



CREDIT TERMS, CREDIT ACCESSIBILITY AND SUSTAINABILITY OF SMEs IN UGANDA: A CASE STUDY OF SMEs IN NAKAWA DIVISION KAMPALA

ABSTRACT

The study was carried out with the purpose of establishing the relationship between Credit terms, Credit accessibility and Sustainability of Small and Medium Enterprises in Uganda. The study was guided by the following objectives to examine; the relationship between credit terms and sustainability of SMEs, the relationship between credit accessibility and sustainability of SMEs, and the combined effect of credit terms and credit accessibility on the sustainability of SMEs in Nakawa Division.

The study was based on a cross sectional research design and quantitative research approach out of 743 registered SMEs in Nakawa Division and, a sample of 248 SMEs was drawn. Primary data was collected using questionnaires. Data from the field was compiled, sorted, edited for analysis using SPSS.

The results indicated a significant positive relationships between credit terms and sustainability, credit accessibility and sustainability and, a combination of credit terms and credit accessibility and sustainability of SMEs within Nakawa Division.

Based on the findings, the study recommended that financial Institutions need to relax credit terms which will increase credit accessibility that also automatically lead to sustainability, SMEs should ensure mechanisms that can boost their credit accessibility and the government should put in place policies that ensures easy access to credit by SMEs and should further increase funding and come up with more entrepreneurship oriented programs such as capital ventures which well maximized guarantee sustainability of SMEs.