

Promoting SME Competitiveness in Burkina Faso

Resilient foundations
for post-COVID recovery



In collaboration with:



CHAMBRE DE COMMERCE
ET D'INDUSTRIE DU BURKINA FASO

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About the paper

Boosting the competitiveness of small and medium-sized enterprises in Burkina Faso can make them more resilient to crises, ITC's SME Competitiveness Survey and COVID-19 Business Impact Surveys find.

Limited access to finance, low certification rates and inadequate infrastructure are stumbling blocks most cited by Burkinabe firms. In the context of the COVID-19 crisis, one third of Burkinabe respondents said that without government assistance they might have to close down within six months of the interview. However, Burkinabe businesses with better management practices, stronger connections, and greater ability to innovate fared better during the COVID-19 crisis. Nurturing these characteristics could lay the foundations for competitiveness and resilience.

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For more information on SME Competitiveness Surveys, see <http://www.intracen.org/SMEBenchmarking/>

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Foreword

Burkina Faso's economic prospects in recent years were favourable, with real gross domestic product growth averaging 6.2% in the period 2016–2019. The economic fluctuations wrought by the COVID-19 pandemic jeopardizes this potential, and will have a real impact on Burkinabe business activities. The economy contracted by around 2% in 2020, with growth projected to recover to only 3.9% in 2021.

While all parts of the economy have suffered, micro, small and medium-sized enterprises (MSMEs) have been particularly vulnerable to the repercussions of the crisis. One-third of these firms reported a risk of shutting down within six months because of the pandemic.

Burkina Faso's National Development Plan (2021–2025) recognizes the transformative role that MSMEs can play in the economy. They generate 35%–40% of the gross domestic product in the country and employ a significant share of the workforce. They are instrumental to achieving the United Nations 2030 Agenda on Sustainable Development and in supporting inclusive growth. This makes the impact of COVID-19 even more alarming.

The Government of Burkina Faso has developed a response plan, safeguarding many small enterprises from the worst of the short-term impacts of the pandemic. Targeted policies could now help them recover and transform into more sustainable, resilient, and competitive firms. To support the design of such policies, accurate data are required to reveal the constraints and opportunities that Burkinabe MSMEs face.

To deliver this data-driven intelligence, the International Trade Centre partnered with the Chamber of Commerce and Industry of Burkina Faso to assess the competitiveness of MSMEs nationwide and examine their experiences during the COVID-19 pandemic. The two partners share a vision to future proof these small enterprises so they can withstand shocks and compete on local, regional and global markets.

This report is based on evidence from more than 490 responses to the SME Competitiveness Survey and about 1,200 responses to the COVID-19 Business Impact Survey in Burkina Faso. The findings shed light on the strengths and weaknesses of small Burkinabe firms and their business ecosystem. This will help in the design of policies and programmes to create a more competitive and resilient MSME sector that can propel the country's economy.

Improved competitiveness and expanded trade can fuel growth, facilitate structural transformation and reduce poverty, especially if well-targeted policies are in place. We see this report as an important step to make this vision a reality.

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The Chamber of Commerce and Industry of Burkina Faso supports private sector development in the country. It has a triple consultative, representative and administrative mission. It provides the Government with advice and intelligence on trade and industry issues and presents the views of the business community. CCI-BF represents the Burkinabe business community in national, sub-regional and international institutions, and makes the voice of Burkinabe private sector players heard. It also designs and manages services of public utility in various economic domains.

ITC was established in Geneva, Switzerland, as a joint agency of the United Nations and the World Trade Organization dedicated to strengthening the competitiveness of small and medium-sized enterprises to build vibrant, sustainable export sectors that provide entrepreneurial opportunities, particularly for women, young people and poor communities.

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