

Statement Delivered By Andrew G. Paygar-Flangiah, Sr.  
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Hon. Elizabeth Thabethi, Deputy Minister of Small Business Development and officials of the Ministry of Trade and Industry, officials of the Small Enterprise Development Agency (SEDA), Officials of the South African Embassy in Liberia present here, Mr. Philip Kollie, representative of the Liberian Embassy in South Africa, private sector actors here present, members of my delegation, ladies and gentlemen: Before I begin, let me introduce myself. My name is Andrew Paygar-Flangiah, Sr. and I am the Deputy Minister of Small Business Administration at the Ministry of Commerce and Industry, Republic of Liberia. On behalf of the Government of Liberia and our delegation, allow me to express our thanks and appreciation for the invitation extended us to visit your beautiful country on a study tour to share ideas and learn from your experiences in the area of small enterprise development.

As the head of the Bureau of Small Business Administration – also called “the SBA” – I am in charge of the only government agency in Liberia whose sole purpose is to empower micro, small and medium enterprises, or “MSMEs”. At the SBA we are interested in small business empowerment because, as we all know, micro, small and medium enterprises comprise an essential portion of any country’s national economy. This is particularly true in developing countries where a large majority of the work force likely works in formal or informal MSMEs. In order for development to be not only inclusive but also sustainable, MSMEs – representing the majority of a nation’s firms – absolutely must be a part of that growth.

In Liberia, such MSME-led inclusive growth is particularly important given our deeply impoverished majority population and our legacy of inequitable growth. With MSMEs serving as the main source of income for over 80 percent of families in Liberia, MSME empowerment is not just a matter of increasing growth but also a matter of basic economic security. With over half of the Liberian population under the age of 25, more youths graduate from college each year than our national job market can absorb. It is essential that our MSMEs can expand to

incorporate these youths into productive activities – before they sometimes turn to unproductive activities.

To this end, the Government of Liberia in December 2014 through its National Legislature passed the Small Business Empowerment Act which led to the establishment of the Bureau of Small Business Administration otherwise known as the “SBA” within the Ministry of Commerce & Industry. The core mandate of the SBA is to empower small business by helping resolve the following key challenges which have over the years stifled small business development and growth:

- I. Access to Finance
- II. Access to Markets
- III. Capacity Development and Training
- IV. Creating legal and regulatory environment

Just in a little over a year, we are doing what we can to achieve the above. One key mandate of the Small Business Administration is to make sure that 25% of all government procurement goes to Liberian-owned small businesses. Implementation efforts for this law are still in the early stages, but we are confident that this government support – on the order of \$66 million U.S. dollars in FY 2015-2016 – will make a difference for our hardworking MSMEs. We are also working with service providers in the Liberia in following areas to empower our SMEs:

- Providing programs that link small businesses to new market opportunities, including public procurement contracts in accordance with the Small Business Empowerment Act;
- Facilitating the provision of loans to qualified Liberian-owned small businesses through designated financial institutions for qualified businesses.
- Linking businesses to certified service providers for training and support; and
- Advocating on behalf of small businesses for legal and regulatory reforms to improve the business environment in Liberia;
- Helping Liberian-owned small businesses move from the informal to the formal sector of the economy

Recent instability in the price of key commodities – particularly iron ore and rubber – has further highlighted the need for a more diversified, home-grown approach. Now more than ever we need

a strong domestic private sector to boost growth and create jobs. We must elevate the status of our MSMEs, the empowerment of which will generate local jobs that produce wealth where it is needed most – distributing cash to our hard working local population who will spend and reinvest it almost immediately back into the local economy, thereby driving more growth.

As a government, we recognize the need to collaborate and partner with private sector actors in the MSME space. Hence, we are working with and support the initiative IBEX has undertaken to establish a National Business Development and Advisory Center (NBDAC) in Liberia. The SBA's strategy is to work with service providers in the MSME sector in our country in a way that complements and accelerates our collective effort aimed at empowering and providing quality service to the small business sector. The NBDAC will serve as a "one stop" business development solutions center and the vehicle for the potential delivery of such business development services as business and financial management training, customer service training, business linkage services, business management training, etc. Hence, it will help government's effort to empower MSMEs and advance government's agenda for inclusive economic growth.

As a government, we support the effort of IBEX and will do everything within our power to ensure the establishment of the NBDAC. We will continue to collaborate and partner with them on this front and we thank SEDA, the South African Embassy in Liberia and the Department of Trade and Industry for their collaboration and partnership.

Finally, as a new Bureau, the SBA within the Ministry of Commerce and Industry is working on other projects aimed at empowering MSMEs. But the task at hand—empowering MSMEs in Liberia is no easy feat—we need all the collaboration and support we can get from more established institutions like SEDA and the Department of Trade and Industry of South Africa. In particular, the SBA can benefit from SEDA and the Department of Trade and Industry's experience in building human and technical capacities in business incubation and providing or connecting MSMEs to training and other support.

Hon. Deputy Minister, ladies and gentlemen, I thank you.