



# **ETHIOPIA: INVESTMENT CLIMATE SURVEY II**

**QUESTIONNAIRE FOR RETAIL/SERVICES  
SECTOR ESTABLISHMENTS**

**29 June, 2006**

## ETHIOPIA INVESTMENT CLIMATE SURVEY - II

**BACKGROUND AND OBJECTIVES:** An earlier Firm Level Survey of Ethiopia was conducted through a collaborative effort of the World Bank and EDRI, Ministry of Trade and Industry, Ethiopian Export Promotion Agency, CSA, Ethiopian Chamber of Commerce, Ethiopian Private Industries Association, Ethiopian Investment Authority, Addis Ababa Women Entrepreneurs' Association, and UNIDO in 2002/03 period. Similar surveys have also been carried out in other developing countries. It is believed that a number of reform attempts have been done to encourage the performance of the private sector since the last survey. These include, tax reforms, streamlining business registration processes, investment in the power sector, etc. The current survey in Ethiopia is a follow-up data collection exercise to further look at the effects of past policy reforms on the business climate indicators that affect your performance and growth; identify the current microeconomic impediments and discuss policy options with the government in order to improve the investment climate in Ethiopia.

Thus, the general purpose of this survey, as it was for the previous survey and for all other surveys in developing countries undertaken with the assistance of the World Bank, is also to understand the investment climate in Ethiopia and how it affects business performance, with the objective of helping improve it. The survey will also be used to better understand conditions in the local investment climate and how they affect firm-level productivity. The goal is to advise government on ways to change policies that hinder private establishments like yours and to develop new policies and programs that support productivity growth. Your answers should reflect only your experience of doing business in your country. We will provide you with a summary report that will be directly useful to you in that it will enable you to benchmark your business and your industry against domestic and international competitors. Furthermore, the survey will provide useful information about the changes in investment climate of Ethiopia during the last few years and analyze the current investment climate 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.

**GENERAL INSTRUCTIONS TO ENUMERATORS:** Clearly explain to the respondent the objectives of the survey and the expected analytical outputs; Explain to him/her that the questionnaire in general consists of **15** sections as shown below. The sections generally deal with enterprise level data such as background information, production, investment, finance, labor, and capacity utilization, conflict resolution, infrastructure services, contract enforcement and productivity. These questions should be answered by the owner or managing director of the firm. If the owner/managing director is not available, try to make an appointment with him/her at a later date to conduct the interview. With the owners/managing director's permission, other well informed staff (e.g. the accountant) could also answer some parts of the questionnaire.

### **IT IS IMPORTANT THAT YOU STRESS THE REASONS FOR THIS INTERVIEW AND ITS CONFIDENTIALITY saying to the respondent that ....**

We would like to stress that the information that you provided us for this survey is strictly confidential, and will remain so. When data is entered into computer, your firm will only be identified by a code number, and no information that may identify your firm or the respondent (such as name of firm and respondent, address and telephone number) will not be added, or be used in any document based on this survey. We therefore like to get a correct information for each applicable question as that helps us get a clear understanding of the current business climate in Ethiopia, and will enable policy makers identify the priority areas of concern by the business community and remove the constraints so that businesses can flourish and become more competitive.

Please state all monetary values in **Ethiopian Birr**, unless otherwise noted. More generally, the enumerator should ensure that the unit of measurement is clearly recorded at all times and consistent throughout the survey. Also, unless noted otherwise, last fiscal year refers to FY 2004/05.

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**1. CONTROL INFORMATION (to be filled prior to the interview)**

**FIRM ID**

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<b>Q1.1</b> Name of firm	
<b>Q1.2</b> Respondent's Name	
<b>Q1.3</b> Respondent's position	<p>ADD VALUE LABELS Q1.3</p> <p>1 'Manager'</p> <p>2 'Vice president/Deputy manager'</p> <p>3 'Planning and statistics head'</p> <p>4 'Finance and administration'</p> <p>5 'Planning expert'</p> <p>6 'Processing manager'</p> <p>7 'Managing director'</p> <p>8 'Sales manager'</p> <p>9 'Department head'</p> <p>10 'Marketing head'</p> <p>11 'Account'</p> <p>12 'Production manager'</p> <p>13 'Head of corporate planning and MIS'</p> <p>14 'Technical leader of medical supplier'</p> <p>15 'Owner and manager'.</p>
<b>Q1.4</b> Address	
<b>Q1.5</b> City type Code: (Enumerator, Please code as follows: 1= Capital City; 2=Other city of over 200,000 people; 3=City of 100,000-200,000,4=City of 50,000-100,000; 5=Town or Location with less than 50,000 population)	

Sector: \_\_\_\_\_ (add list of sectors sampled)

<b>Q1.6</b>		<b>INDUSTRY</b> (wholesale/retail) Use Codes below:
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	Sampling Sector
Retail Services	18
Wholesale Services	19
Repair Shop	20

	Sampling Sector
Banking/Insurance	21
Consultancy/Audit	22
Other	23

- ADD VALUE LABELS Q1.6
- 24 'College'
- 25 'Construction service'
- 26 'Transport service (fuel service)'
- 27 'IT service (news agency)'
- 28 'Real estate'
- 29 'Training service'.

**Q1.7**  CITY [Use *Codes below*]:

1= Addis Ababa      5=Ambo      9=Shashemen      13=Harar  
 2= Gondar      6=Bahir Dar      10=Mekele      14=Dessie  
 3=Adwa      7=Bishoftu      11=Adigrat      15=Combolcha  
 4=Awasa      8=Dire Dawa      12=Nazareth      16=Other (SPECIFY)\_\_\_\_\_

ADD VALUE LABELS Q1.7

17 'Sebeta'  
 18 'Modjo'  
 19 'Wonji'.

**Q1.8a**  Woreda

ADD VALUE LABELS Q1.8a

601 'DireDawa'  
 602 'Harere'  
 603 'Kaliti'  
 604 'Bole'  
 605 'Woreda Simen'  
 606 'Woreda Debub'  
 607 'Quiha'  
 608 'Adwa'  
 609 'Adea Liben'  
 610 'Bishoftu'  
 611 'Modjo town'  
 612 'Adama (Nazareth)'  
 613 'Adigrat'  
 614 'Alemgena'  
 615 'Gonder'  
 616 'BahirDar'  
 617 'Kirkos'  
 618 'Lume'  
 622 'Shashemene'  
 623 'Wonago'  
 624 'Awash Zuria'  
 625 'Dara (under Sidama zone)'.

**Q1.8b**  Sub-City (*in case of the capital city*):

ADD VALUE LABELS Q1.8b

101 'Taiwan'  
 102 'Dechatu'  
 103 'Dipo'  
 104 'Legahare'  
 105 'Kafera'  
 106 'Bote'  
 107 'Andegna Menged'  
 108 'Conel'  
 109 'Ashewa'  
 110 'Shenkor'

- 111 'Kella'
- 112 'Arategna'
- 113 'Kefira'
- 114 'Feress Megalla'
- 115 'Hamaressa'
- 116 'Ginealla'
- 117 'Adere Tiko'
- 118 'Greek Camp'
- 119 'Number One'
- 120 'Gende Kore'
- 121 'Shewaber'
- 122 'Arada'
- 123 'Lideta'
- 124 'Akaki Kaliti'
- 125 'Bole'
- 126 'Nifas Silk Lafto Sub-City'
- 127 'Kirkos Sub-City'
- 128 'Yeka Sub-City'
- 129 'Addis Ketema Sub-City'
- 130 'Kofe Sub-City'
- 131 'Sebeta'
- 132 'Modjo'
- 133 'Gulele Sub-City'
- 134 'Bahil Adarash'
- 135 'Menaharia'
- 136 'Mehal Ketema'.

**Q1.9**  Kebele

**Q1.10**  House Number

**Q1.11**  Is this establishment located in export processing or other industrial zone?  
 1 = Yes 2 = No -99 = DK

**Q1.12**  SIZE Group (*using sampling size stated below*)  
 1 = Small >5 and <=49                      2 = Medium > 50 and <= 249                      3= Large > 250

**Q1.13 Time face-to-face interview begins:**

Hour	Minutes	AM/PM

**2. GENERAL INFORMATION**

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:**

**Please keep in mind that questions 2.1a - 2.5c apply to the firm including all its establishments (factories, stores and/or service outlets). After these questions, the rest of the questionnaire is directed solely to establishment-level issues. But, if it is only this establishment, all questions are directed to the establishment.**

**Q2.1a**  Is this establishment part of a larger firm?

Yes, part of a larger firm	1
No, is a firm on its own	2
<b>Don't know</b>	<b>-99</b>

**GO TO QUESTION 2.2**  
**GO TO QUESTION 2.2**

**Q2.1b**  Does this establishment maintain its own separate financial statements?  
1 = Yes 2 = No -99 = DK

**Q2.2**  What is this firm's current legal status?  
1=Publicly listed company                      3= Sole proprietorship    5= Other (**SPECIFY**) \_\_\_\_\_  
2=Private held, limited company            4= Partnership

ADD VALUE LABELS Q2.2  
6 "Government owned"  
7 "Joint venture"  
8 "Share company"  
9 "Privately held limited association".

Q2.3a What percent of this firm is owned by each of the following:

<b>Q2.3a</b>	<input type="text"/>	Private Sector: domestically-owned %
<b>Q2.3b</b>	<input type="text"/>	Private Sector: foreign-owned %
<b>Q2.3c</b>	<input type="text"/>	Government/State %
<b>Q2.3d</b>	<input type="text"/>	Endowment Fund %
<b>Q2.3e</b>	<input type="text"/>	A Regional Development Association %
<b>Q2.3f</b>	<input type="text"/>	Other (specify) _____ %

**INTERVIEWER: CHECK TOTAL ADDS UP TO 100%**

**Q2.4**  What percent of this firm does the largest shareholder(s) own?

**INTERVIEWER: IF THE RESPONDENT DOES NOT KNOW, WRITE -99**

**Q2.5a**  Are any of the principal owners females? 1 = Yes 2 = No -99 = DK -77 = NA

**Q2.5b**  What is the ethnic origin of the principal/majority owner (s)?

1 = African            3= Lebanese/Middle Eastern            5= European/Caucasian            -99 = DK  
2 = Indian            4= Other Asian                              6= Other                                  -77 = NA

**Q2.5c**  If the principal/majority owner (s) is Ethiopian, which ethnic group is he/she from?

1 = Oromo            3= Tigrayan                                  5= Harari                                  7 = Mixed                                  -77=NA  
2 = Amhara            4= Guraghe                                  6= Other-Southern                      -99 = DK

ADD VALUE LABELS Q2.5c  
8 "Somalie"  
9 "Argoba"

10 'Afar'.

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:**

Now, I want to ask you a couple of questions about characteristics of the establishment when it started operations and about management's experience in this sector.

**Q2.6**  In what year (in GC) did this establishment begin operations?

**INTERVIEWER: IF THE RESPONDENT DOES NOT KNOW, WRITE -99**

**Q2.7**  How many **permanent, full-time employees** did this establishment employ when it started operations?

**INTERVIEWER: IF THE RESPONDENT DOES NOT KNOW, WRITE -99**

**Q2.8**  How many years of experience working in this sector does the top manager have?

**INTERVIEWER: IF THE RESPONDENT DOES NOT KNOW, WRITE -99**

**Q2.9**  What is the highest level of education of the top manager?

Did not complete secondary school	1
Secondary School	2
Vocational Training	3
Some university training	4
Graduate degree (BA, BSc etc.)	5
Masters of Business Administration (MBA) from university in this country	6
Masters of Business Administration (MBA) from university in another country	7
Other post graduate degree (Ph.D, Masters) from university in this country	8
Other post graduate degree (Ph.D, Masters) from university in another country	9
<b>Don't Know</b>	<b>-99</b>

**3. INFRASTRUCTURE AND SERVICES**

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:**

Now, we turn to the establishment's operations in fiscal year 2004/05.

The following topic is infrastructure and infrastructure services. The questions that follow are trying to assess how infrastructure and infrastructure services affect this establishment

**Q3.1**  Over fiscal year 2004/05, did this establishment experience power outages?

Yes	1
No	2
Don't know	-9

**GO TO QUESTION 3.5**  
**GO TO QUESTION 3.5**

**Q3.2**  In a typical month, over fiscal year 2004/05, how many power outages did this establishment experience? [Average number of incidents/month]

**INTERVIEWER: IF THE RESPONDENT SAID NONE, WRITE 0**

**Q3.3**  In a typical month, over fiscal year 2004/05, how long did the average power outage last? [Average duration (hours/incidence)]

**INTERVIEWER: IF THE RESPONDENT SAID NONE, WRITE 0**

**Q3.4** In fiscal year 2004/05, if this establishment experienced power outages, please estimate the losses as percent of annual sales that resulted because of power outages?

**Q3.4a**  Estimated loss as a percent of total annual sales due to power outages

**Or**

**Q3.4b**  Estimated annual loss due to power outages (Birr)

**INTERVIEWER: IF THE RESPONDENT SAID NONE, WRITE 0**

**Q3.5**  Over the course of fiscal year 2004/05, did this establishment own or share a generator?

Yes	1
No	2
Don't know	-99

**GO TO QUESTION 3.7**  
**GO TO QUESTION 3.7**

**Q3.6**  In fiscal year 2004/05, what percent of this establishment's electricity came from a generator or generators that the establishment owned or shared? [Percent electricity from own generators]

**INTERVIEWER: IF THE RESPONDENT DOES NOT KNOW, WRITE -99**

Q3.7 In its communications with clients and suppliers, does this establishment use any of the following? [ 1 = Yes, 2 = No, -99 = Do not know]

Q3.7a		E-mail
Q3.7b		Its own Website

Q3.8 If your firm does not use e-mail or a website to communicate with clients and suppliers, what is the primary reason:

- |   |                          |
|---|--------------------------|
| 1= Cost of software /hardware and maintenance | 4= Other (SPECIFY) _____ |
| 2= Cost of internet connection                | -99 = DK                 |
| 3= Lack of skilled/experienced staff          | -77 = NA                 |

ADD VALUE LABELS Q3.8

- 5 'No need/not important'
- 6 'Not acquainted with e-mail and website'
- 7 'Telecommunication authority's cumbersome procedural problems'
- 8 'Customers are not internet users'
- 9 'It is underway/ on process'.

Q3.9 Does this establishment have an Internet connection on its premises?

Yes, Dial Up	1
Yes, Broadband	2
No	3

**GO TO QUESTION 3.16**

Q3.10 Is this establishment's Internet connection used to:[1 = Yes, 2 = No, -99 = Do not know]

Q3.10a		Communicate with clients and suppliers
Q3.10b		Make purchases for this establishment
Q3.10c		Deliver services to this establishment's clients
Q3.10d		Do research and develop ideas on new products and services

Q3.11 Over fiscal year 2004/05, did this establishment experience unavailability/interruption of Internet connection? 1 = Yes 2 = No -99 = DK

Q3.12 In a typical month, over fiscal year 2004/05, how many times has this establishment experienced unavailability/interruption of Internet connection? [Average number (incidents/month)]

**INTERVIEWER: IF THE RESPONDENT SAID NONE, WRITE 0**

Q3.13 In a typical month, over fiscal year 2004/05, if this establishment experienced unavailability of Internet connection, on average how long did the unavailability of the connection last? [Average duration (hours/incidence)]

**INTERVIEWER: IF THE RESPONDENT SAID NONE, WRITE 0**

<b>Q3.14</b>		Do concerns about the security of Internet connections or authentication of parties in a transaction affect the volume and/or nature of purchases that this establishment makes over the Internet? 1 = Yes 2 = No -99 = DK -77 = NA
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<b>Q3.15</b>		Do issues of cost, quality, and/or reliability in telecommunications and the Internet affect this establishment's relations with its clients and suppliers? 1 = Yes 2 = No -99 = DK -77 = NA
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<b>Q3.16</b>	<p>As I list some of many factors that can affect the current operations of a business and opportunities for its growth, please tell me if you think that each factor is No Obstacle, a Minor Obstacle, a Major Obstacle, or a Very Severe Obstacle to the current operations and opportunities for growth of this establishment.</p> <p>Are <b>telecommunications</b> No Obstacle, a Minor Obstacle, a Major Obstacle, or a Very Severe Obstacle to the current operations and opportunities for growth of this establishment?</p> <p>Is <b>electricity</b> No Obstacle, a Minor Obstacle, a Major Obstacle, or a Very Severe Obstacle to the current operations and opportunities for growth of this establishment?</p> <p>Is <b>transportation</b>, of goods, supplies, inputs and workers, No Obstacle, a Minor Obstacle, a Major Obstacle, or a Very Severe Obstacle to the current operations and opportunities for growth of this establishment?</p>
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*[ Use the following codes: 0 = No obstacle, 1= Minor obstacle, 2= Moderate obstacle, 3= Major obstacle, 4= Very severe obstacle, -99= Don't know ]*

<b>Q3.16a</b>		Electricity
<b>Q3.16b</b>		Transportation
<b>Q3.16c</b>		Telecommunications

**4. SALES AND SUPPLIES**

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:**

The next topic to be covered is how and where this establishment makes its sales and how and from where this establishment obtains inputs required for production.

<b>Q4.1</b>		For fiscal year <b>2004/05</b> , did this establishment subcontract any part of this establishment's service to other firms?
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1 = Yes 2 = No -99 = DK

Q4.2 In fiscal year **2004/05**, what percent of this establishment's sales were generated:

<b>Q4.2a</b>		From services rendered/products sold domestically % <b>[IF 100, GO TO QUESTION 4.6]</b>
<b>Q4.2b</b>		Exported indirectly (services rendered/products sold domestically to third party that exports them) %
<b>Q4.2c</b>		Exported directly (services rendered outside country) %

**INTERVIEWER: SUM MUST ADD UP TO 100 PERCENT**

<b>Q4.3</b>		For fiscal year <b>2004/05</b> , what was this establishment's average size of total transport cost (to the port of exit) as a share of export value? % - Transport cost as Percent of total export value
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Q4.4 For fiscal year **2004/05**, what percent of this establishment's annual export revenue were obtained from services to:

<b>Q4.4a</b>		Neighboring Countries within Sub-Saharan Africa (% of total export revenue)
<b>Q4.4b</b>		European union, US, Canada and Japan (% of total export revenue)
<b>Q4.4c</b>		Other (% of total export revenue)

**INTERVIEWER: CHECK THAT THE TOTAL IS 100%**

<b>Q4.5</b>		In what year did this establishment first provide services abroad (or exported) directly or indirectly? Year_____ G.C.
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Q4.6 In fiscal year **2004/05**, what percent of this establishment's domestic sales were to:

<b>Q4.6a</b>		Traders/Merchants intermediaries %
<b>Q4.6b</b>		Government or government agencies (including state-owned enterprises)? %
<b>Q4.6c</b>		This establishment's parent company or affiliated subsidiaries? %
<b>Q4.6d</b>		Private firms (non-affiliated)
<b>Q4.6e</b>		Individuals (relatives/family and friends) %
<b>Q4.6f</b>		Individuals (non-family and non-friends) %
<b>Q4.6g</b>		NGOs

**INTERVIEWER: CHECK THAT THE TOTAL IS 100%**

Q4.7 In fiscal year **2004/05**, as a proportion of all of the material inputs and/or supplies purchased that year, what percent of this establishment's material inputs and/or supplies were: [% of total annual purchases of material inputs and/or supplies]

<b>Q4.7a</b>		Of domestic origin %
<b>Q4.7b</b>		Of foreign origin % <b>[IF 0, GO TO QUESTION 4.13]</b>

**INTERVIEWER: CHECK THAT THE TOTAL IS 100%**

<b>Q4.8</b>		<b>If you import directly:</b> In fiscal year <b>2004/05</b> , what share of your total number of import shipments on average was physically inspected? [As % of number of import shipments]
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<b>Q4.9</b>		In fiscal year <b>2004/05</b> , when this establishment <b>imported goods</b> , what was the average number of days that it took from the time goods arrived to their point of <b>entry</b> (e.g. port, airport) until the time these goods could be claimed from customs? [Average number of days to clear customs]
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**INTERVIEWER: IF THE RESPONDENT SAID LESS THAN ONE DAY, WRITE 0**

<b>Q4.10</b>		In fiscal year <b>2004/05</b> , when this establishment <b>imported goods</b> what was the longest time, in days, that it took from the time goods arrived to their point of <b>entry</b> (e.g. port, airport) until the time these goods could be claimed from customs? [Longest number of days to clear customs]
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**INTERVIEWER: IF THE RESPONDENT SAID LESS THAN ONE DAY, WRITE 0**

<b>Q4.11</b>		By how much has the average price of your imported inputs changed during the last three years in terms of Birr? [Average price % change of imported inputs]
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<b>Q4.12</b>		Please tell me if you think that <b>customs and trade regulations</b> are No Obstacle, a Minor Obstacle, a Major Obstacle, or a Very Severe Obstacle to the current operations and opportunities for growth of this establishment.
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0 = No obstacle                      2= Moderate obstacle                      4= Very severe obstacle  
 1= Minor obstacle                      3= Major obstacle                      -99= Don't know

Q4.13 For fiscal year 2004/05, what share of orders for your services were:

<b>Q4.13a</b>		Written [% of order]
<b>Q4.13b</b>		Oral, without witness [% of order]
<b>Q4.13c</b>		Oral, with witness [% of order]

<b>Q4.14</b>		For fiscal year [ <b>2004/05</b> ], what percent of your sales was cancelled because you failed to deliver on time?
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<b>Q4.15</b>		For fiscal year [ <b>2004/05</b> ], what percent of your sales was returned due to inadequate quality/standard?
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<b>Q4.16</b>		For fiscal year [2004/05], what percent of your sales on credit was not paid at the agreed date?
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<b>Q4.17</b>		For fiscal year [2004/05], what percent of your sales on credit was never paid?
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<b>Q4.18</b>		If you have a dispute with a customer, do you think your other customers will find out about it? 1 = Yes 2 = No -99 = DK
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<b>Q4.19</b>		Do you normally refuse to deal with a customer that has dealt unfairly with other businesses? 1 = Yes 2 = No -99 = DK
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<b>Q4.20</b>		Do you think that other businesses will refuse to deal with a customer that has dealt unfairly with you? 1 = Yes 2 = No -99 = DK
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<b>Q4.21</b>		For fiscal year [2004/05], referring to the primary supplier of this establishment, how long has this establishment been purchasing from this supplier? [Years of relations with primary supplier]
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**INTERVIEWER: IF THE RESPONDENT SAYS LESS THAN ONE YEAR, CODE AS 0**

Q4.32 For fiscal year 2004/05, what share of your orders for supplies are:

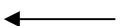
- |               |  |                                    |
|---------------|--|------------------------------------|
| <b>Q4.22a</b> |  | Written [% of order]               |
| <b>Q4.22b</b> |  | Oral, without witness [% of order] |
| <b>Q4.22c</b> |  | Oral, with witness [% of order]    |

<b>Q4.23</b>		For fiscal year 2004/05, what percent of your inputs/supplies orders was returned/cancelled due to inadequate quality/standard?
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<b>Q4.24</b>		Do you receive inputs/supplies on credit from a supplier? 1 = Yes 2 = No -99 = DK
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<b>Q4.25</b>		What share of your inputs/supplies purchases last fiscal year did you pay for late? [Percent inputs/supplies purchases paid for late]
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<b>Q4.26</b>		If you have a dispute with a supplier, do you think your other suppliers will find out about it? 1 = Yes 2 = No -99 = DK
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<b>Q4.27</b>		Do you think that other businesses will refuse to deal with a supplier that has dealt unfairly with you? 1 = Yes 2 = No -99 = DK
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**Q4.28** Before you start working with a new supplier, what is your main source of information about him/her? (SHOW CARD)

Other businessmen who have products similar to yours	1
Other suppliers or customers	2
Business association	3
Government agency	4
Your own research	5
Family & friends	6
Other (SPECIFY)	7

ADD VALUE LABELS Q4.28

- 8 'Quality and price it provides'
- 9 'Tender'
- 10 'Advertisement'
- 11 'Business agent (Intermediaries/brokers)'
- 12 'Searching through internet'
- 13 'Friends on this line of business'
- 14 'Auction announcement'
- 15 'The new supplier is situated in the property of my establishment'
- 16 'The suppliers themselves contacted us for business ties'
- 17 'Through own research/effort'
- 18 'Through chamber of commerce'.

**Q4.29** How do you mainly make contact with new suppliers? (Select the most important way) (SHOW CARD)?

Through family or friends	1
Former co-workers or former employer	2
Through business acquaintance	3
Through a government agency	4
They contacted you	5
You advertised	6
Trade fair/exhibition or conference	7
Other (SPECIFY)	8

ADD VALUE LABELS Q4.29

- 9 'Direct contact'
- 10 'Tender'
- 11 'Searching through internet'
- 12 'Through business agent (Brokers)'
- 13 'Through market assessment (survey)'
- 14 'Through advertisement'
- 15 'Based on the quality of sample that the new supplier dispatches/offers'.

<b>Q4.30</b>	What gives you the most confidence in a new supplier? (select one)?
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You see him/her everyday (personal knowledge/acquaintance)	1
Lives in the same city as you	2
Belongs to the same nationality/ethnic group/tribe as you	3
Belongs to your association or club (including Iddir, Iqub, etc.)	4
Belongs to the same religion as you	5
Other (SPECIFY) _____	6

ADD VALUE LABELS Q4.30

- 7 'On time delivery (considerable price)'
- 8 'Written agreement'
- 9 'Reputation of the company'
- 10 'Belongs to the same business'
- 11 'Quality of inputs and respective price'
- 12 'Setup of the company'
- 13 'Recommended by others'
- 14 'Have to follow legal procedure'
- 15 'Must have permanent addresses'
- 16 'Government owned companies'
- 17 'The bank in which our supply use'
- 18 'Good conduct and manner'
- 19 'If it avoids credit facility'
- 20 'Availability of stock'
- 21 'Testing the quality of their input using internationally accepted measurements'
- 22 'On the type of guarantee the supplier provides'
- 23 'Through receiving sample products & subsequent fulfillment of the specification'.

**5. DEGREE OF COMPETITION**

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:**

Now we turn to the topic of competition. We are interested in knowing how much and what kind of competition this establishment faces in the market that you consider to be this establishment's main market.

**Q5.1** From the period beginning in fiscal year **2004/05**, to the end of that same fiscal year, please characterize the main market in which this establishment sells its main product line or main line of services.

Type of market	Code
Local – services provided (sold) mostly in same municipality where establishment is located	1
National – – services provided (sold) mostly across the nation	2
International – – services provided (sold) mostly to other nations	3
<b>Don't know</b>	<b>-99</b>

**GO TO QUESTION 5.8**  
**GO TO QUESTION 5.8**

**Q5.2** For fiscal year **2004/05**, for the main market in which this establishment sold its main product, how many competitors did this establishment's main product/service line face?

0 = None                      2 = 2-5                      4 = More than 10  
1 = One                        3 = 6-10                     -99 = Don't know

**Q5.3** From the beginning to the end of fiscal year **2004/05**, for the main market in which this establishment sold its main product, have the number of this establishment's major competitors:

1 = Increased    2 = Remained the same    3 = Decreased                      -99 = Don't know

**Q5.4** From the beginning to the end of fiscal year **2004/05**, for the main market in which this establishment sold its main product, have the share of imported products that compete directly with this establishment:

1 = Increased    2 = Remained the same    3 = Decreased                      -99 = Don't know

**Q5.5** Does this establishment compete against unregistered or informal trading firms?

Yes	1
No	2
<b>Don't know</b>	<b>-99</b>

**GO TO QUESTION 5.8**  
**GO TO QUESTION 5.8**

Q5.6 How important are the following in giving the informal firms a competitive advantage in this establishment's main area of business? [Use the following codes: 1= Not at all important, 2= Slightly important, 3= Fairly important, 3= Very important -99= Don't know, -77= NA]

<b>Q5.6a</b>		Pay no taxes (e.g. VAT, corporate income taxes, import duties or other taxes)
<b>Q5.6b</b>		Avoiding government regulations (e.g. labor regulations, inspections, red tape, health standards)
<b>Q5.6c</b>		Can be selling sub-standard and/or counterfeit products
<b>Q5.6d</b>		Lower rate of payment for utilities
<b>Q5.6e</b>		Lower building and outlet costs
<b>Q5.6f</b>		Other (specify)_____

**Q5.7** Please tell me if you think that the **practices of competitors in the informal sector** are No Obstacle, a Minor Obstacle, a Major Obstacle, or a Very Severe Obstacle to the current operations and opportunities for growth of this establishment.

0 = No obstacle                      2= Moderate obstacle                      4= Very severe obstacle  
 1= Minor obstacle                      3= Major obstacle                      -99= Don't know

**Q5.8** Thinking about this establishment's main service product (item) and the main market it supplies to, what percentage of establishments do you think exited/run out of business during the last three years? [Percent of establishments exited in last three years]

Q5.9 For a typical establishment in your major area of business that exited during the last three years, what do you think are the two most important reasons for exit?: [ Use the following codes: 1= High tax rates, 2= Foreclosure laws, 3= Access to finance, 4= Competition from domestic firms, 5= Competition from imported goods, 6= High cost of inputs, 7= Lack of demand, 8= Other (SPECIFY)\_\_\_\_\_, -99= Don't know]

<b>Q5.10a</b>		First major reason
<b>Q5.10b</b>		Second major reason

ADD VALUE LABELS Q5.9a Q5.9b

- 9 'Poor service'
- 10 'Massive in flood of aid food'
- 11 'Excessive flooding of illegally imported goods'
- 12 'Diversification'
- 13 'Political problem'
- 14 'Competition from informal sectors'
- 15 'No protection from government for imports from China'
- 16 'Disagreement between shareholders'
- 17 'Lack of business skill, information and knowledge'
- 18 'Shortage of inputs'
- 19 'Lack of working place (premise) or lack of access to land'
- 20 'Electricity'
- 21 'Lack of managerial efficiency'
- 22 'Death of owners'
- 23 'Technical capacity constraints'
- 24 'Lack of working capital'
- 25 'Exorbitant rent price'
- 26 'Stringent procedure set by the Ethiopian Standardization & Quality Authority'

- 27 'Unstable working place or location disadvantage'
- 28 'Discriminatory approach of VAT registration procedure'
- 29 'Inappropriate technology'
- 30 'Poor infrastructures (i.e. poor road condition)'.

**6. EXPECTATIONS AND CAPACITY UTILIZATION**

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:**

We now turn to the topic of your expectations with respect to the volume of sales in the near future and this establishment's capacity utilization in fiscal year **2004/05**, this establishment's use of technology.

**Q6.1a**  In the next twelve months, what are your expectations for this establishment?  
 1= To cease operations                      3= To maintain sales                      -99 = Don't know  
 2= To have lower sales                      4= To increase sales

**Q6.1b**  What is your expected growth in sales a year from now? Expected Average Change (%)  
**INTERVIEWER: INSERT MINUS SIGN (-) BEFORE THE FIGURE IF NEGATIVE**

**Q6.1c**  What percent do you expect the inflation rate will be a year from now? [Current inflation rate is 11.2%]  
**INTERVIEWER: INSERT MINUS SIGN (-) BEFORE THE FIGURE IF NEGATIVE**

**Q6.2**  In fiscal year **2004/05**, what is this establishment's output/service in comparison with the maximum output possible using its facilities at the time? If this establishment is using the facilities to the full, answer 100%; if output was 60% of capacity, answer 60%. **[If 100, GO TO 6.4]**

**Q6.3**  If capacity utilization was less than 100% in fiscal year **2004/05**, what was the main reason?

Local raw materials and intermediate inputs shortage	1
Imported raw material and intermediate inputs shortage	2
Lack of working capital	3
Insufficient demand for this establishment's output	4
Skilled labor shortage	5
Unskilled labor shortage	6
Shortage of foreign exchange	7
Lack of necessary specialized technology	8
Others (please specify)	9
<b>Don't know</b>	<b>-99</b>

**ADD VALUE LABELS Q6.3**

- 10 'Lack of customers in EU market'
- 11 'Regional administration problem'
- 12 'Lack of permit (response) from telecommunication corporation'
- 13 'Competition from unregistered firms'
- 14 'Government policy and its regulation (corruption)'
- 15 'Promotional in efficiency'
- 16 'Frequent breakdown of machinery'
- 17 'Lack of working place'
- 18 'The establishment is new'
- 19 'Outdated machine'
- 20 'Lack of commitment and productive labour'
- 21 'Lack of the required space for machineries'
- 22 'Lack of essential merchandize'

- 23 'Improper VAT registration and unfair assessment'
- 24 'Excess tax levy'
- 25 'Power outage'
- 26 'Rising price of raw materials'.

<b>Q6.4</b>		In fiscal year <b>2004/05</b> , how many hours per week did this establishment normally operate?
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**INTERVIEWER: IF RESPONDENT DOES NOT KNOW, WRITE -99**

**7. LAND**

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:**

We change topics and we would like to ask you questions about land issues.

**Q7.1** Please tell us if any of the following issues are a problem for the operation and growth of this establishment? Please judge its severity as an obstacle on a four point scale where: 0 = No obstacle 1 = Minor Obstacle 2 = Moderate obstacle 3 = Major obstacle 4 = Very severe obstacle 5 = Don't Know  
*(show card for 'degree of obstacle' from 0 to 4; do not offer options DK and NA)*

	No obstacle	Minor obstacle	Moderate obstacle	Major obstacle	Very severe obstacle	Don't know
Access to land	0	1	2	3	4	-99

**Q7.2** If it is a major or very sever obstacle, what is the specific problem?  
 \_\_\_\_\_

**ADD VALUE LABELS Q7.2**

- 1 'Lack of prompt response'
- 2 'The land given by the government is not suitable for this type of business'
- 3 'Ethnic discriminatory procedure of exclusion to non-Aderes to have access to land and even working premise'
- 4 'Shortage of capital requirement'
- 5 'Bureaucratic burden to get land'
- 6 'Lease cost and an availability of infrastructure'
- 7 'The government gives land only for speculators not working investors'
- 8 'There is no ample land for such establishments'
- 9 'The government officially denied land for coffee exports in AddisAbaba'
- 10 'Ethnic discriminatory procedure of excluding non-oromos from having land and even working premise'
- 11 'Inflated land lease prices and interest rates'
- 13 Shortage of land originating from displacement of private owners for various purposes'
- 14 'The land lease policy is not appealing to invest on land'.

**Q7.3** What is the total selling area in this establishment? In Square meters

**Q7.4** When did this establishment last acquire a piece of land related to this business (expanding production, building outlet, etc.)? Year \_\_\_\_\_ G.C.

**INTERVIEWER: IF RESPONDENT DOES NOT KNOW WRITE -99 AND GO TO NEXT QUESTION**

Q7.5 Of the land occupied by this establishment, what percent is: [ -99= Don't know]

<b>Q7.5a</b>		Owned by this establishment %
<b>Q7.5b</b>		Rented by this establishment %
<b>Q7.5c</b>		Leased by this establishment %

**INTERVIEWER: CHECK SUM IS 100%**

Q7.6 Of the buildings occupied by this establishment, what percent is owned, what percent is under management and what percent is rented or leased? [ -99= Don't know]

<b>Q7.6a</b>		Owned by this establishment %
<b>Q7.6b</b>		Under management by this establishment %
<b>Q7.6c</b>		Leased by this establishment %
<b>Q7.6d</b>		Rented by this establishment %

**INTERVIEWER: CHECK SUM IS 100%**

<b>Q7.7a</b>		In the last three years, has this establishment acquired or attempted to acquire new land or buildings to expand operations? 1 = Yes 2 = No -99 = DK
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<b>Q7.7b</b>		What is the size, in square meters, of the total land on which this establishment has lease agreement for business purpose?
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**INTERVIEWER: IF RESPONDENT DOES NOT HAVE LEASE AGREEMENT WRITE -77 AND GO TO THE NEXT SECTION (i.e. SECTION 8)**

<b>Q7.7c</b>		Referring to the most recent acquisition of leased land, from whom did this establishment acquire the land?
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- 1=Municipality/local government
- 2= Regional government
- 3= Previous leaseholder
- 4= Previous owner
- 5= Others (specify)\_\_\_\_\_
- 99=Don't know**

ADD VALUE LABELS Q7.7c

- 6 'Investment Bureau'
- 7 'Bought individually'.

<b>Q7.7d</b>		Referring to the most recent acquisition of leased land, what was the size of land on which this establishment completed a lease agreement for business purpose? In Square meters
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<b>Q7.7e</b>		Referring to the establishment's most recent acquisition of leased land, how much is the total cost of the land lease? In Birr
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<b>Q7.7f</b>		Referring to the most recent acquisition of leased land, how much upfront/down payment did this establishment pay as a percent of total lease cost? [Percent of down payment]
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<b>Q7.7g</b>		Referring to the establishment's most recent acquisition of leased land, how long did the process to acquire this land take; from the date the application was submitted until the date this establishment took possession of the land? [Length of process to acquire land in days]
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<b>Q7.7h</b>		Referring to the most recent acquisition of leased land, how much did this establishment pay as unofficial payments/gifts (if any) for this transaction to take place? [Total unofficial payments in Birr]
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**INTERVIEWER: IF RESPONDENT DOES NOT CLAIM UNOFFICIAL PAYMENTS, WRITE 0**  
**INTERVIEWER: IF RESPONDENT REFUSES TO RESPOND WRITE -88**

<b>Q7.7i</b>		Referring to the most recent acquisition of leased land by this establishment for business purpose, what is the lease term in years?
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<b>Q7.7j</b>		Does this establishment have the right to sell its leasehold?
--------------	--	---

1 = Yes 2 = No -99 = DK

<b>Q7.7k</b>		How much would the total leasehold be worth if it were put for sale on the market today? [Current market price of leasehold in Birr]
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**8. CONFLICT RESOLUTION / LEGAL ENVIRONMENT**

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:**

The next set of questions address business disputes that this establishment may have had with clients/suppliers. The questions are designed to get an idea of how establishments like this one settle these disputes.

**Q8.1**

In the last two years, did this establishment have a dispute with another party over **payments** owed to it? By dispute I mean a situation where it was necessary to take some action that involved third parties; for example, seeking arbitration, contacting a collection agency, contacting a lawyer, or filing a law suit in order to collect the money this establishment was owed.

Yes	1
No	2
<b>Don't know</b>	<b>-99</b>

**GO TO QUESTION 8.5**  
**GO TO QUESTION 8.5**

**Q8.2**

What was the **most common** mechanism used (is being used) to resolve these payment disputes? (**SHOW CARD**)

Court Action	1
Federal Government Agencies	2
Regional/Municipal government agencies	3
Business association/Chamber of Commerce	4
Informal arbitration (Shimagile)	5
Other (SPECIFY)	6

ADD VALUE LABELS Q8.2

- 7 'Left without resolving'
- 8 'Business acquaintance'.

**Q8.3**

In the last two years, what percent of this establishment's disputes over payments owed to it were resolved by court action (number court resolved divided by all disputes during the last two years as percentage?)

**Q8.4a**

In reference to the most recently resolved dispute, was a legal proceeding initiated?

Yes	1
No	2
<b>Don't know</b>	<b>-99</b>

**GO TO QUESTION 8.4i**  
**GO TO QUESTION 8.4i**

**Q8.4c**

In reference to the most recent resolved dispute for which a legal proceeding was initiated, did resolving this dispute require a court judgment?

Yes	1
No	2
<b>Don't know</b>	<b>-99</b>

**GO TO QUESTION 8.4g**  
**GO TO QUESTION 8.4g**

**Q8.4d**

If yes, was the judgment in your favor? 1= Yes 2=No

**Q8.4d**

In reference to the most recent resolved dispute for which a legal proceeding was initiated and a court judgment was made, how many months did it take the courts to come to judgment on this dispute? Calculate time to reach a judgment from the day the establishment first took court action until the moment a judgment was made? [Months for courts to reach judgment]

**INTERVIEWER: IF RESPONDENT DOES NOT KNOW, WRITE -99 AND GO TO QUESTION 8.5**

**Q8.4e**

In reference to the most recent resolved dispute for which a legal proceeding was initiated and a court judgment was made, was the decision of the court enforced?

Yes	1
No	2
<b>Don't know</b>	<b>-99</b>

**GO TO QUESTION 8.5**

**GO TO QUESTION 8.5**

**Q8.4f**

In reference to the most recent resolved dispute for which a legal proceeding was initiated, a court judgment was made, and judgment was enforced, how many months did the enforcement (execution) of the court judgment take (from the moment of the issuance of the court decision until the moment payment was exchanged?)

**INTERVIEWER: IF RESPONDENT DOES NOT KNOW, WRITE -99 AND GO TO QUESTION 8.5**

**Q8.4g**

In reference to the most recent resolved dispute for which a legal proceeding was initiated, was the dispute resolved out of court, before a court judgment?

Yes	1
No	2
<b>Don't know</b>	<b>-99</b>

**GO TO QUESTION 8.4i**

**GO TO QUESTION 8.4i**

**Q8.4h**

In reference to the most recent resolved dispute for which a legal proceeding was initiated but the dispute was resolved out of court, how many months did it take to settle this dispute out of court? Calculate time to reach resolution from the day the case was taken for out of court resolution action until the moment a decision was made. [Months to reach out of court settlement]

**INTERVIEWER: IF RESPONDENT DOES NOT KNOW, WRITE -99 AND GO TO QUESTION 8.5**

**Q8.4i**

In reference to the most recent resolved dispute, how many months did it take from the time the decision was made until the moment you obtained payment? [Months to enforce decision not using courts]

**INTERVIEWER: IF RESPONDENT DOES NOT KNOW, WRITE -99**

<b>Q8.5</b>	<p>I am going to read some descriptions of how the court system handles business disputes between private parties. Disputes might include matters of payment for goods or services, liability, and property right enforcement, but not labor disputes. For each description, please tell me if you Strongly disagree, Disagree in most cases, Tend to disagree, Tend to agree, Agree in most cases, or Strongly agree.</p> <p>The court system is <b>(READ EACH DESCRIPTION)</b>. Do you Strongly disagree, Disagree in most cases, Tend to disagree, Tend to agree, Agree in most cases, or Strongly agree?</p>
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*[Use the following codes: 1 = Strongly disagree, 2= Disagree in most cases, 3= Tend to disagree, 4= Tend to agree, 5= Agree in most cases, 6= Strongly agree, -99= Don` t know]*

<b>Q8.5a</b>	Fair, impartial and uncorrupted
<b>Q8.5b</b>	Quick
<b>Q8.5c</b>	Affordable
<b>Q8.5d</b>	Able to enforce its decisions

<b>Q8.6</b>	<p>Please tell me if you think that the <b>functioning of the judiciary</b> is No Obstacle, a Minor Obstacle, a Major Obstacle, or a Very Severe Obstacle to the current operations and opportunities for growth of this establishment.</p>
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0 = No obstacle                      2= Moderate obstacle                      4= Very severe obstacle  
 1= Minor obstacle                      3= Major obstacle                      -99= Don` t know

**9. CRIME**

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:**

We now turn to questions on the issue of crime and how crime may affect the operations of this establishment.

**Q9.1**  In fiscal year **2004/05**, did this establishment pay for security (e.g., for example security equipment, personnel, or professional security services)?

Yes	1
No	2
Don't know	-99

**GO TO QUESTION 9.3**  
**GO TO QUESTION 9.3**

**Q9.2** In fiscal year **2004/05**, what percent of its total annual sales is paid for security, or what is the total annual cost of security?

**Q9.2a**  As percent of total annual sales

**Or**

**Q9.2b**  Total annual cost of security (Birr)

**Q9.3**  In fiscal year **2004/05**, has this establishment experienced losses as a result of theft, robbery, vandalism or arson?

Yes	1
No	2
Don't know	-99

**GO TO QUESTION 9.5**  
**GO TO QUESTION 9.5**

**Q9.4** For fiscal year **2004/05**, what are the estimated losses as a result of theft, robbery, vandalism or arson that occurred on establishment's premises calculated as a percent of annual sales or the total annual value?

**Q9.4a**  As percent of total annual sales

**Or**

**Q9.4b**  Annual losses (Birr)

**Q9.5**  Please tell me if you think that **street crime, theft and disorder** is No Obstacle, a Minor Obstacle, a Major Obstacle, or a Very Severe Obstacle to the current operations and opportunities for growth of this establishment.

0 = No obstacle

2= Moderate obstacle

4= Very severe obstacle

1= Minor obstacle

3= Major obstacle

-99= Don't know

**10. BUSINESS-GOVERNMENT RELATIONS**

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:**

We next cover the complicated relationship between business and government. The following questions are meant to assess how establishments, such as this one, deals with the relationships with government officials, their agencies, and the rules and regulations these agencies are designed to implement and enforce.

<b>Q10.1</b>	<p>I am going to read some statements that describe business-government relations. For each statement, please tell me if you Strongly disagree, Disagree in most cases, Tend to disagree, Tend to agree, Agree in most cases, or Strongly agree.</p> <p><b>READ EACH DESCRIPTION.</b> Do you Strongly disagree, Disagree in most cases, Tend to disagree, Tend to agree, Agree in most cases, or Strongly agree?</p>
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*[Use the following codes: 1 = Strongly disagree, 2= Disagree in most cases, 3= Tend to disagree, 4= Tend to agree, 5= Agree in most cases, 6= Strongly agree, -99= Don't know]*

<b>Q10.1a</b>		“Government officials’ interpretations of the laws and regulations affecting this establishment are consistent and predictable”
<b>Q10.1b</b>		“It is common for establishments in this line of business to have to pay informal payments/gifts to get things done with regard to customs, taxes, licenses, and regulations, etc.”
<b>Q10.1c</b>		“Establishments in this line of business know in advance about how much this informal payment/gift is to get things done.”

<b>Q10.2</b>		Are you familiar with a government policy and strategy to improve the investment climate and promote the development of the private sector?
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1 = Yes 2 = No -99 = DK

<b>Q10.3</b>		Has this establishment participated, directly or through its representative body, in policy discussions with the local, regional or federal government bodies?
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1 = Yes 2 = No -99 = DK

<b>Q10.4</b>		Please provide your opinion with respect to the relationship between this establishment and the government:
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*[Use the following codes: 1 = Very helpful, 2= Mildly helpful, 3= Neutral, 4= Mildly unhelpful, 5= Very unhelpful, -99= Don't know]*

<b>Q10.4a</b>		All in all, with respect to this establishment’s business the national government is:
<b>Q10.4b</b>		All in all, in relation to this establishment’s business the regional or municipal government is:

<b>Q10.5</b>	Based on your experience, please evaluate the following public agencies or services for their honesty/ integrity:
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*[Use the following codes: 1 = Very good, 2= Good, 3= Fairly Good, 4= Bad, 5= Fairly Bad, 6= Worst, -99= Don't know]*

<b>Q10.5a</b>	Federal Inland Revenue Administration
<b>Q10.5b</b>	Customs
<b>Q10.5c</b>	Ethiopian Telecommunications Corporation
<b>Q10.5d</b>	Ethiopian Electric Power Co.
<b>Q10.5e</b>	The Water and Sewerage Service Agency
<b>Q10.5f</b>	The Police
<b>Q10.5g</b>	Ministry of Trade and Industry
<b>Q10.5h</b>	Municipal administration
<b>Q10.5i</b>	Central government leadership (PM/Cabinet of ministers)

<b>Q10.6</b>	In a typical week over the last year, what percentage of total senior management's time (e.g. general manager, chairman, director, vice-president, and/or chief officers for operation, finance, but not supervisors) was 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)? [As percent of total senior management's time]
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**INTERVIEWER: IF THE RESPONDENT SAID NO TIME WAS SPENT, WRITE 0**

**DO NOT ASK HEALTH INSPECTORATE TO IT FIRMS:**

<b>Q10.7</b>	Based on the experience of this establishment:		
<b>Interviewer: If Inspection/meeting YES, complete these columns</b>	a) Over the last year, were inspections or meetings carried out by:	b) Over the last year, how many inspections or meetings were carried out by:	c) In any of these inspections or meetings was a gift or informal payment expected or requested?
	<b>1=Yes 2=No -99=DK</b>		<b>Yes=1 No=2 DK=-99 Refuses to respond=-88</b>
	<i>[Q10.7a]</i>	<i>[Q10.7b]</i>	<i>[Q10.7c]</i>
a) Tax inspectorate			
b) Labor and social affairs			
c) Health Inspectorate			
d) Other			

<b>Q10.8</b>	When establishments like this one do business with the government ( <b>Not with Public Enterprises</b> ), what percent of the contract value would be typically paid in additional or informal payments/gifts to secure/win the contract? [As percent of the contract value]
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**INTERVIEWER: IF THE RESPONDENT SAID NO PAYMENTS/GIFTS ARE PAID, WRITE 0 IF RESPONDENT REFUSES TO RESPOND, WRITE -88**

Q10.9 We've heard that establishments are sometimes required to make gifts or informal payments to public officials to "get things done" with regard to customs, taxes, licenses, regulations, services etc. On average, what percent of total annual sales, or estimated value, do establishments like this one pay in informal payments/gifts to public officials for this purpose?

**Q10.9a**  As percent of total annual sales %

Or

**Q10.9b**  Estimated value (in Birr)

**INTERVIEWER: IF THE RESPONDENT SAID NO PAYMENTS/GIFTS ARE PAID, WRITE 0  
IF RESPONDENT REFUSES TO RESPOND, WRITE -88**

Q10.10 Based on the experience of this establishment:			
Interviewer: If application sought YES, complete these columns	a) Over the last two years, has this establishment sought	b) Average wait (days)	c) Was an informal gift or payment expected or requested?
Service or License	Yes=1 No=2 DK=-99 [Q10.10a]	Less than one day=0 NA=-77 [Q10.10b]	Yes=1 No=2 DK=-99 Refuses to respond=-88 [Q10.10c]
a) A mainline telephone connection			
b) An electrical connection			
c) A water connection			
d) A construction-related permit			
e) An import license			
f) An operating license			

**INTERVIEWER: IF THE RESPONDENT SAID NO WAIT, WRITE 0**

**INTERVIEWER: IF THE RESPONDENT SAID NO PAYMENTS/GIFTS ARE PAID, WRITE 0**

**Q10.11a**  Recognizing the difficulties many business establishments face in fully complying with taxes and regulations, what **percent of total annual sales** would you estimate the typical firm in this line of business reports for tax purposes? [Percent of total annual sales reported]

**Q10.11b**  Recognizing the difficulties that many business establishments face in fully complying with labor regulations, what **percent of total workforce** would you estimate the typical firm in this line of business reports for tax purposes? [Percent of total workforce reported]

**INTERVIEWER: IF RESPONDENT REFUSES TO RESPOND, WRITE -88**

<b>Q10.12</b>	As I list some of many factors that can affect the current operations of a business and opportunities for its growth, please look at this card and tell me if you think that each factor is No Obstacle, a Minor Obstacle, a Major Obstacle, or a Very Severe Obstacle to the current operations and opportunities for growth of this establishment. <b>(SHOW CARD)</b>
	Is/Are <b>(READ EACH CATEGORY)</b> No Obstacle, a Minor Obstacle, a Major Obstacle, or a Very Severe Obstacle to the current operations and opportunities for growth of this establishment?

[ Use the following codes: 0 = No obstacle, 1= Minor obstacle, 2= Moderate obstacle, 3= Major obstacle, 4= Very severe obstacle, -99= Don` t know]

<b>Q10.12a</b>		Tax rates
<b>Q10.12b</b>		Tax administration
<b>Q10.12c</b>		Business licensing and permits
<b>Q10.12d</b>		Macroeconomic condition (inflation, exchange rate...)
<b>Q10.12e</b>		Corruption
<b>Q10.12f</b>		Economic Policy Uncertainty/unpredictability
<b>Q10.12g</b>		Political instability

**DO NOT ASK THE FOLLOWING TWO QUESTIONS TO IT FIRMS**

<b>Q10.12h</b>		Regulation on hours of operation
<b>Q10.12i</b>		Regulations on pricing and mark-ups

Q10.13 Is this establishment a member of a **(READ EACH CATEGORY)**

[ Use the following codes: 1 = Yes, 2= No

<b>Q10.13a</b>		Business association
<b>Q10.13b</b>		Chamber of Commerce
<b>Q10.13c</b>		Other (SPECIFY) _____

<b>Q10.14</b>		Which of the following services possibly provided by the business association and/or Chamber of Commerce is the most important to this establishment? <b>(SHOW CARD)</b>
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Lobbying government	1
Resolving disputes between members and officials, workers or other firms	2
Providing information and/or contacts on domestic product and input markets	3
Information and/or contacts on international product and input markets	4
Providing accreditation, standards or quality of products; reputational benefits	5
Providing information on government regulations, laws and policies	6
Organisating training, workshops/conferences, tours, etc.	7
Other (SPECIFY)	8

ADD VALUE LABELS Q10.14

9 'No use (No benefit)'

8 'Build trade center (market area)'.

Q10.15 Please evaluate the following aspects of tax administration regarding this establishment's activities, over fiscal year **2004/05**

[ Use the following codes: 0 = No problem, 1= Minor problem, 2= Moderate problem, 3= Major problem, 4= Very severe problem, -99= Don't know]

<b>Q10.15a</b>		Availability of information on tax requirements
<b>Q10.15b</b>		Completing tax forms/ filing
<b>Q10.15c</b>		Keeping up with changes in rules and rates
<b>Q10.15d</b>		Tax penalties
<b>Q10.15e</b>		Appeals mechanisms for tax disputes

Q10.16a How much tax in total (all combined) did this establishment pay in fiscal year **2004/05** to: **(READ EACH CATEGORY)**

<b>Q10.16a1</b>		Federal level tax office [in Birr]
<b>Q10.16a2</b>		Regional level tax office [in Birr]
<b>Q10.16a3</b>		Municipal level tax office [in Birr]

**INTERVIEWER: IF NO SUCH PAYMENTS WERE MADE, ENTER 0**  
**INTERVIEWER: IF RESPONDENT REFUSES TO ANSWER, WRITE -88**

<b>Q10.16b</b>		How much in total fines by the tax authorities (if any) was assessed on this establishment during fiscal year <b>2004/05</b> ? [Fines assessed by tax authorities – in Birr]
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**INTERVIEWER: IF NO SUCH PAYMENTS WERE MADE, ENTER 0**  
**INTERVIEWER: IF RESPONDENT REFUSES TO ANSWER, WRITE -88**

<b>Q10.16c</b>		How much unofficial payments/gifts in total (if any) did this establishment make to tax officials during fiscal year <b>2004/05</b> ? [Unofficial payments to tax officials – in Birr]
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**INTERVIEWER: IF NO SUCH PAYMENTS WERE MADE, ENTER 0**  
**INTERVIEWER: IF RESPONDENT REFUSES TO ANSWER, WRITE -88**

**11. RESEARCH AND DEVELOPMENT**

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:**

The next set of questions address issues of technology use, licensing, and research and development. There are some questions about expenses incurred with respect to research and development. It is important that these questions be answered with reference to this establishment's financial statements.

**Q11.1** Does this establishment have an internationally-recognized quality certification?  
(SHOW CARD)

**INTERVIEWR: SOME EXAMPLES ARE: ISO 9000, 9002 OR 14000, OR SECTOR-SPECIFIC CERTIFICATIONS SUCH AS HACCP FOR FOOD, AATCC FOR TEXTILES, ISO AND/OR SEI CMM CERTIFICATE FOR IT FIRMS, ETC.**

Yes	1
No	2
Don't know	-99

**Q11.2** During the last three fiscal years, did this establishment introduce into the market any new or significantly improved products (goods or services)?  
1 = Yes 2 = No -99 = DK

**Q11.3** During the last three fiscal years, has this establishment introduced any new or significantly improved production processes including methods of supplying services and ways of delivering products? 1 = Yes 2 = No -99 = DK

**Q11.4a** If 'YES' to any of the above two questions (i.e. if this establishment introduced new processes or methods of supplying services), which of the following do you think had the most important influence on this establishment to develop these new products or methods of supplying services? Learning from, suggestions, or collaboration with:

Other Domestic firms	1
Foreign firms	2
Customers/suppliers	3
Universities/Research institutions	4
Multilateral Agencies	5
Shareholders	6
Government incentives / government agencies	7
Other, SPECIFY _____	8

- ADD VALUE LABELS Q11.4a
- 9 'Own innovation (internal initiation)'
  - 10 'Less demand for local products'
  - 9 'Using van sellers'
  - 10 'Consultants'
  - 11 'Purchase of sophisticated technology'
  - 12 'From owner`s wealth of experience'
  - 13 'By referring update catalogue'
  - 14 'Taking self initiative'.

<b>Q11.4b</b>	If 'NO' to any of the above two questions (i.e. if this establishment did not introduce new processes or methods of supplying services), what is the major reason?
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Do not think that innovation is necessary for this type of business	1
Lack of capital to do innovation (it is too costly)	2
Lack of trust on or in-existence of copy-right laws	3
Other (SPECIFY)	4

ADD VALUE LABELS Q11.4b

- 5 'Lack of demand and capital'
- 6 'Poor demand towards locally produced products'
- 7 'No need'
- 8 'Lack of working premises'
- 9 'Our company is new'
- 10 'It is already equipped with good technology'
- 11 'Government creates setback because of its unpredictable plan regarding privatization'
- 12 'Lack of performance (internal problem)'
- 13 'Lack of the required knowledge and skill'
- 14 'Lack of essential technology'
- 15 'The business is at infant stage'.

<b>Q11.5</b>	<p>In fiscal year <b>2004/05</b>, did this establishment spend on research and development activities?</p> <p>Research and development (R&amp;D) activities include all creative work undertaken on a systematic basis in order to increase the stock of knowledge, and the use of that knowledge to devise new and improved products (goods and services) and processes. Please consider all research and development activities undertaken within this establishment, and/or R&amp;D activities contracted to other companies, and other public or private research organizations and purchased by this establishment.</p>
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Yes	1
No	2
<b>Don't know</b>	<b>-99</b>

**GO TO QUESTION 11.7**  
**GO TO QUESTION 11.7**

<b>Q11.6</b>	<p>In fiscal year <b>2004/05</b>, how much did this establishment spend on research and development?  <b>RESEARCH AND DEVELOPMENT (R&amp;D) ACTIVITIES ARE DEFINED ABOVE. REFER TO THIS DEFINITION IN CASE CLARIFICATION IS REQUIRED.</b></p> <p>Please include the cost of personnel and related materials and investment expenditures (no depreciation) needed to implement R&amp;D activities.</p>
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<b>Q11.6</b>	R&D expenditures, purchased or performed in-house in <b>Last Fiscal Year</b> (000s Birr)
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**INTERVIEWER: IF THE RESPONDENT DOES NOT KNOW, WRITE -99**

<b>Q11.7</b>	
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Does your current business plan include working in collaboration with a foreign partner to introduce a new product, to enter a new market, to establish a new marketing technique, etc?

Yes	1
No	2
<b>Don't know</b>	<b>-99</b>

**GO TO QUESTION 11.9**

**GO TO QUESTION 11.9**

<b>Q11.8</b>	
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Referring to what you think is the most important collaboration of this Establishment with a foreign partner, in what country is the potential foreign partner located?

\_\_\_\_\_

**ADD VALUE LABELS Q11.8**

- 1 'South Africa'
- 2 'Israel'
- 3 'USA'
- 4 'China'
- 5 'Europe'
- 6 'Middle East'
- 7 'Any foreigners'
- 8 'India'
- 9 'Slovakia'
- 10 'Canada'
- 11 'UAE'
- 12 'Holland'
- 13 'Sweden'
- 14 'Germany'
- 15 'UK'
- 16 'Malaysia'
- 17 'Kenya'
- 18 'European Union'.

**Q11.9** Over the last 3 years, has this establishment undertaken any of the following initiatives? [*Use 1= Yes, 2= No, -99= Don't know, -77=NA*]

<b>Q11.9a</b>		Introduced new technology/equipment that improves tracking of customer demand (how many goods sold at what time).
<b>Q11.9b</b>		Introduced new technology/equipment that improves tracking of inventory (what goods are in stock, when deliveries are expected, what is to be delivered, and in what quantities).

## 12. INVESTMENT CLIMATE CONSTRAINTS TO THE ESTABLISHMENT

### READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:

The next set of questions is designed to get a general picture of your opinion about the investment climate in your country and city of operations. Please think about all of the issues we addressed in this survey when answering these questions.

**Q12.1** You have indicated that several obstacles affect the operation and growth of this establishment. Here is a card with the obstacles I just listed (**HAND RESPONDENT CARD LISTING ALL FACTORS**). Please tell me the three that you think are currently the biggest problem, beginning with the worst of all three.

FACTOR
1. Electricity
2. Transportation
3. Access to land
4. Tax rates
5. Tax administration
6. Customs and trade regulations
7. Inadequately educated workforce
8. Labor regulations
9. Business licensing and permits
10. Access to financing (availability/collateral)
11. Cost of financing (interest rates, fees)
12. Macroeconomic instability
13. Political instability
14. Corruption
15. Street crime, theft and disorder
16. Practices of competitors in the informal sector
17. Functioning of the judiciary

ADD VALUE LABELS Q12.1a Q12.1b Q12.1c

- 20 'Shortage of input'
- 21 'Shortage of capital'
- 22 'Massive in flood of aid food'
- 23 'Excessive flooding of illegally imported goods'
- 24 'Competition from imported goods or (unfair competition from foreign companies)'
- 25 'Implementation of government regulation'
- 26 'Availability of raw materials'
- 27 'Telecommunication'
- 28 'Control and regulation'
- 29 'Access to finance due to religious constraints'
- 30 'Lack of market'
- 31 'Rising of input prices'
- 32 'Lack of critical spare parts and specialized technologies'
- 33 'Shortage of water supply'
- 34 'Shortage of spare parts'
- 35 'Bureaucratic burden'.

**INTERVIEWER: PLEASE CHECK THAT RESPONDENT UNDERSTANDS DIRECTIONS**

**1=BIGGEST PROBLEM, 2=SECOND BIGGEST, 3=THIRD BIGGEST**

<b>RANK</b>	<b>Factor</b>
<b>BIGGEST PROBLEM</b>	
<b>SECOND BIGGEST</b>	
<b>THIRD BIGGEST</b>	

**Q12.2** In the previous question, I provided you with a list of obstacles to a better business environment. Now I want to know if the government has addressed any of these obstacles with reforms. Here is a card with a list of possible policy reforms that governments may undertake to improve the business environment **(HAND RESPONDENT CARD LISTING ALL REFORMS)**. From this list of reforms, please rank the top three reforms that your national, regional or municipal government implemented in the last year and that have had a positive impact on your business. The top reform should be the one that benefited your business the most.

<b>REFORMS/changes</b>
<b>1. Electricity</b> -Improved quality and reliability and/or reduced costs of electricity
<b>2. Transportation</b> -Improved quality and reliability and/or reduced costs of transport
<b>3. Access to land</b> -Reduced time and costs of acquiring land
<b>4. Tax rates</b> -Lowered tax rates
<b>5. Tax administration</b> -Reduced time and complexity of tax compliance and made it fairer
<b>6. Customs and trade regulations</b> -Reduced procedures involved in importing and exporting goods
<b>7. Inadequately educated workforce</b> -Improved education and/or vocational skills of workers
<b>8. Labor regulations</b> -Increased hiring and firing flexibility and/or reduced costs of hiring and firing
<b>9. Business licensing and permits</b> -Reduced time and costs to obtain licenses and permits
<b>10. Access to financing</b> -Increased/easier availability of credit
<b>11. Cost of financing</b> -Reduced cost of finance (interest rates, fees)
<b>12. Macroeconomic instability</b> -Provided a more stable macroeconomic environment
<b>13. Political instability</b> - provided a more stable political environment
<b>14. Corruption</b> -Reduced corruption
<b>15. Street crime, theft and disorder</b> -Reduced street crime, theft and disorder
<b>16. Practices of competitors in the informal sector</b> -Increased regulatory and tax compliance to all firms
<b>17. Functioning of the judiciary</b> -Reduced the time and cost of settling legal disputes

ADD VALUE LABELS Q12.2a Q12.2b Q12.2c

- 19 'Telecommunication'
- 20 'IT service'
- 21 'Municipal administration'
- 22 'Water supply'
- 23 'Nothing'
- 24 'Access to imported materials'
- 25 'Improper privatization policy'.

**INTERVIEWER: PLEASE CHECK THAT RESPONDENT UNDERSTANDS DIRECTIONS**

**1=BEST REFORM, 2=SECOND BEST, 3=THIRD BEST**

<b>RANK</b>	
<b>Best reform</b>	
<b>Second best reform</b>	
<b>Third best reform</b>	

**13. FINANCE**

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:**

We now turn to issues of finance. I would like to ask you a few questions about how you finance the operations of this establishment.

Q13.1 In fiscal year **2004/05**, what percent, as a proportion of the value of **total annual purchases** of material inputs or services, were:

<b>Q13.1a</b>		Paid for before the delivery? %
<b>Q13.1b</b>		<b>Paid for on delivery? %</b>
<b>Q13.1c</b>		Purchased on credit? %

**INTERVIEWER: CHECK THAT TOTALS ARE 100%**

Q13.2 In fiscal year **2004/05**, what percent of this establishment's **total annual sales** of its goods or services were:

<b>Q11.2a</b>		Paid for before the delivery? %
<b>Q11.2b</b>		<b>Paid for on delivery? %</b>
<b>Q11.2c</b>		Sold on credit? %

**INTERVIEWER: CHECK THAT TOTALS ARE 100%**

Q13.3 Over fiscal year **2004/05**, please estimate the proportion of this establishment's working capital was financed from each of the following sources? (**SHOW CARD**)

<b>Q13.3a</b>		Internal funds/Retained earnings %
<b>Q13.3b</b>		<b>Borrowed from private commercial banks %</b>
<b>Q13.3c</b>		Borrowed from state-owned banks and/or government agency %
<b>Q13.3d</b>		<b>Borrowed from family/friends %</b>
<b>Q13.3e</b>		Borrowed from non-bank financial institutions (e.g. MFIs, credit coops, credit union, finance company) %
<b>Q13.3f</b>		<b>Purchases on credit from suppliers %</b>
<b>Q13.3g</b>		<b>Advances from customers %</b>
<b>Q13.3h</b>		Borrowed from informal sources (e.g., moneylenders, Iqubs, etc.) %
<b>Q13.3i</b>		<b>Other (SPECIFY SOURCES) _____ %</b>

**INTERVIEWER: CHECK THAT TOTALS ARE 100%**

<b>Q13.4</b>		In fiscal year <b>2004/05</b> , did this establishment purchase fixed assets, such as machinery, vehicles, equipment, land, buildings or improvements to leaseholds?
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Yes	1
No	2
<b>Don't know</b>	<b>-99</b>

**GO TO QUESTION 13.6**  
**GO TO QUESTION 13.6**

Q13.5 Over fiscal year **2004/05**, please estimate the proportion of this establishment's purchase of fixed assets was financed from each of the following sources? (**SHOW CARD**)

<b>Q13.5a</b>		Internal funds/Retained earnings %
<b>Q13.5b</b>		<b>Issued new equity (additional shares) %</b>
<b>Q13.5c</b>		<b>Borrowed from private commercial banks %</b>
<b>Q13.5d</b>		Borrowed from state-owned banks and/or government agency %
<b>Q13.5e</b>		<b>Borrowed from family/friends %</b>
<b>Q13.5f</b>		Borrowed from non-bank financial institutions (e.g. MFIs, credit coops, credit union, finance company) %
<b>Q13.5g</b>		<b>Purchases on credit from suppliers %</b>
<b>Q13.5h</b>		<b>Advances from customers %</b>
<b>Q13.5i</b>		Borrowed from informal sources (e.g., moneylenders, Iqubs, etc.) %
<b>Q13.5j</b>		<b>Other (SPECIFY SOURCES) _____ %</b>

**INTERVIEWER: CHECK THAT TOTALS ARE 100%**

**Q13.6**  Does this establishment have a checking and/or saving account?  
1 = Yes 2 = No

**Q13.7a**  Does this establishment have an overdraft facility? 1 = Yes 2 = No

**Q13.7b**  Does this establishment have a line of credit or loan?

Yes	1
No	2

**GO TO QUESTION 13.10**

**Q13.7c** Referring to your line of credit or loan, was it granted by: (**SHOW CARD**) [1 = Yes, 2 = No]

		Institution granted line of credit or loan
<b>Q13.7c1</b>		Private commercial banks
<b>Q13.7c2</b>		State-owned banks and/or government agency
<b>Q13.7c3</b>		Family/friends
<b>Q13.7c4</b>		Non-bank financial institutions (e.g. microfinance institution, credit cooperative, credit union, finance company)
<b>Q13.7c5</b>		Credit from suppliers
<b>Q13.7c6</b>		Advances from customers
<b>Q13.7c7</b>		Informal sources (e.g., moneylenders, iqubs, etc.)
<b>Q13.7c8</b>		Inventories
<b>Q13.7c9</b>		Other ( <b>SPECIFY SOURCES</b> )

**Q13.7d**  Referring only to this most recent line of credit or loan, on what year was the most recent line of credit or loan approved?

**INTERVIEWER: IF THE RESPONDENT DOES NOT KNOW, WRITE -99**

<b>Q13.7e</b>		Referring only to this most recent line of credit or loan, how much time (in months) was this establishment granted to pay off the loan or line of credit when it was received?
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**INTERVIEWER: IF THE RESPONDENT DOES NOT KNOW, WRITE -99**

<b>Q13.7f</b>		Referring only to this most recent line of credit or loan, what is the loan's rate of interest? %
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<b>Q13.7g</b>		Referring only to this most recent line of credit or loan, did the financing require collateral?
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Yes	1
No	2
<b>Don't know</b>	<b>-99</b>

**GO TO QUESTION 13.10**

**GO TO QUESTION 13.10**

**Q13.8** Referring only to your most recent line of credit or loan, what type of collateral was required? (**SHOW CARD**) [Use 1= Yes, 2= No]

<b>Q13.8a</b>		Land, buildings of the establishment
<b>Q13.8b</b>		Machinery and equipment
<b>Q13.8c</b>		Movable property including vehicles
<b>Q13.8d</b>		Merchandise
<b>Q13.8e</b>		Accounts receivable
<b>Q13.8f</b>		Shares
<b>Q13.8g</b>		Inventories
<b>Q13.8h</b>		Financial guarantee bond (e.g. bank guarantee bond, insurance guarantee bond)
<b>Q13.8i</b>		Personal assets of owner (house. etc.)
<b>Q13.8j</b>		Other ( <b>SPECIFY</b> ) _____

<b>Q13.9</b>		Referring only to this most recent line of credit or loan, what was the approximate value of the collateral required as a percentage of the loan value or the value of the line of credit? %
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**INTERVIEWER: IF THE RESPONDENT DOES NOT KNOW, WRITE -99**

<b>Q13.10</b>		In fiscal year <b>2004/05</b> , did this establishment apply for new loans or new lines of credit from formal financial institutions?
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Yes	1
No	2
<b>Don't know</b>	<b>-99</b>

**GO TO QUESTION 13.14**

**GO TO QUESTION 13.14**

<b>Q13.11</b>		In fiscal year <b>2004/05</b> , how many times did this establishment apply for new loans or new lines of credit? [Number of applications submitted]
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**INTERVIEWER: IF THE RESPONDENT DOES NOT KNOW, WRITE -99**

<b>Q13.12</b>		How many of those loan or line of credit applications were rejected? [Number of applications rejected]
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**INTERVIEWER: IF THE RESPONDENT ANSWERED 0, GO TO QUESTION 13.15a**

**Q13.13**

In fiscal year **2004/05** if any of this establishment's application for lines of credit or loans were rejected, what was the most common reason given for any of those rejections? **(SHOW CARD)**

Lack of acceptable collateral or cosigners	1
Perceived lack of profitability	2
Inadequate past repayment performance	3
Inadequate credit history/report	4
Incompleteness of the loan application	5
Lenders perceived too much debt	6
Other (Specify)	7

ADD VALUE LABELS Q13.13

- 8 'Lenders give priority to lend to small scale industries'
- 9 'Cumbersome procedure to loan or line of credit'
- 10 'Over draft facility is adequate'
- 11 'Delay of privatization process'.

**Q13.14**

If in fiscal year 2004/05, this establishment did not apply for line of credit or loan, what was the main reason? **(SHOW CARD)**

No need for a loan - establishment has sufficient internal funds	1
No need for a loan - establishment has no plans that require credit	2
Application procedures for loans or line of credit are too burdensome	3
Interest rates are too high	4
Collateral requirements for loans or line of credit are too strict	5
Inadequate amounts and maturity of available loans	6
Did not think it would be approved	7
Other	8

ADD VALUE LABELS Q13.14

- 9 'Forbidden by our religion'
- 10 'Afraid of the risk to repay'
- 11 'Have loan that had not paid off'
- 12 'Acquired ample finance through IDF (International Development Fund) grant'
- 13 'The occurrence of informal gift for loan'.

**Q13.15a**

Did this establishment ever had its annual financial statement checked and certified by an external auditor? 1 = Yes 2 = No -99 = DK

**Q13.15b**

For which fiscal year is the latest audited financial statement?

<b>Q13.16</b>	<p>Is <b>access to financing</b>, which includes availability and collateral, No Obstacle, a Minor Obstacle, a Major Obstacle, or a Very Severe Obstacle to the current operations and opportunities for growth of this establishment?</p> <p>Is <b>cost of financing</b>, which includes interest rates and fees, No Obstacle, a Minor Obstacle, a Major Obstacle, or a Very Severe Obstacle to the current operations and opportunities for growth of this establishment?</p>
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*[ Use the following codes: 0 = No obstacle, 1= Minor obstacle, 2= Moderate obstacle, 3= Major obstacle, 4= Very severe obstacle, -99= Don` t know]*

<b>Q13.16a</b>		Access to financing (availability, collateral)
<b>Q13.16b</b>		Cost of financing (interest rates, fees)

**14. LABOR**

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:**

Now I would like to ask you a few questions about this establishment's employees. I'm going to ask you for levels of employment at different points in time. For this reason, I will clarify the time-period of reference for each question. If the time reference is not clear, please do not hesitate to ask me for clarification.

**Q14.1**  How many **permanent, full-time employees** did this establishment have in fiscal year **2004/05**?

**INTERVIEWER: Permanent employees are defined as all paid employees that are contracted for a term of one or more fiscal years and/or have a guaranteed renewal of their employment contract and that work up to 8 or more hours per day.**

**Q14.2**  How many **permanent, full-time employees** did this establishment have three fiscal years ago [i.e. 2002/03]?

**INTERVIEWER: IF ESTABLISHMENT WAS NOT IN BUSINESS THREE YEARS AGO, WRITE -77**

**Q14.3**  How many **full-time seasonal or temporary employees** did this establishment have in fiscal year **2004/05**?

**INTERVIEWER: Temporary/seasonal are defined as all paid short-term (i.e. for less than a fiscal year) employees with no guarantee of renewal of their employment contract.**

**Q14.4**  In fiscal year **2004/05**, what percentage of all **full-time temporary employees** were female?

**Q14.5**  What was the average length of employment of all **full-time temporary employees** in fiscal year **2004/05**? [Average length of employment (months)]

**Q14.6**  Over fiscal year **2004/05**, did this establishment run formal in-house training programs for its **permanent, full-time employees**?

1 = Yes                      2=No                      -99 = Don't know

**Q14.7**  Over fiscal year **2004/05**, did this establishment send its **permanent, full-time employees** to formal training run by other organizations?

1 = Yes                      2=No                      -99 = Don't know

**Q14.8**  What percent of this establishment's workforce is unionized?

**INTERVIEWER: IF THE RESPONDENT DOES NOT KNOW, WRITE -99**

**ASK FOLLOWING ONLY TO IT FIRMS**

Q14.9 In the last three years, estimate how much the average wage for employees with the following sets of skills have changed? [Percent change in average wage]

<b>Q14.9a</b>		<b>Basic computer skills</b> to fill out online forms move between forms and files, retrieve and save information, and perform elementary word processing, data entry, or software installation.
<b>Q14.9b</b>		<b>Good working knowledge of standard office software</b> to manipulate and format information, do sophisticated word processing to create customized documents, customized spreadsheets, create databases, and use presentation software
<b>Q14.9c</b>		<b>Facility with industry specific software</b> to produce original digital media content, designer web pages and customized graphics design content, or use specialized financial or business management software.
<b>Q14.9d</b>		<b>Knowledge of hardware and maintenance</b> , the ability to troubleshoot and provide technical and network support.
<b>Q14.9e</b>		<b>Advanced knowledge of programming and application or system architecture</b> , the ability to write new software and design system architectures.

**ASK FOLLOWING ONLY TO IT FIRMS**

**Q14.10**  Does this establishment face a shortage of workers with the necessary skills?  
1 = Yes 2 = No -99 = DK

**ASK FOLLOWING ONLY TO IT FIRMS**

**Q14.11**  How important is a working knowledge of English as a skill that the technical staff needs to successfully conduct the tasks required in this establishment's line of business?  
1 = Not at all important      3= Fairly important      -99= Don't know  
2 = Slightly important      4=Very important      -77 = NA

**Q14.12**  Over fiscal year **2004/05**, as decisions about hiring or firing permanent, temporary, or part-time workers were being considered, did labor regulations affect those decisions in a significant way?

Yes	1
No	2
<b>Don't know</b>	<b>-99</b>

**GO TO QUESTION 14.14**  
**GO TO QUESTION 14.14**

Q14.13 In fiscal year **2004/05**, would this establishment have hired or fired workers had it not been for having to comply with labor regulations?

<b>Q14.13a</b>	<input type="text"/>	How many hired?
<b>Q14.13b</b>	<input type="text"/>	How many fired?

<b>Q14.14</b>		During the past 24 months, how has this establishment usually found new employees? <b>(SHOW CARD)</b>
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Through family/friends	1
Public placement office	2
Private placement office	3
Public announcement/advertisement	4
School-related network	5
Establishment door postings	6
Other ( <b>Specify</b> )	7

ADD VALUE LABELS Q14.14

- 8 'Through union'  
 9 'Do not hire employee during the past 24 months'  
 10 'Through pre application'  
 11 'Through similar business'  
 12 'Through brokers'  
 13 'Through their own employees or workers recommendation'.

<b>Q14.15</b>	Is an <b>inadequately educated workforce</b> No Obstacle, a Minor Obstacle, a Major Obstacle, or a Very Severe Obstacle to the current operations and opportunities for growth of this establishment?  Are <b>labor regulations</b> No Obstacle, a Minor Obstacle, a Major Obstacle, or a Very Severe Obstacle to the current operations and opportunities for growth of this establishment?
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[ Use the following codes: 0 = No obstacle, 1= Minor obstacle, 2= Moderate obstacle, 3= Major obstacle, 4= Very severe obstacle, -99= Don't know]

<b>Q14.15a</b>		Inadequately educated workforce
<b>Q14.15b</b>		Labor regulations

**AIDS AND SICKNESS:**

Q14.16 Has sickness affected this establishment's workforce in any of the following ways in the past 24 months? [[Use the following codes: 0 = No problem, 1= Minor problem, 2= Moderate problem, 3= Major problem, 4= Very severe problem, -99= Don't know]

<b>Q14.6a</b>		Is absenteeism among workers due to sickness a problem?
<b>Q14.6b</b>		Is absenteeism among workers who need to Care of family members or friends due to sickness a problem?

Q14.17 Has HIV/AIDS affected this establishment's workforce in any of the following ways in the past 24 months: [Use the following codes: 0 = No problem, 1= Minor problem, 2= Moderate problem, 3= Major problem, 4= Very severe problem, -99= Don't know]

<b>Q14.17a</b>		Is absenteeism among workers due to HIV/AIDS a problem?
<b>Q14.17b</b>		Is absenteeism among workers who need to care of family members or friends due to HIV/AIDS a problem?

Q14.18 In fiscal year **2004/05**, did this establishment undertake any of the following activities to prevent

HIV/AIDS among employees? *[Use 1= Yes, 2= No, -99= Don't know]*

<b>Q14.18a</b>		HIV prevention messages
<b>Q14.18b</b>		Free condom distribution
<b>Q14.18c</b>		Anonymous HIV testing

**15. PERFORMANCE**

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:**

The purpose of the following questions is to allow us to estimate the performance of establishments like this one. Estimates are made at the aggregate level so the information you provide below will be compiled with the information from other establishments. It is important that this information be as accurate as possible.

Please provide the following information from the financial statements of this establishment.

**15.1** For fiscal year **2004/05**, please provide the following information about this establishment (in thousands of Birr):

	<b>2004/05</b> <i>[B15.1a1]</i>	<b>2003/04</b> <i>[B15.1a2]</i>
1. Total annual revenue		
2. Total annual cost of labor (including wages, salaries, bonuses, social payments)		
4. Total annual costs of electricity (from public grid only)		
5. Total annual costs of communications services		
9. Total annual cost of rental of land/buildings, equipment, furniture		

**Q15.2** What was the total annual revenue for this establishment (in thousands Birr) three complete fiscal year's ago? [Total revenue three fiscal years ago in '000s Birr]

**INTERVIEWER:IF ESTABLISHMENT WAS NOT IN BUSINESS THREE YEARS AGO, WRITE -77**

**Q15.3** In fiscal year **2004/05**, how much did this establishment spend on purchases of:

<b>Q15.3a</b>	Machinery, vehicles and equipment (new and/or used) (000s Birr)
<b>Q15.3b</b>	Land, buildings or improvements to leasehold (000s Birr)
<b>Q15.3c</b>	Information technology (computers, telecommunications, software) (000s Birr)

**THE SURVEY ENDS HERE  
THANK YOU VERY MUCH FOR YOUR COOPERATION.**

**Q16.1** Time face-to-face interview ends:

<b>Hour</b>	<b>Minutes</b>	<b>AM/PM</b>

**INTERVIEWER'S COMMENTS**

(Problems occurred/extraordinary circumstances which could influence results)

**SUPERVISORS PLEASE ANSWER:**

**Q16.2**  This questionnaire was completed in:

One visit in face-to-face interview with one person	1
One visit in face-to-face interview with different managers/staff	2
Several visits	3