



THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

PARLIAMENTARY QUESTION 92

Mr M Bagraim (DA) to ask the Minister of Trade and Industry:

- (1) Why does South Africa's ranking in the World Bank's 2020 Ease of Doing Business Report remain at 84 despite his department and the World Bank having set up a working group to address the country's poor performance in the 2019 version of the report; if not, why not; if so, what are the relevant details;
- (2) whether this is evidence that he is unable to deliver the widespread economic reform required to put the country's economy back on an upward growth trajectory; if not, why not; if so, what are the relevant details? NW101E

REPLY

The Department is working with the World Bank to identify challenges that result in a low ranking on the Ease of Doing Business Index and as this work progresses, it is expected to impact positively on the country ranking.

The project with the World Bank was launched in March 2019. The Doing Business Report 2020 quoted by the Honourable Member is for the period 1 May 2018 to 30 April 2019, released in October 2019.

A number of the factors that contribute to the country ranking fall outside of the Department's legal mandate, but through this process, the Department can work with other public entities and the private sector to address concerns that have been identified.

One area that does fall within the mandate of the DTIC in the Starting a Business Indicator, relating to the ease of registering a company. The DTIC and its agency, the CIPC is pioneering an e-government platform through the establishment of the Biz Portal. Today a domestic firm through the Biz Portal can obtain the following online within one day:

1. Company registration;
2. Domain name registration;

3. B-BBEE certificate;
4. Tax registration number;
5. Unemployment Insurance Fund registration;
6. Compensation Fund registration;
7. Business Bank account.

I am advised that since the launch of the Biz Portal pilot in November 2019, 8 759 companies have been registered within a day. This will significantly change the landscape and make strides in the Ease of Doing Business indicator.

It should be noted that the World Bank uses the major city in every surveyed country as a proxy for aspects of business regulation affecting small domestic firms. In the case of South Africa, it is the City of Johannesburg (CoJ) and covers the period 1 May 2018 to 30 April 2019 in the CoJ.

CoJ is directly responsible for following indicators:

- a. Getting Electricity
- b. Registering Property
- c. Dealing with Construction Permits

Progress on the pace of reforms at CoJ have been slow and this indicated in the Doing Business (DB) Report 2020 released in October 2019. The lack of movement on these impacted negatively on our rankings.

Since the appointment of the Executive Mayor of CoJ Mr. Geoff Makhubo, the Department team, World Bank and CoJ have been able to formalise an action plan for the above-mentioned indicators in order to improve turnaround times and service delivery. Since November 2019, the COJ has piloted an e-rates certificate and has issued 5772 e-certificates of which 98% were issued within 24 hours.

The Technical Working Group continues to work on improving the key elements of the measured indicators to ensure that an increase in South Africa's rankings and I am advised that some of the successes and improvements to date include:

- Measured improved customer service by SARS;
- Service Delivery Charter published by SARS;
- Service Charter developed by COJ for registering a property;
- Increased transparency and availability of information fee schedules, documents for registration and services;
- Expanded Preferred Traders Program rolled out for trading across borders;
- Cut off time for pre-loading stacking vehicles to be at the port was reduced from 72 hours to 24 hours;
- Queuing times are now measured from inside the port gate to the stack and not from outside the gate point of entry to the discharge of

goods;

- Transnet port services for import/export of vehicles now fully automated.
- Updated Website by Deeds Office, improving access, quality and transparency of information to buyers and sellers of property.

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