

**Statement by**

**Mr. Mohammed Zakkariya bin Mulkiaman,**

**Director 1 of the D-8 Secretariat**

**at the 5th D-8 Small and Medium Enterprises (SMEs)**

**Governmental Bodies Meeting**

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**Abuja-Nigeria**

**Honorable Ministers,**

**Excellencies,**

**Distinguished Delegates,**

**Ladies and Gentlemen,**

On behalf of the D-8 Organization for Economic Cooperation and the D-8 Secretariat, I would like to welcome you all to 5th D-8 Small and Medium Enterprises (SMEs) Governmental Bodies Meeting. It is my great honor to be with you at the opening of this important Meeting.

First, I would like to extend, on behalf of Dr. Mousavi, the Secretary-General of D-8 and myself our heartfelt gratitude to the Government of Nigeria, especially to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), for this well-prepared Meeting, providing us with a very comfortable venue in the capital city of Abuja. I would also like to express my appreciation to all delegates here, whose dedication and support has made this meeting possible.

**Distinguished Delegates,**

In the developing countries, Small Medium Enterprises (SMEs) play a key role in transition and development process. These firms typically account for more than 90% of all firms outside the agricultural sector, constitute a major source of employment and generate significant domestic and export earnings. As such, SMEs emerges as a key instrument in economic growth.

In D-8, as an intergovernmental organization of eight developing countries, SMEs play a vital role and contributes about 45 percent of the industrial output, 40% of exports, around 100 million in employment, and creating one million jobs every year. Moreover, SMEs also produce more than 10,000 quality products for the D-8 community and also for the international markets.

**Distinguished Delegates,**

Let me now turn to a brief on our cooperation in the field of SMEs cooperation. The latest work of our task force meeting was back in October 2012 during the 3rd Ministerial Meeting on Industry. This gathering was meant to generate discussion on crosscutting strategies, investments in physical infrastructure and business services in SMEs sector.

In this meeting, the idea of having a Joint MoU among D-8 SMEs was also deliberated and agreed. In this regard, it is expected that our meeting, here in Abuja, could discuss the draft MoU and subsequently to circulate the draft to Member States for their further consideration. I am confident that this Joint MoU will strengthen our cooperation among D-8 SMEs stakeholders.

In addition, globalization and trade liberalization have bring new opportunities as well as challenges for D-8 SMEs. Presently, only a small part of the SMEs sector is able to identify and exploit these opportunities and deal with the challenges. The majority of SMEs in our Member States, however, has been less able or unable to exploit the benefits of globalization and, to add to the situation, is frequently facing stiff competition in the local markets or cheaper imports from international market.

D-8 SMEs, due to their limited size and capital, are particularly constrained by limited access to finance, lack of infrastructure and effective institutional structures, non-competitive real exchange rates, cumbersome bureaucratic procedures and etc. The removal of these constraints is a daunting task and need support to enable functioning of SMEs at macro and micro level.

**Distinguished Delegates,**

I am confident that through our constructive cooperation we will succeed in reaping the fruits of our endeavors in the near future in the SMEs sector. Moreover, I also believe that improving the D-8 SMEs competitiveness requires policies and regulations to facilitate SMEs operation.

In addition, my last word would be to urge all of you to focus on developing a good set of concrete project proposals, as part and parcel of a workable action plan for the effectiveness and enhancement of our SMEs cooperation.

Finally, once again, I am grateful to the Government of Federal Republic of Nigeria, especially the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), for the warm hospitality extended to us and excellent arrangements made for this meeting.

I thank you very much for your attention and wish all of you every success in this meeting.