

Doing business in Africa

Doing Business 2009: Record year for regulatory reform in Africa - Senegal, Burkina Faso, and Botswana make key improvements; Mauritius ranks highest in region on ease of Doing Business

Africa had a record year for regulatory reforms that make it easier to do business, with 28 countries completing 58 reforms, according to *Doing Business 2009*, the sixth in an annual series of reports published by IFC and the World Bank. Three of the world's top 10 reformers of business regulations are in Africa this year: Senegal, Burkina Faso, and Botswana.

Senegal made it easier to start a business, register property, and trade across borders. Burkina Faso introduced a new labour code and reforms for registering property, dealing with construction permits, and paying taxes. Botswana cut the time to start a business, facilitated trade, and strengthened investor protections. Post-conflict countries, Liberia and Sierra Leone, along with Rwanda, were among the region's most active reformers of business regulations.

Mauritius moved up to 24 in the global rankings on the regulatory ease of *Doing Business* and continues to provide inspiration for reform and good practices to other economies across Africa. The runner-up in the overall rankings is South Africa at 32, followed by Botswana at 38.

"With more reforms of business regulations in Africa than in any previous year, we are seeing many countries get inspiration from their neighbours about how to reform," said Sabine Hertveldt, a co-author of the report. "Increasingly, countries in the region are committing to reform agendas that make it easier to do business," she added.

Doing Business ranks economies based on 10 indicators of business regulation that track the time and cost to meet government requirements in starting and operating a business, trading across borders, paying taxes, and closing a business. The rankings do not reflect such areas as macroeconomic policy, quality of infrastructure, currency volatility, investor perceptions, or crime rates.

Among regions, Eastern Europe and Central Asia led in reforms of business regulation for a fifth consecutive year, with more than 90% of its countries making improvements. The top 10 are, in order, Azerbaijan, Albania, the Kyrgyz Republic, Belarus, Senegal, Burkina Faso, Botswana, Colombia, the Dominican Republic, and Egypt.

Singapore leads the global rankings on the overall regulatory ease of *Doing Business* for a third consecutive year. New Zealand is runner-up and the United States third. Bahrain and Mauritius join the rank of the top 25 this year.

"Economies need rules that are efficient, easy to use, and accessible to all who have to use them. Otherwise, businesses get trapped in the unregulated, informal economy, where they have less access to finance and hire fewer workers, and where workers lack the protection of labour law," said Michael Klein, World Bank/IFC Vice President for Financial and Private Sector Development. "*Doing Business* encourages good rules, and good rules are a better basis for healthy business than 'who you know,'" he added.

Doing Business 2009 ranks 181 economies on the overall ease of *Doing Business*. The top 25 are, in order, Singapore, New Zealand, the United States, Hong Kong (China), Denmark, the United Kingdom, Ireland, Canada, Australia, Norway, Iceland, Japan, Thailand, Finland, Georgia, Saudi Arabia, Sweden, Bahrain, Belgium, Malaysia, Switzerland, Estonia, Korea, Mauritius, and Germany.

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