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MANUFACTURING

PART 1

MALAYSIA
Economic Planning Unit and Department of Statistics,
Prime Minister's Department, Malaysia
in collaboration with the World Bank
October, 2007

PRODUCTIVITY AND INVESTMENT CLIMATE SURVEY 2, MALAYSIA 2007

***(To be administered to Chief Executive Officers (CEO), general managers or
business owners)***

About the survey

The Department of Statistics, Malaysia has been given the responsibility to conduct the above survey for the reference year **2006**.

The Productivity and Investment Climate Survey is a collaborative effort of the Malaysian Government and the World Bank. Similar surveys are being carried out in several other countries. Parts of the survey questionnaire can be filled up by your staff working from your records; other parts should be answered by the owner or plant manager. A team of enumerators will visit your plant to go through the questionnaire with you or your staff. **Only aggregate or average information from a large sample of firms will be published and we guarantee confidentiality for all individual responses.** The information is gathered under the provisions of the Statistics Act, 1965 (Revised-1989).

The general purpose of the survey is to understand the investment climate in Malaysia and how it affects business performance, with the objective to improve it. The survey will also provide useful information about the investment climate in Malaysia in the international context. The World Bank's experience in a wide range of countries shows that this information can be crucial for improving the investment climate so that businesses and workers can prosper.

The questionnaire begins with items about the origin and shareholding status of a business, including questions about the background of the owner or manager. This information is useful to determine if and how the interaction between investment climate and business performance varies by business types (foreign versus domestic, or new versus experienced). It then proceeds to issues of finance (to examine financial constraints on business and expansion), technology (to assess the ease of access to new technologies), and relationship with other firms (to gauge the importance of associations and networks), government regulation, contract enforcement, labor relations and international trade. What will eventually emerge is a comprehensive picture of the environment in which businesses are operating in Malaysia, both their strengths and weaknesses.

Your full cooperation towards the success of this survey is very much appreciated.

HJH. WAN RAMLAH BT WAN ABD. RAOF
CHIEF STATISTICIAN, MALAYSIA

To Enumerators

For precision of statements, the acronym "KE"- for a fictional business, Kinabalu Electronics-appears in places where the name of the participating business should be. Similarly "Electronics" appears where the sector of activity of the business should be.

ESTABLISHMENT NAME :

ESTABLISHMENT NO. : **DUMMYKEY**

Address :

Industry : Region No.

(MSIC 2000) MSICCODE **REG**

- Industry codes: SVCCODE**
- 15 = Food Processing (exclude 155)
 - 17 = Textiles
 - 18 = Garments (exclude 182)
 - 20 = Woods and Woods Products
 - 24 = Chemicals and Chemical products
 - 25 = Rubber and Plastics
 - 29 = Machinery and Equipment
 - 30 = Office, Accounting & Computing Machinery
 - 31 = Electrical Machinery and Apparatus
 - 32 = Electronics (equipment and components)
 - 34 = Automobiles and parts
 - 36 = Furniture

- Region No.**
- 1= Klang Valley (Selangor, K. Lumpur, Melaka)
 - 2= North region (Penang, Kedah)
 - 3= South Region (Johor)
 - 4= East Coast (Terengganu)
 - 5= Sabah
 - 6= Sarawak

City name :

State code City code **CITY**

City code :

Name of interviewer :

Respondent name :

Job title :

Telephone number : -

Date of interview : 2 0 0

DD MM YYYY

Starting time : .

Finish time : .

Enumeration validated by (controller) :

Date : 2 0 0

DD MM YYYY

**SECTION 1
GENERAL INFORMATION**

1.1. In what year did [KE] start its operations in this country? S1_1 year

1.2. How many full time employees did [KE] have when it started operations? S1_2 number

1.3. How many full time employees does [KE] have now (at the time of this interview)? S1_3 number

1.4. Was [KE] previously a government owned enterprise? S1_4 Yes = 1 No = 2

IF YES,

1.4.y. when was it privatized? S1_4ALPHA year

1.5. What percentage of your firm is owned by

1. Private sector:

a) domestic S1_5_1

b) foreign S1_5_2

S1_5_3

2. Federal government

S1_5_4

3. State government

4. Endowment Fund (eg. Employees Provident Fund (EPF), *Tabung Haji* etc). S1_5_5

5. Others (specify) _____ S1_5_6

TOTAL
1 0 0

1.6. What is the composition of the **domestic** equity of your establishment?

Bumiputera S1_6_1

Chinese S1_6_2

Indian (includes persons of Pakistani, Bangladeshi and Sri Lankan origin) S1_6_3

Others S1_6_4

Total

1.6a If the government is a shareholder, is it represented on the board? S1_6A Yes = 1 No = 2

1.7. What fraction of the sales of [KE] are to the government or to state-owned enterprises? %

S1_7

1.8. What is the current legal status of [KE]?

Code:

S1_8

1. Individual Proprietorship
2. Partnership
3. Private Limited Company
4. Public Limited Company
5. Public Corporation
6. Cooperative
7. Others

1.9. How many plants/factories are under [KE]' s control?

S1_9 number

[A plant or factory is defined as a manufacturing facility that is geographically distinct from other facilities. A production line does not, by itself constitute a plant or factory.]

1.10. How many are located:

1. In this city or town:

S1_10_1

number

2. In this state:

S1_10_2

number

3. In this country:

S1_10_3

number

4. In other countries:

S1_10_4

number

1.11. How many are in this industry?

S1_11

number

1.12. How many are in Business Services (IT, Communication, Advertising, Transports Logistics,)?

S1_12

number

1.13. Where are your headquarters and your principal operating facility/plant located in this country?

S1_13

State code

City code

Headquarters (name of city) _____

S1_13A

State code

City code

Principal operating facility/plant (name of city) _____

1.14. Is your firm a member of a financial group or holding company?

S1_14

Yes = 1

No = 2

1.15. Is this establishment registered with the Malaysian Industrial Development Authority (MIDA)

S1_15

Yes = 1

No = 2

1.16. Was [KE] listed on the Kuala Lumpur Stock Exchange in 2006?

S1_16

Yes = 1

No = 2

1.17. Did [KE] export any part of its output in 2006?

S1_17

Yes = 1

No = 2

SECTION 2
GOVERNANCE AND OWNERSHIP STRUCTURE

A. Information on [Mr. Mostafa], CEO of [KE]

2.1. Gender of The CEO S2_1 Male = 1 Female = 2

2.2. How long have you, [Mr. Mostafa], been working for this firm? S2_2 years

2.3. Are you [Mr. Mostafa] a shareholder of [KE]? S2_3 Yes = 1 No = 2

2.3.y. How big is your [Mr. Mostafa's] share? S2_3Y less than 20% 20% or more

2.4. What is the highest level of education completed by you [Mr. Mostafa]? S2_4

Code: 1 = Post Graduate Degree
2 = First Degree
3 = Diploma
4 = Secondary
5 = Primary
6 = Informal
7 = None (illiterate)

2.5. Where were you born? _____ (name the country) S2_5

2.5.a. What is your citizenship? _____ S2_5A

2.5.b. If Malaysian, what is your ethnicity? S2_5B

1. Bumiputera
2. Chinese
3. Indian (includes persons of Pakistani, Bangladeshi and Sri Lankan origin)
4. Others _____

2.6. How many years of experience in [Electronics] manufacturing did you [Mr. Mostafa] have before joining [KE]? S2_6 years

2.7. What is the highest level of education completed by Mr. Mostafa's father? S2_7

Code: 1= Post Graduate Degree
2= First Degree
3= Diploma
4= Secondary
5= Primary
6= Informal
7= None (illiterate)

2.8. Approximately in what wealth bracket were your [Mr. Mostafa's] parents? S2_8

Code: 1= High
2= Middle
3= Low

2.9. Does [KE] have a single owner? S2_9 Yes = 1 No = 2

2.9.y. **If Yes**, are you [Mr. Mostafa], the CEO of [KE], also its sole owner? S2_9Y Yes = 1 No = 2

**IF YES, SKIP THE REST OF SECTION 2 AND GO TO SECTION 3.
IF NO, GO TO QUESTION 2.10**

2.9.n. **If No**, What percentage of your firm is owned by the principal owner? %

S2_9N

2.10. Who is the largest shareholder? S2_10

Code: A family member of yours=1 → Go to Part B
Other individual private investors.....=2 → Go to Part B
Local financial institution.....=3 → Go to Part C
Local private sector corporation.....=4 → Go to Part C
Multi-national companies.....=5 → Go to Part C
Federal government=6 → Go to Part D
State government=7 → Go to Part D
Endowment Funds (EPF, Tabung Haji etc.....)=8 → Go to Part D
Other (specify).....=9

Part B. Information on single owner/majority shareholder

2.11. What is the share owned by the largest shareholder? S2_11 %

2.12. Did the current owner/largest shareholder form [KE]? S2_12 Yes = 1 No = 2

IF NO

2.12.n. How did the current owner/largest shareholder acquire [KE]? S2_12N

Code: 1= Bought it
2= Inherited it
3= Other: _____ (specify)

2.13. Gender of owner/largest shareholder S2_13 Male = 1 Female = 2

2.14. What is the highest level of education completed by owner/largest shareholder? S2_14

Code: 1 = Post Graduate Degree
2 = First Degree
3 = Diploma
4 = Secondary
5 = Primary
6 = Informal
7 = None (illiterate)

2.15. How many years of experience in [Electronics] manufacturing S2_15 years
did the owner/largest shareholder have before becoming involved in [KE]?

2.16. Approximately in what wealth bracket were the parents of the owner/largest shareholder? S2_16

Code: 1= High
2= Middle
3= Low

2.17. What is the highest level of education completed by the parents of the owner/largest shareholder?

Code: 1 = Post Graduate Degree
2 = Degree
3 = Diploma
4 = Secondary
5 = Primary
6 = Informal
7 = None (illiterate)

S2_17

2.18. Has the father of the owner/largest shareholder been an entrepreneur? S2_18 Yes = 1 No = 2

Part C. Information on the Parent establishment (for subsidiaries/divisions of business groups)

2.19. Where are the headquarters of the Parent establishment of [KE]?

Code: 1=in the same city/town as [KE]
2=in another city in this country
3=in another country _____ (name the country)

S2_19

2.20. Does [KE] participate in a "liquidity center" managed by [Parent establishment], i.e., does [KE] pass its excess liquidity to [Parent establishment] or other companies owned by [Parent establishment]?

Yes = 1 No = 2
S2_20

2.21. How the investment decisions were made?

Code:
1= [KE] makes all its investment decisions independently
2= [Parent establishment] makes all investment decisions for [KE]
3= Decisions are made jointly.

S2_21

Part D. Information on government body that owns KE (for firms owned by Federal or State Governments or Endowment Funds)

2.22.b. What is the name of the government body? _____ (name of the body) S2_22B

Where is the headquarters of the government body [OA]? S2_22

State code

City code

_____ (name of city)

2.23. When was the government body founded?

S2_23

Calendar year

2.24. In what year did the government body begin supervising the activities of [KE]?

S2_24

Calendar year

2.25. Does the government body supervise other firms in the same industry as [KE]?

S2_25

Yes = 1 No = 2

2.26. Does [KE] participate in a liquidity center managed by the government body, i.e., does [KE] pass its excess liquidities to the government body or other companies supervised by the government body?

Yes = 1 No = 2
S2_26

2.27 Does [KE] make its own investment decisions or are all investment decisions made by the government body?

S2_27

Code: 1= [KE] makes all its investment decisions independently
2= Government body makes all investment decisions for [KE]
3= Decisions are made jointly.

2.28 Is there a ceiling on the investment amount [KE] can commit without consulting with the government body?

S2_28

Code: 1= Yes
2= No
3= [KE] cannot invest anything without consulting the government body.

THE REMAINDER OF THE QUESTIONNAIRE SHOULD BE ANSWERED WITH RESPECT TO THIS ESTABLISHMENT (FACTORY/ PLANT)

**SECTION 3
INVESTMENT, TECHNOLOGY AND INNOVATION**

Part A. Investment and Capacity

3.1. When did you make your most recent purchase of machinery or equipment used in the production process? S3_1MM month

S3_1YY year

3.1.a. What was of the value of that purchase? **RM**

3.1.b. How was it financed? [*multiple answers allowed, tick what applies*] S3_1A

- 1. By owner/parent establishment; S3_1B_1 to S3_1B_9
- 2. Retained earnings;
- 3. Bank overdraft;
- 4. Loans from domestic banks;
- 5. Loans from Foreign banks;
- 6. Leasing;
- 7. Loans from associations (such as informal Rotative Savings and Credit Associations)
- 8. Loans from friends/relatives
- 9. Other sources (please specify) _____

3.1.c. What percentage of this most recent purchase of machinery or equipment was %

- a. domestic new machinery or equipment S3_1C_1
 - b. domestic second hand machinery or equipment? S3_1C_2
 - c. imported new machinery or equipment? S3_1C_3
 - d. imported second-hand machinery or equipment? S3_1C_4
- Total** **1** **0** **0**

3.2. If you imported part or all the most recent major purchase of machinery and equipment, what was the rate of import duty paid? S3_2 %
(Please put '0' if no import duty was paid)

3.2.a. Of your outlay on imported machinery or equipment referred before, what share was from

				%			
1. Country _____	<input type="text"/>	<input type="text"/>	S3_2AA_1	S3_2AB_1	<input type="text"/>	<input type="text"/>	<input type="text"/>
2. Country _____	<input type="text"/>	<input type="text"/>	S3_2AA_2	S3_2AB_2	<input type="text"/>	<input type="text"/>	<input type="text"/>
3. Country _____	<input type="text"/>	<input type="text"/>	S3_2AA_3	S3_2AB_3	<input type="text"/>	<input type="text"/>	<input type="text"/>
4. Country _____	<input type="text"/>	<input type="text"/>	S3_2AA_4	S3_2AB_4	<input type="text"/>	<input type="text"/>	<input type="text"/>
5. Others _____	<input type="text"/>	<input type="text"/>	S3_2AA_5	S3_2AB_5	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total					1	0	0

3.2.b. For your most recent investment, did you benefit from the following incentives?

		Yes = 1	No = 2
1. Pioneer Status	S3_2B_01	<input type="checkbox"/>	<input type="checkbox"/>
2. Investment Tax Allowance (ITA)	S3_2B_02	<input type="checkbox"/>	<input type="checkbox"/>
3. Incentives for High Technology Companies	S3_2B_03	<input type="checkbox"/>	<input type="checkbox"/>
4. Incentives for Strategic Projects	S3_2B_04	<input type="checkbox"/>	<input type="checkbox"/>
5. Incentives for Small-Scale Companies	S3_2B_05	<input type="checkbox"/>	<input type="checkbox"/>
6. Incentives to Strengthen Industrial Linkages	S3_2B_06	<input type="checkbox"/>	<input type="checkbox"/>
7. Incentives for the Manufacture of Machinery and Equipment	S3_2B_07	<input type="checkbox"/>	<input type="checkbox"/>
8. Reinvestment Allowance (RA)	S3_2B_08	<input type="checkbox"/>	<input type="checkbox"/>
9. Accelerated Capital Allowance (ACA)	S3_2B_09	<input type="checkbox"/>	<input type="checkbox"/>
10. Tax Exemption on the Value of Increased Exports	S3_2B_10	<input type="checkbox"/>	<input type="checkbox"/>
11. Incentives for relocating manufacturing activities to promoted area	S3_2B_11	<input type="checkbox"/>	<input type="checkbox"/>
12. Incentives for automotive component modules	S3_2B_12	<input type="checkbox"/>	<input type="checkbox"/>
13. Enhanced incentives the utilization of palm oil biomass	S3_2B_13	<input type="checkbox"/>	<input type="checkbox"/>
14. Group relief	S3_2B_14	<input type="checkbox"/>	<input type="checkbox"/>

3.3. What percentage of your profits was re-invested in your firm in 2006? S3_3 %

a. Do you expect to make a substantial increase in investment in order to increase capacity or improve quality?

Code: Yes=1 ; No=2 ; Firm is closing=3

S3_4_1 In 2008

S3_4_2 In 2008 – 2010 :

IF YES,

3.4.y. What percentage of your next investment will be IT related? S3_4Y %

3.5. Does your firm currently invest outside Malaysia? S3_5 Yes = 1 No = 2

IF NO, SKIP TO 3.6
IF YES,

3.5.y. What percentage of your total investment in 2006 was abroad? S3_5Y %

3.5.y.b. What percentage of your latest investment abroad went to: %

China S3_5YB_1 to S3_5YB_6

Other ASEAN countries

USA

Europe

Africa

Others

Total **1** **0** **0**

3.5.y.c. What are the **three most important** reasons why you chose to invest abroad?

1. 2. 3.

- 1. In search of cheap labor abroad S3_5YC_1
- 2. Higher worker productivity abroad S3_5YC_2
- 3. Lower taxes on profits abroad S3_5YC_3
- 4. Better infrastructure abroad
- 5. Larger market for my products abroad
- 6. High taxes on inputs in Malaysia
- 7. Shortage of unskilled workers in Malaysia
- 8. Shortage of skilled workers in Malaysia
- 9. Lower cost of doing business (utility charges, telecommunications)
- 10. Better incentives
- 11. Others (specify) _____

3.5 y.d. Has your firm moved part of its production to another country in the past 5 years? S3_5YD Yes = 1 No = 2

IF YES, S3_5YE

3.5 y.e. Where? _____ (name of the country)

3.6. What percentage [of the value] of KE's plant machinery and equipment is of age:

b. How many more years can it be used:

			%	more years to be used
1.	<5 years old	S3_6A_1	<input type="text"/> <input type="text"/> <input type="text"/>	S3_6B_1 <input type="text"/> <input type="text"/>
2.	5-10 years old	S3_6A_2	<input type="text"/> <input type="text"/> <input type="text"/>	S3_6B_2 <input type="text"/> <input type="text"/>
3.	10-20 years old	S3_6A_3	<input type="text"/> <input type="text"/> <input type="text"/>	S3_6B_3 <input type="text"/> <input type="text"/>
4.	>20 years old	S3_6A_4	<input type="text"/> <input type="text"/> <input type="text"/>	S3_6B_4 <input type="text"/> <input type="text"/>

3.7. What percentage of your production machines is computer controlled? (% of the original net value of the fixed assets) S3_7

%

3.8. { Capacity utilization is the amount of output actually produced relative to the maximum amount that can be produced } At what capacity did this plant produce

- | | | | | | | |
|----|------|--------|----------------------|----------------------|----------------------|---|
| a) | 2006 | S3_8_1 | <input type="text"/> | <input type="text"/> | <input type="text"/> | % |
| b) | 2005 | S3_8_2 | <input type="text"/> | <input type="text"/> | <input type="text"/> | % |
| c) | 2004 | S3_8_3 | <input type="text"/> | <input type="text"/> | <input type="text"/> | % |

3.9. If your capacity was not fully utilized in 2006, was it because of :

Yes = 1 No = 2

- | | | |
|--|--------|--------------------------|
| (1) Local raw materials and intermediate inputs shortage | S3_9_1 | <input type="checkbox"/> |
| (2) Imported raw material and intermediate inputs shortage | S3_9_2 | <input type="checkbox"/> |
| (3) Lack of working capital | S3_9_3 | <input type="checkbox"/> |
| (4) Low demand | S3_9_4 | <input type="checkbox"/> |
| (5) Skilled labor shortage | S3_9_5 | <input type="checkbox"/> |
| (6) Unskilled labor shortage | S3_9_6 | <input type="checkbox"/> |
| (7) Structural Over-capacity | S3_9_7 | <input type="checkbox"/> |
| (8) Others (please specify) _____ | S3_9_8 | <input type="checkbox"/> |

Part B. NEW PRODUCTS/PROCESSES AND RESEARCH & DEVELOPMENT (R&D)

3.10. How many types of products does your establishment produce? S3_10 number

3.11. How many new products has your establishment introduced in the last three years (2004-2006)? S3_11 number
For TEXTILES and GARMENTS → what proportion of your designs

3.11.y. If new products, what percent of the plant's sales did the new products account for in 2006? S3_11Y %

3.11.y.b. What percent of your exports did the new products account for in 2006? S3_11YB %

3.12. ELECTRONICS & TEXTILES → Did [KE] employ staff exclusively for design/R&D in 2006? S3_12 Yes = 1 No = 2

OTHER SECTORS → Did [KE] employ staff exclusively for doing innovation/R&D in 2006? Yes = 1 No = 2

3.12.y. If Yes, how many employees of [KE] worked exclusively in design innovation/R&D in 2006? S3_12Y number

3.13. Did [KE] subcontract R&D projects to other companies or organizations? S3_13 Yes = 1 No = 2

3.13a. If Yes, where the companies or organizations are located? In Malaysia = 1 Abroad = 2

3.14. How much did your firm spend in royalties in year 2006? S3_13A S3_14 RM

3.15. Are you planning to introduce new designs/products in the next 2 years (2008-2009) ? S3_15 Yes = 1 No = 2

Part C. TECHNOLOGICAL INNOVATION

3.16. Has your company undertaken any of the following initiatives in the **last two years**?

PLEASE ANSWER ALL QUESTIONS

Yes = 1 No = 2

- | | | |
|--|----------|--------------------------|
| 1. Upgraded your machinery and equipment in the last 2 years | S3_16_01 | <input type="checkbox"/> |
| 2. Entered new markets due to process or product improvements in quality or cost | S3_16_02 | <input type="checkbox"/> |
| 3. Filed any patents/utility models or copyright protected materials | S3_16_03 | <input type="checkbox"/> |
| 4. Developed a major new product line | S3_16_04 | <input type="checkbox"/> |
| 5. Upgraded an existing product line | S3_16_05 | <input type="checkbox"/> |
| 6. Introduced new technology that has substantially changed the way the main product is produced | S3_16_06 | <input type="checkbox"/> |
| 7. Discontinued at least one product (not production) line | S3_16_07 | <input type="checkbox"/> |
| 8. Opened a new plant | S3_16_08 | <input type="checkbox"/> |
| 9. Closed at least one existing plant or outlet | S3_16_09 | <input type="checkbox"/> |
| 10. Entered a new joint venture agreement with a foreign partner | S3_16_10 | <input type="checkbox"/> |
| 11. Entered a new joint-venture agreement with a local partner | S3_16_11 | <input type="checkbox"/> |
| 12. Obtained a new licensing agreement | S3_16_12 | <input type="checkbox"/> |
| 13. Outsourced a major production activity that was previously conducted in-house | S3_16_13 | <input type="checkbox"/> |
| 14. Brought in-house a major production activity that was previously outsourced | S3_16_14 | <input type="checkbox"/> |

IF ANSWER IS ALL 'NO' GO TO 3.27

3.17. Generally, what are the leading ways in which your establishment acquires technological innovations?
Please tell me which of the following is :

	S3_17A_1 to S3_17A_3	S3_7B_1 to S3_7B_3	%
A.	the most important?	<input type="text"/>	<input type="text"/>
B.	the second most important?	<input type="text"/>	<input type="text"/>
C.	the third most important?	<input type="text"/>	<input type="text"/>

- 1) Embodied in new local machinery or equipment
- 2) Embodied in new Imported machinery or equipment
- 3) By hiring key personnel
- 4) Licensing or turnkey operations from international sources
- 5) Licensing or turnkey operations from domestic sources
- 6) Developed or adapted within the establishment locally
- 7) Transferred from parent company
- 8) Developed in cooperation with client firms
- 9) Developed with equipment or machinery supplier
- 10) From a business or industry association
- 11) Consultants
- 12) From universities, public institutions
- 13) Mergers and acquisitions
- 14) Other (please specify: _____)

3.18. If technological innovations were developed or adapted locally, did you seek help/collaboration with:

	S3_18_1 to S3_18_5	Yes = 1 No = 2
1.	Other firms	<input type="checkbox"/>
2.	Universities	<input type="checkbox"/>
3.	Research institutions	<input type="checkbox"/>
4.	Use any government incentives	<input type="checkbox"/>
5.	Multilateral agencies	<input type="checkbox"/>

3.19. If technology transferred from parent establishment, were the following necessary

		Yes = 1 No = 2
1.	adaptation or R&D to suit local conditions	S3_19_1 <input type="checkbox"/>
2.	training of workforce to implement technology	S3_19_2 <input type="checkbox"/>

3.20. If your firm is a supplier to a MNC, did you learn any new technology from that MNC?

	S3_20	Yes = 1 No = 2 <input type="checkbox"/>
IF YES,		
3.20.y.	Was it explicitly via MNC licensing, training, quality certification programs.	S3_20Y <input type="checkbox"/>

3.21. Have you received any Government incentives to conduct technological innovation and R&D?

Yes = 1 No = 2
S3_21

3.22. Please give your assessment of the following Schemes:

Schemes	Have you benefited from this specific scheme? <i>1=Yes 2=No, I never heard about this scheme 3. No, I applied and was turned down 4. No, I never applied because process too long and complicated</i>	If yes, When did you get this benefit? (Year)	How critical was this to your firm? <i>0= no value 1= minor value 2= moderate value 3= major value 4= critical value to your firm</i>
All Companies Double deduction incentive for approved R&D projects			
Investment tax allowance on capital expenditures for R&D			
Exemption of import duty, tax on R&D machinery			
Capital allowance on R&D plant and machinery			
Industrial building allowance for R&D			
Commercialization of technology from public research institute			
Small and Medium Scale Enterprises - Industrial Technical Adjustment Fund (ITAF) 1 – consultancy scheme 2 – product development/design scheme 3 – quality and productivity improvement scheme 4 – market development scheme			
SME technology acquisition programme			
SME modernization and automation loan scheme			
Soft loan scheme for quality enhancement for Bumiputera SMI			

[S3_22A_01 to S3_22A_13] [S3_22B_01 to S3_22B_13] [S3_22C_01 to S3_22C_13]

3.23. Have you worked with research/technology support institutions (eg. SIRIM, MARDI, RRI, universities etc) to acquire or upgrade technology in the past three years?

Yes = 1 No = 2

IF YES,

S3_23

3.23.y. Could you please list the **three institutions** you work with the most?

1. _____ (name of institute) S3_23Y_1
2. _____ (name of institute) S3_23Y_2
3. _____ (name of institute) S3_23Y_3

3.23.y.1. Could you rank these three institutions along the listed attributes?

Please rank on a scale of 1-4 with 1 = very poor, 2 = poor, 3 = fairly good, 4 = very good

Attributes	Institution 1	Institution 2	Institution 3
Outreach and dissemination of their programs			
Ease of application process for support			
Transparency of approval/selection process			
Relevance/effectiveness of services used: i) assistance with search, choice & purchase of new technologies ii) negotiation on licensing agreements iii) modifying existing technologies iv) R&D in breakthrough technologies			
Relevance/effectiveness of services used by your firm			

IF NO TO QUESTION 3.23 [S3_23Y1A_1 to S3_23Y1A_8] [S3_23Y1B_1 to S3_23Y1B_8] [S3_23Y1C_1 to S3_23Y1C_8]

3.24. If you have not worked with any research/technology support institutions in the past three years, list down the **three most important** reasons.

S3_24_1 S3_24_2 S3_24_3
 1. 2. 3.

1. Haven't heard of them
2. Their services are not relevant to your firm's needs
3. Don't know anyone there to make a first point of contact
4. Application process too cumbersome
5. Lack of technical capability in-house to interact with institutions
6. Afraid of in-firm technical knowledge leaking out by collaborating
7. Tried it before and was not a fruitful experience
8. Others (specify) _____

3.25. If stronger intellectual property rights (IPR) laws such as copyright and patent laws are adopted and enforced:

1. Would your firm undertake more R&D? S3_25_1 Yes = 1 No = 2
2. Would it make it more costly to acquire new technology? S3_25_2 Yes = 1 No = 2

3.26. Has your firm received any ISO (e.g. 9000, 9002 or 14,000) certification? S3_26 Yes = 1 No = 2

3.27. What % of your sales are made exclusively to your clients' unique specification (i.e. you cannot sell to other clients)? S3_27 %

3.28. What % of your sales carries a warranty? S3_28 %

3.29. Do you have your own brand(s)? S3_29 Yes = 1 No = 2

IF YES,

3.29.y. What do you do to market your brand? S3_29Y1 to S3_29Y5 Yes = 1 No = 2

- 1. Media advertising
- 2. Exhibitions
- 3. Website
- 4. Do nothing
- 5. Other _____

3.30. What are the main constraints to introducing IT, or expanding IT use, in your company?
 (Please rank the following factors on a scale of 1 to 5, where **1 = not important**, **2 – 4 = important** and **5 = critically important**)

Constraints	Importance				
	Not important	Important			Critically important
	1	2	3	4	5
High cost of IT equipment and maintenance	S3_30_1				
Lack of knowledgeable and trained IT personnel	S3_30_2				
Low returns to investments in IT	S3_30_3				
Lack of experienced consultants to provide or design IT-based solution systems	S3_30_4				
IT-based systems do not improve productivity	S3_30_5				
Lack of up to date information on IT development	S3_30_6				
Others (specify) _____ _____	S3_30_7				

SECTION 4
LABOR MARKET, EDUCATION AND SKILLS

Part A. LABOR RELATIONS

4.1. What kind of work shift did [KE] follow in the following years?

	2004	2005	2006
1. Single shift	S4_1_1	S4_1_2	S4_1_3
2. Double shift			
3. Triple shift			
4. Others (specify.....)			

4.2. How many days did your plant operate in year 2006? S4_2

4.3. Out of a 8-hour working day, how many hours is the typical production worker working at present? S4_3 hours

4.4. Given your current level of output, if you were free to choose without restrictions your current level of employment what % of the current level would you choose? S4_4 %

4.4.a If the answer in 4.4 is **less than 100%**, that is **over staffed**, is any of the following a reason?

Yes = 1 No = 2

- a. Laws and regulations regarding the firing of workers S4_4A_1
- b. Pressure from unions S4_4A_2
- c. Pressure from political groups S4_4A_3
- d. Fear of social sanctions S4_4A_4
- e. Anticipation of an upturn in sales S4_4A_5
- f. Others (please specify) _____ S4_4A_6

4.4.b If the answer in 4.4 is **more than 100%**, that is **under staffed**, is any of the following a reason?

Yes = 1 No = 2

- a. Laws and regulations regarding the employment of foreign workers S4_4B_1
- b. Difficulty in employing local workers S4_4B_2
- c. Shortage of skilled workers S4_4B_3
- d. Anticipation of a downturn in sales S4_4B_4
- e. Others (please specify) _____ S4_4B_5

4.5. Are any of your employees members of a trade union? S4_5 Yes = 1 No = 2

IF YES,

4.5.y. What percentage of your plant's employees belong to a trade union? S4_5Y %

4. 6. Have you had any labor disputes over the year 2006 concerning any of the following?

Yes = 1 No = 2

- | | | |
|--------------------------|--------|--------------------------|
| a) pay | S4_6_1 | <input type="checkbox"/> |
| b) redundancy | S4_6_2 | <input type="checkbox"/> |
| c) social security | S4_6_3 | <input type="checkbox"/> |
| d) others (specify)_____ | S4_6_4 | <input type="checkbox"/> |

4.7. Approximately **how many man-days**, if any, did you lose in year 2006 due to the following?
(Please put **zero** if you did not lose any)

- | | | | | |
|-------------------------------|---------|----------------------|----------------------|----------------------|
| a) Strikes | S4_7_01 | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| b) Other Stoppages | S4_7_02 | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| c) Worker slowdowns | S4_7_03 | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| d) Worker absenteeism | S4_7_04 | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| e) Alcoholism | S4_7_05 | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| f) Drug abuse | S4_7_06 | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| g) Reported sickness | S4_7_07 | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| h) Other labor related causes | S4_7_08 | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| i) Civil unrest | S4_7_09 | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| j) Other (specify)_____ | S4_7_10 | <input type="text"/> | <input type="text"/> | <input type="text"/> |

4.8. What are the major problems with labor regulations on a scale from 1 to 4 with the following meaning:

**Code : 0 = No problem ; Degree of obstacle 1 Minor obstacle → 4 = Major obstacle,
Not applicable = - 9**

- | | | |
|--|--------|--------------------------|
| (a) Dealing with hiring procedures for local workers | S4_8_1 | <input type="checkbox"/> |
| (b) Dealing with hiring procedures for foreign workers | | |
| i. expatriates | S4_8_2 | <input type="checkbox"/> |
| ii. immigrants | | <input type="checkbox"/> |
| (c) Limits on hiring expatriates | S4_8_4 | <input type="checkbox"/> |
| (d) Layoff procedures and cost of retrenchment | S4_8_5 | <input type="checkbox"/> |
| (e) Limits on temporary hiring | S4_8_6 | <input type="checkbox"/> |
| (f) Inflexible salary scale for skilled workers | S4_8_7 | <input type="checkbox"/> |
| (g) Others (specify) _____ | S4_8_8 | <input type="checkbox"/> |

4.8b. How does your company source its foreign labour?

Types of workers	Tick where appropriate		State the option number (Possible to opt more than one)
	Foreign labours are sourced through		Reasons: 1. Convenience 2. Saves time 3. Cost-cutting 4. To minimize risks on rejection at immigration 5. Others, please state.
	Own initiatives	Hiring agency	
Management	S4_8BA_1	S4_8BB_1	S4_8BC1_1 S4_8BC2_1S4_8BC5_1
Professionals	S4_8BA_2	S4_8BB_2	S4_8BC1_2 S4_8BC2_2S4_8BC5_2
Skilled workers	S4_8BA_3	S4_8BB_3	S4_8BC1_3 S4_8BC2_3S4_8BC5_3
Unskilled workers	S4_8BA_4	S4_8BB_4	S4_8BC1_4 S4_8BC2_4S4_8BC5_4
Clerical workers	S4_8BA_5	S4_8BB_5	S4_8BC1_5 S4_8BC2_5S4_8BC5_5

Part B. EDUCATION AND SKILLS

4. 9. Do you currently have vacancies in your establishment in the following positions?

	Yes=1	No=2
1. Professionals (engineers, scientists and other university graduates)	S4_9_1	<input type="checkbox"/>
2. Skilled production workers (skilled technicians)	S4_9_2	<input type="checkbox"/>
3. Unskilled production workers	S4_9_3	<input type="checkbox"/>

4. 10. How much time did it take to fill your most recent vacancy for a:

	weeks
1. Professionals (engineers, scientists and other university graduates)	S4_10_1 <input type="text"/> <input type="text"/> <input type="text"/>
2. Skilled production workers (skilled technicians)	S4_10_2 <input type="text"/> <input type="text"/> <input type="text"/>
3. Unskilled production workers	S4_10_3 <input type="text"/> <input type="text"/> <input type="text"/>

4.11. What are the most important causes of these vacancies? Rank in order of importance.

Code : 1= Most important —————> 7= Least important

1. Applicants demand very high wage	S4_11_1	<input type="checkbox"/>
2. Universities not producing a sufficient number of graduates	S4_11_2	<input type="checkbox"/>
3. Applicants do not have required basic skills	S4_11_3	<input type="checkbox"/>
4. Applicants do not have required technical skills	S4_11_4	<input type="checkbox"/>
5. No applicants for unskilled workers position	S4_11_5	<input type="checkbox"/>
6. High turnover of new recruits	S4_11_6	<input type="checkbox"/>
7. Others _____	S4_11_7	<input type="checkbox"/>

4.12. What are the most important considerations you use in recruiting? Rank in order of importance.

Code : 1= Most important —————> 7= Least important

1. Education level	S4_12_1	<input type="text"/>
2. Technical skills	S4_12_2	<input type="text"/>
3. Experience	S4_12_3	<input type="text"/>
4. Loyalty	S4_12_4	<input type="text"/>
5. Ethnic Quotas	S4_12_5	<input type="text"/>
6. Interpersonal Skills	S4_12_6	<input type="text"/>
7. Proficiency in multiple languages	S4_12_7	<input type="text"/>
8. Others (specify) _____	S4_12_8	<input type="text"/>

4.12.b. What are the main channels through which you recruit new workers?
(in percentage of your new recruits in the past three years (2004-2006))

		%		
1. Factory door postings	S4_12B_1	<input type="text"/>	<input type="text"/>	<input type="text"/>
2. Friends recommendation	S4_12B_2	<input type="text"/>	<input type="text"/>	<input type="text"/>
3. Other workers recommendation	S4_12B_3	<input type="text"/>	<input type="text"/>	<input type="text"/>
4. Announcement in news papers	S4_12B_4	<input type="text"/>	<input type="text"/>	<input type="text"/>
5. Through Head Hunters	S4_12B_5	<input type="text"/>	<input type="text"/>	<input type="text"/>
6. Electronic Labor Exchange (ELX)	S4_12B_6	<input type="text"/>	<input type="text"/>	<input type="text"/>
7. Others (specify) _____	S4_12B_7	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total		1	0	0

4.13. Based on the experience of your company in the past 3 years, how would you rank the performance of the following categories of workers?

Code : 1= Lower ; 2= Higher ; 3 = Same performance ; Not applicable = -9

S4_13_1 to S4_13_5

1. Malaysian unskilled workers vis-à-vis Foreign unskilled workers	<input type="text"/>
2. Malaysian Skilled Technician educated locally vis-à-vis Foreign skilled workers	<input type="text"/>
3. Malaysian Professional educated locally vis-à-vis Foreign Professional	<input type="text"/>
4. Malaysian Professional educated locally vis-à-vis Malaysian Professional educated abroad	<input type="text"/>
5. Malaysian Professional educated abroad vis-à-vis Foreign Professionals	<input type="text"/>

4.13b. How would you assess the quality of your current workforce?

(Skills Quality Codes: 1 = very poor, 2 = poor, 3 = fairly good, 4 = very good, Not applicable = -9)

[S4_13B1_01 to S4_13B1_12] [S4_13B2_01 to S4_13B2_12] [S4_13B3_01 to S4_13B3_12] [S4_13B4_01 to S4_13B4_12]

Attributes	Professionals		Skilled Production Workers	
	Local	Foreign	Local	Foreign
1. English language proficiency				
2. Professional Communication skills				
3. Social Skills				
4. Teamworking skills				
5. Leadership skills				
6. Time Management skills				
7. Adaptability skills				
8. Creativity/innovation skills				
9. Numerical skills				
10. Problem solving skills				
11. IT skills				
12. Technical/professional skills				

4.13c. Please list **three most** striking skills/attitude (refer attributes list in 4.13b) that differentiate a Malaysian Professional educated locally from a Malaysian Professional educated abroad:

1. _____ S4_13C_1 _____

--	--
2. _____ S4_13C_2 _____

--	--
3. _____ S4_13C_3 _____

--	--

4.13d. List down **three most** critical skills/competencies needed in keeping up with the emerging technologies?

Critical skills/competencies	
Current Shortage of Skills	Future Needs
1.S4_13D1_1	S4_13D2_1
2.S4_13D1_2	S4_13D2_2
3.S4_13D1_1	S4_13D2_3

S4_14

4.14. Did you hire fresh graduates from public vocational training institutions in 2006? Yes=1 No=2

IF YES,

4.14.y. Could you please list **three institutes** from which you hire the most and assess the quality of their graduates? [S4_14Y1_1 to S4_14Y1_3] [S4_14Y2_1 to S4_14Y2_3]

Name of Institute	Institute code	Quality of graduates
		1 = very poor 2 = poor 3 = fairly good 4 = very good
1.		
2.		
3.		

4.15. Please give your assessment of the following Institutes:

	Institute code	Have you hired fresh graduates from this particular institution?	If Yes, how would you assess the quality of its graduates?
		1=Yes 2=No 3=Never heard about this institute	1 = very poor 2 = poor 3 = fairly good 4 = very good
Local Public Universities			
Local Private Colleges and University Colleges			
National Youth Skills Training Institute (IKBN)			
Industrial Training Institute (ILP)			
MARA Vocational institute (IKM)			
Community Center (GIAT MARA)			
Polytechnics (Ministry of Education)			

[S4_15Y1_1 to S4_15Y1_7] [S4_15Y2_1 to S4_15Y2_7] [S4_15Y3_1 to S4_15Y3_7]

Part C. EMPLOYER-PROVIDED TRAINING

4.16. Did your plant run formal training programs for its employees during the fiscal year of 2006? Yes=1 No=2 S4_16

4.17. Is your company registered with the Human Resource Development Fund (HRDF)? Yes=1 No=2 S4_17

IF YES, GO TO 4.18
IF NO, GO TO 4.21

4.18. How critical is HRDF in your decision to train workers? S4_18
0= no value; 1= minor value; 2= moderate value; 3= major value; 4= critical value to your plant

4.19. How long, in average, did it take HRDF to process your claims for reimbursement in 2006? S4_19
days

4.20. Would you train more workers if HRDF was more efficient? **S4_20** Yes=1 No=2

4.21. Have you sent your workers for training in a Skills Development institute in the past three years? **S4_21** Yes=1 No=2

IF NO GO TO QUESTION 4.23

IF YES,

4.21.y. Could you please list the **three institutes** you have used the most and assess impact of training on worker's performance? **[S4_21YA_1 to S4_21YA_3] [S4_21YB_1 to S4_21YB_3]**

Name of Institute	Institute code	Impact of training on worker's performance 1 = very poor 2 = poor 3 = fairly good 4 = very good
1.		
2.		
3.		

4.22. Could you rank these institutes along the listed attributes?

Please rank on a scale of 1-4 with **1 = very poor, 2 = poor, 3 = fairly good, 4 = very good**

Attributes	Institute 1	Institute 2	Institute 3
Outreach and dissemination of their programs			
Ease of application process			
Theoretical content of training			
Practical content of training			
Relevance/effectiveness of training received by employees for your establishment			

IF NO, **[S4_22Y1_1 to S4_22Y1_5] [S4_22Y2_1 to S4_22Y2_5] [S4_22Y3_1 to S4_22Y3_5]**

4.23. If you have not worked with any Skills Development support institutions in the past three years, what are the **three most important** reasons? **S4_23_1 to S4_23_3**

1. 2. 3.

1. Do not know of any of them
2. Their services are not relevant to your plant's needs
3. Don't know anyone there to make a first point of contact
4. Application process too cumbersome
5. Tried it before and it was not a fruitful experience
6. Others (specify) _____

SECTION 5
INVESTMENT CLIMATE CONSTRAINTS AND BUSINESS RELATIONS

Part A. Investment Climate Constraints

5.1. Please judge on a four-point scale how problematic the following factors are for the operation and growth of your business.

Code: 0 = No problem ; 1 = Minor obstacle – 4 = Major obstacle ; -9 = Not applicable

- | | | | | |
|---|---------|----|---------|--------------------------|
| A. Telecommunications | S5_1_01 | to | S5_1_15 | <input type="checkbox"/> |
| B. Electricity | | | | <input type="checkbox"/> |
| C. Transportation | | | | <input type="checkbox"/> |
| D. Access to Land | | | | <input type="checkbox"/> |
| E. Tax rates | | | | <input type="checkbox"/> |
| F. Tax administration | | | | <input type="checkbox"/> |
| G. Customs and trade regulation administration | | | | <input type="checkbox"/> |
| H. Labor regulations | | | | <input type="checkbox"/> |
| I. Skills and education of workers | | | | <input type="checkbox"/> |
| J. Business licensing and registration | | | | <input type="checkbox"/> |
| K. Access to Domestic Credit | | | | <input type="checkbox"/> |
| L. Access to Foreign Credit | | | | <input type="checkbox"/> |
| M. Cost of Financing (e.g. interest rates) | | | | <input type="checkbox"/> |
| N. Economic policy uncertainty | | | | <input type="checkbox"/> |
| O. Macro-economic instability (inflation, exch. rate) | | | | <input type="checkbox"/> |
| P. Corruption | | | | <input type="checkbox"/> |
| Q. Crime, theft and disorder | | | | <input type="checkbox"/> |
| R. Anti-competitive practices (e.g. monopoly) | | | | <input type="checkbox"/> |
| S. Immigration | | | | <input type="checkbox"/> |

5.2. What are the three biggest obstacles to doing business in Malaysia in order of importance?

DO NOT READ THESE RESPONSES TO THE RESPONDENT, ASK THE QUESTION AND LET HIM TELL YOU THE PROBLEMS. THEN CODE AS APPROPRIATE OR WRITE IN THE OTHER PROBLEMS BELOW. S5_2_1 to S5_2_3

1. 2. 3.

- 0. No problem/non applicable
- 1. Ownership regulations
- 2. Tax regulations and/or high taxes
- 3. Skilled labor shortage
- 4. Labor regulations
- 5. Obtaining land and buildings
- 6. Foreign currency regulations
- 7. Lack of business support services
- 8. Inadequate supply of infrastructure
- 9. Utility prices
- 10. Inadequate access to credit
- 11. Import regulations
- 12. High collateral requirements
- 13. High interest rates
- 14. Insufficient demand for my products
- 15. Competition from imports
- 16. Crime and theft
- 17. Official corruption
- 18. Regulations for starting a business, new
- 19. Bureaucratic burden (custom, immigration, legal protection, quality of judiciary)
- 20. Political instability
- 21. Lack of insurance (product liability)
- 22. Others (specify) _____

Part B. Business Relations

5.3. Is your establishment/firm a member of a business association or chamber of commerce? S5_3 Yes=1 No=2

IF YES,

5.3.y.a. How many such associations does [KE] belong to? S5_3YA number

5.3.y.b. For the association that is the most important to your establishment, please indicate if they provide the following services. If so, what is the value of this service to your firm?

0= no value, 1= minor value, 2= moderate value, 3 = major value, 4= critical value to your firm

- 1) Lobbying government S5_3YB_1 to S5_3YB_6
- 2) Resolution of disputes (with officials, workers or other firms)
- 3) Information and/or contacts on domestic product and input markets
- 4) Information and/or contacts on international product and input markets
- 5) Accrediting standards or quality of products
- 6) Information on government regulations

5.3.y.c. Does this association include any of the following as members? **S5_3YC_1 to S5_3YC_4**

Yes = 1 No = 2 Don't Know = - 8

- a) [KE] suppliers
- b) [KE] customers
- c) [KE] competitors
- d) Financial institutions

5.4. For each of the following business services available in Malaysia, please assess whether it is affordable.

If Yes, please evaluate the quality on a 1-4 scale.

(Quality: 1 = very poor, 2 = poor, 3 = fairly good, 4 = very good, -9 = not applicable)

[S5_4A_1 to S5_4A_6] [S5_4B_1 to S5_4B_6]

	Affordable		Quality
	Yes=1	No=2	
1) Engineering & design	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Management & Marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) Accounting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) Legal services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6) IT services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5.5. Have you had disputes with clients such as a delay or suspension of payment, return shipment or cancellation of future shipments over the last 2 years?

S5_5

Yes=1 No=2

IF YES,

5.5.y. Were these disputes resolve through ...?

S5_5Y_1 to S5_5Y_7

Yes=1 No=2

- 1) Court
- 2) Federal Government
- 3) State Government
- 4) Business Association
- 5) Arbitration
- 6) Amicable
- 7) Others

5.6. To what degree do you agree with this statement?

S5_6

"I am confident that the judicial system will enforce my contractual and property rights in business disputes." (read 1-6)?

- 1. Fully disagree
- 2. Disagree in most cases
- 3. Tend to disagree
- 4. Tend to agree
- 5. Agree in most cases
- 6. Fully agree

Part C. Expectations

5.7. What is your expectation of the following variables next year (2008) [S5_7A_1 to S5_7A_3] [S5_7B_1 to S5_7B_3]

	At the end of 2008	
	Minimum	Maximum
1. Growth of your sales (in %)		
2. Change in average cost per unit of locally produced raw material (in %)		
3. Change in average cost per unit of imported raw material (in %)		

**SECTION 6
INFRASTRUCTURE, ACCESS TO LAND AND GOVERNMENT REGULATION**

Part A. Licenses, Permits, and Government Regulation

6.2. In the past 2 years, from which of the following institutions/agencies did you apply for licenses, permits and approvals/certificates and how long did it take?

Issuing authority	Licenses		Permits		Approvals/Certificates	
	Number of licenses	Average Time to obtain (weeks)	Number of Permits	Average Time to obtain (weeks)	Number of approvals/certificates	Average Time to obtain (weeks)
1. Federal government (e.g. MITI, MIDA, JAKIM, LPKP)						
2. State government (e.g. Land office, district office)						
3. Local authority						
4. Others						

[S6_2A_1 to S6_2A_4] [S6_2B_1 to S6_2B_4] [S6_2F_1 to S6_2F_4]

6.3. How many of these licenses, permits and approvals/certificates do you need to renew periodically (i.e. every year, 2 years)? S6_3_1 to S6_3_3

a) licenses	number	<input type="text"/>	<input type="text"/>	<input type="text"/>
b) permits	number	<input type="text"/>	<input type="text"/>	<input type="text"/>
c) approvals/certificates	number	<input type="text"/>	<input type="text"/>	<input type="text"/>

6.4. In 2006, did you use agents, consultants, or one or more employees to help you process these permits, licenses and approvals/certificates? Yes=1 No=2 S6_4

IF YES, S6_4Y

6.4.y. At what cost or salary? RM

6.5. How long did it take to obtain your most recent license/permit/approvals/certificates from the following agencies?

Please write N/A = -9 if not applicable

S6_5_1 to S6_5_5

Weeks

1) Foreign Investment Committee (FIC)	<input type="text"/>	<input type="text"/>	<input type="text"/>
2) Commercial Vehicle Licensing Board (LPKP)	<input type="text"/>	<input type="text"/>	<input type="text"/>
3) Immigration Department	<input type="text"/>	<input type="text"/>	<input type="text"/>
4) Land office	<input type="text"/>	<input type="text"/>	<input type="text"/>
5) Fire & Rescue Department	<input type="text"/>	<input type="text"/>	<input type="text"/>

6.6. Based on the experience of your establishment over the last two years, how long did it take to obtain each of the following?

Please write N/A = -9 if not applicable

S6_6_1 to S6_6_6

Days

1) Fixed telephone line	<input type="text"/>	<input type="text"/>	<input type="text"/>
2) Electrical connection	<input type="text"/>	<input type="text"/>	<input type="text"/>
3) Water connection	<input type="text"/>	<input type="text"/>	<input type="text"/>
4) Approval for construction	<input type="text"/>	<input type="text"/>	<input type="text"/>
5) Import permit	<input type="text"/>	<input type="text"/>	<input type="text"/>
6) Operating license	<input type="text"/>	<input type="text"/>	<input type="text"/>

6.7. On average, how many days were spent last year (2006) in dealing (i.e. in inspections, meetings) with each of the following agencies in relation to of your business and what was the associated cost?

Agency	Total number of days spent in contact with agency dealing with regulation of the business	Total Cost (RM)
Tax Inspectorate (IRB)	S6_7A_1 to S6_7A_5	S6_7B_1 to S6_7B_5
Labor and Social Security (EPF, SOCSO/PERKESO)		
Fire & Rescue Department / Department of Occupational Safety and Health (DOSH)		
Local authority		
Others		

6.8. How many times did inspectors from these agencies visit your establishment last year?

S6_8

<input type="text"/>	<input type="text"/>
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6.9. What percentage of senior management's time per year is spent in dealing with requirements imposed by government regulations [e.g. taxes, customs, labor regulations, licensing and registration] including dealings with officials, completing forms, etc.?

<input type="text"/>	<input type="text"/>	<input type="text"/>	%
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S6_9

6. 10. Please give your assessment of the following Institutions:

	<p>Have you received incentives/grants or loans from these institutions in the past 3 years?</p> <p>1= Yes 2= No, I never heard about the scheme 3= No, I applied and was turned down 4= No, never applied because process too long and complicated</p>	<p>If Yes, when did you get this benefit? (Year)</p>	<p>How critical was this to your plant?</p> <p>0= no value 1= minor value 2= moderate value 3= major value 4= critical</p>
Malaysian External Trade Corporation (MATRADE)	S6_10A_1 to S6_10A_6 S6_10B_1 to S6_10B_6		S6_10C_1 to S6_10C_6
Malaysian Industrial Development Authority (MIDA)			
Human Resource Development Fund (HRDF)			
Small- and Medium-sized Industries Development Corporation (SMIDEC)			
Malaysian Technology Development Corporation (MTDC)			
Malaysian Industrial Development Finance (MIDF)			

Part B. Provision of Public Goods

- 6.11. a) Please estimate the losses (as a percent of total sales) from theft, robbery or vandalism against your establishment in the last year? S6_11_1 to S6_11_3 %
- b) What percentage of the incidents did you report to the police? %
- c) Of those reported, what percentage was solved? %
- 6.12 Please estimate your establishment's costs (as a % of its total sales) of providing security? S6_12 %
- 6.13. On average, what percentage of your shipment is lost while being transported due to breakage, theft or spoilage? S6_13 %
- 6.14. On average, how many times per month did your establishment experience the following service interruptions in 2006 and how long did they last? S6_14A_1 to S6_14A_4 S6_14B_1 to S6_14B_4

	Number of times per month	Ave. duration
a) Power outages or surges from the public grid?	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> hrs
b) Insufficient water supply?	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> hrs
c) Interruption fixed telephone service?	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> hrs
d) Transport disruption?	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> hrs

6.15. What percent of your production value was lost due to power interruptions from the public grid in 2006?
 (Please include losses due to lost production time from the outage, time needed to reset machines and production has to be rejected due to processes being interrupted.) %
S6_15

6.16. Do you own or share a generator? S6_16 Yes=1 No=2

IF YES,

6.16.y.a. When did you acquire this generator? S6_16YA year

6.16.y.b. What was the cost of acquisition? S6_16YB RM

6.17. What is the average cost of a kilowatt-hour (Kwh) of electricity from

a) your private generator S16_17_1 RM •

b) the public grid S16_17_2 RM •

6.18. What percentage of your consumption of electricity is from your own or shared generator in year 2006?
S6_18 %

6.19. What share of your firm's water supply is from: S6_19_1 to S6_19_3

a. public sources? %

b. your own well or tank? %

c. purchased from private vendors? %

Part C. Access to Land:

6.20. In setting up or expanding your business, how did you acquire land? S6_20

1. Bought

2. Rented

3. Leased

IF response is RENTED or LEASED, skip to Question 6.22

IF BOUGHT,

6.21. How long did it take to transfer the property? S6_21 month

6.22. In the process of acquiring the land, did you encounter any problems? S6_22 Yes=1 No=2

6.23. If **Yes**, was this problem relative to

1. Price of land S6_23

2. Bureaucratic procedures

3. Corruption

4. Lack of suitable location

5. Others (please specify) _____

Part D. Location:

6.24.

Region	a) Is the business environment in this region is as <input type="text"/> <input type="text"/> is as 1=better 2=same 3=worse -9=not applicable than where KE is based now ?	b) Is this region better, worse or the same when compare with where [KE] is based now with respect to the following ... Code: better=1 same=2 worse=3 Not applicable=-9 Don't know=-8					
		A. Power supply	B. Transportation	C. Telecommunications	D. Access to land	E. Availability of suppliers	F. Labor quality
1. Klang Valley	S6_24X_1	S6_24A_1	S6_24B_1	S6_24C_1	S6_24D_1	S6_24E_1	S6_24F_1
2. North							
3. South	to	to	to	to	to	to	to
4. East Coast							
5. Sabah							
6. Sarawak	S6_24X_6	S6_24A_6	S6_24B_6	S6_24C_6	S6_24D_6	S6_24E_6	S6_24F_6

6.25. Which region has the best business environment? S6_25

6.26. By what percent would your cost of production be cut if you were based in that region? %

S6_26

6.27. Which region has the worst business environment? S6_27

S6_28

6.28. By what percent would your cost of production rise if you were based in that region? %

**SECTION 7
INTERNATIONAL TRADE**

Part A: Export Incentives

Facility	7.1. Are you currently using or benefiting from this facility? Yes=1 No=2	7.2. How long did it take to process the application including payment? (Number of days)
1. Double Deduction For Promotion of Exports		
2. Double Deduction for Promotion of Malaysian Brands		
3. Tax Exemption on the Value of Increased Exports		
4. Tax Exemption for Malaysian International Trading Company (MITC)		
5. Double Deduction of Export Credit Insurance Premiums		
6. Single Deduction for Quality Certification		
7. Single Deduction for Registration of Patents		
8. Single Deduction for Hotel Accommodation		
9. Industrial Building Allowance (IBA)		
10. Deduction on Cost of Developing Websites		
11. Tax Incentives for Offshore Trading Via Websites		

S7_1_01 to S7_1_11 S7_2_01 to S7_2_11

Part B. Transport and Customs

7.3. Did you directly export any part of your output in 2006? S7_3 Yes=1 No=2

IF NO, Skip to Question 7.4

IF YES,

7.3.y.a. On average, how long did it take a shipment of your exports to reach the point of customs clearance? S7_3YA
 days

7.3.y.b. What was the average and the longest number of days it took you to clear Malaysian customs?
 average number of days
 longest number of days

7.3.y.c. What percent of the value of your export earnings was transport costs in year 2006? S7_3YB_1 S7_3YB_2 %
S7_3YC

7.4. Did you directly import equipment or other inputs in 2006? S7_4 Yes=1, No=2

IF NO, Skip to Question 7.5

IF YES,

7.4.y.a. What was the average and the longest number of days it took you to clear Malaysian customs? S7_4YA_1 S7_4YA_2
 average number of days
 longest number of days

7.4.y.b. When was your last consignment of such inputs delivered to you? S7_4_YB1 S7_4_YB2

 month year

7.4.y.c. Where did the consignment originate from? (country of origin, not transit)
 _____ S7_4YC

7.4.y.d How long did it take the consignment to reach the port/airport of transit from the country of origin? S7_4YD
 days

IF NO,

7. 5. What are the **3 most important factors** that constitute an obstacle or completely inhibit you from exporting?

First
 Second
 Third

Examples:

1. Shipping and transport costs S7_5_1 to S7_5_3
2. Costs of obtaining visas for immigration of temporary and permanent employees
3. Cost of meeting foreign legal and product standards
4. Inability to produce to potential clients' standards, specifications, and schedule
5. Cannot match prices of domestic competitors who export
6. Cannot match prices of foreign competitors
7. Foreign clients demand upgrades and changes in specifications too frequently
8. Recovering payments from abroad is difficult
9. Supplying the domestic market is relatively more profitable
10. Costs of establishing a foreign distribution network (and where applicable after sales service)
11. Domestic content requirements
12. Others (please specify) _____