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The First AU SME Annual Forum to realize Africa's Industrialization in the context of the integrated market



Small and medium-sized enterprises (SMEs) form the backbone of the African economy, representing more than 90% of businesses and employing about 60% of workers, many of whom are women and youth. Despite the significant role which SMEs play in the development of African economies, they have yet to be fully integrated into the regional value chains system and in turn the continental trading system.

It is against this backdrop, as Commemoration of the International Micro, Small and Medium Enterprise (MSME) Day, the First Edition of African Union Small and Medium Enterprises (SME) Annual Forum kicked off on 27 June 2022 in Cairo, Egypt under the theme “Economic Empowerment of SMEs, Women and Youth Entrepreneurs to Realize Africa’s Industrialization in the Context of the Integrated Market”. The Forum was convened under the auspices of the African Union Commission (AUC) and the Government of the Arab Republic of Egypt, through the Ministry of Trade and Industry.

The Forum addressed by H.E. Dr. Monique Nsanzabaganwa, Deputy Chairperson of the African Union Commission. She underscored that despite their dominant representation within the SME space, women and youth enterprises are relatively smaller, less capital intensive and less profitable. “This necessitates the design of innovative solutions aimed at providing sustainable financing solutions and interventions that are available, affordable and accessible. It is in this context that the African Union Commission’s novice Women and Youth Financial and Economic Inclusion (WYFEI) 2030 Initiative proposes a set of multi-level innovative, resilient and inclusive recovery solutions in the form of a 10-point agenda that will assist women and young entrepreneurs to climb the ladder of change towards financial and economic inclusion. The 10- point agenda includes interventions at the personal level, systems level and environmental level which call for personal income enhancement, financial sector innovation and macroeconomic policy reform, respectively,” said Dr. Monique Nsanzabaganwa. The initiative is a response of the declaration by AU Heads of State at the 33rd Ordinary Session of 2020–2030 as the African Women’s Decade on Financial and Economic Inclusion. Dr. Monique Nsanzabaganwa added further that “WYFEI 2030 is a public-private-women and youth (PPWY) partnership initiative that seeks to unlock \$20 Billion for at least 1 million African women and youth by contributing to empowerment, poverty reduction and improving the welfare of women and youth in Africa in a bid to tackle the systemic bottlenecks which have led to 70% of African women and youth being financially excluded and economically marginalized. Unlocking the continent’s growth potential will require bridging the credit gap, strengthening SME value chains, and boosting productivity via digitization, technology adoption, and adaptation in addition to promoting industrialisation and regional integration”.

Addressing the opening ceremony, Amb. Albert Muchanga, AU Commissioner for Economic Development, Trade, Tourism, Industry and Minerals (ETTİM) underscored that the establishment of the Africa Small and Medium Enterprises Annual Forum is in line with the African Union Small and Medium Enterprises Strategy, which was adopted, in January 2019, by the Second Specialized Technical Committee on Trade, Industry and Minerals and endorsed by the 32nd Ordinary Session of the Assembly of Heads of State and Government of the African Union in February 2019, as a continental framework on the development of these important segments of enterprise development across Africa.



Amb. Muchanga emphasized the importance of encouraging formalization of micro, small and medium enterprises. "The formalization will facilitate capacity building; improved business management practices; and, among others, access to finance, information and markets. These positive spill-overs will enable these enterprises develop into large-scale market players and contributors of tax revenues to national treasuries".

The Commissioner briefed the meeting on the established of an African SME Development Program Partnership Platform (ASMEDP PP). The objective is to set-up an inclusive regional and continental collaborative engagement framework for all SME stakeholder mechanisms in terms of commitment for collective responsibility, alignment and harmonization of efforts. "This platform will greatly support the implementation of the AU SMEs Strategy and by extension, the action plan for the Accelerated Industrial Development of Africa (AIDA). In addition to the foregoing, we are coordinating the Africa SME Strategy implementation process through the Enterprise Africa Network. This is a business development tool to be used in providing African Start-Ups and SMEs with trade information as well as business development services through mentoring/coaching, as well as access to finance and to markets, among others," Said Amb. Muchanga.

Amb. Muchanga stressed that SME businesses deserve full support of governments and communities across Africa to enable them to continue creating decent jobs and better livelihoods. "The policy institutions should provide an enabling environment, including, access to finance, information, and markets," said the Commissioner. He further called on Regional Economic Communities (RECs) and AU Member States to domesticate the AU SMEs Strategy in order to broaden and deepen its implementation. We surely have managed to diagnose the challenges that affect MSMEs, Women and the Youth. As reflected in the interventions in the Africa SME Strategy, the challenges are many. Even before the adoption of the Africa SME Strategy, we have been deploying solutions through various frameworks. The question I pose for your reflection is: what is it that we can do differently and better?", concluded Amb. Albert Muchanga.

The opening session was addressed by the Egypt Minister of Trade and Industry; Assistant Foreign Minister of Egypt for African Organizations; the President of the All Africa Associations for SMEs; President of Africa Business Council; Executive Director of International Trade Centre; DG of World Intellectual Property; the UN Under-Secretary-General and Executive Secretary of the Economic Commission for Africa.

The forum, which will continue till the 1st July 2022, brings together SMEs, Start-ups, Senior Managers of Tech-Hubs, Incubators, Accelerators, Senior-level Representatives of AU, RECs, Member States, Development Partners Institutions, UN agencies, the private sector, SME associations, and professional associations, Business Leaders, Financial Institutions, Academia, and Civil Society.

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