

4 February 2020

BIPA'S ROLE IN IMPROVING NAMIBIA'S EASE-OF-DOING-BUSINESS INDEX

BIPA's role in Namibia's Ease of Doing Business Index, as released annually by the World Bank, has often not been adequately understood. Therefore, BIPA would like to provide clarification on this matter and further explain its efforts to contribute to the improvement of the country's rating.

For the period 2008 to 2020, Namibia's aggregated average ranking stood at 91.7 on the World Bank's Ease of Doing Business Index. The country reached an all-time low when it ranked 108th on the index in 2016, with its best performance at position 54 in 2008. The latest 2020-rating places Namibia in position 104 of 190 economies¹. Influencing Namibia's placing are several indicators; notably:

1. Starting a business (procedures, time, cost and paid-in minimum capital to start a limited liability company).
2. Dealing with construction permits (procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system).
3. Access to electricity (procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs).
4. Registering property (procedures, time and cost to transfer a property and the quality of the land administration system).
5. Getting credit (movable collateral laws and credit information systems).
6. Protecting minority investors (minority shareholders' rights in related-party transactions and in corporate governance).
7. Paying taxes (payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as post-filing processes).
8. Trading across borders (time and cost to export the product of comparative advantage and import auto parts).
9. Enforcing contracts (time and cost to resolve a commercial dispute and the quality of judicial processes).
10. Resolving insolvency (time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency).
11. Labor market regulation (flexibility in employment regulation and aspects of job quality).

¹ according to information available on tradingeconomics.com

Comparing Namibia's performance in 2019 and 2020 respectively, provides the following insights:

Indicator	Ranking: 2020	Ranking: 2019	Movement
Enforcing contracts	64	58	-6
Getting electricity	76	71	-6
Getting credit	80	73	-7
Paying taxes	88	81	-7
Dealing with construction permits	84	83	-1
Protecting minority investors	88	99	+11
Resolving insolvency	127	125	-2
Trading across borders	138	136	-2
Starting a business	165	172	+7
Registering Properties	173	174	+1

From 2019 to 2020, Namibia performed worse in 7 of the 10 indicators, and improved its rating in the categories: protecting minority investors (climbing 11 positions), registering properties (climbing 1 position) and starting a business (climbing 7 positions).

According to the World Bank's 2020 statistics, it effectively took 54 days (60 days in 2019, 66 days in 2018) to start a business in Namibia, considering the 10 indicators highlighted above. Of the 54 days, the Business and Intellectual Property Authority contributed 21 days (6 days for name reservation, 1 to pay registration fees and 14 days to hire an attorney to register the company with BIPA). The balance of 33 days was contributed to by the relevant banking institution, the municipality, the Ministry of Finance, the Social Security Commission and the Workmen's Compensation Commission.

From the above analysis, it should be noted that the time it takes to register a business with BIPA 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 through allocating more human resources and have staff working overtime. 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 processes name reservations within 3 days.



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In conclusion, it is worth considering that BIPA plays an important, but limited role in the overall index of Namibia's Ease of Doing Business ranking. However, the authority remains confident that its service delivery will further improve, thereby enhancing the country's performance on the index.

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