

Doing Business

Benchmarking Business Regulations

[Home](#) > [Doing Business](#) > [Explore Economies](#) > Snapshot of Business Environment

Snapshot of Business Environment — Argentina

The tables below provide a snapshot of the business climate in Argentina by identifying specific regulations and policies that encourage or discourage investment, productivity, and growth. Key indicators are used to help measure the ease or difficulty of operating a business: starting a business, hiring and firing workers, registering property, getting credit, protecting investors, enforcing contracts, and closing a business. To compare the business climate of Argentina with that of other economies, click on the topic name. Regional and high-income OECD averages are provided in each topic for comparison.

Snapshot report

To see a snapshot of the business environment for a particular economy, please make a selection:

select an economy



Economy Characteristics (2003)

[Compare all economies](#) | [Methodology](#)

Variable	Argentina	Regional Average	OECD Average
Region	Latin America & Caribbean		
Income category	Upper middle income		
GNI per capita (US\$)	3,650	2,976	25,773
Informal economy (% GNI)	25.4	41.5	16.8
Population (million)	38.38	24.92	41.50

Starting a Business (2004)

The challenges of launching a business in Argentina are shown below through four measures: procedures required to establish a business, the associated time and cost, and the minimum capital requirement.

Entrepreneurs can expect to go through **15** steps to launch a business over **32** days on average, at a cost equal to **15.7%** of gross national income (GNI) per capita. They must deposit at least **8.1%** of GNI per capita in a bank to obtain a business registration number, compared with the regional average of **28.9%** of GNI and the OECD average of **44.1%** of GNI.

[Compare all economies](#) | [Detailed data on Argentina](#) | [Methodology](#)

Indicator	Argentina	Regional Average	OECD Average
Number of procedures	15	11	6
Time (days)	32	70	25
Cost (% of income per capita)	15.7	60.4	8.0
Min. Capital (% of income per capita)	8.1	28.9	44.1

Hiring and Firing Workers (2004)

The difficulties that employers in Argentina face in hiring and firing workers are shown below. Three indices measure how difficult it is to hire a new worker, how rigid the regulations are on working hours, and how difficult it is to dismiss a redundant worker. Conditions covered by the indices include: availability of part-time and fixed-term contracts, working time requirements, minimum wage laws, and minimum conditions of employment. Each index assigns values between 0 and 100, with higher values representing more rigid regulations. The overall Rigidity of Employment Index is an average of the three indices. For Argentina, the overall index is **51**, compared with the regional average of **44.0** and OECD average of **34.4**. Firing costs are calculated on the basis of the number of weeks worth of salary in severance, notification and penalties that must be paid to dismiss a worker.

[Compare all economies](#) | [Detailed data on Argentina](#) | [Methodology](#)

Indicator	Argentina	Regional Average	OECD Average
Difficulty of Hiring Index	44	44.4	26.2
Rigidity of Hours Index	80	53.3	50.0
Difficulty of Firing Index	30	34.3	26.8
Rigidity of Employment Index	51	44.0	34.4
Firing Costs (weeks of wages)	94	70.8	40.4

Registering Property (2004)

The ease with which businesses can secure rights to property is measured below using the following indicators: the number of procedures necessary to transfer a property title from the seller to the buyer, and the time and the costs as a percentage of the property value. In Argentina, it takes **44** days to register property, compared with the regional average of **56** and the OECD average of **34**.

[Compare all economies](#) | [Detailed data on Argentina](#) | [Methodology](#)

Indicator	Argentina	Regional Average	OECD Average
Number of procedures	5	6	4
Time (days)	44	56	34
Cost (% of property per capita)	8.8	5.6	4.9

Getting Credit (2004)

Measures on credit information sharing and the legal rights of borrowers and lenders in Argentina are shown below. One set of indicators measures the coverage, scope, quality and accessibility of credit information available through public and private registries. A second set measures how well collateral and bankruptcy laws facilitate lending. It ranges from 0-10, with higher scores indicating that those laws are better designed to expand access to credit. Argentina has a score of **3**, compared with the regional average of **3.8** and OECD average of **6.3**. The Credit Information Index measures the scope, access and quality of credit information available through public registries or private bureaus. The index ranges from 0-6, with higher values indicating that more credit information is available from a public registry or private bureau. Argentina has a score of **6**, compared with the regional average of **4.7** and OECD average of **5.0**.

[Compare all economies](#) | [Detailed data on Argentina](#) | [Methodology](#)

Indicator	Argentina	Regional Average	OECD Average
Cost to Create Collateral (% of income per capita)	21.3	19.4	5.2
Legal Rights Index	3	3.8	6.3
Credit Information Index	6	4.7	5.0
Public Credit Registry coverage (borrowers per 1000 capita)	201	85.7	76.2
Private Bureau coverage (borrowers per 1000 capita)	733	325.1	577.2

Protecting Investors (2004)

The degree to which investors are protected through disclosure of ownership and financial information is measured below. The Disclosure Index captures seven ways of enhancing disclosure: information on family; indirect ownership; beneficial ownership; voting agreements between shareholders; audit committees reporting to the reporting to the board of directors; use of external auditors; and public availability of ownership and financial information to current and potential investors. The index varies between 0 and 7, with higher values indicating more disclosure. Argentina has a score of **5**, compared with the regional score of **2.3** and the OECD score of **5.6**.

[Compare all economies](#) | [Detailed data on Argentina](#) | [Methodology](#)

Indicator	Argentina	Regional Average	OECD Average
Disclosure Index	5	2.3	5.6

Enforcing Contracts (2004)

The ease or difficulty of enforcing commercial contracts in Argentina is measured below, using three indicators: the number of procedures counted from the moment the plaintiff files a lawsuit until actual payment, the associated time, and the cost (in court and attorney fees), expressed as a percentage of debt value. In Argentina, the cost of enforcing contracts is **15.0**, compared with the regional average of **23.3** and the OECD average of **10.8**.

[Compare all economies](#) | [Detailed data on Argentina](#) | [Methodology](#)

Indicator	Argentina	Regional Average	OECD Average
Number of procedures	33	35	19
Time (days)	520	462	229
Cost (% of debt)	15.0	23.3	10.8

Closing a Business (2004)

The time and cost required to resolve bankruptcies is shown below. Costs include court costs as well as fees of insolvency practitioners, lawyers, accountants, etc. The Recovery Rate measures the efficiency of foreclosure or bankruptcy procedures, expressed in terms of how many cents on the dollar claimants recover from the insolvent firm. The recovery rate in Argentina is **23.5**, compared with the regional average of **26.6** and OECD average of **72.1**.

[Compare all economies](#) | [Detailed data on Argentina](#) | [Methodology](#)

Indicator	Argentina	Regional Average	OECD Average
Time (years)	2.8	3.7	1.7
Cost (% of estate)	18	15.8	6.8
Recovery Rate (cents on the dollar)	23.5	26.6	72.1



RRU, Mailstop F4K-408, 1818 H St. NW, Washington, DC 20433 | Phone: 202.458.7777 | Email: rru@worldbank.org
 ©2004 The World Bank Group, All Rights Reserved. [Terms and Conditions](#). [Privacy Policy](#).