### AGOA TRADE SUMMIT 2015

# STRENGTHENING MICRO SMALL MEDIUM ENTERPRISES VALUE CHAINS.



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#### **OVERVIEW**

- Many Micro Small and Medium Enterprises including small scale farmers, have remained inefficient and constrained in their productive capacities due to lack of skills, capacity and other constraints.
- This presentation explores these constraints further and puts forward some solutions, which will enable the MSMEs benefit from the export opportunities provided by the AGOA Initiative

#### **MSME CONSTRAINTS**

- Lack of knowledge of export markets
- Limited experience with large volume orders
- Challenges meeting strict delivery schedules
- Inconsistent quality of products
- Challenges meeting International certification processes
- Insufficient working capital
- Lack of economies of scale High cost of unit production

#### SOLUTIONS TO CONSTRAINTS

- **Knowledge**: create networks, clusters, internet research, industry publications, trade promotion units, consult buyers and agents,
- **Production capacity and certification**: investment for equipment, raw materials banks, trade financing facilities, partners, producer associations, standards bodies.

• **Production cost**: identifying niche market for specialized products, branding, economies of scale, fair trade, organic certification.

#### AVAILABLE TECHNICAL ASSISTANCE

- National trade promotion agencies
- USAID Regional trade hubs.
- USADF through its local technical partners
- Government extension services
- Academic institutions
- UN agencies and international programs.

## Closing remarks

Thank you for Listening.