

## ABSTRACT

Small and Medium Enterprises in Kenya, play a key role in the economic development, being the source of income generation through the provision of new job opportunities, industrial change and innovation, stimulating competition and wealth creation. In the present economy, SMEs are facing tremendous challenges and threats to survive in environment that is very competitive hence the need to improve on their technological advancement and innovation and the understanding of regulations set by the government in order to stay in a competitive environment. The government of Kenya has introduced many regulations that have influenced the entrepreneurial orientation of SMEs both in the service and manufacturing sectors. The Alcohol Act 2010 seeks to regulate the alcohol production and sales. The aim of this study was to establish moderating role of entrepreneurial training on the relationship between government regulations and entrepreneurial orientation of small and medium enterprises in Kenya. The study targeted 115 owners/managers of alcohol retailing SMEs who have been in business for the last five years and are members of Pub, Entertainment and Restaurant Association of Kenya (PERAK). Qualitative and quantitative techniques were used to analyze both descriptive and inferential statistics.