**Abstract**

Firm productivity is an important indicator of competitiveness and efficiency, yet it has virtually been ignored in the literature on micro and small enterprises (MSEs), especially in developing countries. This study measures and identifies the determinants of firm performance in the Kenyan MSE metal products industry. Based on the primary data collected at Kariobangi in Nairobi, it is shown that MSEs are more productive than large-scale enterprises located elsewhere. Moreover, econometric analyses reveal that education of the manager; formal sector experience, and business trips significantly enhance enterprise performance in terms of labour productivity and current employment size. While formal sector experience increases labour productivity growth, a manager's education and business trips raise employment growth. Key recommendations arising from the analysis are made to inform the policy discourse.