



New World Bank Group Report Finds Doing Business in South Africa Can Be Made Easier if Local Good Practices Are Replicated Across the Country

PRETORIA, June 12, 2015—A new World Bank Group report assessing the business environment and state of regulations for domestic firms in South Africa finds that local entrepreneurs face a wide array of business obstacles depending on which city they establish their companies in the Republic. The report also highlights a number of constructive practices that can be better leveraged within the country to improve the business climate for local entrepreneurs and firms.

Released today, *Doing Business in South Africa 2015* benchmarks nine of the country's largest urban areas and four ports across six *Doing Business* topics namely: starting a business, dealing with construction permits, getting electricity, registering property, enforcing contracts and trading across borders.

The nine cities covered by the report are Buffalo City, Cape Town, Ekurhuleni, eThekweni, Johannesburg, Mangaung, Msunduzi, Nelson Mandela Bay and Tshwane. The four ports are Cape Town, Durban, Ngqura, and Port Elizabeth.

"The Government of South Africa is committed to expanding economic opportunity for its citizens and improving the business climate in the country is a step towards that goal. As the Doing Business in South Africa report highlights, there are many good practices already in place and these can and should be expanded throughout the country," **said Mcebisi Jonas, South Africa's Deputy Minister of Finance.**

The report finds that no city outperforms the others in all areas benchmarked: Ekurhuleni, Johannesburg and Tshwane lead in starting a business, Cape Town in dealing with construction permits, Mangaung in getting electricity and enforcing contracts, and Johannesburg in registering property.

According to the new report, local officials could significantly improve their local and national business climate by replicating good practices already being used successfully in other cities in South Africa. Local reforms could not only improve the business environment of one location as compared to another within South Africa, but also make a significant difference on the global scale. If a South African city was to adopt the good practices found across the nine cities in dealing with construction permits, getting electricity and enforcing contracts, it would surpass the average performance of the OECD high-income economies in all three areas.

However, notable challenges remain. Firms across South Africa still face inefficient and complex red tape securing electricity, registering property and trading across borders.

"We hope the report can draw policy makers' attention to areas where improvements are possible without major legislative changes," **said Miertha Capaul, Lead Private Sector Development Specialist with the World Bank Group.** *"Sharing experiences across cities and learning from each other are key to promoting business regulatory improvements throughout South Africa."* Capaul added.

Doing Business in South Africa 2015 report was produced by the Global Indicators Group of the World Bank Group in collaboration with the National Treasury, the Department of Trade and Industry and the South African Cities Network. The study was co-funded by Switzerland's State Secretariat for Economic Affairs (SECO) and the National Treasury.

For more information or to access the report, please visit: www.doingbusiness.org/SouthAfrica. Join us on [Facebook](https://www.facebook.com/DoingBusiness.org) at www.facebook.com/DoingBusiness.org.

Contacts:

In Pretoria:

Zandile Ratshitanga
Phone: +27 73 888 5962
E-mail: zratshitanga@worldbank.org

In Washington, D.C.:

Indira Chand
Phone: +1 202 473-0434
E-mail: ichand@worldbank.org

At National Treasury:

Phumza Macanda
Phone: +27 73 001 3406
E-mail: media@treasury.gov.za

About the World Bank Group

The World Bank Group plays a key role in the global effort to end extreme poverty and boost shared prosperity. It consists of five institutions: the World Bank, including the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA); the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). Working together in more than 100 countries, these institutions provide financing, advice, and other solutions that enable countries to address the most urgent challenges of development. For more information, please visit www.worldbank.org, www.miga.org, and ifc.org.

About the National Treasury:

The National Treasury is responsible for managing South Africa's national government finances. It aims to advance policies that promote economic growth, social development and poverty reduction. The National Treasury recognizes that cities play a key role in driving economic growth. Through its Cities Support Programme, the National Treasury assists cities to plan and implement investments that will support growth. In 2013 the National Treasury, the Department of Trade and Industry, and the South African Cities Network partnered to conduct a *Doing Business* study in nine of South Africa's largest cities.