



# SME

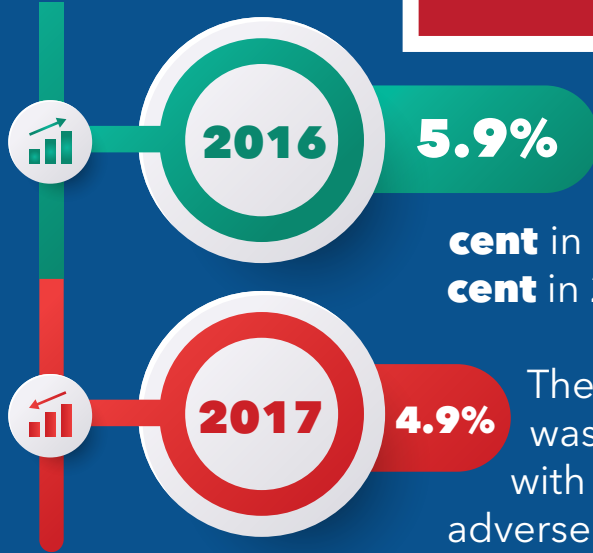
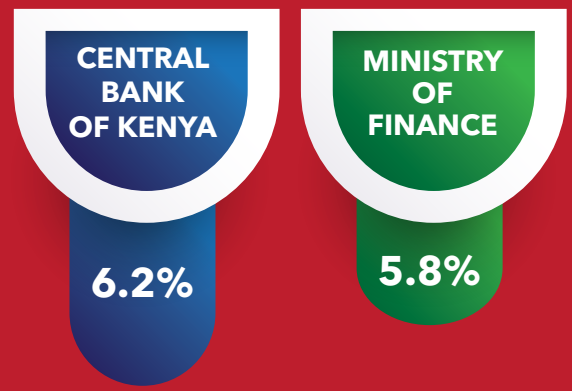
PERFORMANCE INDEX  
2018





Central Bank of Kenya estimates that the Kenyan economy will expand by **6.2 percent** as compared to the ministry of finance which has an estimate of **5.8 percent**.

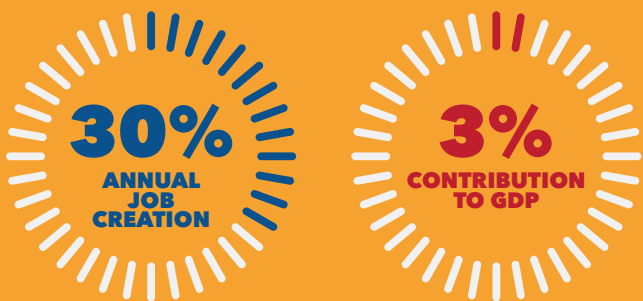
**ECONOMIC EXPANSION PROJECTION**



Similarly according Kenya National Bureau of Statistics economic survey 2018 Kenya's economy is estimated to have expanded by **4.9 per cent** in 2017 compared to a revised growth of **5.9 per cent** in 2016.

The slowdown in the performance of the economy was partly attributable to uncertainty associated with a prolonged electioneering period coupled with adverse effects of weather conditions.

The Kenyan SME sector continues to play a crucial role in the Kenya's economic development with an estimated **30% annual job creation** and **3% contribution to GDP**.



Cognizant of the role SMEs play in the Kenyan economy concerted efforts must be made to ensure effective support and sustainability of the sector. This will be achieved by continuously measuring key fundamentals that are crucial to the survival and growth of SMEs in Kenya.

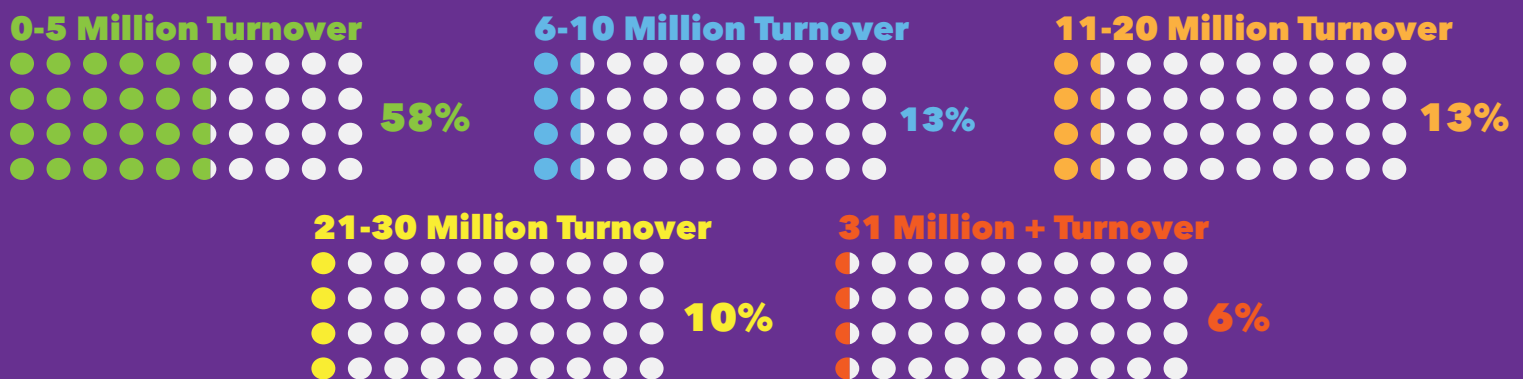
Viffa conducted a survey in the months of November and December 2018 to establish how Kenyan SMEs fared in 2018 against factors such as:

Financial performance, Access to finance, Access to local and export market, government policies, business services accessed and finally their aspiration for the year 2019.

The results were as follows.

**Company Turnover (Million Kes)**

58% posted between 0 to 5 Million turnover, 13% posted between 6-10 Million, 13% posted between 11-20 Million, 10% posted 21-30 Million and 6% posting turnover of 31 Million and above.



## Principal Financial Partner

32% indicated that Banks were their main financial partner, 19% Sacco's, 16% Mobile money, 13% Chama Savings group, 7% Home/Office safe and 13% family and friends.



## Principal Source of Business Financing

55% financed their business through internal revenue, 16% family and friends, 13% Chama, 6% mobile money, 3% Sacco, 3% Bank, 1% shylocks and 3% others.



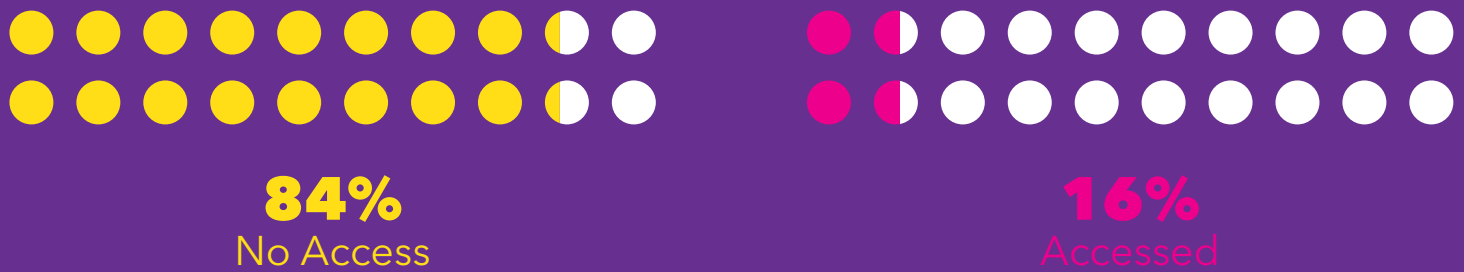
## Access To New Local Market In 2018

90% indicated that they access new local market, 6% didn't access while 4% indicated they were not sure



## Access to new export market in 2018

84% indicated that they did not access new export market while 16% accessed new export market.



## Revenue performance 2018 compared to 2017

29% Indicated that revenue declined 10% and below, 29% indicated that revenue remained the same, 29% indicated revenue increased up to 10%, 10% indicated revenue increased between 11-25% while 3% indicated revenue increased over 25%.



Had 10% Declined Revenue



Had Unchanged Revenue



Had 10% Increased Revenue



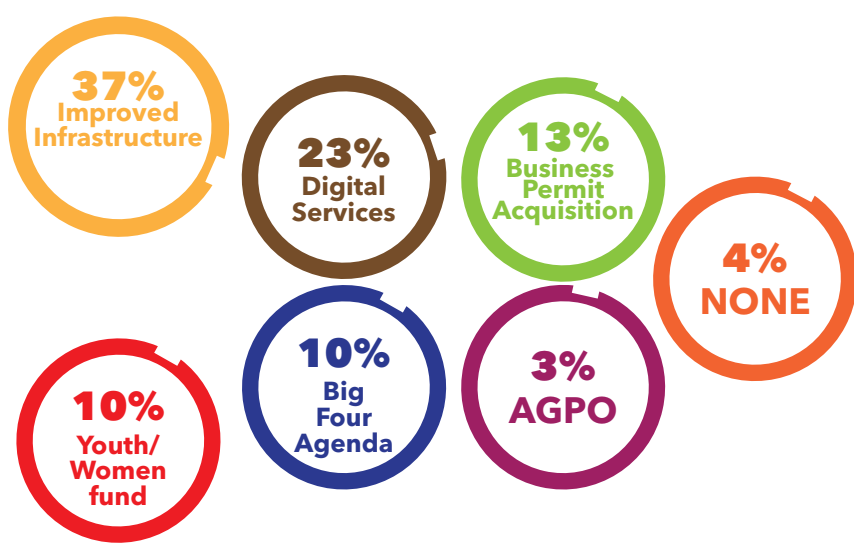
Had 11-25% Increased Revenue



Had Over 25% Increased Revenue

## Government policies / Programs / Initiatives that positively improved the enterprise

37% indicated Improved infrastructure, 23% digital services, 13% Business permit acquisition, 10% Youth/Women fund, 10% Big Four Agenda, 3% AGPO and 4% none.



## Government policies / Programs / Initiatives that negatively affected the enterprise

81% indicated taxation while 19% indicated business permits.

## Change in number of employees in 2018

39% indicated that number of employees reduced, 36% indicated that number of employees remained the same while 25% indicated that the number of employees increased.



Reduced Employees



No Additional Employees



Employees Number Increased

## Business services accessed from third party providers and consultants

Top five services accessed were: **Courier, Accounting, Insurance, Marketing and training.**

## Enterprise Aspirations for 2019

32% indicated access to new markets, 29% revenue growth, 13% new product development, 13% business diversification, 7% national and regional expansion and 6% raising capital.

