



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

Confidential when filled with data

**MANUFACTURING**

**PART 2-A**

## **PRODUCTIVITY AND INVESTMENT CLIMATE SURVEY 2, MALAYSIA 2007**

The Productivity and Investment Climate Survey is a collaborative effort of the World Bank and the Malaysian Government. Similar surveys are being carried out in 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 can guarantee confidentiality for all individual responses.**

The general purpose of the survey is to understand the investment climate in Malaysia and how it affects business performance, with the objective of helping improve it. The survey will provide useful information about the investment climate of Malaysia in an international context; our experience in a wide range of countries is that this information can be crucial for improving the climate so that businesses can expand and their workers 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 invested versus domestic, or new versus experienced). It then proceeds to issues of finance (to examine financial constraints on production and expansion), technology (to assess the ease of access to new technologies), relationship with other firms (to gauge the importance of associations and networks), government regulation, contract enforcement, labor relations, and international trade. What should emerge is a comprehensive picture of the environment in which businesses are operating in Malaysia, both their strengths and weaknesses.

### **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.



**SECTION 8  
PRODUCTS AND INPUTS**

8.1. Please provide the following information on the **three most** important products of **your plant** in the fiscal year of 2006.

**(Note: please indicate only one product for each row)**

Product description	Unit	Product Code	Quantity Sold (including exports)	Quantity Exported	Total sales Including exports (RM)	Value of Exports (RM)	Year of first Production by <b>your plant</b>	Year of first export by <b>your plant</b>
1.	S8_1A_1	S8_1B_1	S8_1C_1	S8_1D_1	S8_1E_1	S8_1F_1	S8_1G_1	S8_1H_1
2.	to	to	to	to	to	to	to	to
3.	S8_1A_3	S8_1B_3	S8_1C_3	S8_1D_3	S8_1E_3	S8_1F_3	S8_1G_3	S8_1H_3
4.								
5.								
6.								
7.								
8.								
9.								
10.								

8.2. Please provide the following information on the three most important products of **your plant** in the fiscal year of 2005.

**(Note: please indicate only one product for each row)**

Product description	Unit	Product Code	Quantity Sold (including exports)	Quantity Exported	Total sales including exports (RM)	Value of Exports (RM)	Year of first Production by <b>your plant</b> (ignore if same as in 8.1)	Year of first export by <b>your plant</b> (ignore if same as in 8.1)
1.	S8_2A_1	S8_2B_1	S8_2C_1	S8_2D_1	S8_2E_1	S8_2F_1	S8_2G_1	S8_2H_1
2.	to	to	to	to	to	to	to	to
3.	S8_2A_3	S8_2B_3	S8_2C_3	S8_2D_3	S8_2E_3	S8_2F_3	S8_2G_3	S8_2H_3
4.								
5.								
6.								
7.								
8.								
9.								
10.								

8.3. Please provide the following information on the **three most** important raw materials (in terms of value) of **your plant** in the fiscal year of 2006.

**(Note: please indicate only one raw material for each row)**

Raw material description	Unit	Raw material code	Quantity purchased (including imports)	Quantity imported	Value of purchases including imports (RM)	Value of imports (RM)
1.	S8_3A_1	S8_3B_1	S8_3C_1	S8_3D_1	S8_3E_1	S8_3F_1
2.	to	to	to	to	to	to
3.	S8_3A_3	S8_3B_3	S8_3C_3	S8_3D_3	S8_3E_3	S8_3F_3
4.						
5.						
6.						
7.						
8.						
9.						
10.						

8.4. Please provide the following information on the **three most** important raw materials (in terms of value) of **your plant** in the fiscal year of 2005.

**(Note: please indicate only one input for each row)**

Raw material description	Unit	Raw material code	Quantity purchased (including imports)	Quantity imported	Value of purchases including imports (RM)	Value of imports (RM)
1.	S8_4A_1	S8_4B_1	S8_4C_1	S8_4D_1	S8_4E_1	S8_4F_1
2.	to	to	to	to	to	to
3.	S8_4A_3	S8_4B_3	S8_4C_3	S8_4D_3	S8_4E_3	S8_4F_3
4.						
5.						
6.						
7.						
8.						
9.						
10.						



8.10. What is the percentage distribution of **your plant's** exports by country of destination:

Country	Country Code		Percent of annual exports		Year of export for the first time
			2006 (%)	2005 (%)	(year)
1. S8_10A1_1			S8_10B_1		S8_10C_1~~S8_10D_1
2.					
3. to			to	~~~~to	to
4.					
5.					
6. Other countries S8_10A1_6 .....			S8_10B_6		S8_10C_6~~ S8_10D_6
<b>TOTAL</b>			<b>100</b>	<b>100</b>	

8.11. How important are the following factors in relation to imports that compete with your major products?

Not important                      Moderately important                      Very important  
 0                                      1    2    3                                      4

1. (a) Low price	S8_11_1	<input type="text"/>
2. (b) Durability	S8_11_2	<input type="text"/>
3. (c) Better material quality	S8_11_3	<input type="text"/>
4. (d) Better model/design	S8_11_4	<input type="text"/>
5. (e) Others (specify)_____	S8_11_5	<input type="text"/>

8.12. What percent of material inputs and supplies are lower than the agreed upon quality?  %

S8\_12                      S8\_13

8.13. What percentage of sales are lost due to delivery delays from suppliers?  %

### Relations with Suppliers:

8.14. Please provide information on suppliers of two most important raw materials (**in the order of importance**)

Description of raw materials	Total number of suppliers	How many suppliers of this raw materials are in the market ?	Is this raw material made to your unique specification? Yes=1 ; No=2
1.S8_14A_1	S8_14B_1	S8_14C_1	S8_14D_1
2.S8_14A_2	S8_14B_2	S8_14C_2	S8_14D_2



**IF YES**

8.21.y. Were these disputes resolve through the ...?

Yes=1 No=2

- 1) Court S8\_21Y\_1 to S8\_21Y\_7 □
- 2) Federal Government □
- 3) State government □
- 4) Business association □
- 5) Arbitration □
- 6) Amicable □
- 7) Others (specify)\_\_\_\_\_ □

**Relations with Clients:**

8.22. On average, what percent of your sales is

%

- a. Paid before delivery S8\_22\_1 □ □ □
  - b. Paid upon delivery S8\_22\_2 □ □ □
  - c. Bought on credit S8\_22\_3 □ □ □
  - d. Others (specify)\_\_\_\_\_ S8\_22\_4 □ □ □
- |   |   |   |
|---|---|---|
| 1 | 0 | 0 |
|---|---|---|

8.23. What % of sales normally goes to your largest customer? S8\_23 □ □ □ %

8.24. What is **[KE's]** share in the domestic market for its most important product? □ □ □ %  
S8\_24

8.25. Does your enterprise use e-mail or a website regularly to interact with clients and suppliers?

Yes=1 No=2

- a. Email S8\_25\_1 □
- b. Website S8\_25\_2 □

**If Yes to b**

8.25.b.y. What percentage of your sales is done through your website? S8\_25BY □ □ □ %

8.26. How far is your main client?

	KM (domestic)	Foreigner (country name)	Country Code
Product 1	S8_26A_1		S8_26B_1
Product 2	S8_26A_2		S8_26B_2

8.27. Within your main product line, how many competitors, suppliers and buyers do you have and are they domestic or foreign owned?

	Domestic Private Firms	Domestic State Owned Firms	Foreign Owned Firms
a) Competitors	S8_27A_1	S8_27B_1	S8_27C_1
b) Suppliers	to	to	to
c) Buyers	S8_27A_3	S8_27B_3	S8_27C_3

## SECTION 9 CORPORATE FINANCE

<b>Costs</b>			
9.1. Sales and expenses for the fiscal years of 2004, 2005 and 2006	Value in RM		
	2006	2005	2004
Total Production	S9_1A_01	S9_1B_01	S9_1C_01
Purchases of materials excluding fuel			
Total sales			
Direct material cost			
Consumption of energy :			
Electricity	to	to	to
Others			
Manpower costs:			
Wages and salaries			
Allowances, bonuses and other benefits			
Transport costs			
Interest charges and financial fees			
Selling and general administration expenses			
Other costs (i.e.: overhead expenses, design dept., etc.)	S9_1A_14	S9_1B_14	S9_1C_14

9.2. What was **your plant's** sales revenue in RM for the fiscal year of

(a) 2001? (five years ago) <b>S9_2_1</b> RM														
(b) 1996 ? (ten years ago) <b>S9_2_2</b> RM														

9.3. How much did the following cost **your plant** in RM during the fiscal year of ...?

	2006	2005	2004
a. Rent for machinery and equipment (if owned, please enter value of depreciation)	<b>S9_3A_1</b>	<b>S9_3B_1</b>	<b>S9_3C_1</b>
b. Rent for land and/or buildings (if owned, please enter value of depreciation)			
c. Telecommunication costs (telephone, postal serv., etc)	<b>to</b>	<b>to</b>	<b>to</b>
d. Traveling (for employees)			
e. Royalty or license fee to domestic companies			
f. Royalty or license fee to foreign owned companies			
g. Leasing	<b>S9_3A_7</b>	<b>S9_3B_7</b>	<b>S9_3C_7</b>

9.4. How much did **your plant** pay for the following taxes in the fiscal year ....? (RM)

	2006	2005	2004
a. Corporate tax	<b>S9_4A_1</b>	<b>S9_4B_1</b>	<b>S9_4C_1</b>
b. Import duties on materials and components			
c. Import duties on capital goods			
d. Sales tax	<b>to</b>	<b>to</b>	<b>to</b>
e. Excise tax			
f. Contributions/donations			
g. Local authority taxes (eg. assessment tax, quit rent etc)			
h. Other direct taxes			
i. Other indirect taxes (i.e. taxes on transactions)	<b>S9_4A_9</b>	<b>S9_4B_9</b>	<b>S9_4C_9</b>

9.5. For the latest consignment of your import what is the breakdown of transport costs? **S9\_5\_1**

RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Total cost of last consignment (including transport costs) **S9\_5\_2**

RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

a) Cost of insurance and freight to the port of entry to Malaysia **S9\_5\_3 to S9\_5\_9** RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

b) Cost of insurance and freight from the port of entry to Malaysia to this plant/farm RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

c) Cost of air transport RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

d) Cost of road transport RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

e) Cost of rail transport RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

f) Sea-port charges RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

g) Airport charges RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

9.5. b. How much would it cost to ship a 40-foot container of your main product from your plant to

a) New York (USA) **S9\_5B\_1 to S9\_5B\_6** RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

b) Hong Kong RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

c) Rotterdam RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

d) Others (please specify) \_\_\_\_\_ RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

e) Sabah RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

f) Sarawak RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

9.6. Machinery & equipment:

a) What would be the cost of replacing all your machinery and equipment at the end of 2006 by acquiring new machines? **S9\_6\_1** RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

b) What is the current market value of all your machinery and equipment at the end of 2006? **S9\_6\_2** RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

9.7. What would be the cost of replacing all your business premises or leasehold at the end of 2006? **S9\_7** RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

9.8. What is the estimated annual market rent that **your plant** would have paid for its business premises in 2006? **S9\_8** RM 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

9.9. How much did your plant spend on design or R&D in 2006?  
*[Spending includes wages and salaries of R&D personnel, such as scientists and engineers; materials, training costs, and subcontracting costs.]*

S9\_9

RM

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

9.10. How much did **your plant** spend on additional machinery, equipment, vehicles, land and buildings in the fiscal year ...?

	2006		2005		2004	
	amount (RM)	of which % imported	amount (RM)	of which % imported	amount (RM)	of which % imported
a) New machinery and equipment	S9_10A_1	S9_10B_1	S9_10C_1	S9_10D_1	S9_10E_1	S9_10F_1
b) Second hand machinery and equipment						
c) Land and buildings and improvement in leasehold	to				to	
d) New vehicles						
e) Second hand vehicles						

S9\_10A\_5 S9\_10B\_5 S9\_10C\_5 S9\_10D\_5 S9\_10E\_5 S9\_10F\_5

9.11. Did you sell any equipment or property during the fiscal year ....?

Value sold in RM	2006	2005	2004
a) Machinery and equipment	S9_11A_1	S9_11B_1	S9_11C_1
b) Land and buildings or leasehold	to		to
c) Vehicles	S9_11A_3	S9_11B_3	S9_11C_3

Income Statement			
9.12.	Value in RM as at the end of the fiscal year		
	2006	2005	2004
Total Assets			
Property, Plant and Equipment:			
Acquisition cost			
Machinery and equipment (including transport)			
Land, buildings and leasehold improvement			
Net book value			
Machinery and equipment (including transport)			
Land, buildings and leasehold improvement			

Income Statement			
9.12	Value in RM as at the end of the fiscal year		
	2006	2005	2004
Current Assets:			
Inventories and stocks			
Finished goods			
Work-in-process			
Raw materials excluding fuel			
Fuel			
Accounts receivable			
Cash on hand and in bank			
Loan advances and deposits (for custom, electricity, etc.)			
Deferred revenue expenses			

S9\_12A\_01 to S9\_12A\_19      S9\_12B\_01 to S9\_12B\_19      S9\_12C\_01 to S9\_12C\_19

9.13.	Value in RM as at the end of the fiscal year		
	2006	2005	2004
Total Liabilities			
Long-term liabilities (i.e., more than one year )			
Domestic currency denominated			
Foreign currency denominated			
Short-term liabilities (i.e. one year or less)			
Domestic currency denominated			
Of which: payables			
Foreign currency denominated			
Of which: payables			
Stockholders Equity			
Share Capital (Equity)			
Reserves and Surplus (Retained Earnings)			

**(Note: Total Assets must equal Total Liabilities)**

S9\_13A\_01      S9\_13B\_01      S9\_13C\_01  
to                      to                      to  
S9\_13A\_12      S9\_13B\_12      S9\_13C\_12

9.14. In how many banks do you have an account?

--	--

S9\_14

9.15. Do you have a term loan from a bank or financial institution?

S9\_15

Yes=1 No=2

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9.16. If No, what is the reason?

S9\_16

1=Never applied for a bank loan (Go to A)

2=Application for (a) bank term loan(s) was turned down (Go to B)

A. What is the reason?

Yes=1 No=2

1. Do not need term loans

2. Application procedures for bank term loans are too cumbersome

3. Collateral requirements of bank term loans are too stringent

4. Interest rates are too high

5. Corruption in the allocation of bank credit

6. Others (specify) \_\_\_\_\_ S9\_16A\_1 to S9\_16A\_6

B. What was the reason given to you when the application was turned down the last time?

Yes=1 No=2

1. Lack of collateral

S9\_16B\_1 to S9\_16B\_4

2. Incompleteness of application

3. Perceived lack of feasibility of project

4. Others (specify) \_\_\_\_\_

9.17. How long has your firm been doing business with your primary bank? months

S9\_17

9.18. Do you have a bank overdraft facility?

S9\_18

Yes=1 No=2

IF YES, GO TO 9.19

IF NO, GO TO 9.20

9.19. What percentage of your overdraft facility did you use in 2006?

S9\_19

 %

9.20. What share of your outstanding credit is due in:

S9\_20\_1 to S9\_20\_2

Less than a year

 %

More than a year

 % %  
1 0 0

9.21. Please identify the percentage of your establishment's financing from each of the following sources for:

i) **Working capital**

ii) **New Investments**

	Working Capital			New Investments		
	%			%		
	S9_21A_01 to S9_21A_10			S9_21B_01 to S9_21B_10		
1. Internal funds or Retained earnings	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2. Local commercial banks (loan, overdraft)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3. Foreign owned commercial banks	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4. Leasing arrangement	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
5. Investment Funds/Special Development Financing	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
6. Trade credit (supplier or customer credit)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
7. Equity, sale of stock	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
8. Family, friends	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
9. Informal sources (e.g. unlicensed money lender)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
10. Others (specify) _____	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>

9.22. Has your plant taken any loan during the last 3 years? S9\_22\_1 Yes=1 No=2

1=TERM LOAN or 2=OVERDRAFT [choose one, the most recent] S9\_22\_2

9.23. If Yes for what term? S9\_23 1. Less than 1 year 2. 1-5 years 3. Over 5 years

9.24. What is the amount of the last loan/overdraft? S9\_24 RM

9.25. In what year was this loan/overdraft approved? S9\_25 Years

9.26. Are externally audited financial statements required to obtain credit? S9\_26 Yes=1 No=2

9.27. Does your firm provide collateral to obtain a bank credit? S9\_27 Yes=1 No=2

9.28. In your experience how frequently do Banks accept the following forms of collateral

Type of Collateral	Never 0	Sometimes 1	Always 2	
a) Land	S9_28_1 to S9_28_7			<input type="text"/>
b) Buildings				<input type="text"/>
c) Machinery and equipment (NEW)				<input type="text"/>
d) Machinery & Equipment (USED)				<input type="text"/>
e) Firm equity				<input type="text"/>
f) Trade credit / accounts receivables				<input type="text"/>
g) Others (specify)_____				<input type="text"/>

9.29. What was the approximate value of collateral required as a percentage of the loan value?  %

S9\_29

9.30. What is the average interest rate for each category of your plant's liabilities? S9\_30B\_1 to S9\_30B\_2

	S9_30A_1 to S9_30A_2 Domestic			Foreign				
Short term liabilities	<input type="text"/>	<input type="text"/>	<input type="text"/>	%	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
Long term liabilities	<input type="text"/>	<input type="text"/>	<input type="text"/>	%	<input type="text"/>	<input type="text"/>	<input type="text"/>	%

9.31. How long does it take to clear the following payments through your financial institution?

	S9_31_1 Days			S9_31_2 Charge (% of transaction)				
a) Foreign currency transfer	<input type="text"/>	<input type="text"/>	<input type="text"/>	%	<input type="text"/>	<input type="text"/>	<input type="text"/>	%