

The purpose of this study was to determine the factors affecting the growth of Small and Medium Enterprises in Nairobi CBD. The factors discussed were; Effect of a government policy on Growth of Small and Medium Enterprises; Effect of access to capital on Growth of Small and Medium Enterprises and Effect of competition on Growth of Small and Medium Enterprises. The research adopted descriptive correlation research design .The data was collected through a self-structured questionnaire. The target population was all owners of SMEs operating within Nairobi CBD. A stratified random sampling technique was used to select a sample of sixty (60) SMEs from the total population. Data was analyzed through the use of a computer software SPSS. The data collected was analyzed by descriptive statistics. Data analyzed was presented in form of tables .The study found out access to capital, government policy and competition affect the growth of Small and Medium Enterprises with correlation coefficient of 1.081, 3.717 and -581.173 respectively. The study recommends that the government needs to formulate policies which supports SMEs growth.