in the charts below.

Availability of qualified labour at low wage costs



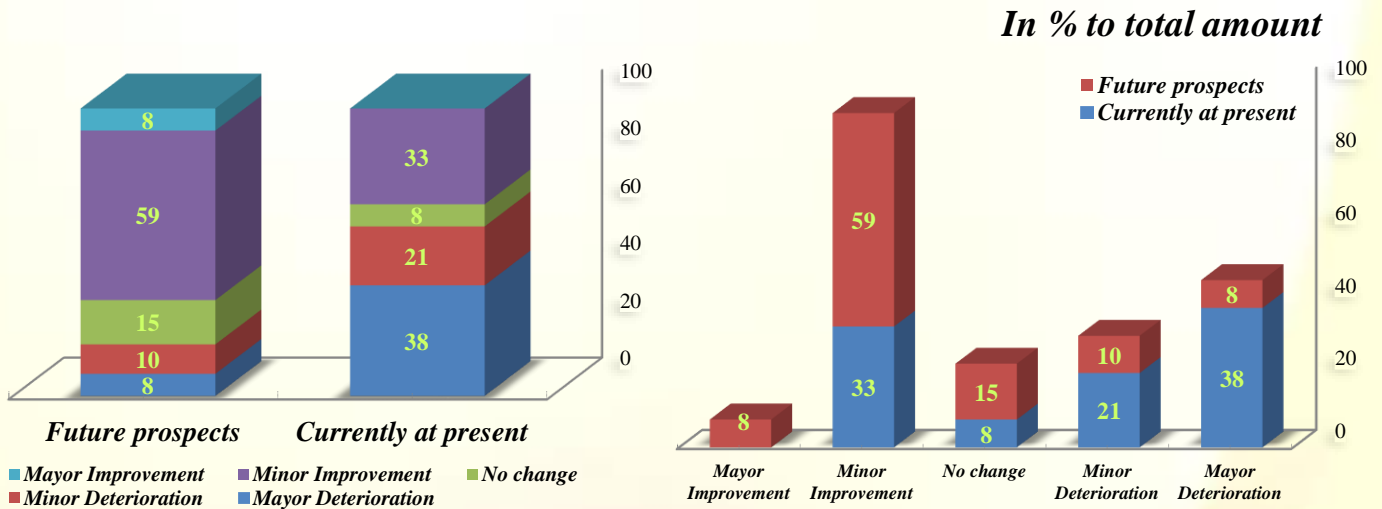
Difficulty/constraints in hiring or firing workers



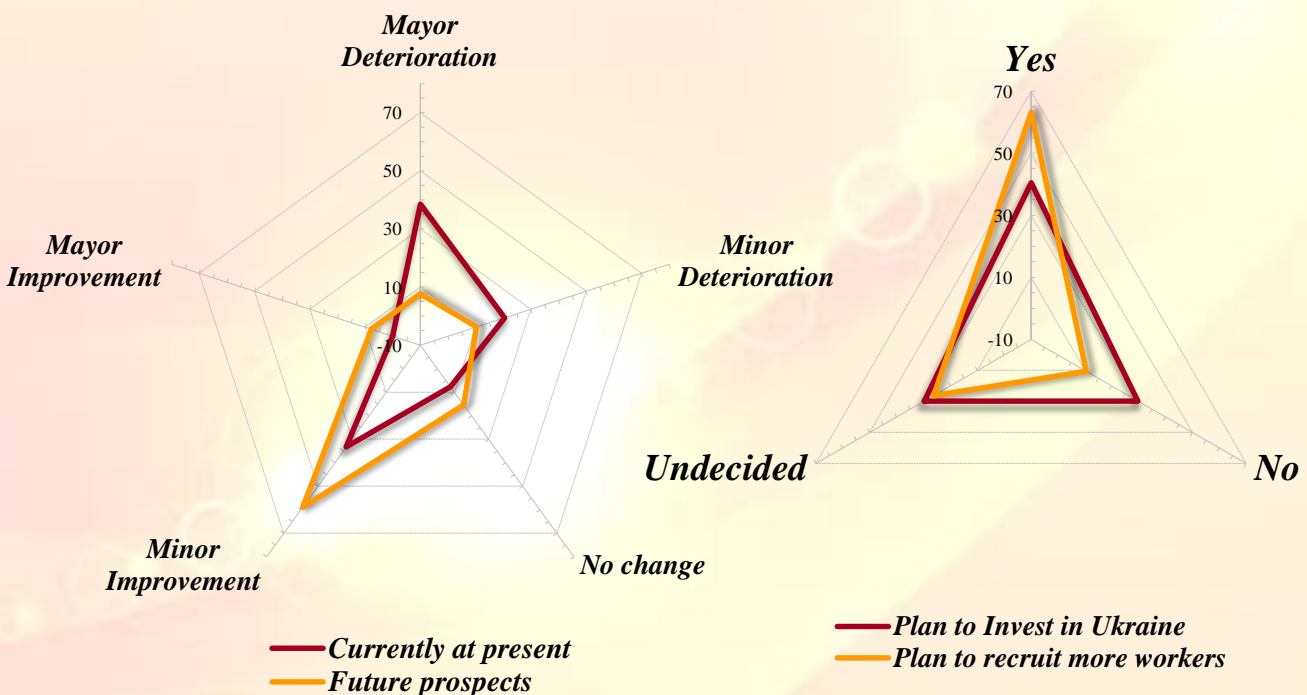


## Overall Assessment

The survey responses on overall assessment show that 33% of the companies believe that there have been only minor improvements in Ukraine's current business climate, while 38% believe that there have been major deteriorations.

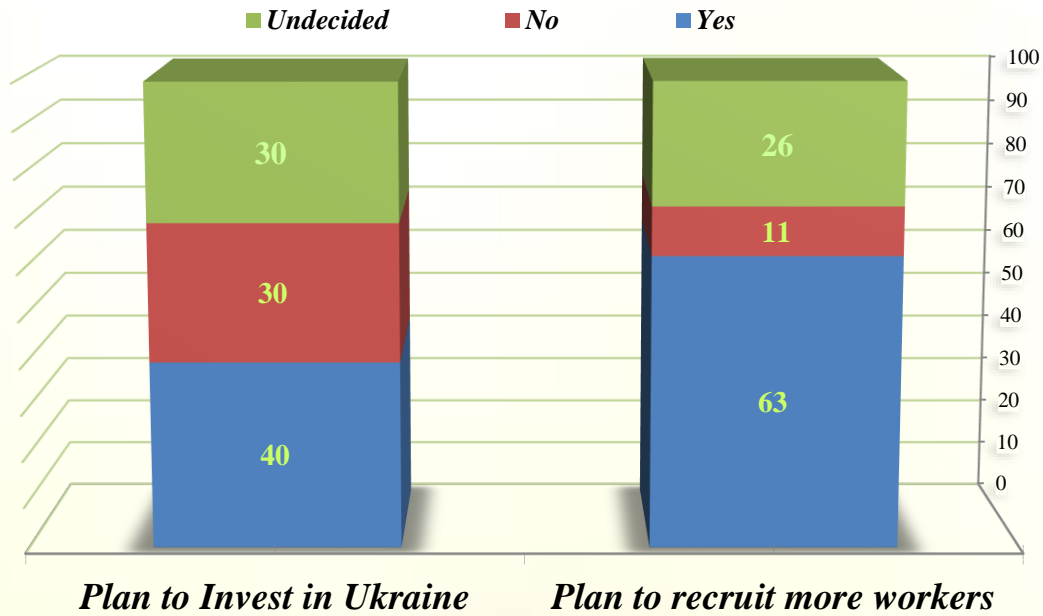


For future prospects, in the first half of 2016, about 59% of the companies expected to see minor improvements in Ukraine's business environment and investment climate, while very few (8%) anticipated major deterioration in the future.





Overall, concerning of the investors' plans to invest in Ukraine, 40% of respondents answer "Yes". At the same time "No" was answered by 30%. Regarding plans to recruit labour in the next six months, most of the respondents answered "Yes", with 63% of the answers.





*The investors' views about the ranking of the most significant issues affecting their business in Ukraine are summarized in the following tables:*

<b>Rankings in three categories</b>			<b>Severe/Serious Obstacle</b>	<b>Moderate Obstacle</b>	<b>Minor/No Obstacle</b>
1	<i>Corruption in the Judiciary and Courts to favor a particular biased settlement</i>	№8 Corruption	98	2	0
2	<i>Inadequate anti-corruption enforcement &amp; support</i>	№8 Corruption	97	0	3
3	<i>Arbitrary, unfair and partiality of courts</i>	№7 Legal and Judiciary Environment.	92	8	0
4	<i>Ineffective legal enforcement of judicial decisions</i>	№7 Legal and Judiciary Environment.	93	7	0
5	<i>Excessively high interest rates</i>	№4 Financial Sector.	89	8	3
6	<i>Administrative corruption by Government officials who require extra payments &amp; bribes.</i>	№8 Corruption	90	10	0
7	<i>Ability to move funds in and out of the country</i>	№3 Cross-border Trade and Capital Movements.	87	5	8
8	<i>Difficulties in obtaining foreign exchange</i>	№3 Cross-border Trade and Capital Movements.	87	8	5
9	<i>Lengthy/costly settlement of contract disputes</i>	№7 Legal and Judiciary Environment.	87	8	5
10	<i>Excessive FX Hryvnia devaluation</i>	№1 Macroeconomic Stability.	82	10	8
11	<i>Difficulties in securing long term loans</i>	№4 Financial Sector.	82	18	0
12	<i>Instability/non-transparency of government policies</i>	№5. Public Governance and Administration.	82	18	0
13	<i>Poor protection of intellectual property rights</i>	№7 Legal and Judiciary Environment.	80	15	5
14	<i>Poor country image that hampers doing business</i>	№9 Political Risks and Country Image.	74	23	3
15	<i>Instability of the political system, with excessive rotation of officials</i>	№9 Political Risks and Country Image.	74	16	10
16	<i>Cumbersome tax administration and compliance</i>	№1 Macroeconomic Stability.	75	15	10
17	<i>Low professionalism and competence of Government officials, with favouritisms</i>	№5. Public Governance and Administration.	74	21	5
18	<i>Inadequate transparency of information to public</i>	№6 Corporate Governance.	74	13	13
19	<i>Difficulties in obtaining working capital financing</i>	№4 Financial Sector.	72	23	5
20	<i>Excessive domestic price inflation</i>	№1 Macroeconomic Stability.	72	23	5
21	<i>Inadequate capital markets to issue securities</i>	№4 Financial Sector.	72	15	13
22	<i>Unpredictability/inadequacies of business laws</i>	№7 Legal and Judiciary Environment.	71	21	8
23	<i>Private business corruption and corporate raiding</i>	№8 Corruption	68	29	3
24	<i>Poor protection of physical property rights</i>	№7 Legal and Judiciary Environment.	67	28	5
25	<i>Difficulties with customs procedures/costs</i>	№3 Cross-border Trade and Capital Movements.	65	24	11
26	<i>Negative prospects for future inflation/ devaluation</i>	№1 Macroeconomic Stability.	64	26	10
27	<i>Prospects of social unrests due to war or to highly uneven income distribution</i>	№9 Political Risks and Country Image.	62	25	13
28	<i>Lack of corporate governance laws/regulations</i>	№6 Corporate Governance.	58	24	18
29	<i>Conflictive government role and functions, with state enterprises interfering in the market place:</i>	№5. Public Governance and Administration.	58	18	24
30	<i>Unethical behaviour of firms</i>	№6 Corporate Governance.	55	29	16
31	<i>Excessive regulations for business operations, with excessive Gvt agency inspections/controls:</i>	№2 Business Deregulation.	55	40	5
32	<i>Unfair market competition by Gvt-supported firms</i>	№2 Business Deregulation.	54	18	28
33	<i>Excessive business &amp; payroll taxes</i>	№1 Macroeconomic Stability.	51	36	13
34	<i>Excessive documentation, time and cost to export freely with inadequate institutional support</i>	№3 Cross-border Trade and Capital Movements.	50	37	13
35	<i>Difficulties in bankruptcy and closing a business</i>	№2 Business Deregulation.	50	13	37
36	<i>Excessive/costly import tariffs and barriers</i>	№3 Cross-border Trade and Capital Movements.	50	39	11
37	<i>Lack of disclose of major board decisions to shareholders and poor directors' liability for them</i>	№6 Corporate Governance.	48	30	22
38	<i>Difficulties in suing management/board</i>	№6 Corporate Governance.	49	27	24
39	<i>Cumbersome regulations to start and register a firm and to obtain construction and other licenses:</i>	№2 Business Deregulation.	46	33	21
40	<i>Vandalism, crime and public/business safety</i>	№8 Corruption	42	32	26
41	<i>Lack of access to Gvt officials to address problems</i>	№5. Public Governance and Administration.	39	37	24
42	<i>Risk of expropriations/nationalizations</i>	№9 Political Risks and Country Image.	38	31	31
43	<i>Inadequacy/cost of transport infrastructure</i>	№5. Public Governance and Administration.	33	41	26
44	<i>Timely and easy provision of utilities</i>	№5. Public Governance and Administration.	31	28	41
45	<i>Inadequacy/cost of communications and IT</i>	№5. Public Governance and Administration.	23	18	59
46	<i>Availability of qualified labour at low wage costs</i>	№2 Business Deregulation.	16	15	69
47	<i>Difficulty/constraints in hiring or firing workers</i>	№2 Business Deregulation.	13	15	72



Rankings in five categories

		Severe Obstacle	Serious Obstacle	Moderate Obstacle	Minor Obstacle	No Obstacle
1	<i>Corruption in the Judiciary and Courts to favour a particular biased settlement</i>	№8 Corruption	83	15	2	0
2	<i>Arbitrary, unfair and partiality of courts</i>	№7 Legal and Judiciary Environment.	75	17	8	0
3	<i>Ineffective legal enforcement of judicial decisions</i>	№7 Legal and Judiciary Environment.	73	20	7	0
4	<i>Ability to move funds in and out of the country</i>	№3 Cross-border Trade and Capital Movements.	65	22	5	8
5	<i>Excessively high interest rates</i>	№4 Financial Sector.	62	27	8	3
6	<i>Inadequate anti-corruption enforcement &amp; support</i>	№8 Corruption	57	40	0	3
7	<i>Administrative corruption by Government officials who require extra payments and bribes.</i>	№8 Corruption	57	33	10	0
8	<i>Difficulties in obtaining foreign exchange</i>	№3 Cross-border Trade and Capital Movements.	49	38	8	5
9	<i>Poor protection of physical property rights</i>	№7 Legal and Judiciary Environment.	49	18	28	5
10	<i>Excessive FX Hryvnia devaluation</i>	№1 Macroeconomic Stability.	48	34	10	8
11	<i>Difficulties in securing long term loans</i>	№4 Financial Sector.	48	34	18	0
12	<i>Poor country image that hampers doing business</i>	№9 Political Risks and Country Image.	48	26	23	3
13	<i>Unpredictability/inadequacies of business laws</i>	№7 Legal and Judiciary Environment.	47	24	21	8
14	<i>Private business corruption and corporate raiding</i>	№8 Corruption	47	21	29	3
15	<i>Instability of the political system, with excessive rotation of officials</i>	№9 Political Risks and Country Image.	46	28	16	10
16	<i>Cumbersome tax administration and compliance</i>	№1 Macroeconomic Stability.	44	31	15	10
17	<i>Instability/non-transparency of government policies</i>	№5. Public Governance and Administration.	44	38	18	0
18	<i>Poor protection of intellectual property rights</i>	№7 Legal and Judiciary Environment.	42	38	15	5
19	<i>Lengthy/costly settlement of contract disputes</i>	№7 Legal and Judiciary Environment.	41	46	8	5
20	<i>Inadequate capital markets to issue securities</i>	№4 Financial Sector.	38	33	15	10
21	<i>Difficulties in obtaining working capital financing</i>	№4 Financial Sector.	37	35	23	2
22	<i>Low professionalism and competence of Government officials, with favouritisms</i>	№5. Public Governance and Administration.	33	41	21	5
23	<i>Inadequate transparency of information to public</i>	№6 Corporate Governance.	32	42	13	13
24	<i>Unfair market competition by Gvt-supported firms</i>	№2 Business Deregulation.	31	23	18	21
25	<i>Prospects of social unrests due to war or to highly uneven income distribution</i>	№9 Political Risks and Country Image.	28	34	25	10
26	<i>Difficulties in suing management/board</i>	№6 Corporate Governance.	27	22	27	19
27	<i>Excessive documentation, time and cost to export freely with inadequate institutional support</i>	№3 Cross-border Trade and Capital Movements.	26	24	37	5
28	<i>Difficulties with customs procedures/costs</i>	№3 Cross-border Trade and Capital Movements.	26	39	24	8
29	<i>Lack of corporate governance laws/regulations</i>	№6 Corporate Governance.	26	32	24	16
30	<i>Unethical behaviour of firms</i>	№6 Corporate Governance.	26	29	29	16
31	<i>Excessive business &amp; payroll taxes</i>	№1 Macroeconomic Stability.	26	25	36	10
32	<i>Excessive regulations for business operations, with excessive Gvt agency inspections/controls:</i>	№2 Business Deregulation.	25	30	40	3
33	<i>Difficulties in bankruptcy and closing a business</i>	№2 Business Deregulation.	24	26	13	32
34	<i>Excessive domestic price inflation</i>	№1 Macroeconomic Stability.	23	49	23	5
35	<i>Conflictive government role and functions, with state enterprises interfering in the market place:</i>	№5. Public Governance and Administration.	21	37	18	21
36	<i>Lack of access to Gvt officials to address problems</i>	№5. Public Governance and Administration.	18	21	37	18
37	<i>Vandalism, crime and public/business safety</i>	№8 Corruption	18	24	32	21
38	<i>Negative prospects for future inflation/ devaluation</i>	№1 Macroeconomic Stability.	18	46	26	7
39	<i>Lack of disclose of major board decisions to shareholders and poor directors' liability for them</i>	№6 Corporate Governance.	16	32	30	19
40	<i>Cumbersome regulations to start and register a firm and to obtain construction and other licenses:</i>	№2 Business Deregulation.	15	31	33	18
41	<i>Inadequacy/cost of transport infrastructure</i>	№5. Public Governance and Administration.	13	20	41	23
42	<i>Excessive/costly import tariffs and barriers</i>	№3 Cross-border Trade and Capital Movements.	11	39	39	3
43	<i>Timely and easy provision of utilities</i>	№5. Public Governance and Administration.	10	21	28	31
44	<i>Risk of expropriations/nationalizations</i>	№9 Political Risks and Country Image.	10	28	31	23
45	<i>Inadequacy/cost of communications and IT</i>	№5. Public Governance and Administration.	8	15	18	36
46	<i>Availability of qualified labor at low wage costs</i>	№2 Business Deregulation.	6	10	15	28
47	<i>Difficulty/constraints in hiring or firing workers</i>	№2 Business Deregulation.	5	8	15	49