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SERVICES

PART 1

**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 Chief Executive Officers (CEO), general  
managers or business owners)***

**About the survey**

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

The Productivity and Investment Climate Survey is a collaborative effort of the Malaysian Government and the World Bank. Similar surveys are being carried out in several other countries. Parts of the survey questionnaire can be filled up by your staff working from your records; other parts should be answered by the owner or 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.** The information is gathered under the provisions of the Statistics Act, 1965 (Revised - 1989).

The general purpose of the survey is to understand the investment climate in Malaysia and how it affects business performance, with the objective to improve it. **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.** The survey will also 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 very much appreciated.

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

**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.**

**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**

**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** :

<b>1= Information Technology</b>	<b>2=Communication Services</b>	<b>3= Accounting and Related Professional Services</b>	<b>4= Advertising and Marketing</b>	<b>5= Business Logistics</b>
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

**SECTION 1  
GENERAL INFORMATION**

1.1. In what year did [KIT] start its operations in this country? S1\_1

y	y	y	y

1.2. How many full time employees did [KIT] have when it started operations? S1\_2

--	--	--	--	--

1.2. How many full time employees does [KIT] have now (at the time of this interview)? S1\_3

--	--	--	--	--

1.4. Was [KIT] previously a government owned enterprise? S1\_4 Yes = 1 No = 2

**If yes,**

1.4.y. When was it privatized? S1\_4ALPHA

y	y	y	y

1.5. What percentage (%) of your firm is owned by:

1. Private sector:

%

a) domestic S1\_5\_1

--	--	--

b) foreign S1\_5\_2

--	--	--

2. Federal government S1\_5\_3

--	--	--

3. State government S1\_5\_4

--	--	--

4. Endowment Fund (eg. Employees Provident Fund (EPF), *Tabung Haji* etc). S1\_5\_5

--	--	--

5. Others (specify) \_\_\_\_\_ S1\_5\_6

--	--	--

**TOTAL**

1	0	0
---	---	---

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

%

\_\_ Bumiputera S1\_6\_1

--	--	--

Chinese S1\_6\_2

--	--	--

Indian\* S1\_6\_3

--	--	--

Others S1\_6\_4

--	--	--

**TOTAL**

1	0	0
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*\*[Indian includes persons of Pakistani, Bangladeshi and Sri Lankan origin]*

1.6a If government is a shareholder, is it represented on the board? S1\_6A Yes = 1 No = 2

1.7. What fraction of the sales of [KIT] are to the government or to state-owned enterprises? S1\_7

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

S1\_8

Code:

- 1. Individual proprietorship
- 2. Partnership
- 3. Private limited Company
- 4. Public Limited Company
- 5. Public corporation
- 6. Cooperative
- 7. Others

1.9. How many establishments are under [KIT]' s control?

S1\_9

[An establishment is defined as a service facility that is geographically distinct from other facilities. A business line does not, by itself constitute an establishment.]

1.10. How many are located:

1. In this city or town:

S1\_10\_1

2. In this state:

S1\_10\_2

3. In this country:

S1\_10\_3

4. In other countries:

S1\_10\_4

1.11. How many are in Business Services (IT, Communication, Advertising, Transport Logistics)?

S1\_11

1.12. How many are in manufacturing?

S1\_12

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

Headquarters (name of city)\_\_\_\_\_

S1\_13

Principal operating facility/establishment (name of city)\_\_\_\_\_

S1\_13A

1.14. What was your main BUSINESS LINE in 2006 (the business line with the largest sales in 2006)?  
[A business line is defined as a business activity that is more narrow than your industry subsector]

S1\_14

1.15. How many type of Services did you have in your main business line in 2006?

S1\_15

1.16. How many type of Services in total did you supply in 2006?

S1\_16

1.17. Is your Establishment member of a financial group or holding company?

S1\_17

Yes = 1 No = 2

1.18. When does your fiscal year end?

S1\_18

d	d	m	m

**SECTION 2  
GOVERNANCE AND OWNERSHIP STRUCTURE**

**A. Information on [Mr. Mostafa], CEO of [KIT]**

2.1. Gender of the CEO? S2\_1 Male = 1 Female = 2

2.2. How long have you, [Mr. Mostafa], been working for this firm? (Number of years) S2\_2

2.3. Are you [Mr. Mostafa] a shareholder of [KIT]? S2\_3 Yes = 1 No = 2

**If yes,**

2.3.y. How big is your [Mr. Mostafa's] share? less than 20% = 1 20% or more = 2   
S  
S2\_3Y

2.4. What is the highest level of education completed by you [Mr. Mostafa]? S2\_4

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

2.5. Where were you born? \_\_\_\_\_ (country) S2\_5

2.5.a. What is your citizenship? \_\_\_\_\_ S2\_5A

2.5.b. If Malaysian, what is your ethnicity? S2\_5B

1. Bumiputera
2. Chinese
3. Indian\*
4. Others \_\_\_\_\_

*\*[Indian includes persons of Pakistani, Bangladeshi and Sri Lankan origin]*

2.6. How many years of experience in [IT] services did you [Mr. Mostafa] have before joining [KIT]? (Number of years) S2\_6

2.7. What is the highest level of education completed by Mr. Mostafa's father? S2\_7

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

2.8. Approximately in what wealth bracket were your [Mr. Mostafa's] parents? S2\_8

*Code: 1 = High  
 2 = Middle  
 3 = Low*

2.9. Does [KIT] have a single owner?

S2\_9 Yes = 1 No = 2

2.9.y. **If yes**, are you [Mr. Mostafa], the CEO of [KIT], also its sole owner?

S2\_9Y Yes = 1 No = 2

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

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

S2\_9N

   %

2.10. Who is the largest shareholder?

S2\_10

Code:

A family member of yours

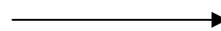
= 1



Go to Part B

Other individual private investors

= 2



Go to Part B

Local financial institution

= 3



Go to Part C

Local private sector corporation

= 4



Go to Part C

Multi-national companies

= 5



Go to Part C

Federal government

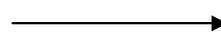
= 6



Go to Part D

State government

= 7



Go to Part D

Endowment Funds (EPF, Tabung Haji etc)

= 8



Go to Part D

Others (specify) \_\_\_\_\_

= 9

**Part B. Information on single owner/majority shareholder**

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

S2\_11

   %

2.12. Did the current owner/largest shareholder form [KIT]?

S2\_12 Yes = 1

No = 2

**If No,**

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

S2\_12N

Code: 1 = Bought it

2 = Inherited it

3 = Others \_\_\_\_\_ (specify)

2.13. Gender of owner/largest shareholder

S2\_13

Male = 1

Female = 2

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

S2\_14

Code:

1 = Post Graduate Degree

2 = First Degree

3 = Diploma

4 = Secondary

5 = Primary

6 = Informal

7 = None (illiterate)

2.15. How many years of experience in [IT] services did the owner/largest shareholder have before becoming involved in [KIT]?

S2\_15

Years

2.16. Approximately in what wealth bracket were the parents of the owner/largest shareholder? S2\_16

Code: 1= High  
2= Middle  
3= Low

2.17. What is the highest level of education completed by the parents of the owner/largest shareholder? S2\_17

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

2.18. Has the father of the owner/largest shareholder been an entrepreneur? Yes = 1 No = 2 S2\_18

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

2.19. Where are the headquarters of the Parent establishment of [KIT]? S2\_19

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

2.20. Does [KIT] participate in a "liquidity center" managed by [Parent establishment], i.e., does [KIT] pass its excess liquidity to [Parent establishment] or other companies owned by [Parent establishment]? Yes = 1 No = 2 S2\_20

2.21. How the investment decision were made? S2\_21

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

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

2.22.b. What is the name of the government body?  
\_\_\_\_\_ S2\_22B

2.22. Where is the headquarters of the government body [OA]? S2\_22  
(Name of city) \_\_\_\_\_

2.23. When was the government body founded? S2\_23 Calendar year 

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2.24. In what year did the government body begin supervising the activities of [KIT]? S2\_24 Calendar year 

--	--	--	--

2.25. Does the government body supervise other firms in the same industry as [KIT]? Yes = 1 No = 2 S2\_25

2.26. Does [KIT] participate in a liquidity center managed by the government body, i.e., does [KIT] pass its excess liquidities to the government body or other companies supervised by the government body? Yes = 1 No = 2   
S2\_26

2.27. Does [KIT] make its own investment decisions or are all investment decisions made by the government body?   
S2\_27

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

2.28. Is there a ceiling on the investment amount [KIT] can commit without consulting with the government body?   
S2\_28

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

**THE REMAINDER OF THE QUESTIONNAIRE SHOULD BE ANSWERED WITH RESPECT TO THIS ESTABLISHMENT**

**SECTION 3  
 INVESTMENT, TECHNOLOGY AND INNOVATION**

**Part A. Investment and Capacity**

3.1. When did you make your most recent purchase of machinery or equipment?  
S3\_1MM S3\_1YY

m	m	y	y	y	y

3.1.a. What was the value of that purchase? S3\_1A  
 RM 

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

3.1.b. How was it financed? *[multiple answers allowed, tick what applies]* S3\_1B\_1 to S3\_1B\_9

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

3.1.c. What percentage (%) of this most recent purchase was in Information Communications Technology equipment? S3\_1C

--	--	--

 %

3.1.d. What percentage (%) of this most recent purchase of machinery or equipment was

		%
a. domestic new machinery or equipment	S3_1D_1	<input type="text"/> <input type="text"/> <input type="text"/>
b. domestic second hand machinery or equipment?	S3_1D_2	<input type="text"/> <input type="text"/> <input type="text"/>
c. imported new machinery or equipment?	S3_1D_3	<input type="text"/> <input type="text"/> <input type="text"/>
d. imported second-hand machinery or equipment?	S3_1D_4	<input type="text"/> <input type="text"/> <input type="text"/>
<b>Total</b>		<b>1 0 0</b>

3.2. If you imported part or all the most recent major purchase of machinery and equipment, what was the rate of import duty paid? (Please put '0' if no import duty was paid)  %  
S3\_2

3.2.a. Of your outlay on imported machinery or equipment referred before, what share was from S3\_2AA\_1 to S3\_2AA\_5 S3\_2AA\_1 to S3\_2AB\_5 %

1. Country _____	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
2. Country _____	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
3. Country _____	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
4. Country _____	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
5. Country _____	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
<b>Total</b>		<b>1 0 0</b>

3.3. What percentage (%) of your profits were re-invested in your firm in 2006?  %  
S3\_3

3.4. Do you expect to make a substantial increase in investment in order to increase capacity or improve quality?      Yes = 1      No = 2      Firm is closing = 3

In 2008	S3_4_1	<input type="text"/> <input type="text"/>
In 2008 - 2010	S3_4_2	<input type="text"/> <input type="text"/>

**If yes,**

3.4.y. What percentage (%) of your next investment will be IT related?  %  
S3\_4Y

3.5. Does your firm currently invest outside Malaysia?

S3\_5

Yes = 1

No = 2

**If No, skip to 3.6.**

**If yes,**

S3\_5Y

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

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 %

S3\_5YB

3.5.yb. What percentage (%) of your latest investment abroad went to:

%

China

S3\_5YB\_1 to S3\_5YB\_6

--	--	--	--

Other ASEAN countries

--	--	--	--

USA

--	--	--	--

Europe

--	--	--	--

Africa

--	--	--	--

Others

--	--	--	--

**Total**

<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
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3.5.yc. What are the three most important reasons you chose to invest abroad?

1

S3\_5YC\_1

2

S3\_5YC\_2

3

S3\_5YC\_3

1. In search of cheap labor abroad

2. Higher worker productivity abroad

3. Lower taxes on profits abroad

4. Better infrastructure abroad

5. Larger market for my products abroad

6. High taxes on inputs in Malaysia

7. Shortage of unskilled workers in Malaysia

8. Shortage of skilled workers in Malaysia

9. Lower cost of doing business (utility charges, telecommunications)

10. Better incentives

11. Others (Specify \_\_\_\_\_)

3.6. What percentage (%) of the value of KIT's plant machinery and equipment is of age:

b. How many more years can it be used:

		%	More years to be used
1. <5 years old	S3_6A_1	□ □ □	S3_6B_1 □ □
2. 5-10 years old	S3_6A_2	□ □ □	S3_6B_2 □ □
3. 10-20 years old	S3_6A_3	□ □ □	S3_6B_3 □ □
4. >20 years old	S3_6A_4	□ □ □	S3_6B_4 □ □
<b>TOTAL</b>		<b>1 0 0</b>	□ □

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

		%
a) in 2006	S3_81	□ □ □
b) in 2005	S3_82	□ □ □
c) in 2004	S3_83	□ □ □

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

	Yes = 1	No = 2
(1) Lack of working capital <span style="color: red;">S3_9_1 to S3_9_5</span>	□	□
(2) Low demand	□	□
(3) Skilled labor Shortage	□	□
(4) Unskilled labor Shortage	□	□
(5) Others (please specify) _____	□	□

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

3.11. How many new Services has your establishment introduced in the last three years?

(Number)

□ □ □ S3\_11

3.11.y. **If new Services**, what percentage (%) of the establishment's sales did the new Services account for in 2006?

□ □ □ % S3\_11Y

3.12. Did [KIT] employ staff exclusively for Research and new Services Development/R&D in 2006? Yes = 1    No = 2      
S3\_12

3.12.y. **If yes, how many** employees of [KIT] worked exclusively in R&D in 2006? Yes = 1    No = 2      
S3\_12Y

3.13. Did [**KIT**] subcontract R&D projects to other companies or organizations? Yes = 1    No = 2      
S3\_13

3.13a. **If Yes**, where the companies or organisations are located? In Malaysia = 1    Abroad = 2      
S3\_13A

3.14. How much did your establishment spend in royalties in year 2006? S3\_14  
 RM

3.15. Are you planning to introduce new services in the next 2 years (2008-2009)? S3\_15  
Yes = 1    No = 2   

**Part C. TECHNOLOGICAL INNOVATION**

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

- PLEASE ANSWER ALL QUESTIONS** S3\_16\_01 to S3\_16\_14 Yes=1    No=2
1. Upgraded your equipment in the last 2 years
  2. Entered new markets due to process or service improvements in quality or cost
  3. Filed any patents/utility models or copyright protected materials
  4. Developed a major new service line
  5. Upgraded an existing service line
  6. Introduced new technology that has substantially changed the way the main service is produced
  7. Discontinued at least one service (not production) line
  8. Opened a new establishment
  9. Closed at least one existing establishment or outlet
  10. Entered a new joint venture agreement with a foreign partner
  11. Entered a new joint venture agreement with local partner
  12. Obtained a new licensing agreement
  13. Outsourced a major production activity that was previously conducted in-house
  14. Brought in-house a major production activity that was previously outsourced

**IF ANSWER IS ALL 'NO' GO TO 3.27**

3.17. Generally, what are the leading ways in which your establishment acquires technological innovations?  
From options 1-14 below, Please tell me which of the following is:

	S3_17A_1 to S3_17A_3	S3_17B_1 to S3_17B_3	%
A. the most important?	<input type="text"/>	(% of total innovation)	<input type="text"/>
B. the second most important?	<input type="text"/>	(% of total innovation)	<input type="text"/>
C. the third most important?	<input type="text"/>	(% of total innovation)	<input type="text"/>

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

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

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

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

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

3.20. If your firm is a supplier to a MNC, did you learn any new technology from that MNC? Yes = 1 No = 2

**If yes,**

3.20.y. Was it explicitly via MNC licensing, training, quality certification programs Yes = 1 No = 2

S3\_20Y

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

Yes=1 No=2

1. Would your firm undertake more R&D? S3\_21\_1
2. Would it make it more costly to acquire new technology? S3\_21\_2

3.22. Has your firm received any ISO (e.g. 9000, 9002 or 14,000) certification? S3\_22 Yes = 1 No = 2

3.26. What are the main constraints to introducing IT, or expanding IT use in your company?  
**(Please rank the following factors on a scale of 1 to 5, where 1 = not important, 3 = important, and 5 = critically important) S3\_26\_1 to S3\_26\_7**

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

3.27. Have you received any Government incentive to conduct technological innovation and R&D? S3\_27 Yes = 1 No = 2

**SECTION 4:  
LABOR MARKET, EDUCATION AND SKILLS**

**Part A. LABOR RELATIONS**

4.2. How many days did your establishment operate in year 2006? S4\_2 Days

4.3. Out of a 8-hour working day, how many hours is the typical worker working at present? S4\_3 Hours

4.4. Given your current level of output, if you were free to choose without restrictions your current level of employment what % of the current level would you choose? S4\_4    %

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

*S4\_4A\_1 to S4\_4A\_6*

Yes = 1

No = 2

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

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

Yes = 1

No = 2

- a. Laws and regulations the employment of foreign workers *S4\_4B\_1 to S4\_4B\_5*
- b. Difficulty in employing local workers
- c. Shortage of skilled workers \_\_\_\_\_
- d. Anticipation of a downturn in sales
- e. Others (please specify) \_\_\_\_\_

4.5. Are any of your employees members of a trade union?

*S4\_5*

Yes = 1

No = 2

**If Yes,**

4.5.y. What percentage (%) of your establishment's employees belong to a trade union?

*S4\_5Y*

   %

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

Yes = 1

No = 2

- a. pay *S4\_6\_1*
- b. redundancy *to*
- c. social security
- d. others (specify) \_\_\_\_\_ *S4\_6\_4*

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

- |                               |         |  |  |
|-------------------------------|---------|--|--|
| a. Strikes                    | S4_7_1  |  |  |
| b. Other Stoppages            |         |  |  |
| c. Worker slowdowns           |         |  |  |
| d. Worker absenteeism         |         |  |  |
| e. Alcoholism                 | to      |  |  |
| f. Drug abuse                 |         |  |  |
| g. Reported sickness          |         |  |  |
| h. Other labor related causes |         |  |  |
| i. Civil unrest               |         |  |  |
| j. Others (specify) _____     | S4_7_10 |  |  |

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

**0 = No problem; Degree of obstacles: 1 = minor obstacle → 4 = Major obstacle;**  
**- 9 = Not Applicable**

- |  |        |  |
|--|--------|--|
| (a) Dealing with hiring procedures for local workers   | S4_8_1 |  |
| (b) Dealing with hiring procedures for foreign workers |        |  |
| i. expatriates   |        |  |
| ii. immigrants   |        |  |
| (c) Limits in hiring expatriates                       | to     |  |
| (d) Layoff procedures and cost of retrenchment         |        |  |
| (e) Limits on temporary hiring                         |        |  |
| (f) Inflexible salary scale for skilled workers        |        |  |
| (g) Others (specify) _____                             | S4_8_8 |  |

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

Types of workers	Tick where appropriate		State the option number (Possible to opt more than one)
	Foreign labours are sourced through		Reasons: 1. Convenience 2. Saves time 3. Cost-cutting 4. To minimize risks on rejection at immigration 5. Others, please state.
	Own initiatives	Hiring Agency	
Management	<i>S4_8BA_1</i>	<i>S4_8BB_1</i>	<i>S4_8BC1_1 S4_8BC2_1.....S4_8BC5_1</i>
Professionals	<i>S4_8BA_2</i>	<i>S4_8BB_2</i>	<i>S4_8BC1_2 S4_8BC2_2.....S4_8BC5_2</i>
Skilled workers	<i>S4_8BA_3</i>	<i>S4_8BB_3</i>	<i>S4_8BC1_3 S4_8BC2_3.....S4_8BC5_3</i>
Unskilled workers	<i>S4_8BA_4</i>	<i>S4_8BB_4</i>	<i>S4_8BC1_4 S4_8BC2_4.....S4_8BC5_4</i>
Clerical workers	<i>S4_8BA_5</i>	<i>S4_8BB_5</i>	<i>S4_8BC1_5 S4_8BC2_5.....S4_8BC5_5</i>

**Part B. EDUCATION AND SKILLS**

4.9 Do you currently have vacancies in your establishment in the following positions?

	Yes=1	No=2
1. Professionals (engineers, scientists and other university graduates)	<i>S4_9_1</i>	<input type="checkbox"/>
2. Skilled service workers (skilled technician / skilled sales specialists)	<i>to</i>	<input type="checkbox"/>
3. Unskilled service workers	<i>S4_9_3</i>	<input type="checkbox"/>

4.10. How much time did it take to fill your most recent vacancy for: *S4\_10\_1 to S4\_10\_3*

	Weeks
1. Professionals (engineers, scientists and other university graduates)	<input type="text"/> <input type="text"/> <input type="text"/>
2. Skilled service workers (skilled technician / skilled sales specialists)	<input type="text"/> <input type="text"/> <input type="text"/>
3. Unskilled service workers	<input type="text"/> <input type="text"/> <input type="text"/>



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

**Codes :**      **1= Lower**              **2= Higher**              **3 = Same performance**              **Not applicable = -9**

- 1. Malaysian Professional educated locally *vis-à-vis* Foreign Professional S4\_13\_1
- 2. Malaysian Professional educated locally *vis-à-vis* Malaysian Professional train abroad S4\_13\_2
- 3. Malaysian Professional educated abroad *vis-à-vis* Foreign Professional S4\_13\_3

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

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

Attributes	Professionals		Skilled Production Workers	
	Local	Foreign	Local	Foreign
1. English language proficiency	S4_13B1_1	S4_13B2_1	S4_13B3_1	S4_13B4_1
2. Professional Communication skills				
3. Social Skills				
4. Teamworking skills				
5. Leadership skills				
6. Time Management skills	to	to	to	to
7. Adaptability skills				
8. Creativity/innovation skills				
9. Numerical skills				
10. Problem solving skills				
11. IT skills				
12. Technical/professional skills	S4_13B1_12	S4_13B2_2	S4_13B3_12	S4_13B4_12

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

- 1. \_\_\_\_\_ S4\_13C\_1
- 2. \_\_\_\_\_ S4\_13C\_2
- 3. \_\_\_\_\_ S4\_13C\_3

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

Critical skills/competencies	
Current Shortage of Skills	Future Needs
1. S4_13D1_1	1. S4_13D2_1
2. to	2. to
3. S4_13D1_3	3. S4_13D2_3

4.14. Did you hire fresh graduates from public vocational training institutions in 2006? Yes = 1 No = 2  S4\_14

If Yes,

4.14.y. Could you please list three institutes from which you hire the most and assess the quality of their graduates?

Name of Institute	Institute Code	Quality of graduates 1 = very poor 2 = poor 3 = fairly good 4 = very good
1.	S4_14Y1_1	S4_14Y2_1
2.	to	to
3.	S4_14Y1_3	S4_14Y2_1

4.15. Please give your assessment of the following Institutes:

	Institute Code	Have you hired fresh graduates from this particular institution? 1=yes 2=No 3=Never heard about this institute	If yes, How would you assess the quality of its graduates ? 1 = very poor 2 = poor 3 = fairly good 4 = very good
Local Public Universities		S4_15A_1	S4_15B_1
Local Private Colleges and University Colleges			
National Youth Skills Training Institute (IKBN)			
Industrial Training Institute (ILP)		to	to
MARA Vocational institute (IKM)			
Community Center (GIAT MARA)			
Polytechnics (Ministry of Education)		S4_15A_7	S4_15B_7

**Part C. EMPLOYER-PROVIDED TRAINING**

- 4.16. Did your establishment run formal training programs for its employees during the fiscal year of 2006? **S4\_16** Yes = 1 No = 2
- 4.17. Is your establishment registered with the Human Resource Development Fund (HRDF)? **S4\_17** Yes = 1 No = 2

**If yes, go to 4.18**  
**If no, go to 4.21**

- 4.18. How critical is HRDF in your decision to train workers? **S4\_18**

**Code :** 0 = no value      1 = minor value      2 = moderate value  
 3 = major value      4 = critical value to your establishment

- 4.19. How long, in average, did it take HRDF to process your claims for reimbursement in 2006? **S4\_19** Days

- 4.20. Would you train more workers if HRDF was more efficient? **S4\_20** Yes = 1 No = 2

- 4.21. Have you sent your workers for training in a Skills Development institute in the past three years? **S4\_21** Yes = 1 No = 2

**If 'No' go to question 4.23.**  
**If 'Yes',**

- 4.21.y. Could you please list the three institutes you have used the most and assess impact of training on worker's performance?

<b>Name of Institute</b>	<b>Institute Code</b>	<b>Impact of training on worker's performance</b> 1 = very poor 2 = poor 3 = fairly good 4 = very good
1.	<b>S4_21YA_1</b>	<b>S4_21YB_1</b>
2.	to	to
3.	<b>S4_21YA_3</b>	<b>S4_21YB_3</b>

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

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

Attributes	Institute 1.	Institute 2.	Institute 3.
Outreach and dissemination of their programs	S4_22Y1_1	S4_22Y2_5	S4_22Y3_1
Ease of application process			
Theoretical content of training	To	To	To
Practical content of training			
Relevance/effectiveness of training received by employees for your establishment	S4_22Y1_5	S4_22Y2_5	S4_22Y3_5

**If No,**

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

S4\_23\_1  
1

S4\_23\_2  
2

S4\_23\_3  
3

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

**SECTION 5:  
INVESTMENT CLIMATE CONSTRAINTS AND BUSINESS RELATIONS**

**Part A. Investment Climate Constraints**

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

**0 = No problem    1 = Minor obstacle    →    4 = Major obstacle       -9 = Not applicable**

A. Telecommunications	S5_1_01	<input type="text"/>
B. Electricity		<input type="text"/>
C. Transportation		<input type="text"/>
D. Access to Land		<input type="text"/>
E. Tax rates		<input type="text"/>
F. Tax administration		<input type="text"/>
G. Customs and trade regulation administration		<input type="text"/>
H. Labor regulations		<input type="text"/>
I. Skills and education of workers		<input type="text"/>
J. Business licensing and registration	to	<input type="text"/>
K. Access to Domestic Credit		<input type="text"/>
L. Access to Foreign Credit		<input type="text"/>
M. Cost of Financing (e.g. interest rates)		<input type="text"/>
N. Economic policy uncertainty		<input type="text"/>
O. Macro-economic instability (inflation, exch. rate)		<input type="text"/>
P. Corruption		<input type="text"/>
Q. Crime, theft and disorder		<input type="text"/>
R. Anti-competitive practices (e.g. monopoly)		<input type="text"/>
S. Immigration	S5_1_19	<input type="text"/>

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

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

1 S5\_2\_1  

--	--

2 S5\_2\_2  

--	--

3 S5\_2\_3  

--	--

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

**Part B. Business Relations**

5.3. Is your establishment/firm a member of a business association or chamber of commerce? S5\_3 Yes = 1 No = 2

*If yes,*

5.3.y.a. How many such associations does [KIT] belong to? (Number) S5\_3YA

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

S5\_3YB\_1 to S5\_3YB\_6

**Code : 0 = no value    1= minor value    2= moderate value    3 = major value  
4 = critical value to your firm    N/P = Not provided**

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

5.3.y.c. Does this association include any of the following as members?

Yes=1    No=2    Don't Know = -8

- a) [KIT] suppliers S5\_3YC\_1
- b) [KIT] customers to
- c) [KIT] competitors
- d) Financial institutions S5\_3YC\_4

5.4. For each of the following business services available in Malaysia, please assess whether it is affordable. If yes, please evaluate the quality on a 1-4 scale.

**Quality: 1 = very poor 2 = poor 3 = fairly good 4 = very good -9 = not applicable**

	S5_4A_1 to S5_4A_6		S5_4B_1 to S5_4B_6	
	Affordable		Quality	
	Yes = 1	No = 2		
1) Engineering & design	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Management & Marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) Accounting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) Legal services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6) IT services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Have you had disputes with clients such as a delay or suspension of payment, return shipment or cancellation of future shipments over the last 2 years? S5\_5

Yes = 1    No = 2   

**If yes,**

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

1. Court	S5_5Y_1	<input type="checkbox"/>
2. Federal Government		<input type="checkbox"/>
3. State government		<input type="checkbox"/>
4. Business association	to	<input type="checkbox"/>
5. Arbitration		<input type="checkbox"/>
6. Amicable		<input type="checkbox"/>
7. Others	S5_5Y_7	<input type="checkbox"/>

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

"I am confident that the judicial system will enforce my contractual and property rights in business disputes." (read 1-6)? S5\_6

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

### Part C. Expectations

5.7. What is your expectation of the following variables next year (2008)

	At the end of 2008	
	Minimum	Maximum
1. Growth of your sales (in %)	S5_7A_1	S5_7B_1
2. Expectation of change in average cost per unit of locally produced raw material (in %)	To	to
3. Expectation of change in average cost per unit of imported raw material (in %)	S5_7A_3	S5_7B_3

## SECTION 6: INFRASTRUCTURE, ACCESS TO LAND AND GOVERNMENT REGULATION

### Part A. Licenses, Permits, and Government Regulation

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

Issuing authority	Licenses		Permits		Approvals/Certificates	
	Number of licenses	Average Time to obtain (weeks)	Number of Permits	Average Time to obtain (weeks)	Number of approvals/certificates	Average Time to obtain (weeks)
a) Federal government (e.g. MITI, MIDA, JAKIM, LPKP)	S6_2A_1	S6_2B_1	S6_2C_1	S6_2D_1	S6_2E_1	S6_2F_1
b) State government (e.g. Land office, district office)	to	to	to	to	to	to
c) Local authority						
d) Others	S6_2A_4	S6_2B_4	S6_2C_4	S6_2D_4	S6_2E_4	S6_2F_4

6.3. How many of these licenses, permits and approvals/certificates do you need to renew periodically (i.e. every year, 2 years)? [S6\_3\_1 to S6\_3\_3]

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

6.4. In 2006, did you use agents, consultants, or one or more employees to help you process these permits, licenses and **approvals/certificates**? S6\_4

Yes = 1    No = 2   

**IF YES, S6\_4Y**

6.4.y. At what cost or salary? RM

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

**Please write N/A if not applicable (N/A=-9)**

- |  |        | Weeks  |
|--|--------|--|
| 1. Foreign Investment Committee (FIC)        | S6_5_1 | <input type="text"/> <input type="text"/> <input type="text"/> |
| 2. Commercial Vehicle Licensing Board (LPKP) |        | <input type="text"/> <input type="text"/> <input type="text"/> |
| 3. Immigration Department                    | to     | <input type="text"/> <input type="text"/> <input type="text"/> |
| 4. Land office                               |        | <input type="text"/> <input type="text"/> <input type="text"/> |
| 5. Fire & Rescue Department                  | S6_5_5 | <input type="text"/> <input type="text"/> <input type="text"/> |

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

**Please write N/A if not applicable (N/A = -9)**

- |                              |        | Days   |
|------------------------------|--------|--|
| 1) Fixed telephone line      | S6_6_1 | <input type="text"/> <input type="text"/> <input type="text"/> |
| 2) Electrical connection     |        | <input type="text"/> <input type="text"/> <input type="text"/> |
| 3) Water connection          | to     | <input type="text"/> <input type="text"/> <input type="text"/> |
| 4) Approval for construction |        | <input type="text"/> <input type="text"/> <input type="text"/> |
| 5) Import permit             |        | <input type="text"/> <input type="text"/> <input type="text"/> |
| 6) Operating license         | S6_6_6 | <input type="text"/> <input type="text"/> <input type="text"/> |

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

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

6.8. How many times did inspectors from these agencies visit your establishment last year? S6\_8

6.9. What percentage (%) of senior management's time per year is spent in dealing with requirements imposed by government regulations [e.g. taxes, customs, labor regulations, licensing and registration] including dealings with officials, completing forms, etc.? S6\_9    %

6.10. Please give your assessment of the following Institutions:

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

**Part B. Provision of Public Goods**

6.11 a) Please estimate the losses (as a percentage (%) of total sales) from theft, robbery or vandalism against your establishment in the last year?  %

[S6\_11\_1 to S6\_11\_3]

b) What percentage (%) of the incidents did you report to the police?  %

c) Of those reported, what percentage (%) was solved?  %

6.12. Please estimate your establishment's costs (as a % of its total sales) of providing security?  %

S6\_12

6.13. On average, what percentage (%) of your shipment is lost while being transported due to breakage, theft or spoilage?  %

S6\_13

6.14. **On average, how many times per month did your establishment experience the following service interruptions in 2006, and how long did they last?**

	No. of times per month	Average duration
		hrs
[S6_14A_1 to S6_14A_4] [S6_14B_1 to S6_14B_4]	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>

a) Power outages or surges from the public grid

b) Insufficient water supply?

c) Interruption fixed telephone service?

d) Transport disruption?

6.15. What percentage (%) of your production value was lost due to power interruptions from the public grid in 2006?

*(Please include losses due to lost production time from the outage, time needed to reset machines and production has to be rejected due to processes being interrupted.)*

S6\_15  %

6.16. Do you own or share a generator? S6\_16 Yes = 1 No = 2

**IF YES,**

6.16.y.a. When did you acquire this generator? S6\_16YA Year

6.16.y.b. What was the cost of acquisition? S6\_16YB

RM

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

a) your private generator S6\_17\_1 RM

b) the public grid S6\_17\_2 RM

6.18. What percentage (%) of your consumption of electricity is from your own or shared generator in year 2006? S6\_18

--	--	--

 %

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

a. public sources? S6\_19\_1

--	--	--

 %

b. your own well or tank? to

--	--	--

 %

c. purchased from private vendors? S6\_19\_3

--	--	--

 %

### Part C. Access to Premises

6.20. In setting up or expanding your business how did you acquire your premises?

1. Bought S6\_20

2. Rented

3. Leased

**IF response is RENTED or LEASED, skip to Question 6.22**

**IF BOUGHT,**

6.21. How long did it take to transfer the property? S6\_21

Month 

--	--

6.22. In the process of acquiring the premises, did you encounter any problems? S6\_22 Yes = 1 No = 2

6.23. **If yes**, was this problem relative to? S6\_23

1. Price of land
2. Bureaucratic procedures
3. Corruption
4. Lack of suitable location
5. Others (please specify) \_\_\_\_\_

**Part D. Location:**

6.24.

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

6.25. Which region has the best business environment? S6\_25

6.26. By what percentage (%) would your cost of production be cut if you were based in that region? S6\_26

   %

6.27. Which region has the worst business environment? S6\_27

6.28. By what percentage (%) would your cost of production rise if you were based in that region? S6\_28

   %

**Part E. Entry and Exit**

6.29. Is new entry allowed in your sector?

1. by foreign firms S6\_29\_1

Yes = 1

No = 2

2. by domestic firms S6\_29\_2

Yes = 1

No = 2

6.30. Would you change your production/marketing strategies if more competition was allowed in your sector?

Yes = 1 S6\_30 No = 2

**If yes,**

6.30.y. Would it be by: Yes = 1 No = 2

1. Improving product quality S6\_30Y\_1

2. Reducing costs

3. Adopting a more aggressive marketing policy to

4. Engaging in new alliances

5. Exiting the sector

6. Others S6\_30Y\_6

6.31. By what percentage (%) would your sales change if there was less restriction on entry of new firms? \_\_\_\_\_% (+ or -) S6\_31  %

6.32. Is there a restriction on foreign ownership in your sector?S6\_32 Yes = 1 No = 2

6.33. In absence of restrictions, do you believe the level of foreign ownership would be higher? S6\_33 Yes = 1 No = 2

**If yes,**

6.33.y. At what level would be the percentage (%) of foreign ownership in firm's equity in your industry? S6\_33Y

%

**For foreign firms and Joint Venture**

6.34. How does the restriction on foreign ownership affect your firm's activity?

**Codes: 1=positively; 2=Negatively; 3=No effect**

1. Technology transfer from foreign parent to the joint venture S6\_34\_1

2. Quality of Management of the Joint venture

3. Technological capacity of local firms to

4. New local entrepreneurship

5. Others S6\_34\_5

6.35. Does the Government consult you before deciding on policy related to foreign ownership?

S6\_35

Yes = 1

No = 2

6.36. How much influence do you believe you (and other firms in your sector) have on government decisions?

Codes: 1 = none 2 = little 3 = moderate 4 = significant

S6\_36

**SECTION 7:  
INTERNATIONAL TRADE**

7.1. Is your Establishment located in an industrial park/export processing zone?

S7\_1

Yes = 1

No = 2

7.2. Is your Establishment part of an Electronic Data Interchange (EDI) network which you can use to exchange information and settle financial transactions?

S7\_2

Yes = 1

No = 2

7.3. Are you currently using or benefiting from a Government facility to promote export of services?

S7\_3

Yes = 1

No = 2

7.4. Did your Establishment export services in 2006?

S7\_4

Yes = 1

No = 2

7.5 Among the following factors, what are the 3 most important that constitute an obstacle or completely inhibit you from exporting services?

S7\_5\_1

First

to

Second

S7\_5\_3

Third

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

7.6. Did you directly import equipment or other inputs in 2006?

Yes = 1

No = 2

S7\_6

**[IF NO, STOP HERE]  
IF YES,**

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

S7\_6YA\_1 Average number of days

S7\_6YA\_2 Longest number of days

7.6.y.b. When was your last consignment of such inputs delivered to you?

S7\_6YB1  
S7\_6YB2   
m m y y y y

7.6.y.c. Where did the consignment originate from? S7\_6YC

(country of origin, not transit)

7.6.y.d How long did it take the consignment to reach the port/airport of transit from the country of origin? S7\_6YD

Days