KUWAIT, Nov 6 (KUNA) -- Minister of State for Planning Affairs and Minister of State for National Assembly Affairs Dr. Rola Dashti said Tuesday the Arab governments consider it a top priority to create employment opportunities for the youth.

"The latest statistics of the Arab Labor Organization (ALO) show that the unemployment rate in the Middle East and North Africa (MENA) region hit 25 percent in 2012; it's expected to rise further to 27 percent by 2017," Dr. Dashti said.

She made the comments in an address to the opening session of the Regional Expert Group Meeting on the Role of Small and Medium Sized Enterprises in Sustainable Development in the Arab Region.

Dr. Dashti, who represents His Highness the Kuwaiti Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah at the meeting, said that youths, of the age category 15 - 24 years, represent the largest segment of the population in the Arab region.

"However, the Arab countries failed so far to tap into the potentials of this demographic resources in a sufficient way," she regretted.

She highlighted the need to work out clear-cut programs and adopt aggressive decisions to turn these huge resources into productive elements that could drive economic growth in the region.

"The attempts made by the Arab governments in this direction are still below the expectations and failed to produce the desired results," Dr. Dashti noted.

"The Small and Medium Sized Enterprises (SMEs) can play a pivotal role in socio-economic development due to the fact that these projects are closely related to the innovation and technological advancement. The SMEs can play a pivotal role in bringing the gap in the incomes of the various segments of the society and empower the middle class which represents the mainstay of social stability," she stressed.

The SMEs account for no more than 20 percent of the average GDP of the Arab countries, this percentage is far below that of the advanced and emerging economies, Dr. Dashti went on.

"These enterprises face numerous challenges including; the government tendency to implement mega projects in such areas as energy, petrochemicals, industry, mining and agriculture - that usually go to public sector institutions or giant companies; the financing, legal, bureaucratic and institutional problems; the weak infrastructure; the high cost of production; and the shortage of skilled labor force, she added.

"Realizing the need to encourage the SMEs and create the conditions conducive to their growth, HH the Amir announced in his speech to the First Arab Economic, Social and Development Summit in Kuwait in January 2009, the launching of the Arab fund for supporting these enterprises.

"The fund has a USD two billion capital including a Kuwaiti contribution amounting to USD 500 million," she added.

The two-day meeting is organized here by the Arab Planning Institute - Kuwait, in collaboration with United Nations Economic and Social Commission for Western Asia (UN-ESCWA).