BINDURA UNIVERSITY OF SCIENCE EDUCATION

AN ASSESSMENT OF THE FACTORS THAT AFFECT THE GROWTH OF SMALL TO MEDIUM ENTERPRISES IN ZIMBABWE

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ABSTRACT

The small and medium enterprises (SMEs) play critical role in the development of the country. This study assess the role of access to capital, education, and competition, access to infrastructure, location and public support in the success of SMEs in Zimbabwe. Target population of the study was SMEs operating in different sectors of business from service to manufacturing in Chitungwiza. Sample size of this study was 75 small and medium lines of businesses. Responses of the subjects were collected through questionnaires and informal interviews and the firms were randomly selected from manufacturing, retailing, transport and construction. Graphs, tables and pie charts are used for analysis. This study concludes that there is a significant relationship between business success and its determinants. The result also shows that financial resources are the most important factor in the success of business perceived by small and medium enterprises and that competition, infrastructure, location; public support and education are major determinants of small firm growth. To facilitate the success of small to medium enterprises the government must persuade financial institutions and the private sector to establish a venture capital to encourage SMEs growth. Moreover the government should assist SMEs on matters pertaining education, vocational training colleges and through the ministry of education can help SMEs in developing their skills. With regard to competition the government should impose import duty on some imports.