



2019
SME
Finance Access
REPORT

Introduction

The Kenya SMEs continue to face challenges in access to finance underpinned on Kenya government heavy domestic borrowing mopping up funds coupled with delayed payment to SMEs by national government ministries and parastatals and county government.

The rapid rise of mobile credit has provided an avenue for SME financing albeit with challenges since a majority offer short term financing which limits long term investment by SMEs

The goal of the survey was to gather information and opinions about the sources of finance for SMEs, obstacles in seeking and obtaining financing, and associated challenges

Results

Location of business related funds

82% of respondents put business related funds with a bank with 18% relying on mobile wallet



Type of financing received by business in last one year

Financing Type	2019 Report	2018 Report
Owners funds	82%	80%
Family and Friends	18%	20%
Angel Investors	9%	
Grants	27%	
Venture capital		
Private Equity Funds		

SMEs continue to rely on majorly owner's funds, family and friends to finance their businesses with an emerging trend of finance from angel investors and grants being observed in 2019.

Financing value received in the last one year

82% of respondents put business related funds with a bank with 18% relying on mobile wallet

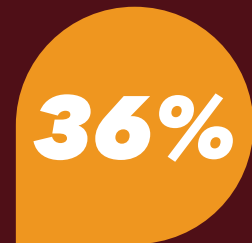
Amount (Ksh)	Percentage
1 to 50,000	27%
51,000 to 100,000	10%
101,000 to 250,000	18%
251,000 to 500,000	18%
Over 1 Million	27%

Financial needs for business

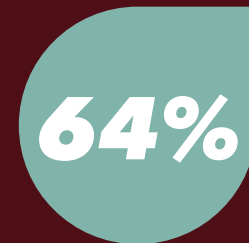
Finance Needs	2018 Report	2019 Report
Financing existing business order	22%	27%
New product development	26%	45%
Marketing	58%	27%
Expansion to untapped market	65%	18%
Purchase equipment	40%	18%
Pay monthly utilities		18%

Access to finance in your industry is considered

36% of respondents indicated that access to finance in their industry was very difficult with 64% indicating difficult.



**Very
Difficult**



Difficult

SMEs continue to use financing that comes to their businesses to finance business orders with an increase of 5% indicating business growth from 22% in 2018 to 27% in 2019.

SMEs in 2019 seek to develop competitive advantage by investing in new product development as evidenced in a 20% increase in product development financing. It is expected most likely that SMEs will seek either internal



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