THE DETERMINANTS OF CREDIT RATIONING TO SMALL AND MEDIUM SIZE ENTERPRISES IN CAMEROON: EFFECTS AND IMPLICATIONS

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ABSTRACT

This article aims to answer a question: What are the determinants of credit rationing to SMEs? To provide an answer, some operational research hypotheses were formulated. Also, two different econometric tests were conducted. The results show, firstly that the integration of information "soft" in the decision-making process minimizes the probability of rationing. And secondly, that there is a significant link between the amounts of credits requested, the maturity of these loans and the risk of exposure to the rationing bank. Furthermore, the guarantee and the interest rate were found to be important determinants of the decision of the banker. Finally, it is clear from these results that the distinction between fully rationed borrowers and those partially rationed does not affect the impact of variables on the choice of rationing.

Keywords: SMEs, Credit Rationing, Banking, Small Scale Business, Cameroon.
JEL: E5, E51, E52, J81.