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DIRECTORATE OF INFORMATION AND COMMUNICATION

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## The African Union Commission begins the process of validating SME Strategy and Master Plan 2017-2021



**Nairobi, Kenya – 10 October 2016.** The African Union Commission (AUC) began today the process of validating the Small Medium Enterprise (SME) Strategy and Master Plan 2017-2021 during a two-day workshop in Nairobi, Kenya. The objective of the initiative is to develop an African Union strategic framework which will support the implementation of the Accelerated Industrial Development of Africa (AIDA) and Africa's sustainable economic transformation under Agenda 2063. The workshop was attended by the Senior Industry Officers from the Regional Economic Communities (RECs), the Private Sector and Development Partners. AUC and UNECA officials co-chaired the working sessions

The SME Strategy and Master Plan 2017-2021 aims, among others, at improving the continental business environment, increasing business formation, supporting formalization of growth-oriented informal enterprises and startups, increasing SME/Is, MSMEs and entrepreneurs' participation in regional and global value chains and promoting innovative financing.

Mrs. Treasure Thembisile Maphanga, Director of the Department of Trade and Industry (DTI) of the African Union Commission, commended participants for their continuous commitment in supporting the Department of Trade and Industry to contribute to the sustainable structural transformation of the continent through Industrialization. She praised RECs and Experts from various institutions including the European Union, JICA, Traidlinks, UNCTAD, UNECA and Canadian Government who worked closely with the Commission during the last few months by providing comments and inputs in order to enrich the draft SME Strategy and Master Plan. The Director pointed out that Industrialization has recently become a high priority for more countries and more cooperating partners. She echoed the tragedy that migrants are going through while trying to join Europe and the high rate of youth's unemployment. According to her, the continent's industrialization appears to be the winning strategy that will accelerate job creation and poverty alleviation for the coming years in addition to support the continent's sustainable structural transformation.

Mrs. Maphanga referred to some key statistics about the youth population in Africa to highlight the importance of taking advantage of its full potential. "In 2015, 226 million youth aged 15-24 lived in Africa, accounting for 19 per cent of the global youth population. By 2030, it is projected that the number of youth in Africa will have increased by 42 per cent. Africa's youth population is expected to continue to grow throughout the remainder of the 21st century, more than doubling from current levels by 2055", she emphasized. She urged the audience to deepen its reflections and support productive capacities while discussing the issue of youth and start-ups. To harness the youth's demographic dividend, which is the 2017 theme of the African Union, the Director for Trade and Industry indicated that research has identified some policy actions related to SME Development as key levers. "According to the findings, economic reforms to create more quality jobs with multiplier effects, enhance innovation and productivity of the informal sector and support graduation from small to medium sized enterprises, as well as transformative education to focus on innovation, skills development, science and technology and entrepreneurship are winning strategies", she underscored.

The SME Strategy and Master Plan identifies initiatives that should be undertaken in the next five years that are aimed at unleashing the potential of SME/Is and MSMEs - the drivers of African economies' growth to create employment, reduce poverty and promote by ensuring that women, young people and underserved populations, including those in rural areas, benefit from economic growth.



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