

## INCREASING THE PARTICIPATION OF SMEs IN AFRICA'S NATURAL INGREDIENTS SECTOR: IMPERATIVE, OPPORTUNITY AND OBSTACLES

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Introduction of AAASME; AAASME means All Africa Association Of Small And Medium Enterprise.

It was found in 2007 during the afro champions Boma on small and medium Enterprise held in Kigali, Rwanda, to serve as a Continental advocacy body whose objective is to promote, support, develop and protect the interest of micro, small and medium enterprises (MSME) in Africa.

Over the past decade, Africa has continued to experience an unexpected increase rate in small and medium sized enterprises creating about 80% of Africa's employment for young Africans, however, despite this fast growing trend in SMEs, the natural ingredients sector in Africa is still under utilized \*\*\* African that Africa's natural ingredients is in a constant growing demand in other parts of the world for food, pharmaceuticals and cosmetics.

**IMPERATIVE:** Africa remains an underdeveloped continent amidst the wealth embedded in it and the natural ingredients sector isn't left out therefore it is essential that governance and politics to focus on the potential to support and equip SMEs as key players to to produce natural ingredients for possible exportation which will create more just opportunities especially in the rural areas as cultivation is done mainly in the rural areas, therefore alleviating the level of poverty within the community.

**OPPORTUNITY:** Africa is an increasing opportunity for SMEs and natural ingredients sector isn't left behind, there is the quest to promote Africa's indigenous ingredients for local Africa's feed and for international demand, there's also the need for Africa's ground for cultivation of what was once known as internationally grown natural ingredients.

It is important to note that the natural ingredients sector is a major sector of any progressive government re-industrialization drive.

We are in a global rush and attention for naturally formulated cosmetic products, naturally grown foods, naturally formulated medicines , these health, agricultural etc sectors aren't slowing down on what is fast becoming the Frontline industries because of want and supply, therefore there is a constant need for natural ingredients to be a major part of the small and medium enterprises. Industrialization of cassava is one of Africa's biggest opportunities, cashew, mangongo, baobab, palm as well as other indigenous African natural ingredients.

In South Africa, according to the chief director of chemicals, cosmetics plastics and pharmaceutical at the department of trade and industry "the global presence of South African product with natural ingredients is low and this presents an opportunity for natural ingredients producers to build a sustainable and traceable value chain. Rising agricultural activities in the natural INGREDIENTS sector will contribute in the development of an inclusive rural economy". That's quote applies to Nigeria and I presume all other nations of Africa, production and processing of natural ingredients can stimulate

growth and investment in the sectors this contributing in boosting a country's manufacturing sector as this is one of Africa's ailing sectors.

## **OBSTACLES**

The world population is expected to reach upwards by 9 billion people by 2050 and Africa is expected to double it's population from 1 billion to 2.4 billion in the year 2050 and half of that population would be under 25 years old.

That demographic figure poses a rather troubling question in Africa's economy has the capacity to absorb these numbers, considering the need to fill the job market.

SMEs participation in natural ingredients sector face numbers obstacles including but not limited to

- Electricity shortage
- Lack of funding
- Rigid government policies unfavorable to SMEs development
- Inadequate infrastructure
- Measures to ease Access to markets especially international markets
- Public procurement
- Human resources
- Access to Technology
- Storage
- Transportation
- Enabling environment for adequate production
- Management.

SMEs in natural ingredients sector generally tends to be combined with higher interest rates as well as credit rationing due to shortage of collateral.

The government in Africa should look into the predisposing obstacles falling the natural ingredients sector as this sector in the SMEs poses to be the bedrock of any given governments economic development.