

INTRODUCTORY REMARKS BY MR. EDDY NJOROGÉ, THE ISO PRESIDENT-ELECT TO THE AfCFTA BUSINESS FORUM 2019.

NIAMEY, NIGER- 6th JULY 2019 .

Your Excellencies Ladies and Gentlemen,

It is my singular honor and privilege to make a few opening remarks that will hopefully set the scene for the fifth panel session under the theme;

Promoting the development of SMEs and start-ups in the AfCFTA market with a special focus on women and youth.

At this juncture, let me start by stating the obvious. Something we all know and believe in; ***transforming Africa's economy cannot and will not be possible without SMEs and startups***. Let me also submit to you that as the next ISO President, It will be remiss of me not to talk about the critical role that Standards will play in the Continental Free Trade Area within this theme especially at this time when Africa is experiencing a significant rebirth.

Your Excellencies Ladies and gentlemen,

SMEs form the backbone of the African economy, representing more than 90% of businesses and employing about 60% of work-force, majority of these being women and youth. Ensuring that more small and medium-sized (SMEs) connect to the continental market would guarantee that the fruits of the AcFTa continental trade are broadly distributed across the citizenry of the continent. This way, **their role in the Africa Economy can be particularly impactful.**

Africa has a particularly young demographic profile, where children (aged 0–14 years) make up more than 40% of the population. Another 30% are between 15-30 and from whom more than 500 million new workers are expected to enter the labor market by 2050 signaling a potential demographic boom in Africa. Women on the other hand form more than 50% of the population.

According to the Global Gender Gap Index 2018 report the Economic Participation and Opportunity gap in Africa is reported to be at 41.9%, the second largest gap after political inclusiveness. It has been observed that **trade policy is not "gender neutral"**, and its distributional outcomes may vary according to the different economic roles played by women and men as workers, producers, and consumers. As such, the gender-differentiated impacts of trade policy need to be taken into account if development strategies are to be truly inclusive.

It is therefore an imperative that, some of the **deliberations** we **should engage** today between Governments and the business community **must** include identification of **SME specific constraints that women and youth face** in accessing economic opportunities, and how this translate in the trade sphere. We also need to dialogue on how policy makers **can** and **must** adopt more successful SME sensitive trade and investment-related policies as we operationalize the AfCFTA.

The last decade has been remarkable for women and youth in the African continent. We saw the adoption of significant agendas both on the world stage and the African continent. The agenda on **sustainable development and its SDGs** together with African Union's **Agenda 2063** under the banner, *The Africa we want*, signaled a new beginning for women and youth in Africa. Both Agendas seek to realize a positive economic growth within Africa with special emphasis on women, youth and inclusiveness.

One of the **key goals** of **Agenda 2063** is to have a **prosperous Africa** based on inclusive growth and sustainable development. Under this aspiration, Africa aims to eradicate poverty in one generation and build a shared prosperity through social and economic transformation in the continent. In order to realize this, leveraging on the continent's natural resources, manufacturing capability, industrialization potential demographic capital and value addition, will be key.

Sustainable economic growth has also been articulated in the SDGs-**Goal number 8 of the SDGs** that aims for sustained, inclusive and sustainable economic growth. Some of the features of this goal are targets towards substantially reducing the proportion of youth that are not employed or receiving education. The **SDG 5** specifically aims at achieving gender equality and empower all women and girls.

It is worth noting that ISO has identified the standards that make the most significant contribution towards meeting the SDGs and can help the African countries achieve them within the set timelines.

So a lot has happened in trying to mainstream women and youth in the continent, but

As the continent continues to undergo rapid demographic changes, more and more **young people** will continue to enter the labor market looking for jobs and entrepreneurial opportunities. While many of the African youths are **unemployed**, some are trying to eke out their living by becoming entrepreneurs and establishing startups.

According to United Nations, Department of Economic and Social Affairs, the average age of an African entrepreneur is about 31, the youngest in the world, compared to 35 in Latin America and the Caribbean and 36 in Asia. With their talent, drive, and ability to leverage on technology, youth in Africa are capable of building successful businesses of tomorrow. Therefore, **setting up of incubation centers** all over the continent that **supports innovation**, competition, the emergence of new business models and ideas, will be a key driver towards the structural economic transformation envisioned in Agenda 2063 and attainment of the relevant SDGs.

Excellencies Ladies and gentlemen,

The establishment of the **African Continental Free Trade Area (AfCFTA)** has been hailed as **the largest free trade area** in terms of participating countries since the formation of the World Trade Organization. According to the UN Economic Commission for Africa (UNECA), implementation of this agreement could lead to increase in intra-African trade by 52 percent by 2022, compared with trade levels in 2010. UNECA estimate that under the AfCFTA, and depending on the extent of trade liberalization, the value of intra-African trade will increase by 15 to 25 per cent by 2040, and levels of trade in industrial goods could increase by 25 to 30 per cent.

This is critical for **addressing Africa's over-dependence on extractive exports**, and for supporting much needed African industrialization, value-creation, and employment generation. This is why AfCFTA inclusiveness matters economically.

Enabling SMEs to scale up and seize new opportunities in the continent after the ratification of AfCFTA and a model that supports startups to thrive, are imperatives that will yield astronomical dividends for our continent. There is need to broaden inclusiveness in the operation of the AfCFTA, catering for and allowing, the Small to Medium cross border traders to play a leading role. This will have a catalytic effect in opening up regional value chains.

Many factors influence high growth and success of SMEs and startups key among which is market access.

To mitigate this hurdle, **Standards and certification** will play a key role in enabling market access. The use of **harmonized Standards and conformity assessment procedures** will be invaluable in assisting free movement of goods and services. Certification will assist firms connect to and compete across the continent and beyond. In our continent, where most companies are SMEs and where integration in the global value chain is increasing, certification is even more important. Establishing a viable, sustainable and effective continental standardization infrastructure, will enhance Africa's internal trading capacity and increase of Africa's product and service competitiveness

globally. For Standards to play their key role, **Standardization activities should now move from the national level to continental level or international level.**

This will assist the continents businesses to learn from global best practices and enhance innovation.

Allow me to throw a challenge to the corporates and the private sector. The responsibility for supporting SMEs and startups especially women and youth in this continent, does not only lie with governments but also with us as the Africa's business community. Governments across the continent need to put in place **predictable and favorable regulatory environment** that enable the thriving of businesses. They also need to includes affirmative action by governments in regard to procurement.

On the other hand,

Corporate investment strategies applied on -skills development, education, training, and around opportunity development, such as creating access to markets (sourcing from women-owned businesses), and opportunities to advance within companies, should be encouraged and developed in such a way that it can have positive ripple effects in the advancement of youth and women.

As an example, we have seen some big food companies tailoring smallholder farmer engagement efforts to focus on women. We want to see more of these. This should be scaled up and widened to cover more industries.

As I conclude, let me very briefly touch on two other factors that will shape the growth of the SMEs through women and youth-Technology and Finance.

Startups and **SMEs** are a key **source of radical and disruptive innovations that contribute immensely to job creation.** In order for them to harness new opportunities of digital economy, governments should encourage rapid **adoption of technology**, invest in technology backbone infrastructure, like broadband and high speed Internet.

Lastly, Governments need to support strong entrepreneurial ecosystems especially for the SMEs and startups, notably easy access to financing in the early stages, non-financial support instruments like **incubators**, accelerators and the like. Corporate Leaders together with experienced entrepreneurs need to contribute to this effort too through mentorship.

With those few remarks, let me now hand you over to the moderator who will introduce the panelist.

Thank you and God bless you.

