

**FACTORS AFFECTING GROWTH OF SMALL AND MEDIUM
ENTERPRISES IN TANZANIA: A CASE STUDY OF FOOD PROCESSORS
IN COAST REGION**

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ABSTRACT

The main objective of this study was to identify factors affecting growth of Small and Medium Enterprises (SMEs) in Tanzania as an effort to contribute knowledge in addressing matters related to growth of enterprises. The contribution of SMEs to economic development is a concern world wide by governments and private sectors.

The study focused on Small and Medium Food Processor Enterprises (SMFPEs) in Coast region. Coast region was chosen as an area of study because there is substantial production of raw materials which if well processed could add value to the agricultural produces and reduce post harvest losses. To achieve the intended objective, four hypotheses that rested on four major factors namely; owner managers' business knowledge and skills, accesses to capital, product access and competitive in the market and compliance to the Tanzania Food, Drugs and Cosmetics Act, 2003 standards were developed and tested.

Data were collected from a cross sectional sample of 36 SMFPEs from four districts of the Coast region namely; Kibaha, Bagamoyo, Kisarawe and Mukulanga by personal administration of the questionnaire to the owner managers. The five point likert rating scale was used to questions that were used to test the hypotheses. Both qualitative and quantitative methods were employed in the analysis of the collected data. The decision for accepting or rejecting the hypotheses was based on a t-test at 1% level of significance whereby the cut off point was an average score above 3 as the predetermined average. Furthermore multiple linear regressions at 5% level of

significance were employed in testing the hypotheses. The study findings indicated that; owner managers' business knowledge and skills, accesses to capital, product access and competitive in the market and compliance to the Tanzania Food, Drugs and Cosmetics Act, 2003 standards has positive influence to growth of SMFPEs. The null hypotheses were all accepted with statistical one sample mean t-test and multiple regressions at two sided 5% level of significance. The research findings conforms to the studies done in other parts of the world as provided in the reviewed literature.

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CHAPTER TWO

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