

# Inadequate loans hinder SME's operations

By Felix Andrew

**POVERTY** alleviation programmes in Tanzania will not deliver if the Small Medium Entrepreneurs (SME's) continue to be starved of resources from banks.

The backbone of SME's resources is pegged on the

banks, which normally transact business with them, but of late the former have put stringent rules, making loans acquisition difficult.

Speaking in Dar es Salaam on Wednesday, S. Bhanji, the Chief Executive Officer of Global Investors Consultation Center (GICC), said difficulties

in obtaining low cost and adequate financial assistance from banks, and overdue debtors account to serious cash flow problems for the SME's.

She said, "SME's operations are sensitive to money, necessary for the stimulation of revolving funds,

technological information, expertise and management."

Alternatively, she gave the comparison of the many manufacturing industries in Tanzania, which do not operate using modern techniques and were vulnerable like SME to close down.

According to her, many industries do not conduct employees performance appraisals, financial planning, monitoring techniques, regular market survey and as a result, were susceptible to many risks.

"Bearing in mind the important role of the SME in

fostering the socio economic development, last year, the SME established more outlets offering a wide range of services on contractual terms", she said.

Some SMEs have been liaising with manufacturing industries for funds alongside the community-based

organizations and lobbying institutions in reducing poverty.

The SME's center along Bibi Titi street in the city, also runs workshops for the professionals to help entrepreneurs obtain skills and marketing opportunities.