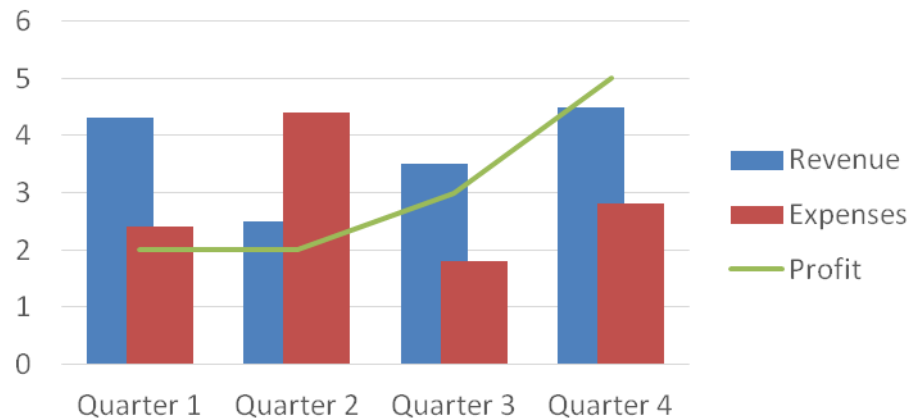


THE ROLE OF THE MSMEs IN FINANCIAL INCLUSION AND ECONOMIC DEVELOPMENT



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“I’m convinced that about half of what separates the successful entrepreneurs from the non-successful ones is pure perseverance.”

– Steve Jobs



AN ENTREPRENEUR

An entrepreneur is person who relentlessly focuses on an opportunity, either in a new or existing business, to create value both for the customer and the owner.

The entrepreneur assumes both the risk and reward for his or her effort and provides an impetus for change, innovation, and progress in economic life



Global trends and national development processes have transformed the role of the MSME sector into that of a catalyst for the growth and development of small business enterprises which are so vital to the Jamaican country.



MSME's VISION

TO BECOME A STRONG VOICE AND SOURCE OF EFFECTIVE SUPPORT FOR MSMEs BY IMPROVING THE BUSINESS LITERACY OF MSMEs IN JAMAICA AND ENSURING AN ENABLING PUBLIC POLICY ENVIRONMENT FOR THE SUSTAINABLE DEVELOPMENT AND GROWTH OF MSMEs IN JAMAICA.



MSME's MISSION

TO FOSTER COLLABORATION AND ENGAGE IN CAPACITY BUILDING PROGRAMMES AND NON- PARTISAN ACTIVITIES THAT CAN ENHANCE THE GLOBAL COMPETITIVENESS OF MSMEs.



WHERE ARE WE NOW?

- The three pillars of the IMF strictures facing us, call for significant improvement in the fiscal management of our country, Tax Reform and the implementation of a Growth Agenda.
- Coincidentally, this is exactly the action that needs to be taken to move our MSME sector forward...



What are some of the MSME roles which are inherent in this?

- Advising the Government on policy formulation for the promotion and development of the MSME sector.
- Developing human resources through skills training
- Maintaining close liaison with relevant Government Ministries, financial institutions and other organizations concerned with the development of the MSME sector.
- Evolving and coordinating policies and programmes for the development of the sector as ancillaries to large industries.
- Conducting entrepreneurship, management and skill development programmes



ROLE AND IMPORTANCE OF MSMEs

MSMEs play a major role in a country's economic development through their...

- contribution in rural industrialization; rural development and decentralization of industries
- creation of employment opportunities and more equitable income distribution
- use of indigenous resources
- earning of foreign exchange resources
- creation of backward and forward linkages with existing industries
- entrepreneurial development.



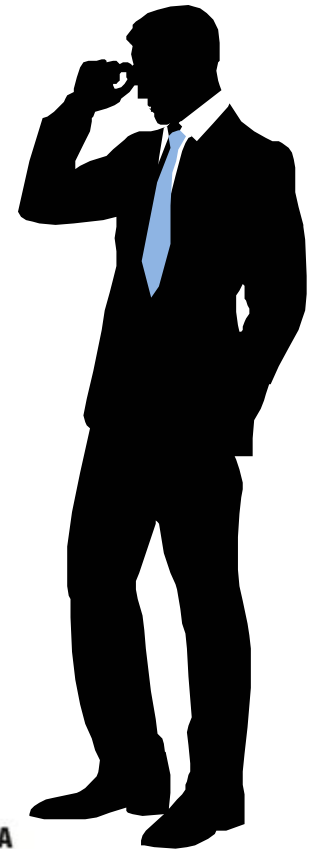
MSMEs' CONTRIBUTION TO THE ECONOMY

- Our MSMEs contribute to the creation of wealth, employment, and income generation, both in rural and urban areas, thus, ensuring a more equitable income distribution.
- They provide a continuous supply of ideas, skills, and innovations necessary to promote competition and the efficient allocation of scarce resources.
- In the last five years, the MSME sector accounted for the highest percentage of the registered businesses in the country.
- A significant portion of the total sales and value added in the manufacturing come from MSMEs as well.



MAIN CHALLENGES FACING MSME STAKEHOLDERS

- an inefficient bureaucracy
- high energy costs
- the need for appropriate tax reform
- the need for a higher level of business literacy
- the need for a more enabling environment
- lack of law and order



HARSH STATISTICS FOR MSME STAKEHOLDERS

- **MSMEs have a high failure rate.** An estimated 6,000 businesses are started annually in Jamaica; and a failure rate of approximately 50%.
- **Because the risk is high,** banks are cautious and credit processes are complex.
- **Some MSMEs are content to stay small.** Research shows only a small number ever expand out of this group.
- **Stiff business challenges.** Due to the economic crisis, a deteriorating dollar, a drop of purchasing power among domestic consumers and availability of cheap imports.



HOW DO WE PLAN TO MEET THESE CHALLENGES?

- Make best use of the more facilitative approach now being shown by Government.
- Seek to work closer with the Ministry of Industry, Investment and Commerce in ensuring the development of the spirit of entrepreneurship to stimulus the consolidation of the MSME sector.
- Immediately tackle the crisis of management which exists, by joining forces with relevant organizations and speedily implement a programme to address the urgent need for an improved level of business literacy throughout the sector.



HOW DO WE PLAN TO MEET THESE CHALLENGES?

- Close, ongoing research of the overall needs of the sector and development of programmes to address these needs,
- Increase collaboration with UTech, the UWI, the SRC and the Bureau of Standards in development of programmes to address product quality, information technology and intellectual capacity needs of the sector.
- Develop greater collaboration with the SBAJ, the JBDC, JAMPRO and Micro-financing organizations to foster cohesive approach to the development of overall capabilities and full potential of the sector.



THE FUTURE

- Our Alliance will definitely be exploring ways in which we can get this tremendous pool of private sector expertise to assist the development of our sector.
- With Government's positive, new approach to the development of our sector; with the right guidance, the right incentives, the right operational climate; Jamaica's MSME sector can, without a doubt , become a powerful factor in Jamaica's economic recovery .

The challenge is ours. For our sake, for Jamaica's sake.....
SUCCEED WE MUST.



THANK YOU VERY MUCH.

