
**World Bank's and EBRD's
BUSINESS ENVIRONMENT AND
ENTERPRISE PERFORMANCE
SURVEY (BEEPS) 2009**

**UNDERSTANDING
THE QUESTIONNAIRE**

January, 2008

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INTRODUCTION

The Business Environment and Enterprise Performance Survey (BEEPS) collect data from key manufacturing and service sectors in every region of the world. The Surveys use a standardized survey instruments and a uniform sampling methodology to minimize measurement error and to yield data that are comparable across the world's economies.

The use of properly designed survey instruments and a uniform sampling methodology enhances the credibility of the World Bank and the European Bank of Reconstruction and Development (EBRD) analysis and the recommendations that stem from this analysis. The BEEPS team aims to achieve the following objectives:

- To provide statistically significant business environment indicators that are comparable across all of the world's economies;
- To assess the constraints to private sector growth and enterprise performance;
- To build a panel of establishment-level data that will make it possible to track changes in the business environment over time, thus allowing, for example, impact assessments of reforms and policy changes; and
- To stimulate policy dialogue on the business environment and to help shape the agenda for reform.

The purpose of this document is to provide information and guidance to the implementing contractor, researchers, field managers, field supervisors and enumerators on how to understand the questions in the surveys. Two complementary notes, the Implementation Note and the Sampling Note complete the documentation for these surveys. The Implementation Note is geared to contractors and project managers. The Sampling Note is a technical document of more interest to researchers and final users of the data.

1. **What is in an Enterprise Survey questionnaire**

To generate internationally comparable data, the questions in the *Core* questionnaire are asked in all countries and for all industries where the survey is implemented. In addition to this *Core* instrument, the *Manufacturing Module* and *Services Module* questions are asked to establishments in the manufacturing and services sectors, respectively. Attachments A, B and C contain the *Core*, *Core plus Manufacturing Module*, and *Core plus Services Module*, respectively. Attachment D is the *Screener Questionnaire*. The *Screener Questionnaire* is used to screen those establishments that do not fit the sampling criteria and should not be surveyed.

The survey is implemented in two stages. In the first stage the *Screener* questionnaire is applied typically via phone and the eligibility of each chosen unit is determined. Some additional control information is collected as well as the contact information. In the second stage one of the three versions of the questionnaire (*Core*, *Manufacturing* or *Services*) is applied following the eligibility type determined in the first stage.

The three versions of the instrument, *Core*, *Manufacturing*, and *Services* are comprised of fifteen sections organized by topic:

- Section A – *Control Information*: information collected in the first stage of implementation
- Section B – *General information*: ownership, start-up.

- Section C – *Infrastructure and Services*: power, water, transport, and communication technologies.
- Section D – *Sales and Supplies*: imports, exports, supply and demand conditions.
- Section E – *Degree of Competition*: price and supply changes, competitors.
- Section O – *Innovation*: innovation and research and development.
- Section W – *Inspections*
- Section P – *Certificates*
- Section G – *Land*: land ownership, land access issues.
- Section I – *Crime*: extent of crime and losses due to crime.
- Section K – *Finance*: sources of finance, access to credit.
- Section J – *Business-Government Relations*: quality of public services, consistency of policy, regulatory compliance costs (management time, bribes).
- Section L – *Labor* employment, training, skills.
- Section M – *Investment Climate Constraints*: evaluation of general obstacles.
- Section N – *Performance*: numbers and figures needed to estimate performance or productivity.

Section F, *Capacity*: use of production capacity, hours of operation, is a section included only in the *Manufacturing Module*.

The primary sampling unit of the study is the establishment. An establishment is a physical location where business is carried out and where industrial operations take place or services are provided. A firm may be composed of one or more establishments. For ex., a brewery may have several bottling plants and several establishments for distribution. For the purposes of this survey an establishment must *make its own financial decisions and have its own financial statements separate from those of the firm*. An establishment must also have its *own management and control over its payroll*.

a. How to ask questions

Tables are to be read one category at a time. For example, when asking the following question:

C.22	At the present time, does this establishment use any of the following?		
	Yes	No	Don't know
E-mail to communicate with clients or suppliers c22a	1	2	-9
Its own website c22b	1	2	-9

The first question to be asked should be “At the present time is e-mail used to communicate with clients or suppliers?”, solicit a response, and then continue by asking “At the present time does this establishment use its own website?”. The point is not to confuse the respondent by asking him or her two questions at once.

There are particularly difficult questions to implement that we point out here. For example, when asking the following question:

D.3	In fiscal year [insert last complete fiscal year] , what percent of this establishment's sales were:
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INTERVIEWER: THESE MUST BE ASKED IN THE ORDER THEY APPEAR ON THE TABLE

	Percent	
a. National sales	%	IF 100, GO TO QUESTION D.10
b. Indirect exports <i>[sold domestically to third party that exports products]</i>	%	IF 100, GO TO QUESTION D.8
c. Direct exports	%	IF 0, GO TO QUESTION D.8
	100%	

INTERVIEWER: CHECK THAT TOTAL SUMS TO 100%

This is a difficult question to implement because the responses must be given in the order of the table, from top to bottom, for the skip patterns to work. The best way to ask this question is by reading each category, from top to bottom, one by one and solicit a response from each before moving on to the next category.

b. What are acceptable responses

Many questions ask for percentages or fractions.

In general, all numbers should be recorded in such a way as to **not have decimals**. So, ten percent is recoded as 10 (not .1 nor .10 and certainly not 1/10). In cases where the respondent answers 10.5 percent, for example, the enumerator should **round up** to 11 percent. In cases where the respondent answers 10.25 percent, the enumerator should round down to 10 percent. The point is to **eliminate all decimals even if it sometimes means rounding down to zero**.

With regard to the rounding rule, in terms of measurement of time, where the answer given by the respondent is between 0 and 1, the rule is to record 1 (hour/minute/day, etc.). These cases are clearly indicated in the questionnaires, see examples B7 and C4 below.

For purposes of standardization, the conventions for time conversions are the following:

- 1 day= calendar day;
- 1 week=7 days;
- 1 month=4 weeks;
- 1 year=52 weeks; and
- 1 year=365 days.
- 1 month=30 days

If the question asks for a response in days and the respondent responds in weeks, the enumerator must make the conversion and record the response in days, not in weeks. If in doubt about the conversion, record the answer in the margin for conversion after interview.

If the enumerator hears one and a half days, they should round up and record a two (2).

B.7	How many years of experience working in this sector does the Top Manager have?
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Answer: “Two months”

	Years
Manager’s experience in sector	
Less than one year	1

Or

C.4	In reference to that application for an electrical connection, approximately how many days did it take to obtain it from the day of the application to the day the service was received?
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	Days
Wait for electrical connection	
Less than one day	1
Still in process	-6
Application denied	-5
Don’t know	-9

The only case when the respondent is asked to do the conversion themselves is when they respond in dollars, euros, or any other currency which is not the local currency. **All questions should have a response in the local currency units (LCUs). The enumerator does not do the conversion himself.** This discussion about currencies should also make it clear that the enumerator should always be aware of the currency units the respondent is referring to in his or her responses.

c. How to minimize enumerator bias

The questionnaire is to be read as it is written. As with any survey enumerators should refrain from introducing any interpretation bias by trying to explain or direct the answer. However, in some cases answers are not provided in the format desired or they do not address the issue in question. To handle these situations, in general, questions can be classified in 2 categories: one, opinion-based or sensitive questions and, second, hard-data questions.

Opinion-based or sensitive questions are those where the actual opinion of the respondent is requested or where a sensitive issue is being addressed such as payment of informal gifts or the degree of obstacle questions. In these cases enumerators should just read the questions. When asked for the meaning of any term or when faced with a respondent who is confused or does not understand the question enumerators should read again the full question as it is written. They should not attempt to change the wording or explain using synonyms or commonly used terms. If the respondent cannot understand the question, write -9 (don’t know). If the respondent refuses to

respond, write -8 (refuse to respond). If the respondent puts the enumerator under pressure to explain, as a last resort, the enumerator can indicate that he or she has been instructed NOT to explain any question. In this manual, opinion-based and sensitive questions are identified with shaded background.

Hard-data questions are those directed to get objective facts including quantitative data. In some cases the questions are quite specific and they require identifying the appropriate answer from the sometimes “narrative stories” provided by the respondent. In these cases enumerators are allowed to probe the respondent using standard techniques: re-ask the question emphasizing the key concept, for ex. “In a TYPICAL month how many”; ask a question that completes an incomplete answer already provided, for ex. if the respondent provides an answer for one given month but the question refers to the whole year, enumerators can ask what happened in the other 11 months; when the respondent provides the answer in ranges such as, between a and b, enumerators can ask “Could you be more specific?” or “Is it more a or more b?”. Notice that in the latter case enumerators that assume the answer is the average of a and b introduce a bias through their own interpretation. In this manual hard-data questions are differentiated by not having a shaded background.

d. Explanation of terms

The instructions below provide explanations of the terms used, definitions applied and the intent of the questions that comprise the BEEPS instruments.

For purposes of distinguishing between Core, Services and Manufacturing questions, in the question number column Services and Manufacturing specific questions will be identified with (S) and (M) respectively. Questions without these references are Core questions which are common to all three questionnaires.

Section	Number	Instructions
Control Information	a0	Questionnaire used in the interview. It is defined according to the screener sector of activity of the establishment
Control Information	a1	Country: self-explanatory
Control Information	a1a	Language of the interview: self-explanatory
Control Information	a2	Regional classification of the establishment in the sample frame
Control Information	a3x	Physical location of the establishment as determined when the interview takes place
Control Information	a3	Location control variable: it is defined by the actual location of the establishment
Control Information	a3a	Regional classification of the establishment as determined by the appointment information in the screener questionnaire
Control Information	a4a	Classification of the establishment’s activity as defined in the sample frame
Control Information	a4b	Classification of the establishment’s activity as defined by the screener questionnaire

Section	Number	Instructions
Control Information	a5	Self-explanatory
Control Information	a6a	Size of the establishment taken from the sample frame
Control Information	a6b	Size of the establishment as determined in the screener questionnaire
Control Information	a7	Identifies establishments that are part of a larger firm
Control Information	a8	Identifies type of establishment for those that are part of larger firms
Control Information	a9	Information taken from the screener questionnaire
Control Information	a10	Information taken from the screener questionnaire
Control Information	a11	Information taken from the screener questionnaire
Control Information	a12	Information taken from the screener questionnaire
Control Information	a13	Information taken from the screener questionnaire
Control Information	a14	Self-explanatory
General Information	B.1	<p>A firm's legal status is information well known for the target respondent: CEO, General Manager or owner of the firm. ENUMERATORS DO NOT NEED TO KNOW THE DEFINITION OF EACH TYPE OF LEGAL STATUS.</p> <p>A firm's legal status is first determined by whether participation on ownership is by shares (first 2 options) or not (options 3 and 4). The fifth option is a combination of the previous ones.</p> <p>If a firm's shares are publicly traded, it is a <i>shareholding company with shares traded in the stock market</i>. If the shares are not traded or they are traded only privately it is a <i>shareholding company with shares traded privately</i>. A <i>shareholding company with shares traded privately</i> is a firm that is owned by partners or shareholders for whom their claims over the firm are not publicly traded. They may or may not be traded privately. In both of these categories firms have limited liability.</p> <p>A <i>sole proprietorship</i> is a business owned and operated by one individual natural person. A natural person is a real human being, as opposed to an artificial legal entity such as a corporation or organization that the law treats for some purposes as if it were a person distinct from its members or owner(s).</p> <p>A firm's legal status defines the extent of the liability which defines</p>

Section	Number	Instructions
		<p>the level of responsibility of the owner over the firm's obligations. Sole proprietorships and simple partnerships companies are the only entities with unlimited liability. Every partner/owner is fully responsible for all obligations of the firm. Under limited liability each owner is only responsible for the proportion of his/her shares.</p> <p>A <i>partnership /collective company</i> allows two or more people to share profits and liabilities, with or without privately held shares. In a partnership, the parties could be individuals, corporations, trusts, other partnerships, or a combination of all of the above. The essential characteristic of this partnership is the unlimited liability of every partner.</p> <p><i>Limited partnership / Comandite company</i> is a legal form that includes one or several general partners and one or more limited partners who invest capital into the partnership, but do not take part in the daily operation or management of the business. The limited partners limit their amount of liability to the amount of capital invested in the partnership. The general partners personally shoulder all debts and obligations of the partnership. Business operations are governed, unless otherwise specified in a written agreement, by majority vote of voting partners. Limited liability partnerships are separate legal entities that provide liability protection for all general partners as well as management rights in the business.</p> <p>Cooperatives and state owned firms should be designated as <i>Other</i>. When other is chosen, the actual form of legal status must be specified in writing by the enumerator on the survey instrument.</p>
General Information	B.3	Self-explanatory.
General Information	B.2	<p><i>Foreign</i> ownership refers to the nationality of the owners. If the primary owner is a foreign national resident in the country, it is still a foreign owned firm. If the owner is another company or institution owned by individuals who are foreign nationals, then it is foreign owned.</p> <p><i>Domestic</i> owners are nationals of the country in which the establishment is located. (Follow the same rule for companies.)</p> <p>A firm that is a subsidiary of a government-owned firm should be considered <i>government-owned</i>.</p> <p>Firms that operate under a franchise agreement should be classified according to the nationality of those awarded the franchise.</p>
General Information	B.4	Self-explanatory.

Section	Number	Instructions
General information	Q.5	The question refers to the creation of the firms in its current form. Whenever the firm is in the process of transition or privatization include in Other.
General Information	B.5	<p>The objective of this question is to obtain the year in which operations started regardless of who was the owner at the time.</p> <p>The year when the establishment began operation refers to the year in which the establishment actually started producing (or providing services), not to the year in which it was registered for the first time.</p> <p>If the establishment was privatized, then the date provided should refer to when the original government-owned establishment began operations.</p> <p>If the establishment changed its production significantly to change <u>sector</u> classification, then the year when that took place should be provided.</p>
General Information	B.6	The number of permanent, full-time employees for the time that the enterprise began operations should be provided. All employees and managers (including respondent) should be included.
General Information	B.6a	<p><u>Registering</u> refer to registration with the national registry (public or private).</p> <p>If and only if the respondent asks what formal registration means explain that it's when the establishment registered with:</p> <p>Albania: Armenia: Azerbaijan: Belarus: Bosnia and Herzegovina: Bulgaria: Croatia: Czech Republic: Estonia: Former Yugoslav Republic of Macedonia: Georgia: Mongolia: Montenegro: Hungary: Kazakhstan: Kyrgyz Republic: Latvia: Lithuania: Moldova: Mongolia: Poland:</p>

Section	Number	Instructions
		Region of Kosovo: Romania: Russia: Serbia: Slovak Republic: Slovenia: Tajikistan: Turkey: Trade Register Office Turkmenistan: Ukraine: Uzbekistan:
General Information	B.6b	<i>Year of registration</i> refers to the year in which the establishment completed the registration as explained in B.6a.
General Information	B.7	<i>Top Manager</i> refers to the highest management individual. This person may be the owner if he/she works as the Manager of the firm. B.7 refers to years of <i>Top Manager's</i> managerial experience in the type of sector in which the establishment presently operates.
General Information	B.7a	Top Manager as defined in B.7.
General Information	B.8	The question refers exclusively to internationally recognized certifications. Examples are: ISO (International Organization for Standardization) for manufacturing and services, HACCP (Hazard Analysis and Critical Control Point) for food (especially, but not exclusively, for seafood and juices), and AATCC (American Association of Textiles Chemists and Colorists) for textiles. Certificates granted only nationally not recognized in international markets are not included.
Infrastructure and Services	C.3	<i>Application for electrical connection.</i> Electrical connection refers to a new connection or to an increase in voltage of an existing connection that requires an application.
Infrastructure and Services	C.4	<i>Wait for electrical connection.</i> Self-explanatory
Infrastructure and Services	C.5	<i>Bribe for electrical connection.</i> Self-explanatory
Infrastructure and Services	C.6	A <i>power outage</i> occurs when there is equipment malfunction from the failure of adequate supply of power. Blackouts that cause some, but not all equipment to malfunction are also considered power outages.
Infrastructure and Services	C.7	If power outages are seasonal the interviewer should ask the respondent to calculate the <i>number of outages in a typical month</i> , excluding both the months in which outages are most frequent and the months where outages are most infrequent. The concept of a typical month must be well understood since it is used several times throughout the questionnaire: it is the most common type of month in the year regarding the characteristic being asked. Thus, for answers such as “electrical outages once every 3 months” in a typical month there are 0 outages (since there will be

Section	Number	Instructions
		outages only in 4 months of the year and in the rest 8 months there will be no outages). For the answer “once every other month” write 1 since there will be 6 months with outages and 6 months without them.
Infrastructure and Services	C.8	This refers to the duration of the power outages in a typical month. The respondent should calculate <u>average duration of power outages</u> in the typical month.
Infrastructure and Services	C.9	<u>Losses because of power outages</u> : The Manager should estimate the amount of production lost because of power outages.
Infrastructure and Services	C.10 (M)	<u>Establishment owns or shares a generator</u> . Self-explanatory
Infrastructure and Services	C.11 (M)	<u>Percentage of electricity from own or shared generator</u> . Self-explanatory
Infrastructure and Services	C.12	<u>Application for water connection</u> . Self-explanatory
Infrastructure and Services	C.13	<u>Wait for water connection</u> . Self-explanatory
Infrastructure and Services	C.14	<u>Bribe for water connection</u> . Self-explanatory
Infrastructure and Services	C.15 (M)	<u>Insufficient water supply</u> : whenever there is equipment failure or cessation of production operations due to the lack of or reduction in water supply.
Infrastructure and Services	C.16 (M)	<u>Incidents of insufficient water supply per month</u> can be estimated by considering the number of times water insufficiencies took place per month. The respondent should be asked to exclude months when water insufficiencies are rare or months when water insufficiencies are extreme from the calculation. The calculation should be made based on a typical month. Zero is the answer only if no insufficiencies occurred in a typical month.
Infrastructure and Services	C.17 (M)	<u>Duration of a water shortage</u> can be estimated by considering the average duration of water insufficiencies that took place in a typical month.
Infrastructure and Services	C.19	<u>Application for telephone connection</u> . Self-explanatory
Infrastructure and Services	C.20	<u>Wait for telephone connection</u> . Self-explanatory
Infrastructure and Services	C.21	<u>Bribe for telephone connection</u> . Self-explanatory
Infrastructure and Services	C.22	<u>E-mail and website use</u> . Web page should be considered as part of the website. <u>Website use</u> includes cases when the establishment has its own website but does not actually do any direct communication with clients or suppliers via the website.

Section	Number	Instructions
Infrastructure and Services	C.23 (S)	<u>High-speed, Internet connection</u> is defined as Internet connection that is faster than using a telephone line with a modem.
Infrastructure and Services	C.24 (S)	<u>How Internet connection is used.</u> Self-explanatory
Infrastructure and Services	C.25 (S)	<u>Unavailability of Internet connection</u> refers to instances when establishment Internet users receive an unavailable service message when attempting to access or log on to Internet services. The purpose of the question is to assess the reliability of the service provider and not the unavailability due to internal problems.
Infrastructure and Services	C.26 (S)	<u>Incidents of unavailable Internet connection per typical month:</u> registers the number of times establishment Internet users receive an unavailable service message when attempting to access or log on to Internet services.
Infrastructure and Services	C.27 (S)	<u>Average duration of unavailable Internet connection</u> registers the length of time (in minutes) of an average incident in a typical month.
Infrastructure and Services	C.28 (S)	<p>This question about <u>authentication and security of Internet transactions</u> assesses the quality of the Internet infrastructure with respect to measures of security. Establishments that cannot authenticate users nor provide and/or have the assurance of secure Internet transactions may be limited in how they use the Internet. The question is designed to determine whether this is in fact the case.</p> <p><u>Authentication</u> refers to the process of determining whether someone or something is, in fact, who or what they claim to be for the purpose of initiating a transaction or accessing information that may be behind security.</p> <p><u>Security for Internet transactions</u> make the transfer of confidential information such as passwords or credit card numbers over the Internet inaccessible to unauthorized users.</p>
Infrastructure and Services	C.30	The manager should be given a card with the different alternatives for 'degree of obstacle' (from 0 to 4).
Sales and Supplies	D.1a1	<u>Establishment's main product</u> The purpose of this question is to determine what the company produces. The description should be written down exactly as provided by the respondent. <i>The main product is defined in terms of sales in monetary value not volume.</i>
Sales and Supplies	D1a2	Categorize the products according to standard industry classification codes. The enumerator should show the respondent the list of codes that correspond to the products identified to ensure agreement with the categorization. The respondent should be directed to look at the card only after he has provided the answer to D.1a1. It may be that all major products fall into one category or that the establishment has only one main product. If the respondent does not know the code, the enumerator should write the sector and look for

Section	Number	Instructions
		<p>the corresponding code in the list of codes before submitting the completed questionnaire.</p> <p>For the codes use United Nations ISIC Rev.3.1. http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=17</p>
Sales and Supplies	D1a3	The main product is defined in terms of sales in monetary value not volume.
Sales and Supplies	D.2	<p><i>Total sales</i> include the value of all annual sales counting manufactured goods and goods the establishment has bought for trading. For ex. if an establishment makes blue jeans and also imports blue jeans for resale, total sales is the value of all blue jeans sold, both produced and imported. Revenue or receipts for all services rendered and any sales of merchandise for the year, even if the payment may have been received at a later date, are included in total sales.</p>
Sales and Supplies	D.3	<p><i>Where sales are made.</i> The purpose of this question is to determine where the establishment's customers are located.</p> <p><i>Domestic sales</i> are when goods or services are sold inside the borders of the country.</p> <p><i>An indirect export</i> is when the manufacturer sells its goods to a trader or another agent who then exports the product without modifications. Products that the manager knows are smuggled abroad should be counted as indirect exports.</p> <p><i>Direct export</i> is the sale of goods where the immediate recipient is outside the borders of the country.</p>
Sales and Supplies	D.4	<p><i>Clearing customs for direct exports.</i> The purpose of this question is to determine the efficiency of customs in clearing goods for export.</p> <p><i>Main point of exit</i> is the last domestic location (e.g. port, border crossing, airport, or internal custom) from which the goods leave the country. Whenever different ports of exit are used this question refers to the port where "most goods" exit defined in terms of consignment value (not physical units).</p> <p><i>Goods cleared customs</i> They refer to the time it takes to obtain all clearances required from the moment the goods arrived at their point of exit until the moment they satisfy the requirements of the clearance procedures at the customs office. This includes transit procedures.</p> <p><i>Average number of days</i> to clear customs. Prompt the respondent to think of all shipments sent to the main point of exit and estimate an</p>

Section	Number	Instructions
		average time it took from the time the shipments arrived to the time they left that point of exit.
Sales and Supplies	D.6a	<p><u>Theft, breakage or spoilage for direct export.</u> The purpose of this question is to determine the extent of losses that stem from theft, breakage or spoilage as goods are transported for export, independently of whether the cost is borne by the establishment or a third party that is hired to transport the goods.</p> <p><u>Consignment value</u> is the value paid when goods are delivered to the receiver.</p> <p><u>Theft</u> refers to robbery that occurred outside the premises of the establishment.</p> <p><u>Breakage</u> refers to the inoperability or usability of the good. A broken good is inoperable or unusable in its current state.</p>
Sales and Supplies	D.8	<u>First exported directly or indirectly.</u> The purpose of this question is self-explanatory.
Sales and Supplies	D.8a	<u>Total value of exports</u> Self-explanatory
Sales and Supplies	D.10a (M)	<p><u>Theft, breakage and spoilage when supplying domestic markets.</u> See definitions in D.6.</p> <p>No internal shipments to supply domestic markets applies only when direct exports represent 100% of the establishment's sales.</p>
Sales and Supplies	D.12 (M)	<p>The purpose of this question is to determine from where the inputs for production are obtained and purchased.</p> <p>The calculation is done as a percent of all purchases of supplies and inputs purchased by the establishment for the fiscal year.</p> <p><u>Inputs</u> are materials that go through a mechanical, physical, or chemical transformation that will ultimately make up some portion of the final good produced. Lumber in a furniture factory is a good example of an input.</p> <p><u>Supplies</u> are materials or products that are used, expended, consumed, but will not comprise the final good produced. Pencils and writing paper are good examples of a supply.</p>
Sales and Supplies	D.13 (M)	The purpose of this question is to determine if the establishment has any interaction with customs when importing inputs and other materials.
Sales and	D.14 (M)	The purpose of these questions is to measure the efficiency of

Section	Number	Instructions
Supplies		<p>customs clearance of imports.</p> <p><i>Goods cleared customs</i> includes all clearances required from the moment the goods arrived at their point of entry (e.g., port, airport) until the moment they satisfy the requirement of the clearance procedures at the customs office and can be picked up. It does not include time spent on transportation to reach the point of entry.</p> <p><i>Average number of days</i> to clear customs. Prompt respondent to think of various shipments destined to the establishment that originated from abroad, and to estimate an average of the time it took when the shipment arrived to the country's point of entry to the time the establishment was allowed to claim them and begin domestic transport.</p>
Sales and Supplies	D.16 (M)	<p><i>Days of inventory of main input.</i> The purpose of this question is to assess the efficiency in the supply chain. When firms have to maintain a high level of stock, because they cannot rely on a predictable supply of inputs, this is a source of economic inefficiency. Inversely, if supplies of the main input can be relied upon to be easily available, firms will keep low levels of stock on hand.</p> <p>The <i>main input</i> is the input that accounts for the highest value among all inputs. It is not the input for which stock is maintained the longest. For example, if a company makes shirts, the most important input is the cloth, not the buttons and thread, though the establishment may actually keep a 90 day supply of buttons on hand and only a 30 day stock of cloth.</p> <p><i>Days of inventory</i> should be calculated as the number of days of normal production capacity before running out of stock.</p>
Sales and Supplies	D.17 (S)	<p><i>Days of inventory of main sales item</i> The purpose of this question is to assess the efficiency in the supply chain. When firms have to maintain a high level of sales items in stock, because they cannot rely on a predictable supply, this is a source of economic inefficiency. Inversely, if supplies of the main sales can be relied upon to be easily available, firms will keep low levels of stock on hand.</p> <p>The <i>main sales item</i> is the item that accounts for the highest percentage of sales among all items that the establishment sells. It is not the item for which stock is maintained the longest.</p> <p><i>Days of inventory</i> should be calculated as how many days it would take, under normal sales conditions, to deplete the main sales item held in supply at the establishment's premises.</p>
Sales and Supplies	D.30	The manager should be given a card with the different alternatives for 'degree of obstacle' (from 0 to 4).

Section	Number	Instructions
Degree of Competition	E.1 (M)	<p>The purpose of this question is to get the establishment to define what it considers to be its main market.</p> <p>The main product is defined by the output that generates the highest proportion of sales. The establishment's main market is defined by the market that generates the most sales for the main product as defined above.</p> <p>It could be the case that an establishment's main product is sold in smaller proportions in a greater number of markets and that the main product is never the greatest total annual share of revenue in any one market. For example, 51 percent of revenue comes from selling nails, but that is distributed equally in the local, national, and international markets, 33 percent in each. Bolts make up 49 percent of total annual revenues. However, half of the revenue for bolts comes from selling in the international market and half in the local market.</p> <p>It is clear that bolts sell more in its respective market with respect to nails, but does not generate as much revenue as nails do for the establishment. In such a case, nails should be used as the main product. Whenever local, national and international markets have equal shares choose the national market and do not follow the skip pattern.</p>
Degree of Competition	E.2 (M)	<i>Number of competitors in establishment's market.</i> Self-explanatory
Degree of Competition	E.3 (M)	<p><i>Change in value sales.</i> The purpose of this question is to determine if the establishment has sold more than, less than or the same as it did in the previous year.</p> <p>Selling more is measured in terms of REVENUE (and not units like kilograms, for example).</p>
Degree of Competition	E.4 (M)	<p><i>Change in prices.</i> The purpose of this question is to determine if the establishment's prices were higher than, lower than or the same as they were in the previous year.</p> <p>This is in unit prices.</p>
Degree of Competition	E.6 (M)	<i>Technology licensed from a foreign owned company:</i> it measures access to foreign technology. The license may be held by the establishment's parent company. The answer is "no" if the establishment uses foreign technology without a license or a formal agreement.
Degree of Competition	E.11	<i>Competition from unregistered or informal firms</i>
Degree of Competition	Q.63	<i>Self-explanatory</i>

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Degree of Competition	Q.64	<i>Self-explanatory</i>
Degree of Competition	E.16	<i>Monthly purchases</i> are measured in terms of value, not quantities
Degree of Competition	E.17	Self-explanatory
Degree of Competition	Q.53	Self-explanatory
Degree of Competition	E.30	The manager should be given a card with the different alternatives for 'degree of obstacle' (from 0 to 4).
Innovation	O.1	<i>New products or services</i> refers to the introduction of new outputs or services that required changes in the process of production or how the service is provided. Minor improvements on a product such as changes in buttons used when manufacturing shirts are not included.
Innovation	O.2	Self-explanatory
Innovation	O.3 (M)	Research and development is defined as creative work undertaken on a systematic basis in order to increase the stock of knowledge. Research and development is distinguished from market research and product testing by the presence of an appreciable element of novelty. So, for ex., laboratory research for a new chemical compound of paint would be R&D while market research surveys or internet surfing would not be research and development.
Innovation	O.4 (M)	Self-explanatory
Innovation	O.6	Workforce includes all personnel, including administration and management.
Innovation	O.11	Outsourcing refers to activities being conducted on the establishment's behalf by other sources.
Innovation	O.12	Self-explanatory
Innovation	O.13	Self-explanatory
Innovation	O.14 (M)	If no policy for promotion choose does not apply.
Innovation	O.15 (M)	If no policy for dealing with employees who do not meet expectations choose does not apply
Capacity	F.1 (M)	<i>A capacity utilization estimate</i> should be compared to a full production capacity capability. Full production capacity is the maximum level of production that this establishment could reasonably expect to attain during regular working hours , and under normal and realistic operating conditions fully utilizing the machinery, equipment and employees in place.
Capacity	F.2 (M)	<i>Hours per week of operation</i> are the hours per week in which machines and employees are engaged in some type of mechanical, physical, or chemical transformation of materials into new products or in which the assembly of components into new products takes place, including maintenance.
Inspections	W.1	<i>Inspection:</i> defined as visits by the inspecting authorities with the aim of exercising government oversight or supervision of activities of the

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		establishment. The specific objective of the visits is verification of compliance with requirements and provisions established by law.
Inspections	W.2	<u>Total cost</u> : refers to the cost imposed by all inspections that took place during the fiscal year.
Inspections	W.3	<u>Working days</u> : refers to days of normal operation of the establishment, not calendar days. Working days should be counted for each staff member, for ex., if 2 staff members spent 3 working days per month dealing with inspections the answer is: $2 \times 3 \times 12 = 72$
Inspections	W.30	The manager should be given a card with the different alternatives for 'degree of obstacle' (from 0 to 4).
Certificates	P.1	<u>Certificate</u> refers to the document issued with the aim of confirming product quality, or processes based on a series of indicators declared by the establishment.
Certificates	P.2	Self-explanatory
Certificates	P.3	The question refers to compulsory certificates obtained in the last complete fiscal year. This does not include compulsory certificates which were renewed during the last fiscal year.
Certificates	P.4	Working days refer to days the establishment normally operates. It refers to the total number of man-days counting all staff members involved, for ex., if 2 staff members spent 3 working days per month dealing with certificates the answer is: $2 \times 3 \times 12 = 72$
Certificates	P.5	If several certificates compute average wait for all certificates.
Certificates	P.6	The question refers to the total cost of obtaining certificates.
Certificates	P.7	Self-explanatory
Certificates	P.30	The manager should be given a card with the different alternatives for 'degree of obstacle' (from 0 to 4).
Land & Permits	G.9	<u>Permits</u> are defined as any documented order by a government authority or other authorized legal entity that authorizes the establishment to initiate a particular action, for ex., permit from a fire dept. to open a shop, or permit from the local government to construct a building.
Land & Permits	G.10	Average validity for all permits. For ex. if one permit had a validity of 12 months and another 36 months (3 years) the average validity is 24 months $(12 + 36)/2 = 24$
Land & Permits	G.11	<u>Working days</u> include all effective working days by all staff members, for ex. if 2 staff members work 3 days each over the last 2 years the answer should be 6 days (2×3)
Land & Permits	G.12	Self-explanatory
Land & Permits	G.13	Estimate of the average duration to get a permit when considering all permits
Land & Permits	G.14	Self-explanatory

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Land & Permits	G.2	<u>Application for construction permit.</u> Self-explanatory
Land & Permits	G.3	<u>Wait for construction permit.</u> Self-explanatory
Land & Permits	G.4	<u>Bribe for construction permit.</u> Self-explanatory
Land & Permits	G.5 (S)	<u>Total selling area</u> refers to the space where sales take place. It does not include warehouses. Whenever the establishment is composed of several locations the selling areas of each location should be added.
Land & Permits	G.6 (S)	If establishment occupies several buildings the percentages should be computed for the summation of buildings.
Land & Permits	G.7 (S)	<u>Self-explanatory</u>
Land & Permits	G.8 (S)	<u>Self-explanatory</u>
Land & Permits	G.30	The manager should be given a card with the different alternatives for 'degree of obstacle' (from 0 to 4).
Crime	I.1	<u>Pay for security.</u> Self-explanatory
Crime	I.2	<u>How much pay for security.</u> Self-explanatory
Crime	I.3	<u>Experienced losses from theft, robbery, vandalism, arson.</u> Self-explanatory
Crime	I.4	<u>Extent of losses from theft, robbery, vandalism, arson.</u> Self-explanatory
Crime	I.30	The manager should be given a card with the different alternatives for 'degree of obstacle' (from 0 to 4).
Finance	K.1d	Self-explanatory
Finance	K.1e	Self-explanatory
Finance	K.2	The questions refer to an establishment's ability to provide and be provided trade credit arrangements with customers. a. <u>Paid before delivery</u> means the invoice was paid before the shipment arrived. b. <u>Paid for on delivery</u> means that the payment was made at the time the shipment arrived. c. <u>Paid for after delivery</u> means that the payment was made at some period after the shipment had arrived.
Finance	K.4	<u>Purchase of fixed assets, investments, etc.</u> Self-explanatory
Finance	N.5	The category <u>machinery, vehicles and equipment</u> is the annual investment of anything used directly by this establishment to produce. Vehicles include transport and loading and unloading vehicles. It should include not only the purchase cost but also all other costs involved in the investment such as transport of the item and installation cost. Computer hardware should be considered under equipment

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		<p><u>Land, buildings</u> is the annual investment in land, buildings and structures used directly or indirectly by this establishment to produce goods and services. .</p> <p>Included are expenditures for new and used structures (including those under construction at the end of last complete fiscal year), fixtures and equipment, additions, major alterations and improvements to existing facilities, and capitalized repairs.</p>
Finance	K.5	<p><u>Fixed assets</u> include any indivisible purchase made by the establishment as described in K.4. Examples include machinery/equipment, land, buildings, building improvements, etc.</p> <p>The source of funds for these purchases may be diverse, so it is important for the enumerator to make sure that the various sources do add up to 100%.</p>
Finance	K.6	<u>Checking/ savings account.</u> Self-explanatory
Finance	K.7	An <u>overdraft facility</u> is a flexible account that allows firms to draw upon in the event their account balance becomes negative. The firm will incur fees or are subject to interest payments if they exercise this option.
Finance	K.8	<p>A <u>line of credit</u> is an available amount of credit that the establishment can draw upon or leave untapped. Lines of credit usually carry monthly interest rates, and are repaid quickly (as soon as the establishment's cash flow allows for repayment). They may or may not have a defined date of expiration.</p> <p>A <u>loan</u> is generally a much less flexible form of finance. It comes in fixed amounts (rather than ranges), carry annual interest rates (either fixed or floating), and they carry a determined term to maturity (finite period for repayment).</p>
Finance	K.9	<u>Institutions that granted loan.</u> Self-explanatory
Finance	K.11	<u>Value of the loan.</u> self-explanatory
Finance	K.13 + K.14	<u>Collateral</u> refers to property of the business or personal property of the manager or owners that is used to secure the loan in the event that the establishment defaults on its payment obligations. Collateral only refers to real property or financial assets, not to personal guarantees by third parties.
Finance	K.15	<u>Value of collateral as percent of loan value.</u> This question gets to the relative value of the property used to secure the loan with respect to the actual value of the loan contract. If the value of the collateral

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		pledged is greater than the value of the loan, the answer should be greater than 100%.
Finance	K.16	<u>Apply for new loans in last year.</u> Self-explanatory
Finance	K.17	<u>Reasons for not applying for loan last year.</u> Self-explanatory
Finance	K.18a	<u>Loan applications submitted and rejected.</u> Self-explanatory
Finance	K.21	<u>Certification of financial statements by external auditor.</u> Self-explanatory
Finance	K.30	The manager should be given a card with the different alternatives for 'degree of obstacle' (from 0 to 4).
Business-Government Relations	Q.31e	<u>Self-explanatory</u>
Business-Government Relations	J.1	<u>Self-explanatory</u>
Business-Government Relations	J.2	<u>Percent of total senior management's time.</u> Ask managers to estimate what percentage of their time senior managers spend dealing with government regulations, inspections, negotiations and other bureaucratic burden. This is time that would otherwise be spent on business matters. It should not include time spent negotiating procurement contracts with the government - only time dealing with red tape and bureaucracy.
Business-Government Relations	J.3	<u>Visitations and inspections from tax inspectorate officials.</u> Self-explanatory
Business-Government Relations	J.4	Self-explanatory
Business-Government Relations	J.5	<u>Bribes from tax inspectors.</u> Self-explanatory
Business-Government Relations	J.5a	Consider all the process of filing and paying taxes including visits, inspections and paper work.
Business-Government Relations	J.6a	Self-explanatory
Business-Government Relations	J.6	<u>Percent of the contract value.</u> The question is designed to get at the size of the unaudited or unreported payment that is made to a government officials that directly aided in granting a government contract, in part or in whole, or expanded the size of the contract to include the establishment's business. Again, notice the wording (phrasing) of the question: it asks for the respondent to answer for the "typical" establishment, rather than the

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		establishment being interviewed.
Business-Government Relations	J.7	<u>Size of informal payments/gifts</u> Informal payments are payments made to government officials that are unaudited or unreported. They are generally given to an official with the expectation that a service will be performed (such as granting a business license), a violation overlooked (such as violation of health regulation), or because the official threatens the business. Notice the wording (phrasing) of the question: it asks for the respondent to answer for establishments “like this one” rather than the establishment being interviewed.
Business-Government Relations	J.10	<u>Application for import license.</u> An import license is defined as a required document issued by a government authority or other authorized legal entity that authorizes the importation of certain goods into its territory.
Business-Government Relations	J.11	<u>Wait for import license</u> Self-explanatory
Business-Government Relations	J.12	<u>Bribe for import license</u> Self-explanatory
Business-Government Relations	J.13	<u>Application for operating license</u> An operating license is defined as a statement order by a government authority or other authorized legal entity that authorizes the business activity to be carried out in the country. An operating license is usually required as part of the business startup process and it verifies that the establishment possesses the operating business licensing requirement. The business activities which can be covered by an operating license may differ according to the country specific regulations.
Business-Government Relations	J.14	<u>Wait for operating license</u> Self-explanatory
Business-Government Relations	J.15	<u>Self-explanatory</u>
Business-Government Relations	J.14a	<u>Licenses</u> are defined as. It is the authorization to carry out an activity on a continuous basis (e.g. license to sell alcohol, license to import, license to operate).
Business-Government Relations	J.30	The manager should be given a card with the different alternatives for ‘degree of obstacle’ (from 0 to 4).
Business-Government Relations	Q.39	Self-explanatory
Business-	Q.41	Self-explanatory

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Government Relations		
Labor	L.1	<p><u>Number of permanent, full-time employees last complete fiscal year</u> are defined as all paid employees that are contracted for a term of one or more fiscal years and/or have a guaranteed renewal of their employment contract and that work up to 8 or more hours per day.</p> <p>All employees and managers (including respondent) should be counted.</p>
Labor	L.2	<p><u>Number of permanent, full-time employees three complete fiscal years ago.</u> See definition of <u>permanent, full-time employees</u> above.</p>
Labor	L.3 (M)	<p><u>Number of permanent, full-time production employees</u> are employees (up to the line supervisor level) engaged in fabricating, processing, assembling, inspecting, receiving, storing, handling, packing, warehousing, shipping (but not delivering), maintenance, repair, product development, auxiliary production for plant's own use (e.g., power plant), recordkeeping, and other services closely associated with these production operations. Employees above the working-supervisor level are excluded from this item.</p> <p><u>Number of permanent, full-time non-production employees</u> are those employees not engaged in fabricating, processing, assembling, inspecting, receiving, storing, handling, packing, warehousing, shipping (but not delivering), maintenance, repair, product development, auxiliary production for plant's own use (e.g., power plant), recordkeeping, and other services closely associated with these production operations. Managers and other supervisory personnel with responsibilities for the performance of shop floor supervisors and below are included. Do not include shop floor supervisors.</p> <p>Employees in sales (including driver-salespersons), sales delivery (highway truck drivers and their helpers), janitorial and guard services, advertising, credit, collection, installation and servicing of own products, clerical and routine office functions, executive, purchasing, financing, legal, personnel (including cafeteria, medical, etc.) are included. Also included are employees on the payroll of the manufacturing establishment engaged in the construction of major additions or alterations utilized as a separate work force. Professional, and technical employees are included in this category.</p>
Labor	L.4 (M)	<p><u>Numbers of different types of permanent, full-time skilled production workers</u> have some special knowledge or (usually acquired) ability in their work. A skilled worker may have attended a college, university or technical school or, may have learned their skills on the job.</p> <p><u>Unskilled production worker</u> are <u>unskilled</u> in that it is not required that they have special training, education, or skill to perform their job.</p>

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Labor	L.5 (M)	<u>Self explanatory</u>
Labor	L.6	<u>Full-time temporary or seasonal employees</u> are defined as all paid short-term (i.e. for less than a fiscal year) employees with no guarantee of renewal of employment contract and work 40 hours or more per week for the term of their contract.
Labor	L.8	<u>Average length of employment of all full-time temporary or seasonal employees</u> refers to the number of months that the employee was contracted for work that occupied employees for 40 hours or more per week. If average full-time temporary or seasonal employment was for less than one month, enumerator should write 1.
Labor	L.10 (M)	<u>Formal training</u> has a structured and defined curriculum. Formal training may include classroom work, seminars, lectures, workshops, and audio-visual presentations and demonstrations. This does not include training to familiarize employees with equipment and machinery on the shop floor, training aimed at familiarizing employees with the establishment's standard operation procedures, or employee orientation at the beginning of an employee's tenure. <u>In-house training</u> may be conducted by other non-supervisory employees of the establishment, the establishment's supervisors or managers, or the establishments training centers.
Labor	L.11 (M)	<u>Percentage of production vs. non-production employees that were trained.</u> Self-explanatory
Labor	Q.69	Self-explanatory
Labor	L.30	Self-explanatory
Business Environment	M.1	Self-explanatory
Performance	N.2	<p><u>Total cost of labor, including wages, salaries and benefits</u> is the total annual wages and all annual benefits, including food, transport, social security (i.e. pensions, medical insurance, and unemployment insurance).</p> <p><u>Raw materials and intermediate goods:</u> cost of all inputs in the production activity. This is usually an item directly taken from the financial statements</p> <p><u>Total annual cost of finished goods and materials purchased to resell:</u> cost of all finished goods and materials purchased to be resold.</p> <p><u>Fuel (M)</u> is the total annual cost of all fuels consumed for heat, power, transportation, or the generation of electricity. Do not include the estimated costs of fuels, such as sawdust or blast furnace gas, produced as a byproduct of your manufacturing activities. Include anthracite and bituminous coal, coke, natural and manufactured gas, fuel oil, liquefied petroleum gas, gasoline, and all other fuels, including purchased steam. Be sure to include fuel used to power delivery trucks, fork lifts, or other motor vehicles</p>

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		<p>associated with the establishment.</p> <p><i>Electricity</i> is the total annual cost of electric energy purchased from public or private utility companies or received from other establishments that belong to the same firm. Exclude the value of electricity generated and used at this establishment.</p> <p><i>Communication services</i> includes annual cost of telephone, data transmission, telegraph, telex, teletype and all other communication services purchased in the last complete fiscal year.</p> <p><i>Water</i> (M) is the total annual cost of water purchased from public or private utility companies or received from other establishments that belong to the same firm. Exclude the value of water provided and used at this establishment.</p>
Productivity	N.3	<p><i>Total sales</i> three complete fiscal years ago include the value of all annual sales counting manufactured goods and goods the establishment has bought for trading. If an establishment makes blue jeans and also imports blue jeans for resale, total sales is the value of all blue jeans sold, both produced and imported. Revenue or receipts for all services rendered and any sales of merchandise for the year even though payment may have been received at a later date are included in total sales. Firms operating on a commission basis should report commissions, fees, and other operating income, not gross billings or sales.</p>
Productivity	N.4 (M)	<p><i>See definition of production workers in the Labor Section</i></p> <p>Compensation includes all annual benefits paid to the worker including social security tax and other labor taxes paid to the government.</p>
Productivity	N.6 (M)	<p><i>Net book value</i> equals the purchase value minus depreciation.</p> <p>The net book value represents the actual cost of assets at the time they were acquired, including all costs incurred in making the assets usable (such as transportation and installation) minus depreciation accumulated since the date of purchase. Included in the assets are all buildings, structures, machinery, and equipment (production, office, and transportation equipment) for which depreciation reserves are maintained. Accordingly, the value of assets at the end of the year includes the value of construction in progress.</p>
Productivity	N.7 (M)	<p>This question is designed to ascertain the market value of the establishment's assets. Data on equipment is the most important. You can ask the manager to estimate the market value if all of the equipment, land and buildings were sold on the open market. If the respondent states that there is no market, ask how much the</p>

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		respondent would be willing to pay for the capital, knowing what it can produce in its <i>current condition</i> . Estimate how much it would cost to buy machinery in the current market which is similar in terms of age and characteristics. This estimate is to give an indication of the capital intensity of the firm. Keep in mind that it is one of the most important questions on the questionnaire.
Productivity	Q52	Utilities include electricity, water and gas.