



REPUBLIC OF KENYA

MINISTRY OF COOPERATIVES AND MSME DEVELOPMENT

SPEECH FOR THE PRINCIPAL SECRETARY STATE DEPARTMENT FOR MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) DEVELOPMENT MS. SUSAN MANGENI ON THE OCCASION OF THE OFFICIAL LAUNCHING OF THE 22ND EAC MSMEs TRADE FAIR IN KAMPALA, UGANDA.

Your Excellences,

Distinguished Ministers,

Ladies, and Gentlemen,

1. I am honoured and pleased to join you at this official opening of the 22nd EAC MSMEs Trade Fair Day, very fittingly characterized as “The Trade Fair of the region.”
2. I want to start by commending the East African Community partner states for their visionary leadership in facilitating the consultations that culminated in the adoption of the 1st EAC MSMEs Trade Fair in Arusha, Tanzania in November 1999 during the historic event of signing of the Treaty for the Establishment of the EAC.



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3. I also want to thank the Republic of Uganda for organizing the event this year and we look forward to closer collaboration with you and the organizations in your country to advance the MSMEs agenda under the theme *“Buy East African to Build East Africa for Resilience and Sustainable Development,”*

4. I am delighted to see representatives from Member States, multilateral institutions, civil society, academia and the private sector assembled here to raise awareness of the contribution of MSMEs to sustainable development.

Ladies and gentlemen,

5. While estimates differ, there is growing data highlighting MSMEs' tremendous contributions to job creation, income generation, trade, and inclusive growth.

6. Indeed, the 2030 Agenda for Sustainable Development, the Addis



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Ababa Action Agenda and the EAC Industrialization Policy (2012-2032) highlight the crucial role of MSMEs.

7. Target 3 of the SDG 8 calls for efforts to promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, as well as encourage the formalization and growth of micro-, small-, and medium-sized enterprises, including access to markets.
8. MSMEs can contribute to virtually all of these development goals in some form, including poverty, hunger, health, education, women's empowerment, decreasing disparities, sustainable consumption, institution building, and collaborations.
9. Indeed, MSMEs are among the most effective vehicles for achieving empowered economies especially in Africa. They are critical allies in putting the 2030 Agenda into action and attaining the SDGs.



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Challenges in MSMEs access to markets

10. Yet, despite these outstanding contributions, the limited access to markets for MSMEs frequently inhibits them from realizing their full potential.
11. For instance, trade between partner states this year was at 20 percent, lower than our expectations. This shows that, we, EAC members are trading more with countries outside the bloc than partner states, becoming importers of products and services that ideally should be sourced among us.

Opportunities for MSMEs in the EAC

12. In spite of the hitches, the region has recorded achievements in the implementation of the Common Market including the use of the EAC passport and visa-free travel for EAC citizens.
13. The region has also witnessed increased regional trade and many



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companies are expanding to various countries in sectors such as finance, manufacturing, hospitality, tourism and education, and so in that sense the Common Market is working.

- 14.** The entry of Democratic Republic of Congo (DRC Congo) into the East African Community has further doubled up the population of the region to 300Million people worth of consumers, increasing market access and total land mass in the region to 5Million Square Kilometers.
- 15.** The Kenyan Government is also in the process of reviewing the Common Market Protocol to include the Micro, Small Medium Enterprises (MSMEs) Sector through a charter so that MSMEs can benefit more from the initiative. The review of the protocol will also address the value chains and promote the highest level of return to those that put in their energy in entrepreneurship.



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- 16.** In this regard, we must prioritize access to markets as a critical pre-requisite for encouraging entrepreneurship, enterprise development, long-term economic growth, job creation, and productive investment.
- 17.** Initiatives to improve MSMEs' access to markets must coexist alongside efforts to improve enterprise skills and know-how, stimulate research and development, and put in place enabling infrastructure such as telecommunications, roads, power, and ports.
- 18.** MSMEs additionally require compliance assistance and managerial resources in order to participate and compete in global supply chains, and grow into stronger enterprises.
- 19.** In our desire to encourage enterprises and entrepreneurship, we must not lose sight of the need for MSMEs to adopt sustainable practices to support climate action and avert the effects of climate



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change.

Ladies and gentlemen,

20. I am optimistic that this year's trade fair will serve to further unlock the critical role of micro, small, and medium-sized businesses in boosting economic growth, providing decent jobs, and assisting millions of people in transcending poverty and improving their livelihoods.

21. In this spirit, let us join forces to help Micro, Small, and Medium-sized Enterprises!

Thank you.