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# SMEs and GDP Contribution: an Opportunity for Nigeria's Economic Growth

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***Abstract:***
*The role and contribution of SMEs to economies worldwide cannot be down played by any serious country considering their proven potentials in Increasing GDPs. Records show that SMEs account for the highest number of businesses worldwide and are essential contributors to employment generation and global economic development. This paper is a qualitative research work which focused on a detailed understanding of the performance of some Asia's SMEs leading economies. Contemporary literatures and empirical opinions of previous researchers were reviewed in the process of gauging the efforts of government and other stakeholders like the Central Bank of Nigeria in addressing the plight SMEs. The authors further reviewed the position of some selected Asian SMEs like Malaysia, China, India, Hong Kong, Bangladesh and Singapore. The selected Asian countries were chosen based on each country's similarity to Nigeria in terms Population, Unemployment rate, Financial Challenges and the absence of Infrastructure in some cases. Furthermore, the analysis revealed how lack of access to credit facilities on the side of SMEs and inadequate means of borrower identification on the side of the financial institution stunt the growth of potentially existing SMEs as well as the dream of prospective SMEs in Nigeria.*

***Keywords:*** *SMEs, GDP, contribution, opportunity, Nigeria, economic, growth*

## 1. Introduction

According to World Bank, Small and Medium Enterprises (SMEs) play a significant role in most economies, especially in emerging markets where 7 out of 10 jobs are created by SMEs. Records show that SMEs account for the highest number of businesses worldwide and are essential contributors to employment generation and global economic development. Universally, SMEs accounts for around 90% of businesses and more than 50% of employment. In emerging economies, SMEs contribute up to 40% of GDP and it significantly increases when combined with informal SMEs. Furthermore, SMEs development is considered a high priority worldwide as World Bank estimates that by 2030 nearly 600 million jobs will be needed to absorb the rising workforce globally.

Aigbe Omoregie, the Founder of Young CEO Initiative, enlightened that the role of MSMEs in Nigeria's economic development is worthy of appreciation because of the significant role MSMEs play in the development of a nation stretching from contribution to Gross Domestic Product (GDP) to employment creation, export and technology innovation. He further revealed that in 2013 MSMEs contribute 54% to Nigeria's GDP and 7.27% to export while in 2014 Nigeria Bureau of Statistics recorded that 59 million (84.02% of Nigeria's total labour force) Nigerians work in the MSMEs sector. Mr. Aigbe admitted that it would not have been possible without the efforts of favourable government policies and programs implemented to encourage youth entrepreneurship (Adekoya, 2018).

The 2009-2010 banking system restructuring in Nigeria which led to increase in network of branches, gradually led banks to re-engage in financing activities in the private sector. Though the level of financing is insufficient as it represented less than 12% of GDP in 2013 as compared to the 50% average in other Sub-Saharan Africa. Despite accounting for the highest in terms of contribution to the Nigerian economy, many SMEs are often resort to informal funding or self-financing. SMEs Financial inclusion is still a major obstacle despite the added value they generate as well as the jobs created in Nigeria. It can be undeniably argued that the economy of Nigeria is not diversified enough to meet up with the challenges of its growing population and high rate of poverty. In 2012, with the goal of reducing the percentage of its citizens excluded from the financial system from 40% in 2012 to 20% by 2020, Nigeria implemented an aspiring public policy to stimulate financial inclusion.

However, it was made known that a certain effort was made in 2017 by Development Bank of Nigeria (DBN) when it disbursed the sum of N5b to 3 micro finance banks namely, LAPO Microfinance bank, Fortis Microfinance Bank, and NPF

Microfinance bank (Onehi, 2019). Victor Onehi further reveals that CBN MSMEs fund is another source of credit that can be accessed through the Abuja Enterprise Agency, and that it ranges from N50,000 to N5 million largely depending on a client's capacity to payback. Other key actors providing easy access to SMEs loan include Lagos State Employment funds, Tony Elumelu Foundation and BOI funds to mention a few.

SMEs are businesses considered as the principal responders of needs in most societies. According to United Nations, the annual 27th June celebration of 'MSMEs Day' to raise public awareness of the sector's contribution to sustainable development being the primary drivers of economic development and poverty alleviation (Business Insider, 2019).

SMEs are said to contribute to the reduction of rural-urban migration because the start-up does not require much capital and managerial skills, though they contribute profoundly to a country's GDP (Abeh, 2017)

## 2. Constraint to SMEs Progress

While SMEs are an important part of the business landscape in the country; they are faced with huge challenges that compromise their ability to function and to contribute optimally to the economy. The reasons for this include poor funding; low managerial skills; unfriendly business environment; failing infrastructure; bureaucratic bottlenecks and lack of access to modern technology (CBN 2011).

Access to bank loan has long been known as the major challenges faced by SMEs across the globe. Also, it is not a hidden fact that challenges with accessing finance has resulted to shutting down of various SMEs including the dreams of potential entrepreneurs with prospects which in turn defeated the efforts job creation and poverty reduction. Previous reports by World Bank reveals that, access to fund is the main constraint to SMEs progress in emerging markets as well as developing countries.

The SMEs experience in Nigeria is not different from other developing countries. Nigeria's Micro, Small and Medium Enterprises (MSMEs) are still short of the necessary attention they deserve to change the country's economic fortune, despite the significant role they are playing in its economic development. SMEs are left at the mercy of lesser financial institutions who give credit facilities at an outrageous interest rate that eventually eliminate the purpose of growth which mainly is attributed to difficulty accessing credit facilities from commercial banks. According to PwC in 2014, only 11 % of companies have access to commercial bank loans as revealed by Adekoya who further explain that the challenge is not only the existence of limited credit facilities, but the unreasonable interest rate and impossible to meet terms and conditions (Adekoya, 2018).

World Bank further depicts that most SMEs are heavily reliant on personal savings, or funds from friends and family members, to start-up or run their businesses. The International Finance Corporation (also known as IFC) estimated that in developing countries, about 65 million (40%) MSMEs annually fall short of their financial need of around $5.2 trillion. The most affected in terms of global finance gap is East Asia and Pacific which accounts for 46%, next to it is Latin America and the Caribbean 23% then Europe and Central Asia 15%.

According to Agence Française de Développement (AFD, Even though SMEs play a significant role as drivers of economic growth as well employment, their development is stalled by hitches, such as lack of infrastructures, corruption and narrow access to bank loan with indication that in 2013, it represented less than 3% of the total volume of commercial loans. However, Nigerian banks similarly to other Sub-Saharan African countries are said to be truly cautious towards SMEs due to insufficient information to accurately identify and evaluate the least risky clients, and credit application procedures are not formalized enough to apprehend the intrinsic risk in the projects. Thus, the reason for excessive and dissuasive interest rates for SMEs.

## 3. Methodology

This paper is a qualitative research. Contemporary literatures like books, journals, online publications, newspapers and empirical opinions of previous researchers were reviewed in the process of gauging the efforts of government and other stakeholders like the Central Bank of Nigeria in addressing the issues hindering SMEs to achieve its potential of job creation as well as increase Nigeria's GDP in the face of poverty and alarming unemployment rate. The authors further reviewed the position of some selected Asian countries SMEs like Malaysia, China, India, Hong Kong, Bangladesh and Singapore. The selected Asian countries were chosen based on their peculiar individual country's similarity to Nigeria in terms Population, Unemployment rate, Financial Challenges and the absence of Infrastructure in some cases.

## 4. Government Support to SMEs Development in Nigeria

While over 37 million MSMEs contribute about 50% of Nigeria's GDP, only around 5% of these MSMEs are opportune to have stress-free access to bank credit. In the words of Nwosu and Ochu (2017), who concluded, that SMEs in Nigeria will continue to underperform until the government develops policies, regulations and legal frameworks that are crucial to the progress of innovative financial institutions as well as promote dedicated lending technologies capable of cutting down bureaucratic costs associated with credit application. In addition, Peer et.al (2013) also pointed out that addressing the desires of small and informal businesses is an essential task for policy makers and development practitioners.

To overcome some of the issues of SMEs finance, a number of institution have been proactive to compliment the effort of the SMEs for their role in ensuring a steady economic growth. Below are some of the institutions-

*4.1. Development Bank of Nigeria (DBN)*

DBN is very important to small business because Nigeria depends SMEs for economic growth and job creation as proven to be the largest employers in the country. This financial institution was established in partnership with some global development partners by the Nigerian government to support Micro, Small and Medium Scale Enterprises (MSMEs) in matters related to finance and credit guarantees with the sole aim of alleviating the monetary hitches confronted by MSMEs Entrepreneurial start-ups in Nigeria (Mfon, 2019).

DBN Loans are not directly given to MSMEs but through banks, micro finance banks and other financial institutions known as Participating Financial Institutions (PFIs). The PFIs then offer the loan to borrowers who are their account holders. The interest rates, collateral requirements as well as payback period is said to be moderate after risk assessment.

*4.2. CBN MSME Development Fund*

CBN MSME development fund is a special intervention fund provided by the CBN to support MSME with loan facility in Nigeria. The CBN MSME development fund is a 9% single digit interest rate facility that can be accessed by Nigerian-owned MSMEs through participating financial institutions (PFIs) like Fidelity Bank and other commercial and microfinance banks. The accessible fund ranges from 5 to 50 million Naira with a payment duration between 1 to 3 years.

The availability of this fund has boosted the access to financial services and has help to improve the productivity and output of SMEs as seen in areas of job creation. Eligible Sectors like the Manufacturing, Agricultural, Healthcare and other commercial services are encouraged to take advantage of this opportunity to access the funds (Fidelitybank, 2019).

*4.3. Bank of Industry (BOI)*

BOI is said to be the oldest and biggest development finance establishment presently operating in Nigeria is owned by the Ministry of finance Incorporate, Central Bank of Nigeria and other Private shareholders with 0.01% shares. The Bank of Industry was established with the sole aim of offering credit to the industrial sector in 2000 and SMEs in 2003 (Olorunshola, 2003). Beneficiaries of BOI offers include SMEs and large enterprises (cottage industries excluded); New or existing firms seeking expansion, Credit worthy promoters and reputable Borrowers with no record of unpaid debts (BOI, 2015).

*4.4. Small and Medium Industries and Equity Investment Scheme (SMIEIS)*

SMIEIS as described by Obokoh et.al (2015), is a scheme established in 2000 by the Banker's Committee to provide SMEs loans in Nigeria. It entails each bank setting aside 10% of its pre-tax profit for equity investment in SMEs yearly. These banks are anticipated to identify, guide and nurture enterprises to be funded under the scheme to guarantee the success of the program. Agro-allied, information technology, telecommunications, manufacturing, education establishments, services, tourism and leisure, solid minerals and construction are included under the scheme among the targeted activities. The scheme was anticipated to facilitate economic growth through enhanced SMEs funding. By August 2002, 77 banks invested N1.692 billion in SMEs out of the N11.572 billion (Salami, 2003; Adamu, 2008). In spite of the strict measure by CBN, the financial institutions are unable to address the required SMEs credit, savings and other financial gaps (Bamisile, 2006).

## 5. State of SMEs in Asia

The overwhelming majority of businesses are not corporations teeming with employees, but small businesses with fewer than 50 employees reliant on tight-knit teams and efficient systems. According to an estimate by a Hong Kong-based think tank, Asia Global Institute, that 60% of global GDP and 90% of jobs are contributed by SMEs (Gaskell, 2019).

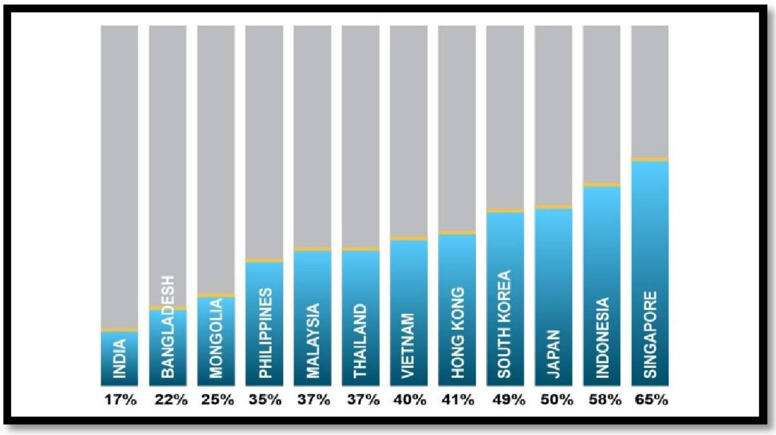


*Figure 1: Selected Asia's Smes Contribution to National GDP*
*Source: (Gaskell, 2019)*

In economies, where new technological innovations are regularly embraced mostly leads to successful SMEs. As Internet penetration is steadily increasing to almost 90% in the most advanced economies, Asia is embracing with almost half of its population online (Gaskell, 2019).

*5.1. Hong Hong: A ground for SMEs Prosperity*

Hong Kong is a city of opportunities for SMEs to prosper considering its global cultural and financial links, especially its ties to China. In 2018, the number of SMEs in Hong Kong is said to be about 340,000, that is, more than 98% of businesses in the city (Gaskell, 2019).

The most significant driving force of Hong Kong's economic development are the SMEs. As at March 2019, **339 000** SMEs exist in Hong Kong. SMEs constitute more than **98.3%** of Hong Kong's business entities and accounted for about **45.1%** of jobs in the sector. The Government significantly supports the development of SMEs in Hong Kong. The Hong Kong Government strives to offer a business-friendly atmosphere for manufacturing and services sectors within the perspective of free market economic framework. This comprises of the preservation of macro-economic stability, a reasonable tax system, provision of an exceptional infrastructure, investment in education sector, training and effectively safeguarding of individual and property rights through a sound legal system (GovHK, 2019).

Hong Kong's Trade and Industry Department (TID) supports SMEs continuous development through its numerous funding schemes, as such, the SME Loan Guarantee Scheme, the Export Marketing Fund and the Trade and Industrial Organisation Support Fund, known for assisting SMEs in obtaining financial backing as well as enhancing SMEs competitiveness which led to the introduction of the "Dedicated Fund on Branding, Upgrading and Domestic Sales" in 2012 by the government to support SMEs in brand development, upgrading and restructuring operations, and to encourage domestic sales. Furthermore, to support Hong Kong's SMEs in evolving the ASEAN markets, the scope of the "Dedicated Fund on Branding, Upgrading and Domestic Sales" (BUD Fund) was expanded in 2018 to include ASEAN markets (GovHK, 2019).

Consequently, the TID in collaboration with industrial and trade businesses, professional organisations, private enterprises and other relevant government divisions; operates "the Support and Consultation Centre for SMEs" (SUCCESS) to deliver a wide-range of free information and consultation of business services for SMEs.

Information on business licensing, updates on SME-related activities such as seminars, training and workshops to improve SMEs' business knowledge and entrepreneurial skills are provided by the Information Unit of SUCCESS.

While the Consultation Unit, provides Consultative Services and Mentorship Programmes for prospective and existing SMEs on demand.

Another important effort by the Hong Kong's government is the establishment of **SMEs Committee** (SMEC). SMEC serves as a government support platform for gauging trade views and suggestions related to SMEs growth and development. However, SMEC should not be confused with TIAB (Trade and Industry Advisory Board), which comprises of bankers, businessmen, corporate professionals and academics saddled with the responsibility of advising the Hong Kong government on trade and industry matters as well provide sustainable support to SMEs.

*5.2. SMEs: Singapore's future Economic Growth*

SMEs in Singapore are enterprises classified based on an annual turnover of <**S$**100m, or have <200 employees on their payroll. Singapore's SMEs are a key pillar of the country's economy with a reasonable contribution of 48% of its GDP, employing approximately 65% of the labour force and constitutes 99% of the entire businesses (Elaine & Lloyd, 2016). While according to Business Insider Singapore, SMEs are the backbone of the country's economy and labour force. That SMEs contribution to GDP is 48% employment ration is 72% of the country's workforce as reported by Singapore Department of Statistics in 2018 (Business Insider Singapore, 2019).

While SMEs perform a vibrant role in nourishing Singapore's economic growth, the 180,000 SMEs are nonetheless very weak during economic recession as witnessed when it became difficult to secure bank credit due to debtors delay in servicing their loan (Elaine & Lloyd, 2016). As several SMEs continue to encounter difficulty in accessing the desired fund to grow their business, some have no solid collateral which in turn is a hindrance to securing bank loan as well as makes the loan approval period longer after request (Business Insider Singapore, 2019).

It is worthy to note that, aged population is considered one of the greatest future threats to the growth of Singapore's economy. Responding at a business outlook gathering to a number of concerns raised on how SMEs can grow, DBS senior economist, *Irvin Seah* clearly states that Singapore's SMEs must go global for them to retain their status as the drivers of the country's future economic growth. Due to the country's small local market, SMEs have no option but to expand overseas as the country's population is predicted to shrink from 2025 as population continue to age (Seow 2019).

*5.3. The Robust Nature of Chinese SMEs*

Based on China's SME Promotion Law, SMEs are classified in terms of the total number of employees, annual revenue and total assets. With an estimate of over 38 million SMEs in 2019 and a revenue base in 2017 of more than USD 2.8 billion across Beijing generated by more than 3100 SMEs. SMEs in China are quite huge with employment expectation of about 500 workforce in a medium-sized agricultural company while a small-sized construction company is expected to have a revenue base of about USD 8.5 million. Annually about 5 million new SMEs are established in China (i.e, at least 10% annual growth). Just like other countries worldwide, SMEs have become one of the driving forces in the economy of China (Statista 2019).

The contribution of SMEs cannot be overlooked in the economic development in China. Today, SMEs represent more than 90% of the enterprises, contributes over 60% to the GDP, over 70% to patents, and account for 80% of nationwide jobs created. Though, the development of SMEs in China is mostly hindered by rising costs, financing difficulties, and limited innovation capacity. For the purpose of attracting investors in 2019, the targeted reserve requirement ratio was reduced as well as readjusted tax policies to support the growth of SMEs . With a thriving e-commerce economy anticipated to reach USD6.4 billion in 2020, numerous SMEs have established their B2B e-commerce platforms to boost their revenue base (Statista 2019).

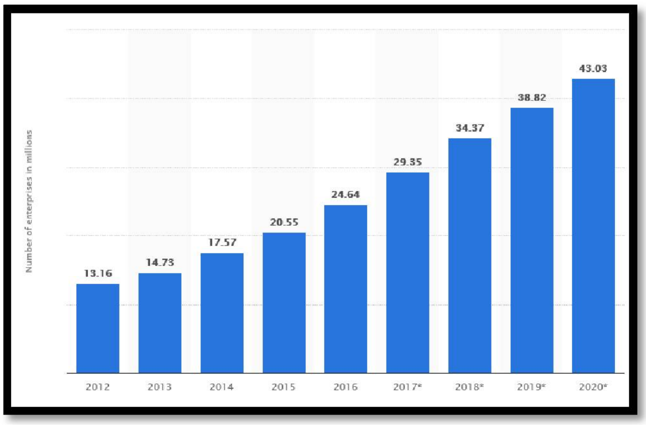


*Figure 2: Number of Smes in China from 2012 To 2020*
*Source: Statista 2019*

### *5.4. The Future Outlook of SMEs in Malaysia*

According to SMEinfo, Malaysia's One Stop Information Portal for SMEs, that Malaysia's 907,065 (98.5%) establishments of SMEs contributed 36.6% of the country's GDP in 2016. By size, 76.5% of the SMEs are said to be Micro, 21.2% Small and 2.3% Medium enterprises. While by sector categorisation, 89.2% provides Services, 5.3% Manufacturing, 4.3% Construction, 1.1% Agriculture and 0.1% Mining & Quarrying. In terms of Gender ownership, Women are said to own 20.6% of the country's SMEs while 79.4% owned by men (SMEinfo, 2016).

Under the Dasar Keusahawanan Nasional 2030 (DKN 2030) recently launched by the Ministry of Entrepreneur Development, Malaysia's SMEs are expected to contribute 41% to GDP by the end of 2020. The country's SMEs recorded a huge contribution of 38.3% (USD126.3 billion i.e RM521.7 billion) to GDP in 2018 as compared to 2017 contribution of 37.8% (USD117.9 billion i.e RM491.2 billion) as revealed by Digital News Asia in 2019.

Malaysia's SMEs growth is predominantly determined by the wholesale & retail trade, food & beverages, services sector mainly supported by the finance, insurance, real estate and business services sub-sectors as well as the transportation & storage and information & communication sub-sectors. While the manufacturing sector comprises of non-metallic mineral products, basic metal & fabricated metal products as well as petroleum, chemical, rubber and plastic products (Digital News Asia, 2019).

Malaysia's National Entrepreneur and SME Development Council is said to have increased digitalisation, connectivity and cybersecurity among SMEs, improved SMEs integration in the supply chain, introduced relevant incentives and boost SMEs' effectiveness to adopt innovative- disruptive-compelling technology as well as business model in the process of boosting SMEs contribution to achieve its 2030 objective of 50% GDP and 30% exports (Thestar, 2019)

### *5.5. Potentials of India's SMEs*

India is considered among the fastest growing economies worldwide. India's economic growth has progressively accelerated and remained essentially stable. This growth is said to be driven by the robust socio-economic nature of government policies, influx in domestic and foreign investments as well as rise in income and consumption among numerous other positive elements. India's SMEs sector is praised as one of the main backbones of the economy. Record depicts that the SMEs account for 45% of India's industrial output and 40% of its total exports. That SMEs generate jobs for 60 million people and generates 1.3 million employments annually (Business Standard, 2019).

According to Vishal Chawla, a senior tech journalist at Analytics India Magazine (AIM), India's SMEs contain 63.4 million units and accounts for approximately 30% of the country's GDP and employed about 460 million people. According to CII, the SMEs sector comprises of 33.4% of the manufacturing output and gives employment to approximately 120 million people. In terms of exports, it is estimated that the SMEs contribute about 45%. Despite the high percentage of SMEs sector's contribution to India's GDP, the inefficient old-fashioned methods of business operation and the slow speed of technology adoption has stalled the growth of smaller enterprises with potential (Vishal, 2019).

Small and medium enterprises (SME) sector, also known in India as 'engine of growth', has over the years ascended significantly as a result of increase in awareness, digital advancements and improved opportunities that stimulated many existing entrepreneurs with potentials to offer innovations which led to the success stories. Despite numerous challenges ranging from infrastructure constraints to inaccessibility of formal credit, India's SMEs are still thriving in terms of economic and social development (Sunil 2018).

In addition, SMEs in India are said to be unable to achieve their full potential owing to challenges like; unavailability of capital as result of poor access to finance and credit facilities, absence of infrastructures and utilities to help boost its production capacity and absence of marketing know-how. Commendable programmes and schemes implemented to help SMEs overcome some of their challenges include, the National Manufacturing Competitiveness Programme , Training Institutions Scheme and the role of actors like NASSCOM, Facebook, Google and a number of banks introducing easy finance and credit schemes (Business Standard, 2019)

By 2025, India is predicted to be a $5 trillion economy with SMEs expected to make a significant contribution towards the projected milestone. In 2018, the SMEs industry achieved a 60% boost via a mobile app, which is a clear indication that

SMEs have adopted well to modern technology. The achievement is predominantly driven by online enterprises deciding to engage in bulk buying and selling, which they find more convenient (Sunil 2018).

*5.6. SMEs in Bangladesh*

According to Khondaker Golam Moazzem, the Research Director of Center for Policy Dialogue (CPD), SMEs creates nearly 80% of overall employments in the industrial sector as well as an enormous contribution to GDP. Compared to 2017, SMEs growth in 2018 fiscal year (FY) is encouraging (Golam, 2018). However, recent studies depicts that Bangladesh SMEs contribution to the economy is minimal as the sector has not developed fully as a result of challenges such as scarcity of fiscal incentives, management problem, access to finance and bureaucracy. The Small and Medium Enterprises which has the potential to reduce the alarming rate of unemployment as well as increase its current GDP contribution is yet to be fully utilised. Compared to the current performance and contribution of SMEs to economies around the globe, Bangladesh SMEs contribution is around 20.25% (The Daily Star, 2019).

Star Business report further reveals that Policy inconsistency is said to be one of the most critical obstacle for the development of the SMEs in Bangladesh. The country's SMEs are in urgent need of proper training services and technological support to advance the sector. Unlike India, Malaysia and some other countries worldwide, Bangladesh does not have a dedicated banks to cater for the needs of SMEs with potentials to grow in areas like food processing, services and consumer goods (The Daily Star, 2019).

**6. Result**

Both SMEs and the Nigerian government have failed to generate sufficient employment to reduce the high rate of poverty in the country. With a growing population and vast land mass (mostly uncultivated), one tends to wonder from a far why many Nigerians are languishing in poverty as a result of unemployment and poor quality of life considering the enormous availability of natural resources and manpower (both skilled and unskilled in terms of formal and informal education).

he following are key challenges worth addressing by stakeholders, policy makers and development practitioners trusted with responsibilities of monitoring the country's current Economic Recovery and Growth Plan (ERGP) developed by the Administration of President Muhammadu Buhari

- The issues of accessing bank loan is a serious concern to existing as well as prospective SMEs. Difficulty accessing funds has resulted in the overwhelming short life span of many SMEs in Nigeria.
- SMEs still rely on personal savings or loans from friends as well as family support in some cases especially in the incubation process of the business.
- A number of SMEs rely on lesser financial institutions who give credit facilities at an outrageous interest rate that eventually affects their growth.
- Other factors discovered to affect the growth of SMEs in Nigeria include lack of infrastructures like access to good road network and unavailability of electricity which makes the cost of running a business expensive.
- Lack of adequate means of identification like National Identity card, international passport or proper house numbering in some locations is said to be a key factor to why banks loans are not easily accessible.

**7. Conclusion and Recommendation**

Even though the effort of the Nigerian government has been encouraging in terms of support for the growth of SMEs especially in the grass root with programmes like the tradermoni empowerment scheme and the current Financial Bill signed by President Muhammadu Buhari, there is still need for improvement and continuity in terms of policy consistency and sensitization considering the high rate of poverty and unemployment in the country.

Effort of establishments like Central Bank of Nigeria (CBN), Development Bank of Nigeria (DBN), Bank of Industry (BoI), Bank of Agriculture (BOA) and other stakeholders like Small and Medium Enterprise Development Agency of Nigeria (SMEDAN), needs continuous and consistent assessments for improvement as only a handful of SMEs in Nigeria have access to government financing, considering how crucial they are to economic diversification and growth. These SME development finance power houses can do better in areas of accessing credit facilities for SMEs survival and growth. Training and empowerment is one area the government can achieve miracle to reduce poverty and improve the quality of life of the masses as measures are been put in place for the expansion of infrastructures in the country. Below are some recommendations to capable of boosting the performance of SMEs in terms of GDP contribution

- There is need for the Central Bank of Nigeria and the Country's Economic Recovery and Growth Plan Team to as a matter of urgency come up with more flexible policies to support SMEs especially that of the youths who are currently restless, under employed and unemployed in most cases.
- Introduction of easily accessible loans for SMEs start-up schemes with incentives like low interest rates within the shortest period of time should be encouraged by the Central Bank and other significant stakeholders in Nigeria.
- Furthermore, Public Sensitization on how significant SMEs are to the economy in terms of job creation as well as revenue generation to complement the efforts of the government for its favourable policies and support should not be overlooked.

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