INVESTIGATING THE EFFECT OF ECONOMIC ENVIRONMENTAL FACTORS ON THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES: A STUDY OF SELECTED SMES IN KADUNA STATE

[1] Jafaru Abdu Gambarawa, & [2*] Muhammad Sani Burodo
*Corresponding authors' email: muhammadsaniburodo@gmail.com

[1] Department of Business Administration and Management Federal Polytechnic Kaura Namoda – Nigeria
[2] Directorate of Academic Planning, Umaru Musa Yar'adua University Katsina – Nigeria

ABSTRACT

This study examined how the effect of economic environment on the performance of small and medium enterprises in Kaduna State. A survey design was employed in the study. The study population consisted of 2,650 registered SMEs operating in Kaduna State (Bureau on Public Procurement, 2023). A sample size of 348 was calculated using the Taro Yamane formula. Purposive and stratified sampling were two of the multi-stage sampling methods used in this study. The study's hypotheses were tested using multiple regression analysis. The performance of SMEs was found to be positively and significantly correlated with inflation rate exchange rate and taxation. Based on the findings, the study recommended that governments streamline administrative processes and provide more targeted support for SMEs. To ensure that SMEs can fully utilize the support that is available, policies should place a high priority on lowering regulatory burdens, offering incentives for innovation and growth, and improving communication channels. Additionally, SMEs should prioritize staff development by offering training programs as this will help attract and retain skilled workers, which is essential for long-term growth and innovation.

Keywords: External Environmental Factors, Inflation Rate, Exchange Rate, Taxation, SMEs performance

1.0   Introduction

The terms "small and medium enterprises" encompasses a wide range of commercial organizations, such as manufacturing industries, restaurants, hotels, small machine shops, and software firms Fitriasari (2020). Despite having a similar concept, SMEs are defined differently in various economies (Oriazowanlan & Erah, 2019). Small and medium-sized businesses (SMEs) are vital to the economic development of many countries, serving as the main forces behind community growth by generating employment and providing locals with chances for financial advancement (Akinlabi et al., 2021). According to Qureshi et al. (2022), SMEs are the most prevalent type of business organization required for economic development in both developed and developing nations. SMEs make up the bulk of businesses worldwide, and they are crucial for fostering social mobility and creating seven out of ten job opportunities (World Bank, 2022). Although SMEs vary in size, workforce, investment, and turnover, they are universally recognized as important economic sectors that generate wealth and contribute significantly to employment in every nation. SMEs are essential for promoting economic development, which is crucial for a country's economic advancement (Ibrahim, et al. in 2023). Policy discussions around the world, especially in Africa, have consistently focused on the promotion of economic growth through the

establishment of SMEs (National Bureau of Statistics, 2021). The economy and the larger business ecosystem depend heavily on SMEs. To increase economic growth and achieve more inclusive globalization, it is crucial to give them the tools they need to adapt, thrive in a more open environment, and actively engage in the digital transformation (Organisation for Economic Co-operations Development, 2017).

The term "economic environment" encompasses all external economic factors that influence consumers' and businesses' purchasing decisions, which in turn affect a company's performance (Olufunmilayo, Arinola & Akindowo, 2023). These variables, which can be either large-scale (macro) or small-scale (micro), are frequently out of a company's control (Orogbu, Onyeizugbe & Chukwuma, 2017). Small and medium enterprises businesses operate in a dynamic environment that is coordinated by the interaction of different aspects of the economic environment that interact to predict their performance (Oladele, Oloowokere & Akinruwa, 2021). Economic environment, according to Ebitu, Basil & Ufot, (2022), refers to all those factors such as inflation rate, exchange rate, unemployment rate, taxation among others that affect the performance of small-scale business. Furthermore, Ebitu, Basil & Ufot, (2022) observed that small scale business depends on the economic environment for all the needed inputs. Therefore, economic environment influences the operations of small-scale businesses. It is consisting of those economic factors that directly or indirectly affect the operations of small-scale businesses in Nigeria; it includes inflation rate, exchange rate, interest rate, employment among others (Liman, Burah & Jibir, 2021).

Therefore, the present study aims to examine the effect of economic environment on the performance of small and medium enterprises (SMEs) in Kaduna State.

1.2   Statement of Research Problem

Many economies around the world have benefited greatly from the growth, development, and industrialization of small and medium enterprises (Fitriasari, 2020). Since Nigeria attained independence, these businesses have played a significant role in promoting economic development (Adewale and Umoru, 2021). However, a number of obstacles, such as their own attitudes and practices, environmental factors, governmental instability, and frequent policy changes, have caused Nigerian SMEs to underperform (Aderibigbe, 2017).

Previous studies by Yakubu et al (2023); AmmarYaser et al. (2021); and Nnenna et al. (2020); (Kwarbai et al. (2020); Mohammed and Suleiman, (2022); Nkwinika & Akinola, (2023) investigated the impact of economic factors on Small and Medium Enterprise (SME) performance has produced varied outcomes. These studies, conducted across different populations, geographical areas, and time periods, may have limited applicability to the current Nigerian SMEs landscape due to region-specific economic conditions. To address this gap, the present study focuses on Kaduna State.

However, previous studies have examined the connection between economic factors and SME performance. For instance, Henry, Osahon, and Osazevbaru (2021) investigated the combined effects of interest rate and exchange rate volatility on the performance of Nigeria's informal sector; however, they did not take inflation rates into account. Without taking exchange rates into account, Juma (2014) focused on interest and inflation rates. Agbajeogu, Evelyn Nwamaka, and Abokigbo, Calistus Chika (2023) ignored interest and exchange rates in favor of concentrating only on inflation rates. This study seeks to bridge this gap by analyzing how inflation, exchange rates and taxation affect SME performance in Kaduna State.

Furthermore, there are methodological limitations in the studies that are currently available. Halima et al., for instance. Eze et al. (2024) used a descriptive survey approach, whereas (2020)

used multiple regression analysis. An Autoregressive Distributed Lag model was one of the descriptive and analytical tools employed by Kamaldeen and Alade (2020). Ikechukwu and associates. (2023) also used the Ordinary Least Square (OLS) method. This study aims to overcome these limitations by employing ultiple regressions.

Even though economic environmental factors have been the subject of many studies, more research is still needed to understand how these factors affect SME performance, which is a major goal for many companies. To the best of the researchers' knowledge, very few studies have looked at how particular economic environment al factors such as inflation rates exchange rates and taxation affect the performance of SMEs. Therefore, this study aims to add to the body of existing knowledge by empirically examining the effect of these economic environmental factors on SME performance in Kaduna State, specifically using inflation rate, exchange rate and taxation as defined in this study.

To achieve this, the following research hypotheses are formulated:

$H0_1$. Inflation rate has no significant effect on the performance of small and medium enterprise (SMES) in Kaduna State.

$H0_2$. Exchange rate has no significant influence on the performance of small and medium enterprise (SMES) in Kaduna State.

$H0_3$. Taxation has no significant effect on the performance of small and medium enterprise (SMES) in Kaduna State.

2.0   Literature Review

This section is divided into three main parts: the conceptual review, the review of empirical studies and the theoretical framework,

2.1   Concept of SMEs Performance

SMEs have been defined and perceived from a variety of angles. The Small and Medium Industries and Equity Investment Scheme (SMIEIS) defines a SMEs as any business with a maximum asset base of less than N200 million, excluding land and working capital, and with a minimum of 10 employees (otherwise it would be a cottage or micro enterprise) and a maximum of 300 employees. The Central Bank of Nigeria (CBN) concurs with this definition. According to Kazeem (2020), the performance of small and medium enterprises (SMEs) has become a topic of concern because not all of these companies in the nation are growing despite their continued existence. According to Wei and Liu (2021), SMEs performance can be assessed from a variety of angles, such as operational, strategic, and financial. Adudu, Osisanya and Adebanjo, (2021) defined SMEs performance is as their ability of SMEs to accomplish predetermined goals and objectives which can be assessed using a variety of non-financial and financial indicators.

According to Olarewaju (2019), financial indicators show that a company's performance reflects the accomplishment of its goals. Oghojafor, Olamitunji, and Sulaimon (2018) elaborate on performance using financial metrics, including profitability (return on equity, return on investment, and return on sale), sales growth, and earnings per share. SMEs performance is defined by Oghojafor, Olamitunji, and Sulaimon (2019) as a manager's effective and efficient use of organisational resources to meet stakeholder demands and accomplish organisational goals.

2.2   Concept of Economic Environment

The term "economic environment" describes those aspects of the economy that directly or indirectly affect how well businesses perform. These consist of things like the GDP, taxes, monetary policies, and the rate of inflation. Achieving price stability, low inflation, a fixed exchange rate, interest rate stability, and full employment in the economy are all components of economic stability (Olufunmilayo, et al., 2023). Orogbu and associates (2017) believe that small businesses are significantly impacted by the state of the economy. Additionally, in order for businesses to make relevant decisions, they need to have a comprehensive understanding of how economic environmental factors interact (Ebitu, Basil & Ufot, 2022). The practicality and importance of comprehending the complexities of the economic environment highlight the specifics of proactive management, which is essential for exceptional performance. Moreover, Egger and Merlo (2019) define the economic environment as the external environmental factors that affect the functioning of the economy and the performance of firms, including macroeconomic indicators such as inflation, GDP, and interest rates. This definition emphasizes how important macroeconomic indicators are in determining economic outcomes. The economic environment is defined as "the conditions and constraints under which economic activity occurs, including the allocation of resources, the determination of prices and wages, and the role of government policies (Blinder & Solow 2018). This definition highlights how crucial market dynamics and governmental regulations are in determining economic results.

The following explains these environmental factors and how they affect Nigerian SMEs.

2.2.1   Inflation Rate

According to Hossain (2018), while high inflation has a negative impact on economic performance, zero inflation can have an equally negative effect and even cause economic stagnation. Economic growth requires a moderate rate of inflation. Inflation is a major problem in developed market economies as well as across national borders and emerging market economies (Ogundare, 2019). Controlling inflation has unquestionably become the top priority for economic policymakers worldwide, despite the fact that it is not a new phenomenon (Ebitu, Basil & Ufot, 2022). According to Melberg (2016), inflation is the general and ongoing rise in the costs of goods and services within an economy. The percentage change in a price index, such as the consumer price index, wholesale price index, or producer price index, is used to calculate the inflation rate. George (2005) defined inflation as a long-term, steady rise in the average level of prices for goods and services in an economy. As a result, inflation indicates a decline in people's and small businesses' purchasing power per unit of money in the economy. Furthermore, Oladele, Oloowokere and Akinruwa, (2021) noted that the inflation rate is a gauge of the economy's stability. An economy that is suitable and supports the operations of small businesses in the nation is one that has consistently lower inflation.

2.2.2   Exchange Rate

The exchange rate, sometimes known as the foreign exchange rate, shows how much one currency is worth in relation to another (Oladele, et al., 2021). It indicates how quickly one currency can be exchanged for another. Exchange rates can be affected by a number of variables, including a nation's rate of inflation. According to Adam (2021), an exchange rate is the value of one country's currency relative to another country or economic zone. According to Adetayo Ebitu, Basil and Ufot, (2022), a fixed exchange rate, also known as a pegged exchange rate, is a system in which the value of one currency is determined by comparing it to another single currency, a group of currencies, or an alternative measure of value such as gold.

Ogundare, (2019) argued that exchange rate is the rate at which the naira is exchanged for the US dollar. Therefore, depending on the type or components of external borrowing, it is anticipated to have either a positive or negative impact on Nigeria's economic stability. Exchange rates can be quoted directly or indirectly and have two dimensions: the domestic currency and the foreign currency (Olufunmilayo, et al., 2023). The cost of a unit of foreign currency is stated in terms of the local currency when it is quoted directly. Conversely, the foreign currency is used to express the cost of a unit of domestic currency (Ebitu, Basil & Ufot, 2022).

2.2.3   Taxation

According to Asare and Adu-Gyamfi, (2022), taxes are mandatory levies imposed by the government through its various agencies on its citizens' income, capital, or consumption. There are essentially three types of tax structures: regressive, progressive, and proportional. Regressive taxes charge higher rates to those with lower incomes, whereas progressive taxes charge higher rates to those with higher incomes. Proportional taxes are defined as a type of tax in which the taxpayer is levied an amount in proportion to his earnings (Luca & Marino, 2024). When the same profit or income that is subject to taxation in Nigeria is also subject to taxation by another tax authority in Nigeria or another country outside of Nigeria, this is known as multiple taxation, which may occur in relation to a business or an individual (Nwoke & Udeorah, 2020). In these circumstances, the taxpayer is typically given relief for the earlier tax that was paid or for which he might be liable. Specific arrangements are made in order to avoid or provide for such multiple taxes (Sousa & Pontes, 2023).

Nigeria has a tripartite tax administration system in which the Federal Inland Revenue Service (FIRS) and the State Board of Internal Revenue (SBIR) are the revenue collection agencies of the federal and state governments of Nigeria. Acts of the National Assembly essentially impose tax administration in Nigeria (Sharma & Singh, 2021).

2.3   Review of Empirical Studies

This section reviews relevant and related studies on how the economic environmental factors affects the performance of small and medium enterprises in order to identify current findings and research gaps.

Several empirical studies have examined the relationship between economic environmental factors and performance small and medium enterprises. For example, Akinbo and Oladeji (2024) investigated the effect of Economic Environmental Factors on the Productivity of Small and Medium Scale Enterprises and found that inflation rate positivity and significantly impacts SME productivity. This aligns with the findings of Mwenda, Ngollo and Mwasota (2023) who discovered a positive between inflation and firm performance. However, the results is inconsistent with the findings of Udoh et al (2024); Nnenna et al. (2020) who revealed that inflation rate has a negative but insignificant effect on SME performance.

Moreover, there is a significant positive relationship between exchange rates and SMEs performance, according to a study by Oguche (2024). This is in line with the findings of a study conducted in 2021 by Ime (2022) whose findings revealed a positive significant correlation between exchange rates and SMEs performance. Nevertheless, this is inconsistent with the findings of Odey and Agunobi (2023); which indicated that the exchange rate itself shows a positive but insignificant effect on manufacturing sector performance. This is also in line with the study conducted by Lawal and Akanbi (2020) whose findings indicated that the exchange rate has a positive but insignificant long-term effect on SME performance

Regarding gaps, to the best of the knowledge of the researchers, there is no research of this nature that was conducted in Kaduna State, specifically using inflation rate, exchange rate and taxation as the dimensions of economic environmental factors.

2.4   Theoretical Framework

According to the contingency theory, SMEs owners can incorporate structural innovation into their daily operations. As a result, their businesses will be managed more effectively, efficiently, and creatively. This is corroborated by a study by Moorthy et al. (2012), which found that the majority of prosperous SMEs had traits like creativity, specialization, and networking in their day-to-day operations. According to contingency theory, there is no universally suitable system that applies equally to all organisations; instead, an appropriate organizational practice will depend on the particular circumstances of the organization. To obtain a competitive edge in the market, SMEs must thus exhibit a high level of innovation in the development of their organisational procedures and strategies as well as in adapting to the external environment. For example, entrepreneurs of small and medium-sized businesses need to be creative in order to deal with unforeseen situations or take a different approach.

2.4.1   Conceptual Framework

Four (4) variables are included in the conceptual framework of this study: inflation rate, exchange rate taxation, and SMEs performance. Specifically, the SMEs performance is the dependent variable, and the independent variables are inflation rate, exchange rate and taxation. Thus, the study's conceptual framework is shown as follows.
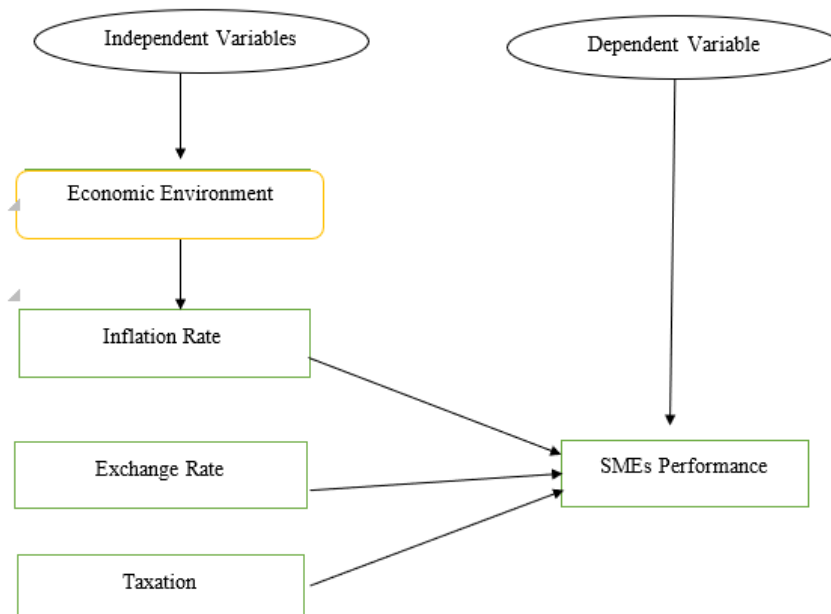
Research Model

Figure: Research Model

Theoretical Framework Representation: Showing the effect of economic factors on SMEs performance.

3.0   Methodology

This study used a survey research design. This is due to the fact that survey research design is helpful in determining how external business environmental factors affect SMEs'

performance over time. 2650 registered SMEs that operate in Kaduna State will make up the study's populations. Small and Medium Businesses Development Agency of Nigeria and National Bureau of Statistics (SMEDAN/NBS, 2023). The sample size of 348 was obtained using the Taro Yamane formula, as shown below. Out of the 348 copies of the questionnaire that were given out 332 copies were correctly completed and returned by the respondents. The study employed multi-stage sampling techniques that include stratified, purposive and random sampling techniques. In the first stage, SMEs were chosen using stratified sampling. This is because the different SMEs in Kaduna State are diverse. For instance, SMEs vary in terms of their size and capital base, as well as how they manage their businesses and offer services to customers.

Additionally, the opinions of managers and/or owners about how satisfied they are with the quality of product provided by a specific SMEs cannot be used to justify the opinions of managers or owners in other SMEs. In the second stage, study respondents (owners and/or managers) were selected using purposive sampling. This is because, more than anyone else, managers and owners of SMEs have the required knowledge and understanding of their own company. Therefore, when selecting the targeted respondents, owners and managers are automatically included in the sample. However, those who are not owners or managers are not part of the study.

Primary data was collected from respondents using a questionnaire. The data gathered from respondents was examined using both descriptive and inferential statistics in the study. The demographics features of the respondents were described using descriptive statistics. Conversely, multiple regression analysis was used to determine the relationship between the performance of SMEs and the business environment. Taro Yaman (1967) recommended the following formula for calculating sample size.

$$n = \frac{N}{1 + N(e)^2}$$

Where:
  n = sample size required
  N = number of people in the population
  e = tolerable margin of error, or degree of freedom (0.05)

Where n is the sample size, N is the population, and e is the degree of freedom (e=0.05). Therefore, the expected risk level is 95 percent confidence level, meaning that 95 out of 100 samples have the true population mean value.

In light of this, the sample size is calculated as follows:

$$n = \frac{2,650}{1 + 2,650(0.05)^2}$$

$$n = \frac{2,650}{1 + 2,650(0.0025)}$$

$$n = \frac{2,650}{1 + 6.625}$$

$$n = \frac{2,650}{7.625}$$

$$n \approx 348$$

Therefore, the study's sample size will be 348 registered SMEs.

4.0   Results and Discussion

Multiple linear regression was used in this section to determine the relationship between independent and dependent variables of the study. As stated earlier, a total number of one three hundred and forty-eight (348) copies of the questionnaire were administered but three thirty-two (332) copies were returned duly completed. The analysis of the data on the respondents is presented below:

Response Rate

Table 1: Response Rate

Description	Number	Percentage (%)
Questionnaires Distributed	348	100%
Questionnaires Returned	332	95%
Questionnaires Not Returned	16	5%

A high degree of participation from the sampled respondents is indicated by the outstanding response rate of 95%. The validity and reliability of the study's findings are improved by this response rate.

4.1   Demographic Profile of Respondents

This section shows the frequency distribution of the respondents based to their demographics. The study specifically examined the age, gender, marital status, and level of education of the respondents. The frequencies and percentages of respondents in Kaduna state based on the aforementioned characteristics are shown in Table 1.

Table 2: Demographic profile of the respondents: Frequency Distribution (281)

GENDER	Frequency	Percent
MALE	287	86
FEMALE	45	14
Total	332	100
AGE	**Frequency**	**Percent**
25-30	94	28
31-36	57	17
37-41	98	30
>41	83	25
Total	332	100
POSITION	**Frequency**	**Percent**
OWNER	175	53
MANAGER	157	47
Total	332	100
BUSINESSTYPE	**Frequency**	**Percent**
MICRO	131	39
SMALL	142	43
MEDIUM	59	18
Total	332	100
QUALIFICATION	**Frequency**	**Percent**
PRIMARY CERTIFICATE	27	8

SECONDARY CERTIFICATE	31	9
FIRST DEGREE	112	34
OTHERS	162	49
Total	332	100
YEARS	**Frequency**	**Percent**
5-10	106	32
11-16	99	30
17-21	83	25
>21	44	13
Total	332	100

Table 1 provides a detailed demographic breakdown of the respondents in several categories, such as gender, age, position, type of business, qualifications, and years of experience. In terms of gender, the vast majority of respondents were male, accounting for 86% of the sample overall. In contrast, there were only 14% of female respondents in the sample. The majority of respondents were men, indicating a significant gender disparity.

The age distribution shows that the different age groups are represented more fairly. The largest age group, comprising 30% of the respondents, was those between the ages of 37 and 41. The second-largest group consisted of people between the ages of 25 and 30 (28%), followed by people over 41 (25%). The smallest group of respondents (17%) were those between the ages of 31 and 36.

In terms of occupations, 53% of respondents identified as business owners and 47% as managers. This implies that managers and business owners make up a fairly equal portion of the sample, with owners constituting a slight majority.

Regarding business type, the majority of respondents (43%) were small businesses. Thirty nine percent of businesses were microbusinesses and 18% were medium-sized.

As regards to qualifications, 34% of respondents had a first degree, while a sizable portion (49%) had qualifications categorized as "others." Only 9% of the respondents had a secondary school certificate, and only 8% had a primary school certificate. This suggests that the respondents were highly educated, with many holding advanced degrees or other forms of higher education.

Finally, the years of experience of the respondents were categorized into a number of categories, with the largest group (32%) having five to ten years of experience. The second group accounted for (30%) had between 11 and 16 years of experience. 13% of respondents had more than 21% years of experience, and 25% had between 17 and 21years.

4.2   Regression Analysis

Model Summary

R²	Adjusted R²	Standard Error of Estimate
0.54	0.53	0.49

The model summary shows that the independent variables (inflation rate, exchange rate and taxation) explain 54% of the variance in employee performance ($R^2=0.54$). The adjusted $R^2=0.53$, accounting for the number of predictors and sample size, confirms a good model fit. The standard error of estimate (0.49) suggests that the model's predictions are moderately

accurate. These results demonstrate that the selected economic environmental factors dimensions are significant predictors of SMEs performance within the study context.

4.3   Hypotheses Test

R/Ship	Beta Values	Standard Deviation	T Statistics	P Values
Inflation rate -> SMEs Performance	0.37	0.08	6.50	0.001
Exchange rate-> SMEs Performance	0.22	0.07	4.08	0.000
Taxation-> SMEs Performance	0.11	0.05	2.65	0.001

As Table 4 illustrates, all of the model's hypothesized relationships are positive and statistically significant, suggesting that inflation rate, exchange rate, and taxation factors all have a significant impact on the performance of SMEs. In particular, inflation rate show the strongest positive effect on SMEs performance ($\beta = 0.37$, $t = 6.50$, $p < 0.001$), indicating that favorable economic conditions such as resource availability, market stability, and financing access are crucial in improving the performance of small and medium enterprises.

The performance of SMEs is also significantly positively correlated with exchange rate ($\beta = 0.22$, $t = 4.08$, $p < 0.000$). This indicates that for every unit change in the exchange rate will lead to 22% SMEs performance. H02, is therefore rejected which claims that the performance of SMEs in Kaduna State is significantly impacted by exchange rate.

It is clear from Table 4 that the taxation is positively and significantly affect the SMEs' performance. The significance level is $P < 0.001$. This signifies that a unit change in the taxation will result in 11% effect in SMEs' performance. Thus, H03 is rejected, which asserts that taxation have appreciable impact on Kaduna State's SMEs' performance, is rejected.

4.4   Discussion of Results

This study examines the effect of economic environmental factors on the performance Small and Medium Enterprises of Kaduna State of Nigeria. The results obtained through multiple regression analysis shed light on the extent to which economic environmental factors influence the SMEs performance.

i.   With a p-value of 0.001 at a 5% significance level, the analysis shows a slightly strong positive impact of inflation rate on SMEs' performance. The study rejects the null hypothesis and accepts the alternative hypothesis because the computed p-value (0.001) is less than the 5% significance level. These results are consistent with the study conducted by Olufunmilayo Arinola and Akindowo, (2023).

ii.   With a P-value of 0.000 indicating statistical significance at the 5% level, the analysis also shows a smaller but favorable impact of exchange rate on SMEs performance. The outcome shows that performance of SMEs is significantly impacted by exchange rate. These results corroborate Olufunmilayo Arinola & Akindowo, (2023). They do not, however, agree with the results of Ogundare, (2019).

iii. According to the second hypothesis, taxation has a strong positive impact on SMEs' performance; the statistical significance of this relationship is confirmed by the P-value of 0.001. As a result, the study rejects H_3 and accepts the alternative hypothesis, which contends that taxation have a positive significant influence on SMEs' performance.

Nonetheless, the findings are consistent with the research done by Asare, and Adu-Gyamfi, (2022); Isaac (2015.

5.0   Conclusion and Recommendations

As already highlighted in the findings, economic factors like the inflation rate have an impact on the performance of SMEs as the profitability of SMEs is significantly impacted by the rate of inflation. This is because, they reduce their level of operations and high lending rates discourage them from obtaining funding from financial institutions. It is therefore, concluded that economic environment of a business plays a significant role in determining SMEs performance.

The following measures are recommended in order to ensure the survival of small and medium enterprises in Kaduna State:

i.   To maintain exchange rate stability as well as favorable tax and inflation rates, the federal government should focus on changing the current economic policies and regulatory framework. The operations of small and medium-sized businesses will significantly improve if these economic factors are stabilized because they will be motivated to be more creative and productive.

ii.   The government should also involve all stakeholders in order to create a harmonious tax policy that benefits the government and the manufacturing sector. Additionally, there might be an incubation period that would enable SMEs to become self-sufficient and pay their taxes. When everyone is involved in the administration of taxes, this will foster a positive attitude toward their payment

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