



**HONORABLE MINISTER – DRAFT STATEMENT FOR THE HIGH-LEVEL
POLICY WORKSHOP ON MAINSTREAMING MSMEs IN AfCFTA
IMPLEMENTATION IN THE GAMBIA**

Salutation

Your Excellency – Vice President Dr. Isatou Touray

My Colleagues Hon. Ministers

UN-DESA Mission to The Gambia

The UN Country Team

Permanent Secretaries

Media Fraternity

All other protocols duly and respectfully observe

Ladies and Gentlemen

It is with great pleasure that my Ministry in collaboration with and the United Nations Department of Economic and Social Affairs (UN-DESA) and the UN Country Team have resolved to organize this important high-level policy workshop on the margins of the implementation of the African Continental Free Trade Area (AfCFTA). We are aware that January 2021 was the commencement of the AfCFTA implementation and the Gambia has responded in a number of ways including institutional arrangements, implementing structures, impact assessments and policy discussions to adequately prepare MSMEs and industries for the AfCFTA implementation regime.

Ladies and Gentlemen

The ultimate objective of the High-level policy workshop is to bring together high-level decision-makers to discuss and explore possible options and come up with strategic recommendations

to address the potential challenges of the AfCFTA and how Gambian MSMEs can be reposition to effectively benefit from the Agreement. We value each and every institution herein presence to adequately contribute in the discussions with recommendations that will ensure MSMEs and industries to triumph the competitive regional good and service markets.

Ladies and Gentlemen

The African Continental Free Trade Area (AfCFTA) agreement will create the largest free trade area in the world measured by the number of countries participating. The pact connects 1.3 billion people across 55 countries with a combined gross domestic product (GDP) valued at US\$3.4 trillion. It has the potential to lift 30 million people out of extreme poverty, but achieving its full potential will depend on putting in place significant policy reforms and trade facilitation measures. The choice is ours and this workshop will without doubt endorse and approve all what it takes to avail our MSMEs and industries to compete for the opportunities.

Ladies and Gentlemen

MSMES employs 60 % of the active labor force, and contributes approximately 20% to GDP. The Gambia National Policy for MSMEs 2019-2024, categorizes MSMEs according to number of employees, paid in capital/assets, and annual sales. In this regard, The Gambian economy is characterized by a dominance of MSMEs engaged across a range of priority sectors at the formal and informal level. They play multiple roles in the economy, absorbing labor, building skills through apprenticeships and introducing new services and products to the market.

Ladies and Gentlemen

Globally, Micro small and medium-sized enterprises (MSMEs) are the backbone of many developing economies, especially in Sub-Saharan Africa. The informal sector, which constitute a large share of MSMEs in Least Developed and developing economies, accounts for 25 to 40 percent of Gross Domestic Product (GDP) and often more than 60 percent of employment (World Bank 2020). Levels of informality and the number of workers employed by the informal sector are particularly high in Sub-Saharan Africa.

Ladies and Gentlemen

Despite the high informality in The Gambia, MSMEs play important roles in production, employment creation, poverty eradication and boosting household income. MSMEs represent a majority of enterprises, contributing about 20% of GDP and employing approximately 60% of the urban labour force. As is the case in many developing countries, the majority of MSMEs

in The Gambia (78% as per 2018 MSME Mapping) are informal, thus not registered with government authorities. A significant share of employment in informal MSMEs provides critical livelihood opportunities for women, youth, migrants and refugees and their families.

Ladies and Gentlemen

It is important to inform this august gathering that the Ministry in collaboration with GIEPA has been working on the establishment of the Enterprise Development Fund (EDF) with a view to support MSME access to finance. We all know quite well that access to finance has been a perennial constrain over the years and we hope with establishment of this fund, MSMEs would be able to transform and become competitive. Furthermore, the Ministry has in parallel establish the National MSME Policy Implementation Committee to have an oversight responsibility on the implementation, hence provide technical advice to the Ministry. The Committee has been effective in the course of its establishment and UNDESA is providing technical support with the recruitment of a consultant.

Ladies and Gentlemen

Currently, The Gambia and the world over are faced with challenges of Covid-19 pandemic. These challenges affected the MSME eco-system the most as regulations set by the WHO to contain the spread of the virus affected the normal business operations of the MSMEs. With the coming into force of the Africa Continental Free Trade Agreement (AfCFTA), whose primary objective is to increase Africa's intra-continental trade by 52.3 percent by 2022, a great opportunity is availed to MSMEs to benefit from increased market access to boost their sales and grow their businesses. This however will require that deliberate actions are taken by government and businesses to ensure the full realization of the benefits of AfCFTA to MSMEs, in particular in the informal ones led and owned by women, youth and groups in vulnerable situations.

Ladies and Gentlemen

The Ministry in collaboration with UNDESA have commanded a study of the informal sector with a view to have an understanding this unattended sector of the eco-system. We strongly believe the study should be able to highlight valuable recommendation that will lead the Ministry and its partners to work through this unattended sector to graduate them into the formal sector. Another study is also commanded on Made in the Gambia with a view to create market access for not only MSME but also industries. It is our conviction that the finalization

of the Domestic Trade Strategy will be a convenient conduit and a platform to facilitate the realization of the aforementioned studies.

Ladies and Gentlemen

The main expected outcomes of the high-level workshop are to provide policy recommendation to strengthening the capacity of Gambian MSMEs to leverage on the AfCFTA and to also provide evidence-based solutions for addressing potential challenges the AfCFTA and covid19 may pose to the Gambian MSME Eco-System. Against this background, may I indulge your not only your courage but your utmost best in the subsequent proceedings in a bid to fully achieve the ultimate objective of the workshop. I sincerely trust the intellectual and professional capacities and I'm convince we will together demonstrate common purpose and nationalism to facilitate and guide MSMEs into the AfCFTA implementation.

Ladies and Gentlemen

On a final note, I wish to sincerely express my Ministries appreciation to UN-DESA and UN Country Team for working in collaboration with the Ministry towards supporting MSMEs into the preparatory exercises – including institutional arrangements, operational modalities, public sensitization and awareness creation towards AfCFTA implementation. We trust this collaboration will continue to grow from strength to strength. Furthermore, I would like to equally thank all our partners in the MSME eco-system for your availability and contributions not in this workshop but other engagements as well.

Ladies and Gentlemen

I thank you for your kind attention.