



***Project launching programme speech***

**Official Launching Event of Development Account (DA) and  
Peace and Development Fund (PDF) Micro Small and  
Medium Enterprise (MSME) project in Ethiopia**

**09:00-10:00 A.M (21 June 2023)**

- **Her Excellency, Ms. Abibatou Wane, the United Nations Acting Resident Coordinator (IOM Mission Chief)**
- **His Excellency, Mr. Amson Sibanda, Chief, National Strategies and Capacity Building Branch, Division for Sustainable Development Goals, United Nations Department of Economic and Social Affairs**

**Distinguished Guests and Participants,**

**Ladies and Gentlemen,**

On behalf of the Ministry of Industry, and indeed on my own behalf, I have the honor and great pleasure to extend to you all a warm welcome for today's event-National Capacity Building Workshop on Strengthening Entrepreneurship and Business Digitization among Micro, Small and Medium sized Enterprises for Accelerating Progress towards Sustainable Development Goals in Ethiopia. I would like to congratulate the development partner who have taken part in the supporting SME which will have immense significance and contribution for job creation and economic development.

**Ladies and Gentlemen,**

Ethiopia's economy is mainly based on the agriculture sector, which plays an important role in the national economy, accounting for 35% of the national Gross Domestic Product (GDP) and the livelihood of its people. The sector is also the leading foreign exchange earner and drives aggregate employment for more than 72% of the population.

We know all too well that there is no country in history which has managed to transform its economy without creating a strong manufacturing sector, since growth in the manufacturing sector is fast and much higher than other sectors & its

contribution; such as to poverty reduction through employment & income generation is immense, have positive correlation with economic growth and job creation, extensive linkage to the other sectors particularly with agriculture & service sector and proven tool for technological advancement

In general, manufacturing is an engine of structural transformation.

### **Ladies and Gentlemen,**

Small and medium manufacturing industries are the bases of large industries and have significant role for industrialization. As long as appropriate policies, strategies and incentives formulated and provided for SMEs, the manufacturing sector will achieve sustainable growth and development.

Thus, small and medium enterprises (SMEs) have a key role in economic growth and equitable development in developing countries. Their contribution to employment generation, poverty reduction and wider distribution of wealth and opportunities represents a major window of opportunity for most developing countries. However, the potential role of SMEs is often not realized because of a set of problems commonly related to size.

The Ministry of Industry (MOI) and Ethiopian Enterprise Development have been formulated different programs and strategies and delivered business development services and capacity building programmes to expand MSME (Micro, Small and Medium Enterprises) resilience towards uncertainties and elevate their contributions to SDGs, especially in the area of decent job creation. Currently over 24 000 (twenty four thousand) small and medium manufacturing enterprises exist and play an important role in job creation and import substitution.

Despite the huge contributions made the MSME sector, they face various challenges such as low productivity and competitiveness due to: -

- Use of antiquated technologies and aging equipment
- High costs of utilities and interrupted supplies
- High costs of doing business
- Limited access and high cost of finance
- Weak managerial, technical and entrepreneurial capacities
- Inadequate supply of basic infrastructures are the major constraints that SMEs have been faced.

Therefore, the government together with other support institutions has put in place various measures to support and create conducive environment for SMEs and to expand regional industrialization throughout the country the government doing various programs and projects with different government institutions' and development partners. However, more support is required to meet the huge demands of the MSMEs given the magnitude of the challenges.

In general the development of manufacturing industries presents Ethiopia with the opportunity to accelerate economic development and achieve its industrial development goals. In line with this we are currently implementing a flagship national program called “**Ethiopia Tamirt**”. Since we started this movement we were able to reestablish and open more than 300 enterprises which were closed due to various problems. We were able to bring the sector in to high attention and focus area of the respective stake holders and bring industrialization to be the prior agenda of the country.

This project supported by UNDESA have come at the right time as they are aimed at enhancing national capacities to strengthen the resilience of MSMEs(Micro Small and Medium Enterprises) as well as strengthening the enterprises themselves to accelerate the 2030 Agenda for Sustainable Development.

Thus, the objective of this project is lined up with the ministry of industry policy and strategies especially on the intervention of SME support. I am pleased to note that the project has commenced with the achievement of one of the milestones, the development of MSME capacity building Framework.

Therefore, the Ministry has high expectations on the delivery of this assignment which will enable the availing of appropriate information for the development of the sector. Let me once again take this opportunity to thank the Division for Sustainable Development Goals under UNDESA for the support.

**Ladies and Gentlemen;**

Before concluding my remarks, I would like to reassure your Excellences and distinguished participants, Ministry of Industry is always committed to foster and nurture on the development of small and medium manufacturing industries.

I am confident that this project will tremendously help to promote prosperous linkages between SME, suppliers, large industries as well as costumers and help move the mutual development process of forward and backward linkages.

Let me extend my appreciation first of all to UNDESA staffs' for preparing and supporting this capacity building workshop as well as launching this project in our country and the participants to join us in this workshop. Once again, I would like to thank the UN Acting Resident Coordinator; for taking time from your busy schedule to attend the launch of this project. Your attendance is testimony of your great commitment to the development of our country.

With these remarks, I wish you a fruitful engagements.

**I thank you!**