

INDEX OF BUREAUCRACY 2025



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Index of Bureaucracy 2025

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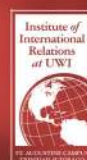
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i. Preface

Carlos Díaz-Rosillo

Founding Director, Adam Smith Center for Economic Freedom, Florida International University

This research, embodied in the Index of Bureaucracy 2025, constitutes an exceptional contribution to the understanding and transformation of the institutional environment faced by businesses. It is not merely a collection of data: this work stands as a rigorous diagnostic tool and, at the same time, as a roadmap for the redesign of public policies aimed at developing a dynamic and productive economy.

In a context where state efficiency and regulatory quality have become crucial pillars for the competitiveness of nations, this study offers an empirical analysis of extreme high value. The research not only measures—with time precision—the bureaucratic burdens faced by businesses when opening and running formally, but also quantifies their economic costs, their impact on national productivity, and their deterrent effect on investment and formalization.

What decisively distinguishes this 2025 edition is its focus on medium-sized businesses, often underestimated or overlooked in statistics due to their relative insignificance, but which are essential to the productive architecture due to their ability to generate quality employment, drive innovation, and attract investment. By placing this segment at the center of the analysis, the study fills an important gap in our understanding of the business fabric. In future editions, the research focus will alternate annually: one year will be dedicated to medium-sized enterprises and the next to small enterprises, while maintaining sectoral and cross-country comparative analysis to help public and private decision-makers more accurately identify both best prac-

tices and the most pressing areas for reform. By displaying results in hours, the index combines technical quality with ease of communication. Without losing rigor, it becomes a valuable resource not only for experts but also for any citizen who, as an entrepreneur, experiences the rigors of the barriers that prevent them from unleashing their full potential. At the Adam Smith Center for Economic Freedom, we reaffirm our conviction that rigorous and contextualized knowledge must be at the service of public decisions. This index, in its 2025 edition, more than fulfills that purpose.

I invite all readers to explore these pages with a critical, proactive, and transformative perspective. What is presented here is not just another piece of research, but an urgent invitation to action.

ii. Words from the Coordinator

Sary Levy Carciente

Author and Coordinator, Adam Smith Center for Economic Freedom, Florida International University

The year 2025 finds the world at a decisive moment. As many of the authorities elected in the various 2024 elections begin to implement their government programs, global challenges in terms of productivity, economic recovery, and governance remain pressing.

Geopolitical uncertainty, trade tensions, the tax burden on the productive sector, and the need to improve investment environments make up a panorama in which the efficiency of the state apparatus acquires renewed relevance. Added to this is the accelerated impact of technological transformation, driven by digitalization, artificial intelligence, and new automation models, which requires governments to modernize their regulatory frameworks, simplify procedures, and adapt their institutions so as not to lag behind in the face of production processes changes and citizen demands. In particular, small and medium-sized enterprises—fundamental drivers of employment, innovation, and competitiveness—face administrative obstacles in many contexts that limit their growth and sustainability. In this scenario, having updated empirical evidence is key to guiding effective public decisions, particularly those that have a direct impact on the business climate, investment, and sustainable development.

The Adam Smith Center for Economic Freedom, at Florida International University, presents this fifth edition of the Index of Bureaucracy 2025, a tool that has established itself as a rigorous reference in monitoring the administrative burdens faced by companies in various countries. This edition once again expands its geographical coverage, this time includ-

ing two Caribbean commonwealth countries (Guyana, and Trinidad and Tobago), as well as Honduras. In the same way, the analysis of the mandatory procedures to operate formally, both at the time of starting a company and in its continuous operation, is deepened, and the economic cost that it represents for companies and the economy in terms of product is estimated, thus providing a crucial input for reforms aimed at administrative simplification.

This effort was possible thanks to the careful work of research centers and institutes in each of the countries analyzed, which assigned valuable teams of researchers committed to the accuracy, comparability, and usefulness of the data generated. To each of them, my most sincere recognition. I would like to make special mention of Óscar Torrealba, CSM economist, whose responsible assistance was crucial in completing this edition, and the professional contribution of statistician Karen Tizado, whose technical expertise allowed us to enrich the analysis of the data collected.

A special acknowledgment of gratitude to Dr. Carlos Díaz-Rosillo, founding director of the Adam Smith Center for Economic Freedom, for his unconditional support in advancing this research and continuing with its prospects for expansion.

Finally, we appreciate your interest in this report and your confidence in our effort to generate knowledge that contributes to the development of freer and more prosperous economies.



iii. Executive Summary

The transformation of business in the twenty-first century requires much more than technological innovation or discourses on competitiveness. It requires redesigning, with a strategic view, the rules and structures that define the relationship between the State and the company. In this process, bureaucracy—when it becomes a costly, slow, and intrusive labyrinth—ceases to be a mechanism of institutional order and becomes a trap that suffocates private initiative, limits formalization, and scares away investment.

Today, the real differential of a competitive economic environment is not only in subsidies or infrastructure but in the capacity of the State to facilitate, and not hinder, productive activity. Simplifying procedures, eliminating redundancies, and guaranteeing transparency are no longer mere ideals of modernization; they are enabling conditions for sustainable development and the recovery of citizen trust in institutions. In this context, new technologies offer powerful tools to accelerate this process, although they also pose ethical and political challenges that must be rigorously analyzed to preserve democratic governance and individual freedoms.

In the global economic framework, medium-sized companies, although they do not represent a numerical majority of all businesses, stand out for combining operational flexibility, scalability in the market, and access to financing, boosting productivity and innovation, which is why they occupy a strategic place in countries' economic development. To improve

their competitiveness, having detailed information on the obstacles these companies face is crucial. Development in this area is precisely the objective of the *Index of Bureaucracy 2025*.

The Index of Bureaucracy 2025 is a metric that shows the time (measured in hours) that bureaucratic procedures require of companies, both to open and to remain formally and legally in operation.

In its 2025 edition, this index focuses on medium-sized companies and has expanded its scope to 21 countries: 16 Latin American, two from the Commonwealth of the Caribbean, and three European, namely: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Italy, Mexico, Panama, Paraguay, Peru, Portugal, Spain, Trinidad and Tobago, and Uruguay; which, together, represent almost 10% of the world's population and about 10% of global output. To facilitate their analysis, the procedures were grouped into two large categories: five for Opening a Business and three for Running a Business.

To contextualize the results, an exhaustive analysis of the productive structure of each country was carried out, with emphasis on the activities carried out by medium-sized companies in the primary, secondary, and tertiary sectors. In addition, the criteria that define a medium-sized company were evaluated, which include annual revenue, number of em-

Index of Bureaucracy: Procedures by Group	
 OPENING	 RUNNING
• Identification and registry • Registration with national entities • Municipal registration and permits • Request for basic services • Specific for productive activity	• Administration of Employment • Administration of the Operations • Other

ployees, and asset value. In general, national definitions include at least two of these criteria, either combined by mathematical relationships or differentiated by economic sector.

In general, in the countries studied, a medium-sized company is considered to have an annual revenue between US\$100,000 and US\$3 million per year, with higher ranges in Spain, Italy, and Portugal (between 2 and 11 million euros).

Regarding the number of employees, the average range to define a medium-sized company is between 50 and 250 workers. However, some countries extend this threshold to 500. In terms of revenue, the thresholds vary significantly, as they are associated with the sizes and dynamics of their respective economies and range from a maximum of US\$5 million to US\$50 million.

The Opening a Business Index of Bureaucracy

The Opening a Business Index of Bureaucracy shows an average of **1,850 hours** required to open a medium-sized company and be ready to operate formally. This value is equivalent to **231 eight-hour workdays**, which represents approximately **eight working months** dedicated exclusively to complying with the required administrative procedures.

Considering the different economic sectors, the sector that exhibits the greatest bureaucratic burden is the secondary sector with

1,920 hours, followed by the tertiary sector with 1,865 hours, while the primary sector has 1,674 hours. Among the procedures required to open a company, almost half of the analyzed countries identify the bureaucracy associated with the specific procedures by productive activity as the most burdensome, exhibiting an average of 1,079 hours. The countries with the best results in the sample are Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Italy, Mexico, Paraguay, Portugal, Spain, and Uruguay.

The Running a Business Index of Bureaucracy

The Running a Business Index of Bureaucracy shows an average of **1,577 hours per year** required for mandatory bureaucratic compliance to operate within the legal and formal framework in their respective countries. This value is equivalent to **190 eight-hour workdays per year**, which means that **76%** of an employee's annual working time is dedicated to these tasks.

The sectoral evaluation shows that the primary sector (1,524 hours per year) has the least bureaucratic burden, followed by tertiary (1,598 hours per year), with secondary reporting the longest time (1,683 hours per year), however, the difference between them is not substantial. The procedures under the Other category are the most demanding in terms of time, highlighting the specific procedures for productive

activity and those derived from certifications and licenses. For the procedures required in running a business, the best positioned countries are Argentina, Chile, Colombia, and Peru. When considering the opening and running indices together, the countries that exhibit the best results are Brazil, Costa Rica, Ecuador, El Salvador, Spain, Mexico, Paraguay, Portugal, the Dominican Republic, and Uruguay.

Opportunity Cost of Bureaucratic Excesses

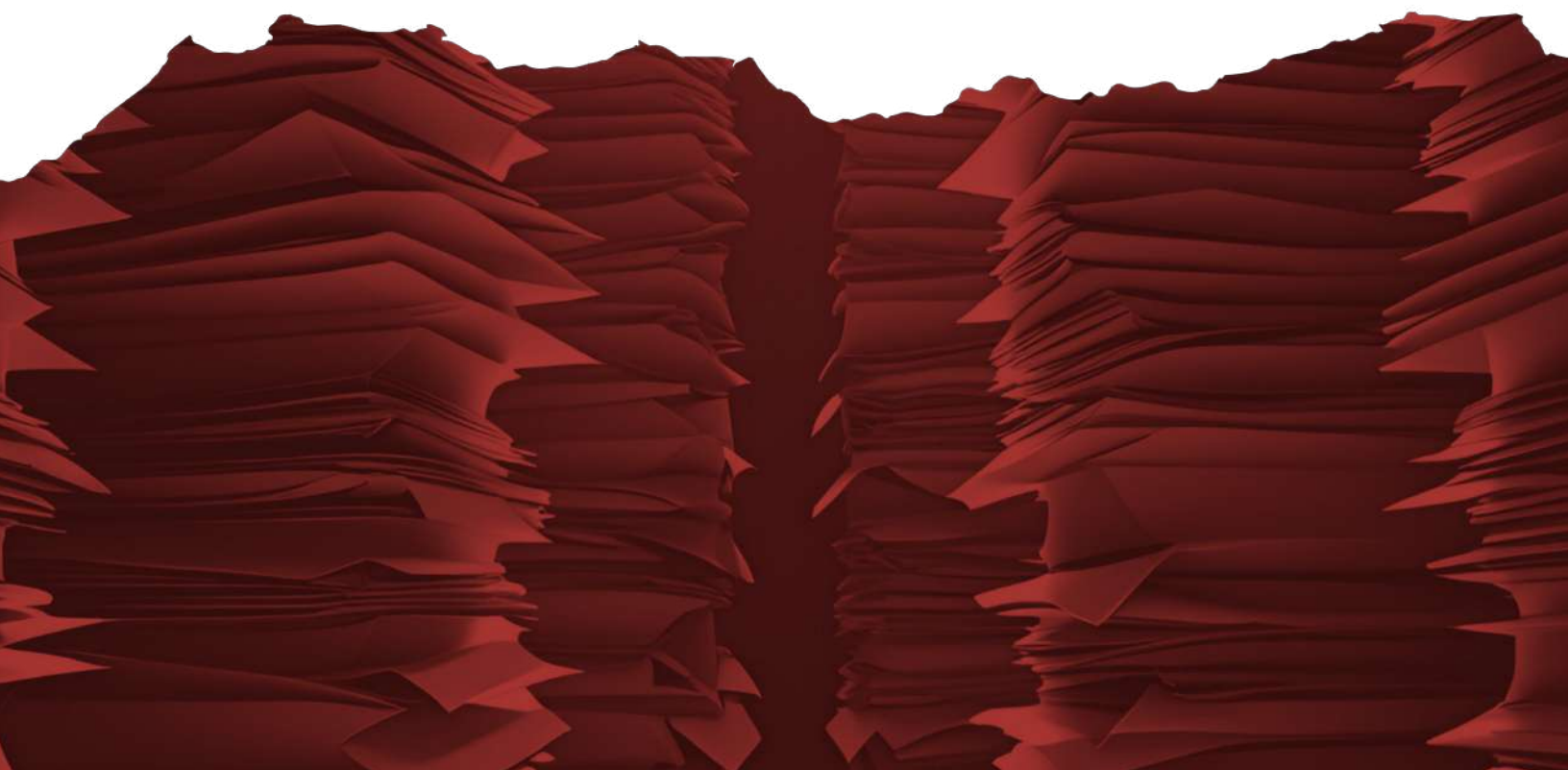
Beyond the analysis in hours, two approaches were addressed to measure the opportunity cost represented by excessive bureaucracy: Direct financial cost: the payment of the employees dedicated to fulfilling procedures, which averages US\$4,000 for opening and US\$5,800 for running a business, for each company.

Cost in terms of labor productivity: the equivalent value in national product, considering the average labor productivity of the sample (US\$33.33 per hour), an average of 1.8 million companies established per country, and a creation of 262,000 new companies per year, the potential opportunity cost would be US\$110.5 billion per year, equivalent to about 13% of GDP and 42%

of the exports of the countries in the sample.

Final Thoughts and Perspectives for Public Policy

The results reveal clear opportunities to improve the efficiency and transparency of government bureaucracies. It is essential that legitimate demands be managed swiftly, while unnecessary, unjustified, or excessively intrusive procedures must be identified and eliminated. This simplification will help to combat corruption and strengthen social cohesion and the preeminence of the rule of law. The *Index of Bureaucracy 2025* is a valuable tool for policymakers, entrepreneurs, and civil society, offering empirical data that facilitates the identification of the main bottlenecks. Comparison between countries and sectors allows lessons to be drawn from successful cases and strategies tailored to specific contexts. Finally, in a world that is rapidly redefining itself with technological innovation and digitalization, the modernization of bureaucracy is an indispensable condition for building freer, more competitive, and prosperous societies.



I. Bureaucracy: Scope and Challenges

Bureaucracy, understood as the set of administrative procedures that regulate the functioning of institutions in the state or province, is a significant barrier to the development of businesses, especially in developing economies. While a well-designed bureaucratic system aims to ensure order, transparency, and fairness, when it is excessive or inefficient, it generates a series of negative consequences that affect the entire economy.

One of the most obvious effects of excessive bureaucracy is the direct impact on the productivity of companies. The multiplicity of procedures, the requirement of permits at various administrative levels, and the slowness in decision-making can consume a significant amount of time and financial and human resources, which could well be used in more productive activities.

This excess bureaucracy not only affects the time companies must invest to comply with regulations but also increases operating costs. These resources, which could be better used to invest in innovation, training, or expansion, are absorbed by a system that—instead of facilitating—hinders business and national development. Labor productivity, especially in strategic sectors such as manufacturing, agribusiness, and services, is directly affected by the lack of time for core business activities

due to the need to comply with bureaucratic requirements (Bravo *et al.*, 2024¹).

Another impact of excessive bureaucracy is its effect on the formalization of the economy, which is decisive for some regions of the world. The International Labor Organization (ILO, 2023²) highlights that 53% of workers in Latin America and the Caribbean are in informal conditions. This data represents more than 140 million people in the region and highlights the persistence of a large informal sector, with limited access to social protection, low productivity, and less job stability. The report also warns that, in some countries, informality exceeds 70% of total employment (Bolivia, Honduras, Guatemala), while in others (Uruguay and Chile) it remains below 40%.

It is also worth noting that the formalization of small and medium-sized enterprises is crucial to improve tax collection, guarantee labor rights, and promote a more equitable economic environment. However, excessive paperwork, the complexity of regulations, and the costs associated with formalization discourage many companies from operating within the legal framework. The excessive cost of formal incorporation, derived from administrative costs and associated taxes, prevents many medium-sized companies from accessing benefits such as formal bank financing or the possibility of

1 Bravo, J., *et al.* (2024). Innovación y competitividad en las medianas empresas latinoamericanas. *Latin American Business Review*, 16(1), 45-61.

2 ILO (2021). *Panorama Laboral de América Latina y el Caribe 2021*. ILO Regional Office for Latin America and the Caribbean. Available in: <https://www.ilo.org>.

participating in public tenders.

In addition, excessive bureaucracy in many countries facilitates and feeds the channels of corruption. Complex procedures, permits needed to operate legally, and frequent interaction with public officials create opportunities for political and economic actors to seek bribes or commissions for speeding up or facilitating the approval of certain procedures. According to Transparency International's *Corruption Perceptions Index*³ (2024), the sectors most affected by bureaucracy in terms of corruption are those related to obtaining construction permits, business licenses, and customs procedures. In countries where bureaucracy is denser, companies are forced to resort to bribes to ensure that their procedures are completed quickly, which generates a culture of systemic corruption. This corruption not only increases the cost of doing business but also distorts competition, as companies that can afford to pay bribes gain unfair advantages over those that follow procedures legally.

Feria *et al.* (2024⁴) insist that corruption derived from bureaucracy has devastating effects on the business environment. In countries where corruption is rampant, the additional costs associated with bribery or bureaucracy are so high that many companies prefer to operate in the informal sector or not at all. In addition, this phenomenon creates a vicious circle: bureaucracy encourages corruption, which in turn generates more distrust in institutions, which reinforces the trend towards informality. Likewise, García and Anido⁵ (2024) show that

corruption is not only associated with greater opacity in administrative procedures but also with a reduction in economic efficiency, since resources that could have been used to improve infrastructure or education are diverted by corrupt practices.

Bureaucracy impacts competitiveness and formalization and also has profound effects on economic growth and the quality of life of citizens. In an OECD study⁶ (2022), it was estimated that the reduction of bureaucracy in countries such as Chile and Peru led to an increase in GDP per capita of 2% in the first five years after the implementation of bureaucratic reforms. In contrast, those countries that have failed to reduce bureaucracy or improve their administrative systems face persistent challenges in terms of growth and productivity.

In a recent paper, using a Bayesian vector autoregression model, Beach and Sheppard⁷ (2025) conclude that increased regulation in the U.S. has inhibited economic growth, and illustrate the magnitude of the positive effects in 10 years, if these were frozen: increase in GDP by 1.8%, consumption by 1.7%, and hours worked by 1.4%; in addition, a fall in the GDP deflator by 5.7%, implying an average inflation rate of 0.6% in the period. The main avenue of growth is the increase in investment, which amounts to 7.8%, since reducing the cost of complying with regulations increases the return on investment.

In conclusion, excessive bureaucracy represents a significant obstacle to the

3 Transparency International. (2023). *Índice de Percepción de la Corrupción*. <https://www.transparency.org/>.

4 Feria A., A., Gelabert V., D. D., & Hidalgo E., K. (2024). Régimen Económico y Desarrollo de la Pequeña y Mediana Empresa en América Latina. *Revista Latinoamericana de Competitividad Organizacional*, 6(22).

5 García C., M. E., and Anido R., J. D. (2024). Encouragement policies and productivity indicators for Colombian SMEs using data envelopment analysis and Malmquist indexes. *Revista CEA*, 10(22), e2708. <https://doi.org/10.22430/24223182.2708>.

6 OECD (2022). *Competitividad de las MIPYMES en América Latina y el Caribe*. OECD Economic Surveys: Latin America and the Caribbean. Retrieved from: <https://www.oecd.org/economic-surveys/latin-america.htm>

7 Beach W. W., and P. Sheppard (2025) "Reducing Regulations Produces Strong Economic Growth Responses," *Backgrounder* No. 3890, Feb.19, 2025. <https://report.heritage.org/bg3890>.

economic development and competitiveness of companies, affecting not only their productivity and capacity for formalization but also fueling corruption and discouraging investment and growth. It is essential that governments implement reforms to simplify administrative procedures, reduce regulatory costs, and create a transparent environment that favors fair competition. If not adequately addressed, the negative effects of bureaucracy will continue to be a barrier to progress in developing economies.

Medium-sized companies in the economy

Medium-sized enterprises are part of the group of micro, small, and medium-sized enterprises (MSMEs), and their relevance lies in their ability to generate employment, promote innovation, and boost the economy at the regional and national levels (Ruiz, 2024⁸). The ranking of medium-sized companies varies by country and is based on criteria such as number of employees, annual revenue, and asset level.

In general terms, medium-sized companies are distinguished from small companies by their greater investment capacity, access to financing, and scalability in the market (Sansores & Navarrete, 2018⁹). They combine the operational flexibility of small businesses with the organizational structure and access to resources of large corporations. Likewise, among their key characteristics are greater stability and capacity for growth. They are also considered key players in the global economy,

due to their boost to the country's productivity, job creation, and contribution to GDP growth. Therefore, the implementation of policies to support this business segment catalyzes efficiency and international competitiveness (Bernal and Vargas, 2011¹⁰). In addition, in terms of formalization and tax contribution, they operate within the legal framework and contribute significantly to the payment of taxes and social security, unlike many microenterprises that may be in the informal sector (Gomero, 2015¹¹).

That is why medium-sized enterprises occupy a strategic place in the economic development of countries; they combine more advanced scales of operation than small companies with a greater capacity for investment, innovation, and generation of formal employment. In the United States, medium-sized enterprises—defined by the Small Business Administration (SBA) as those with between 100 and 499 employees—represent about 2% of all companies but account for approximately 25% of total private employment, demonstrating their relevance in terms of productivity and job stability (U.S. Census Bureau, 2023¹²). In OECD countries, medium-sized enterprises generate, on average, more than 20% of value added and are key players in the export chain, especially in industrial and specialized services sectors (OECD, 2022¹³). In Latin America, although statistics tend to group them with small enterprises, some studies suggest that medium-sized enterprises represent less than 5% of the

8 Ruiz, L. (2024). Las medianas empresas como motor de crecimiento económico en América Latina. *Economistas Latinos*, 23(1), 14-27.

9 Sansores G., E. A., and Navarrete M., J. E. (2018). Crecimiento de las micro, pequeñas y medianas empresas: análisis de los factores determinantes. *Revista Venezolana de Gerencia*, 23(81), 163-179.

10 Bernal B., J., & Vargas B., J. M. (2011). Crecimiento y desarrollo de las pequeñas y medianas empresas: un enfoque teórico. *Revista de la Universidad La Salle*, (54), 111-131.

11 Gomero, C. (2015). *El panorama de las medianas empresas en el Perú: características y desafíos*. Revista de Economía de Perú, 41(3), 213-229

12 U.S. Census Bureau (2023). *Economic Census 2022: Distribution of U.S. Businesses by Employment Size Class*. Retrieved from: <https://www.census.gov/data/tables/2023/economic-census.html>.

13 OECD (2022). Competitiveness of MSMEs in Latin America and the Caribbean. *OECD Economic Surveys: Latin America and the Caribbean*.

business universe but account for around 30% of formal employment and up to 35% of GDP generated by MSMEs, concentrating on sectors with greater added value and capacity to scale (ECLAC, 2021¹⁴). This intermediate position gives them significant potential as engines of economic growth, innovation, and regional competitiveness, especially when they are provided with access to financing, technology, and global markets.

In a comparative analysis of European economies, it was found that countries with a higher proportion of medium-sized enterprises, such as Germany and the United Kingdom, have managed to increase their aggregate productivity between 10% and 15% in the last decade, while in countries with a business fabric dominated by microenterprises, such as Spain, growth has been slower. This suggests that the growth of medium-sized enterprises may be a determining factor in the generation of stable employment and in the increase of output. Medium-sized enterprises create jobs and, in addition, also contribute to job stability. Another of their characteristics is the diversification of the market and export capacity, since they tend to operate in larger and more diversified markets than small companies. In some countries, up to 35% of their revenues come from foreign trade, surpassing even large companies in certain industries (Bankinter, 2015¹⁵).

Unlike micro and small enterprises, which generally face more barriers, medium-sized

enterprises have higher levels of capitalization, which allows them to invest in technology and improve their productivity—achieving a competitive advantage in terms of efficiency and product differentiation—in addition to competing in international markets (Bankinter, 2015. *Op. cit.*). Medium-sized companies have a greater capacity to invest in technology, access to credit, organizational structures, and the ability to develop structured processes for the implementation of new technologies that favor innovation. Despite their innovative potential, they also face challenges in sustaining their competitiveness, including access to financing and difficulties in the adoption of advanced technologies, as the integration of innovations—such as Artificial Intelligence (AI), the Internet of Things, and deep automation—continues to be a challenge for many medium-sized companies in Latin America. Added to this is the lack of specialized talent, as innovation requires qualified personnel, and many medium-sized companies have difficulties attracting or retaining talent in technological areas (Bravo *et al.*, 2024¹⁶).

On the other hand, greater access to structured financing—compared to small enterprises—facilitates their expansion, while micro and small enterprises depend to a large extent on informal sources of financing (Barrera *et al.*, 2022¹⁷; Mosquera *et al.*, 2024¹⁸). Likewise, medium-sized enterprises have a greater capacity to attract investment compared to micro and small enterprises, due to their more

14 ECLAC (2021). *La contribución de las mipymes al empleo y al PIB en América Latina*. Retrieved from: <https://www.cepal.org/es/publicaciones>.

15 Bankinter, Bankinter Innovation Foundation. (2015). La mediana empresa. *Información Comercial Española, ICE: Revista de Economía*, (885), 151-158. Retrieved from <https://dialnet.unirioja.es/servlet/articulo?codigo=5483056>.

16 Bravo A., O., Suárez R., O., Burgos Y., J., & Játiva P., M. (2024). Estrategias para mejorar la competitividad de las micro, pequeñas y medianas empresas de la ciudad de Guayaquil-Ecuador. *Revista de Ciencias Sociales*, 30(Esp. 10), 515-530.

17 Barrera, M., *et al.* (2022). La financiación estructurada y su impacto en el crecimiento de las medianas empresas. *Journal of Business Studies*, 34(2), 120-135.

18 Mosquera A., A. P., Palma L., A. M., and Ballesteros B., E. Y. (2023). Impacto de la reforma tributaria en la eficiencia financiera de las PyMEs agropecuarias de la Provincia de Los Ríos-Ecuador. *Revista Religación*, 9(39), e2401130. <https://doi.org/10.46652/rgn.v9i39.1130>.

consolidated organizational structure and lower level of risk as perceived by investors (Rufino and González, 2024¹⁹). However, access to capital remains a challenge in many regions, especially in Latin America, where high interest rates, lack of collateral, and banks' preference for lending to large corporations limit the expansion of this business segment (Padrón *et al.*, 2024²⁰).

In short, medium-sized enterprises are engines of growth, productivity, formalization, and capital attraction, which makes them a key factor for the development of nations and the improvement of the quality of life of their citizens.

19 Rufino S., S. J., and Gonzales R., Y. G. (2024). El financiamiento y su efecto en la rentabilidad de las pequeñas y medianas empresas en el Perú, caso: La Choza Negocios y Servicios Generales E.I.R.L. Tambogrande, 2023. *Revista Científica Emprendimiento Científico* (ECT), 2(4).

20 Padrón M., A. M., De La Hoz Suárez, B. A., & Panchi C., N. G. (2024). Crédito como catalizador de la inversión para el desarrollo económico sostenible de las pequeñas y medianas empresas. *Revista de Ciencias Sociales* (RCS), 30(Esp. 10), 408-425.

II. Index of Bureaucracy 2025

By virtue of the above, the Index of Bureaucracy 2025 in its fifth edition—developed at the Adam Smith Center for Economic Freedom of Florida International University—evaluates the state and impact of bureaucracy on medium-sized companies, with the purpose of contributing to the transformation agenda that allows building a promising future based on productive dynamism and the full exercise of civil liberties. In this sense, its declared objectives are:

- to offer measurements that serve as a guide to public policy makers and the business community, as well as an input to citizens for proper citizen control of public administration;
- to promote critical analysis of the quality and efficiency of public management;
- to promote the principle of subsidiarity of the State vis-à-vis private activity; and
- to promote the development of a free, responsible and prosperous society.

This report offers a metric that includes the time required to open a company; and another metric for all those procedures that are required to be completed on a recurring basis to comply with the law and remain in the field of formality. Both elements are considered by the Index of

Bureaucracy 2025, focusing on medium-sized companies.

In 2025,²¹ the geographical scope of the index is 21 countries: 16 Latin American, two Caribbean Commonwealth, and three European, namely: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Italy, Mexico, Panama, Paraguay, Peru, Portugal, Spain, Trinidad and Tobago, and Uruguay²²; which, together, represent almost 10% of the world's population and about 10% of global output. The collection of the information required for the calculations was carried out with the support of the following organizations:

- Fundación Libertad, Argentina
- Libera Bolivia, Bolivia
- Millennium Institute, Brazil
- Instituto Libertad y Desarrollo, Chile
- Instituto de Ciencia Política Hernán Echavarría Olózaga, Colombia
- IDEAS Labs, Costa Rica
- Instituto Ecuatoriano de Economía Política, IEEP, Ecuador
- Centro de Investigaciones para la Libertad, CITAD, Universidad de Alcalá, Spain

²¹ The metric was inspired by the one developed by the Slovak Institute of Economic and Social Studies, IN-ESS, modifying and adapting its methodology. The first edition was advanced in 2021, and since then it has expanded not only its geographical scope but also its evaluation range, including opening procedures, the opportunity cost in productivity it generates, and other sectoral analyses.

²² In this edition, Guyana, Honduras, and Trinidad and Tobago are included. Venezuela could not be included in this edition.

- CEDATOS (responsible for the collection of information for the case of Honduras)
- Centro de Investigaciones Económicas Nacionales, CIEN, Guatemala (also responsible for the collection of information in El Salvador)
- Sustainability Consulting, Guyana
- Istituto Bruno Leoni, Italy
- México Evalúa, Mexico
- Fundación Libertad, Panama
- Asociación de Contribuyentes del Perú, Peru
- Instituto Mais Liberdade, Portugal
- Instituto Fernando de la Mora, Paraguay
- Instituto OMG, Dominican Republic
- Institute of International Relations, IIR,

University of the West Indies, St. Augustine Campus, Trinidad and Tobago

- Centro de Estudios para el Desarrollo, CED, Uruguay

Based on the collection of information, the processes and times demanded by the government-mandated bureaucracy in each of the countries in the sample are identified, and then a comparative analysis of the results is carried out, taking into consideration the economic sectors, the type of procedure to be carried out, and the opportunity costs in financial terms for the company and in terms of GDP for the country. This is all with the aim of providing information to policymakers, businessmen, and citizens who promote transformations that will improve governance, productivity, and the quality of citizens' lives.





III. Results

II.1 Definition and identification of representative medium-sized companies

One of the distinctive elements of the Index of Bureaucracy methodology is that it addresses the regulatory burden while respecting domestic legal and regulatory definitions of each country included in the study. Likewise, a predetermined productive activity is not imposed for its analysis, but the specific productive structure of each economy is considered, disaggregated by economic sectors. This approach allows for a more accurate capture of the bureaucratic burdens that have the greatest impact on national economic activity.

A review of the definitions of medium-sized enterprises in the countries analyzed reveals that these are usually determined by three main criteria: number of employees, annual revenue, and value of assets. Of these, the first two are present in practically all countries. In general, national definitions include at least two of these criteria, either combined by specific mathematical relationships or differentiated by economic sector.

Regarding the number of employees, the average range to define a medium-sized company is between 50 and 250 workers. However, some countries extend this threshold to 500 employees (such as Argentina and Brazil), while others adopt lower limits, between 20 and 100 employees (Guyana, Paraguay, Trinidad and Tobago, and Uruguay).

In terms of revenue, the thresholds vary significantly, as they are associated with

the sizes and dynamics of their respective economies. A first group—made up of Brazil, Spain, Guatemala, Italy and Portugal—establishes limits close to US\$50 million. Argentina and Colombia set this threshold at around US\$25 million, while in the rest of the countries included, the value does not exceed US\$10 million.

In terms of sectoral relevance, most of the countries included in the study have a predominance of the tertiary sector, with a share of more than two-thirds of the gross domestic product (GDP), followed by the secondary sector, which represents between a fifth and a quarter of the economy. It should be noted that in Spain, Paraguay, and Trinidad and Tobago the tertiary sector represents around 50% of GDP, while the secondary sector reaches between 35% and 45%. Mexico is the only country in the sample where the secondary sector constitutes the largest part of the economy (54%), followed by the tertiary sector (46%). For its part, Guyana stands out for having the primary sector as the most relevant (81%), followed by the tertiary sector (13%).

To identify the most representative productive activities within each economic sector, three criteria were considered: participation in sectoral value added, number of active companies, and number of jobs generated. In cases where two or three activities were of comparable relevance, they were all included in the representative universe.

In the primary sector, most countries present

their representative activities under Section A of ISIC Rev. 4: Agriculture, livestock, forestry, and fisheries. The exceptions are Chile and Guyana, where the activity is located in Section B: Mining and quarrying.

In the secondary sector, the most representative activities belong mostly to Section C: Manufacturing industries and Section F: Construction. In the case of Guyana, relevant activities are also recorded in Section D: Supply of electricity, gas, steam, and air conditioning; and in Section E: Water collection, treatment, and supply; wastewater evacuation and treatment, waste management, and decontamination.

The tertiary sector has a greater diversity of representative activities, mainly concentrated in the following sections: Section G: Wholesale and retail trade; repair of motor vehicles and motorcycles; Section H: Transportation and storage; Section I: Accommodation and food service activities; Section L: Real estate activities; Section M: Professional, scientific,

and technical activities; and Section P: Education.

It is important to note that part of the variability observed in the results is explained by the specificity of the selected productive activities, which, in many cases, face particular bureaucratic procedures to operate formally.

II.2 The Opening a Business Index of Bureaucracy

Below are the results for the 21 countries included in the 2025 sample, in relation to the bureaucratic burden (expressed in absolute hours) required to open a medium-sized company, from its legal registration to its start-up (see Fig. 1).

Considering the totals weighted by the relevance of the economic sectors in each country in the sample, the Opening a Business Index of Bureaucracy yields an average of **1,850 hours** required to open a medium-sized company and leave it in a position to operate formally. This

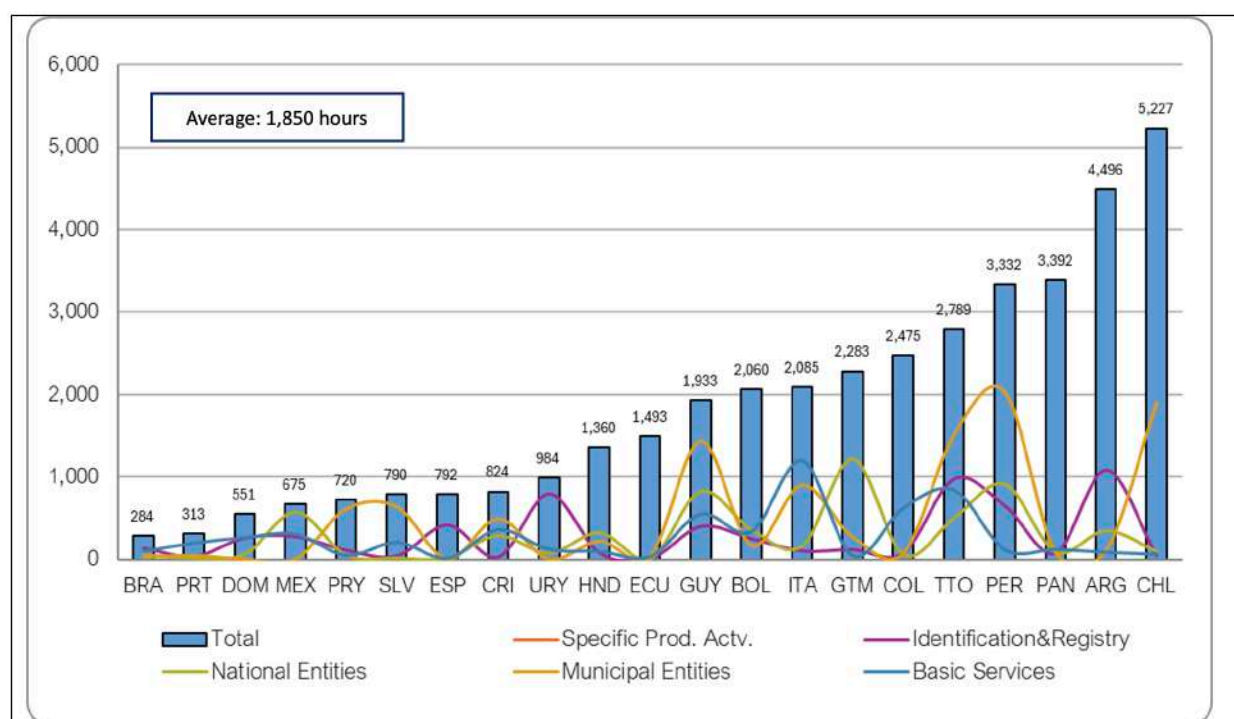


Figure 1. Opening a Business Index of Bureaucracy 2025. Country, group of procedures (in hours, weighted average by sectoral relevance).

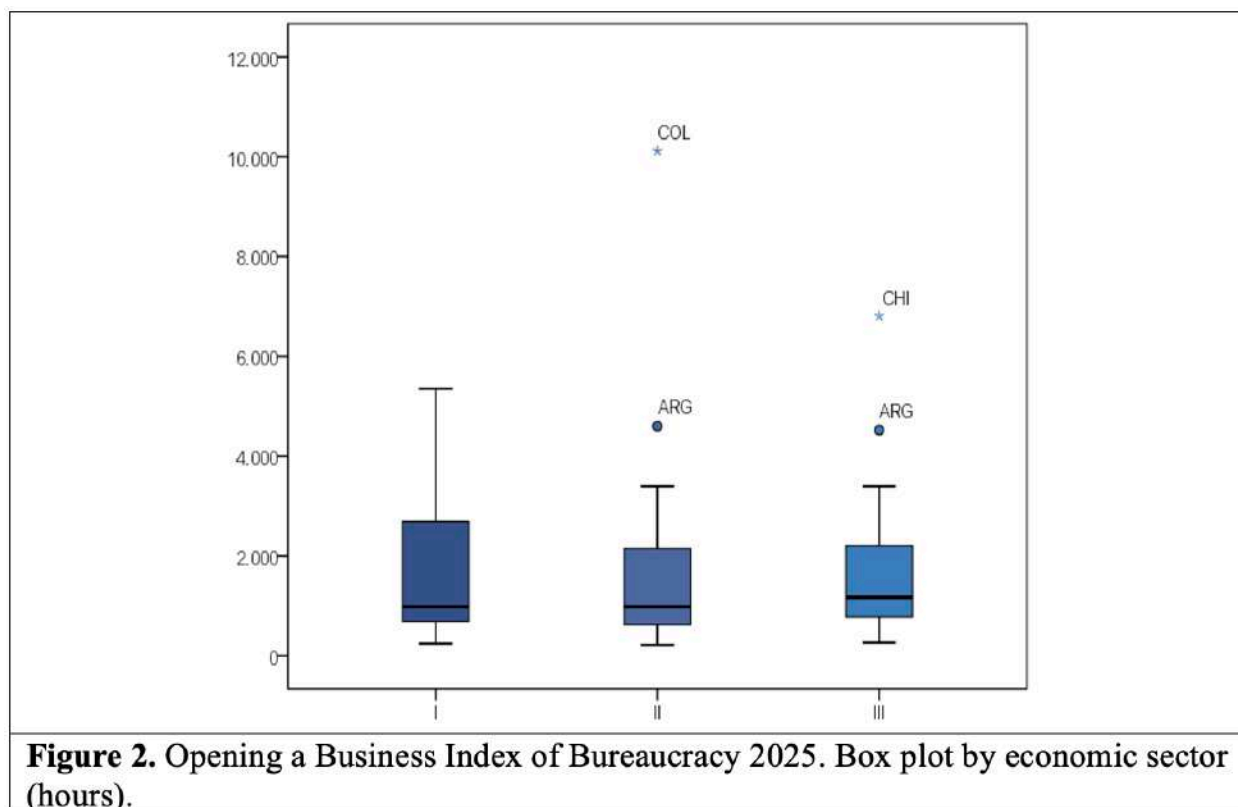
value is equivalent to **77 continuous days** (of 24 hours) or **231 eight-hour working days**, which represents approximately **eight working months** dedicated exclusively to complying with the required administrative procedures.

The results show a high dispersion between countries. The maximum value recorded is 18 times higher than the minimum. Specifically, the time required ranges from **184 hours** (equivalent to 23 working days) to **5,227 continuous hours**, which implies approximately **653 working days** or almost two full years of administrative work to achieve operational qualifications for a new company. It should also be noted that the average rises mainly due to the bureaucratic procedures related to the registration and obtaining of municipal permits and those specific to productive activities, the latter driving up the results of the two countries located at the upper end: Chile and Argentina.

Results by Economic Sector

Considering the different economic sectors, the sector that exhibits the greatest bureaucratic burden is the secondary sector with 1,920 hours, followed by the tertiary sector with 1,865 hours, while the primary sector has 1,674 hours. In the primary sector, Portugal (243 hours) and Brazil (289 hours) lead the series, while at the other end of the distribution are Trinidad and Tobago (5,352 hours) and Argentina (4,137 hours). In the secondary sector, the series is headed by Brazil (216 hours), Spain (430 hours), and Portugal (502 hours); with Colombia and Argentina (10,117 hours and 4,599 hours, respectively) being the countries with the most burdensome bureaucracy. In the tertiary sector, Portugal (164 hours) leads the series, followed by Brazil (309 hours), while at the other end we find Chile and Argentina (6,810 hours and 4,520 hours, respectively).

These results constitute a valuable tool for public policy makers, since they provide



empirical evidence that can be used in the design of strategies aimed at developing opportunities, boosting economic growth, and strengthening the competitiveness of different sectors and productive activities. In the same way, it is useful for business owners, as it allows them to identify critical elements to consider when making their investment decisions.

Results by Type of Procedure

Among the procedures required to open a business, almost half of the countries analyzed identify those specific to each productive activity as the most cumbersome, exhibiting an average of 1,079 hours (Argentina, Bolivia, Chile, Colombia, Ecuador, Honduras, Panama,

Portugal, and Trinidad and Tobago). El Salvador, Guyana, Peru, Paraguay, and Trinidad and Tobago point to the registration and issuing of municipal permits (with a sample average of 587 hours) as the main bureaucratic obstacle. In the case of Spain and Uruguay, the greatest weight falls on the identification and legal registration procedures for the company (with a sample average of 281 hours). Guatemala and Mexico highlight registration procedures in national entities, and Costa Rica, Italy, and the Dominican Republic note those associated with the application for basic services (with a sample average of 269 hours). Beyond the comparison between countries in

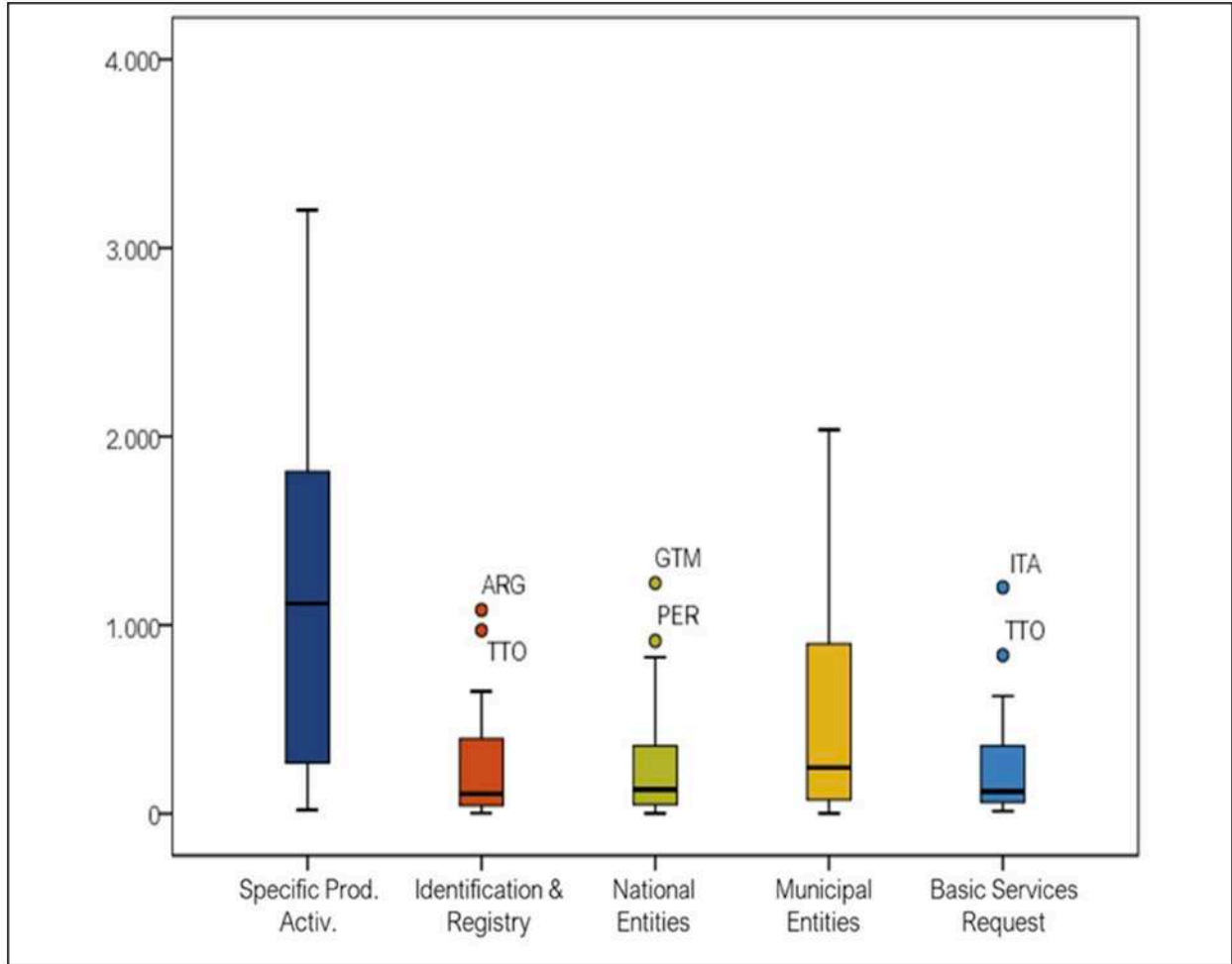


Figure 3. Opening a Business Index of Bureaucracy 2025. Box plot by group of procedures (hours).

terms of the total time required to complete the different groups of bureaucratic procedures associated with opening a business, within each country these procedures also have different relative weights. This internal differentiation constitutes an additional source of information of great relevance for public policy makers, since it allows for more precise orientation of administrative simplification and streamlining strategies according to the main local bottlenecks. In the same way, these data are especially useful for the business sector, as they facilitate the identification of the most critical procedures that must be considered when making decisions on investment, expansion, or formalization of new productive units (*see* Fig. 4).

Cluster Analysis

To identify common patterns and significant differences, the countries were grouped into

clusters according to the similarity of the results obtained in the different bureaucratic procedures required to open a medium-sized company. To this end, a Principal Component Analysis (PCA) was initially applied, a technique that made it possible to reduce the dimensionality of the set of variables, manage the data according to factors, and eliminate correlations between variables (*see* section VI. Methodology).

The results of the PCA show that the first factor accounts for 36.6% of the inertia or variability; and the second factor accounts for 21.11%. There is a third factor that accounts for 19.81% of the inertia, mainly associated with the identification and registration procedures and specific to productive activity, which was not considered in the analysis because it had an eigenvalue lower than one. When incorporating the first two factors into the analysis, a total of 57.72% of the inertia or variability is accounted for.

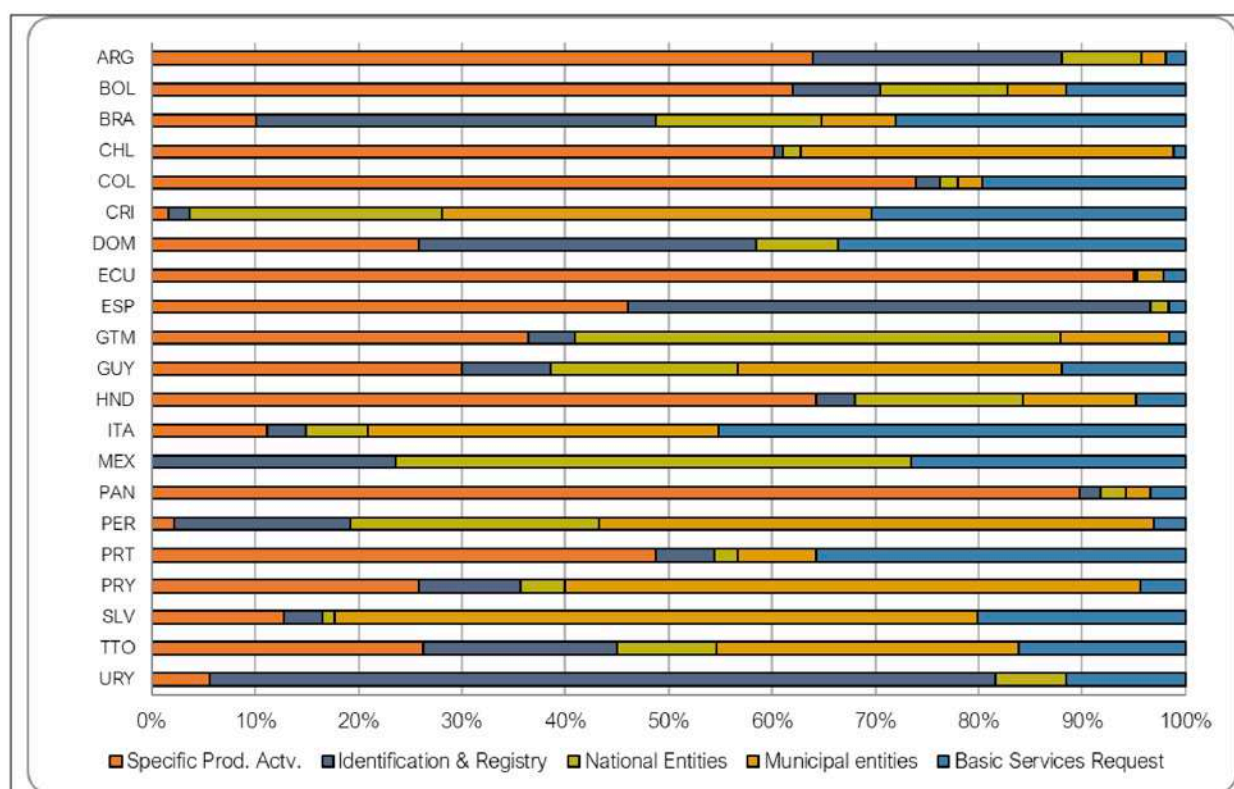


Figure 4. Opening a Business Index of Bureaucracy 2025. Relative weight of each processing group (%).

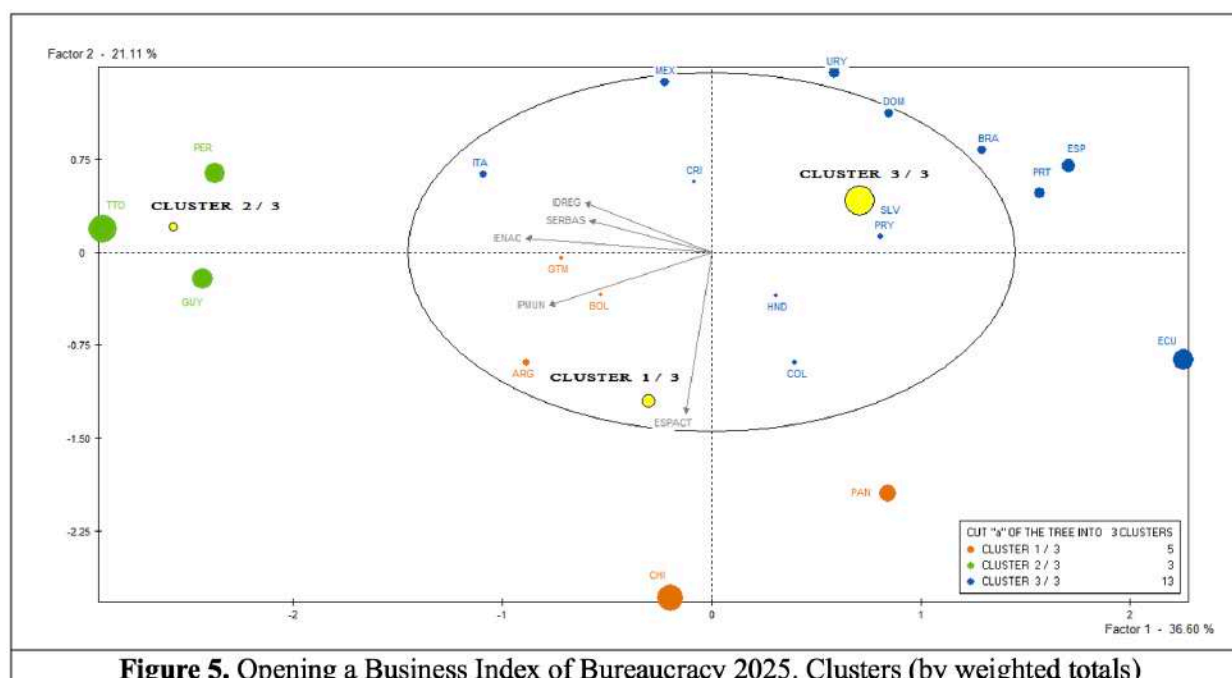


Figure 5. Opening a Business Index of Bureaucracy 2025. Clusters (by weighted totals)

The first factor has a high correlation with identification and registration procedures (-0.56), registration with national entities (-0.83), municipal registration and permits (-0.72), and application for basic services (-0.54). The second factor is characterized by having a greater correlation with specific procedures by productive activity (-0.92).

Three clusters are thus formed (*see* Fig. 5.):

Cluster 1 (orange). This includes five countries: Argentina, Bolivia, Chile, Guatemala, and Panama. This group contains countries located in the negative coordinates of the second factor (mainly due to the influence of their value on specific procedures by productive activity, in which all, except Guatemala, exceed the average). It is worth mentioning that Argentina (for above-average values in identification and registration, and registration with national entities); Bolivia (by registration with national entities and application for basic services); Chile (by registration and municipal permits), and Guatemala (by registration with national entities) are in the negative coordinates of the first factor.

Cluster 2 (green). This includes three countries: Guyana, Peru and Trinidad and Tobago. This group contains countries located in the negative coordinates of the first factor, which present above-average values in the procedures of identification and registration, registration with national entities, and municipal registration and permits. Guyana and Trinidad and Tobago also have above-average values in the request for basic services.

Cluster 3 (blue). This includes 13 countries: Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Italy, Mexico, Paraguay, Portugal, Spain, and Uruguay. Most of these are located in the positive coordinates of the second factor, mainly due to the influence of specific procedures by productive activity, in which they present values below the average. Colombia, Ecuador, and Honduras are in the negative coordinates and present above-average values in the specific procedures by productive activity.

In addition, most of them are located in the positive coordinates of the first factor. The cases of Brazil, Ecuador, Portugal, and the Dominican

Republic stand out for below-average values in the procedures of identification and registration, registration with national entities, municipal registration and permits, and application for basic services. Spain, Paraguay, El Salvador, and Uruguay stand out for below-average values in registration with national entities and application for basic services. Finally, in the case of Honduras and Colombia, we find below-average values in identification and registration, and municipal registration and permits.

In summary: Cluster 3 presents the best results in the sample; Cluster 1 could improve in specific procedures by productive activity; and Cluster 2 allows, in general, a wide possibility of improvement in the five aggregates of procedures.

II.3 Running a Business Index of Bureaucracy

The results of the analysis for the 21 countries included in the study indicate that medium-sized companies must devote an average of **1,577 hours per year** to comply with the bureaucratic requirements necessary to operate within the legal and formal framework in their respective countries. This value corresponds to a weighted average according to the relative weight of the economic sectors in each economy. In equivalent terms, it represents **190 eight-hour working days per year**, which—considering a total of 260 working days, based on a standard five-day workweek excluding holidays—implies that **76%** of an employee’s annual working time is dedicated exclusively to complying with bureaucratic obligations required by the public sector (*see* Fig. 6).

Of the 21 countries analyzed, seven have values above the average, while 14 are below. It is worth noting the high dispersion in the results,

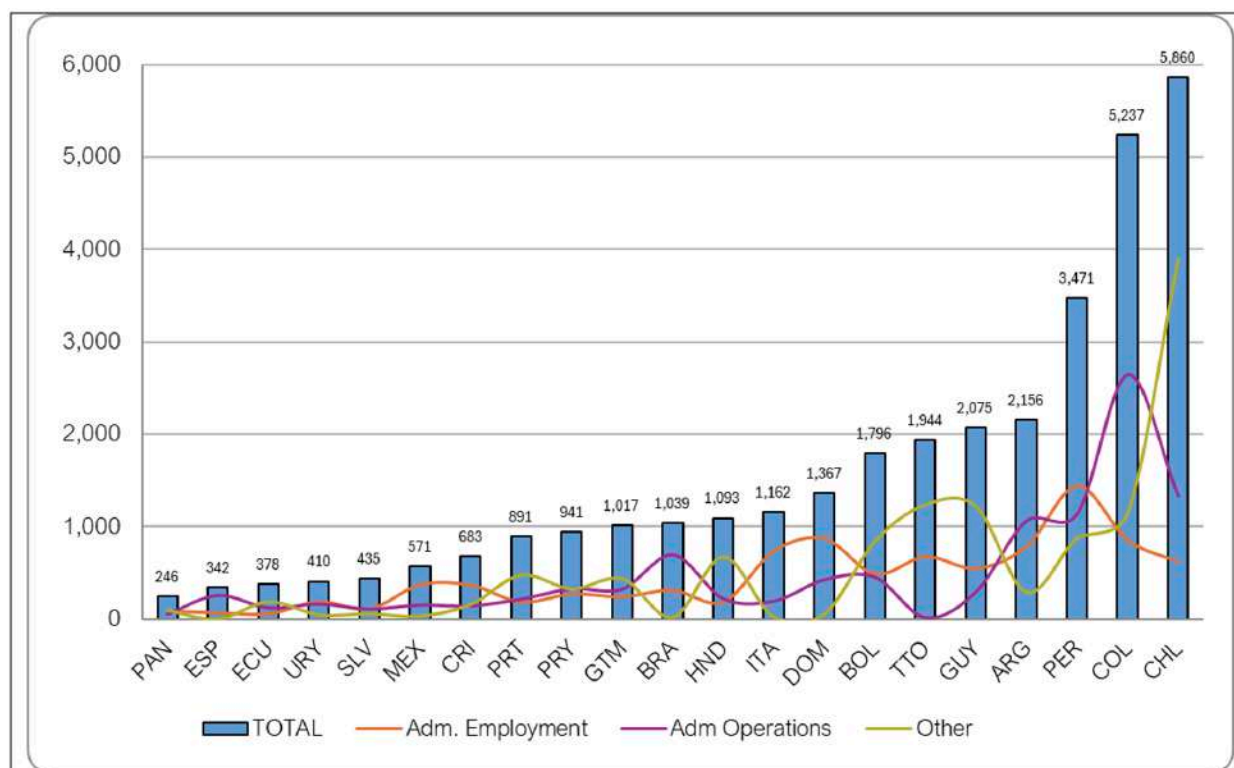


Figure 6. Running a Business Index of Bureaucracy 2025. Country, type of procedure (average hours/year weighted by sectoral relevance).

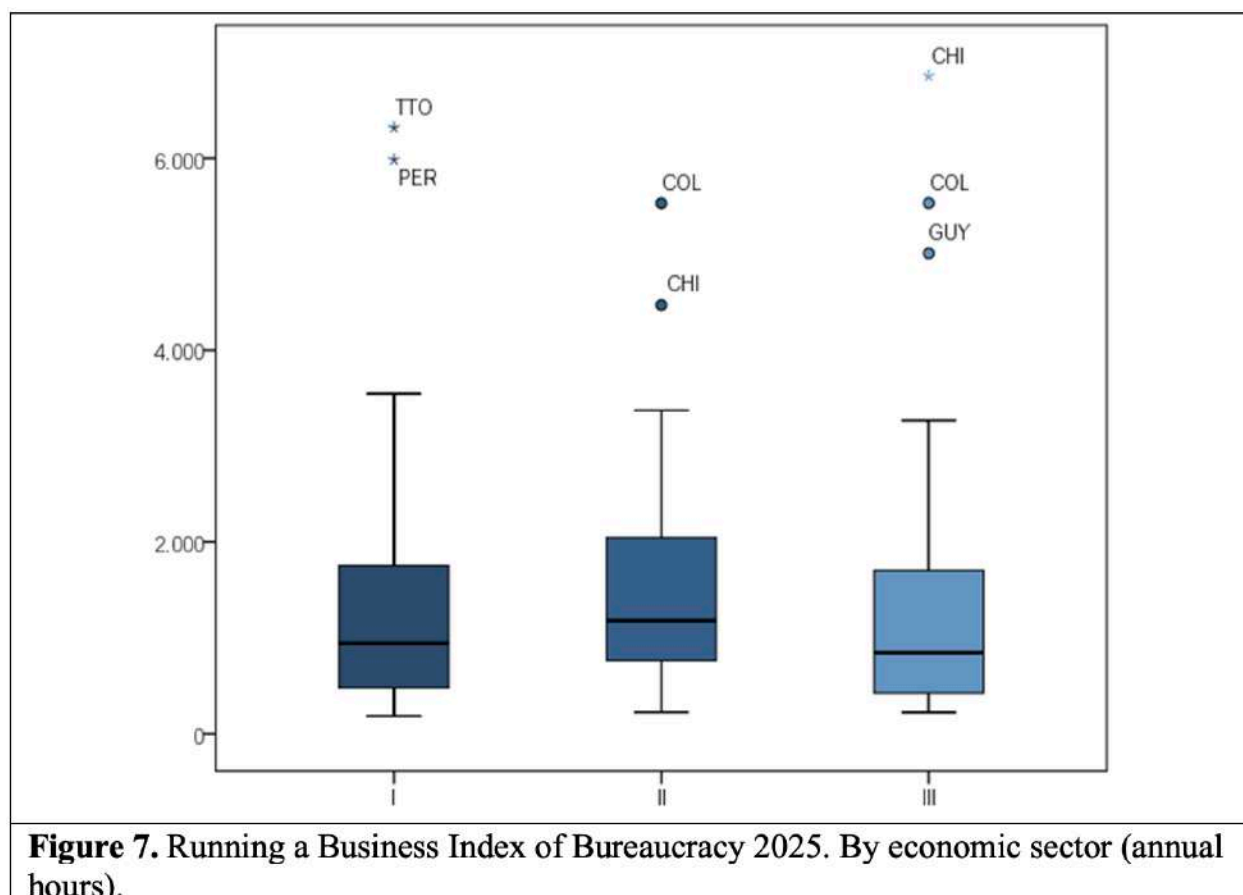
since the difference between the extremes of the series is almost 24 times. The minimum value recorded is 31 working days per year (equivalent to 12% of a worker's working time), while the maximum amounts to 732 working days of eight hours per year, which represents the need for at least three employees dedicated exclusively to complying with the bureaucratic requirements for business operations.

At the lower end of the series is Panama, with 246 hours per year, followed by Spain (342 hours per year), Ecuador (378 hours per year), Uruguay (410 hours per year), and El Salvador (435 hours per year). A second group, with average values between 500 and 1,000 hours per year, is made up of Mexico, Costa Rica, Portugal, and Paraguay. Also below average are Guatemala, Brazil, Honduras, Italy, and the Dominican Republic.

Two distinct groups are identified above the average: the first, with annual administrative burdens of less than 3,500 hours, includes Bolivia, Trinidad and Tobago, Guyana, Argentina, and Peru. The second group, made up of Colombia and Chile, has values of more than 5,000 hours per year, which implies that these medium-sized companies must have at least three full-time employees dedicated exclusively to complying with bureaucratic procedures to maintain the formal operation of the company.

Results by Economic Sector

An evaluation by economic sector indicates that, on average, in the countries under study, the economic sector least affected by the burden of running procedures is the primary sector (1,524 hours per year), followed by the tertiary sector (1,598 hours per year), with the



secondary sector reporting the highest burden (1,683 hours per year), however, the difference between them is not substantial.

The results show significant variability between countries, particularly highlighting the high bureaucratic burden registered in Colombia and Chile, both in the secondary sector (5,531 and 4,471 hours per year, respectively) and in the tertiary sector (5,533 and 6,860 hours per year, respectively). In both cases, the procedures with the highest incidence correspond to those linked to the Administration of Operations—especially those related to taxes and occupational health and safety—as well as to specific procedures for economic activity and supervision.

Likewise, a high bureaucratic burden is observed in the primary sector of Peru and Trinidad and Tobago, with 5,986 and 6,321 hours per year, respectively, where again the specific procedures according to the productive activity turn out to be the main determinants of

these high levels.

At the other end of the spectrum, countries with less bureaucratic burden in each economic sector stand out. In the primary sector, the best positioned are Panama, the Dominican Republic, and Spain, with 185, 249, and 397 hours per year, respectively. In the secondary sector, the lowest values correspond to Panama, Spain, and Uruguay (with 226, 246, and 254 hours per year, respectively). Finally, in the tertiary sector, the lowest levels of bureaucracy are recorded in Ecuador (223 hours per year), Panama (257 hours per year), and El Salvador (297 hours per year).

Beyond the values recorded, the intersectoral dispersion of results in each country is very dissimilar; in some countries, such as Colombia, Honduras, Panama, and Uruguay it is low, while in others, it is substantial, such as Chile, Guyana, Italy, and Peru.

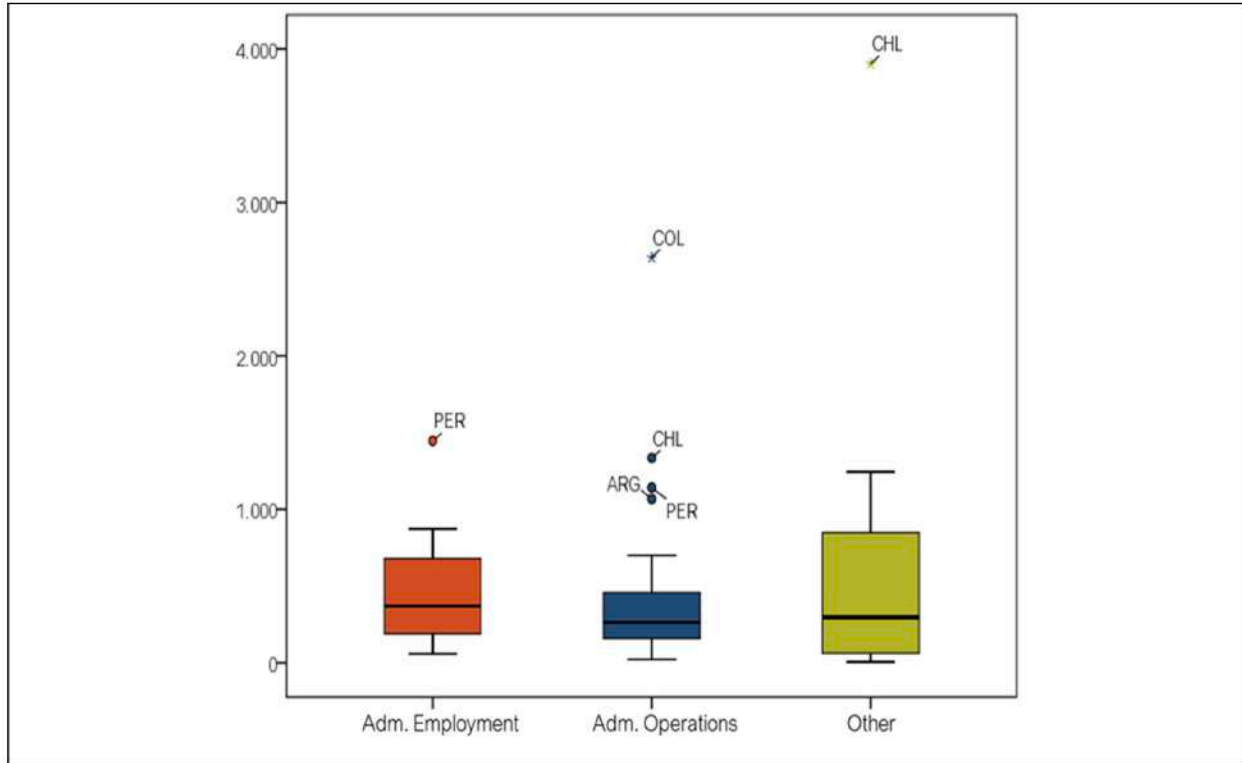


Figure 8. Running a Business Index of Bureaucracy 2025. Box chart by type of procedure.

Results by Type of Procedure

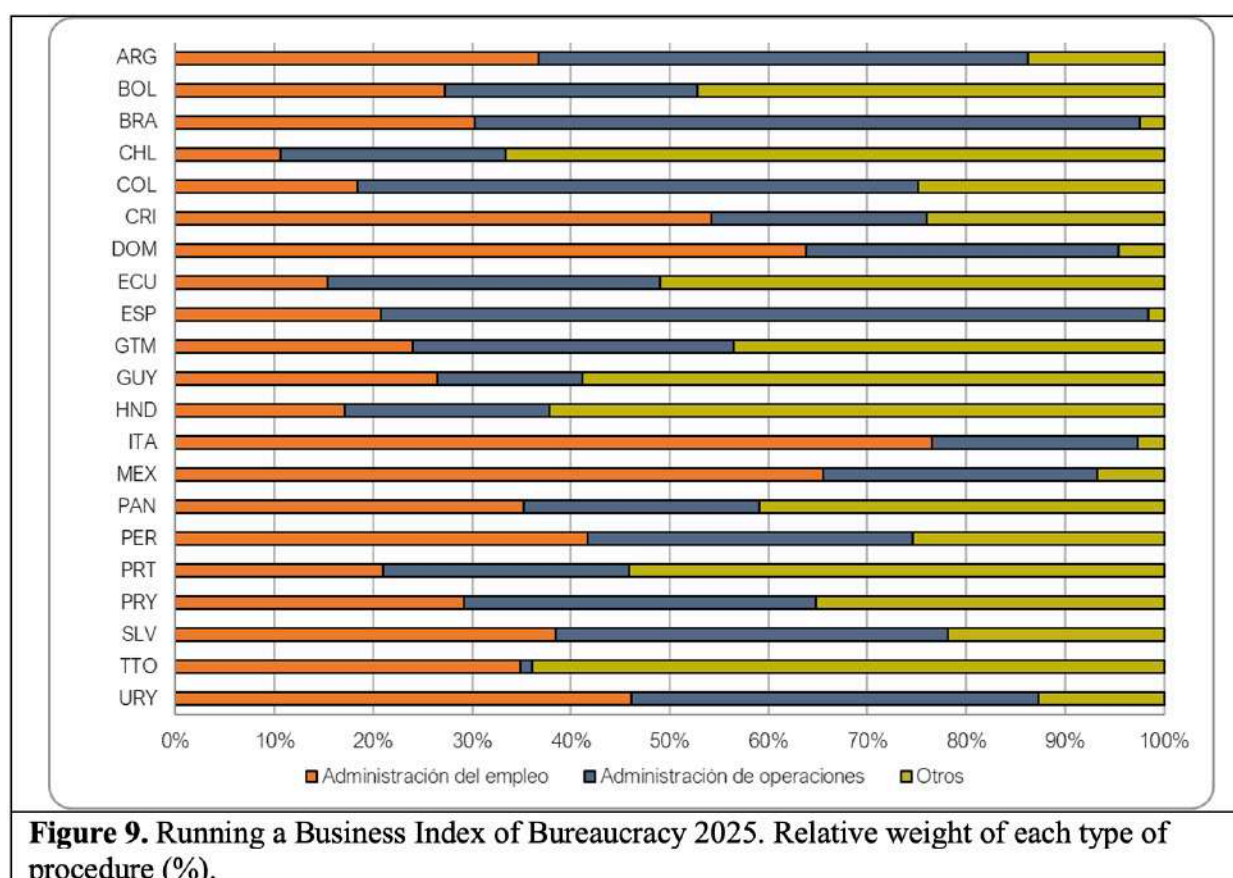
When considering the totals weighted by sectoral relevance, it is observed that the procedures under the category “Other,” with an average of 582 hours per year (73 working days), represent 28% of the working time. In this category, the specific procedures for productive activity and those derived from certifications and licenses stand out.

In second place are the procedures related to “Administration of Operations,” with an annual average of 498 hours, equivalent to 62 working days or 24% of a worker’s annual working time. In this group, tax procedures and those related to health and safety at work stand out.

Finally, there is the bureaucracy associated with the “Administration of Employment” with an average of 453 hours per year, which is equivalent to 57 working days or 22% of a worker’s annual working time.

It is important to highlight the enormous dispersion in the times required for each group of procedures. In the Administration of Employment category it is 289 times, in Administration of Operations it is 528 times and in Other 781 times. These results require treatment based on the particularities of each country

The box plot by groups of procedures (Fig. 8) clearly illustrates the biases in the distribution of the results of the Running a Business Index of Bureaucracy, as well as their respective medians. The “whiskers” in the graph reflect the dispersion outside the middle 50% of the distribution. This visualization allows the identification of outlier cases: Colombia, Chile, Peru, and Argentina in the procedures of Administration of Operations; Peru in Administration of Employment; and Chile in the Other category.



At the national level, there are substantial differences in the relative weight of each type of procedure. In Italy, Mexico, the Dominican Republic, and Costa Rica, procedures related to employment administration are the ones that have the greatest relative weight for medium-sized companies.

On the other hand, in Argentina, Brazil, Colombia, and Spain, the procedures associated with the Administration of Operations predominate, highlighting those related to the payment of taxes. Finally, in Chile, Trinidad and Tobago, Honduras, Guyana, Portugal, and Ecuador, it is the procedures included in the Other category that hold the greatest relative weight of the total Running a Business Index of Bureaucracy. The cases of Paraguay and El Salvador should be noted, where the three groups of procedures have a relatively balanced distribution (*see*. Fig. 9).

Cluster Analysis

Considering the running procedures, a cluster analysis was carried out, following a Principal Component Analysis. The results of the PCA show that the first factor accounts for 65.48% of

the inertia or variability, and the second factor accounts for 20.59%. There is a third factor that accounts for 13.93% of the inertia discarded in the analysis. It is worth noting that both the second and third factors showed eigenvalues below one (0.62 and 0.42, respectively). The first factor has a high correlation with the procedures within the classifications Adm. of Employment (0.84), Adm. of Operations (0.84), and Other (0.75); and the second factor has a higher correlation with the Other category (0.67).

Three clusters emerge from this, considering their combined similarities in the time required to comply with the bureaucratic procedures of medium-sized companies. Namely:

Cluster 1. This includes four countries: Argentina, Chile, Colombia, and Peru, which are located in positive coordinates of the first factor, so they present above-average values in Adm. of Employment, Adm. of Operations, and Other procedures (except Argentina).

Cluster 2. This includes 12 countries: Bolivia, Brazil, Costa Rica, Guatemala, Guyana, Honduras, Italy, Mexico, Paraguay, Portugal, Trinidad and Tobago, and Ecuador, which are located in negative coordinates of the first factor, so they present below-average values in Adm. of Employment, Adm. of Operations, and Other procedures (except Argentina).

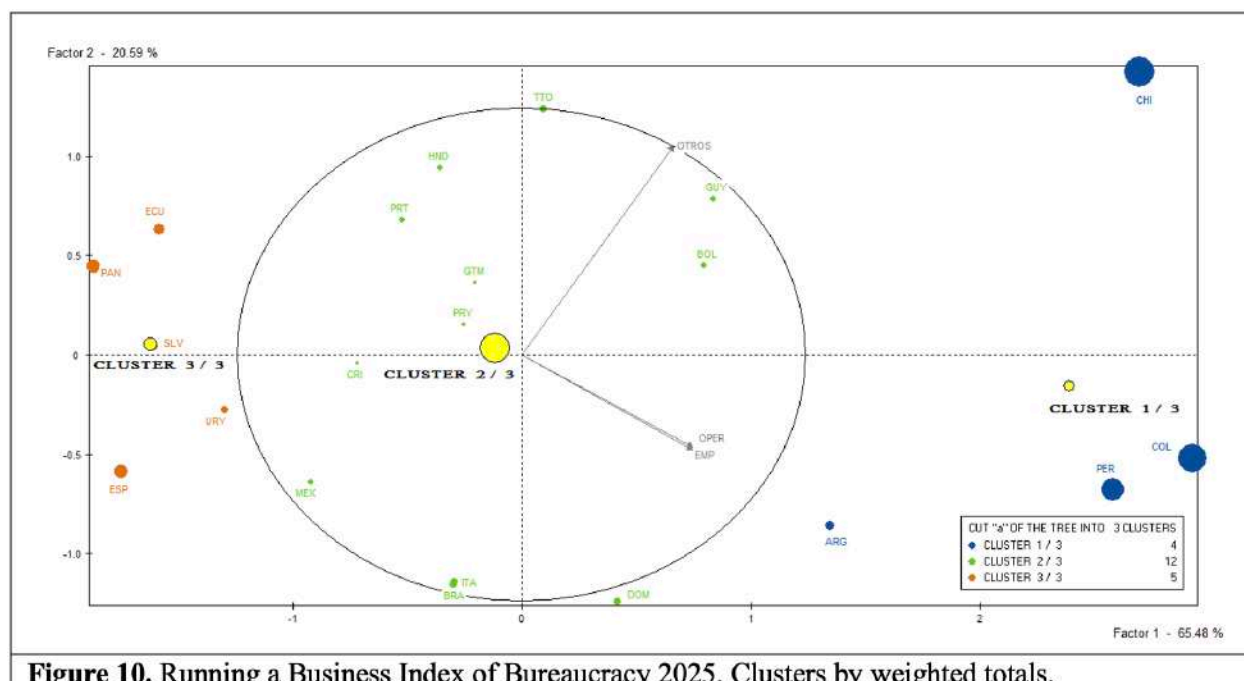


Figure 10. Running a Business Index of Bureaucracy 2025. Clusters by weighted totals.

Dominican Republic, and Trinidad and Tobago. This group stands out for below-average values in Adm. of Operations (except Brazil). Bolivia, Guyana, the Dominican Republic and Trinidad and Tobago are in the positive coordinates of the first factor, and present above average values in Adm. of Employment administration and Others (except the Dominican Republic), while those in the negative coordinates of the first factor present mostly below average values in the three types of procedures.

Cluster 3. This includes five countries: Ecuador, Spain, El Salvador, Panama, and Uruguay. This group of countries is in the negative coordinates of the first factor, indicating values below the average for all types of procedures.

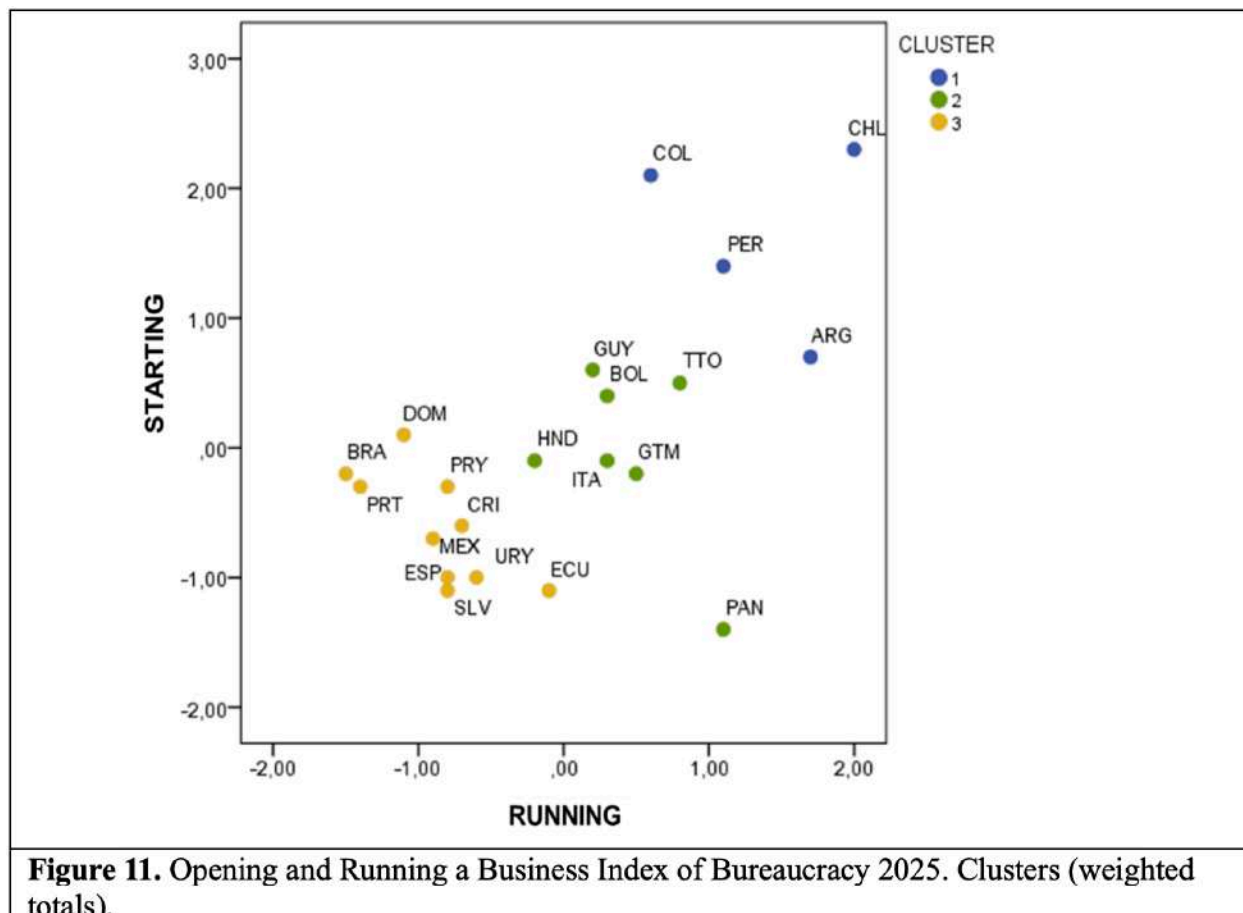
In short: Cluster 3 offers the best results, while Cluster 1 offers the opposite. The countries of Cluster 2 present in some cases opportunities

for improvement in Adm. of Employment and Other procedures.

II.4 Opening and Running a Business Index of Bureaucracy

Given that the agility of both opening and running procedures are of equal importance for the stimulation of investment and business productivity, both types of procedures were considered together and the statistical procedure of cluster analysis was applied. Emerging from it are three clusters or groups of countries, with clearly differentiated characteristics, which aim to offer specific guidance for the direction of public policy (*see* Fig. 12), namely:

Cluster 1. Includes four countries: Argentina, Colombia, Peru, and Chile. These are characterized by exhibiting, for the most part, high values (above average) for the opening



and running procedures.

Cluster 2. Includes seven countries: Bolivia, Guatemala, Guyana, Honduras, Italy, Panama, and Trinidad and Tobago. This includes countries with high values in opening procedures, all above average except Honduras. As for the running procedures, 3/7 exceed the average and 5/7 the median.

Cluster 3. Includes 10 countries: Brazil, Costa Rica, Ecuador, El Salvador, Spain, Mexico,

Paraguay, Portugal, the Dominican Republic, and Uruguay, which show below-average results in running and opening procedures.

In summary: The group of countries that are in Cluster 3 exhibits the best results, i.e., lowest level of required bureaucratic procedures, when seen together.



IV. Opportunity Cost of Bureaucracy

Up to this point in the report, the analysis has focused on the absolute hours dedicated to fulfilling bureaucratic procedures, without considering how these hours are prevented from contributing to the economy when they are not allocated to productive activities. This approach, while useful for operational comparisons, does not capture the true economic impact of bureaucracy on business and country productivity.

The opportunity cost of time spent on red tape represents precisely that loss: the potential benefits that do not materialize because resources—particularly time and human capital—are allocated to imposed obligations, rather than to higher value-added initiatives. In economies where productivity is high, that time has a higher value, as its alternative use could translate into innovation, efficiency, or expansion. However, in the context of low productivity, although the number of hours is the same, the opportunity cost is lower, in relative terms.

This difference is especially relevant when looking not only at aggregate levels of national productivity but also at the specific characteristics of economic sectors and the business life cycle. The same bureaucratic burden can have much more severe effects on a start-up than on an already established company, or in knowledge-intensive sectors compared to those with low operational complexity.

Accurately assessing this cost implies recognizing that we are facing a counterfactual

and uncertain dimension: it is not a question of what happens but of what could have happened if time had been used in a different way. For example, hours spent registering forms or meeting regulatory requirements could have been spent developing a new product, scaling an innovation, or strengthening the company's internal capabilities. In some cases, those alternative decisions could have triggered a significant transformation; in others, they may not have generated visible benefits. Still, it is critical to recognize that bureaucratic constraints limit options and thereby restrict the potential for value creation.

A first approach to this assessment is to consider the financial cost of the working hours used for the required bureaucracy. In this sense, the average minimum wage in the countries under study is US\$3.24 per hour, with a dispersion of 17 times between the extremes; with Guyana and Paraguay being the countries in the lower range, and Italy, Spain, and Portugal in the upper range. In such a way, the average destination of the company's financial funds to comply with the bureaucracy for opening procedures is US\$4,000 and for running procedures it's US\$5,800 per year.

The magnitude of the bureaucratic impact becomes even more apparent when examining specific cases. In Italy, for example, the high average wage level (US\$13.75 per hour) translates into a business start-up cost of approximately US\$28,600, while the annual operating cost amounts to about US\$16,000.

On the other hand, Panama also has a relatively high opening cost, driven both by a high average salary within the sample (US\$6.36 per hour) and by a considerable workload to complete the procedures (3,392 hours).

At the other end of the spectrum are countries with lower costs. Brazil, for example, has an estimated opening cost of US\$400, due to a combination of low bureaucratic burden and a low minimum wage. Similarly, El Salvador has an annual cost of US\$513 to keep a business running, reflecting a less onerous structure of procedures and a low labor cost.

This first exercise estimates the direct cost faced by companies to open and run formally, measured as the expenditure on personnel paid at the minimum wage. However, this approach does not capture the broader impact of reallocating these resources to non-productive functions. In many cases, these costs function as an incentive to informality, weakening efforts to reduce job insecurity and improve the State's tax collection capacity. It should be noted that the calculation presented is limited to the cost of working time and does not include the financial costs of the respective procedures.

A second approximation to the cost of bureaucracy is obtained by analyzing the value of committed labor productivity. According to the International Labor Organization (ILO) definition, labor productivity refers to the volume of output (measured in terms of GDP) generated per unit of labor (either people employed or hours worked) in a given period.

Based on the most recent data (GDP per hour worked, adjusted for purchasing power parity, in constant 2021 values), the average hourly productivity of the countries considered in the study is US\$33.30. The highest levels correspond to Guyana (US\$113.90), Italy (US\$74.40), Spain (US\$67.90), Portugal (US\$54.40), and Panama (US\$42.90). At the lower end are Honduras (\$8.05) and Bolivia

(\$9.34).

Under this logic, the average time spent on bureaucratic procedures to open a company represents a potential loss equivalent to US\$61,605 in national product per company, while the annual running procedures represent an additional US\$52,514 per company. If we consider that the countries included in the study have, on average, 1.8 million active companies and that approximately 262,000 new companies are created each year, the starting costs would amount to US\$16 billion, and the operating costs to US\$74.5 billion per year. Together, this represents a potential opportunity cost of US\$110 billion annually, equivalent to about 13% of GDP and 42% of the exports of the countries analyzed.

It should be stressed that, although these average values allow general approximation, they hide important differences within the sample: in some countries, the opportunity cost of a bureaucracy even exceeds the total value of their exports.

Finally, it should be noted that none of these estimates fully capture the structural impact generated by this diversion of resources on economic dynamics. Beyond the amounts wasted, in terms of production or financial expenses, bureaucracy represents a direct obstacle to business development, particularly for small and medium-sized enterprises in early stages. Its effect can be disproportionately negative, slowing down its ability to compete, grow, and innovate, and ultimately limiting the development potential of the economy.

V. Summary of Results & Final Comments

The *Index of Bureaucracy 2025* provides results for 21 countries: 16 Latin American, two Caribbean Commonwealth, and three European, namely: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Italy, Mexico, Panama, Paraguay, Peru, Portugal, Spain, Trinidad and Tobago, and Uruguay, which together represent more than 9% of the world's population and almost 10% of global output.

- **Two metrics are offered:** the first associated with the procedures required to open a company until its start-up; and the second that includes the set of bureaucratic requirements required to keep the company formally running.
- The **Opening a Business Index of Bureaucracy** shows an average of **1,850 hours**, which is equivalent to 231 eight-hour workdays, or approximately **eight working months**, with a minimum of 35 workdays in Brazil and a maximum of around two years, in Chile.
- The evaluation by economic sectors yields sample averages of 1,674 hours for the primary sector; 1,920 hours for the secondary sector; and 1,865 hours for the tertiary sector.
- In the primary sector, Portugal (243 hours) and Brazil (289 hours) lead the series. In the secondary sector, it is led by Brazil (216 hours), Spain (430 hours), and Portugal (502 hours). Meanwhile, in the tertiary sector, Portugal (164 hours) leads the series, followed by Brazil (309 hours).
- In general terms, the most demanding opening procedures are those specific to productive activity (1,079 hours), followed by those to be carried out at the municipal level (587 hours); the most agile being those associated with the request for basic services (272 hours).
- Argentina and Trinidad and Tobago present high outliers in certain types of opening procedures, in identification and registration; Guatemala and Peru in registration with national entities; and Italy and Trinidad and Tobago in request for basic services.
- The cluster made up of Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Spain, Honduras, Italy, Mexico, Paraguay, Portugal, Dominican Republic, and Uruguay, presents the best results in the Opening a Business Index of Bureaucracy.
- The **Running a Business Index of Bureaucracy** shows an average of **1,577 hours per year**, equivalent to 190 eight-hour workdays per year, which implies that **76%** of an employee's annual working time is dedicated exclusively to complying with bureaucratic obligations demanded by the public sector.
- This average ignores a high dispersion: the minimum value recorded is 31 working days per year (Panama), while the maximum (Chile) amounts to 732 working days,

which represents the need for at least three employees to comply with the bureaucratic requirements for running a business.

- The intersectoral analysis indicates that the economic sector least affected by the bureaucratic burden is the primary sector (1,524 hours per year), followed by the tertiary sector (1,598 hours per year), with the secondary sector reporting the highest burden (1,683 hours per year), however, the difference between them is not substantial.
- Of the running procedures, on average, the most demanding are those in the Other category (582 hours per year), highlighting the specific procedures for the productive activity and those derived from certifications and licenses. Next are those located in the Administration of Operations category (498 hours per year) and among them are tax procedures and those related to health and safety at work. Finally, there is the bureaucracy associated with the Administration of Employment (453 hours per year).
- The cluster made up of Ecuador, Spain, El Salvador, Panama, and Uruguay, offers the best results in the Running a Business Index of Bureaucracy.
- Considering both the Index of Bureaucracy for Opening and Running a Business, the countries that are in the cluster composed of Brazil, Costa Rica, Ecuador, El Salvador, Spain, Mexico, Paraguay, Portugal, the Dominican Republic, and Uruguay show the best results in 2025.
- Two approaches were made to grasp the **opportunity cost represented** by bureaucracy, the first considering the financial cost that the payment of the labor resource represents for the company for bureaucratic compliance, and the second considering the labor productivity of the countries under study.
- The average cost of the company's financial funds to comply with the bureaucracy for opening procedures is US\$4,000 and for running procedures of US\$5,800 per year. It is worth noting that these results are for each company.
- Considering the average labor productivity of the sample (US\$33.33 per hour), the opportunity cost of opening procedures is equivalent to a GDP of US\$61,605 and that of running procedures to US\$52,514 per year, and this, again, is for each of the companies.
- If we consider that the countries included in the study have, on average, 1.8 million active companies and that approximately 262,000 new companies are created each year, the start-up costs would amount to US\$16 trillion, and the running costs to US\$74.5 trillion per year. Together, this represents **a potential opportunity cost of US\$110 trillion annually, equivalent to about 13% of GDP and 42% of the exports** of the countries analyzed.
- Although theory and successful experiences in different latitudes underscore the importance of good governance, solid institutions, and comprehensive and sustainable development, the findings of this study make evident the need to urgently intervene in the structure of bureaucratic procedures linked to productive activity. This review should pay particular attention to medium-sized enterprises, given their importance in economic productivity and their ability to stimulate innovations that directly contribute to improving the quality of life of citizens.
- Efficient and transparent bureaucratic procedures are not merely desirable but essential. It is crucial to ensure that the truly necessary procedures are carried out with agility and clarity, while identifying and

eliminating those unjustified, redundant, or excessively intrusive requirements, which do nothing more than hinder private initiative and encourage unnecessary control.

- In this sense, the *Index of Bureaucracy 2025* seeks to be a practical tool for policymakers, business actors, and civil society. Its purpose is to provide useful empirical

evidence to rethink strategies, adjust instruments, and make informed decisions that reduce institutional bottlenecks and promote environments of greater freedom, productivity, and citizen well-being.



VI. Country Results

VI.1 ARGENTINA (ARG)

Fundación Libertad. A. Leonardi, J. Bongiovanni, F. Beltramone.

Argentina has an area of 3,761,274 sq km, a population of 47.68 million and a GDP of US\$521.7 billion. Production is divided by sector, with 11.5% of the total covering the primary sector, 25.3% the secondary sector, and 63%.2% for tertiary sector.

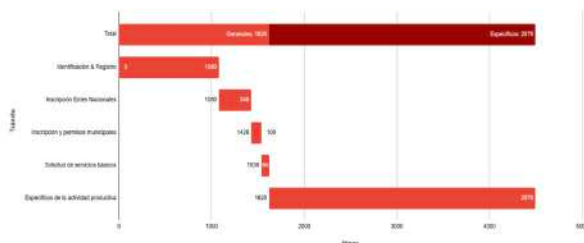
Medium-sized companies represent 5.9% of the total number of private companies in the country. The definition of “medium-sized” is based on the declared activity, total annual sales, the number of employees, and an asset cap. For this study, the most relevant productive activities for each sector were considered:

- Primary: fishing;
- Secondary: construction and electricity, gas and water; and
- Tertiary: education and financial intermediation.

Opening Procedures

Opening an SAS (Sociedad por Acciones Simplificada) in Argentina requires an average of 4,495.9 hours.

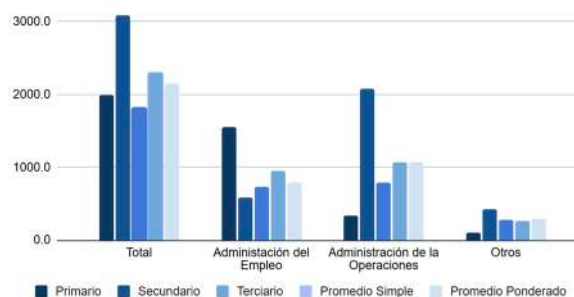
For identification and registration, the average time required is 1,080 hours. Registration in the Public Registry of Commerce, the generation of a tax identity and the necessary procedures for hiring employees consume 348 hours. The registration procedures and municipal permits take a time of 108 hours and the application for basic services is made on average in 84 hours. In addition, in



average values, specific procedures consume 64% of the time needed to open a small business in Argentina (varying according to the sector). In summary, the opening of a small business in the representative activity of the primary sector requires 4,136.9 hours (172 days), in the secondary sector 4,599.2 hours (192 days) and in the tertiary sector 4,418.6 hours (184 days).

Running Procedures

On average, small businesses in Argentina spend 2,156 hours/year complying with the required bureaucratic procedures. This equates to almost 90 continuous days and 270 8-hour workdays, i.e. 108% of the 250 working days in 2025. There is considerable disparity between the different sectors in terms of the time spent to carry out bureaucratic procedures, mainly between tertiary and secondary sector, with the latter being 1.7 times greater than the former. The procedure related to the payment of Value Added Tax (VAT) is on average (weighted), the one that demands the highest number of hours, with 228 hours/year. Thus, it represents 21% of the time of the category to which it belongs and 11% of the total time.



VI.2 BOLIVIA (BOL)

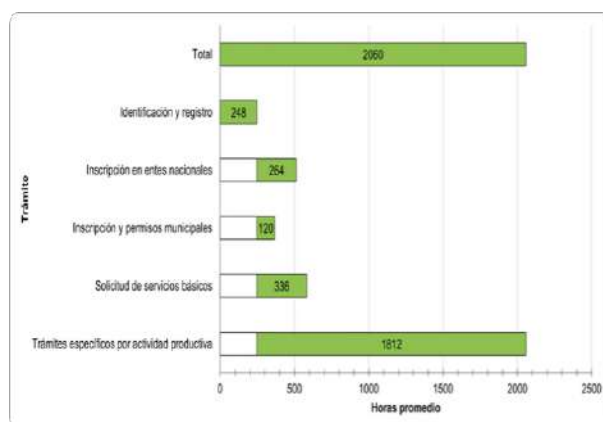
Libera Bolivia. Jorge Velarde Rosso, Leonardo Siles.

Bolivia is a country of 12.5 million inhabitants, an area of 1,098,581 sq km, and a GDP per capita PPP (purchasing power parity) of US\$10,925. Of the total domestic production in 2024, 23.1% corresponds to the primary sector, 23.8% to the secondary sector, and 53.1% to the tertiary sector of the economy. Medium-sized companies in the country represent 5.5% of the total number of companies registered in the Commercial Registry and are defined, according to Bolivian regulations, according to the following formula:

$$I = \sqrt[3]{\frac{\text{Income annual sales}}{35,000,000} \times \frac{\text{Assets}}{21,000,000} \times \frac{\text{Employed personnel}}{100}}$$

For this study, the most relevant productive activities of each sector were considered, namely:

- Primary: cultivation of agricultural products in combination with animal husbandry;
- Secondary: construction of buildings; and
- Tertiary: retail sale of fuels for motor vehicles in specialized stores.

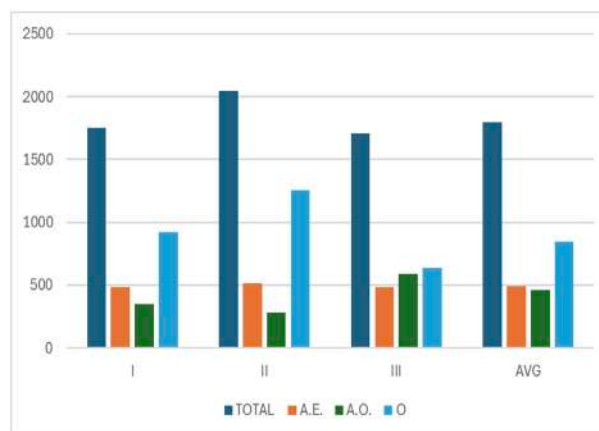


Medium-sized companies in the primary and tertiary sectors are subject to specific opening procedures. In the case of agricultural companies, an additional 2,880 hours are required to obtain essential import registrations for the sector. For fuel distributors, the marketing registration adds 2,160 extra hours to the opening procedures. Construction companies do not register specific opening procedures.

The specific procedures, included in the Other category, represent the largest proportion of the total hours for medium-sized companies in the primary

and secondary sectors, before entities that certify the handling of the products used in these companies.

In addition, tax procedures (Adm. of Operations) represent the largest proportion for companies in the tertiary sector, taking into account the commercial nature of service stations.



VI.3 BRAZIL (BRA)

Instituto Millenium. Wagner Lenhart, Paulo H. Resende, Mariana Piaia Abreu.

Brazil has an area of 8,510,417 sq km, a population of 213 million inhabitants and a GDP of US\$2.178 trillion. Its production is distributed by sector in 11% primary, 21% secondary and 68% tertiary.

Medium is defined as any company with revenues between US\$800,000 and \$50 million, and with 50 to 99 employees in services, or between 100 and 499 employees in the industry. Despite their lower frequency (6.5% are medium or large), medium-sized companies represented 17.8% of the workforce (IBGE-Cempre).

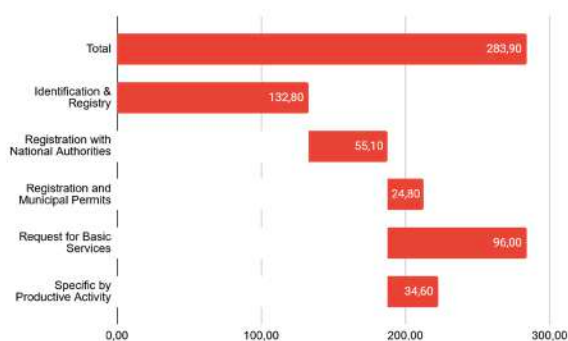
The most relevant sectoral productive activities are:

- Primary: livestock;
- Secondary: construction of buildings;
- Tertiary: real estate.

Opening Procedures

In general, the specific procedures for productive activity were the slowest, individually, and include rural and environmental licenses. The longest group of procedures was Identification and Registration, despite the fact that all procedures are carried out digitally.

The time required to open a company was on average 283.92 hours, with a moderate variation by sector. The tertiary sector was the one that showed the greatest load (309 hours), due to the cumbersome national registration procedures, while the secondary sector was the one that demanded the least time. A notable aspect of the opening is the possibility of processing numerous procedures in parallel, which significantly reduces the start-up time.

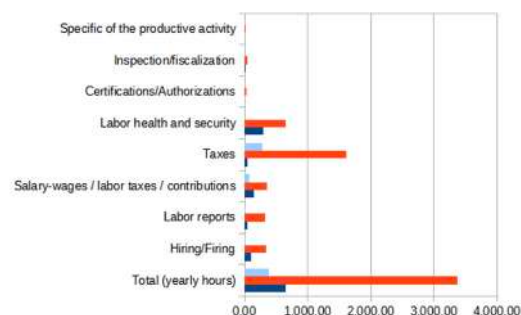


Another interesting result relates to the Economic Freedom Act, which exempts low-impact activities (sectors I and III) from some licenses, including the Fire

Department (CIE) Inspection Certificate and the Sanitary License, which contributed to a faster opening in the sectors contemplated.

Running Procedures

It includes all the mandatory procedures for a company to operate legally: labor and tax obligations, maintenance of general and specific licenses, and other procedures. Companies dedicate 1,039 hours/year to mandatory routine bureaucratic procedures. The construction sector was the one that presented the highest burden related to employment management (1020 h/year) and tax returns (1615 h/year), given the high turnover of personnel in the sector and the complexity of corporate and interstate taxes.



These companies also spend most of their time on mandatory labor statements, procedures, and reports, including training activities, safety documentation, and management of personal protective equipment (PPE) for workers, as required by regulatory standards. On average, low-risk, low-impact activities such as livestock and real estate management faced simpler bureaucracy, although agricultural companies spent a considerable portion of their time on occupational health procedures. Although most processes are digital, the complexity of the tax system and labor regulations require companies to invest considerable time and effort, in addition to their direct financial costs.

On average (weighted), companies spent 315 h/year on personnel management and 699 h/year on operational bureaucracy.

VI.4 CHILE (CHL)

*Instituto Libertad y Desarrollo. Bettina Horst,
Nicolás Durán.*

Chile has an area of 756,945 sq km, a population of 19,961 million inhabitants, and a GDP of US\$335.627 billion. This production is distributed by sector with 11.9% primary, 20.4% secondary, and 68.9% tertiary.

Medium-sized companies represent 2.5% of companies and are defined as “those companies whose annual revenues from sales, services, and other activities in the field are greater than 25,000 development units and do not exceed 100,000 development units or those that have 50 to 199 workers hired.” In this study, classification according to sales is used, because it is the approach widely used in the country’s public policies.

In this way, the most relevant productive activities for each sector were considered:

- Primary: cultivation of perennial plants; livestock; extraction of stone, sand and clay;
- Secondary: construction of buildings; completion and finishing of buildings; and
- Tertiary: funds and investment companies and similar financial entities; wholesale of food, beverages and tobacco.

Opening Procedures

Starting a medium-sized company in Chile requires, on average, 5,227 hours, which is equivalent to 218 continuous days. Some 40% of the time is spent on carrying out general procedures, while the remaining 60% corresponds only to specific procedures for the different productive activities. The distribution of time is presented below:

The tertiary sector is the one that has the longest time for the opening of companies, mainly explained by the long duration in the processing of the health report and food permit, and to which is added the long wait to obtain the municipal permit.



Running Procedures

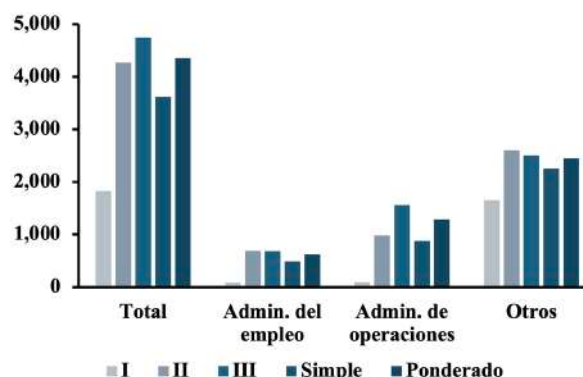
Keeping a medium-sized company in operation in Chile requires, on average, 5,860 hours, which is equivalent to 244 days.

More than 66% of the time is spent complying with inspections and audits, certifications and authorizations, renewals of municipal licenses and sanitary and environmental permits, as well as other specific procedures of the productive activity.

There are differences between sectors. For example, the primary sector is the one with the shortest duration of total time required, which is equivalent to less than half the time of the other sectors.

The secondary sector takes the longest to process health and environmental permits, because the construction industry must maintain contractor registration and process remodeling permits and construction acceptance permits.

Meanwhile, the tertiary sector has the longest processing time in the renewal of sanitary and environmental permits, explained by the trade sector.



VI.5 COLOMBIA (COL)

*Instituto de Ciencia Política Hernán Echavarría Olózaga.
Andrea Calle; Óscar Torrealba; Carlos Augusto Chacón.*

Colombia has an area of 1,141,748 sq km, a population of 52.32 million inhabitants, and a GDP of US\$363.57 billion. This production is distributed by sector in 14.88% primary, 15.80% secondary, and 69.32% tertiary. Medium-sized companies represent 1.54% of the total number of companies and are defined as those whose income from annual ordinary activities exceeds 204,995 Tax Value Units (UVT) and equals or does not exceed 1,736,565 UVT. By 2025, the UVT is 49,799 COP (approximately US\$11.85).

This study considered relevant productive activities by sector:

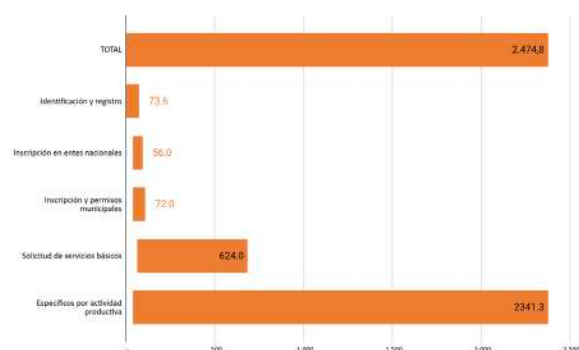
- Primary: agriculture and livestock;
- Secondary: manufacturing industries; and
- Tertiary: wholesale and retail trade.

Opening Procedures

In Colombia, some companies are only required to obtain a commercial registry and register with national and municipal tax entities. These procedures are the least time-consuming. Most of them are already digitized, and there is interoperability between Chambers of Commerce, provinces, and the DIAN. However, this can vary by city.

There are great differences in times depending on the productive sector. Businesses that require specific licenses or registrations face greater delays. Procedures before Invima, for example, can take between two months and two years. Another procedure with long times is the registration of a trademark, key to the protection of intangible assets. In the case of electronic invoicing, the times were estimated based on the DIAN's free software, although there are also private options.

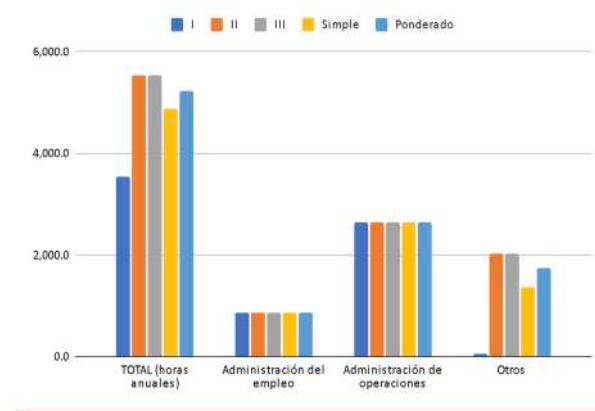
Running Procedures



By 2025, 50 procedures required by 18 entities were identified, of which 39 are general and 11 are specific, according to the productive sector.

Unlike previous years, where the study focused on small companies with low knowledge of their obligations, in this edition medium-sized companies were analyzed. These tend to have greater formalization, standardized information, and specialized equipment, which facilitates regulatory compliance. However, with more employees, multi-site operations, and increased oversight, the frequency and time spent on paperwork tends to be greater.

A significant burden remains in the implementation of the General System of Safety and Health at Work (SGSST),



and in some cases also of the Sagrilaft and the Ethics and Business Transparency Programs (PTEE). Many entrepreneurs expressed the need to have dedicated people or teams to manage these obligations.

There are still procedures that are not applied uniformly and important differences were observed according to the sector and previous experience with the procedures.

In the primary sector, changes in the number of employees according to seasonality affect the times that certain procedures can take. In the secondary sector, a high regulatory burden was identified. Companies in the pharmaceutical, cosmetic, or chemical industries must comply with requirements such as product registrations, waste management, prevention of money laundering, and permits for the use of certain materials.

VI.6 COSTA RICA (CRI)

IDEAS Labs. Luis E. Loria and Ester Méndez.

Costa Rica has an area of 51,100 sq km and a population of 5.16 million (2024), according to the National Institute of Statistics and Census (INEC). The GDP at market prices was US\$95.35 billion (2024) and the GDP per capita of US\$18,461.70 (2024), according to figures from the Central Bank of Costa Rica (BCCR).

According to the contribution of the Legal Units²³ (UJ) to GDP by ISIC rev. 4 section, according to the amount of income, for the year 2022, published by the BCCR, 4.8% corresponds to the primary sector, 22.1% to the secondary sector, and 73.1% to the tertiary sector. From the same figures, classified according to the size of the companies, it can be deduced that microenterprises contribute 19.1% of GDP, small companies 10.6% of GDP, medium-sized companies 10.7% of GDP, and large companies 59.6%.

To assign the size to the Legal Units, the formula published by the Ministry of Economy, Industry, and Commerce (MEIC) is applied, to determine the size of the companies, in which the number of workers, the annual income, and the level of the company's assets are considered.

According to these classification criteria, for the year 2022, the BCCR Business Statistics classified a total of 350,875 Legal Units, of which 95.7% correspond to microenterprises, 2.9% to small enterprises, 0.9% to medium-sized enterprises and 0.6% to large enterprises.

After determining the economic activities with the highest participation of medium-sized companies by economic sector, the following representative activities were selected:

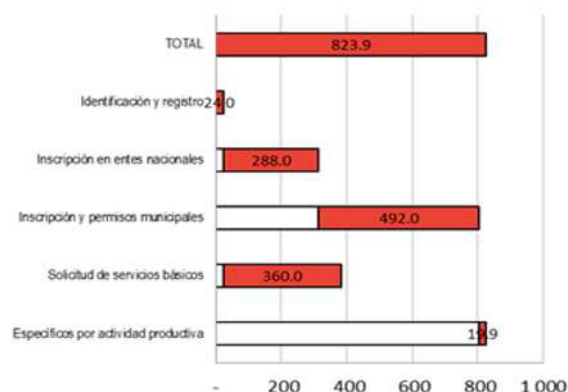
- Primary: companies engaged in the cultivation of non-perennial plants and cultivation of perennial plants;
- Secondary: companies engaged in the production of food products; and
- Tertiary: companies dedicated to retail trade, except motor vehicles and motorcycles.

Opening Procedures

For the purposes of this study, the hours it would take for a legal entity to enter into operation in the canton of San José, Costa Rica, were determined. On average, a medium-sized company could be operating after

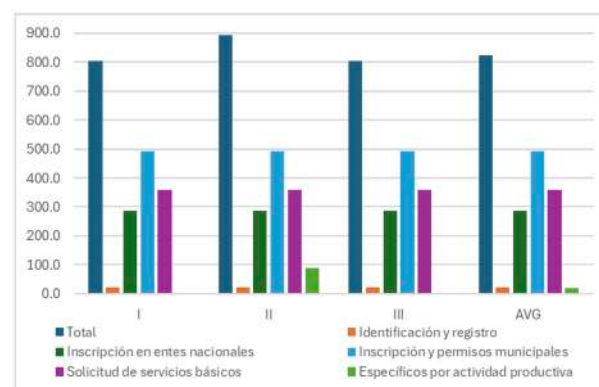
investing 823.9 hours.

Running Procedures



In Costa Rica, the average time in hours used by a medium-sized company to comply with daily procedures and remain formal, weighted by the weight of the economic sector, is 682.8 hours/year.

The calculations show that the secondary sector is where the most hours are consumed in procedures, with 804 hours/year, followed by the tertiary sector, with 462.7 hours/year and, finally, by the primary sector, with 462.7 hours/year.



VI.7 DOMINICAN REPUBLIC (DOM)

OMG. Monika Melo, Angela Santana.

23 The legal unit (UJ) is defined as “legal persons whose existence is recognized by law, independently of the persons or institutions that own them or are members of them, or natural persons who, as independent, carry out an economic activity” (Eurostat, 2010).

In recent years, the Dominican Republic has been characterized by its social, political, and economic stability.

By 2024, the Dominican economy registered a year-on-year growth of 5%, positioning itself as the second fastest-growing economy in the region. For that period, the GDP registered a balance of US\$124.5 billion and a GDP per capita of US\$11.5 billion (BCRD, 2025).

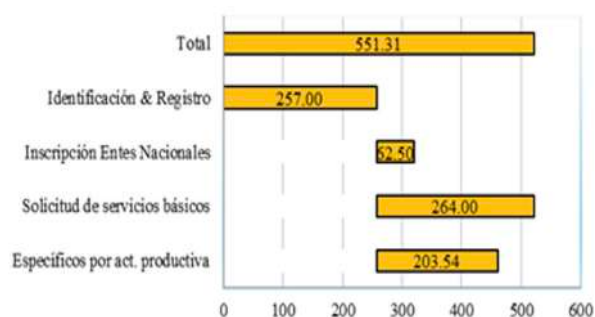
Local production is distributed between primary sector with 5% of GDP, secondary sector with 29%, and tertiary sector with 66%. As for the total number of companies, there are about 7,100 formal companies defined as *medium-sized enterprises*, of which 77.9% are registered in service activities (tertiary sector), followed by companies with industrial activities with 18% (secondary sector), and the rest belong to agricultural activities with 4.1% (primary sector).²⁴ Medium-sized companies are defined by regulations²⁵ as those that meet the following characteristics: a) From 51 to 150 workers; and, b) Annual gross sales of up to RD\$279,004,672.76.

In this study, the most relevant productive activities were considered by sector. Within the medium-sized companies, these were:

- Primary: cultivation of tropical and subtropical fruits;
- Secondary: building construction and other civil engineering works, free trade zones and other manufacturing industries; and
- Tertiary, wholesale and retail trade cargo handling services and advertising services.

Opening Procedures

With a variety of types of companies available, the sectoral representative company usually chooses to incorporate into a Limited Liability Company (LLC) or domicile a foreign entity. Registration procedures with the appropriate authorities and those for basic services are the same in all sectors, but some economic activities may require additional registration and permits. Many procedures have digital or hybrid options, but some users prefer to carry out face-to-face procedures. Some free zone companies benefit from starting support services, depending on their location. On the other hand, excessive



time in opening bank accounts is repeated, regardless of the financial institution used.

Running Procedures

Some companies reflect many hours in running procedures in comparison to the small companies analyzed in previous years, due to the number and complexity of their transactions, as is significantly highlighted in the tertiary sector in companies dedicated to wholesale and retail sales.

The number of hours invested in hiring and firing employees of free zone companies is also noteworthy, due to the high turnover of personnel in this type of industry. The construction sector presents great differences in hours between the companies interviewed, depending on the number of real estate projects developed by them, since the frequency and complexity of many procedures are directly related to the number or type of projects executed.

Procedures	Economic Sectors			Averages	
	I	II	III	Simp.	Wtd.
Total	249.43	2,793.90	814.75	1,286	1,367
Adm. Employment	61.70	1,397.39	699.18	719.42	873.08
Adm. Operations	169.40	1,186.68	114.44	490.17	431.07
Other	18.33	209.83	1.13	76.43	63.07

VI.8 ECUADOR (ECU)

²⁴ Report on registered companies from the Ministry of Industry, Trade and MSMEs (MICM)

²⁵ Law No. 488-08, which establishes a Regulatory Regime for the Development and Competitiveness of Micro, Small and Medium-sized Enterprises (MSMEs) of December 30, 2008, and complementary regulations; indexed in accordance with the law, through Resolution No. 63/2024 of the Ministry of Industry and Commerce (MIC).

*Instituto Ecuatoriano de Economía Política (IEEP).
Joselo Andrade, Gerardo Verdecia, Danilo Vélez, Isaac Román and Iván Zambrano.*

Ecuador has an area of 283,561 sq km, a population of 16,938,986 inhabitants, and a GDP of US\$124.6 billion. This production is distributed by 18.96% primary sector, 19.72% secondary sector, and 61.35% tertiary sector.

In Ecuador, medium-sized companies represent 1.26% of total companies and are defined as those units with an annual sales volume ranging from \$1,000,001 to \$5,000,000 and/or register between 50 and 199 workers, the first criterion prevailing.

For this study, the most relevant productive activities for each economic sector are considered, namely:

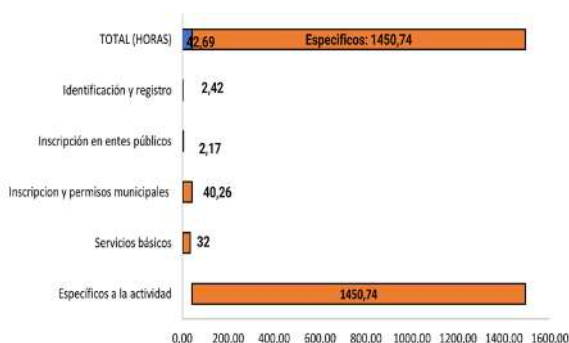
- Primary: cultivation of tropical and subtropical fruits (A0122) and marine aquaculture (A0321);
- Secondary: manufacture of clothing, except leather garments (C1410) and construction of buildings (F4100); and
- Tertiary: wholesale of food, beverages and tobacco (G4630), architectural and engineering activities and related technical consultancy activities (M7110) and road freight transport (H4923).

Opening Procedures

The opening procedures in Ecuador add up to a total of 1,493.43 hours, divided into general and specific procedures for productive activity.

Thanks to the new methods available to set up a company implemented in recent years, general procedures take an average of 42.69 hours, although municipal procedures may vary.

Specific procedures are those that require more hours,



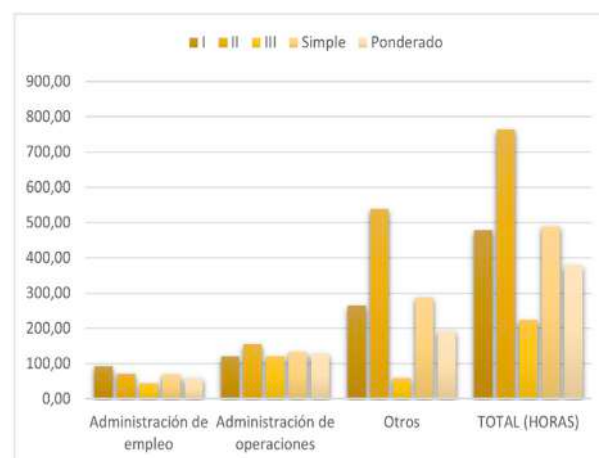
depending on the productive activity. For example, in activities in the primary sector, or in transport in the

tertiary sector, obtaining permits takes an average of 720 hours and can take up to six months.

Running Procedures

Keeping a business in operation takes an average of 378.33 hours. The secondary sector bears the greatest burden, mainly due to the procedures required for the construction sector, which can reach 764.52 hours.

The specific procedures for the activity are the most problematic, especially for banana and shrimp companies in the primary sector, construction in the secondary sector, and transport companies in the tertiary sector. Complying with the payment of the tax requires about 121 hours, and the differences in the Administration of Employment occur according to the rotation and dismissal of the personnel of each activity.



VI.9 SPAIN (ESP)

CITAD (University of Alcalá). María Crespo Garrido, José María Ruiz.

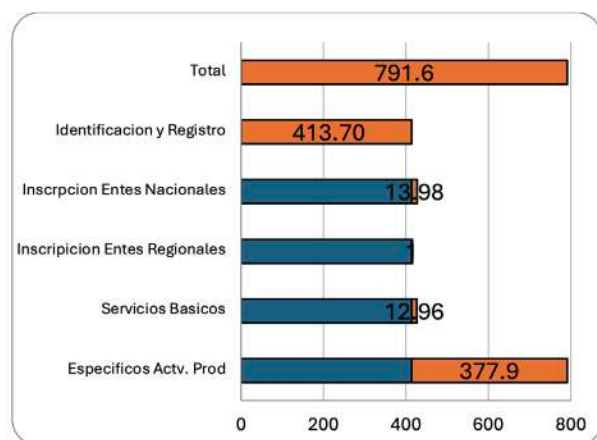
In 2023 in Spain, there are 2,942,716 SMEs, of which 27,261 are medium-sized companies. The weight, in terms of employment, is distributed in the following sectors: 0.30% agricultural sector, 3.40% in industry, 0.60% in construction, and 0.90% in the service sector.

Opening Procedures

To open a small company in Spain, an average of 791.6 hours are required, which is equivalent to 98.95 days, to comply with the requirements demanded by the 26 state, regional, local, and private bodies.

The Spanish territorial distribution means that the average duration of identification and registration procedures reaches 423.7 hours; As for the starting time, the regional requirements to be fulfilled take an average of 1 hour and the state requirements, in turn, 13.98 hours. For the concession of basic services such as water, light, and electricity, it takes an average of 12.96 hours and for specific activities 377.9 hours are allocated.

The company representing the primary sector, on



average, spends 396.87 hours complying with the opening procedures, with 335.5 hours dedicated to complying with the specific procedures of the sector. The company representing the secondary sector spends 345.82 hours, of which 236.25 are used in specific procedures in this sector. And, in the case of the tertiary sector, they dedicate 329.51 hours, of which 279.17 are used in specific procedures in the sector.

Running Procedures

Small companies, on average in Spain, spend 342.07 hours a year complying with the procedures required to maintain their operation. This time in the tertiary sector is shorter (329.51 hours) and longer in the primary sector (396.87 hours), despite the fact that in this sector most entrepreneurs can benefit from simplified tax regimes. Most of the time spent is not directly related to tasks related to business development, such as those related to employment (70.68 hours in the primary sector 52.53, in the secondary sector 99.07, and 45.65 in the tertiary sector) but, most of the time, employers spend it on tasks that can be called “purely bureaucratic,” as they are related to fiscal bureaucracy: waste, 68.59 hours; related to health and hygiene at work, 29.06.

Finally, it should be noted that, given the difficulties in the fulfillment of certain tasks, the employer must hire the services of a third party, which, in addition to entailing an additional cost, does not exempt him from having to spend almost three hours on average in the fulfillment of tasks of a statistical or legal nature (2.5 in the primary sector, 6 in secondary sector, and 0.33 in tertiary, on average).



VI.10 GUATEMALA (GTM)

Centro de Investigaciones Económicas Nacionales,

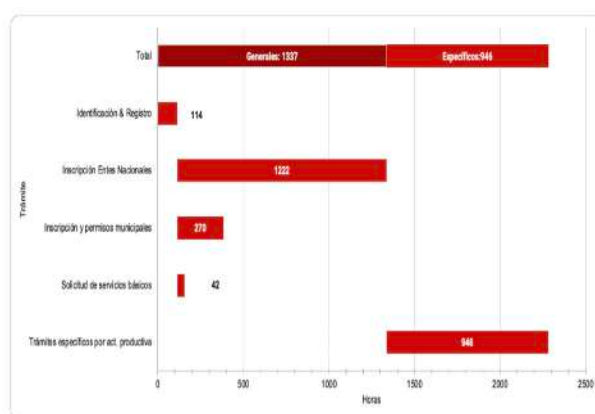
Guatemala has an area of 108,889 sq km and an estimated population of 16 million inhabitants (2018). The country's economic structure is distributed in 11% for the primary sector, 23% for the secondary sector, and 66% in the tertiary sector. In Guatemala, medium-sized companies have 81 to 200 employees, with annual sales between 3,701 and 15,420 minimum wages.

For the study, the most relevant activities for each sector were considered: agriculture, livestock, fishing, hunting and related service activities for the primary sector; manufacturing the secondary sector, and commerce; vehicle repair and other service activities such as repairs, cleaning, hairdressing for the tertiary sector.

Opening Procedures

Opening a company in the city of Guatemala requires an average²⁶ of 2,283.1 hours, equivalent to 95.12 days, to comply with the procedures required by twelve State agencies.²⁷

Of this total, 1,337 hours (58.56%) corresponds to general procedures, that is, those that are mandatory regardless



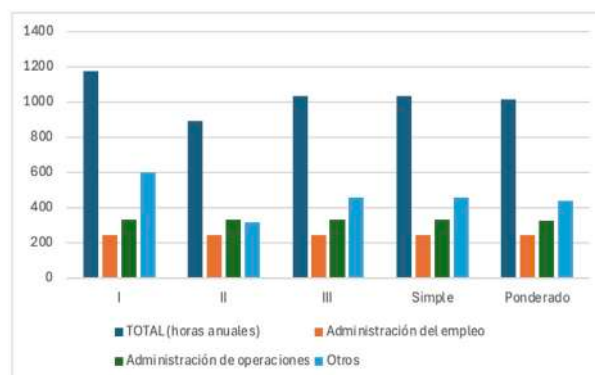
of the productive activity to which the company is dedicated; and 1,070 (41.44%) hours correspond to specific procedures for the productive activity to be carried out.

Running Procedures

On average,²⁸ medium-sized companies in Guatemala spend 1,016 hours/year complying with the required bureaucratic procedures. This equates to more than 42 continuous days and 127 eight-hour workdays, or 51% of the 249 working days during the year 2025.

The “Adm. of Employment” group, with 244.2 hours, constitutes 24% of the total hours and includes contract and dismissal procedures, work and salary reports, taxes and contributions. The “administration and operations” procedures add up to a total of 330.5 hours, which represent 32.46% of the total procedures and include payment of taxes, and health and safety at work. Finally, the weighted time of procedures in the Others category results from adding the certification/authorizations, inspection and audits, legal and specific procedures of the productive activity, reaching a total of 459.4 hours.

In summary, companies in the primary sector allocate a total of 1,175 hours to comply with the necessary procedures for their economic activity; those in the secondary sector a total of 894 hours per year; and companies in the tertiary sector add up to 1,033 hours a year.



VI.11 GUYANA (GUY)

Sustainability Consulting. Fitzgerald Yaw, Dianna

26 This average is the total of the procedures required of all companies and the weighted average of the specific procedures, by the weight of each economic sector, according to the total GDP, indicated by the Bank of Guatemala. The simple average is 2,407 hours.

27 Specifically, twelve government institutions and two service companies.

28 It corresponds to the weighted average of each economic sector according to GDP, indicated by the Bank of Guatemala. The simple average is 1,034 hours/year.

DaSilva-Glasgow.

Guyana has an approximate population of 800,000 and an area of 214,000 sq km. In 2024, Guyana's real GDP was US\$26.81 billion (GYD 5.643 billion), representing a growth of 43.6% over 2023.

The primary sector accounts for 80.81% of GDP, compared to 5.83% for the secondary sector and 13.36% for the tertiary sector. Medium-sized companies have between 15 and 51 employees.

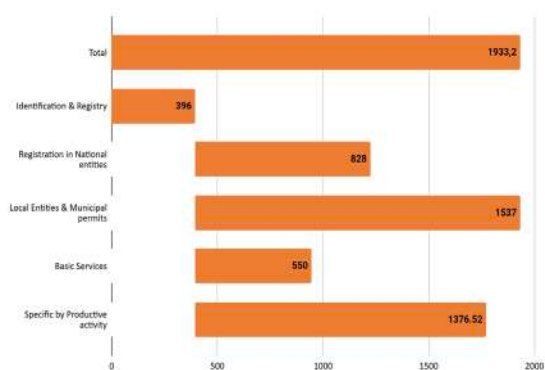
For this study, the activities selected for each sector were:

- Primary: gold mining;
- Secondary: construction; and
- Tertiary: wholesale/retail distribution (vehicles and technical services).

Opening Procedures

Starting a medium-sized company requires approximately 26 procedures and contacting about 20 entities, with a general average of 1,933 hours (80.6 days). The procedures common to all companies, such as the registration of the trade name or the procedures with the tax and labor authorities, take approximately 396 hours (16.5 days) in total, with an estimated total of 9 procedures. However, there are additional industry-specific requirements, such as licenses, permits, and approvals.

By economic sector, companies in the primary sector are the ones that need to invest the most time, which was

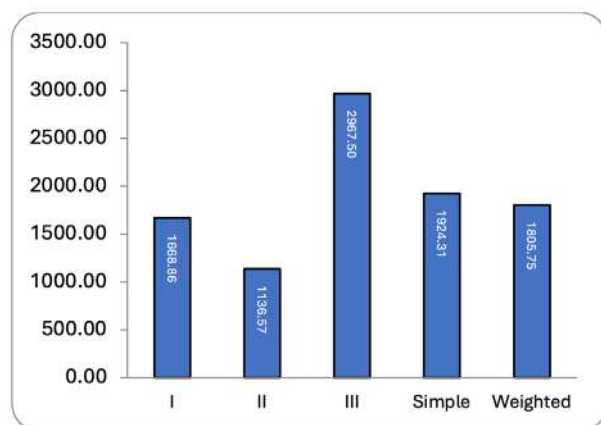


estimated at 1,560 hours (65 days). In the secondary sector, the starting of a company requires 1,440 hours (60 working days), while in the tertiary sector, 204 hours (8.5 working days).

Running Procedures

Medium-sized companies have to carry out around 30 procedures to maintain their activity, which is equivalent to an average investment of 1,806 hours or 72.5 business days. The waiting time to obtain the NIS certificate of compliance, municipal/building permits and Occupational Health and Safety certifications are the ones that require the greatest investment of time, compounded by the lack of digitalization of procedures. Procedures with the Guyana Revenue Authority are less time-consuming thanks to digitalization.

For the tertiary sector, obtaining certifications, authorizations, and licenses is more cumbersome



compared to other sectors, mainly because of the existence of several types of licenses that service providers in the retail/distribution and automotive services sector must obtain or renew to continue their business, such as oil licenses, commercial and miscellaneous licenses, and chemical licenses. In the tertiary sector, companies may have to invest up to 2,968 hours or 124 days to keep their business running.

The secondary sector requires 1,137 hours (47 days) and the primary sector, 1,669 hours (70 hours) to continue its operations.

VI.12 HONDURAS (HND)

CEDATOS. Nancy Córdova L., Carlos Licon.

Honduras has an area of 112,492 sq km, an estimated population of 10.6 million, and a GDP of about US\$33.65 billion. The GDP is distributed by sector, approximately 36.7% primary, 18.9% secondary, and 44.4% tertiary.

Medium-sized companies represent a small percentage of the total and are usually defined as having between 51 and 150 employees, and annual sales between HNL 10 million and HNL 25 million. This study considered relevant productive activities by sector that predominate:

- Primary: agriculture, and livestock;
- Secondary: manufacturing; and
- Tertiary: trade, transport, financial services and tourism.

The average salary in Honduras is around HNL 12,500, which is equivalent to US\$500.

Opening Procedures

The procedures for opening a company usually include registration in the Mercantile Registry, National Tax Registry, and the SAR; municipal operating license; sanitary and environmental permits; and affiliation with the IHSS, RAP, and INFOP, mandatory for employers.

Some of these procedures have been partially digitized through the government's "My Company Online"

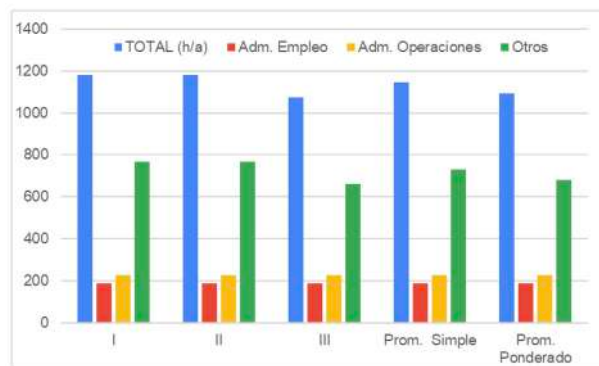


platform, although their use is not yet universal. Obtaining permits can take anywhere from a few days to more than a month, especially when sanitary licenses from the Sanitary Regulation Agency or environmental permits from La Serna are required. The trademark registration, although not mandatory, is managed before the Property Institute and can take from one to six months. The differences between sectors and municipalities are still significant.

Running Procedures

Around 15 procedures required by at least 10 public entities were identified, of which approximately 10 are general and five are specific according to the productive sector. Unlike small companies, medium-sized companies tend to have a higher degree of formalization and resources to meet their obligations. However, they face an additional burden due to the need to comply with the Occupational Health and Safety Management System, according to the Labor Code and STSS standards; implement accounting and tax systems compatible with the SAR, including electronic invoicing, mandatory since 2024 for many activities; attend reviews and audits of institutions such as the SAR, the IHSS, the ARSA or the DEI; and to file periodic declarations with the SAR and municipalities.

In the primary sector, the seasonal variation of the labor force complicates the continuous fulfillment of some obligations such as registration with the IHSS or the INFOP. In the secondary sector, industrial or exporting companies face strict health, customs, and occupational safety requirements. In the tertiary sector, the biggest challenges are related to financial controls, tax compliance, and municipal permitting. Many employers report the need to hire dedicated staff for regulatory compliance. Duplication of requirements and poor coordination between institutions continue to be obstacles to improving the business climate.



VI.13 ITALY (ITA)

Istituto Bruno Leoni. Giacomo Antonio Lombardi,

Francesco Moroni, and Carlo Stagnaro.

Italy has an area of 301,340 sq km and a population of almost 59 million inhabitants. Its GDP in 2025 is expected to be US\$2.42 trillion, which corresponds to US\$41,090 per capita. As a member state of the European Union, its legal framework is strongly influenced by EU directives and regulations and, more generally, by the limitations of the Treaty on the Functioning of the European Union and other treaties that underpin the functioning of the bloc. However, while it complies with EU law, much of the red tape that plagues the opening and operation of businesses in Italy is unnecessary or unnecessarily complex.

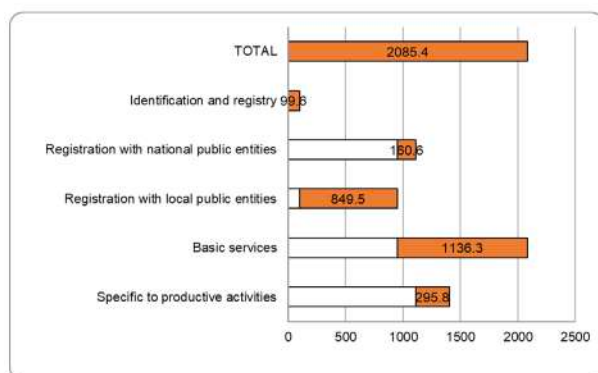
Italy's economy is dominated by services, although the country still has a strong export-oriented industrial sector. The primary sector represents 2.1% of GDP, the secondary sector 25.9%, and the tertiary sector 72.0%.

According to EU criteria, medium-sized companies are defined as those with between 50 and 249 employees and a revenue of between US\$11.1 and \$55.7 million. These companies represent 0.57% of active companies and 14.2% of total employment. For this study, the most relevant productive activities for each sector were considered:

- Primary: agricultural;
- Secondary: mechanical industry, construction, food industry; and
- Tertiary: trade, land and pipeline transport, and building services and landscape activities.

Opening Procedures

To start a business in Italy, most procedures are digitized. As for the deadlines, the most relevant procedures refer



to registration with local public entities or the activation of basic services. In the case of registration with local public entities, what takes time is not the procedure

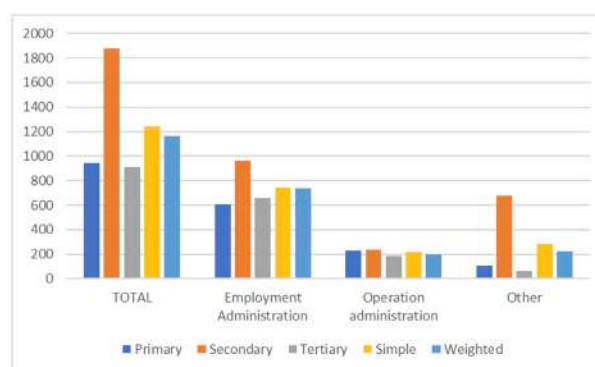
itself, but the wait for a response. In some cases, a rule of tacit consent is in force, which in practice means that the authorization or certificate is automatically released at the end of the statutory period.

Running Procedures

With a weighted average of 1,162 h/y, the most demanding procedures are those related to Administration of Employment. Most are digitized and, on average, run smoothly. However, litigation can be very costly, time-consuming, and uncertain if a public authority challenges a breach or accuses a company of error or fraud in the performance of its duties.

The secondary sector is the one that bears the greatest load of procedures, demanding about 50% more time to comply with the mandatory procedures.

Broader Considerations



In recent years, Italy implemented reforms that substantially reduced the time needed to open and operate a business. In particular, many procedures have been digitized and, in some circumstances, simplified or streamlined. However, some areas remain controversial and are not fully reflected in the above analysis. These include the time to obtain building permits and the time and outcomes of litigation. In recent years, new obligations have been introduced that increase the burden of bureaucracy, especially for industry, for example in waste management and traceability.

VI.14 MEXICO (MEX)

México Evalúa. Ana L. Moreno, Mariana Campos.

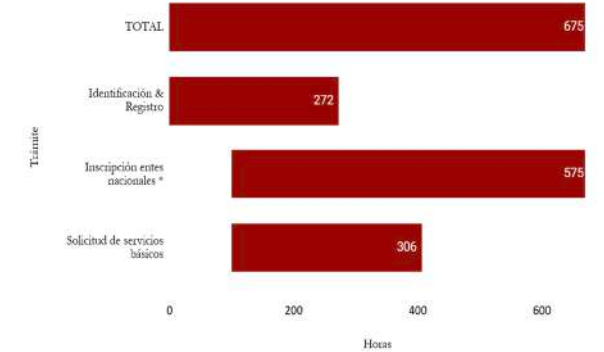
Mexico, Latin America’s second-largest economy, faces challenges that have limited its growth. In 2024, GDP grew only 1.5%, with a contraction of 0.6% in the fourth quarter. Factors such as droughts, hurricanes, lower investment, weak consumption, uncertainty over judicial reform (2025), and new U.S. tariffs under Trump’s presidency have affected key sectors such as the automotive and steel industries.

The tertiary sector dominated GDP with 64% and a growth of 2.3%, while the secondary sector grew just 0.2% and the primary sector fell -2.3%. In this context, medium-sized companies (51–250 employees) play a strategic role. Although they represent only 9.4% of employment, they stand out for their professionalization and technological capacity, generating a significant proportion of added value, unlike microenterprises (97.6% of the total).

INEGI data reflects a positive business dynamic in 2023: more businesses were created than closed, particularly in trade and services. In total, 228,999 new businesses were registered in 2024, reaching a total of 7,056,499 establishments in the country.

In 2024, some 228,999 new businesses were registered, totaling more than 7 million establishments, according to Inegi. However, the administrative burden is a serious obstacle. Starting a medium-sized company takes an average of 675 hours, including registrations, licenses, and basic services.

Once operational, they dedicate 628 hours a year to regulatory compliance: labor management (373.6 hours),



tax procedures (108.4), and operational administration (158.1). Specific sectors face up to 220 additional hours due to specialized regulations.

Reforms are currently being promoted in Mexico to

digitize procedures and reduce bureaucracy, but barriers persist: little interoperability between governments; lack of digital infrastructure; little clarity in the financing of systems; lack of technical training; and institutional resistance. For medium-sized companies to drive growth, it is crucial to reduce regulatory burdens and advance digital transformation with a strategic vision.

Conclusion: The Key Role of Medium-Sized Companies

Medium-sized companies can boost Mexico’s economic growth by combining efficiency and technology. To achieve this, regulatory barriers must be overcome through digitalization, supported by strategic reforms and the strengthening of institutions.

Krienert.

Panama has an area of 75,517 sq km and an estimated population of 4.4 million inhabitants. Its economy has stood out in the region and the world for its competitiveness, economic stability, and suitable environment for investments. Its growth rates—a product of confidence, low inflation levels, and geographical position—have been key to this. During 2024, it registered a growth of 2.9% in its GDP, lower than 2023, 7.3%, as a consequence of the change of government, the prolonged closure of the mine Mina Cobre Panamá, poor performance in construction activities, and significant closures and protests.

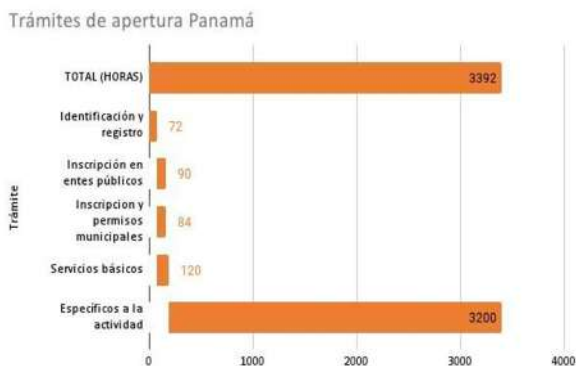
The most representative activities in terms of their contribution to GDP are construction, tourism, commerce, hotels and restaurants, as well as logistics, the product of important assets such as the Panama Canal, national ports, and the Colon Free Zone.

Some 97% of businesses are made up of MSMEs, and they generate 56% of employment. The most important sector is the tertiary sector, services. For this study, the following representative activities have been considered:

- Primary: agriculture, livestock, hunting and forestry;
- Secondary: industry, manufacturing, production of evaporated milk and craft beer and construction; and
- Tertiary: sale of clothing, footwear, hotels and restaurants, trade and repair of vehicles.

Opening Procedures

The hours it would take for a legal entity to enter into operation in the province of Panama (capital) were



determined. These data may vary depending on the municipality or area of the country where the procedures

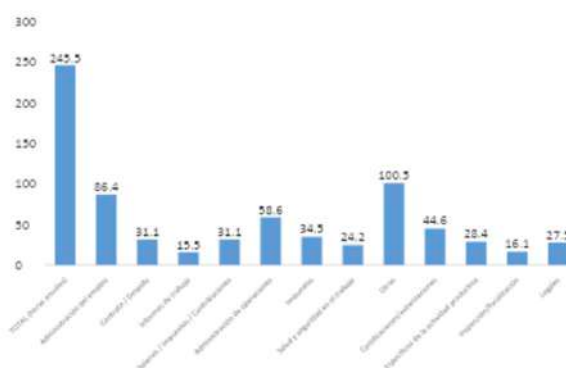
are carried out. On average, a company could be up and running after investing 3,392 hours. Panama usually has fewer processes for identification and registration in companies, being one of the most dynamic and practical procedures at the time of starting, as well as the opening bank accounts, considering the platform of banks and banking entities, national and international, that are in the country.

The specific procedures, for the economic sectors, are usually the great obstacle for companies, which in most cases require and need it to open the company; likewise, for the performance of other activities related to their business planning, such as sanitary permits (hygiene conditions), identification and registration of trademarks, approval of flat procedures, technical inspections, production processes and operating permits both legal, sanitary and technical regulations.

Running Procedures

In Panama, the average time in hours that a mid-sized business uses to comply with daily procedures and remain formal, weighted by the economic sectors, is 245.5 h/y. Within them, the category of operations management—related to taxes, health and safety at work—is the one that takes the least time, with 58.6 h/y.

When the running procedures are observed in a general way, it can be seen that the operational part of the companies is carried out with fewer procedures in the primary sector, which requires fewer hours per year, in terms of specific procedures.



VI.16 PERU (PER)

Asociación de Contribuyentes de Perú. Camila Costa,

José I. Beteta.

With a population of close to 34 million, Peru is going through a stage marked by contrasts: economic advances and institutional setbacks, trade growth accompanied by a weak fiscal policy and promotion of private investment.

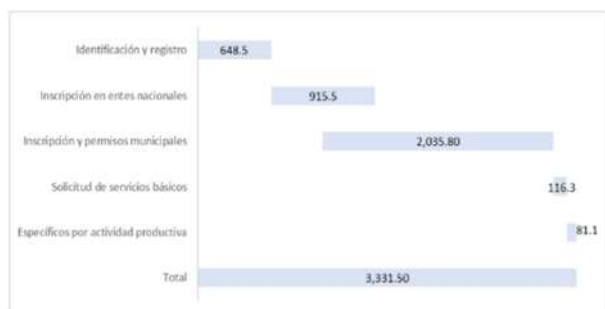
Although, in 2024, GDP grew by 3.3% compared to 2023, institutions lack adequate functioning, citizen insecurity is growing rapidly, along with illegal economies, and poverty still affects 27.6% of the Peruvian population, that is, 9.3 million people. The reduction of just 1.4 percentage points in the last year reflects marginal progress in the face of the deep structural gaps that persist.

To reverse this situation, Peru needs a structural reform of the State that reduces interventionism and corruption. It must reduce the bureaucratic barriers that hinder the creation and operation of businesses, focusing on being a facilitator, eliminating unnecessary procedures and simplifying the procedures that are really necessary.

Opening Procedures

Medium-sized companies in Peru, those with between 101 and 200 workers and annual sales between US\$2.43 and US\$3.3 million, represent 0.20% of the business fabric. In contrast, 99.8% correspond to micro and small enterprises. This structural imbalance is largely explained by a complex tax system and bureaucratic barriers that discourage growth.

Opening a company in Peru requires, on average, 3,332 hours of administrative procedures, equivalent to 139 calendar days. Added to this is a tax structure that penalizes growth, making it more profitable to remain a small business than to climb to the medium category, which generates an atomized economy, perpetuates informality and slows down productivity. As a result, the state collects less than its potential and businesses choose to stay small in order to survive. The delay in managing



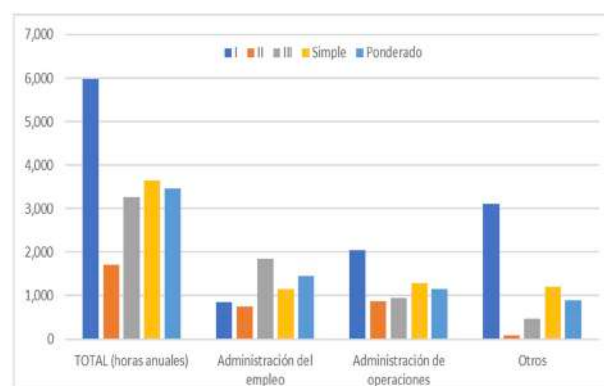
administrative requirements to start operations generates disproportionate entry costs for the average size of Peruvian companies. This situation shows the urgency of a reform of the process of business starting, aimed at regulatory simplification and the efficiency of the State.

Running Procedures

Medium-sized companies in the three productive sectors spend an average of 3,471.07 hours a year to attend to running procedures, which is equivalent to approximately 145 calendar days.

This administrative burden represents a serious obstacle to the productivity and sustainability of the business, especially in sectors where human and financial resources are limited. Despite having digital platforms in many entities, companies must comply with procedures whose requirements are unclear, tedious and time-consuming, which increases dependence on intermediaries and raises costs.

This scenario reflects the urgent need to simplify the regulatory framework and reduce administrative and tax burdens, under an approach that promotes formalization as a State policy, not as an obstacle to growth. This implies lower operating costs, more agile procedures and tangible benefits that overcome the perverse incentives that today perpetuate informality.



VI.17 PORTUGAL (PRT)

Instituto +Liberdade. Vasco Sabino Pinto, André Pinção Lucas.

Portugal has an area of 92,256 sq km and a population of about 10.6 million. According to the IMF, its GDP reached US\$308.6 billion at current prices and Int\$512 billion (international) in purchasing power parity (PPP) in 2024.

In terms of gross value added, its economy is structured as follows: 2.3% in the primary sector, 20.0% in the secondary sector, and 77.6% in the tertiary sector.

This study focused on medium-sized companies. In Portugal, they are defined as those employing between 50 and 249 people and with an annual revenue of no more than EUR 50 million or a total annual balance sheet not exceeding EUR 43 million, representing only about 0.55% of all companies. Despite their limited number, they contribute significantly to employment and productivity.

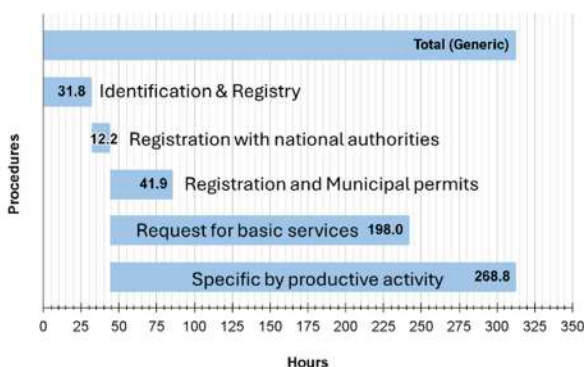
For this study, the most relevant productive activities for each sector considered were:

- Primary: agriculture;
- Secondary: manufacture of food products;
- Tertiary: wholesale trade.

Opening Procedures

In Portugal, you must spend 313 hours to complete all the necessary formalities to launch a medium-sized company. The most time-consuming are obtaining sector-specific licenses—up to 456 hours in the secondary sector—and applying for basic services.

Although digital platforms such as *Empresa na Hora* have simplified certain procedures, there are still significant barriers. One of the most bureaucratic and



unpredictable steps is to open a corporate bank account, which involves extensive documentation due to AML/ KYC regulations and inconsistent requirements between

banks. In addition, there is a disconnect between regulatory deadlines and operational realities. Portugal faces a considerable level of barriers to entry, especially in regulated professions, which is why it ranks 7th in the EU.

Running Procedures

Medium-sized companies in Portugal spend 891 h/year on fulfilling administrative obligations.

The secondary sector faces the highest annual burden (1,100 h/y) due to more intensive regulation. Portugal ranks high in the digitization of citizen services, but

	Sector			Weighted Average
	I	II	III	
TOTAL (annual hours)	520	1100	846	891
Adm. Employment	93	222	181	187
Contracts/Dismissal	55	159	53	75
Job Reports	18	16	48	41
Salaries/Bonuses/	21	47	80	72
Adm. Operations	107	190	234	221
Taxation	45	61	105	94
Health and safety	62	129	128	127
Other	320	688	431	482
Certification/Authorization	11	53	22	28

those related to companies are fragmented, opaque, and legalistic, replicating the inefficiencies of face-to-face processes. Another problem is the lack of procedural transparency: fines imposed late to the inspection or the failure to comply with tacit approvals after deadlines expire, which undermines confidence in the system. Portugal also faces structural challenges in financing companies.

Finally, as companies move into the mid-size category, they face stricter labor inspections, increased reporting obligations, and mandatory internal compliance plans.

Meeting these requirements often involves hiring outside legal counsel or compliance officers, significantly increasing both the cost and operational complexity of the scale-up.

VI.18 PARAGUAY (PRY)

Instituto Fernando de la Mora. Federico Rabino.

Paraguay has a population of 6,372,623 inhabitants, according to data from the National Institute of Statistics (INE), and an area of 406,752 sq km. In 2024, the GDP per capita was US\$6,456. According to data from the Central Bank of Paraguay (BCP), the composition of GDP is distributed as follows: 10.13% corresponds to the primary sector, 32.76% to the secondary sector, and 49.11% to the tertiary sector. The remaining 8% is attributed to taxes on products.

For its part, according to information from the Vice Ministry of MSMEs of the Ministry of Industry and Commerce, medium-sized companies represent only 2% of the total number of companies registered in the country.

For this study, the following representative activities have been considered by sector:

- Primary: agriculture, livestock, hunting and support activities
- Secondary: manufacturing and construction
- Tertiary: wholesale and retail trade; vehicle repair.

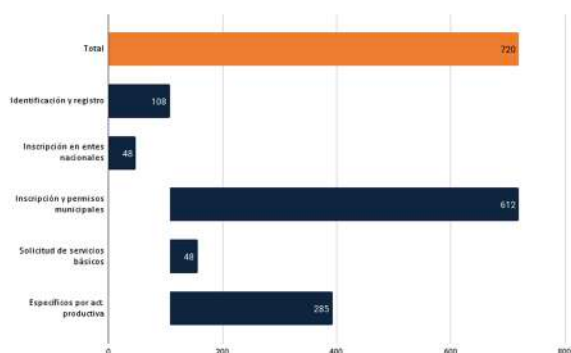
Opening Procedures

Since the implementation of the *Single System for the Opening and Closing of Companies*, the procedures for initial formalization are the same for all companies, without distinction of size or sector. However, it is estimated that the entire opening process takes an average of 720 hours.

In the specific case of companies in the food sector, this figure can be increased by an additional 732 hours due to the requirement of registration of the establishment, a procedure required by the health authorities.

Running Procedures

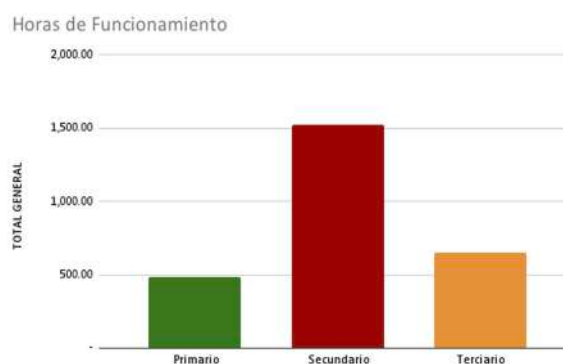
In the operational stage, it is observed that companies in



the secondary sector are the ones that invest the largest number of hours per year in procedures related to general operation. However, companies in the tertiary sector face the greatest workload, specifically in relation to compliance with tax obligations.

From the interviews conducted, it can be deduced that municipal procedures, such as trade patents and commercial licenses, represent one of the main administrative burdens. Both are essential requirements for the legal operation of any enterprise in Paraguay.

The analysis shows a significant difference between the time required to open a company and the time needed to sustain its formal operation in the country. The complexity and workload of the procedures, particularly those of a municipal nature, constitute a major challenge for business activity.



VI.19 EL SALVADOR (SLV)

Centro de Investigaciones Económicas Nacionales, CIEN. Sigfrido Lee, Moisés Peñate and Ileana Rógel.

El Salvador has an area of 21,041 sq km and an estimated population of 6.3 million inhabitants. In 2024, the Salvadoran economy grew by 2.6%, a slowdown from the 3.5% recorded in 2023. According to the Central Reserve Bank of El Salvador (BCR), the nominal value of GDP in 2024 was US\$35,364.97.²⁹ The economic structure is distributed for the primary sector at 5.25%, for the secondary sector at 25.26%, and 69.47% in the tertiary sector. Medium-sized companies have 51 to 100 employees, with annual sales between US\$1,445,000.01 and US\$7 million.

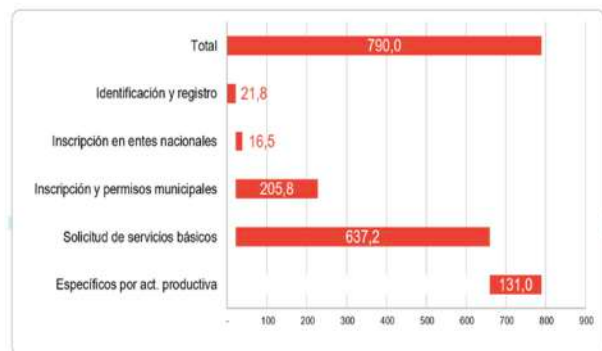
For the study, the activities selected for each sector are:

- Primary: coffee production;
- Secondary: construction; and
- Tertiary: commerce, repair of motor vehicles and motorcycles.

Opening Procedures

People who own a medium-sized company have to contact 13 entities, 11 public and two private, to carry out 52 procedures and invest an average of 790 hours/98.7 working days to open their company.

There is a set of procedures that are common—that is, it does not matter to which sector you belong—to open a medium-sized company, and it is estimated that

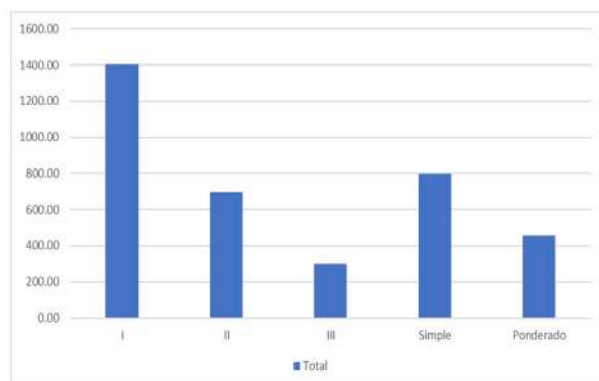


they require approximately 659 hours, which in terms of working days represent 82 days; and then there is another group of specific procedures that are carried out depending on the sector to which they belong, which are approximately 131 working hours, which translates into 16.8 days.

Running Procedures

A person who owns a medium-sized company must carry out 68 procedures before 11 public and private institutions to stay in operation. The time it required is estimated at a weighted average of 456.47 hours, which would represent 57.05 working days, equivalent to 22.9% of the 249 working days for this year. The payment of taxes to the Ministry of Finance and the procedures related to health and safety at work to the Ministry of Health are those that require the greatest investment of time.

If the running procedures are analyzed by economic sector, companies in the primary sector are those that need to invest the most time with a total of 1,402.52 hours to comply with the necessary procedures to keep their company running; those in the secondary sector, a total of 696.41 hours per year; and companies in the tertiary sector 297.47 hours per year.



VI.20 TRINIDAD AND TOBAGO (TTO)

The Institute of International Relations. The University of the West Indies: Annita Montoute, Marlon Anatol,

²⁹ <https://estadisticas.bcr.gob.sv/serie/producto-interno-bruto-produccion-gasto-e-ingreso-a-precios-corrientes>.

Iyana John.

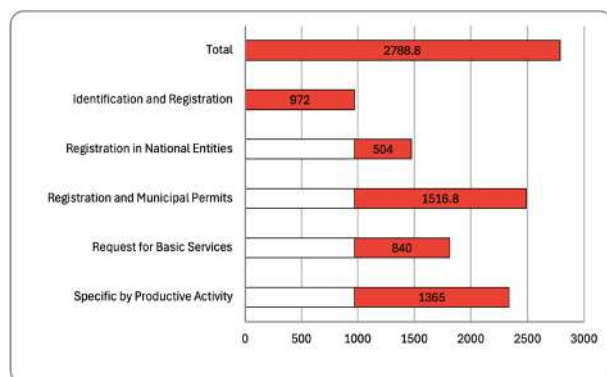
The Republic of Trinidad and Tobago has an area of 5,130 sq km and a population of approximately 1,368,333. Trinidad and Tobago has a GDP of US\$27.37 billion and a GDP *per capita* of US\$20,016. In this study, we will focus on the most relevant sectors in Trinidad and Tobago:

- Primary: mining and quarrying;
- Secundar: construction and manufacturing (related chemicals); and
- Tertiary: trade (related chemicals)

Opening a Business

Starting a company in Trinidad and Tobago usually takes, on average, 3,216 hours, which is equivalent to 134 days. The identification and registration period is 972 hours or 40 days. The longest procedure is waiting for the registrar's decision, which lasts 336 hours or two weeks. All companies, regardless of their sector and productive activity, must complete this procedure.

The procedures for registration with national entities, municipal and permit registries, as well as applications for basic services, are usually the same for each sector.



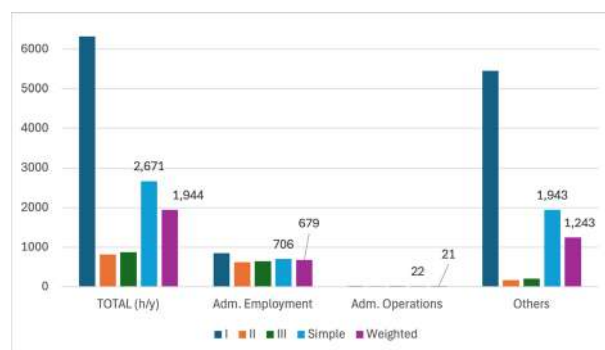
However, Municipal and Rural Approval requires almost twice as much time for mining and quarrying companies. As for the specific procedures of productive activity, construction, manufacturing and commerce have few requirements, while the mining and quarrying industry requires a considerable number of permits. These procedures take 4,338 hours or 182 days, but can take up to 8,760 hours or a year for mining and quarrying companies.

Running Procedures

Running procedures in Trinidad and Tobago vary

significantly by sector. In the primary mining and quarrying sector, approximately 6,321.35 hours are spent annually on regulatory and administrative procedures, the highest percentage among all the sectors analyzed. A substantial portion of this time is spent renewing licenses and permits.

On average, the total time spent on Administration of Employment is estimated to be 706.33 hours per year, which is equivalent to 30 days. Operations management averages about 21.67 hours annually. Compared to other sectors, it was observed that the mining and quarrying industry was the one with the most bureaucratic procedures. In addition, most of the required permits cannot be completed online, leading to long wait times and poor handling of physical documentation.



VI.21 URUGUAY (URU)

Centro de Estudios para el Desarrollo (CED). Hernán Bonilla, Deborah Eilender

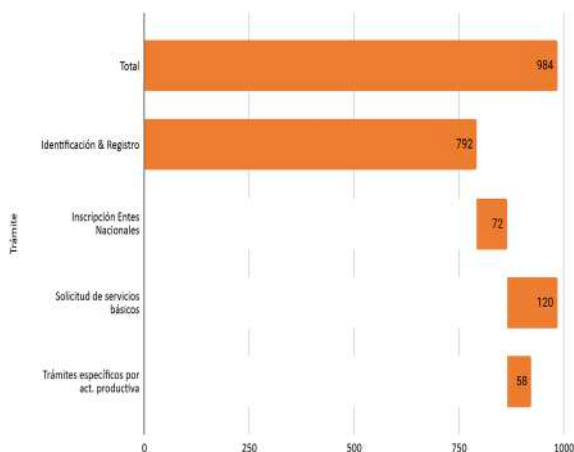
Uruguay is a country of 3.4 million inhabitants, a territorial area of 176,215 sq km and a GDP per capita of US\$20,800. Of the total production, 7.06% is in the primary sector, 18.85% in the secondary sector and the remaining 74.08% belongs to the tertiary sector of the economy.

Medium-sized companies represent 20.82% of jobs. According to Uruguayan law, a company is classified as medium if its workforce is from 20 to 99 employees and its annual sales. For this study, the most relevant productive activities for each sector were considered, namely:

- Primary: agriculture and livestock;
- Secondary: food and beverage manufacturing, chemical manufacturing, textile manufacturing, specialized construction activities;
- Tertiary: wholesale and retail trade, food service, communication services, legal services and business support services and real estate.

Opening Procedures³⁰

Starting a company in Uruguay takes an average time of 984 hours, which is equivalent to 41 days, complying with the procedures required by the various institutions of the State.



Running Procedures

Medium-sized companies in Uruguay devote a total of

400 hours per year to carry out all the activities related to running procedures. This is equivalent to 17 days or 50 eight-hour workdays. However, a more detailed analysis that considers the relative weights by sector, reveals that an average of 410 hours are allocated per year, which represents a considerably lower figure compared to the aforementioned total.

From a sectoral point of view, the primary sector spends the most hours on running procedures, with a total of 425. The secondary sector invests less time in these.

It is worth highlighting the outsourcing of accounting and management services, which has become a widespread practice in Uruguay. Regardless of the size of the companies, all of them turn to managers in order to comply with the procedures and regulations in force.

Procedures	Sector			AVG. Weight
	I	II	III	
TOTAL	425	354	423	410
Adm. Employment	135	131	209	189
Adm. Operations	118	202	166	169
Other	172	21	48.00	52

For the purposes of this study, a bureaucratic burden is recognized as that which is required by a public

30 All the opening procedures analyzed are in force at the national level.

VII. Methodology

authority and that would not be necessary to comply with the demands of the market, or that would be much less and/or more flexible, if it were not for the regulation imposed.

For the collection of information, procedures of a specific nature to the interest of a company or of very irregular periodicity were excluded, as were those required for a single or infrequent project (change of brand, expansion of physical facilities, changes in the company's incorporation document, or similar).

The methodology used was guided by the following guidelines:

- Attention to the differences in the productive structures of each country.
- Focus on medium-sized enterprises, following national definitions for this purpose.
- Two groups of bureaucratic procedures were considered:
 - Those required to open a company, until it is put into operation.
 - Those required to keep the company operating legally and formally.
- Gathering of information with expert professionals and its validation with small entrepreneurs.
- The unit of analysis is the country/territory and the unit of measurement used refers to time and is in hours for opening procedures and in annual hours for running procedures.
- The metrics of the Index of Bureaucracy report the number of hours that the bureaucratic burden demands of companies.

In line with the above, the collection and analysis

of the information was organized as follows:

1. Sample

In 2025, the sample includes 21 countries: 16 Latin American, two Caribbean Commonwealth, and three European, namely: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Italy, Mexico, Panama, Paraguay, Peru, Portugal, Spain, Trinidad and Tobago, and Uruguay.

The information was collected for medium-sized enterprises, following national definitions.

2. Sectoral Representative Productive Activity of Medium-Sized Enterprises

The productive structure of each country was characterized, and the most important productive activities developed by medium-sized enterprises in the primary, secondary, and tertiary sectors were identified.

For the process of identifying representative productive activities, the International Standard Industrial Classification (ISIC-4) was considered, which offers a categorization of activities used in most countries for their national and international trade statistics.

In the cases of several productive activities of similar relevance, two or three of them were considered in the representative universe.

3. Opening a Business Index of Bureaucracy

It includes those procedures required by public authorities to open a new medium-sized company, through its startup. The procedures were grouped into five groups:

- Identification and registration, which includes the procedures of applying for a trade name,

drafting and registering the company's articles of incorporation, through registration and obtaining tax identification.

- Registration in national public entities, which contains the mandatory procedures required for labor, retirement, and social security matters; industrial registration; and agricultural registration, among others.
- Municipal registration and permits, which consider the procedures associated with conformity of use, cadastral registration, and others of a local nature. Considering the dispersion that may exist between local and regional governments, the locality taken into account for the collection of the information was specified.
- Application for basic services, which includes those required for the application for water and sanitation, electricity, and telephone services. These services were considered, regardless of whether the companies providing these services are public or private in nature.

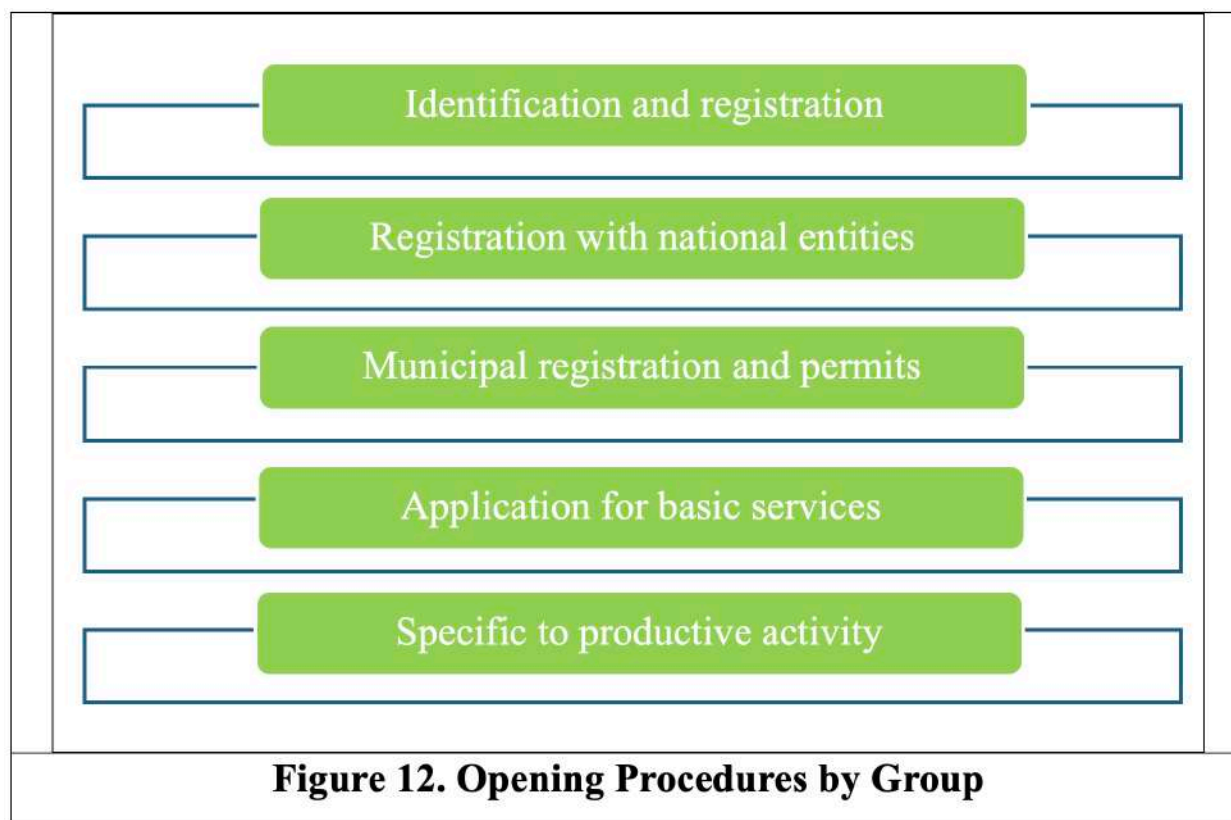
- Specific to the productive activity, which contains those that may be required in view of the particularities of the activity to be carried out.

4. *Running a Business Index of Bureaucracy*

It includes those bureaucratic procedures required to keep a medium-sized company running formally, which would not be required by the market, or whose requirements would be substantially lower or more flexible.

The procedures were grouped into three categories:

- Administration of Employment: includes those required records and reports associated with personnel management, namely: (a) management of salaries, taxes, and contributions (naturally, it does not include those associated with the payment of remuneration to the worker); (b) administration of hiring and dismissal; (c) labor reports (recording of details of working time, vacations, permits, licenses, etc.).
- Administration of Operations: covers those related to the company's ongoing operations,



namely: (a) administration of taxes: income, real estate, consumption, value added, and any other required; (b) waste management; (c) vehicle management (including those associated with purchase, sale, maintenance, and operation); and (d) workplace safety.

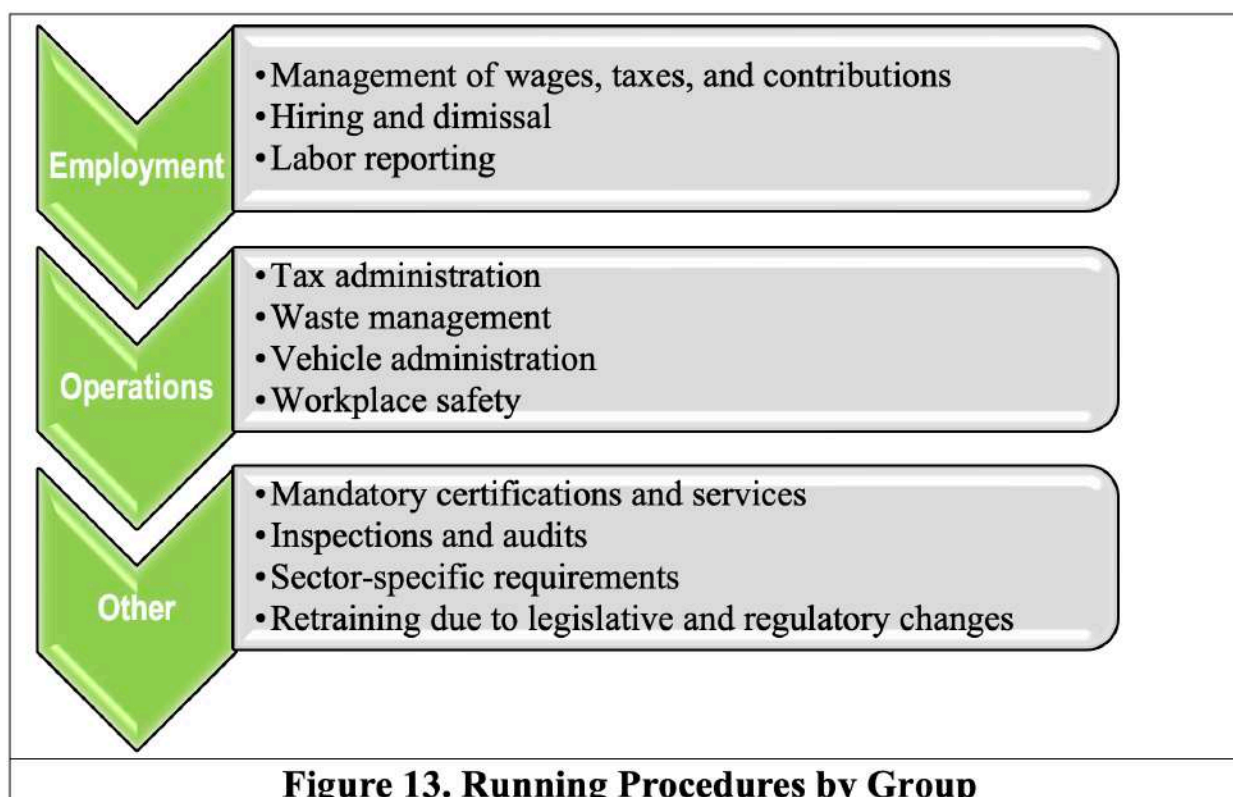
- Others: contains all those not considered in the previous categories, such as: (a) mandatory certifications and services (certifications, technical and safety controls legally mandated; in the case of requiring third-party services, the time spent searching in the market for the best service provider is included); (b) inspections and audits; (c) those specific to the productive activity; and (d) retraining due to legislative and regulatory changes.

Note: There are procedures that are prerequisites for the fulfillment of subsequent procedures, yet completing those steps does not ensure the immediate delivery of the necessary documentation from the public authorities that absolves the entrepreneur of the corresponding obligations; it often does, however, involve additional wait time. In these cases, if the public body delivers a document

as a receipt that acts as a substitute for the original document and its absence does not imply a delay in the fulfillment of subsequent obligations, the time allocated to the procedure corresponds only to the steps taken to obtain the corresponding receipt. If, on the other hand, there is no possibility of moving forward with a substitute document and the final document has to be waited for, the time allocated to the procedure includes waiting until the delivery of said document.

5. Information Gathering

Once the representative productive activities in each of the economic sectors were defined, a group of professionals who are experts in the field (administrators, accountants, lawyers) were contacted to identify the required procedures and the associated times. This information was later validated with entrepreneurs, administrative managers, or with the person designated from their company. In those cases in which companies subcontracted out management of such procedures to other companies, those companies were also interviewed.



6. *Measurement*

After collecting all the information, the time required by the bureaucratic procedures was quantified.

For opening procedures, the possibility of carrying out various procedures simultaneously was identified, allowing determination of the total time required to open the company. For running procedures, the time required to complete each procedure was identified, as was the frequency with which each was required, and the number of people who must be involved in their compliance. Likewise, the degree of digitalization of the processing of the procedure was identified: non-digitized, partially digitized, digitized, both modalities (face-to-face and digital).

Note: Although many of the procedures may be digitized, the quality of the internet connectivity service, failures in electricity or telephone services, overload of the portals through which the procedures are carried out or payment platforms, can mean times far from the digital ideal. These aspects were considered, and the effective times required to comply with the legally required procedures were collected.

Subsequently, and for each country, the time needed to complete each type of procedure was calculated, as were the totals for opening and running procedures. Likewise, averages were established by economic sector and by country (simple average and weighted by sectoral relevance).

7. *Analysis of results*

An assessment of the results by country and a comparative analysis of the countries in the sample were carried out. The comparative analysis is carried out in terms of absolute hours without considering the opportunity costs of the companies or the economies analyzed. To this end, a section is opened on the opportunity cost associated with the time allocated to the fulfillment of the bureaucratic burden.

For the aggregate analyses of the opening procedures, running procedures, as well as of both jointly, statistical techniques were used, filtering by type of procedure and by economic sector, for which the statistical software for data analysis SPSS® was used.

In order to process the variability of the data, given the great differences exhibited by the results of the countries, Ward's method with Euclidean squared distance was used, which groups the countries with a minimum loss inertia, allowing the formation of homogeneous groups, minimizing the variance within each of them. Prior to the analysis, the outliers were identified at the top of the distribution, indicative of positive asymmetry. To symmetry, Tukey's transformation ladder was considered. A Principal Component Analysis (PCA) was applied to manage the variables and integrate them into factors, which will define the dimensions of aggregation in clusters or aggregate groups. For this analysis, the SPAD® statistical package was used.

VIII. Appendices

Appendix A: Opening a Business Index of Bureaucracy 2025. Summary table by country.

Country	Bureaucratic Procedure	Sector			AVG	
		I	II	III	Simple	Weighted
ARG	Total	4136.9	4599.2	4519.8	4418.6	4495.9
ARG	Identification & Registry	1080.0	1080.0	1080.0	1080.0	1080.0
ARG	National Entities	348.0	348.0	348.0	348.0	348.0
ARG	Municipal Entities	108.0	108.0	108.0	108.0	108.0
ARG	Basic Services Request	84.0	84.0	84.0	84.0	84.0
ARG	Specific Prod. Activ.	2516.9	2979.2	2899.8	2798.6	2875.9
ARG	Ponderación sectorial	0.1150	0.2530	0.6320		
BOL	Total	3128.0	608.0	2408.0	1928.0	2060.2
BOL	Identification & Registry	248.0	248.0	248.0	248.0	248.0
BOL	National Entities	360.0	360.0	360.0	360.0	360.0
BOL	Municipal Entities	168.0	168.0	168.0	168.0	168.0
BOL	Basic Services Request	336.0	336.0	336.0	336.0	336.0
BOL	Specific Prod. Activ.	2880.0		2160.0	1680.0	1812.2
BOL	Sectorial Weight	0.2300	0.2400	0.5300		
BRA	Total	289.0	215.5	309.0	261.8	283.9
BRA	Identification & Registry	145.0	99.5	141.0	128.5	132.8
BRA	National Entities	24.0	16.0	72.0	37.3	55.1
BRA	Municipal Entities	24.0	100.0	2.0	42.0	24.8
BRA	Basic Services Request	96.0	96.0	96.0	96.0	96.0
BRA	Specific Prod. Activ.	120.0	100.0	1.0	73.7	34.6
BRA	Sectorial Weight	0.11	0.21	0.68		
CHL	Total	893.3	2101.0	6810.3	3268.2	5226.6
CHL	Identification & Registry	59.3	23.8	44.4	42.5	42.5
CHL	National Entities	63.0	27.3	119.6	70.0	95.5
CHL	Municipal Entities	56.0	1450.0	2326.3	1277.4	1905.2
CHL	Basic Services Request	50.0	36.0	68.0	51.3	60.2
CHL	Specific Prod. Activ.	715.0	600.0	4320.0	1878.3	3183.4
CHL	Sectorial Weight	0.1200	0.2000	0.6900		
COL	Total	685.1	10117.1	1117.1	3973.1	2474.8
COL	Identification & Registry	73.6	73.6	73.6	73.6	73.6
COL	National Entities	56.0	56.0	56.0	56.0	56.0
COL	Municipal Entities	72.0	72.0	72.0	72.0	72.0
COL	Basic Services Request	624.0	624.0	624.0	624.0	624.0
COL	Specific Prod. Activ.	0.0	10080.0	1080.0	3720.0	2341.3
COL	Sectorial Weight	0.15	0.16	0.69		
CRI	Total	804.0	894.0	804.0	834.0	823.9
CRI	Identification & Registry	24.0	24.0	24.0	24.0	24.0
CRI	National Entities	288.0	288.0	288.0	288.0	288.0
CRI	Municipal Entities	492.0	492.0	492.0	492.0	492.0
CRI	Basic Services Request	360.0	360.0	360.0	360.0	360.0
CRI	Specific Prod. Activ.	0.0	90.0	0.0	30.0	19.9
CRI	Sectorial Weight	0.05	0.22	0.73		
DOM	Total	521.0	624.5	521.0	555.5	551.3
DOM	Identification & Registry	257.0	257.0	257.0	257.0	257.0
DOM	National Entities	62.5	62.5	62.5	62.5	62.5
DOM	Basic Services Request	264.0	264.0	264.0	264.0	264.0
DOM	Specific Prod. Activ.	0.0	367.5	145.5	171.0	203.5
DOM	Sectorial Weight	0.048	0.293	0.659		
ECU	Total	1002.67	602.67	1930.67	1178.67	1493.42
ECU	Identification & Registry	2.42	2.42	2.42	2.42	2.42
ECU	National Entities	2.17	2.17	2.17	2.17	2.17
ECU	Municipal Entities	40.25	40.25	40.25	40.25	40.26
ECU	Basic Services Request	32.00	32.00	32.00	32.00	32.00
ECU	Specific Prod. Activ.	960.00	560.00	1888.00	1136.00	1450.74
ECU	Sectorial Weight	0.1896	0.1972	0.6135		

Pais	Tramites Burocraticos	Sector			Promedio	
		I	II	III	Simple	Ponderado
ESP	Total	410.00	430.00	1170.00	670.00	791.60
ESP	Identificación y registro	350.00	350.00	480.00	393.33	413.70
ESP	Inscripción en entes nacionales	10.00	8.00	20.00	12.67	13.98
ESP	Inscripción y permisos municipales	1.00	1.00	1.00	1.00	1.00
ESP	Solicitud de servicios básicos	30.00	10.00	14.00	18.00	12.96
ESP	Específicos por actividad productiva	60.00	80.00	690.00	276.67	377.90
ESP	Ponderación sectorial	0.05	0.46	0.49		
GTM	Total	2687.0	2337.0	2197.0	2407.0	2283.1
GTM	Identificación y registro	114.8	114.8	114.8	114.8	114.8
GTM	Inscripción en entes nacionales	1222.0	1222.0	1222.0	1222.2	1222.2
GTM	Inscripción y permisos municipales	270.0	270.0	270.0	270.0	270.0
GTM	Solicitud de servicios básicos	42.0	42.0	42.0	42.0	42.0
GTM	Específicos por actividad productiva	1350.0	1000.0	860.0	1070.0	946.1
GTM	Ponderación sectorial	0.11	0.23	0.66		
GUY	Total	1,956.00	1,836.00	1,836.00	1,876.00	1933.2
GUY	Identificación y registro	396	396	396	396	396
GUY	Inscripción en entes nacionales	828	828	828	828	828
GUY	Inscripción y permisos municipales	1,440.00	1,440.00	1,440.00	1,440.00	1,440.00
GUY	Solicitud de servicios básicos	420	1,104.00	1,104.00	876	549.96
GUY	Específicos por actividad productiva	1,560.00	1,440.00	204	1,068.00	1,376.52
GUY	Ponderación sectorial	0.81	0.06	0.13		
HND	Total	1518.00	1518.00	1158.00	1398.00	1359.60
HND	Identificación y registro	75.00	75.00	75.00	75.00	75.00
HND	Inscripción en entes nacionales	323.00	323.00	323.00	323.00	323.00
HND	Inscripción y permisos municipales	218.00	218.00	218.00	218.00	218.00
HND	Solicitud de servicios básicos	96.00	96.00	96.00	96.00	96.00
HND	Específicos por actividad productiva	1440.00	1440.00	1080.00	1320.00	1281.60
HND	Ponderación sectorial	0.366	0.189	0.44		
ITA	Total	947.9	2013.2	2144.7	1701.9	2085.4
ITA	Identificación y registro	122.0	98.0	99.5	106.5	99.6
ITA	Inscripción en entes nacionales	40.0	200.0	150.0	130.0	160.7
ITA	Inscripción y permisos municipales	720.0	2160.0	720.0	720.0	900.0
ITA	Solicitud de servicios básicos	720.0	4320.0	720.0	1440.0	1200.0
ITA	Específicos por actividad productiva	65.9	995.2	50.5	370.5	295.8
ITA	Ponderación sectorial	0.02	0.26	0.72		
MEX	Total	675.0	675.0	675.0	675.0	675.0
MEX	Identificación y registro	271.5	271.5	271.5	256.5	271.6
MEX	Inscripción en entes nacionales	575.0	575.0	575.0	575.0	575.2
MEX	Solicitud de servicios básicos	306.0	306.0	306.0	306.0	306.1
MEX	Ponderación sectorial	0.01	0.54	0.46		
PAN	Total	3392.0	3392.0	3392.0	3392.0	3392.0
PAN	Identificación y registro	72.0	72.0	72.0	72.0	72.0
PAN	Inscripción en entes nacionales	90.0	90.0	90.0	90.0	90.0
PAN	Inscripción y permisos municipales	84.0	84.0	84.0	84.0	84.0
PAN	Solicitud de servicios básicos	120.0	120.0	120.0	120.0	120.0
PAN	Específicos por actividad productiva	3200.0	3200.0	3200.0	3200.0	3200.0
PAN	Ponderación sectorial	0.0681	0.2107	0.7212		

Pais	Tramites Burocraticos	Sector			Promedio	
		I	II	III	Simple	Ponderado
PER	Total	3,528.00	3,288.00	3,285.60	3,367.20	3,331.50
PER	Identificación y registro	360	684	724.8	589.6	648.47
PER	Inscripción en entes nacionales	168	660	1,224.00	684	915.5
PER	Inscripción y permisos municipales	2,520.00	2,088.00	1,872.00	2,160.00	2,035.76
PER	Solicitud de servicios básicos	72	132	124.8	109.6	116.33
PER	Específicos por actividad productiva	408	24	0	144.0	81.1
PER	Ponderación sectorial	0.19	0.2	0.62		
PRT	Total	243.0	502.0	263.5	336.2	312.9
PRT	Identificación y registro	30.0	33.0	31.5	31.5	31.8
PRT	Inscripción en entes nacionales	13.0	13.0	12.0	12.7	12.2
PRT	Inscripción y permisos municipales	60.0	120.0	20.0	66.7	41.9
PRT	Solicitud de servicios básicos	164.0	198.0	198.0	186.7	197.2
PRT	Específicos por actividad productiva	200.0	456.0	220.0	292.0	268.8
PRT	Ponderación sectorial	0.024	0.209	0.767		
PRY	Total	720.0	720.0	720.0	720.0	720.0
PRY	Identificación y registro	108.0	108.0	108.0	108.0	108.0
PRY	Inscripción en entes nacionales	48.0	48.0	48.0	48.0	48.0
PRY	Inscripción y permisos municipales	612.0	612.0	612.0	612.0	612.0
PRY	Solicitud de servicios básicos	48.0	48.0	48.0	48.0	48.0
PRY	Específicos por actividad productiva	0.0	732.0	48.0	260.0	284.2
PRY	Ponderación sectorial	0.127	0.356	0.517		
SLV	Total	1283.5	719.5	779.5	927.5	790.0
SLV	Identificación y registro	38.3	38.3	38.3	38.3	38.3
SLV	Inscripción en entes nacionales	12.5	12.5	12.5	12.5	12.5
SLV	Inscripcion y permisos municipales	637.7	637.7	637.7	637.7	637.2
SLV	Solicitud de servicios básicos	206.0	206.0	206.0	206.0	205.9
SLV	Específicos por actividad productiva	624.0	60.0	120.0	268.0	131.0
SLV	Ponderación sectorial	0.05	0.25	0.69		
TTO	Total	5352.0	2148.0	2148.0	3216.0	2788.8
TTO	Identificación y registro	972.0	972.0	972.0	972.0	972.0
TTO	Inscripción en entes nacionales	504.0	504.0	504.0	504.0	504.0
TTO	Inscripción y permisos municipales	2880.0	1176.0	1176.0	1744.0	1516.8
TTO	Solicitud de servicios básicos	840.0	840.0	840.0	840.0	840.0
TTO	Específicos por actividad productiva	4380.0	612.0	612.0	1868.0	1365.6
TTO	Ponderación sectorial	0.20	0.36	0.44		
URY	Total	984.0	984.0	984.0	984.0	984.0
URY	Identificación y registro	792.0	792.0	792.0	792.0	792.0
URY	Inscripción en entes nacionales	72.0	72.0	72.0	72.0	72.0
URY	Solicitud de servicios básicos	120.0	120.0	120.0	120.0	120.0
URY	Específicos por actividad productiva	72.0	0.0	72.0	48.0	58.0
URY	Ponderación sectorial	0.07	0.19	0.74		

Appendix B: Running a Business Index of Bureaucracy 2025. Summary table by country.

Country	Bureaucratic Procedure	Sector			AVG	
		I	II	III	Simple	Weighted
ARG	TOTAL (annual hours)	1996.50	3088.30	1811.80	2298.90	2156.00
ARG	Adm. Employment	1556.00	583.00	736.30	958.50	791.80
ARG	Salaries / Bonuses / Contributions	642.00	112.20	437.20	397.10	378.50
ARG	Hiring and firing	660.00	364.60	259.40	428.00	332.10
ARG	Work reports	254.00	106.20	39.80	133.30	81.20
ARG	Adm. Operations	338.50	2080.20	794.00	1070.90	1067.00
ARG	Taxes	217.00	1697.00	681.60	865.20	885.10
ARG	Waste management	0.00	7.20	0.00	2.40	1.80
ARG	Vehicles	115.50	257.30	34.40	135.70	100.10
ARG	Health and safety at work	6.00	118.60	77.90	67.50	80.00
ARG	Others	102.00	425.10	281.50	269.50	297.20
ARG	Sectoral weighting	0.12	0.25	0.63		
BOL	TOTAL (annual hours)	1751.00	2047.00	1703.00	1833.67	1795.92
BOL	Adm. Employment	482.00	514.00	482.00	492.67	489.61
BOL	Salaries / Bonuses / Contributions	432.00	432.00	432.00	432.00	432.00
BOL	Hiring and firing	50.00	82.00	50.00	60.67	57.61
BOL	Work reports					
BOL	Adm. Operations	347.00	277.00	587.00	403.67	457.88
BOL	Taxes	305.00	235.00	545.00	361.67	415.88
BOL	Others	922.00	1256.00	634.00	937.33	848.43
BOL	Legal changes					
BOL	Certifications/authorizations	10.00	76.00	66.00	50.67	55.46
BOL	Specific to productive activity	832.00	1156.00	488.00	825.33	726.29
BOL	Sectoral weighting	0.23	0.24	0.53		
BRA	TOTAL (annual hours)	650.00	3372.00	390.50	1470.83	1038.94
BRA	Adm. Employment	288.00	1019.50	104.50	470.67	314.82
BRA	Hiring and firing	108.00	346.00	10.00	154.67	90.57
BRA	Work reports	36.00	324.00	19.50	126.50	84.63
BRA	Salaries / Bonuses / Contributions	144.00	349.50	75.00	189.50	139.62
BRA	Adm. Operations	348.00	2268.50	277.50	964.67	699.31
BRA	Taxes	48.00	1614.50	273.50	645.33	527.85
BRA	Health and safety at work	300.00	654.00	4.00	319.33	171.46
BRA	Others	14.00	84.00	8.50	35.50	24.80
BRA	Certifications/authorizations	1.00	26.00	2.00	9.67	6.88
BRA	Inspection / supervision	12.00	50.00	4.00	22.00	14.44
BRA	Specific to productive activity	1.00	8.00	2.50	3.83	3.48
BRA	Sectoral weighting	0.11	0.21	0.68		
CHL	TOTAL (annual hours)	1851.50	4470.50	6859.93	4393.98	5859.51
CHL	Adm. Employment	82.00	689.00	685.00	485.33	622.40
CHL	Hiring and firing	12.00	132.00	65.25	69.75	73.35
CHL	Work reports	10.00	125.00	66.25	67.08	72.37
CHL	Remuneration, bonuses and contributions	60.00	432.00	553.50	348.50	476.67
CHL	Adm. Operations	102.00	1069.00	1602.43	924.48	1334.31
CHL	Taxes	56.50	349.00	1094.14	499.88	831.65
CHL	Health and safety at work	45.50	720.00	508.28	424.59	502.66
CHL	Others	1667.50	2712.50	4572.50	2984.17	3902.80
CHL	Certifications/authorizations	16.50	12.50	79.00	36.00	58.94
CHL	Inspection / supervision	1612.00	992.00	1240.00	1281.33	1249.33
CHL	Legal	27.00	168.00	3133.50	1109.50	2195.71
CHL	Specific to productive activity	12.00	1540.00	120.00	557.33	398.83
CHL	Sectoral weighting	0.12	0.20	0.69		
COL	TOTAL (annual hours)	3545.30	5531.30	5533.30	4870.00	5237.20
COL	Adm. Employment	857.10	857.10	857.10	857.10	857.10
COL	Hiring and firing	265.90	265.90	265.90	265.90	265.90
COL	Work reports	150.20	150.20	150.20	150.20	150.20
COL	Remuneration-Bonus-Contributions / Wages-Bor	441.10	441.10	441.10	441.10	441.10
COL	Adm. Operations	2640.20	2640.20	2640.20	2640.20	2640.20
COL	Taxes	1444.80	1444.80	1444.80	1444.80	1444.80
COL	Health and safety at work	1155.20	1155.20	1155.20	1155.20	1155.20
COL	Waste	32.00	32.00	32.00	32.00	32.00
COL	Vehicle	8.10	8.10	8.10	8.10	8.10
COL	Others	48.00	2034.00	2036.00	1372.70	1739.80
COL	Inspection / supervision	0.00	98.00	0.00	32.70	15.50
COL	Specific to productive activity	48.00	1936.00	2036.00	1340.00	1724.40
COL	Sectoral weighting	0.15	0.16	0.69		

País	Tramites Burocraticos	Sector			Promedio	
		I	II	III	Simple	Ponderado
CRI	TOTAL (horas anuales)	462.70	804.00	660.70	642.40	682.80
CRI	Administración del empleo	308.00	475.00	342.30	375.10	370.00
CRI	Contratación y despido	153.70	272.30	163.70	196.60	187.20
CRI	Informes de trabajo	96.30	131.70	99.00	109.00	106.10
CRI	Salarios / Bonificaciones / Contribuciones	58.00	71.00	79.70	69.60	76.70
CRI	Administración de operaciones	117.00	118.30	160.00	131.80	148.73
CRI	Impuestos	65.70	90.70	142.00	99.40	127.00
CRI	Salud y seguridad en el trabajo	51.30	27.70	18.00	32.30	21.70
CRI	Otros	37.70	210.70	158.30	135.60	164.10
CRI	Certificaciones/autorizaciones	4.00	16.00	31.70	17.20	26.90
CRI	Inspección / fiscalización	15.00	29.30	30.00	24.80	29.10
CRI	Cambios legales	3.00	9.00	12.00	8.00	10.90
CRI	Específicos de la actividad productiva	15.70	156.30	84.70	85.60	97.20
CRI	Ponderación sectorial	0.05	0.22	0.73		
DOM	TOTAL (horas anuales)	249.43	2793.90	814.75	1286.02	1367.22
DOM	Adminitración de empleo	61.70	1397.39	699.18	719.42	873.08
DOM	Salarios / Bonificaciones / Contribuciones	57.30	422.91	417.25	299.15	401.65
DOM	Contratación y despido	1.65	917.47	3.43	307.52	271.01
DOM	Tiempo de trabajo e informes	2.75	57.01	278.50	112.75	200.42
DOM	Administración de operaciones	169.40	1186.68	114.44	490.17	431.07
DOM	Impuestos	169.25	1186.51	114.28	490.01	430.91
DOM	Desperdicios	0.15	0.17	0.16	0.16	0.16
DOM	Otros	18.33	209.83	1.13	76.43	63.07
DOM	Autorizaciones especiales	0.33	208.00	0.00	69.44	60.93
DOM	Legales	18.00	1.83	1.13	6.99	2.14
DOM	Ponderación sectorial	0.05	0.29	0.66		
ECU	TOTAL (horas anuales)	477.08	764.52	223.49	488.36	378.33
ECU	Administración de empleo	92.23	71.25	43.28	68.92	58.09
ECU	Salarios / Bonificaciones / Contribuciones	25.39	24.05	17.50	22.31	20.29
ECU	Contratación y despido	64.34	47.04	25.78	45.72	37.29
ECU	Informes de trabajo	2.50	0.16	0.00	0.89	0.51
ECU	Administración de operaciones	120.67	155.58	120.67	132.31	127.59
ECU	Impuestos	120.67	121.58	120.67	120.97	120.89
ECU	Vehículos	0.00	13.00	0.00	4.33	2.56
ECU	Salud y seguridad en el trabajo	0.00	21.00	0.00	7.00	4.14
ECU	Otros	264.18	537.69	59.54	287.14	192.65
ECU	Específicos a la Actividad	262.68	309.05	58.04	209.92	146.36
ECU	Inspección / fiscalización	1.50	228.65	1.50	77.22	46.29
ECU	Autorizaciones especiales	0.00	0.00	0.00	0.00	0.00
ECU	Ponderación sectorial					
ESP	TOTAL (horas anuales)	396.87	345.82	329.51	357.40	342.07
ESP	Administración del empleo	52.53	99.07	45.65	65.75	70.38
ESP	Salarios / Bonificaciones / Contribuciones	5.70	7.07	9.40	7.39	8.14
ESP	Contratación y despido	26.83	57.67	27.25	37.25	41.10
ESP	Informes de trabajo	20.00	34.33	9.00	21.11	21.15
ESP	Administración de operaciones	335.50	236.25	279.17	283.64	262.64
ESP	Impuestos	319.40	259.25	342.17	306.94	303.13
ESP	Manejo de desechos	241.73	120.21		120.65	67.87
ESP	Vehículos	10.00	8.75		6.25	4.53
ESP	Salud y seguridad en el trabajo	74.00	20.88	31.33	42.07	28.87
ESP	Otros	8.83	10.50	0.36	6.56	5.44
ESP	Cambios legales	2.50	6.00	0.33	2.94	3.03
ESP	Certificaciones/autorizaciones	0.50	4.50	0.03	1.68	2.09
ESP	Ponderación sectorial	0.05	0.46	0.49		
GTM	TOTAL (horas anuales)	1175.10	894.10	1033.10	1034.00	1017.00
GTM	Administración del empleo	244.20	244.20	244.20	244.20	244.00
GTM	Contratación y despido	141.80	141.80	141.80	141.80	142.00
GTM	Informes de trabajo	30.40	30.40	30.40	30.40	30.00
GTM	Salarios / Bonificaciones / Contribuciones	72.00	72.00	72.00	72.00	72.00
GTM	Administración de operaciones	330.50	330.50	330.50	330.50	330.00
GTM	Impuestos	60.50	60.50	60.50	60.50	60.00
GTM	Salud y seguridad en el trabajo	270.00	270.00	270.00	270.00	270.00
GTM	Otros	600.40	319.40	458.40	459.40	442.00
GTM	Certificaciones/autorizaciones	464.00	0.00	0.00	154.70	51.00
GTM	Inspección / fiscalización	136.40	136.40	136.40	136.40	136.00
GTM	Legales	0.80	0.80	0.80	0.80	1.00
GTM	Específicos de la actividad productiva	0.00	183.00	322.00	168.30	255.00
GTM	Ponderación sectorial	0.11	0.23	0.66		

País	Tramites Burocraticos	Sector			Promedio	
		I	II	III	Simple	Ponderado
GUY	TOTAL (horas anuales)	1668.86	1197.94	5010.00	2625.60	2074.95
GUY	Administration of Employment	479.80	236.28	1133.75	616.61	550.20
GUY	Contratacion/Despido	394.80	89.65	963.00	482.48	450.36
GUY	Reportes laborales	72.00	146.40	168.00	128.80	88.94
GUY	Salarios / Bonificaciones / Contribuciones	13.00	0.23	2.75	5.33	10.90
GUY	Administracion de las Operaciones	289.00	350.13	366.50	335.21	302.74
GUY	Impuestos	289.00	350.13	213.50	284.21	282.85
GUY	Salud y seguridad en el trabajo	0.00	0.00	153.00	51.00	19.89
GUY	Otros	900.06	611.63	3510.00	1673.78	1222.01
GUY	Certificaciones/autorizaciones	316.00	356.00	549.00	407.00	348.69
GUY	Inspección / fiscalización	152.79	35.28	6.89	64.99	126.62
GUY	Especificos de la Actividad Productiva	431.27	220.25	2953.86	1201.79	746.55
GUY	Ponderacion Sectorial	0.81	0.06	0.13		
HND	TOTAL (horas anuales)	1180.00	1180.00	1075.00	1145.00	1093.48
HND	Administración del empleo	187.25	187.25	187.25	187.25	187.25
HND	Contratación/Despido	77.00	77.00	77.00	77.00	77.00
HND	Informes laborales	54.00	54.00	54.00	54.00	54.00
HND	Salarios / Bonificaciones / Contribuciones	56.25	56.25	56.25	56.25	56.25
HND	Administración de operaciones	226.75	226.75	226.75	226.75	226.75
HND	Impuestos / Taxes	205.50	205.50	205.50	205.50	205.50
HND	Salud y seguridad en el trabajo	21.25	21.25	21.25	21.25	21.25
HND	Otros	766.00	766.00	661.00	731.00	679.48
HND	Certificaciones/autorizaciones	287.00	287.00	287.00	287.00	287.00
HND	Inspección / fiscalización	10.00	10.00	10.00	10.00	10.00
HND	Cambios legales	216.00	216.00	216.00	216.00	216.00
HND	Especificos de la actividad productiva	253.00	253.00	148.00	218.00	166.48
HND	Ponderacion sectorial	0.37	0.19	0.44		
ITA	TOTAL (hours-yearly)	943.10	1876.00	911.20	1243.40	1162.10
ITA	Administración del empleo	606.00	963.00	661.00	743.30	738.20
ITA	Salarios / Bonificaciones / Contribuciones	288.00	576.00	288.00	384.00	362.70
ITA	Contratación y despido	38.00	27.00	53.00	39.30	45.90
ITA	Informes de trabajo	280.00	360.00	320.00	320.00	329.50
ITA	Administración de operaciones	227.00	234.00	188.00	216.30	200.80
ITA	Impuestos	227.00	234.00	188.00	216.30	200.80
ITA	Otros	110.10	679.00	62.20	283.80	223.20
ITA	Cambios Legales	50.00	40.00	20.00	36.70	25.80
ITA	Especificos de la actividad productiva	60.10	639.00	42.20	247.10	197.30
ITA	Ponderación sectorial	0.02	0.26	0.72		
MEX	TOTAL (horas anuales)	743.50	550.50	591.30	628.40	570.50
MEX	Administración del empleo	369.40	376.90	369.40	371.90	373.60
MEX	Salarios / Bonificaciones / Contribuciones	108.40	108.40	108.40	108.40	108.40
MEX	Contratación y despido	107.00	107.00	107.00	107.00	107.00
MEX	Informes de trabajo	-	-	-	-	-
MEX	Administración de operaciones	154.10	161.60	154.10	156.60	158.10
MEX	Impuestos	138.80	146.30	138.80	141.30	142.80
MEX	Manejo de residuos	3.00	3.00	3.00	3.00	3.00
MEX	Vehiculos	12.30	12.30	12.30	12.30	12.30
MEX	Otros	220.00	12.00	67.80	99.90	38.80
MEX	Especificos de la actividad productiva	220.00	12.00	67.80	99.90	38.80
MEX	Ponderación sectorial	0.01	0.54	0.46		
PAN	TOTAL (horas anuales)	184.50	226.00	257.00	225.50	245.50
PAN	Administración del empleo	84.50	85.00	87.00	85.50	86.40
PAN	Contratación y despido	25.00	30.00	32.00	29.00	31.10
PAN	Informes de trabajo	22.50	15.00	15.00	17.50	15.50
PAN	Salarios / Bonificaciones / Contribuciones	25.00	30.00	32.00	29.00	31.10
PAN	Administración de operaciones	34.00	62.00	60.00	52.00	58.60
PAN	Impuestos	12.00	40.00	35.00	29.00	34.50
PAN	Salud y seguridad en el trabajo	22.00	22.00	25.00	23.00	24.20
PAN	Otros	66.00	79.00	110.00	85.00	100.50
PAN	Certificaciones/autorizaciones	26.00	32.00	50.00	36.00	44.60
PAN	Especificos de la actividad productiva	22.00	25.00	30.00	25.70	28.40
PAN	Inspección / fiscalización	18.00	16.00	16.00	16.70	16.10
PAN	Legales	18.00	22.00	30.00	23.30	27.50
PAN	Ponderación sectorial	0.07	0.21	0.72		

País	Tramites Burocraticos	Sector			Promedio	
		I	II	III	Simple	Ponderado
PER	TOTAL (horas anuales)	5986.00	1709.75	3268.00	3654.58	3471.07
PER	Administración del empleo	840.00	748.00	1853.20	1147.07	1446.46
PER	Contratación y despido	312.00	256.00	214.80	260.93	241.09
PER	Informes de trabajo	144.00	360.00	1427.20	643.73	977.35
PER	Salarios / Bonificaciones / Contribuciones	384.00	132.00	211.20	242.40	228.01
PER	Administración de operaciones	2050.00	865.75	954.00	1289.92	1141.93
PER	Impuestos	949.00	125.75	172.00	415.58	308.43
PER	Salud y seguridad en el trabajo	1101.00	740.00	782.00	874.33	833.50
PER	Otros	3096.00	96.00	460.80	1217.60	882.69
PER	Certificaciones/autorizaciones	0.00	0.00	0.00	0.00	0.00
PER	Inspección / fiscalización	840.00	96.00	460.80	465.60	460.19
PER	Cambios legales	0.00	0.00	0.00	0.00	0.00
PER	Específicos de la actividad productiva	2256.00	0.00	0.00	752.00	422.50
PER	Ponderacion sectorial	0.19	0.20	0.62		
PRT	TOTAL (annual hours)	520.00	1100.40	845.75	822.05	891.16
PRT	Employment Administration	93.00	222.20	180.90	165.37	187.43
PRT	contratacion/Despido	54.50	159.00	52.77	88.76	75.01
PRT	Reportes laborales	18.00	16.00	48.33	0.00	40.85
PRT	Salarios/Bonos/contribuciones	20.50	47.20	79.80	36.00	71.56
PRT	Administración de operaciones	107.00	190.00	233.53	176.84	221.39
PRT	Impuestos	45.00	61.00	105.08	20.00	94.43
PRT	Salud y Seguridad en el trabajo	62.00	129.00	128.44	1.67	126.97
PRT	Others	320.00	688.20	431.32	479.84	482.34
PRT	Certificaciones/autorizaciones	11.00	53.40	22.00	134.40	28.30
PRT	Inspeccion/Supervision	16.00	29.30	42.60	12.00	39.18
PRT	Cambios legales	16.00	0.00	9.33	28.00	7.54
PRT	Específicos de la actividad productiva	277.00	605.50	357.39	413.30	407.31
PRT	Ponderacion sectorial	0.02	0.21	0.77		
PRY	TOTAL (horas anuales)	484.25	1526.50	652.50	887.75	940.62
PRY	Administración del empleo	170.25	244.00	321.50	245.25	274.68
PRY	Salarios / Bonificaciones / Contribuciones	72.50	120.00	140.00	110.83	124.27
PRY	Contratación y despido	40.50	10.00	40.50	30.33	29.69
PRY	Informes de trabajo	57.25	114.00	141.00	104.08	120.71
PRY	Administración de operaciones	314.00	346.00	331.00	330.33	334.14
PRY	Impuestos Administrativos	48.00	56.00	65.00	56.33	59.64
PRY	Residuos	18.00	42.00	18.00	26.00	26.50
PRY	Vehículos	7.00	7.00	7.00	7.00	7.00
PRY	Certificaciones/autorizaciones	241.00	241.00	241.00	241.00	241.00
PRY	OTROS	0.00	936.50	0.00	312.17	331.80
PRY	Estadística Legal	0.00	0.00	0.00	0.00	0.00
PRY	Específico Sector	0.00	936.50	0.00	312.17	331.80
PRY	Ponderación sectorial	0.13	0.35	0.52		
SLV	TOTAL (horas anuales)	990.89	696.41	297.47	661.59	434.78
SLV	Administración del empleo	111.43	111.43	111.43	111.43	111.43
SLV	Contratación y despido	53.18	53.18	53.18	53.18	53.18
SLV	Salarios / Bonificaciones / Contribuciones	34.05	34.05	34.05	34.05	34.05
SLV	Informes de trabajo	24.20	24.20	24.20	24.20	24.20
SLV	Administración de operaciones	114.93	114.93	114.93	114.93	114.93
SLV	Impuestos/Contribuciones	40.90	40.90	40.90	40.90	40.90
SLV	Salud y seguridad en el trabajo	74.03	74.03	74.03	74.03	74.03
SLV	Otros	11.12	217.11	11.12	79.78	63.15
SLV	Certificaciones/autorizaciones	0.87	206.86	0.87	69.53	52.90
SLV	Inspección / fiscalización	9.70	9.70	9.70	9.70	9.70
SLV	Legales	0.55	0.55	0.55	0.55	0.55
SLV	Trámites específicos por act. productiva	753.43	252.96	60.00	355.46	145.28
SLV	Ponderación sectorial	0.05	0.25	0.69		
TTO	TOTAL (horas anuales)	6321.35	819.15	873.90	2671.47	1943.68
TTO	Administracion del Empleo	848.00	622.00	649.00	706.33	679.08
TTO	Contratacion/Despido	812.00	586.00	613.00	670.33	946.48
TTO	Reportes laborales		0.00	0.00	0.00	0.00
TTO	Salarios / Bonificaciones / Contribuciones	36.00	36.00	36.00	36.00	36.00
TTO	Administracion de las Operaciones	22.75	20.75	21.50	21.67	21.48
TTO	Impuestos	20.00	20.00	20.00	20.00	20.00
TTO	Salud y seguridad en el trabajo	2.75	0.75	1.50	1.67	1.48
TTO	Otros	5450.60	176.40	203.40	1943.47	1243.12
TTO	Certificaciones/autorizaciones	134.40	134.40	134.40	134.40	134.40
TTO	Inspección / fiscalización	21.00	6.00	9.00	12.00	10.32
TTO	Cambios legales	12.00	36.00	36.00	28.00	31.20
TTO	Específicos de la Actividad Productiva	5283.20	0.00	24.00	1769.13	1067.24
TTO	Ponderacion Sectorial	0.20	0.36	0.44		
URY	TOTAL (horas anuales)	425.00	354.00	423.00	400.00	410.00
URY	Administración del empleo	135.00	131.00	209.00	158.00	189.00
URY	Salarios / Bonificaciones / Contribuciones	106.00	109.00	100.00	105.00	102.00
URY	Contratación y despido	12.00	6.00	63.00	27.00	49.00
URY	Informes de trabajo	17.00	17.00	46.00	27.00	38.00
URY	Administración de operaciones	118.00	202.00	166.00	162.00	169.00
URY	Impuestos Administrativos	108.00	184.00	156.00	149.00	158.00
URY	Desperdicios	2.00	8.00	3.00	4.00	4.00
URY	Vehículos	4.00	4.00	4.00	4.00	4.00
URY	Salud y seguridad en el trabajo	4.00	6.00	3.00	4.00	4.00
URY	Otros	172.00	21.00	48.00	80.00	52.00
URY	Estadística, Legal	4.00	3.00	18.00	8.00	14.00
URY	Específico sector	168.00	18.00	30.00	72.00	37.00
URY	Ponderacion sectorial	0.07	0.19	0.74		

Appendix C: Clusters. Opening a Business Index of Bureaucracy 2025.

C1. Principal Component Analysis: Table of eigenvalues and total variance explained by component.

Number	Self-Value	%	Cumulative %
1	1.8302	36.60	36.60
2	1.0557	21.11	57.72
3	0.9903	19.81	77.52
4	0.7021	14.04	91.56
5	0.4218	8.44	100.00

C2. Principal Component Analysis: Table of correlations between active variables and factors.

Variable label	Axis 1	Axis 2	Axis 3
IDREG	-0.56	0.29	-0.66
IENAC	-0.83	0.08	-0.20
IPMUN	-0.72	-0.30	0.32
SERBAS	-0.54	0.18	0.61
ESPACT	-0.12	-0.92	-0.20

C3. Clusters: Ranking of representative cases by distance from the centroid.

Cluster 1/3. Count=5		
Rank	Distance to centroid	Case
1	1.09204	BOL
2	1.53398	GTM
3	1.95148	PAN
4	3.49467	ARG
5	3.56276	CHL
Cluster 2/3. Count=3		
Rank	Distance to centroid	Case
1	0.12350	TTO
2	0.38911	GUY
3	0.50822	PER
Cluster 3/3. Count=13		
Rank	Distance to centroid	Case
1	0.12435	PRY
2	0.60664	DOM
3	0.61189	BRA
4	0.88959	HND
5	0.95456	SLV
6	1.03922	PRT
7	1.66702	CRI
8	2.01612	MEX
9	2.22791	COL
10	3.64315	URY

Appendix D: Clusters. Running a Business Index of Bureaucracy 2025.

D1. Principal Component Analysis: Table of eigenvalues and total variance explained by component.

Number	Self-Value	%	Cumulative %
1	1.9644	65.48	65.48
2	0.6177	20.59	86.07
3	0.4180	13.93	100.00

D2. Principal Component Analysis: Table of correlations between active variables and factors.

Variable label	Axis 1	Axis 2	Axis 3
EMP	0.84	-0.30	-0.46
OPER	0.84	-0.29	0.46
OTHER	0.75	0.67	-0.01

C3. Clusters: Ranking of representative cases according to their distance from the centroid.

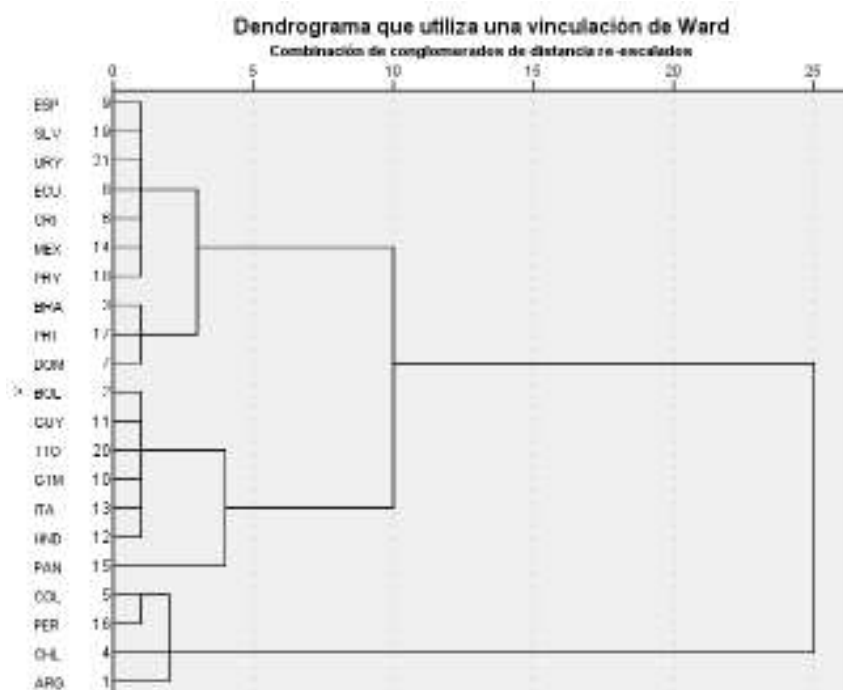
Cluster 1/3. Count=4		
Rank	Distance to centroid	Case
1	0.96145	COL
2	1.19159	PER
3	1.59419	ARG
4	2.72706	CHL
Cluster 2/3. Count=12		
Rank	Distance to centroid	Case
1	0.32198	PRY
2	0.39966	CRI
3	0.48813	GTM
4	0.79455	PRT
5	1.07319	BOL
6	1.09028	HND
7	1.12533	MEX
8	1.51303	GUY
9	1.91221	ITA
10	2.13391	DOM
Cluster 3/3. Count=5		
Rank	Distance to centroid	Case
1	0.01734	SLV
2	0.28936	URY
3	0.29666	PAN
4	0.36114	ECU
5	0.70282	ESP

Appendix E: Clusters. Opening and Running a Business Index of Bureaucracy 2025.

E1. Clusters by Group

Case	Cluster Group
1:ARG	1
2:BOL	2
3:BRA	3
4:CHL	1
5:COL	1
6:CRI	3
7:DOM	3
8:ECU	3
9:ESP	3
10:GTM	2
11:GUY	2
12:HND	2
13:ITA	2
14:MEX	3
15:PAN	2
16:PER	1
17:PRT	3
18:PRY	3
19:SLV	3
20:TTO	2
21:URY	3

E2. Cluster endogram.





The 2025 Index of Bureaucracy is an essential tool for driving development in the 21 countries analyzed, as it accurately reveals the administrative barriers affecting small and medium-sized enterprises — a key sector for job creation, income generation, and innovation. With averages of 1,850 hours to start and 1,577 hours annually to operate a business formally, the index highlights the impact of bureaucracy on productivity and competitiveness. By estimating an opportunity cost of USD 110.5 billion per year, the study reinforces the urgency of streamlining processes and strengthening public governance. Excessive bureaucracy ultimately weakens popular sovereignty and undermines trust in public institutions, making its reform a priority for economic and social progress.

Paulo S. Uebel

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