



CONFIDENTIAL WHEN FILLED WITH DATA

SERVICES

PART 2 - A

MALAYSIA

Economic Planning Unit (EPU) and Department of Statistics

Prime Minister's Department

in collaboration with The World Bank

October, 2007

PRODUCTIVITY AND INVESTMENT CLIMATE SURVEY 2, MALAYSIA 2007
--

(To be administered to the Finance Manager / Accountant)

About the survey

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 establishment manager. A team of enumerators will visit your establishment 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.** This 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 provide useful information about the investment climate of Malaysia in an international context. The World Bank's experience in a wide range of countries is that this information can be crucial for improving the investment 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 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 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 much appreciated.

To Enumerators:

For precision of statements, the acronym "KIT"-for a fictional business, Kinabalu Information Technology Services- appears in places where the name of the participating business should be. Similarly "Information Technology Service" appears where the sector of activity of the business should be.

Establishment Name : _____

Establishment No. :

Address : _____

City Name : _____

City Code :

Region Code.
1 = Klang Valley (Selangor, KL, Malacca)
2 = North region (Penang, Kedah)
3 = South Region (Johor)
4 = East Coast (Terengganu)
5 = Sabah
6 = Sarawak

Region Code :

Name of Interviewer : _____

Name of Respondent : _____

Job Title : _____

Telephone Number : _____

Date of interview : | |
d d m m y y y y

Starting time : . am/pm (delete whichever not applicable)

Finish time : . am/pm (delete whichever not applicable)

Enumeration validated by (controller) : _____

Date : | |
d d m m y y y y

Service Code : MSIC Code :

1= Information Technology	2=Communication Services	3= Accounting and Related Professional Services	4= Advertising and Marketing	5= Business Logistics
1. On-Line Information Service 2. Data Processing 3. Custom Computer Programming 4. Computer Systems Design Services 5. Computer Facilities Management 6. Related Services (IT Training, Office Equipment, Repair) 7. Motion Picture and Video Production and Tele Production	1. Wired Telecommunications Carriers 2. Paging Telecommunication Carriers 3. Cellular and Other Wireless Telecommunications 4. Satellite Telecommunications	1. Accounting, Tax Preparation, Bookkeeping, and Payroll Services 2. Management Consulting Services 3. Technical Consulting Services 4. Financial Planning Services For Businesses	1. Advertising Agencies 2. Public Relations Agencies 3. Marketing Research and Public Opinion Polling	1. Freight Air Transportation 2. Freight Shipping Transportation 3. Freight Land (Trucking, Rail) Transportation 4. Couriers 5. Local Messengers and Local Delivery 6. Fulfillment Service/Custom Clearance and Delivery Service 7. Warehousing

To Enumerators:

Sections 8 and 9 of this questionnaire are intended to be filled up by the accountant of the business in the presence of an enumerator. Section 10 should be filled up by the personnel manager or his/her staff, again in the presence of an enumerator. Please make sure that:

- a. all dates are entered in the European calendar or Fiscal Year, and
- b. all monetary values are in *RINGGIT MALAYSIA (RM)*

*****Very Important! In order to identify precisely and consistently the type of Services and inputs, please use a five digit code list provided by the Department of Statistics (DOS) for SECTION 8.**

**SECTION 8:
SALES OF SERVICES**

Please answer the following questions for your Establishment's **MAIN BUSINESS LINE**
(The business line with the largest sales in 2006)

[A business line is defined here as a business activity that is more narrow than your industry sub sector]

8.1 Please provide the following information on the three most important **type of services** of your **Establishment's MAIN BUSINESS LINE** in the **fiscal year 2006**. (Note: please indicate only one service for each row)

Service description	Total sales including exports (RM)	Value of Exports (RM)	Year of first provision by your Establishment	Year of first export by your Establishment
1	S8_1A_1	S8_1B_1	S8_1C_1	S8_1D_1
2	to	to	to	to
3	S8_1A_3	S8_1B3	S8_1C_3	S8_1D_3

8.2 Please provide the following information on the three most important types of services of **your Establishment** in the **fiscal year 2005**. (Note: please indicate only one service for each row)

Service description	Total sales including exports (RM)	Value of Exports (RM)	Year of first provision by your Establishment	Year of first export by your Establishment
1	S8_2A_1	S8_2B_1	S8_2C_1	S8_2D_1
2	to	to	to	to
3	S8_2A_3	S8_2B_3	S8_2C_3	S8_2D_3

8.3 Please provide the following information on the three most important types of services of **your Establishment** in the **fiscal year 2004**. (Note: please indicate only one service for each row)

Service description	Total sales including exports (RM)	Value of Exports (RM)	Year of first provision by your Establishment	Year of first export by your Establishment
1	S8_3A_1	S8_3B_1	S8_3C_1	S8_3D_1
2	to	to	to	to
3	S8_3A_3	S8_3B_3	S8_3C_3	S8_3D_3

8.4 How many percent of **your Establishment's** services was?

S8_4A_1 to S8_4A_2 S8_4B_1 to S8_4B_2 S8_4C_1 to S8_4C_2

	2006 %	2005 %	2004 %
sold domestically	<input type="text"/>	<input type="text"/>	<input type="text"/>
exported	<input type="text"/>	<input type="text"/>	<input type="text"/>
TOTAL	1 0 0	1 0 0	1 0 0

8.5 For the domestic sales, what % went to the same region where [KIT] is located? %

S8_5

8.10 Please provide the percentage (%) distribution of **your establishment's** exports by country of destination

Country	Percent of annual exports		Year of export for the first time
	2006	2005	(Year)
1 S8_10 A_1	S8_10B_1	S8_10C_1	S8_10D_1
2			
3 to	to	to	to
4			
5			
6.Others (specify) _____ S8_10A_6	S8_10B_6	S8_10C_6	S8_10D_6
TOTAL	100%	100%	

8.12 How many percent (%) of the material inputs and supplies were lower than the agreed upon quality? (N/A if not applicable) %

S8_12

Relations with Suppliers:

8.14 Please provide information on suppliers of two most important inputs (in the order of importance)

Description of input	Total number of suppliers	How many suppliers of this input are in the market?	Is this input 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

8.15 Relationship with **main** supplier for each of two main inputs (same inputs as listed above)

	% of input is bought from this supplier	Number of times delivered per year	Is your firm the most important customer of this supplier Yes=1 ; No=2	How long is your relationship (years)	% of input that you pay for before delivery	% input that you buy on credit	Number of days of credit
1	S8_15A_1	S8_15B_1	S8_15C_1	S8_15D_1	S8_15E_1	S8_15F_1	S8_15G_1
2	S8_15A_2	S8_15B_2	S8_15C_2	S8_15D_2	S8_15E_2	S8_15F_2	S8_15G_2

8.16 If your main supplier failed to deliver the 2 inputs, how long would it take you to obtain replacement supplies?

Input	Months	Days
Input 1	S8_16A_1	S8_16B_1
Input 2	S8_16A_2	S8_16B_2

8.17 How far is your main supplier?

	KM (domestic)	Foreigner (country)
Input 1	S8_17B_1	S8_17C_1
Input 2	S8_17B_2	S8_17C_2

8.18 When you receive a new delivery from your main supplier, generally how much of these inputs do you still have in stock? (Please answer in number of days of production)

	(Days of production)
Input 1	S8_18_1
Input 2	S8_18_2

8.19 Did you have to stop operation in the last 3 years because of shortage of inputs? S8_19

Yes=1 No=2

8.20 If one of your suppliers cheats another firm, would you find out? S8_20

Yes=1 No=2

8.21 Have you had disputes with suppliers on delay or suspension of payment, return shipment or cancellation of future shipments over the last 3 years? S8_21

Yes=1 No=2

If Yes,

8.21.y Were these disputes resolve through? (Code: 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, how many percent (%) of your sales is

	%		
1. paid before delivery S8_22_1	<input type="text"/>	<input type="text"/>	<input type="text"/>
2. paid upon delivery S8_22_2	<input type="text"/>	<input type="text"/>	<input type="text"/>
3. bought on credit S8_22_3	<input type="text"/>	<input type="text"/>	<input type="text"/>
4. others (specify) _____ S8_22_4	<input type="text"/>	<input type="text"/>	<input type="text"/>
	1	0	0

8.23 What percent (%) of sales normally goes to your largest customer? %
S8_23

8.24 What is **[KIT's]** share in the domestic market for its most important product? %
S8_24

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

a. E-mail? S8_25_1	Yes=1 No=2	<input type="text"/>
b. Website? S8_25_2	Yes=1 No=2	<input type="text"/>

If Yes to b.,

8.25.b.y What is the percentage (%) of sales done through your website? S8_25BY %

8.26 How far is your main client?

	KM (domestic)	Foreigner (country)
Service 1	S8_26A_1	S8_26B_1
Service 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**

9.1 Sales and expenses for the fiscal years 2004, 2005 and 2006.

Costs			
Sales and expenses	Value (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 establishment's** sales revenue in RM for the fiscal year

(a) 2001? (five years ago) S9_2_1

(b) 1996 ? (ten years ago) S9_2_2

9.3 How much did the following cost **your establishment** in RM during the fiscal year?

	2006	2005	2004
1. Lease/Rent for land and/or buildings (if owned, please enter value of depreciation)	S9_3A_01	S9_3B_01	S9_3C_01
2. Telecommunication costs (telephone, postal service, etc)			
3. Traveling (for employees)			
4. Rent for IT equipment (if owned, enter the value of depreciation)			
5. Data processing, Billing, Back office			
6. Advertising and marketing	to	to	to
7. Research and Development			
8. Insurance			
9. Legal and accounting			
10. Fees, Taxes and Levies			
11. Royalty or license fee to domestic companies			
12. Royalty or license fee to foreign owned companies			
13. Others	S9_3A_13	S9_3B_13	S9_3C_13

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

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

9.5 Fixed Assets and New Investments (RM)

	2006	2005	2004
Land and buildings and improvement in leasehold	S9_5A_1	S9_5B_1	S9_5C_1
Machinery and equipment, excluding IT			
Out of which second hand machinery and equipment			
IT Equipment	to	to	to
Office equipment other than IT			
Cars, Vans and Trucks			
Out of which second hand vehicles	S9_5A_7	S9_5B_7	S9_5C_7

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 establishment** would have paid for its business premises in 2006? S9_8

RM

9.9 How much did your establishment spend on design or R&D in 2006? [Spending includes wages and salaries of R&D personnel, such as scientists and engineers; material training costs and subcontracting costs.] S9_9

RM

9.10 How much did **your establishment** spend on additional machinery, equipment, vehicles, land and buildings in the fiscal year? (RM)

	2006	2005	2004
Land and buildings and improvement in leasehold	S9_10A_1	S9_10B_1	S9_10C_1
Machinery and equipment, excluding IT			
Out of which second hand machinery and equipment			
IT Equipment	to	to	to
Office equipment other than IT			
Cars, vans and trucks			
Out of which second hand vehicles	S9_10A_7	S9_10B_7	S9_10C_7

9.11 Did you dispose of any equipment or property during the fiscal year?

Item	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	to
c) Vehicles	S9_11A_3	S9_11B_3	S9_11C_3

Income Statement Items			
9.12	Value in RM as at the end of the fiscal year		
	2006	2005	2004
Total Assets			
Property, Establishment 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			
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
to
S9_13A_12
S9_13B_01
to
S9_13B_12
S9_13C_01
to
S9_13C_12

- 9.14 How many banks or financial institutions do you deal with? S9_14
- 9.15 Do you have a term loan from a bank or financial institution? S9_15 Yes=1 No=2
- If yes, go to 9.17**
- 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? (Code: 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? (Code: 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

9.18 Do you have a bank overdraft facility?

S9_17
S9_18

Yes=1 No=2

If yes, go to 9.19

If no, go to 9.20

9.19 How many percent (%) of your overdraft facility did you use in 2006? %

S9_19

9.20 What is your outstanding credit which is due in:

%

S9_20_1 to S9_20_2

Less than a year

More than a year

Total

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

S9_21A_01 to S9_21A_10 S9_21B_01 to S9_21B_10

Working Capital

New Investment

%

%

1. Internal funds or Retained earnings

2. Local commercial banks (loan, overdraft)

3. Foreign owned commercial banks

4. Leasing arrangement

5. Investment Funds/Special Development Financing

6. Trade credit (supplier or customer credit)

7. Equity, sale of stock

8. Family, friends

9. Informal sources (e.g. unlicensed money lender)

10. Others (specify): _____

TOTAL

1 0 0

1 0 0

9.22 Has your establishment taken any loan during the last 3 years? Yes=1 No=2

S9_22_1

1=TERM LOAN or 2=OVERDRAFT [choose one, the most recent] S9_22_2

If no, go to 9.26

9.23 **If yes**, for what term?

S9_23

Less than 1 year =1

1-5 years= 2

Over 5 years =3

9.24 What is the amount of the last loan/overdraft? S9_24 RM

9.25 In what year was this loan/overdraft approved? Year

S9_25

9.26 Are externally audited financial statements required to obtain bank 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 From your experience how frequent do Banks accept the following forms of collateral?

Never = 0 Sometimes = 1 Always = 2

- a) Land S9_28_1 to S9_28_7
- b) Buildings
- c) Machinery and equipment (NEW)
- d) Machinery & Equipment (USED)
- e) Firm equity
- f) Trade credit / accounts receivables
- g) Others, specify _____

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 the following category of your establishment's liabilities?

S9_30A_1 to S9_30A_2 S9_30B_1 to S9_30B_2

Liabilities	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"/>

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

S9_32_1 to S9_32_2

Liabilities	Days	Charge (% of transaction)
Short term liabilities	<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"/>

9.33 Does your establishment have its annual financial statement reviewed by a certified external auditor?

Yes=1 No=2 S9_33