

Abstract

Small and medium-sized enterprises (SMEs) have a fundamental role in the economic growth and job creation in almost all economies in the world. Access to finance is fundamental for the survival and growth of SMEs. However, financial constraints are considered to be one of the most important factors that impede the growth of these firms. To contribute to the understanding of the financial constraints faced by SMEs, this paper sets out to find the firm level determinants of perception of access to finance as an obstacle to the operations of Turkish SMEs. We find that size, age, percentage of sales exported and business group affiliation do not have an effect on the tendency to see access to finance as an obstacle. Audited firms are less inclined to see access to finance as an obstacle to their operations. This inclination decreases with an increase in the percentage of sales exported. Firms that have made a recent credit application have a lower tendency to see access to finance as an obstacle. This tendency is strengthened with an increase in the percentage of sales exported.

Keywords: Bank loans, Financial Constraints, SMEs