

**THE IMPACT OF CREDIT INFORMATION FLOW ON THE GROWTH OF
SMALL AND MEDIUM ENTERPRISES IN TANZANIA**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT FOR THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION IN THE OPEN UNIVERSITY OF TANZANIA**

2008

CN1692A23D L2998-9001

ABSTRACT

Growth of SMEs is one of paramount importance to the economy of many countries including the developed ones. In the U.K, SMEs represents 95 percent of organizations registered for value added tax and employ 65 percent of the workforce. In Japan, SMEs account for 99.1 percent of total establishment employing 45 percent of the total workforce. In Canada, about 900,000 SMEs contribute more than 25 percent of the country's industrial products.

Studies have continuously provided different conclusions on the reason behind lack of growth for SMEs. Many policymakers think that growth of SMEs is a factor of availability of credit. Others considered provision of modern management, training, information technology as important elements towards success and growth of SMEs. However, the role of credit information flow has not been considered to play a major role in the growth of SME.

In this study literature review has been undertaken on theories behind the study. These include the Harrod-Domar Model of Growth, growth theories and Pecking Order Theory of Financial Gearing. Empirical studies on factors influencing growth of SME were analyzed to establish their level of relationship. The research method used was mainly through survey and in some cases face to face interviews. The analytical tool in this study was regression analysis as well as frequency and mean comparison. Data quality was addressed through reliability and validity measures. The study has also discussed summaries of research findings and conclusion on research statement, research questions, research hypothesis, recommendations to policymakers and practitioners, limitations, areas for future research and lessons.