

Opening Remarks at the Capacity Building Event on “The Impact of the COVID-19 Pandemic on Micro-, Small and Medium-sized Enterprises (MSMEs) in The Gambia”

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Hon. Minister Trade, Industry, Regional Integration and Employment, Mr. Seedy Keita,
Government of the Republic of The Gambia,

Permanent Secretary, Mr. Hassan M. Jallow,

Mr. Fabba Jammeh, Director of Industry,

Mr. Alieu Saho, Deputy Statistician General,

Ladies and gentlemen,

Let me start by thanking the Government of Republic of The Gambia and all those involved in organizing this capacity building event on “The Impact of the COVID-19 Pandemic on Micro-, Small and Medium-sized Enterprises (MSMEs) in The Gambia”.

We are pleased to jointly organize this event with the Ministry of Trade, Industry, Regional Integration and Employment.

Honorable Minister, your presence demonstrates the high-level commitment of the Government to the partnership with the United Nations Department of Economic and Social Affairs’ Division for Sustainable Development Goals to promote the formalization and growth of micro-, small and medium-sized enterprises.

We are meeting today after the 2020 Africa Industrialization Week celebrations were held last week under the theme “Inclusive and sustainable industrialisation in the AfCFTA and COVID-19 era”.

Across Africa, there is growing recognition that MSMEs matter for a sustainable post-pandemic recovery. Small business enterprises are also critical to the structural transformation of Africa and the achievement of the 2030 Agenda for Sustainable Development and the AU Agenda 2063.

Africa's industrialization prospects are anchored on unleashing the growth of micro-, small and medium-sized enterprises guided by the African Union SMEs Strategy. Therefore, it is quite reassuring and encouraging to see the commitment of the Government of The Gambia to create enabling conditions that promote the formalization and growth of MSMEs, contributing to the continent's industrialization efforts.

Across the continent, MSMEs have been disproportionately affected by the COVID-19 pandemic. According to a recent report by the International Trade Center, one in three small firms in Africa have been strongly affected by COVID-19, mostly involving reduced sales and/or difficulty accessing inputs. The report also notes that \$2.4 billion worth of exports is expected to be lost. In the specific case of The Gambia, the effects of the COVID-19 pandemic are quite visible, from the empty beaches and hotels to shuttered businesses and local markets. The travel and tourism sector that accounts for more than 20 percent of GDP has taken a massive hit following global travel bans, flight suspensions, lockdowns and social distancing measures.

While these tough measures have helped prevent the further spread of the pandemic, they have also taken a heavy toll on MSMEs, undermining the livelihoods of the poor and people in vulnerable situations, including women, children and youth, older persons, persons with disabilities, migrants, and refugees.

Even during normal times, MSMEs, especially those in the informal sector, operate with tight profit margins and have limited cash reserves to weather economic shocks. Hence, the impact of the COVID-19 pandemic threatens to overwhelm MSMEs' coping capacity, through interrupted supply chains, reduced demand, delayed repayment and fast accumulating cashflow pressures. Compared to the large and formalized enterprises, MSMEs are less able to tap into emergency credit and economic stimulus programmes, although they are arguably the ones that need such support the most. Informal and unregistered MSMEs, particularly those operated by women and young people are left with even fewer avenues to access support.

Despite these challenges, it needs to be recognized that the pandemic has also prompted MSMEs to adapt, innovate and explore new market opportunities, including e-commerce.

It is against this backdrop that this event is taking place. The presentations on the rapid assessment of the COVID-19 impact on MSMEs in the Gambia and on improving MSME resilience to external risks in the post-COVID-19 economic resurgence should provide valuable information on how the pandemic has affected MSMEs in The Gambia, especially in the informal sector.

I believe our discussion today will be helpful to not only understand more the impact of the pandemic on MSMEs, but also identify its ripple effects on households whose livelihoods are dependent on the survival and continuity of MSMEs. Our discussions will also help us understand the needs, gaps and challenges that MSMEs are facing if we are to build back better.

Going forward, it will be critical to ensure that sustained policy support is tailor-made and targets the specific needs of MSMEs if we are to strengthen MSMEs as the first responders to the pandemic in terms of protecting jobs and sustaining the livelihoods of people in vulnerable situations. Moreover, international cooperation and partnerships remain the key for building an enabling policy environment for MSME growth through knowledge exchange and experience sharing.

We look forward to continuing our cooperation and partnership with the Ministry of Trade, Industry, Regional Integration and Employment and the UN Country Team in The Gambia, the success of which has been exhibited through the capacity building event today. I am glad to see UN Country Team colleagues have joined us today. It is imperative that we fully leverage the power of MSMEs to build back better in this Decade of Action to deliver the Global Goals.

I thank you for your attention and I would like to wish event a smooth success.
