

Opening Remarks

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“High-Level Policy Workshop on Mainstreaming Micro-, Small and Medium-sized Enterprises (MSMEs) in implementing the African Continental Free Trade Area (AfCFTA) in The Gambia”

15 December 2021

Hon. Vice President of the Republic of The Gambia, Dr. Isatou Touray,
Hon. Minister of Trade, Industry, Regional Integration and Employment, Mr. Seedy Keita,
UN Resident Coordinator, Ms. Seraphine Wakana,
UNDP Resident Representative, Ms. Aissata De
Ladies and gentlemen,

I am pleased to join you today at the opening session of the “High-Level Policy Workshop on Mainstreaming Micro-, Small and Medium-sized Enterprises (MSMEs) in implementing the African Continental Free Trade Area (AfCFTA) in The Gambia”.

Please allow me to start by thanking the Vice President of the Republic of The Gambia and the Minister of Trade, Industry, Regional Integration and Employment for your presence at this timely policy dialogue.

Your presence demonstrates the high-level commitment of the Government of The Gambia to the partnership with the United Nations system, including with the UN Country Team represented here by the Resident Coordinator, Ms. Seraphine Wakana, and the Department of Economic and Social Affairs. As the UN system, we have joined you today to discuss how we can join hands and promote the contributions of Gambian micro-, small, and medium-sized enterprises to building back better from the COVID-19 pandemic and achieving the 2030 Agenda for Sustainable Development and AU Agenda 2063 in The Gambia.

In The Gambia, like the rest of the African continent, there is no denying the fact that the growth of the national economy and efforts to eradicate poverty, empower women and youth, and create decent jobs rely considerably on the contributions of micro-, small, and medium-sized enterprises from every part of the country.

MSME provide employment and income for many who lose or cannot find work in the formal economy, and they include a disproportionate number of women, young people and other groups in vulnerable situations.

While informal MSMEs may provide a short-term solution to a household's livelihood needs, creating an economy with a higher proportion of formal enterprises and jobs is important to long term wealth creation, welfare gains, stability and poverty reduction.

However, given the continued impact of the pandemic on global, regional and national economies, it has become more imperative for MSMEs across the continent to rethink their business models in order to overcome the current crisis and similar future shocks as well as to fully leverage the new market opportunities presented by the African Continental Free Trade Area (AfCFTA).

The AfCFTA aims to accelerate intra-African trade and boost Africa's trading position in the global economy by strengthening Africa's common voice and policy space in global trade negotiations.

In that regard, the AfCFTA mechanism has rekindled hopes to forge a new development narrative for the continent. The continental trade area creates a single continental market for goods and services as well as a Customs Union with free movement of capital and business persons. It will cover a market of 1.2 billion people and generate a gross domestic product (GDP) of \$2.5 trillion, across all 55 member States of the African Union. In terms of numbers of participating countries, AfCFTA will be the world's largest free trade area since the formation of the World Trade Organization.

The AfCFTA offers many opportunities to Gambian MSMEs. These include accessing a bigger and integrated regional market for local products; permitting local producers to benefit from economies of scale and to access cheaper raw materials and intermediate inputs; improving

conditions for forming regional value chains and integrating to global value chains; allowing consumers to have access to cheaper imported products from other African countries; and stimulating cooperation in other areas such as technology transfer, innovation, investment and continent- wide infrastructure development.

It is also our fervent hope that when fully operational, the AfCFTA will lead to better allocation of resources and faster economic and trade growth, including in The Gambia. In turn, this will catalyze the structural transformation of African economies, from natural resource and low technology-based economies to more diversified knowledge-based economies.

Despite these many potential benefits, it is equally important to highlight some of the challenges that Gambian MSMEs will face. These include how to deal with non-tariff barriers like poor road and rail links, border bureaucracy, corruption and conflicts that have disrupted growth and regional integration.

In addition, Gambian MSMEs will also need to close the digital divide. Digitalization and digital tools can help local MSMEs overcome some of these challenges and tap into new markets offered by the AfCFTA by reducing costs, standardizing and automating business processes and reducing the reliance on foot traffic and manpower. Moreover, going digital will enhance MSMEs competitiveness and better understand consumer behaviors.

Under the promising prospects presented by the AfCFTA, one critical question we need to ask ourselves is how do we support local MSMEs across Africa make the most from expanded market opportunities availed by the AfCFTA?

This question is becoming increasingly important when the COVID-19 pandemic continues weigh heavily on the global economy, including on MSMEs.

In The Gambia, it is encouraging to witness the efforts made by the government aimed at supporting local MSMEs. Together with the United Nations Country Team in The Gambia, we are honored to have joined the Ministry of Trade, Industry, Regional Integration and Employment (MOTIE) to gauge the impact of the COVID-19 pandemic on MSMEs, as well as provide evidence-based policy recommendations that timely supported MSMEs in a demand-driven approach.

Your Excellency, we are also pleased to inform you that currently, we are conducting an intensive six-day MSME entrepreneur training workshop jointly with MOTIE, the Gambia Import and Export Promotion Agency (GIEPA) and UNCTAD at the National Nutrition Agency.

Through providing need-based knowledge to forty young MSME entrepreneurs, the majority of whom are women, the workshop seeks to strengthen entrepreneurial capacities and skills that contribute to building resilience against economic uncertainties and further help young entrepreneurs grow and leverage opportunities provided by the AfCFTA, and in the process generate new job opportunities in the communities they live and operate in.

At the policy front, we are working with MOTIE to ensure an enabling policy environment for Gambian MSMEs participating in the AfCFTA. This work involves strengthening the National MSME Policy Implementation Committee as the oversight body coordinating the effective implementation of The Gambia National MSME Policy. We are also supporting the Ministry on the formulation of a monitoring framework of the informal economic sector, which aims to strengthen a data-driven and informed policymaking process. To ensure UN system-wide coherence and avoid duplication of effort, we hope to fully engage the UNCT in these processes.

Going forward, we remain convinced that international cooperation and partnerships make significant contributions to realizing the aspirations of local MSMEs. In that regard, the United Nations Department of Economic and Social Affairs looks forward to continuing our successful cooperation and partnerships with the Government and the UN Country Team. It is imperative that we continue to work together to enhance the resilience of MSMEs and leverage their potentials as the first responders to protect jobs, sustain livelihoods and build back better from the COVID-19 pandemic in this Decade of Action to deliver the Sustainable Development Goals

I thank you for your attention and look forward to a fruitful discussion.
