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## **MEDIA STATEMENT**

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22 February 2020

### **UPDATE ON NAMIBIA'S BUSINESS LANDSCAPE: 1 JANUARY 2020 – 31 DECEMBER 2020 'BUSINESS GROWS'**

Notwithstanding the challenges posed by Covid-related restrictions in 2020, the Namibian business landscape last year grew with 12 013 new business entities registered. Of these, 72% were Close Corporations, followed by Defensive Names at 19%, Companies at 7% and Section 21 companies at 1%. The authority only registered 4 Foreign Companies during the period.

1. Despite a drastic slump in registrations during the period April - May 2020, due to the country-wide Covid-lockdown; the second half of the year saw a sharp increase in the registration of Close Corporations. This is evident from the 1140 and 1231 CC's that were registered in September and October respectively.
2. The registration of Defensive Names also peaked in September with 376 registrations. Business registrations from Q1/Q2 (when 4382 entities were registered); to Q3/Q4 (when 7633 entities were registered), increased with 74%. The growth could be attributed to an appetite for business ownership, which could possibly have been spurred by job-losses in the formal sector due to the effects of the Covid-19 pandemic on the country's economy.
3. However, 2020 also saw the deregistration of 521 CC's and 206 companies. This is the lowest number of deregistration's in 5 years.
4. A decline in business registration was observed during December 2020; when the authority only registered 805 entities. This can be attributed to a slowdown in business activities over the festive season and many businesses closing for the holiday period.
5. Online registrations for 2020 totaled 2026, with the E-services portal of the Ministry of Industrialization and Trade off to a slow start, it nonetheless suggested a keen interest from entities to make use of the online application process.. The portal was launched in December 2020 as a combined effort of

the ministry and key agencies, inclusive of BIPA, to provide seamless and responsive client services to business owners.

6. During the period, 1 January 2020 to 31 December 2020, clients requested a total of 11 583 files with an average turnaround time of 3 days. BIPA's head office in the Northern Industrial area serves an average of 4500 walk-in customers per month.
7. For the period under review, BIPA's operations were negatively impacted by insufficient revenue collection, stemming from challenges with its outdated and manual systems. Currently, only 30% of BIPA's business registration documents are available in soft copy. Subsequently many business entities are non-compliant with their obligation to pay annual returns, increasing the authority's debt book and burdening its human capacity. Lack of sufficient capital budgets further aggravate the situation, as funding is not available to improve its online registrations systems, nor its automation and decentralisation endeavours.
8. Despite the challenges, it should be noted that the time it took to register a business with BIPA (according to the World Bank's Ease of Doing Business Index) improved from 33 days in 2019 to 21 days in 2020. The improvement can be attributed to the authority improving its turnaround time on name reservation approvals from 18 days in 2019 to 6 days in 2020. BIPA achieved the reduction in the number of days it took to approve a name reservation by 12 days in 2020.. This achievement is significant, given that BIPA suffered numerous challenges posed by the impact of the Covid-19 pandemic in 2020 such as personnel shortages and reduced income.

The authority foresees a further improvement in the 'Starting a business' indicator of the Ease of Doing Business Index, as BIPA's latest statistics show that the authority now process name reservations within 3 days.

**(See diagrams and statistics at the end of the release)**

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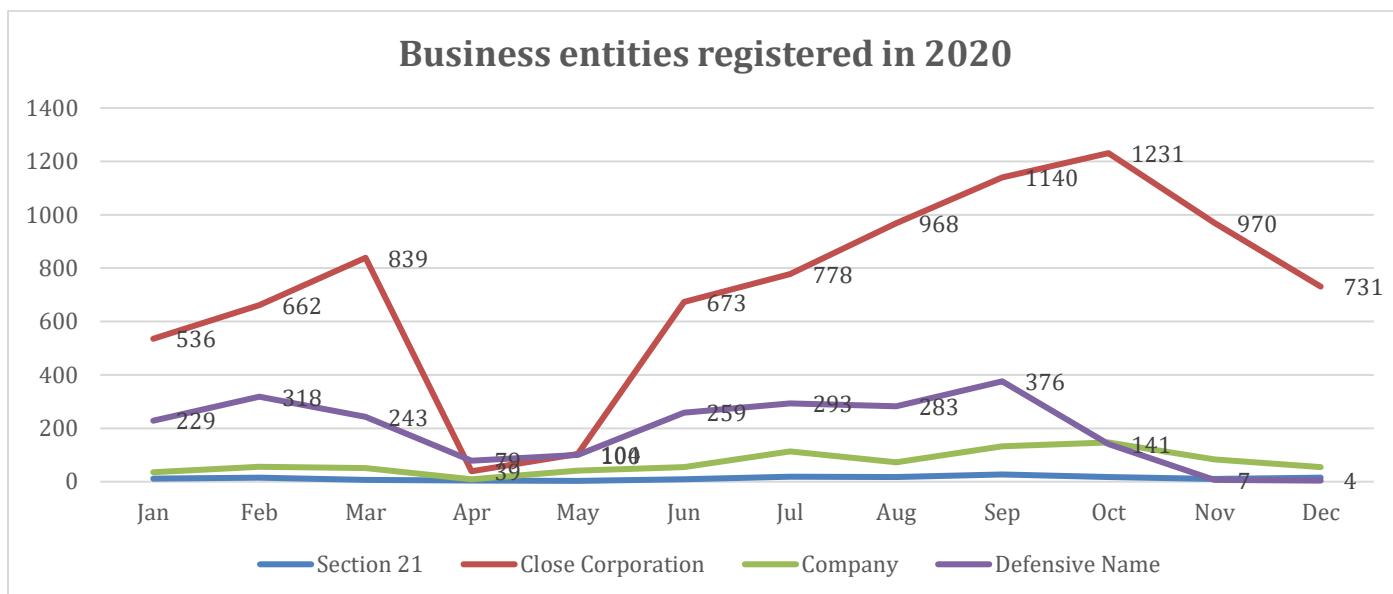
**FOR MORE INFORMATION ABOUT BIPA, PLEASE VISIT: [www.bipa.na](http://www.bipa.na)**

## STATISTICS AND DIAGRAMS

1. Table: Business Registrations for 1 January 2020 – 31 December 2020.

Organisation Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Section 21	11	15	7	4	3	9	19	17	27	17	10	15	154
Close Corporation	536	662	839	39	104	673	778	968	1140	1231	970	731	8671
Company	36	56	51	9	41	55	113	73	132	147	84	55	852
Defensive Name	229	318	243	79	100	259	293	283	376	141	7	4	2332
Foreign			2							1	1	0	4
<b>Total:</b>	<b>812</b>	<b>1051</b>	<b>1142</b>	<b>131</b>	<b>248</b>	<b>996</b>	<b>1203</b>	<b>1341</b>	<b>1675</b>	<b>1537</b>	<b>1072</b>	<b>805</b>	<b>12013</b>

2. Chart: Business Registrations for 1 January 2020 – 31 December 2020.



3. Table: Deregistration of business: 2016-2020

DEREGISTRATION STATISTICS FOR THE PERIOD OF FIVE YEARS: 2016 - 2020			
YEAR	CC's	Companies	TOTAL
2016	700	195	895
2017	861	252	1113
2018	934	258	1192
2019	682	216	898
2020	521	206	727
<b>TOTAL</b>	<b>3698</b>	<b>1127</b>	<b>4825</b>