

## **WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)**

**Theme:     ROLE OF SMALL AND MEDIUM ENTERPRISES (SMEs) IN  
DRIVING ECONOMIC RECOVERY IN NIGERIA THROUGH  
MARKETS AND INTELLECTUAL PROPERTY (IP)**

**Date:       MONDAY, APRIL 26, 2021**

**Time:       11:00am [HM TO REPRESENT HEVP] – VIRTUAL**

Protocols.

1. Let me start by congratulating the World Intellectual Property Organization (WIPO) on celebrating the World IP Day and utilizing this medium to promote awareness of Intellectual Property.
2. As you are aware, His Excellency, President Muhammadu Buhari, GCFR has set a vision of building a thriving and sustainable economy that will generate wealth, create jobs and alleviate poverty.
3. This commitment is further underscored by the launch and implementation of the **Economic and Recovery & Growth Plan (ERGP)**, the **National Enterprise Development Programme (NEDEP)** and **Executive Order 003**. MSMEs are a major focus of these initiatives.

### **A. Micro, Small and Medium Enterprises (MSMEs)**

4. Globally, MSMEs have been recognised as the critical stimulators of economic growth due to their potential to create jobs, boost production and economic activities and reduce poverty. The recent surveys conducted by the National Bureau of Statistics (NBS) and the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) indicate that MSMEs in Nigeria accounts for 48% of our GDP, constituting about 96% of registered businesses and employ about 84% of the labour force.

5. Most economies, particularly those of developing countries like Nigeria, stand on the shoulders of Micro, Small and Medium-sized businesses. MSMEs are characterized by dynamism, innovation and their size also allow for faster decision-making processes.

6. Clearly, the importance of this segment to trade and commercial activities is huge. Therefore, you will all agree with me that it is vital we provide support to it.

7. Also, we are aware of the challenges that continue to weigh down MSMEs. These include **inaccessibility of products to markets, lack of access to viable financing, a high regulatory burden**, as well as the overall **infrastructural deficit** which spikes operational costs for these businesses.

8. Specifically, addressing the poor packaging, labelling and quality of goods manufactured by MSMEs is key to mitigating the rejection of “Made-in-Nigeria” products and ensuring sustainability in the global market.

9. The development of the MSME segment falls under one of the strategic thrusts of this administration. This is evident in the various Federal Government Programmes and initiatives developed to enhance the growth of MSMEs, especially by addressing the critical challenges I mentioned earlier. Let me briefly highlight some of the government’s ongoing interventions.

• **To facilitate trade and market access, we have:**

- Commenced implementation of **Executive Order 003** which mandates support for local content in public procurement for certain items such as automobiles, pharmaceuticals, ICT and uniforms among others;
- Commenced the process leading to the repositioning of the Nigeria Commodities Exchange (NCX) to facilitate quality assurance of

agricultural produce, reduce post-harvest losses for agricultural produce, act as a price discovery mechanism for farmers and other operators in the ecosystem as well as enhance trade activities for operators in areas of manufacturing, agriculture, ICT and financial services;

- Launched an **MSMEs Market Linkage Initiative** aimed at facilitating market access for active MSMEs by keying them into the value chain of large organisations. This will bridge the gap, enable local content development and participation in various sectors of the economy;
- Launched the “**SheTrade Initiative**” in collaboration with the International Trade Centre to facilitate international market access for over 480,000 Nigerian women entrepreneurs;
- Commenced development of the Secured Agricultural Commodities Transport and Storage Corridor (SATS-C) Policy to facilitate the movement of Agricultural commodities through a safe and secured corridor to three critical points: that is domestic, industrial and export markets;
- Conducted twenty-seven (27) National MSME Clinic events at various locations across the country to massively boost the skills and capabilities of this segment from which about 400,000 MSMEs have benefitted;
- **To enable access to finance, we have put in place:**
  - ~~AN~~500 billion non-oil export stimulation facility with the Nigerian Export-Import Bank. This initiative will increase the export of processed agriculture commodities to African markets;
  - ~~AN~~50 billion Export Expansion Facility (EEF), an element of the Nigerian Economic Sustainability Plan (NESP) under which we will establish Export Trade Houses for MSMEs in African and Emerging markets

among other supporting initiatives focused on facilitating exports of locally manufactured products;

- AUS\$ 20million Technology Fund to be operated by the Bank of Industry towards supporting young innovators and the technology ecosystem;
- ~~AN~~90 billion fund which is provided by the Central Bank of Nigeria (CBN) for agriculture-based MSMEs;
- ~~AN~~15 billion Guaranteed Off-take Stimulus Scheme (GOSS), an important subset of the NESP which aims to provide an off-take mechanism for items produced by MSMEs.
- **To ease the regulatory burden and foster quality assurance, we have among other measures:**
  - Launched the NAFDAC e-registration platform and significantly reduced product registration cost by 75%;
  - Exemption from Company Income Tax for businesses with revenue below ~~₦~~25 million;
  - Reduction of Company Income Tax to 20% from 30% for businesses with revenue between ~~₦~~25million and ~~₦~~100million;
  - 50% reduction in the cost of registering MSMEs.
- **To reduce operational cost for businesses, we have:**
  - Commenced rehabilitation of six (6) Industrial Development Centres (IDCs) which aims to provide shared facilities to SMEs;
  - Provided payroll support to MSMEs through the MSME Survival Fund to support their cash flows during the pandemic.

10. This administration is highly committed to addressing these challenges by creating a stable policy and regulatory environment that will support ease of doing business reforms in Nigeria. This would take into consideration policies that facilitate trade, attract foreign investment and protect businesses from avoidable regulatory burdens.

## **B. ON INTELLECTUAL PROPERTY...**

11. Needless to say, Intellectual Property has the potential to immensely contribute towards the harnessing of talent, development of technical know-how, specialization in the production and export of modern technologies and the overall growth of the economy.

12. Sadly, over the years, Nigeria has become a target destination and transit route for counterfeit and pirated goods. Foreign and local traders flood the market with cheap, sub-standard products while local manufacturers illegally imitate products of established brands.

13. In the last 10 years, **Nigeria has been ranked among the top 10 countries where piracy is most prevalent with the average rate hovering between 80% to 90%**. This is attributable to:

- Low public awareness about which Intellectual Property rights are protected under the law;
- Ineffective mechanisms for the protection and enforcement of such rights;
- Lack of coordination among various agencies of government involved in the development and protection of Intellectual Property rights; and
- Inadequate sanctions for infringements.

All these largely make holders of registered Intellectual Property rights vulnerable to infringements.

14. A weak Intellectual Property protection regime hinders foreign direct investment (FDI), innovation, research and development and technology transfer. Furthermore, this will negatively impact entrepreneurs and consumers.

15. As Nigeria increasingly becomes an important economic hub within the African continent, the protection of Intellectual Property rights in the country is not only strategic to our current drive to develop the non-oil sector but also central to its overall economic growth and development goals.

16. Therefore, comprehensive reform efforts are needed to strengthen Intellectual Property rights in Nigeria specifically in areas of registration, protection, enhancement and enforcement.

17. The Trademark and Patents Registry within the Federal Ministry of Industry, Trade and Investment has commenced the digitisation and automation of trademark and patents to create a database, automate application processing and ultimately offer adequate protection for holders of trademark and patent rights. This is to foster the confidence of businesses across various sectors and strengthen consumer assurance.

18. The Nigerian Copyrights Commission (NCC), after the execution of the memorandum of understanding with WIPO Arbitration and Mediation Center on Alternative Dispute Resolution (ADR) in December 2020, have enabled MSMEs to adopt an alternate system for dispute resolution in diverse fields of intellectual property, including copyright, instead of resorting to court litigation. This will ensure that disputes are resolved amicably without the cost of legal proceedings.

19. Consequently, the initiation of purposeful collaboration between government agencies - such as the Federal Ministry of Industry, Trade and Investment, the National Office for Technology Acquisition and Promotion, the Nigerian Copyrights Commission among others and private sector organisations will develop policy frameworks towards addressing Intellectual Property rights infringements in Nigeria.

20. On this note, I wish all the speakers and participants a successful deliberation. Thank you very much and God bless the Federal Republic of Nigeria.