



REPUBLIC OF LIBERIA
MINISTRY OF COMMERCE & INDUSTRY
MONROVIA



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**President Ellen Johnson-Sirleaf to Open Ministry of Commerce and Industry's Small
Business Administration's Flagship Annual MSME Conference on Tuesday,
November 17, 2015 at 9AM Monrovia City Hall**

Monrovia: President Ellen Johnson Sirleaf will, on Tuesday November 17, 2015, officially open the Ministry of Commerce and Industry Small Business Administration flagship 2015 Micro Small and Medium-sized Enterprises (MSME) Conference in Monrovia. The President, who will be accompanied by her Cabinet, members of the Legislature and the Judiciary, will address over five hundred Liberian owned business men and women, business executives, local and international partners, diplomatic corps, youths and cross-section of people at the Monrovia City Hall. The Conference, which will start at 9AM at the Monrovia City Hall Theatre, is under the theme **“From Vision to Implementation, Buying Liberian, Building Liberia”** with special focus on *Youth Innovation for Economic Empowerment*. The keynote speaker for the November 2015 Conference is a young Liberian entrepreneur and Bronson Fellow, **Mr. Mahmud Johnson of J-Palm**.

Since its inception in 2013, the SBA MSME Conference has focused on different topics and allowed SMEs to exploring partnerships and receiving financing to expand their operations. The conference has facilitated over \$1 million dollars in investments in SMEs with new innovations such as the Liberia Innovation Fund for Entrepreneurs and the Liberian Marketplace. Each year the Conference has had a specific focus. Last year although various topics were covered including Entrepreneurship Development, Access to Finance and Access to Markets, the theme for 2013 emphasized agriculture as a business and showcased agriculture innovations at the Trade Fair. This year is about Liberia's young innovative entrepreneurs who are contributing to Liberia's transformation story by being productive citizens are role models.

Like last year, this year, all 50 SMEs that exhibit in the fair will receive The World Bank Group business edge training and a one-year year tax clearance to facilitate contracts. In 2014, “Agriculture” was the topic under discussion where the President issued Executive Order #64 under which SMEs in the agriculture sector benefited from tariff exemption on certain agricultural equipment or implements to spur growth in the sector. Although the



Ebola Epidemic stalled progress for Liberian SMEs; however, similar order is anticipated during the 2015 Conference. This year's Conference will be an annual capacity building conference, networking and business linkage event, aimed at providing a forum for Liberian youth to participate in a comprehensive E-Plus/business plan competition for emerging starts up MSMEs (the Youth) as well as to foster youth innovations, networking and knowledge sharing. It will select the First Class of E-Plus Entrepreneurs to benefit from the Liberian Innovative Fund for Entrepreneurs (LIFE-Fund) and World Bank Group Business Edge Training. The E-Plus First Class will go through entrepreneurship development and mentoring for a two year period and each entrepreneur will receive up to US\$10,000 to start their businesses.

This year's conference will also showcase the Innovation Hall where young entrepreneurs' innovations will be showcased with awards for best innovators. The standard trade fair for 50 SMEs will also showcase SMEs from all over Liberia. The conference will be climaxed with the award dinner on November 18 to be followed by a The Liberian Experience Concert and Wear Your Pride Fashion.

In celebration of the passing of the Intellectual Property Law and various treaties, a special concert organized by Blue Links Promotions artists to pay tribute to Liberian legends Miatta Fahnbulleh, Tecumseh Roberts, Zack and Gebbah among others will take place on November 18th at the Monrovia City Hall Theatre from 9pm to 11:00PM. During the performances, the Wear Your Pride promoting young designers' use of the Lofa (Country) Cloth will take place, organized by Hon. Munah Pennoh Youngblood where students and all Liberians are encouraged to participate in these events.

The Annual MSME Conference is the flagship conference of the Ministry of Commerce and Industry Small Business Administration (SBA) with support from the Government of Japan, in partnership with USAID-Fed, , Lone Star Cell MTN, Building Markets, IBEX-Liberia, Single Sparks, Business Start-up Center and the Agency for Economic Development and Empowerment (AEDE). Other supporters include Eco-Bank-Liberia, LBDI, the West African Venture Fund, Global Bank Liberia Limited, etc.

For more information on the conference, visit www.sbaliberia.org or visit the Small Business Administration on the Ground Floor of the Ministry of Commerce and Industry, Corner of Gurley and Ashmun Streets, Monrovia.

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Hon. Axel M. Addy
MINISTER



Background on Annual MSME Conference

The MSME Conference was first launched in 2013 as a pillar of the Ministry of Commerce new administration under the new Minister Axel M. Addy and the Senior Management Team. The Annual MSME Conference was introduced as one strategy for the implementation of the Micro, Small and Medium Enterprise Policy, which was the country's first *National Policy on Poverty Alleviation and Wealth Creation* for Liberian MSMEs. The Policy was endorsed as critical to inclusive growth given wherever you look in Liberia, commerce and small businesses are at the heart of the country's private sector. They make a significant, but often unaccounted for contribution to Liberia's economy; as such, there was every reason to devote public resources to strengthen small businesses in Liberia. As the main source of income for the great majority of Liberian people, perhaps 80 percent or greater, microenterprises are the cornerstone of family welfare in Liberia. Households with successful microenterprises that generate reasonable, steady revenues are positioned to finance better health services, housing and education for their families.

Founded primarily by Liberians with the desire and potential to establish and grow their own businesses, small and medium enterprises (SMEs) are the emerging core of the domestic corporate private sector. It was also of the understanding that if an enabling environment is provided for them, they would contribute substantially to national growth, job creation and exports. The Conference, which has become a platform that addresses the four pillars of the 2011 MSME Policy: *Legal & Regulatory Reform, Access to Finance, Access to Market and Capacity Building*, provides capacity building training for selected Liberian owned businesses who made products for local and international consumption; market linkage where international and local buyers express their consumption needs to local vendors. Policy statements that impact Liberia SMEs are made by the President at the Conference such as the Executive order #64 during 2014 Conference. Trade fair winners walk away with US\$5000 each year and many SMEs get connected to local and international financial institutions. Success stories of the Annual Conference have been told by participants of past conferences. Some of such businesses include SEGAL Security Firm, Efficient Logistics, Falama, Inc, etc.

The competence of Liberian MSMEs to favorably compete with their partners in progress within the Liberian local markets depends on their ability to improve their entrepreneurial skills and knowledge at all aspects of commerce and trade in Liberia. Although the four pillars of the MSME Policy are critical challenges which form the basis of MSME development in Liberia yet among them, building skills and knowledge is of significant should we, as lead Ministry on the implementation of the MSME Policy seek to attain the overarching goal of the MSME Policy. Additionally, our willingness as a Ministry in close collaboration with private sector organizations to propel and sustain their development and growth within the MSME sector requires the devotion of public resources in the generation of

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knowledge that meets the demands of our society, fosters stability and sustains growth and development according to the rationale contained in the MSME Policy of Liberia. However, this year's Conference, like the 2014 conference, will be an annual capacity building conference, networking and business linkage event, aimed at providing a forum for Liberian youth to participate in a comprehensive E-Plus/business plan competition for emerging start up MSMEs as well as to foster new ideas, and exhibit new innovations and sharing knowledge of best business practices amongst youth and MSMEs.

Q&A

Q. 1 what is MSME?

The MSME Policy of 2011 defines Micro, Small and Medium Enterprise (MSME) squarely on the basis of the level of employment referring to Micro enterprise as any business with non family employees from 0-3; Small from 4-20 non family employees; Medium from 21-50 and considers any business with employees above 50 as large business¹. *Part I, Section 1.2 (page 3)* of the Small Business Empowerment Act of 2014 defines MSME as any enterprise “that is formally registered as a business organization with fewer than one hundred (100) employees or annual gross revenue taxable in the micro, small or medium tax category as is stipulated in the Liberian Revenue code or which meets certain standards or criteria prescribed from time to time by the Ministry through regulations, which standards or criteria may relate to the number of employees, gross revenue or sales, net revenue or profit, net wealth or any combination thereof, or any other factors that the Ministry considers to be appropriate or relevant.”

The Act also defines “*Liberian Owned MSME*” as any “micro, small or medium enterprise of which more than 50% of the securities, equity and/or ownership interests carrying sufficient votes to elect a majority of the board of directors or other similar body of the MSME is owned directly or indirectly, by one or more Liberian citizens, including women owned MSMEs; with such majority Liberian shareholder being a signatory to the official documents and bona fide bank accounts of the business.” *Women owned MSME* carries “the same meaning as Liberian owned MSME except that the persons with the required security or ownership interests and signatory rights are women who are Liberian citizens.”²

Q.2 Why is the Ministry focused on MSMEs?

The Ministry of Commerce & Industry is focused on MSMEs because research has shown that in both developed and developing countries, small businesses play a crucial role in economic growth and job creation. For example, a World Bank study on MSMEs shows that:

- Almost all businesses in Liberia are small businesses, with 91.3% of them employing less than 10 people;

¹ MSME Policy Executive Summary, page 2

² Ministry of Commerce & Industry Business Employment Act of 2014; Part I Section 1.2, Page 3



- 63.1% of businesses surveyed reported having an annual turnover of less than US\$3000;
- An estimated 80% of household incomes in Liberia come from MSMEs activities;
- More women entrepreneurs in Liberia own businesses (statistic says 53%) than the sub-Saharan Africa average (29.1%)
- The overwhelming majority of women who own businesses in Liberia (98.9%) run a small business (ie. less than 10 employees)

Also, in Japan, a high proportion of businesses are small businesses (there are 4.69 million SMEs, constituting 99.7% of all enterprises and accounting for 70% of all employment)³ and they have been shown to play an important role in promoting economic growth and social cohesion.

Hence, the government through the Ministry of Commerce & Industry has resolved to devote public resources to strengthen small businesses in Liberia. Micro enterprises in Liberia are the main sources of income for the greater majority of Liberian people and are the lynchpin of family welfare in the country. Households with successful micro enterprises that generate reasonable, steady revenues are positioned to finance better health services, housing and education for their families. MSMEs are also the emerging core of the domestic corporate private sector; if an enabling environment is provided for them, they will contribute substantially to inclusive economic growth, job creation and exports.

The generic case for Government involvement in small business promotion is knowledge that growing numbers of increasingly productive MSMEs are a boom to economies everywhere. The larger their numbers, the more jobs they create. Even where jobs are marginal, incremental earnings stabilize family incomes and reduce vulnerability to dire poverty. Where MSMEs achieve respectable levels of productivity, they become notable contributors to economic growth in addition to their roles as job creators. Developing countries typically start from a broad base of low-productivity MSMEs but, with access to markets and to resources, small enterprises build their productivity and their contribution to GDP. The specific case for supporting MSMEs in Liberia includes:

- the very large informal sector and the small size and fragility of the formal sector;
- a history of a highly fragmented, largely informal economy;
- the low status of business in Liberia;
- absence of readily available business information;
- need to shore up public-private partnership; and
- the ad hoc, fragmented support for MSMEs represent the majority of business activities in the informal sector and as such employ a large segment of the population.⁴

Q.3 how is the MSME Conference Organized?

The Conference is organized in partnership with several organizations that work with

⁴ MSME Policy 2011



MSMEs and those that impact MSMEs. The Conference is normally organized by a Technical Working Group (TWG) comprising of partners under the auspices of the Bureau of Small Business Administration. The TWG comes up with a budget for the conference to fund various aspects of the conference such as trade fair, publicity, conference speakers, awards, dinner, etc. Most importantly, the TWG develops policy proposal for government consideration.

Q.4 how has the MSME conference benefited MSMEs in Liberia?

Every year the conference gives several MSMEs awards and provides investment opportunities that are transforming the MSME sector. The first conference led to over one million investments in the country. The 50 MSMEs participating in the Annual Trade Fair have to go through two weeks of training and they get a one year tax clearance for participating in the conference. The first four best exhibitors are given a financial grant of US\$5,000 every year. The 2014 conference gave back over US\$200,000 in tax waiver to SMEs in Liberia particularly those in the agricultural sector⁵. Testimonials from participants indicate that there is a need to continue the conference every year. Some of the Liberian SMEs have transitioned to medium taxpayer to large taxpayer, which is a significant progress. This 2015 conference is expected to give direct cash grant of US\$220,000 to Liberian-Owned MSMEs apart from market linkage, contract awards and training opportunities.

Q.5 Who can participate in the MSME Conference Trade Fair?

MSME operators, entrepreneurs that apply are selected through a transparent, competitive and rigorous process and are allowed to participate and showcase their products at the Trade Fair. Such MSMEs must be Liberian-Owned businesses and are producing what the SBA considers as “Made in Liberia” products.

Q.6 what do MSMEs have to pay to Participate?

MSMEs do not pay to participate in the MSME Conference, but they are required to apply for participation and are selected through a vetting process. Thereafter, selected applicants are expected to avail themselves for training in selected topics for the conference.

Q.7 when does the conference start and when does it end?

The SBA MSME Conference has always been a two day event comprising of training, trade fair, and an award dinner. This year, in addition to the traditional trade fair and award dinner, the conference is expected to highlight youth innovation for economic empowerment through the E-PLUS Program, *a two-year MoCI and The World Bank Group co-sponsored MSME empowerment program designed to promote youth entrepreneurship through training and access to finance. This program seeks to identify and harness the next generation of*

⁵ DUTY FREE ANALYSIS OF IMPORTATION UNDER EXECUTIVE ORDER #64 From May 2014 to January 2015, Sophiatou A. B. Colliee , Sr. BDS Officer/USAID FED-Feb 26, 2015



promising youth innovators with great ideas and solutions to real challenges in business and society.

Q.6 how can an MSME register for the Conference?

MSMEs can come to the Bureau of Small Business Administration on the ground floor of the Ministry of Commerce and Industry to register for and get information regarding the conference. Information can also be obtained from our TWG members: USAID FED on 6th Street, Sinkor; Building Markets between 8th and 9th Streets (Beachside), Sinkor; IBEX Liberia, 3rd floor, Murex Plaza, on 10th Street along the Tubman Boulevard; BSC-Monrovia on the UL Campus, Capitol Hill in Monrovia. They can also visit the SBA website at www.sbaliberia.org and register online.

Q.7 what is the theme of this year's conference?

This year's conference is on **“From Vision to Implementation, Buying Liberian, Building Liberia”** with special focus on *Youth Innovation for Economic Empowerment*. It will be an annual capacity building conference, networking and business linkage event, aimed at providing a forum for Liberian youth to participate in a comprehensive E + Plus/business plan competition for emerging starts up MSMEs as well as to foster exchange of ideas, and exhibit new innovations and technology and share international best practices amongst youth and MSMEs

Q.8 what should MSME expect differently for this year's conference?

We expect to see innovative ideas been displayed by Liberian youths in arts, textile, IT, etc. This year's conference will include an Innovation Hall that showcases young entrepreneurs. The keynote address will be delivered by a young Liberian entrepreneur Mahmud Johnson of J-Palm. The SBA 2015 MSME Conference will also see the launch of the E-Plus First Class initiative. Young people engaged in business activities will participate in a business plan competition and the top 20 will be selected as the First Class. They E-Plus First Class will go through a training or what the SBA calls incubation period for two years with a US\$10,000 grant being awarded to each innovator.

Q.9 what are the awards given during the Conference?

There are four categories of awards with each totaling \$5,000 to each entrepreneur. These awards are: Best Booth and Presentation Award, Most Innovative Award, Best in Marketing Award and Proudly Liberian Award. The 2015 Conference includes an E-Plus program for innovative or creative youths and will award US\$200,000 in grant to 20 Liberian youth innovators over a two year period.

Q.10 who are the partners of the MSME conference?

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The conference is supported by numerous partners including USAID FED, the International Finance Corporation, Building Markets, Single Sparks, Business Start-up Center, IBEX-Liberia, AEDE, etc. This year our sponsors include the following private sector operators: Lone Star Cell Corporation, LBDI, West African Venture Fund, Ecobank, etc.

Q.11 what is newly added to SME week?

This year, given the theme of the conference and in celebration of the passing of the Intellectual Property Law and various treaties, a special concert organized by Blue Links Promotions artists to pay tribute to Liberian legends Miatta Fahnbulleh, Tecumseh Roberts, Zack and Geebah among others will take place on November 18th at the Monrovia City Hall Theatre. During the Performances, the Wear Your Pride promoting young designers' use of the Lofa (Country Cloth) will take place, organized by Hon. Munah Pennoh Youngblood. Students are encouraged to participate in these events.