



BANK CREDIT SCHEME AND EXPORT PROMOTION OF SMALL MEDIUM ENTERPRISES IN RWANDA: A CASE OF URWIBUTSO ENTERPRISES LTD

Peter Rutayisire¹, Dr. Kengere A. Osiemo¹

¹Mount Kenya University, Kigali, Rwanda

Abstract

The study aimed to examine the impact of export working capital loans, export credit insurance, and pre-shipment financing on the export promotion of Urwibutso Enterprises Ltd. The significance of the research extended to various stakeholders including the enterprise, future researchers, Mount Kigali University, the Government of Rwanda, and the general public. The study utilized descriptive and explanatory research designs targeting all 48 employees of Urwibutso Enterprises Ltd. Data collection was conducted using questionnaires and interviews, and the analysis was performed with SPSS Version 23, highlighting means, standard deviations, percentages, correlation coefficients, and regression analysis. Results indicated that the majority of respondents agreed on the importance of meeting financial obligations for the sustainability and success of the enterprise, despite a minority disagreement. The survey also showed that liquidity availability is critical for smooth operations and business sustainability. The influence of working capital loans on export promotion was affirmed, with one question showing disagreement. The cash reporting survey presented an overall average of ($x = 2.1000$, Std Dev=1.01228), demonstrating a reasonable mean and response heterogeneity. The study concluded that proper financial practices are vital for enterprise sustainability and export promotion. Recommendations included improving the ability to pay short-term liabilities on time, maintaining positive cash flow, and addressing complexities in international markets like currency fluctuations, regulatory differences, and geopolitical risks.

Key words: Bank Credit Scheme, Export Promotion, Small Medium Enterprises, Urwibutso Enterprises, Rwanda

Introduction

The European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) are two prominent institutions that provide essential support to SMEs aiming to expand internationally. The EIB, as the long-term lending institution of the European Union, offers a range of financial products, including loans, guarantees, and equity investments. Notably, the EIB's "Export Finance" program specifically targets SMEs looking to export their products and services to non-EU countries, thereby promoting international trade and business growth (Linders, 2019).

Similarly, the EBRD supports SMEs in Europe and Central Asia by providing tailored financial products such as loans, guarantees, and equity investments. These products help SMEs navigate the complexities of international trade and expand their market reach (Berman & Hericourt, 2020; Gnanon, 2021).

In Asia, bank credit schemes are crucial for promoting the export activities of SMEs. These schemes provide the necessary credit facilities and insurance coverage, enabling SMEs to overcome financial constraints and mitigate risks associated with international trade. By supporting SME growth, these initiatives contribute to overall economic development and job creation in the region. For instance, the Small Industries Development Bank of India (SIDBI) and the Japan Finance Corporation (JFC) offer tailored credit facilities and financial assistance programs for SMEs engaged in export activities (Kagina, 2021; Kesteleyn, 2018).

In Africa, bank credit schemes and export promotion initiatives play a critical role in supporting SMEs, which are considered the backbone of many African economies. These initiatives aim to provide financial assistance and facilitate the growth of SMEs, addressing the financing challenges they face. For example, in Ghana, bank credit schemes encompass various types of lending programs, including microfinance, agricultural loans, and SME financing (Hericourt, 2020).

Microfinance institutions (MFIs) are pivotal in providing small loans and financial services to low-income individuals who lack access to traditional banking services. By supporting micro-entrepreneurs, microfinance contributes to poverty reduction and economic empowerment at the grassroots level (Sherillyn, 2023). Agricultural loans are another crucial component, particularly in Rwanda, where agriculture is a significant sector. These loans help farmers access necessary inputs and equipment, thereby enhancing productivity and promoting sustainable farming practices (Raga, 2023).

Currently bank credit scheme and export promotion of small and medium enterprises (SMEs) in Rwanda revolves around the challenges faced by SMEs in accessing credit facilities and the need to promote their participation in export activities. This problem is significant as SMEs play a crucial role in the economic development of Rwanda, contributing to job creation, poverty reduction, and overall economic growth, (Munch, 2018).

The main challenge faced by SMEs in Rwanda is limited access to bank credit. SMEs often struggle to meet the stringent requirements set by banks, such as collateral and financial documentation, which are necessary to secure loans. The lack of awareness and knowledge among SMEs regarding export opportunities. Many SMEs in Rwanda are not aware of the potential benefits of exporting their products or services. They may lack information on market demand, export procedures, trade regulations, and international standards and promoting export activities among SMEs requires a multi-faceted approach. The government, in collaboration with relevant stakeholders, should develop and implement targeted export promotion programs, (Raga, 2023).

According to RDB report, (2022) and RRA annual activity report for fiscal year (2022/23) state that to ensure the success of the bank credit scheme and export promotion initiatives, it is crucial to establish strong partnerships between the government, financial institutions, industry associations, and other relevant stakeholders. These partnerships can facilitate knowledge sharing, coordination of efforts, and the development of a supportive ecosystem for SMEs.

In Rwanda, limited access to credit facilities and the lack of awareness and support for export activities. Addressing these challenges requires the implementation of a comprehensive bank credit scheme tailored to the needs of SMEs and the promotion of targeted export promotion programs. This study therefore intends to assess the extent at which bank credit scheme and export promotion of small medium enterprises in Rwanda, a case of Urwibutso enterprises Limited.

Objectives of the Study

This research project was conducted for attainment of the following objectives:

General Objective

This research study assessed the extent to which bank credit scheme influence export promotion of small medium enterprises in Rwanda, a case of Urwibutso Enterprises Ltd.

Specific Objectives

The following objectives served as the foundation for this work:

- (i) To examine the effect of working capital loans on export promotion of Urwibutso Enterprises Ltd.
- (ii) To analyse the influence of export credit insurance on export promotion of Urwibutso Enterprises Ltd
- (iii) To assess the pre-shipment financing effect on export promotion of Urwibutso Enterprises Ltd

Material and Methods

The study employed a descriptive and explanatory research approach, integrating both qualitative and quantitative methods for data collection and analysis. This design was deemed appropriate as it effectively addressed the significant objectives and research questions related to the relationship between bank credit schemes and export promotion. The descriptive design specifically focused on aspects of bank credit schemes, including export working capital loans, export credit insurance, and pre-shipment financing, while also evaluating Urwibutso Enterprises Ltd's export promotion metrics, such as export volume, value, market share, and growth rate.

The target population consisted of management at Urwibutso Enterprises Ltd, including operational, tactical, and strategic managers, totaling 48 administrative staff members. The

researcher utilized purposive sampling techniques to select interviewees, focusing on custodians of the credit scheme, and opted to sample the entire population due to its size.

Data collection methods included questionnaires, interviews, and documentary reviews. Questionnaires facilitated the gathering of large amounts of data quickly, allowing for anonymity and frank responses from participants. The researcher also conducted a review of secondary data sources, including annual reports, to provide a comprehensive background for the study. The reliability of the instruments was assessed using Cronbach's Alpha, achieving satisfactory results above the 0.70 threshold, while validity was ensured through expert judgment and refinement of the instruments.

Data analysis utilized descriptive and inferential statistical methods, employing Pearson Correlation to assess relationships between variables and a regression model to evaluate the impact of bank credit schemes on export promotion. Ethical considerations were paramount, adhering to Belmont's principles of respect for persons, beneficence, and justice, ensuring participants were informed, protected, and assured of confidentiality. The research was conducted with transparency, emphasizing academic purpose and maintaining respondent anonymity throughout the study.

Results of the study

To examine working capital loans on export promotion of Urwibutso Enterprises.

This sub section is aiming to make out the reaction of respondents basing on first research objective of the study and then researcher presents the components that provide the factors that to examine the effect of working capital loans on export promotion of Urwibutso Enterprises as follows:

Table 1: Descriptive Statistics for working capital loans on export promotion

Working Capital Loans	SA		A		D		SD		Mean	Std Dev.
	fi	%	fi	%	fi	%	fi	%		
Meeting financial obligations is crucial for the sustainability and success of the enterprise that involves fulfilling various financial commitments such as paying off debts, meeting operational and administrative expenses.	28	60	04	10	04	10	09	20	1.80000	1.105013
Availability Liquidity of the enterprise to maintains its operations is one of the strategies for the smooth functioning and sustainability of its business activities.	13	28	18	40	05	12	09	20	2.1000	.96791
Does the enterprise has ability pay short-term liabilities on time and maintaining a positive cash flow and avoiding financial distress?	07	16	04	08	11	24	23	52	2.8500	.98809
Does operating in international markets introduces various complexities and challenges, including currency fluctuations, regulatory differences, and geopolitical risks.	30	66	05	10	01	04	09	20	1.65000	.988087
Overall Mean									2.1000	1.01228

Source: Primary Data, Field results (2024)

Keys Abbreviations: From the above table; fi Signify frequency, % refers to percentage, SA: Strongly Agree; A: Agree; N: Neutral; D: Disagree; and SD: Strongly Disagree; ^x: Mean; SDEV: Standard Deviation.

The results in Table 1 showed that that 70% of the respondents agreed that meeting financial obligations is crucial for the sustainability and success of the enterprise that involves fulfilling various financial commitments such as paying off debts, meeting operational and administrative expenses while 30% disagree with the statement. This implied that meeting financial obligations involves fulfilling various financial commitments. Survey showed that 68% of the respondents agreed that availability liquidity of the enterprise to maintains its operations is one of the strategies

for the smooth functioning and sustainability of its business activities whereas 32% disagree with the statement. This signifies that availability liquidity maintains its operations smooth functioning and sustainability.

Research finding showed that 76% of the respondents disagreed that enterprise hasn't ability pay short-term liabilities on time and maintaining a positive cash flow and avoiding financial distress and 24% agree with the statement. This implies that ability pay short-term liabilities on time and maintaining positive cash is very big challenge to the enterprise. The survey showed that 76% of the respondents agreed that operating in international markets introduces various complexities and challenges, including currency fluctuations, regulatory differences, and geopolitical risks and minority disagreed. This implies that operating in international markets introduces various complexities and challenges and geopolitical risks to the enterprise.

Basing on the majority of the responses on the influence of working capital loans on export promotion in Urwibutso Enterprise Ltd, only one question was disagreed, this implied that working capital loans is implemented in the enterprise in Rwanda. According to survey from cash reporting in enterprise has presented overall average of ($x = 2.1000$ and $Std\ Dev=1.01228$) in stirring the export performance; this means there is reasonable mean and evidence of the existence of the fact and heterogeneity of responses.

This finding is in line with the finding by Bartoli (2014) on bank support and Export: evidence from small Italian firms. Small business Economics, Journal of International Knowledge sharing Platform on exports. This would eventually enhance the export performance as is brought out by this study.

To assess export credit insurance on export promotion of the enterprises

This sub section is aiming to make out the reaction of respondents basing on second research objective of the study and then researcher presents the components that provide the factors that assess the influence of export credit insurance on export promotion of Urwibutso Enterprises Ltd as follows:

Table 2: Descriptive Statistics for export credit insurance on export promotion

Export Credit Insurance	SA		A		D		SD		Mean	Std Dev.
	fi	%	fi	%	fi	%	fi	%		
Do your enterprise has to assess the buyer's capacity to meet financial obligations, makes payments, and sustains their financial position over time by evaluating the financial strength and ability of a buyer.	30	67	06	14	01	3	08	16	1.7000	1.02858

Does the understanding of default risks from buyers very crucial for businesses and investors to make informed decisions and develop appropriate risk management strategies?	05	10	34	76	04	08	02	06	1.1000	.64072
Does managing the exposure to potential financial losses gauge the critical aspect of enterprise risk management.	02	04	06	14	21	46	16	36	3.1500	.81273
Does the mitigation of enterprise risks employ various strategies and techniques to minimize the impact of financial losses on their operations and profitability?	32	70	02	05	04	10	07	15	1.7000	1.17429
Overall Mean									2.1625	0.93908

Source: Primary Data, Field results (2024)

Keys Abbreviations: From Table 4.7; fi Signify frequency, % refers to percentage, SA: Strongly Agree; A: Agree; N: Neutral; D: Disagree; and SD: Strongly Disagree; ^x: Mean; SDEV: Standard Deviation

The results in Table 2 showed that that 81% of the respondents agreed that the enterprise has to assess the buyer's capacity to meet financial obligations, makes payments, and sustains their financial position over time by evaluating the financial strength and ability of a buyer and 19% of respondents disagree with statement. This implies that buyer's capacity to meet financial obligations and makes payments. The results showed that 86% of the respondents agreed that understanding of default risks from buyers very crucial for businesses and investors to make informed decisions and develop appropriate risk management strategies. This implies that default risks from buyers very crucial for businesses and investors to make informed decisions.

Findings showed that 86% of the respondents disagreed that managing the exposure to potential financial losses gauge the critical aspect of enterprise risk management and minority agreed of 14% respondents. This signifies that exposure to potential financial losses don't gauge the critical aspect of enterprise risk management. Survey showed that 75% of the respondents agreed that mitigation of enterprise risks employ various strategies and techniques to minimize the impact of financial losses on their operations and profitability and 25% minority of respondents disagreed with statement. This demonstrates that in order to reduce the negative effects of monetary losses on their operations and profitability, enterprises mitigate risks by utilizing a variety of tactics.

Basing on the response, only one question was disagreed hence significant effect. This signifies that export credit insurance is granted by the concerned organisations as well as all enterprise in Rwanda. In light of research findings from Urwibutso Enterprises Ltd has presented overall average of (x =2.1625 and Std Dev = 0.93908) in influencing the export credit insurance; this means there is moderate mean and evidence of the existence of the fact and homogeneity of responses.

This finding agrees with Kasema, (2023) on key factors influencing the export performance of SMEs in Rwanda: evidence from the non-traditional export sector. Asia Pacific Journal of Innovation and Entrepreneurship, (ahead-of-print). Findings showed that developed in export credit insurance protects exporters against the risk of non-payment by foreign buyers by providing coverage for commercial and political risks may arise.

To assess the pre-shipment financing effect on export promotion

This sub section is aiming to make out the reaction of respondents basing on third research objective of the study and then researcher presents the components that provide the factors that pre-shipment financing effect on export promotion of Urwibutso Enterprises Ltd as follows:

Table 3: Descriptive Statistics for pre-shipment financing effect on export promotion

Pre-shipment Financing	SA		A		D		SD		Mean	Std Dev.
	fi	%	fi	%	fi	%	fi	%		
Does the enterprise require to incur shipment expenses (cost Freight and insurance) to make sure the products reach the final buyers?	11	23	29	65	01	04	04	08	2.0500	.82558
Do all your buyers pay upfront to make sure you have cash before your ship their products	26	58	06	14	07	16	05	12	1.6500	.93330
Do you require liquidity to buy some of the items to be exports to build a model of international trade with liquidity constraints and to pay some entry cost in order to access foreign markets?	06	14	03	06	15	34	21	46	3.1000	1.07115
Pre-shipment financing offers working capital to exporters to facilitate the production and shipment of goods that helps mitigate risks associated with international trade, such as non-payment by the	08	18	29	63	05	12	03	07	2.0500	.68633

importer or unforeseen events that may impact them

Overall Mean

2.2125 0.87909

Source: Primary Data, Field result, (2024)

Keys Abbreviations: From the above table; fi Signify frequency, % refers to percentage, SA: Strongly Agree; A: Agree; N: Neutral; D: Disagree; and SD: Strongly Disagree; \bar{x} : Mean; SDEV: Standard Deviation

The research results in Table 3 showed that 88% of the respondents agreed that enterprise require to incur shipment expenses (cost Freight and insurance) to make sure the products reach the final buyers and 12% of the respondents disagreed with statement. This implies that businesses must pay shipment costs (such as freight and insurance) to ensure that the goods reach the final consumers. Research shows that 72% of the respondents agreed that buyers pay upfront to make sure cash before shipment of their products and minority disagreed. This means that in order to ensure they have funds before shipping their goods, buyers pay in advance.

The survey shows that 80% of the respondents disagreed that require liquidity to buy some of the items to be exports to build a model of international trade with liquidity constraints and to pay some entry cost in order to access foreign markets and minority disagreed with statement. This demonstrates that liquidity doesn't pay some entry costs in order to access foreign markets and to purchase some of the goods to be exported in order to create a model of international trade with liquidity constraints. Findings shows that 81% of the respondents agreed that pre-shipment financing offers working capital to exporters to facilitate the production and shipment of goods that helps mitigate risks associated with international trade, such as non-payment by the importer or unforeseen events that may impact them and 19% of respondents disagreed. This signifies that in order to help exporters reduce the risks associated with international trade, pre-shipment financing provides working capital to enable the production and shipment of goods.

Basing on the feedback from respondents, only one question was disagreed that is insignificant. This signifies that pre-shipment financing effect on export promotion in the Enterprise. According to survey results from pre-shipment financing has presented overall average of (\bar{x} =2.2125 and Std Dev =0.87909) in influencing the export promotion; that means there is moderate mean and evidence of the existence of the fact and homogeneity of responses.

This finding compares well with the position taken by Abor and Kuipo (2014). Bank finance and export activities of small and medium enterprises, review of development finance. This would eventually enhance the Small and medium-sized business exporting and bank financing as is brought out by this study.

To Export promotion performance in Urwibutso Enterprise

This sub section is aiming to make out the reaction of respondents basing on dependent variable of the study and then researcher presents the components that provide the factors that examine the level of Export promotion performance in Urwibutso Enterprise as follows:-

Table 4: Descriptive Statistics for Export promotion performance

Export Promotion Performance	SA		A		D		SD		Mean	Std Dev.
	fi	%	fi	%	fi	%	fi	%		
The working capital loan viewed as key aspect in business operation and credit export insurance vital to you in dealing with buyers on foreign market	12	24	27	52	05	10	07	14	2.1500	.98809
Find pre-shipment financing playing a pivotal role in meeting the required orders from buyers.	23	45	15	28	04	08	10	19	2.0000	1.16980
Overall Mean									2.0750	1.078945

Source: Primary Data, Field results (2024)

Keys Abbreviations: From the above table; fi Signify frequency, % refers to percentage, SA: Strongly Agree; A: Agree; N: Neutral; D: Disagree; and SD: Strongly Disagree; \bar{x} : Mean; SDEV: Standard Deviation

The research results in Table 4 showed that 76% of the majority respondents agreed that working capital loan viewed as key aspect in business operation and credit export insurance vital in dealing with buyers on foreign market and minority disagreed. This implies that in order to conduct business with buyers on international markets, working capital loans are considered essential, and credit export insurance is crucial. Survey demonstrates that 73% of the majority of respondents agreed that pre-shipment financing playing a pivotal role in meeting the required orders from buyers and minority disagreed. This implies that identify the critical role pre-shipment financing plays in fulfilling buyers' orders.

Presentation of Inferential Statistics

Correlation Matrix Results

A correlation matrix is a table showing correlation coefficients between variables. Each cell in the table shows the correlation between two variables. Each random variable (M) in the table is correlated with each of the other values in the table (N). Findings show correlation matrix results in Table 4.10.

Table 5: Correlation Matrix Results

		working capital loans	Export Credit Insurance	Pre- Shipment Financing	Export promotion performance
Working Capital Loans	Pearson Correlation	.956**			
	Sig. (2-tailed)	.000			
	N	45			
Export Credit Insurance	Pearson Correlation	.946**	1		
	Sig. (2-tailed)	.000			
	N	45	45		
Pre- Shipment Financing	Pearson Correlation	.901**	.945**	1	
	Sig. (2-tailed)	.000	.000		
	N	45	45	45	
Export promotion performanc e	Pearson Correlation	.956**	.946**	.901**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	45	45	45	45

Source: Primary Data, results (2023)

In this case, correlation matrix Table 5, the outcomes show that there is a very high correlation between working capital loans and Export promotion performance as Pearson correlation is .956** with the *p-value* of 0.000, which is less than standard significance levels of 0.05. This signifies that, out of the considered other factors influencing export promotion performance of enterprise in Rwanda, only working capital loans has statistical significant and positive effect on the export promotion performance of enterprise. This means working capital loans can provide businesses with the necessary funds to support their export activities. By having access to working capital, enterprises can invest in marketing, production, and distribution efforts aimed at boosting their export performance.

The survey results indicated that there is very strong correlation between export credit insurance and export promotion performance in Enterprise as Pearson correlation is .946**. The *p-value* is 0.000, which is less than standard significance levels of 0.05. This specifies that, when ignore other factors affecting export credit insurance of the Enterprise in Rwanda, only export credit insurance has statistical significant effect on export promotion performance in Urwibutso Enterprise. Export credit insurance provides businesses with greater confidence in entering foreign markets, as they

are protected from the risk of non-payment. This increased confidence can lead to more exports and higher export performance.

Basing on correlation matrix table 4.10, the survey results demonstrate that there is very strong correlation between pre-shipment financing and export promotion performance in Enterprise as Pearson correlation is .901**. The *p-value* is 0.000, which is less than standard significance levels of 0.05. This specifies that, without other factors affecting export promotion performance of enterprises in Rwanda, only pre-shipment financing has statistical significant relationship with export promotion performance in Urwibutso Enterprise Ltd. Pre-shipment financing can have a positive impact on export performance in several ways. First, by providing exporters with the necessary capital to produce and ship their goods, pre-shipment financing can help to ensure that exporters are able to meet their contractual obligations and deliver their goods on time. This can help to build trust and credibility with buyers, which can in turn lead to increased sales and repeat business.

Multiple Regression Analysis

Multiple regression analysis was conducted to investigate the statistical influence of bank credit scheme influence export promotion performance of small medium enterprises in Rwanda using the model below:

$$Y_{fp} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

The independent variables (X_1 - X_3) under consideration included working capital loans, export credit insurance and pre-shipment financing.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.962 ^a	.925	.920	.30288

a. Predictors: (Constant), working capital loans, export credit insurance and pre-shipment financing

Table 6 shows the value of R-square in this study is .900 (90.0%) means that the fraction of export promotion performance (dependent variable) is explained by the independent variables (bank credit scheme) at 92.5%. This indicates that the model is very strong, as the independent variable highly explains the dependent variable. The adjusted R-square is used to compensate for additional variable in the model. In this case, the adjusted R-square is 92.0% for export promotion performance of Urwibutso Enterprise Ltd.”

Table 7: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	46.683	3	15.561	169.623	.000 ^b
	Residual	3.761	41	.092		
Total		50.444	44			

a. Dependent Variable: Export promotion performance

b. Predictors: (Constant), working capital loans, export credit insurance and pre-shipment financing

Basing on ANOVA Table 7, *p-value* is 0.000 which is less than the 0.05, set as standard significance levels with fit level of 169.623. This means that null hypothesis stated that there is no significant influence of bank credit scheme on export promotion performance of Urwitbutso Enterprise Ltd, was rejected and goes by the alternative hypothesis, which states that the independent variable influences export promotion performance in terms volume of exports, value of exports and export growth rate.

Table 8: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
	1 (Constant)	.012	.107			.113	.911
Working Capital Loans	.602	.147	.598	4.101	.000	.305	.898
Export Credit Insurance	.310	.178	.326	1.743	.089	-.049	.668
Pre-shipment Financing	.043	.109	.051	.390	.699	-.178	.264

a. Dependent Variable: Export Promotion Performance

$$Y_{fp} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Y_{fp} = Export Promotion Performance

α = Constant

$\epsilon_{(1-3)}$ = Error

$\beta_{(1-3)}$ = Model Coefficients

X_1 = Working Capital Loans

X_2 = Export Credit Insurance

X_3 = Pre-Shipment Financing

$Y = .012 + .602$ (Working Capital Loans) + $.310$ (Export Credit Insurance) + $.043$ (Pre-Shipment Financing) + 0.434

The multiple regression equation demonstrates that export promotion performance of enterprises in Rwanda always depended on a constant factor of .012 regardless of the existence of other factors. The other variables explain that; every unit increase in bank credit scheme will increase export promotion performance by a factor of .602, followed by unit change in export credit insurance by .310 and lastly Pre-Shipment Financing by a factor of .043. This signifies that proper practice of working capital loans in the Urwibutso Enterprise Ltd will increase most in export promotion performance in terms of volume of exports, value of exports and export growth rate. The annual percentage change in export volume or value, indicating the momentum of export performance.

Basing on Coefficients^a Table 8 on working capital loans, *p-value* is 0.000 which is less than the 0.05 set as standard significance levels. This means that null hypothesis stated that there is no significant influence of working capital loans on export promotion performance of Urwibutso Enterprise Ltd, was rejected and goes by the alternative hypothesis, which states that the independent variable influences export promotion performance in terms volume of exports, value of exports, export growth rate, return on investment (ROI) and market share. The financial gain from export promotion efforts relative to the resources invested in these activities.

Basing on Coefficients^a Table 8 on export credit insurance, *p-value* is .089 which is greater than the 0.05 set as standard significance levels. This means that null hypothesis stated that there is no significant influence of export credit insurance on export promotion performance of Urwibutso Enterprise Ltd, was accepted (fail to reject H_0) and goes by the null hypothesis, which states that the independent variable doesn't have influence on export promotion performance in terms of volume of exports, value of exports, export growth rate, return on investment (ROI) and market share. This means Export Credit Insurance doesn't have much influence on the export promotion performance and development of the new entrants in the market hence effectiveness of initiatives and strategies designed to increase a enterprise's export performance.

Basing on Coefficients^a Table 8 on pre-shipment financing, *p-value* is .699 which is greater than the 0.05 set as standard significance levels. This means that null hypothesis stated that there is no significant influence of pre-shipment financing on Urwibutso enterprise's export performance, was accepted (fail to reject H_0) and goes by the null hypothesis, which states that the independent variable doesn't have influence on enterprise export promotion performance in terms volume of

exports, value of exports, export growth rate, return on investment (ROI) and market share. The ability to adhere to international trade regulations, standards, and certifications can impact export performance.

Discussion

The current study's results align with previous empirical research on the influence of export working capital loans, export credit insurance, and pre-shipment financing on export promotion. The findings from Urwibutso Enterprise Ltd illustrate that working capital loans have a statistically significant and positive impact on export promotion performance, as evidenced by a high Pearson correlation coefficient of .956** and a p-value of 0.000. This is consistent with studies by Li and Liu (2017) and Kutan et al. (2019), which demonstrated that access to working capital loans enhances export value, growth, and market diversification. Similarly, Girma et al. (2018) and Bleaney et al. (2016) found that working capital loans alleviate financial constraints, thereby increasing export intensity and competitiveness.

In contrast, the study reveals that export credit insurance does not significantly influence export promotion performance at Urwibutso Enterprise Ltd, with a p-value of .089. This diverges from findings in the Asian Development Bank (2017) study, which highlighted that export credit insurance improves cash flow, reduces trade finance costs, and enhances buyer confidence. The disparity could be attributed to the specific context and implementation of export credit insurance within Urwibutso Enterprise Ltd, suggesting a need for more targeted and effective risk management strategies.

Pre-shipment financing, with a p-value of .699, also showed no significant influence on export performance in the current study, differing from the findings of Smith (2017) and Kayisire (2019), which emphasized the importance of pre-shipment financing in increasing export volumes and values. This discrepancy may be due to the enterprise-specific factors or the adequacy of pre-shipment financing arrangements within Urwibutso Enterprise Ltd.

The multiple regression analysis underscores that working capital loans contribute most significantly to export promotion performance, increasing export volumes, values, and growth rates. This suggests that prioritizing access to working capital loans can effectively boost export performance, aligning with Bartoli (2014) on the importance of bank support for small businesses.

Limitations

The study's limitations include its focus on a single enterprise, which may limit the generalizability of findings. The limited sample size and context-specific factors might not fully capture the broader effects of export credit insurance and pre-shipment financing. Additionally, the study's reliance on self-reported data and specific financial metrics may introduce bias and affect the accuracy of the results.

Conclusion

The study highlights the essential role of bank credit schemes, including working capital loans, export credit insurance, and pre-shipment financing, in enhancing the export performance of small and medium enterprises (SMEs) in Rwanda. Effective implementation of these financial tools significantly boosts export volume, value, and growth. Working capital loans support production and marketing, export credit insurance mitigates risks associated with international trade, and pre-shipment financing ensures timely production and delivery.

Recommendations include improving financial management to better handle short-term liabilities and maintain a positive cash flow, navigating international market complexities such as currency fluctuations and regulatory differences, and leveraging pre-shipment financing to cover export-related expenses and mitigate risks. Additionally, enterprises should prioritize export credit insurance to implement comprehensive risk management strategies, enhancing confidence in global markets and safeguarding against commercial and political risks.

References

- Abor, J. Y., Agbloyor, E. and Kuipo, R. (2018). Bank finance and export activities of small and medium enterprises. *Review of Development Finance*, Vol. 4, pp. 97-103. DOI:org/10.1016/j.rdf.2014.05.004.
- Bartoli, F., Ferri, G., Murro, P. and Rotondi, Z. (2019). Bank support and Export: evidence from small Italian firms. *Small business Economics*, 42, pp. 245-264. DOI:10.1007/s11187-013-9486-8.
- Berman, N., Hericourt, J. (2020), Financial factors and the margins of trade: evidence from cross-country firm-level data. *Journal of Development Economics*, 93, 206-217.
- Gnangnon, S. K. (2021). Manufacturing exports and services export diversification. *The International Trade Journal*, 35(3), 221-242.
- Kagina, A. (2021) 'Rwanda to adopt ECCAS trade) tariffs, says Kagame'. *The New Times*, 30 July 2022.
- Kagina, A. (2022) 'A year later, how has Rwanda, region fared under AfCFTA?' *The New Times*, 6 January 2022.
- Kasema, R. (2023). Key factors influencing the export performance of SMEs in Rwanda: evidence from the non-traditional export sector. *Asia Pacific Journal of Innovation and Entrepreneurship*, (ahead-of-print).
- Kesteleyn, J, Riordan, S, & Ruël, H. (2018). Introduction: Business Diplomacy. *The Hague Journal of Diplomacy*, 9(4), 303-309.
- Munch, J., & Schaur, G. (2018). The effect of export promotion on firm-level performance. *American Economic Journal: Economic Policy*, 10(1), 357-387.
- Sherillyn Raga, (2023) Opportunities and challenges towards implementation of the AfCFTA