

BS (Accounting & Finance)

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**SMALL AND MEDIUM ENTERPRISES GROWTH AND CONSTRAINTS
TOWARD THE ECONOMY OF PAKISTAN**

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Abstract

This paper attempts to provide evidence on the effect of macroeconomic factors of Pakistan on Small and Medium Enterprises (SMEs) sector growth. The study has been carried out using Ordinary Least Square technique of regression two models having period from 2001-2017 and 1991-2017. The study finds out the necessary componential statistically significant relationships of each factor with SMEs growth and enable us to predict that GDP growth, Labor force employed, Exports, Domestic credit provided to private sector have positive relationship with SME growth, however the investment revealed negative relationship due to certain spill overs and other factors. However, the study also proved 'statistically significant' negative relationship of investment with another constructed model, but reasoning behind the spillovers cannot be identified to greater extent, but many argument has been developed by deep analysis of related constraints. This study reveals certain questions for stakeholders and researchers to answer and further studies and provide a way to unfold and interrogate into provided broad scope of analyzed studies.

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