Abstract

The consumer goods manufacturing sector has been identified as a sector with great potential for promoting economic growth and competitiveness in Kenya. However, the sector has been experiencing fluctuations over the years under different financial conditions. Generally, the paper focused on determining the influence of long-term debt on the firm's growth. It was grounded on traditional theory and adopted descriptive research design. The paper used secondary data from annual reports and statements from the assessed 12 consumer goods firms listed in the NSE from 1st January, 2018 to 31st December, 2022. The relationship between the two variables was tested using the descriptive, correlation and multiple regression model. The findings were presented in tables, bar and pie charts and prose form for its discussion. The study established that long-term debt financing had the great, positive and significant effect on growth of consumer goods firms listed in the NSE ($\beta=0.771$, $p< 0.05$). The findings also show that 73% change in growth of consumer goods firms was due to long-term debt financing. It was thus, concluded that long-term debt financing is a significant predictor of the growth of consumer goods firms listed on the NSE. The study recommends that financing managers working with consumer goods firms listed in the NSE to ensure prudent utilization of debentures, bonds and bank loans to optimize the available growth opportunities. The CMA and Ministry of Trade to develop policies and regulations to ease access to long-term debt in seeking to improve growth of firms.