

3.6: Tips in Your Entrepreneurial Walkabout Toolkit

Attracting Trade and Investment

Governments around the world seek to attract trade and investment, but some are better at achieving this objective than others. Are you wondering where the best country to start a business might be? The *Wall Street Journal* recently made an effort to answer this question by reviewing data from global surveys. Contrary to what you might think given the global push toward globalization and a flat world, most governments still actively limit and control foreign investment.

Governments in the developing world, for instance, often impose high costs and numerous procedures on people who are trying to get a company off the ground. In Zimbabwe, entrepreneurs will have to fork over about 500 percent of the country's average per-capita income in government fees. Compare that with 0.7 percent in the U.S. In Equatorial Guinea, owners have to slog through 20 procedures to get their venture going, versus just one in Canada and New Zealand. Still, lots of countries are making progress. In a World Bank study of red tape, Samoa was singled out for making the most strides in reforming its practices. It went from one of the toughest places in the world to start a company last year—131st out of 183—to No. 20 this year...China, for instance, ranks as just the 40th best place in the world to start a company. Yet China and its up-and-coming peers score high on forward-looking measures like expectations for job creation—so they're likely to catch up fast with more-advanced economies. Jeff May, "The Best Country to Start a Business...and Other Facts You Probably Didn't Know about Entrepreneurship around the World," *Wall Street Journal*, November 15, 2010, accessed December 27, 2010, <http://online.wsj.com/article/SB10001424052748703859204575525883366862428.html>.

Quick Facts

- *What's the best place in the world to start a business?* Denmark.
- *What country has the biggest share of women who launch new businesses?* Peru.
- *Where does it cost the most to start a company?* You'll have to pony up the most money in the Netherlands.
- *Where does it take an average of 694 days to clear government red tape and get a company off the ground?* Suriname. Jeff May, "The Best Country to Start a Business...and Other Facts You Probably Didn't Know about Entrepreneurship around the World," *Wall Street Journal*, November 15, 2010, accessed December 27, 2010, <http://online.wsj.com/article/SB10001424052748703859204575525883366862428.html>.

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