

## Simple estimate of aggregate cost savings:

	Units	Baseline	After reform	Reduction	
<b>Product Line</b>	starting a business				
<b>Fees/other costs</b>	\$/firm	\$267	\$100	\$167	DB indicator
<b>Lawyers fees</b>	\$/firm	\$0	\$0	\$0	(if necessary)
<b>Time (duration from DB)</b>	day/firm	44	30	14	From DB
<b>% staff time/duration</b>		0.25	0.25		guestimate
<b>staff time</b>	hrs/firm	88	60	28	8 hrs/day X % staff-time X duration
<b>Wage rate</b>	\$/Hr		\$4.35		Local wage rate for technical workers
<b>Savings per firm</b>	\$/firm			\$288.80	Reduced fees + reduced cost for lawyers + reduced staff costs
<b>No. firms affected</b>	firms registering per year		7300		Data from company registry
<b>Aggregate cost savings for 1 yr.</b>				\$2,108,240	
<b>Aggregate cost savings for 5 yrs.</b>				\$10,541,200	

Country Kenya

<b>Product line</b>	Tax				
Key Variable	Units	Baseline	After reform	Reduction	Comments, sources
<b>DB Paying Taxes: Time (staff time)</b>	Hours/yr	432	300	132	Take from DB or tax compliance cost surveys
<b>Wage rate</b>	\$/Hr		\$5.80		Local wage rate for professional workers
<b>Savings per firm per year</b>	\$/yr			\$766	
<b>No. firms affected</b>	No. firms		43000		No. of firms registered with tax authorities
<b>Aggregate cost savings for 1 yr.</b>				\$32,920,800	
<b>Aggregate cost savings for 5 yrs.</b>				\$164,604,000	

	Units	Baseline	After reform	Reduction	
<b>Product line</b>	business operations (specifically, DB construction permits)				
<b>DB Licensing: time (duration)</b>	days	100	75	25	Take from DB or license compliance cost survey
<b>staff time (as percent of duration)</b>	%	25%	25%		guestimate
<b>hours (staff time)</b>	hours	200	150	50	8 hrs/day X % staff-time X duration
<b>Wage rate</b>	\$/Hr		\$4.35		Local wage rate for technical workers
<b>Fees/other costs</b>	\$/firm	410	350	\$60	Take from DB or license compliance cost survey
<b>Savings per firm</b>	\$/firm			\$278	
<b>No. firms affected</b>			2000		No. firms getting construction permits per year
<b>Aggregate cost savings for 1 yr.</b>				\$555,000	
<b>Aggregate cost savings for 5 yrs.</b>				\$2,775,000	

	Units	Baseline	After reform	Reduction	
<b>Product line</b>	business operations (specifically, general trading license)		Several reforms as itemized below		
<b>Frequency of renewal</b>	yrs between renew.	1	5		reduced frequency of renewal from every year to every five years
<b>Licensing: staff time/renewal</b>	hrs/renewal	20	10	10	simplification of procedure; time estimate from survey or focus groups
<b>Wage rate</b>	\$/Hr		\$4.35		Local wage rate technical workers
<b>Official fees</b>	\$/renewal	20	10	\$10	reduced fees (statutory reduction, confirmed by focus groups)
<b>Cost per firm per renewal</b>	\$/renewal	\$83	\$50	\$33	Firms save from both reduction in fees and in time per renewal
<b>No. firms with the license</b>		43000	43000		Active firms (from tax authorities)
<b>No. renewals per year</b>		43000	8600		Firms have to renew only once every five years instead of every year
<b>Total cost per year</b>		\$3,569,000	\$430,000		
<b>Aggregate cost savings for 1 yr.</b>				\$3,139,000	
<b>Aggregate cost savings for 5 yrs.</b>				\$15,695,000	

	Units	Baseline	After reform	Reduction	
<b>Product Line</b>	<b>business operations (inspections)</b>				
Inspections per year per firm	ins/yr/firm	5	3	2	surveys, focus groups
Duration of inspection	hrs/insp.	12	8	4	surveys, focus groups
Insp. Hours per year per firm	hrs/firm/yr	60	24	36	
Wage rate	\$/Hr		\$2.00		Local wage rate for skilled workers
Savings per firm per year	\$/yr			\$72	Reduced costs for staff time accompanying inspectors
No. firms affected			43000		No. of firms registered with tax authorities
Aggregate cost savings for 1 yr.				\$3,096,000	
Aggregate cost savings for 5 yrs.				\$15,480,000	

	Units	Baseline	After reform	Reduction	
<b>Product Line</b>	<b>Trading across borders</b>				
cost to export	\$/container	\$1,955	\$1,750	\$205	DB indicators
cost to import	\$/container	\$1,550	\$1,400	\$150	DB indicators
time to export	days/container	21	18	3	DB indicators
time to import	days/container	21	19	2	DB indicators
%staff time/duration		50%	50%		guestimate
staff time/container (export)	hrs/container	84	72	12	8 hrs/day X % staff-time X duration
staff time/container (import)	hrs/container	84	76	8	8 hrs/day X % staff-time X duration
Wage rate	\$/Hr		\$2.04		Local wage rate for skilled workers (in freight forwarding co.)
Savings per container (export)				\$229	Reduction in fees and reduction in staff costs
Savings per container (import)				\$166	Reduction in fees and reduction in staff costs
No. containers per year (export)			86,317		Data from Port Authority
No. containers per year (import)			217,869		Data from Port Authority
Aggregate cost savings for 1 yr.				\$56,043,997	
Aggregate cost savings for 5 yrs.				\$280,219,986	