SMEs for sustainable industrialisation and structural change in Sub-Saharan Africa

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CLUSTER 2: SMEs AND THEIR CONTRIBUTIONS TO ECONOMIC GROWTH AND GLOBAL COMPETITIVENESS IN AFRICA

WAO Conference on Intellectual Property (IP), Innovation and Value Addition for Business Competitiveness and Sustainable Development in Africa
OUTLINE

MSMEs for Sustainable Development
1. Macroeconomic Industrial Policies & Performances
2. SMES in Africa: competitiveness challenges
3. SMEs in Côte d’Ivoire’s economy (West Africa)
Micro-, Small-, Medium-sized Enterprises (MSMEs) for the achievement of Sustainable Development Goals (SDGs)

Formal (and informal) MSMEs contribution to
- Employment & Gross Domestic Product (GDP)
- Job creations
- Reduce Poverty & Inequality
- Improve quality of life
- Achieve SDGs

Addis Ababa Action Agenda on Financing for Development
OECD (2017) Unlocking the potential of SMES for the SDGs
World Bank. Small and Medium Enterprise Finance

« ITC analysis shows that investments in SMEs can contribute to 60% of the 169 SDG targets » (ITC 2019)
1. Macroeconomic Industrial Policies & Performances

2. SMEs in Africa: competitiveness challenges

3. SMEs in Côte d'Ivoire’s economy (West Africa)
International/continental policy & initiatives:
SMEs for Africa’s industrial development

- 3rd Industrial Development Decade for Africa (UN)
- AIDA
- STISA 2024
- AMVision
- SMEs Strategy
- BIAT
- AfCFTA

SMEs/SMIs
- Increase productive/transformative capabilities
- Enhance industrial, technological & managerial knowledge/skills
- Unlock innovative potential and value locally created and captured
- Strengthen competitiveness & attractiveness
- Value chains participation
- Local solutions for achieving SDGs
Africa has the greatest opportunities for structural change and for fast-moving towards ‘complex’ higher-value activities.
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Africa has untapped opportunities for scaling up and upgrading manufacturing & structural change.
2. SMEs in Africa: competitiveness challenges
SMEs competitiveness in African countries

- Logistics services and high-quality infrastructure (access to water)
- Costs of certifications and limited information esp. agricultural sector
- Use of ICTs
- Human capital (basic and technical skills)
- Access to credit
- Informality and Investment

See Survey results in International Trade Centre (2018), Promoting SME Competitiveness in Africa
SMEs competitiveness in West African countries

1. Macroeconomic industrial Policies & Performances
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3. SMEs in Côte d'Ivoire’s economy (West Africa)

Source: Extracted from World Bank Enterprise Surveys (2016/2016/2014)
3. SMEs in Côte d’Ivoire’s economy (West Africa)
SMEs in Côte d’Ivoire’s economy (3rd ECOWAS)

› 98% of firms
  › 60,000 formal
  › 150,000 informal
› Micro-enterprises : + de 55%
› 20% du PIB
› 30% Agricultural GDP
› 12% of National Investment
SMEs challenges in Côte d’Ivoire

- Recovery from crisis and Institutional barriers
- Support beyond firm creation
- Electricity costs
- Financing costs
- Local/Regional/International markets access
- Opportunity entrepreneurship vs. necessity entrepreneurship
Agence-CI PME – An Agency for SMEs in Côte d’Ivoire created in 2016

- Strengthen institutional and human capital of the Agency
- Improve SMEs business environment
- Strengthen SMEs technical & management capabilities
- Attenuate SMEs barriers to finance
- Support innovation & entrepreneurial culture
Concluding remarks: policy coherence for SMEs and industrialisation

- Gradual institutional change in Africa → “policy pace” vs. world social and technological megatrends
- Multiplication of top-down and bottom up initiatives → integrated and strategic policy frameworks
- Diversity of MSMEs/SMEs profiles and sub-national territorial specificities: sustainable territorial and industrial development
- Support to local Small and Medium-sized Industries (SMIs), to pilots, prototyping, demonstration, failures, etc.
- Critical masses of certified SMEs in Côte d’Ivoire: agro-transformation, agricultural machinery, extraction/mining technology services, sustainable construction (materials)
Thank You 4 Your Sustainable Attention

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