EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE PRESIDENTIAL ADVISOR
ON WOMEN RIGHTS

CHIEF GUEST ADDRESS FOR THE ABSA INSPIRE ME CONFERENCE

DATE: 18th - 21st June 2024

VENUE: Movenpick Hotel and Residence

Salutations

- Abdi Mohamed, Managing Director and CEO Absa Bank Kenya, PLC;
- Adolp Kpegah, Interim MD at Absa Ghana;
- Jules Ngankam, Group CEO African Guarantee Fund;
- Phyllis Mwangi, SheTrades Hub Regional Coordinator for East and South Africa, ITC;
- Elizabeth Wasunna, Business Banking Director, Absa Bank;

Ladies and Gentlemen,

Good morning!

1. Welcome to Nairobi! Let me begin by quoting one of Africa's powerful women sitting at the helm of the World Trade Organization, Dr. Ngozi Okonjo-Iweala, **Investing in women is smart economics, and investing in girls, catching them upstream, is even smarter economics**

2. Congratulations to all of you who are present today, you are smart! We are gathered here because Africa is on the rise, with women at the forefront of this exciting journey. We are gathered here because we know without a shadow of doubt, that investing in women is indeed smart economics.

   Allow me to congratulate ABSA for the work they have put towards convening an extraordinary conference that has attracted participants from across 10 African countries. That is no mean fete.

3. Women, young and old are leading the charge in Micro Small and Medium Enterprises (MSMEs), demonstrating exceptional resilience and innovation. These women are the CEOs, the founders, and the architects of thriving SMEs that are shaping the Continent's economic landscape.

4. MSMEs in Africa are best equipped to resolve some of the Continent's most pressing challenges. The World Economic Forum estimates that the global workforce will increase by a staggering 910 million people between 2010 and 2050, of which 830 million will be in Africa. Where are the women in the 830 million? How do we ensure that we not only find the women in this data but invest in them.

5. According to a 2021 study by *Kamunge, Njeru, & Tirimba*, MSMEs in Africa reflect almost 50 per cent of the GDP. For instance, MSMEs account for 70 per cent of industrial jobs in Nigeria, 70 percent of all workers in Ghana and 40 per cent of the GDP in Kenya. How do we then accelerate women led MSMEs in this bracket?

6. The World Bank estimates that small businesses represent 90 per cent of all businesses in Africa. It is safe, therefore, to say that MSMEs form the backbone of African economies.

7. These enterprises represent a diverse range of businesses operating in various sectors. From agriculture and manufacturing to services and technology. I note that most of you today are women in the agribusiness, textile apparels and handicrafts, home décor, manufacturing, trade, hospitality, technology and service sectors.

8. It is interesting to note that Botswana leads, followed by Uganda and Ghana, as the countries with the most women business owners globally. Where is the rest of Africa? We need to accelerate change towards economic empowerment and investment for countries lagging behind.

9. As a country we recognise that MSMEs employ approximately 14.9 million Kenyans in various sectors of the economy. This is why the government is fully engaged in implementing the Bottom-Up Economic Transformation Agenda (BETA) Plan that will see us accelerate economic growth and catch up with Botswana by increasing the number of women business owners.

10. MSMEs provide women with the flexibility and creative outlet as opposed to large corporations. At the same time, they give women the flexibility to engage in care work. Now we all know!

11. MSMEs supply and anchor big retail businesses with products, services, and markets. This is due to the jobs they create in rural and urban areas. We cannot emphasize more the fact that MSMEs provide economic activities that would otherwise not be available to many.

12. Where do we go from here smart ladies and gentlemen? As part of the solutions we should move out of our comfort zones and engage entrepreneurs at all age spectrums, young women and older women alike. There has to be a balance in the financing and investment model across board.

13. We recognize the crucial role that the public and private sector partnerships play in driving impactful change for the benefit of women in Africa. These two sectors can foster an environment where women entrepreneurs thrive and contribute significantly to economic growth and social progress.

Ladies and Gentlemen,

14. Despite the promising statistics, the African private sector and especially start-ups still face many obstacles.

Despite their immense potential, statistics indicate that 80 percent of businesses under the Micro, Small and Medium Enterprises in Africa fail within the first five years of their existence. Why does this happen?

15. This is largely due to deficient capital invested in the small businesses. The main challenge surrounding capital is inability to borrow funds. This is due to difficulties in obtaining medium and long-term finance on affordable terms and heavy interest rates.

16. Other inhibitive challenges for MSMEs in Africa include:

    a. Severe skills shortages, that is, mismatched between employers' needs and available workers (particularly those just out of school);

    b. Lack of market linkages and trade restrictions - tariff and non-tariff barriers to African exports;

    c. Regulatory barriers where we have restrictive policies;

    d. Poor infrastructure (particularly in power and transport); and

    e. A large informal sector due to complex legal obligations .

17. These barriers make it difficult for SMEs to operate efficiently and limit their growth potential. This means women will be limited to make a significant contribution to social, economic and sustainable development. Therefore, this hinders women to thrive and reach their full potential.

18. Furthermore, despite the significant role that SMEs play in the development of African economies, they have yet to be fully integrated into the regional value chain system and in turn the continental trading system.

19. The lack of full integration trading blocs and systems limits the ability of SMEs to grow and scale their business. It ensures they often remain small businesses and informal in their operations. This leaves them vulnerable to various shocks that lead to a short business lifespan.

Ladies and Gentlemen,

20. What do we then need to do to ensure stability and sustained growth within this sector that holds the engine of the economies in Africa?

21. Despite the gloom, there is hope. We all know that the Africa Continental Free Trade Agreement (AfCFTA) seeks to reduce or eliminate tariffs and non-tariff trade barriers. What do we then need to ensure and catalyse stability and sustained growth within this sector that holds the engine of the economies in Africa?

22. Lower import costs and increased competitiveness can help MSMEs. This could result in lower production costs and lower consumer prices, stimulating demand even more.

23. The African Union's Small, and Medium Enterprises Strategy and Master Plan, provides guidelines for promoting intra-regional and intra-African trade by integrating African

MSMEs into regional and global value chains. This is yet to be fully realized.

24. Cognizant of the fact that women should be afforded opportunities, the African Union Assembly of Heads of State and Government convened in February 2020, and as part of its resolutions, declared the years 2020 to 2030 as the Decade of Financial and Economic Inclusion for African Women.

25. One of the main objectives of this new African Women Decade is the development of market access by enhancing new credit solutions for women, generating access to infrastructure in downstream processing and distribution, as well as training them in agro-industrial technology.

26. For these goals to be realized, African States are required to put in place policies and targeted complementary measures and programmes such as entrepreneurship, business management, technology training, financial literacy, financial planning, investment, and capacity building. A lot remains to be done by individual States.

27. The Kenya Government through its Bottom-Up Economic Transformation Agenda (BETA) Plan aims to create jobs and reduce poverty by focusing on the informal sector and MSMEs. Given the huge numbers of women in this sector, the Government recognizes the need to economically empower them to faster achieve national development goals.

28. My Office was put in place to accelerate the spaces of women and closing of the gender gap. This is a mandate my team and I are very passionate to achieve.

29. We have formulated policies and created solutions and initiatives that support the financial inclusion for the disadvantaged groups such as women to contribute to national development.

30. Despite all this progress and reforms, the potential of the African private sector has not yet been fully unleashed to contribute to job creation and economic transformation as envisaged in the African Union Agenda 2063.

31. For too long, the narrative around African business has not fully reflected the incredible contributions of women. But that narrative is changing.

32. You, the women leading SMEs across this continent, are rewriting the story. You are proving that success is not defined by gender, but by passion, determination, and the ability to turn ideas into thriving enterprises. This charge must be scaled up by ensuring there is access to finance and financial literacy and investment training.

33. Emphasis should be on women-led SMEs by supporting them to overcome the constraints of accessing finance, as well as market information and networks. I am happy to note that the **Absa InspireMe Conference** is very much aligned to this objective.

34. Thus, more investments must be enabled in the African SME space. Smart investments can help tilt this balance in favour of positive and sufficient net job creation and contribute to solving one of Africa's greatest socio-economic challenges.

Ladies and Gentlemen,

35. This two-day **Absa InspireMe Conference** is a testament to that change. I want to believe It is a space for each and everyone of us to connect, share experiences, and develop the tools and knowledge to take our businesses to even greater heights. But it is also a call to action, as a community, to dismantle the barriers that still stand in the way of women's entrepreneurial success.

36. Here, in Africa, we have a unique opportunity. We are a youthful continent, brimming with a potential of reaping from the demographic dividend. And at the heart of that potential lies the untapped power of our women.

37. By investing in women-led businesses, by fostering an environment that supports their growth, we are not just empowering individuals, we are empowering entire communities.

38. Empowering women economically is not just a matter of fairness; it is a pathway to sustainable development and prosperity for the entire continent.

39. When African women rise, they bring their communities, nations and the entire continent with them, unlocking unprecedented potential for innovation, resilience, and growth.

40. In conclusion, the journey to a stronger, more resilient Africa will not be without its challenges. But with the talent, tenacity and collective power of the women in this Conference and our stakeholders, I have no doubt that we can achieve it. Because when women lead, businesses thrive, communities prosper, and legacies are built.

41. So, let this Conference be a launchpad. Let it be the spark that ignites a fire of innovation, investment and leadership across this continent. You have made a smart move by being here.

42. Women economic empowerment and investment is the solution in making the run towards bridging the myriad of economic challenges that increase the gender gaps.

43. Let us rewrite the narrative, not just of African business, but of Africa's sustainable future where no one is left behind.

I officially declare the ABSA Inspire Me Conference 2024 open!

Thank you.

Hon. Harriette Chiggai

President's Advisor on Women Rights