

Key figures : SMEs: engines for the recovery in Africa

December 3 2021



At the heart of Africa's economic fabric ▼

African MSMEs play a key role in job creation and economic growth.



They account for
60% of employment



and contribute
40% of GDP

In Europe

SMEs

65%
of companies

In the USA

SMEs

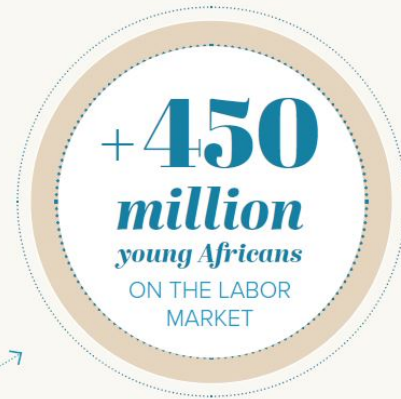
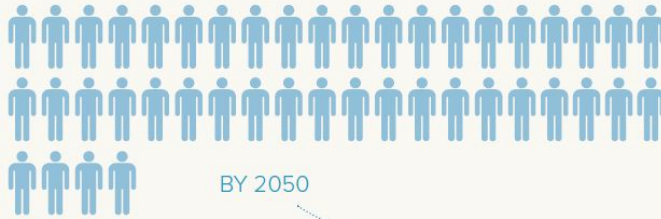
53%
of companies

Source: LSEG Africa Advisory Group, "The Challenges and Opportunities of SME Financing in Africa", 2018

At the heart of Africa's economic fabric.
African MSMEs play a key role in job creation and economic growth.

MSMEs: pillars of professional integration ▼

African MSMEs are essential for ensuring sustainable growth and providing employment for the 450 million young people who will enter the labor force over the next 30 years.



Source: World Bank, 2017

MSMEs: pillars of professional integration.

African MSMEs are essential for ensuring sustainable growth and providing employment for the 450 million young people who will enter the labor force over the next 30 years.

African start-ups: a booming ecosystem ▼

There are a growing number of African start-ups in all sectors, with impressive amounts of funds raised.

According to Partech International, in 2019, before the health crisis, over USD 2bn had been raised, in particular in Nigeria, Kenya, Egypt and South Africa.

Financial inclusion and education are among the most dynamic sectors.

USD **2**bn
RAISED IN 2019



+74%
COMPARED
TO 2018

Source: Partech Africa Annual Report, 2020

African start-ups: a booming ecosystem.

There are a growing number of African start-ups in all sectors, with impressive amounts of funds raised. According to Partech International, in 2019, before the health crisis, over USD 2bn had been raised, in particular in Nigeria, Kenya, Egypt and South Africa. Financial inclusion and education are among the most dynamic sectors.

Access to financing: the weak link in entrepreneurial success ▼

According to estimates by the International Finance Corporation (IFC), small and medium-sized enterprises in Sub-Saharan Africa face a financing shortfall of some USD 330bn a year.

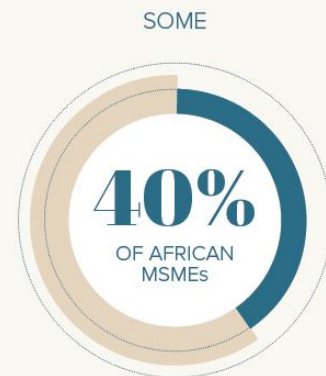
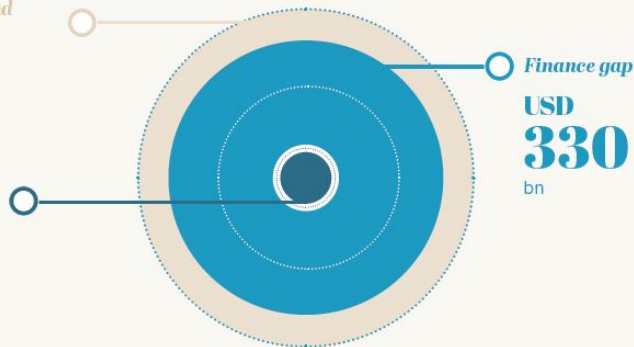
According to a study conducted by Investisseurs & Partenaires, some 40% of African MSMEs say that accessing finance is a "major constraint to their growth".

Estimated demand for financing

USD
400
BN A YEAR

Current offer

USD
70
bn



HAVE DIFFICULTIES
IN ACCESSING
FINANCING

Source: Investisseurs & Partenaires (I&P), "Investing In Africa's Small and Growing Businesses, an Introduction to Equity Investment in Africa", 2015. SME Finance Forum, "MSME Finance Gap Database", 2018

Access to financing: the weak link in entrepreneurial success.

According to estimates by the International Finance Corporation (IFC), small and medium-sized enterprises in Sub-Saharan Africa face a financing shortfall of some USD 330bn a year. According to a study conducted by Investisseurs & Partenaires, some 40% of African MSMEs say that accessing finance is a "major constraint to their growth".

The size of African companies: the main factor for access to bank credit ▼

Access to bank lending services

In Sub-Saharan Africa

In Asia and Latin America

MICROENTERPRISES
(less than 20 employees)

Medium-sized SMEs
(between 20 and 99 employees)

Large SMEs
(over 100 employees)



Source: Agence Française de Développement (AFD), Why SMEs Default in Sub-Saharan Africa: The Example of ARIZ, Study Report, 2018

The size of African companies: the main factor for access to bank credit.

Obstacle course for women entrepreneurs ▼

According to International Finance Corporation (IFC) data, SMEs run by women in Sub-Saharan Africa suffer from a financing shortfall of USD 42bn.



Source: IFC, "MSME Finance Gap: Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets", 2017

Obstacle course for women entrepreneurs
According to International Finance Corporation (IFC) data, SMEs run by women in Sub-Saharan Africa suffer from a financing shortfall of USD 42bn.

© 2021 - Private Sector & Development