

## Small- and medium-sized enterprises generate 25% of Africa's GDP

Africa's share of labour-intensive manufacturing - a vital source of jobs for underemployed farmers - is shrinking. While there are now 85 million manufacturing jobs suited for unskilled workers in China, out of a population of 1.3 billion, there are only 10 million such jobs in all of Africa, population 1 billion.

As China's share of low-end manufacturing exports - including toys, clothes and shoes - has peaked, production was moving to other low-cost countries in Asia, such as Vietnam and Bangladesh, because Western multinational manufacturers have mostly avoided Africa, seen by many as a riskier destination because it is said to be overrun by corruption, with ongoing clashes between ethnic groups.

The good news, however, is that people who are closer to events on the ground note improvements in local governance and say Africa is becoming more conducive to private investment. Mthuli Ncube, chief economist at the African Development Bank Group, estimates that one-quarter of Africa's gross domestic product - about \$450 billion - comes from 65 million small and medium-sized enterprises.

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