Journal of Positive School Psychology
2022, Vol. 6, No. 9, 4184-4191 http://journalppw.com

The Impact Of Credit Facilities On Tanzanian Smes Growth

Hamad Mohammed Shkeily[1*]; Kibago Waryoba and Naziruddin Abdullah[1]

***Corresponding Author:** Hamad Mohammed Shkeily

[1]*University of Kuala Lumpur, Malaysia*

Abstract

As SMEs are leading enterprises globally in contributing to GDP, employment, exports and investments, to name a few, they are mainly using credit facilitates rendered by financial institutions to support their operations. Considering the importance of the nexus between the two economic players in triggering the growth rate of an economy where the former represents product market, while the latter represents money market, this study aims to examine the impact of credit facilities on the growth of SMEs. As such, it treated interest rate, loan limit and loan terms as independent variables, while growth of SMEs was considered as dependent variable. Data was successfully collected using structured questionnaire from SMEs in Dar es salaam region. A total of 200 questionnaires were administered to various SMEs stakeholders but only 121 respondents were analysed using SPSS. Using both descriptive and inferential statistics, the findings revealed that there was a strong positive relationship between interest rates, loan amount, loan terms and growth of SMEs. The findings also revealed that at 95% confidence level, all variables produced statistically significant values, signifying that all of them effect the growth of SMEs. The findings further revealed that strict loan repayment terms, high interest rates as well as small loan amounts are still major challenges in accessing credit facilities despite their contribution towards SMEs growth. Lastly, the study recommends the need for the government to regulate the financial institutions through the credit bureau to enable SMEs stakeholders to access credit with affordable interest rate charged along with reviewing loan requirements criteria or loan repayment terms to improve credit access at large by SMEs.

Keywords: credit facilities, growth of SMEs, interest rate, loan limit, loan terms and loan repayment.

Background of the Study

It is globally known that Small and Medium Scale Enterprises (SMEs) have remarkable contributions to the growth of the economy of a country. Various researchers have shown statistics and data that SMEs played a major role in most economies in terms of employment, investments, Gross Domestic Product (GDP) and so on. Manzoor, Wei and Sahito (2021) asserted that SMEs are significant players in the national economy due to their comprehensive supports to economic growth, employment, innovation development, and industrialisation, and hence lessened income inequalities of the country. Based on various statistics across nations, SMEs represent over 97% of the total established businesses, over 35% gross domestic product (GDP), over 19% to exports, and over 59% employment (World Bank, 2020); Gherghina, Botezatu and Alexandra, 2020; Chin and Lim, 2018; Shkeily and Abdullah, 2021; and, European Union, 2021). Many SMEs borrowed money for the purpose of resources allocation, boosting investment and growth. Considering the contribution of SMEs to national economy, a number of countries have established banks dealing specifically or mainly with SMEs such as SMEs bank in Malaysia, DBS Bank in Singapore, and Equity Bank in Kenya. In Tanzania, the government acknowledges the efforts on strengthening the SMEs access to credits including the implementation of high-level principles on SMEs financing. The study conducted by Pasape (2018) stressed that in spite of government support being 56 percent, yet it has not been able to translate that support to the survival and expansion of the SMEs' businesses. Consistent to this view, most of the role played by the governments have been to set good policies and organizations to directly link the SME and their needs (Chin and Lim, 2018; and Adam and Alarifi, 2021). In Dar es Salaam, Tanzania, SMEs are involved in non-farm economic activities, mainly manufacturing, mining and commerce. These enterprises depend on loans from financial institutions with unpredictable interest rate and limited loans amount rendered to SMEs as stressed by Kiyabo & Isaga (2019) and Gherghina et al., (2020). With a brief overview of studies conducted on this issue, this study intends to examine the impact of credit facilities rendered by SMEs in Dar es Salaam for the growth of their business in terms of profit, investment, employment, and growth.

Statement of the Problem

The SMEs in Tanzania have struggled with restricted credit access, and over 70 percent of SMEs have no formal credit access at all. As reported by Chin and Lim (2018) only 15 percent of the SMEs in Malaysia has formal access to credit through financial institutions. The researcher also stressed that owners of SMEs, perceived the obtained loans with high risk due to the high-interest rates, strict loan conditions and numerous collaterals placed during loans processing. Recognizing the importance of financial services to SMEs, in April 2018, Tanzania introduced new credit regulation to improve credit access for SMEs that was aimed to normalise only the interest rates (Mohsin, 2020; and, Manzoor, et al., 2021).
Despite of the government and stakeholders' efforts on regulating interest rates, SMEs are still confronted with number of challenges that hinder their growth such as lack of access to finance, high interest rate, small loan amount given and strictly repayment terms (Yuen and Ng, 2021; Adam and Alarifi, 2021). The researchers looked this matter as one of the national issues that must be amicably addressed. Taking stock from these works, this study aims to examine the impact of credit facilities for the SMEs growth.

Hypotheses of the study

The following three hypotheses are used to appraise the objectives of the study.

H_1: The interest rates offered by financial institutions to SMEs is still high

H_2: The amount of loan offered by financial institutions is not sufficient

H_3: There are stringent loan terms imposed by financial institutions on SMEs

Significance of the study

As Tanzania's SMEs contribute 35 per cent to GDP, 60 per cent (employment) and 75 per cent (export), it is considered wise and useful for government and related stakeholders to find ways and means to support SMEs growth as it may significantly help citizens financially and the national growth at large. As such, the study is useful for gaining more insight into the challenges of credit facilities on the growth of SMEs in Dar es Salaam as it is a strategic business region in Tanzania.

Challenges of Credit facilities on the growth of SMEs

Debates about the challenges facing SMEs from using credit facilities offered by financial institutions to support their growth are numerous. With few exceptions, most of them focussed on variables that are intimately related to higher interest rate, small loan amount offered and strict loan repayment terms (Mei, Zhang and Chen, 2019). Although, SMEs have significant contributions to employment creation and growth of GDP, yet they are more exposed to credit constraints. It was stressed that, the asset owned by SMEs is below minimum collateral value that will cause higher cost to banks (Yuen and Ng, 2021); and, Lwesya, 2021). Yoshino and Taghizadeh-Hesary (2018) conducted a study in Asia and proposed the remedies that can help SMEs to overcome these challenges by getting credit facilities with affordable terms and conditions. In Africa, various researchers have observed additional constraints like limited SMEs credit access to funds along with complicated lending terms and conditions. (Kisseih, 2017; Manzoor, et al., 2021; and, Gherghina, et al., 2020). Other constraints like lack of knowledge for SMEs about lending terms and conditions, bureaucracy and lack source of information about alternative sources of funds. It was mutually proposed by these researchers that the government in collaboration with financial institutions should conduct an awareness campaign for SMEs about various available sources of funds, alternative lending terms and conditions, applicable interest rate volatility, and so forth. In Kenya, interest rate control mechanism has been introduced that aimed to minimize the interest rate, increase credit accessibility, and increase return on savings.
In Tanzania, various researchers have stressed that, interest rate for SMEs credit facilities are relatively higher than other neighbouring countries. (Kisseih, 2017; Worldbank, 2017 and Gherghina et al., 2020). Apart for this, poor financial support, poor insurance policies, fire ruins city markets without traders' compensation, inappropriate lending policy coherence, lack of entrepreneurship skills, weak economic infrastructure and high terms of collaterals are the main challenges that hinder SMEs growth, particularly in Dar es Salaam. All of these may hinder SMEs to grow, claim lives of stakeholders, poor loans repayment, thefts, and many other undocumented constraints. This study

will enlighten some of the issues confronted by the SMEs in Dar es-salaam in trying to boost up the business performances measured in terms of growth.

Conceptual Framework

Figure 1 indicates the dependent variables of SMEs growth which will be attributed by independent variables loan Interest rate, Loan limit and loan terms as shown below:

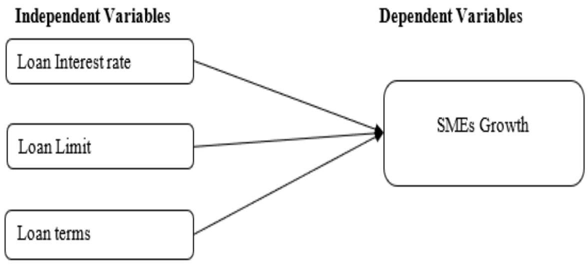

Figure 1: Conceptual framework

Literature Review

This section explains the underpinning theory of this study, the current debates on the related variables towards SMEs growth, and the research gaps.

Underpinning theory

The loanable funds theory as developed by Robertson (1934) hypothesized that the availability of loans is based on the demand for and supply of loans. As the demand for loans is dependent on loan availability, loan limit and size, an affordable interest rate may lead the SMEs to borrow more for-profit maximization and investment at large.

Loan Interest rate

The Interest rate represents the cost of borrowing or return on investment as it is obtained when supply equals demand (Khandker & Khandker, 2008). As lamented by Borio and Gambacorta (2017); Shkeily and Abdullah (2020), a higher interest rate will increase the savings (supply of loanable funds) and decrease the investment (demand for loanable funds). On the contrary, the lower rate will decrease the supply of loanable funds and increase the demand for credit (i.e., increase demand for loanable), which is a real cost of borrowing against real interest rate (Mishkin, 2016; Yuen & Ng, 2021; and, Riwayati, et al., 2020). This reflects the changes in expected future inflation rate as narrated by Irvin Fisher. Moreover, in tandem with the effects of interest rate, there will be an increase in the inflation rate, which tends to reduce investor's morale for investment and leads to abnormal gap between government revenues against expenditure (budget deficit). For the SMEs loans, Lwesya (2021) contended that interest rate is the proportion of principal that borrowers need to pay upon receiving loan from the financial institutions. This stands as cost of debt to borrowers and rate of returns to financial institutions. Theoretically, the low-risk borrowers will be offered low interest rate, while the high-risk borrower will be offered high interest rate; which to a large extent have significant effects on a SME growth (Mei, at el 2019). According to Shkeily & Abdullah (2021) and Riwayati, et al., (2020) high interest rate reduces business earnings and affecting loan repayment which ultimately hinders the business capacity to grow. Various studied have been conducted to assess the influence of interest rates offered by financial institutions toward the growth of SMEs (Yuen & Ng, 2021; and, Adam & Alarifi (2021). The findings from their studies showed that interest rate plays a part on SMEs decision to access credit. Subsequently, affordable interest rate enables SMEs to opt for the loan while a high interest rate prevents them from accessing credit facilities. Therefore, access credit facilities with a fair charge of interest increases the SMEs' chances to grow.

Loan Limit

This variable relates to the amount of money that borrower receives and pay back with interest from funds providers (Mkwabi & Mboya, 2019; and, Lwesya, 2021). It includes but not limited to minimum required collateral, identification as an official establishment, maintaining book of accounts, fully filing of tax returns, clear from any cases related you and your business, and number of restrictive covenants that limit borrower on usage of the loan (Worldbank, 2017). Various researchers stressed that, large borrowers have the capacity to borrow huge amount for big investment and huge returns while small borrowers must borrow small amount of money (loan limit) which led to small investment and less returns (Magembe, 2019; and, Mohsin, 2020). Generally, loan size is associated with firm characteristics including size, time of existence and business plan (Abdesamed & Wahab, 2014). Moreover, insufficient collateral also seems to have influenced the loan amount/size (Gamba, 2019). The loan amount offered by financial institutions can help the SMEs to expand their business. Based on this, an adequate amount helps SMEs meet their operating expenses and increase their investment.

Loan Terms and Conditions

This is referred as minimum requirements imposed on borrowers in order for them to get loans from financial institutions. SMEs are obliged to meet the minimum required collateral, identification and maintaining book of accounts. These terms and conditions limit SMEs borrowers on usage of the loan (Magembe (2019) and Borio & Gambacorta (2017). In this relation, a study conducted in Tanzania revealed that higher interest and strict conditions on loan provision still exist (Mkwabi & Mboya, 2019). Although financial institutions have enough money to process the loan requests from SMEs, they are worried about recovery of the loan (Magembe, 2019; Mei, at el., 2019)). Therefore, they purposely imposed high interest rate and stringent conditions to SMEs like pledging high value collateral such as cars, plants, land, houses and even business premises. The study performed by Gamba (2019) discovered that, lack of financial support, lack of policy coherence along with complicated terms hindered SMEs in Tanzania when accessing credit facilities from the financial institutions.

SMEs Growth

To reiterate, this is the study dependent variable. Growth of SMEs is explained as the growth by unit size, returns and parallel growth by opening more branches of the same business (Riwayati, et al., 2020). Specialization growth is through adding more inputs to another line of business or through merger and acquisition growth (Magembe 201); Yuen & Ng, 2021). For the SMEs growth, it is usually measured by growth in terms of revenue, profitability, production capacity, production volume, as well as increase in number of employees (Sarwoko & Frisdiantara, 2016; Mohsin (2020). Many government policy makers measure the growth in terms of increase in the number of employees in the SME sector since SME growth is seen as important way of reducing unemployment (Gamba, 2019 and Mkwabi & Mboya (2019). It is further concluded by Shkeily and Abdullah (2021) that financial inadequacy, lack of access to technology, government regulation on imports and exports, and lack of access to international market as factors limiting the growth and expansion of SMEs.

Methodology

Out of three (3) million SMEs in Tanzania (Nkwabi and Mboya, 2019), this study selected business centre region (Dar es Salaam) which recorded the highest number of SMEs as reported by Magembe (2019). To this end, 200 questionnaires were distributed to owners, directors, and managers of SMEs in the study area and a total of 168 responses were collected. After discarding questionnaires with incomplete responses, 121 valid questionnaires were used for analysis. A 5-point Likert scale questionnaire was adopted to capture the required data from respondents. Further, descriptive and inferential statistics were employed, and validity and reliability were used to assess the characteristics of the respondents. Next, for processing and testing the variables involved SPSS software has been fully utilized. Lastly, the hypotheses of study which were designed to examine the impact of credit facilities on the growth of SMEs were conducted via multiple regression.

Results Of Data Collection

The results are categorised into data characteristics, demographic findings and hypothesis testing, all of which were conducted using multiple regression.

Data characteristics

The reliability results conducted using the Cronbach's Alpha statistical test on interest rate, loan limit, loan terms and growth are presented in Table 1. The value of Cronbach's alpha revealed that, they are reliable and acceptable as α=0.885 which is above minimum required value of 0.70 (Nawi at el., 2020).

Table-1: Reliability of Instruments

Test	Results
Cronbach's Alpha	0.885
Strength of Association	Very Good

Table 2 also shows that the Durbin – Watson result is 2.3725, which is acceptable considering the acceptable range is between 1.5 to 2.5. This signifies that the study has not violated the autocorrelation assumption

Table-2: Autocorrelation Test

Regression Statistics	
Multiple R	0.8274
R Square	0.6846
Adjusted R Square	0.6765

Standard Error	0.6341
Observations	121
Durbin-Watson	**2.3725**

Descriptive analysis

The data has also been subjected to a test to verify whether the variables are normally distributed. As shown in Table 3, the skewness and kurtosis that were used to access the normality of data (which is also known as z value) are within the range of ± 2 and ±5 for skewness and kurtosis, respectively. Based on the acceptable threshold suggested by Hair et al. (2010) and Kline (2016), the skewness and kurtosis values confirm the normal distribution of the field data in this study.

Table-3: Normality

Variables	Min.	Max.	Mean	Std Deviation	Skewness	Kurtosis
Interest rate	1	5	4.2066	1.0220	0.7947	0.9486
Loan limit	1	5	3.3884	1.2153	-0.7624	0.5906
Loan terms	1	5	3.9128	1.0189	1.8737	1.5532
Growth	1	5	3.8537	1.1149	-1.2419	0.0251

Demographic responses

Table 4 shows the demographic of the 121 respondents such as gender, age group, educational level, business type and acquisition of SMEs. Using frequency and percentages to calculate the respondents' characteristics, the results revealed that 55 (45%) of sampled SMEs were owned or managed by male entrepreneurs, while 66 (55%) were managed by female entrepreneurs, implying that most owners or managers of SMEs in Dar es-salaam were female. In addition, the study further revealed that 10 (8%) were within the age range of below 20 years; 19 (19%) were within the age range of 21-30 years; 50 (41%) were within the age range of 31-40 years; 36 (30%) were within the age range of 41-50 years; while only 6 (5%) of sampled SMEs were manned by entrepreneurs that were above 50 years. This truly signifies that most sampled SME owners or managers were young (90%) with below 50 years of age. On the other hand, the respondents' level of education has revealed that most of the sampled SMEs stakeholders were degree holders (45 respondents) with 37% followed by those holding certificates and or diplomas (36 respondents) with 30%. The result suggests that SMEs stakeholders were literate with above 86% of them earned a minimum level of academic qualification, namely certificate. The characteristics of respondents on business type revealed that services, retail, and hardware sectors are dominating the SMEs business in Dar es Salaam region with 29 respondents (24%), 36 respondents (30%), and 26 respondents (21%) respectively. Finally, the results also revealed that SMEs stakeholders are mainly self-managed/owned with 67 respondents (56%) followed by the SMEs which were purchased, and then merged with 31 respondents (25%) and 23 respondents (19%), respectively.

Table-4: Respondents' Characteristics

Respondent Characteristics		Frequency	Percentage
Gender	Male	55	45
	Female	66	55
	Total	**121**	**100**
Age Group	Below 20 years	10	8
	21-30 years	19	16
	31-40 years	50	41
	41-50 years	36	30
	51 years and above	6	5
	Total	**121**	**100**
Education Level	Secondary	18	15
	Certificate/ Diploma	36	30
	Degree	45	37
	Postgraduate	22	18
	Total	**121**	**100**
Business Type	Education	11	9
	Services	29	24
	Retail	36	30
	Hardware	26	21
	Manufacturing	19	16
	Total	**121**	**100**
Business Acquisition	Own established	67	56
	Merger	23	19
	Purchase	31	25
	Total	**121**	**100**

Test of Hypothesis

The main objective of this study is to examine the impact of credit facilities on the growth of SMEs. The specific objectives were to examine the effect of interest rate, loans limit and loans terms on the growth of SMEs in Dar es Salaam region. By employing the multiple regression analysis, assumption of model fit, and ANOVA, the results are shown in Tables 5 and 6 respectively. The model was significant and therefore, appropriate for further exploration with R-square value of 0.685. This signifies that about 68.5 percent of the variation in the growth of SMEs in Dar es Salaam were due to under-studied variables, while 31.5% of the variation in growth was accounted for by other variables.

Table-5: Model Summary[b]

Model	Multiple Regression	R-Square	Adjusted R- Square	Std. Error of the Estimate
1	.827[a]	.685	.676	.634
a. Predictor: (Constant), Interest rates, Loan limit, Loan terms b. Dependent Variable: Growth				

The result also indicates that there is a strong relationship between the variables (R = .827). ANOVA test which is used to assess the level of confidence of the independent variables recorded a 95 per level of confidence, as can be seen from Table 6.

Table-6: ANOVA[a]

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	102.102	3	34.034	84.634	.000[b]
Residual	47.049	118	0.402		
Total	149.151	121			
a. Dependent Variable: Growth b. Predictors: (Constant), Interest rates, loan limit, loan terms					

Test of hypotheses was examined using the B-values, t-values, and p-values, and the results of which are presented in Table 7. The results of the multiple regression analysis show a significant and strong relationship between the independent variables and dependent variable.

Table-7: Coefficients[a]

Coefficients[a]					
Model	Unstandardized Coefficients		Standardize Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.609	.150		4.050	.000
Interest rate	-.297	.089	.272	-3.331	.001
Loan limit	.574	.071	.626	8.069	.000
Loan terms	.555	.079	.507	7.069	.000
a. Dependent Variable: Growth					

Source: Author Computations (2022)

Hypothesis one implies that the interest rate offered by financial institutions to SMEs is still high in Dar es Salaam region. Based on the results of the multiple regression analysis, this hypothesis is significantly accepted as B = -0. 297, t = -3.331, and p < 0.005).

Hypothesis two suggests that the amount of loan or loan limit offered by financial institutions is not sufficient to give an impactful increment on the growth of SMEs. Based on the results of the multiple regression analysis, this hypothesis is also accepted as it has a significant positive effect against the growth of SMEs in Dar es Salaam with the values of B = .574, t = 8.069, and p < 0.00.

Lastly, Hypothesis three indicates that there are stringent loan terms imposed by financial institutions on SMEs which has significant effect on the growth of SMEs in Dar es Salaam region. The evidence as provided by the multiple regression analysis has shown to support the acceptance of this hypothesis and is therefore, accepted. This implies that loans terms have a significant positive effect on the growth of SMEs since B = 0.555, t = 7.069, p < 0.005.

It indicated the value of 0.001, 0.000, and 0.000 for interest rates, loan amount/size, and loan terms respectively which are between $P \leq 0.000 – 0.05$.

The result of the regression equation, which is derived from the following equation is shown below.

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \varepsilon)$$

$$Y = 0.6093 + - 0.2968X1 + 0.5739X2 + 0.5552X3 + \varepsilon$$

Where:
Y = SMEs growth
β0 = Constant term
X1 = Interest rate
X2 = Loan limit
X3 = Loan terms

Discussion Of Findings

Generally, the results construed that strict interest rate, amount on loans limit along with loans terms and conditions impact the growth of SMEs. As this study was designed to examine the effect of credit facilities offered by funds provider on the growth of SMEs in Dar es Salaam, which includes the high interest rate, loan repayment terms, higher interest rates as well as small loan amounts, the results showed that they are still being the major challenges to the SMEs when accessing credit for the growth of their businesses. The findings are in line with studies by Magembe, (2019), Mkwabi & Mboya (2019), and Lwesya (2021) who concluded that SMEs owners/operators perceived the interest rate as too high to them to the extent that it affected the gain from their business. Moreover, the results from the study in Indonesia revealed that the loan amounts offered by financial institutions to SMEs are insufficient to support their growth (Riwayati, at el,, 2020). Furthermore, stringent loan terms and conditions designated by financial institutions were seen as the bottleneck towards the growth of SMEs (Yuen & Ng, 2021; Mei, at el., 2019). It has also contended that, the minimum collateral required and loan repayment period imposed by the funds providers had hindered most SMEs to access credit and therefore their growth (Gamba, 2019; and, Mkwabi & Mboya, 2019. As the understudied issues' results are consistent with the above-mentioned studies, it can therefore be generally concluded that interest rates, loans limit, and loan terms have significantly influenced the growth of SMEs' owners world-wide.

Conclusion, implication, and recomm-endations

First, the general findings showed that there exists a relationship between credit facilities offered by funds providers and the growth of SMEs. Specifically, the available credit opportunities attracted the borrowers to borrow more and consequently making huge investment in anticipation of high returns. However, in order for the SMEs to afford credit funds from the providers, they have to comply and abide to unaffordable interest rate and amount of loan where minimum collaterals shall be in place at all the time. This also depends on other terms and conditions as applied by funds providers to SMEs. Second, based on the findings on interest rate, loan repayment terms and loan amounts, they had largely influenced the growth of SMEs by more than 50% each. It is therefore essential for the stakeholders (e.g., the Central Bank) to loosening up a bit the lending policies and regulations so as to accommodate more SMEs for financing accessibility. Third, this study inspires the government and other financial institutions to allocate financial resources for encouraging SMEs to opt for multiple credit facilities with various concessions whenever they need funds. This will pave way for a more healthy and conducive competition among funds providers in extending credit services to SMEs for them to expand their areas of investment. Fourth, the government should also intervene in the roles played by SMEs stakeholders by providing subsidies and incentives to banks and other financial institutions with an outstanding record of lending to SMEs. Nevertheless, the study's findings can only be implemented if the government, financial institutions, and SMEs can come together and collectively discuss all the related issues that hindered SMEs from growing.

References

[1]. Abdesamed, K. & Wahab, K. (2014). Financing of small and medium enterprises (SMEs): Determinants of bank loan application, African Journal of Business Management, 8(17), pp. 717-727.

[2]. Adam, N and Alarifi, G., 2021. Innovation practices for survival of small and medium enterprises (SMEs) in the COVID-19 times: the role of external support. Journal of Innovation and Entrepreneurship, pp. 1-22

[3]. Borio, C. and Gambacorta, L., 2017. Monetary policy and bank lending in a low interest rate environment: diminishing effectiveness. WP612 Monetary policy and bank lending in a low interest rate environment. This publication is available on the BIS website (www.bis.org).

[4]. Chin, Y and Lim, E., 2018. SME policies and performance in Malaysia. ISEAS Yusof Ishak Institute working paper no. 2018-3

[5]. Gamba, F., 2019. SME Development Policies of Tanzania and Rwanda: Comparability of Policy Presentation on Focus, Significance, Challenges and Participation. Journal of Development and Communication Studies, 1(6) pp. 1-17

[6]. Gherghina, S., Botezatu, M. and Alexandra, S., 2020. Small and medium-sized enterprises (SMEs): the engine of economic growth through investments and innovation. Journal of sustainability from MDPI, 12(347) pp. 1-21. Available online at www.mdpi.com/journal/sustainability.

[7]. Hair, F., Babin, B., Money, A. and Samoul, P., 2010. Essential business research methods. Leyh Publishing.

[8]. Khandker, W. & Khandker, A. 2008. The Supply of Loanable Funds: A Comment on the Misconception and Its Implications, Journal of Economics and Finance Education, 7(2), pp. 39-46.

[9]. Kisseih, K. (217). The Impacts of Interest Rate Fluctuations on the Growth of Small and Medium Enterprises (SMEs) In Accra, International Journal of Academic Research in Accounting, Finance and Management Sciences, 7(2), pp. 44-53.

[10]. Kiyabo, K. and Isaga, N., 2019. Strategic entrepreneurship, competitive advantage, and SME performance in the welding industry in Tanzania. Journal of global entrepreneurship research, 9(62) pp. 2-23

[11]. Kline, R., 2016. Principles and Practice of Structural Equation Modelling (4th edition.). London: The Guilford Press.

[12]. Lwesya, F., 2021. SMEs' competitiveness and international trade in the era of Global Value Chains (GVCs) in Tanzania: An assessment and future challenges. Small Business International Review, 5(1), available at:

https://doi.org/10.26784/sbir.v5i1.325

[13]. Magembe, Y. (2019). Credit Access by Small and Medium Enterprises in Tanzania: A Case Study of Dar es Salaam City, International Journal of Economics & Management Sciences, 6(5), pp. 1-9.

[14]. Manzoor, F., Wei, L. and Sahito, N., 2021. The role of SMEs in rural development: Access of SMEs to finance as a mediator. PLoS ONE, 16(3). pp. 211–226: available at: https://doi.org/10.1371/journal. pone.0247598.

[15]. Mei, L., Zhang, T. and Chen, J. 2021. Exploring the effects of inter-firm linkages on SMEs' open innovation from an ecosystem perspective: An empirical study of Chinese manufacturing SMEs. Technological Forecasting and Social Change, 144 pp. 118-128

[16]. Nkwabi, J. and Mboya, L., 2019. A Review of Factors Affecting the Growth of Small and Medium Enterprises (SMEs) in Tanzania. European Journal of Business and Management 33(11), pp. 1-9

[17]. Mishkin, F. 2016. The Economics of Money, Banking and Financial Markets. 8th Edition. Pearson Education

[18]. Mohsin, S., 2020. Factors Contributing to SME's Performance in Zanzibar. Master Thesis, Ritsumeikan Asia Pacific University.

[19]. Nawi, F., Tambi, A., Samat, M. and Mustapha, W., 2020. A Review on The Internal Consistency Of A Scale: The Empirical Example Of The Influence Of Human Capital Investment On Malcom Baldridge Quality Principles In TVET Institutions. Asian People Journal, 3(1), pp. 19-29.

[20]. Pasape, L., 2018. Internationalization of Small and Medium Enterprises from Arusha: Tanzania: Market Information, Financial Resources and Product Quality Setbacks. Business and Management Studies, pp. 77-89.

[21]. Riwayati, H., Salim, U., Maskie, G and Indrawati, N., 2020. Financial Inclusion and Performance to Mediate the Effect of Banking and Tax Regulation on the Success of Small and Medium Enterprises in Indonesia. International Journal of Economics and Business Administration 3(VIII), pp. 517-533

[22]. Sarwoko, E. & Frisdiantara, E. (2016). Growth Determinants of Small Medium Enterprises (SMEs), Universal Journal of Management, 4(1), pp. 36-41.

[23]. Shkeily, HM and Abdullah,N.,(2020). The Influence of Demographic Factors on the Awareness Level of Microfinance Institutions Facilities in Zanzibar, Tanzania. Arabian Journal of Business and Management Review 3(10), pp. 1-4.

[24]. Shkeily, H and Abdullah,N.,(2021). The Critical Determinants of Saccos Growth in Tanzanias Zanzibar. Advances in Mathematics: Scientific Journal, 3(10), pp. 1469–1483.

[25]. Shkeily, HM and Abdullah, N., (2021). Examining the Nexus between Riba and Gharar, and Islamic Banking Products Among Zanzibar People. Sumerianz Journal of Business Management and Marketing, 1(4), pp. 27-34.

[26]. World Bank, 2017. Georgia and the World Bank, 25 Years of Partnership, International Bank for Reconstruction and Development/ The World Bank, extracted from http://pubdocs.worldbank.org/en/39366150 5116118995/ ECCSC- Georgia-for-web-0904.pdf, Oct 2019.

[27]. Yoshino, N, and F. Taghizadeh-Hesary. 2017. Solutions for mitigating SMEs' difficulties in accessing finance: Asian experiences. ADBI Working Paper 768. Tokyo: Asian Development Bank Institute. Available: https://www.adb.org/publications/solutions-smes-difficulties-accessing-finance-asian-experiences.

[28]. Yuena, Y. and Ng, X. 2021. Enhancing innovation performance of small and medium enterprises in Malaysia. Management Science Letters, 11 pp. 887–894