

Investment Climate Survey of Pakistan 2002

The Small & Medium Enterprise Development Authority and The World Bank Group

Part I of Survey Questionnaire

The Investment Climate Survey of Pakistan is a joint effort of the World Bank Group and the Small and Medium Enterprise Development Authority (SMEDA) of the Government of Pakistan. Its purpose is to better understand local investment climate and how it affects the performance of businesses. 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. Please note that the information obtained here will be treated confidentially. Neither your name nor the name of your firm will be used in any document based on this survey.

0.1 ESTABLISHMENT NO. id

0.3 CITY city

Codes:	Karachi	=	1
	Lahore	=	2
	Sheikhupura	=	3
	Sialkot	=	4
	Faisalabad	=	5
	Gujranwala	=	6
	Wazirabad	=	7
	Islamabad/Rawalpindi	=	8
	Sukkur	=	9
	Hyderabad	=	10
	Quetta	=	11
	Peshawar	=	12

0.2 INDUSTRY industry

0.4. Name of Interviewer interviewer

Codes:	Textiles	=1
	Garments	=2
	Leather and leather products	=3
	Food processing	=4
	Electronics & electrical equipment	=5
	Chemicals	=6
	Sports goods	=7
	Information Technology	=8

0.5. Enumeration validated by validator

I. GENERAL INFORMATION ABOUT THE ESTABLISHMENT AND/OR THE FIRM

Note: An establishment is a production facility or unit with distinctive management and location. We use the term here interchangeably with the term 'plant' or 'factory'. A company or a firm could have just one establishment or plant. It could also have two or more establishments or plants. The answers you get to some of the questions in this particular section-i.e., in section I- will enable you to tell whether you are dealing with a single-establishment or you have approached a multi-establishment company or firm. In a multi-establishment situation the questions in this section refer to the firm rather than any particular establishment, while questions in the rest of the questionnaire refer to one and only one of the establishments owned by the firm. In this case enumerators must ensure that respondents give answers for questions in Section II onwards only in relation to a particular establishment that has been identified by name or location. This problem would not arise in a single plant situation since, in that case, responses to both Section I and the rest of the questionnaire will refer to practically the same entity.

- I.1 Is this establishment part of a company or firm with one or more other plants? q101 Yes=1, No, it is a stand alone establishment =2
- I.2 If yes, in what year did your firm begin operations in this country? q102 Year
- I.3 In what year did this establishment start operation? q103 Year
- I.4 How many employees did this establishment have at start-up? q104 number

[Note. If the respondent answers "2" in question I.1, references to "your firm" are references to this establishment in question numbers I.5 – I.8. Please pose those questions accordingly.]

- I.5 What is the current legal status of your firm? q105
- | | | |
|--------------------------------------|---|---|
| <i>Publicly listed company</i> | = | 1 |
| <i>Private held, limited company</i> | = | 2 |
| <i>Partnership</i> | = | 3 |
| <i>Sole proprietorship</i> | = | 4 |
| <i>Cooperative</i> | = | 5 |
| <i>Other (specify)</i> | = | 6 |

- I.6 What percentage of your firm is owned by:
- | | | |
|---------------------------|-------------|----------------|
| <i>Private Sector:</i> | a) domestic | <u>q106a</u> % |
| | b) foreign | <u>q106b</u> % |
| <i>Government / State</i> | | <u>q106c</u> % |
| <i>Other</i> | | <u>q106d</u> % |
| | | 100 |

- I.7 Was your firm previously state-owned? q107 Yes = 1, No = 2
- If yes, when was it privatized? q107y Year

- I.8 a) What percentage of your firm is owned by the principal owner? _q108a_ %
b) Is this principal owner also the manager/director? _q108b_ Yes = 1, No = 2

Question numbers I.9 – I.10 should be asked only if the answer to question I.1 is "yes", otherwise skip to the section on "Sales and Supplies".

- I.9 How many establishments (separate operating facilities or factories) does your firm have in this country?
q109

- I.10 How many establishments (separate operating facilities or factories) does your firm have in this industry?
q110

[Note: Please ask the rest of this questionnaire only of this establishment, or a particular establishment identified by name between the respondent and the enumerator.]

II. SALES AND SUPPLIES

- II.1 Were any of your products exported last year? _q201_ Yes=1, No=2

No → II.12

- II.2 If yes, did you export directly last year? _q202_ Yes=1, No=2

- II.3 If you export, what was the year when your business first exported? _q203_ Year

- II.6 If "yes" to question number II.2, please answer the following with respect to customers to which you made your largest and second largest exports last year.

	i) Customer to which you made your largest export last year	ii) Customer to which you made your second largest export last year
a) What percent of your total exports did you ship to this customer last year? %	q206a1	q206a2
b) For how many years have you done business with this customer?	q206b1	q206b2
c) Where is this customer based? 1=North America, 2=European union, 3=Other European, 4=Middle East, 5=Central Asia, 6=South Asia, 7=Other Asia, 8=other	q206c1	q206c2

[Note: Please ask question numbers II.7 – II.10 of textiles and/or clothing exporters only.]

- II.7 What percentage of your exports of textile products go to the following markets?

	Textiles	Clothing
US	q207a1	q207b1
EU	q207a2	q207b2
Canada	q207a3	q207b3
Other	q207a4	q207b4
Total	100	100

- II.8 What are the major constraints on expanding your exports to textiles and clothing to the US and the EU? Place in rank order from the most important=1 to the least important=4.

Constraint	Rank
a) availability of quota	q208a
b) competition from other exporters on price	q208b
c) competition from other exporter on product quality	q208c
d) competition from other exporters on delivery terms	q208d
e) import regulations, e.g. EU	q208e
f) availability or cost of synthetic materials	q208f

- II.9 For your most important quota product, are you able to increase your exports by means of the following? Yes=1, No=2

- a) Obtaining additional quota from the government _q209a_
b) Purchasing quota from other exporters _q209b_
c) Subcontracting to fill quota held by other quota holders _q209c_

- II.10 If you believed you would be unable to fill the amount of quota allocated to you this year, would you dispose of the surplus by using any of the following? Yes=1, No=2

- a) Returning the quota to the government _q210a_
b) Selling the quota to another exporter _q210b_
c) Allowing another exporter to fill your quota with their products _q210c_

- II.11 What percentage of your annual domestic sales last year were sold to

- i) the government _q2111_ %
ii) multinationals located in your country _q2112_ %
iii) your parent company or affiliated subsidiaries _q2113_ %
iv) large domestic firms (those with approximately 300 plus workers) _q2114_ %
v) other (sales to small firms, individuals, etc.) _q2115_ %
vi) traders / middlemen _q2116_ %
100

- II.12 Would you rather sell in an export market than in a domestic market? _q212_ Yes=1, No=2

- II.13 If "yes" to question II.12, what advantage do you see in export markets over domestic markets?

Yes=1, No=2

- a) Contracts are less likely to be dishonored in export markets. _q213a_
b) Payment delays are unlikely or never happen in export markets. _q213b_
c) Margins are larger in export markets. _q213c_
d) The business gets more technical advice from foreign buyers. _q213d_
e) Short term financing is easier to obtain. _q213e_
f) Other. _q213f_

- II.14 If "no" to question number II.12, what disadvantage do you see in export markets? Yes=1 No=2

- a) Too much hassle or delay is involved in claiming tax rebates. _q214a_
b) Competition is stronger in export markets. _q214b_
c) Margins are bigger in domestic market. _q214c_
d) Labor or environmental standards are harder to meet. _q214d_
e) Product quality standards are harder to meet. _q214e_

f) Other. _q214f_

II.15 Do you import inputs directly? _q215_ Yes = 1, No = 2

II.16 How many days of inventory of your most important input or supply do you keep? _q216_ days

II.17 What percent of your purchased material inputs/supplies are of lower than agreed upon quality? _q217_ %

II.18 What percentage of sales in the last year were lost due to delivery delays from suppliers? _q218_ %

II.19 For the **suppliers of your two most important inputs**, please answer (in the order of importance)

Please enter the name of the inputs	a) Total number of suppliers you use	b) How many suppliers of this input are in the market ?	c) Is this input made to your unique specification?	d) What percent of this input comes from your largest supplier?
Input 1: q219x1	q219a1	q219b1	q219c1	q219d1
Input 2: q219x2	q219a2	q219b2	q219c2	q219d2

II.20 How many days of inventory of your most important product do you keep? _q220_ days

II.21 Within your main product line, how many competitors, suppliers and buyers do you have and are they domestic or foreign owned?

	Domestic Private Firms	Domestic State Owned Firms	Foreign Owned Firms
a) competitors	_q221a1_	_q221a2_	_q221a3_
b) suppliers	_q221b1_	_q221b2_	_q221b3_
c) buyers	_q221c1_	_q221c2_	_q221c3_

II.22 What % of sales normally goes to your largest customer? _q222_ %

II.23 Do you normally obtain standard certification for any of your products? _q223_ Yes=1, No=2

II.24 If yes, where is the certifying lab located? _q224_
 1= abroad
 2= in this city
 3= elsewhere in Pakistan

II.25 If yes, how long does it normally take for you to get the certification? _q225_ days

II.26 Do you have an ISO certification (9000 or 14000)? _q226_ Yes = 1, No = 2

III. OBSTACLES TO BUSINESS OPERATIONS AND GROWTH

III.1 Please tell us if any of the following issues are a problem for the operation and growth of your business. If an issue poses a problem, 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

		<u>No Problem</u>	<u>Degree of Obstacle</u>			
A. Telecommunications	<u>_q301a_</u>	0	1	2	3	4
B. Electricity	<u>_q301b_</u>	0	1	2	3	4
C. Transportation	<u>_q301c_</u>	0	1	2	3	4
D. Access to Land	<u>_q301d_</u>	0	1	2	3	4
E. Tax rates	<u>_q301e_</u>	0	1	2	3	4
F. Tax administration	<u>_q301f_</u>	0	1	2	3	4
G. Customs and trade regulations	<u>_q301g_</u>	0	1	2	3	4
H. Labor regulations	<u>_q301h_</u>	0	1	2	3	4
I. Skills and education of available workers	<u>_q301i_</u>	0	1	2	3	4
J. Business licensing and operating permits	<u>_q301j_</u>	0	1	2	3	4
K. Access to Financing (e.g. collateral)	<u>_q301k_</u>	0	1	2	3	4
L. Cost of Financing (e.g. interest rates)	<u>_q301l_</u>	0	1	2	3	4
M. Economic policy uncertainty	<u>_q301m_</u>	0	1	2	3	4
N. Macro-economic instability (inflation, exchange rate)	<u>_q301n_</u>	0	1	2	3	4
O. Corruption	<u>_q301o_</u>	0	1	2	3	4
P. Crime, theft and disorder	<u>_q301p_</u>	0	1	2	3	4
Q. Anti-competitive practices	<u>_q301q_</u>	0	1	2	3	4

IV. INFRASTRUCTURE AND BUSINESS SERVICES

- IV.1 How many days last year did your establishment experience:
- 1.power outages or surges from the public grid? _q4011_
 - 2.insufficient water supply? _q4012_
 - 3.unavailable mainline telephone service? _q4013_
 - 4.interruption in gas supplies _q4014_
- IV.2 What percent of your production or merchandise value is lost due to power outages or surges from the public grid? (Please include losses due to lost production time from the outage, time needed to reset machines, and production that may be ruined due to processes being interrupted.) _q402_ %
- IV.3 Does your establishment own or share a generator? _q403_ Yes = 1, No = 2
- a) If yes, what percentage of your electricity comes from your own or a shared generator? _q403a_ %
 - b) If yes, what was the generator's initial cost? _q403b_ '000 Rs.
 - c) When did you acquire the generator? _q403c_ Year
 - d) What is your average cost of a kilowatt-hour (KwH) of electricity from your generator? _q403d_ Rs.
- IV.4 What is your average cost of a kilowatt-hour (KwH) of electricity from the public grid? _q404_
- IV.5 Does your establishment own or share its own tube well or tanker? _q405_ Yes = 1, No = 2
- IV.6 New telephone connection
- a) When did you last get a new telephone connection? _q406a_ Year
 - b) How long did it take to get this connection from the date of submission of application? _q406b_ days
 - c) Did you have to pay speed money? _q406c_ Yes = 1, No = 2
 - d) If yes, how much did you pay? _q406d_ Rs.

IV.7 New electrical connection

- a) When did you last get a new electrical connection? q407a Year
b) How long did it take to get this connection from the date of submission of application q407b days
c) Did you have to pay speed money? q407c Yes = 1, No = 2
d) If yes, how much did you pay? q407d Rs.

IV.8 New gas connection

- a) When did you last get a new gas connection? q408a Year
b) How long did it take to get this connection from the date of submission of application? q408b days
c) Did you have to pay speed money? q408c Yes = 1, No = 2
d) If yes, how much did you pay? q408d Rs.

IV.9 We heard that once a business gets telephone or power connections it has to make unofficial payments to "keep everyone happy" thereby ensuring that the connections are not lost or disrupted. Do you make such payments from time to time to employees of your

- a) telephone company? q409a Yes = 1, No = 2
b) power company? q409b Yes = 1, No = 2
c) gas company? q409c Yes = 1, No = 2

IV.10 What percent of your sales revenue were last year's freight transport costs of the establishment? q410 %

IV.11	i)Road transport	ii)Rail transport	iii)Ship ping	iv)Air transport
a) Do you use this for freight transport? Yes=1, No=2	<u>q411a1</u>	<u>q411a2</u>	<u>q411a3</u>	<u>q411a4</u>
b) If yes to the above, what % of your freight transport costs last year was on this mode?	<u>q411b1</u>	<u>q411b2</u>	<u>q411b3</u>	<u>q411b4</u>
c) Would you characterize this mode of transport in Pakistan as reliable? Yes=1, No=2	<u>q411c1</u>	<u>q411c2</u>	<u>q411c3</u>	<u>q411c4</u>
d) Would you characterize services of companies of this mode of transport in Pakistan as satisfactory? Yes=1, No=2	<u>q411d1</u>	<u>q411d2</u>	<u>q411d3</u>	<u>q411d4</u>
e) Would you characterize this mode of transport in Pakistan as too slow for the needs of your business needs? Yes=1, No=2	<u>q411e1</u>	<u>q411e2</u>	<u>q411e3</u>	<u>q411e4</u>

IV.12 Does your enterprise regularly use the following in its interactions with clients and suppliers?

1. Fixed line telephone? q4121 1 = Yes, 2 = No
2. Fax? q4122 1 = Yes, 2 = No
3. Mobile phone? q4123 1 = Yes, 2 = No
4. Email? q4124 1 = Yes, 2 = No
5. A website? q4125 1 = Yes, 2 = No

IV.13 a) Is your establishment/firm a member of a business association or chamber of commerce?

q413a Yes=1, No=2

b) If yes, for each of the following, please indicate if this is a service the business association or chamber that is most important to your firm provides, and if so, what the value of this service is to your firm?

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

	Not Provided	Value to your firm
a) Lobbying government	<u>q413ba</u> NP	0 1 2 3 4
b) Resolution of disputes (with officials, workers or other firms)	<u>q413bb</u> NP	0 1 2 3 4
c) Information and/or contacts on domestic product and input markets	<u>q413bc</u> NP	0 1 2 3 4

- d) Information and/or contract on international product and input markets q413bd NP 0 1 2 3 4
e) Accrediting standards or quality of products; reputational benefits q413be NP 0 1 2 3 4
f) Information on government regulations q413bf NP 0 1 2 3 4

IV.14 What percent of your workforce regularly uses a computer in their jobs? q414 %

IV.15 For each of the following business services, please assess, for your establishment, whether it is available and affordable and evaluate the quality on a 1-4 scale where 1 is very good and 4 is very poor.

(Quality: 1 = very good, 2 = somewhat good, 3 = somewhat poor, 4 = very poor, N/A= not applicable to my establishment)

	Available? (Yes /No)	Affordable? (Yes /No)	Quality ?				
i) Engineering	<u>q415a1</u>	<u>q415b1</u>	1	2	3	4	N/A <u>q415c1</u>
ii) Management consultants	<u>q415a2</u>	<u>q415b2</u>	1	2	3	4	N/A <u>q415c2</u>
iii) Marketing	<u>q415a3</u>	<u>q415b3</u>	1	2	3	4	N/A <u>q415c3</u>
iv) Accounting	<u>q415a4</u>	<u>q415b4</u>	1	2	3	4	N/A <u>q415c4</u>
v) Legal services	<u>q415a5</u>	<u>q415b5</u>	1	2	3	4	N/A <u>q415c5</u>
vi) Insurance	<u>q415a6</u>	<u>q415b6</u>	1	2	3	4	N/A <u>q415c6</u>
vii) IT services	<u>q415a7</u>	<u>q415b7</u>	1	2	3	4	N/A <u>q415c7</u>

V. FINANCE

- V.1 Please identify the contribution over the last year of each of the following sources of financing for your establishment's: i) **Working capital** (i.e. inventories, accounts receivables and cash)
ii) **New Investments** (i.e. new land, buildings, machinery and equipment)

	Working Capital	New Investments
a. Internal funds or Retained earnings	<u>q501a1</u> %	<u>q501a2</u> %
b. Local commercial banks (loan, overdraft)	<u>q501b1</u> %	<u>q501b2</u> %
c. Foreign owned commercial banks	<u>q501c1</u> %	<u>q501c2</u> %
d. Leasing arrangement	<u>q501d1</u> %	<u>q501d2</u> %
e. Investment Funds/Special Development Financing/ Or Other State Services	<u>q501e1</u> %	<u>q501e2</u> %
f. Trade credit (supplier or customer credit)	<u>q501f1</u> %	<u>q501f2</u> %
g. Credit cards	<u>q501g1</u> %	<u>q501g2</u> %
h. Equity, sale of stock	<u>q501h1</u> %	<u>q501h2</u> %
i. Family, friends	<u>q501i1</u> %	<u>q501i2</u> %
j. Informal sources (e.g. money lender)	<u>q501j1</u> %	<u>q501j2</u> %
k. Other (specify source): <u>q501x</u>	<u>q501k1</u> %	<u>q501k2</u> %
TOTAL	100%	100%

- V.2 Do you have an overdraft facility or line of credit? q502 Yes =1 ,No=2
No => V. 5

V.3 If YES, what percent is currently unused? q503 %

V.4 For the most recent overdraft was collateral or a deposit required? q504 Yes =1 No=2, N/A (no overdraft)

V.5 What share of your total borrowing (loans, accounts payable) is denominated in foreign currency? q505 %

V.6 How long does it take to clear the following payments through your financial institution?

- | | | | |
|-----------------------------|--|-----------------|---------------------------|
| | | Days | Charge (% of transaction) |
| a) a check | | <u>q506a1</u> _ | <u>q506a2</u> % |
| b) a domestic currency wire | | <u>q506b1</u> _ | <u>q506b2</u> % |
| c) a foreign currency wire | | <u>q506c1</u> _ | <u>q506c2</u> % |
- V.7 Does your establishment have its annual financial statement reviewed by an external auditor?
q507 Yes=1, No=2
- V.8 Of the land and buildings occupied by this establishment, what percent is owned, leased or rented?
- | | | |
|--|-----------------|------------------------|
| | Land | Buildings |
| a) Owned | <u>q508a1</u> % | <u>q508a2</u> % |
| b) Leased or rented | <u>q508b1</u> % | <u>q508b2</u> % |
| c) Please specify average length of contract | <u>q508c1</u> _ | <u>q508c2</u> (months) |
- V.9 Do you currently have a bank loan or bank loans? q509 Yes=1, No=2
- V.10 If yes, how many loans? q510 _
No => V.20
- V.11 If yes, when did you get the latest loan? q511 _ Year
- V.12 Did the bank require collateral to extend this latest loan? q512 Yes=1, No=2
- V.13 If it did, what percent of the value of the loan (i. e. principal plus interest at maturity) was the value of the collateral? q513 %
- V.14 What percent of the collateral was in immovable property? q514 %
- V.15 For how long is the loan? q515 _ years
- V.16 How much is the principal of the loan? q516 _ '000 Rs
- V.17 What is the annual rate of interest on this loan at the moment? q517 %
- V.18 What was the annual rate of interest initially? q518 %
- V.19 How long did it take to get the loan from the time you applied for it? q519 _ weeks
- =>V.23**
- V.20 If you do **not** have a bank loan, what is the reason? q520 _
Codes: 1=Not applied for a bank loan (Go to A)
2=Application for (a) bank loan(s) was turned down (Go to B)
- A. If you have *not applied for a bank loan* what is the reason? Yes=1, No=2
- | | |
|---|-----------------|
| a) Do not need loans | <u>q520aa</u> _ |
| b) Application procedures for bank loans are too cumbersome | <u>q520ab</u> _ |
| c) Collateral requirements of bank loans are too stringent | <u>q520ac</u> _ |
| d) Interest rates are too high | <u>q520ad</u> _ |
| e) Other | <u>q520ae</u> _ |
- B. If an *application for a loan was rejected*, what was the reason given to you when the last application was turned down the last time? Yes=1, No=2

- a) lack of collateral _q520ba_
- b) incompleteness of application _q520bb_
- c) perceived lack of feasibility of project _q520bc_
- d) other _q520bd_

V.21 When was the application rejected? _q521_ Year

V.22 How long did it take the bank to reject the application from the time of submission? _q522_ weeks

Trade credit

V.23 Do you purchase inputs on credit? _q523_ Yes=1 No=2

V.24 If yes, what percent of your inputs are purchased on credit normally? _q524_ %

V.25 Considering all your trade creditors, what is the average term of a suppliers credit _q525_ days

V.26 When a supplier offers inputs on credit, is there a discount for spot payment of cash? _q526_ Yes=1, No=2

V.27 What would be the cash discount on a 30 days sale on credit? _q527_ %

V.28 What percent of your monthly sales is

- a) On full or partial advance payment _q528a_ %
- b) On cash _q528b_ %
- c) On credit _q528c_ %

100 %

VI. LABOR MARKET ISSUES

VI.1 What percent of your permanent or full-time workers are skilled workers? _q601_ %

VI.2 What percent of your permanent or full-time skilled workers are expatriate? _q602_ %

VI.3 What percent of your temporary or part-time workers are skilled workers? _q603_ %

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

- i. Manager? _q6041_ weeks
- ii. skilled technician? _q6042_ weeks
- iii. production/service worker? _q6043_ weeks
- iv. non-production worker? _q6044_ weeks

VI.5 Do you offer formal training to your employees? _q605_ Yes=1 No=2

	<u>Skilled</u>	<u>Unskilled</u>
VI.6 What percentage of your total employees received formal training in 2001?	_q606a_ %	_q606b_ %
VI.7 What was the average number of weeks of training for each employee?	_q607a_ wks	_q607b_ wks
VI.8 Given your current level of output, if you were free to choose without restrictions your level of employment what % of the current level would you choose?	_q608_ %	

- VI.9 If the answer to question VI.8 is less than 100 percent, is the following part of the reason why you have more employees than you currently need? Yes=1, No=2
- a) Anticipation of an upturn in sales _q609a_
 - b) Laws and regulations regarding laying off workers _q609b_
 - c) Pressure from unions _q609c_
 - d) Pressure from government or political groups _q609d_
 - e) Fear of social sanction _q609e_
 - f) Other _q609f_

VI.10 Labor laws	i. Has this law made you employ less permanent workers than you would otherwise? Yes=1, No=2	ii. Has this law made you subcontract jobs or outsource materials that you would otherwise carry out or produce in-house? Yes=1, No=2	iii. Has this made your production costs higher than it would otherwise be? Yes=1, NO=2
a. Factories Act of 1934	q610a1	q610a2	q610a3
b. Minimum Wage Ordinance of 1961	q610b1	q610b2	q610b3
c. Employees' Old Age Benefits Act (EOBI) of 1976	q610c1	q610c2	q610c3
d. Provincial Social Security Ordinance of 1965	q610d1	q610d2	q610d3
e. The Industrial Relations Ordinance of 1969 (IRO)	q610e1	q610e2	q610e3

VI.11 What percent of your workforce is unionized? _q611_ %

VI.12 How many days last year did you lose due to

- a) strikes or other labor disputes? _q612a_ days
- b) civil unrest? _q612b_ days

VI.13 Approximately how many worker-days, if any, did you lose in year 2001 due to the following? (Please put zero if you did not lose any)

- 1. Worker absenteeism _q6131_
- 2. Reported sickness _q6132_

VII. BUSINESS-GOVERNMENT RELATIONS

Tax and Customs Administration

VII.1 Have your tax returns been audited in the last 3 years? _q701_ Yes = 1, No = 2

No => VII.9

VII.2 If yes, how many times? _q702_

VII.3 If yes to VII.1, what type of tax did the last audit concern? _q703_

- 1 = Income tax
- 2 = Sales tax

VII.4 If yes to VII.1, what was the outcome of the last audit? Yes = 1, No = 2

- a) Your tax liability was increased _q704a_
- b) Your tax liability was decreased _q704b_
- c) Your tax liability remained the same _q704c_
- d) You paid a penalty or a fine _q704d_

- VII.5 If your answer is "yes" to option a) of question VII.4, did you appeal against the decision ? q705
Yes = 1, No = 2
- VII.6 If yes to VII.5, what was the outcome of the appeal? q706
1 = The appeal was rejected
2 = The appeal was granted
3 = The appeal is still pending
- VII.7 a) If your answer to question VII. 6 is option 1 or option 2, how long did the appeal process take?
q707a months
b) How much did the appeal process cost you in terms of the following?
i) Legal fees q707b1 Rs.
ii) Bribes q704b2 Rs.
iii) Your time q704b3 working days
- VII.8 a) If your answer to question number VII.6 is option 3, how long since the submission of the appeal?
q708a months
b) How much did the appeal process cost you so far in terms of the following?
i) Legal fees q708b1 Rs.
ii) Bribes q708b2 Rs.
iii) Your time q708b3 working days
- VII.9 If you **import directly**, what was the *average* and the *longest* number of days in the last year that it took from the time your goods arrived in the point of entry (e.g. port, airport) until the time you could claim them from customs?
i) q7091 days on average
ii) q7092 days was the longest time in the last year
NA (we don't import)
- VII.10 If you **export directly**, what was the average and the longest number of days in the last year that it took from the time your goods arrived in their point of exit (e.g., port, airport) until the time they clear customs?
i) q7101 days on average
ii) q7102 days was the longest time in the last year
NA (we don't export)

Regulation and service delivery

- VII.11 How would you generally rate the efficiency of government in delivering services (e.g. public utilities, public transportation, security, education and health). Would your rate it as (*read 1-6*)? q711
- | | |
|-----------------------|-------------------------|
| 1. Very efficient | 4. Somewhat inefficient |
| 2. Efficient | 5. Inefficient |
| 3. Somewhat efficient | 6. Very inefficient |
- VII.12 How predictable are the laws or regulations that materially affect the operation and growth of your business? Are they: (*read 1-6*)? q712
- | | |
|---------------------------|-----------------------------|
| 1. Completely predictable | 4. Fairly unpredictable |
| 2. Highly predictable | 5. Highly unpredictable |
| 3. Fairly predictable | 6. Completely unpredictable |

VII.13 "In general, interpretations of regulations affecting my establishment are consistent and predictable." To what extent do you agree with this statement? Do you (*read 1-6*)? q713 _____

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

VII.14 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.? q714 _____ %

VII.15 We've heard that establishments are often required to make informal payments to public officials to "get things done" with regard to customs, taxes, licenses, regulations, services etc. On average, what percent of annual revenues do establishments like yours typically pay in unofficial payments to public officials? (Open ended) q715 _____ %

VII.16 Based on the experience of your establishment over the **last two years**, what is the actual delay experienced and the irregular payments needed to obtain each of the following?

	<u>Actual Delay/Wait (days)</u>	<u>Irregular Payments</u>
i) A mainline telephone connection	<u>q716a1</u> or N/A	<u>q716b1</u> or N/A
ii) An electrical connection	<u>q716a2</u> or N/A	<u>q716b2</u> or N/A
iii) A construction permit	<u>q716a3</u> or N/A	<u>q716b3</u> or N/A
iv) An import license	<u>q716a4</u> or N/A	<u>q716b4</u> or N/A
v) Operating license	<u>q716a5</u> or N/A	<u>q716b5</u> or N/A

VII.17 Approximately how many **days last year** were spent in contact (i.e. in inspections, meetings) with each of the following agencies in the context of regulation of your business? And what were the costs associated with these interactions?

	i) Total number of days spent in contact with agency dealing with regulation of the business.	ii) Total Cost of Fines or seized goods	iii) Total Gifts, Bribes Required
a) CBR	<u>q717a1</u>	<u>q717a2</u>	<u>q717a3</u>
Income tax	<u>q717a1a</u>	<u>q717a2a</u>	<u>q717a3a</u>
sales tax	<u>q717a1b</u>	<u>q717a2b</u>	<u>q717a3b</u>
customs	<u>q717a1c</u>	<u>q717a2c</u>	<u>q717a3c</u>
excise	<u>q717a1d</u>	<u>q717a2d</u>	<u>q717a3d</u>
b) Labor and Social Security	<u>q717b1</u>	<u>q717b2</u>	<u>q717b3</u>
EOBI	<u>q717b1a</u>	<u>q717b2a</u>	<u>q717b3a</u>
ESSI	<u>q717b1b</u>	<u>q717b2b</u>	<u>q717b3b</u>
Directorate of Labor Welfare	<u>q717b1c</u>	<u>q717b2c</u>	<u>q717b3c</u>
c) Fire and Building Safety	<u>q717c1</u>	<u>q717c2</u>	<u>q717c3</u>
d) EPA	<u>q717d1</u>	<u>q717d2</u>	<u>q717d3</u>
e) All Others	<u>q717e1</u>	<u>q717e2</u>	<u>q717e3</u>

VII.18 Facility	i) Are you currently using or benefiting from this facility? 1=Yes 2=No	ii) For how many years have used this facility? (Number of years)	iii) Where applicable, how long was the maximum delay you experienced in receiving this benefit? (Number of months)	iv) Do you normally pay speed money to avoid or minimize delay in obtaining this benefit? Yes=1, No=2	v) If yes, to the last question, what percent of your benefits does the speed money take up? %	vi) What percentage of your working capital is tied up with this at any one time? %
a)Customs duty drawback	q718a1	q718a2	q718a3	q718a4	q718a5	q718a6
b)Export rebate	q718b1	q718b2	q718b3	q718b4	q718b5	q718b6
c)Sales tax refunds	q718c1	q718c2	q718c3	q718c4	q718c5	q718c6
d)Bonded warehouse or similar scheme	q718d1	q718d2				
e)Export Processing Zone	q718e1	q718e2				
f)Profit tax exemption	q718f1	q718f2	q718f3	q718f4	q718f5	
g)Export credit facility	q718g1	q718g2	q718g3	q718g4	q718g5	q718g6

VII.19 Think about national laws and regulations enacted in the last year that have a substantial impact on your business:

a. Did your firm seek to influence the content of laws or regulations affecting it? q719a Yes=1, No=2

b. How much influence do you think the following groups actually had on recently enacted national laws and regulations that have a substantial impact on your business?

**(0 = No impact 1 = Minor influence 2 = Moderate influence 3 = Major influence 4 = Decisive influence
NA= Not Applicable, DK=Don't know)**

		Degree of Influence						
a. Your firm	<u>q719ba</u>	0	1	2	3	4	NA	DK
b. Your domestic competitors	<u>q719bb</u>	0	1	2	3	4	NA	DK
c. Other domestic firms	<u>q719bc</u>	0	1	2	3	4	NA	DK
d. Foreign firms	<u>q719bd</u>	0	1	2	3	4	NA	DK
e. A business association to which you belong	<u>q719be</u>	0	1	2	3	4	NA	DK
f. Other business associations	<u>q719bf</u>	0	1	2	3	4	NA	DK
g. Dominant firms or conglomerates in key sectors of the economy	<u>q719bg</u>	0	1	2	3	4	NA	DK
h. Labor unions	<u>q719bh</u>	0	1	2	3	4	NA	DK
i. Organized crime	<u>q719bi</u>	0	1	2	3	4	NA	DK
j. Regional or local government	<u>q719bj</u>	0	1	2	3	4	NA	DK
k. Military	<u>q719bk</u>	0	1	2	3	4	NA	DK
l. Individuals or firms with close personal ties to political leaders	<u>q719bl</u>	0	1	2	3	4	NA	DK
m. International development agencies or foreign governments	<u>q719bm</u>	0	1	2	3	4	NA	DK

VII.20 In many countries, firms are said to give unofficial, private payments or other benefits to public officials to gain advantages in the drafting of laws, decrees, regulations, and other binding government decisions. To what extent have the following practices had a direct impact on your business.

(0 = No impact 1 = Minor impact 2 = Moderate impact 3 = Major impact 4 = Decisive Impact
NA= Not Applicable, DK=Don't know)

		<u>Degree of Impact</u>
a) Private payments or other benefits to Parliamentarians to affect their votes	<u>q720a</u>	0 1 2 3 4 NA DK
b) Private payments or other benefits to Government officials to affect the content of government decrees	<u>q720b</u>	0 1 2 3 4 NA DK
c) Private payments or other benefits to judges to affect the decisions of criminal court cases	<u>q720c</u>	0 1 2 3 4 NA DK
d) Private payments or other benefits to judges to affect the decisions in commercial cases	<u>q720d</u>	0 1 2 3 4 NA DK
e) Private payments or other benefits to central bank officials to affect central bank policies and decision	<u>q720e</u>	0 1 2 3 4 NA DK
f) Illegal contributions to political parties and/or election campaigns to affect the decisions of elected officials	<u>q720f</u>	0 1 2 3 4 NA DK

VIII. BUSINESS SERVICES AND DISPUTE RESOLUTION

VIII.1 Have you had disputes with clients such as a delay or suspension of payment, return shipment or cancellation of future shipments over the last 3 years? Yes = 1, No = 2 q801

VIII.2 If YES, were any of these involved in resolving any of the disputes? Yes = 1, No = 2

a) court	<u>q802a</u>
b) business association	<u>q802b</u>
c) arbitration agency	<u>q802c</u>
d) other	<u>q802d</u>

VIII.3 "I am confident that the legal system will uphold my contract and property rights in business disputes." To what degree do you agree with this statement? Do you (read 1-6)? q803

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

VIII.4	1. Are you familiar with any of the following government organizations? Yes=1, No=2	2. Have you received help from any of the following government organizations? Yes=1, No=2
1. SMEDA (Small & Medium Enterprise Development Authority)	<u>q804a1</u>	<u>q804b1</u>
2. EPB (Export Promotion Bureau)	<u>q804a2</u>	<u>q804b2</u>
3. BOI (Board of Investment)	<u>q804a3</u>	<u>q804b3</u>
4. PCSIR (Pakistan Council for Scientific and Industrial Research)	<u>q804a4</u>	<u>q804b4</u>
5. STEDEC (Scientific and Technological Development Corporation)	<u>q804a5</u>	<u>q804b5</u>
6. PITAC (Pakistan Industrial and Technical Assistance Center)	<u>q804a6</u>	<u>q804b6</u>
7. NPO (National Productivity Organization)	<u>q804a7</u>	<u>q804b7</u>
8. PVTTC (Punjab Vocational Training council)	<u>q804a8</u>	<u>q804b8</u>
9. TECTA (Technical Education and Vocational Training Authority)	<u>q804a8</u>	<u>q804b9</u>
10. Other	<u>q804a10</u>	<u>q804b10</u>

- VIII.5 Which is the most important business development service which you expect the government to provide? Yes=1, No=2
- a) Information _q805a_
 - b) Marketing _q805b_
 - c) Finance _q805c_
 - d) Training _q805d_
- VIII.6 Do you think that Pakistan's accession to WTO is going to change your business in any of the following ways? _q806_
- Favorably 1
 - Moderately 2
 - Drastically 3
 - Don't know 4

IX. LAW & ORDER

- IX.1 Have you insured the following assets against the indicated hazards? Yes = 1, No = 2, Not applicable=3

Hazards	i)Building	ii) Equipment & machinery	iii)Vehicles	iv) Inventory
a) Fire	q901a1	q901a2	q901a3	q901a4
b) Theft	q901b1	q901b2	q901b3	q901b4
c)War damage	q901c1	q901c2	q901c3	q901c4
d)Natural disaster	q901d1	q901d2	q901d3	q901d4
e)Civil unrest	q901e1	q901e2	q901e3	q901e4
f)Other	q901f1	q901f2	q901f3	q901f4

- IX.2 How much in total did you pay in insurance premium for your business for 2001? _q902_
- IX.3 How much in total did you pay in insurance premium for your business for 2000? _q903_
- IX.4 Are you satisfied that the law and order situation in the locality of your establishment? q904 Yes=1, No=2
- IX.5 If no, what is the reason for your concern with the situation? Is it because the following crime is too common in the locality? Yes=1, No=2
- a) Petty theft of property _q905a_
 - b) Arson _q905b_
 - c) Intimidation of employees _q905c_
 - d) Deliberate destruction of your business property _q905d_
 - e) Extortion _q905e_
 - f) Other _q905f_
- IX.6 If you are not satisfied with the law and order situation in the locality of your business, what do you think are the causes of the problem? Yes=1, No=2
- a) police incompetence _q906a_
 - b) corruption of the police _q906b_
 - c) weak judicial system _q906c_
 - d) other _q906d_
- IX.7 If you are not satisfied with the law order situation in this locality, how do you cope with it? Yes =1, No =2
- a) by employing security guards _q907a_
 - b) by using electronic and other security devices _q907b_

- c) by paying protection money to the police _q907c_
d) by paying protection money to others _q907d_
e) by purchasing insurance policy _q907e_
f) other _q907f_
- IX.8 Has your business been a victim of the following crime in the past 12 months? Yes = 1, No = 2
a) Petty theft of property _q908a_
b) Arson _q908b_
c) Intimidation of employees _q908c_
d) Deliberate destruction of your business property _q908d_
e) Extortion _q908e_
f) Other _q908f_
- IX.9 Please estimate your establishment's costs (as a percent of its total sales) of providing:
a) security (equipment, personnel, etc., excluding "protection payments"? _q909a_ %
b) protection payments? _q909b_ %
- IX.10 a) Please estimate the losses (as a percent of total sales) of theft, robbery, vandalism or arson against your establishment in the last year? _q910a_ %
b) What share of the incidents did you report to the police? _q910b_ %
c) Of these reported incidents, what share were solved (the perpetrator was caught, etc.)? _q910c_ %

X. EXPECTATIONS AND POLICY UNCERTAINTY

Political shocks

- X.1 By how much did the post Sept 11 appreciation of the Rupee decrease the Rupee cost of your inputs? qx01 %
- X.2 By how much did the post Sept 11 appreciation of the Rupee decrease the Rupee value of your export earnings? _qx02_ %
- X.3 What was the impact of Sept 11 on your business? Yes = 1, No = 2
a) Loss of export contracts _qx03a_
b) Delays in the delivery of input from abroad _qx03b_
c) Increase in costs of inputs _qx03c_
d) Increase in export quota in the US & EU markets _qx03d_
e) Increase in insurance costs _qx03e_
- X.4 If you answered yes to option (a), what percentage of your export earnings did you lose as a result of export order cancellations? _qx04_ %
- X.5 Did you have open letters of credit as an exporter when the Rupee appreciated on the immediate aftermath of Sept 11? _qx05_ Yes = 1, No = 2
- X.6 If yes, how much did you lose in Rupees as a result? _qx06_
- X.7 Did you have open letters of credit as an importer when the Rupee appreciated on the immediate aftermath of Sept 11? _qx07_ Yes = 1, No = 2
- X.8 If yes, how much did you gain in Rupees as a result? _qx08_

Policy uncertainty

X.9 Has your business been effected by policy changes in the form of SROs? qx09 Yes=1, No=2

X.10 If yes, please answer the following:

Type of tax	i) How many times has the rate at which you pay this tax changed in the last 2 years?	ii) How many times did your costs escalate as a result of these changes?	iii) How many times did your costs reduce as a result of these changes?	iv) On balance did you gain or lose as a result of these changes? 1 = Yes, 2 = No
a) Sales tax	qx10a1	qx10a2	qx10a3	qx10a4
b) Customs duty	qx10b1	qx10b2	qx10b3	qx10b4
c) Excise tax	qx10c1	qx10c2	qx10c3	qx10c4

Expectations

X.11 What is your estimate of the following variables at the end of June 2002?	At the end of June 2002	
	Minimum	Maximum
a. The % growth of the annual sales of <i>your establishment</i> relative to the end of June 2002	qx11a1	qx11a2
b. The % growth of the average price of your establishment's main output relative to that of end of June 2002	qx11b1	qx11b2
c. The rate of inflation	qx11c1	qx11c2
d. The average bank borrowing rate	qx11d1	qx11d2
e. The exchange rate of the Pakistan Rupee against the US dollar	qx11e1	qx11e2

XI. LOCATION

XI.1 Name of city	1. Does this city have a better general business environment? 1=Yes 2= No 3= Not applicable	2. Does this city have a better business environment for your industry? 1=Yes 2= No 3= Not applicable	3. Is this city better, worse or the same as your city with respect: <i>Code: better = 1; same = 2; worse = 3; Not applicable = 4</i>				
			A. Labor relations	B. Power supply	C. Transport and delivery time	D. Telecom	E. Law and order
1. Lahore	qx101a1	qx101b1	qx101c1a	qx101c1b	qx101c1c	qx101c1d	qx101c1e
2. Karachi	qx101a2	qx101b2	qx101c2a	qx101c2b	qx101c2c	qx101c2d	qx101c2e
3. Islamabad	qx101a3	qx101b3	qx101c3a	qx101c3b	qx101c3c	qx101c3d	qx101c3e
4. Sialkot	qx101a4	qx101b4	qx101c4a	qx101c4b	qx101c4c	qx101c4d	qx101c4e
5. Faisalabad	qx101a5	qx101b5	qx101c5a	qx101c5b	qx101c5c	qx101c5d	qx101c5e
6. Quetta	qx101a6	qx101b6	qx101c6a	qx101c6b	qx101c6c	qx101c6d	qx101c6e
7. Sukkur	qx101a7	qx101b7	qx101c7a	qx101c7b	qx101c7c	qx101c7d	qx101c7e
8. Hyderabad	qx101a8	qx101b8	qx101c8a	qx101c8b	qx101c8c	qx101c8d	qx101c8e
9. Gujranwala	qx101a9	qx101b9	qx101c9a	qx101c9b	qx101c9c	qx101c9d	qx101c9e
10. Peshawar	qx101ax	qx101bx	qx101cxa	qx101cxb	qx101cxc	qx101cxd	qx101cxe

- XI.2 Which city has the best general business environment? Name of city _____ **qx102** _____
- XI.3 By what percent would your cost of production be cut if you were based in that city? _____ **qx103** %
- XI.4 Which city has the worst business environment in general? Name of city _____ **qx104** _____
- XI.5 By what percent would your cost of production rise if you were based in that city? _____ **qx105** %

XII. CAPACITY, INNOVATION, LEARNING

- XII.1 How much more (compared to now) could your establishment produce with your existing workers, buildings, machinery and equipment? _____ **qx201** %

For garment producers only

XII.1a. How many men's woven shirts can you produce per machine operator in an 8- hour shift?

_____ **qx201a** _____ (number)

XII.1b. How many men's woven jeans can you produce per machine operator in an 8- hour shift?

_____ **qx201b** _____ (number)

- XII.2 Over the last two years, what were the leading ways in which your establishment acquired technological innovations? Please identify which of the following is (read 1 through 14):

(i) the most important? **qx2021** (ii) the second most important? **qx2022** (iii) the third most important? **qx2023**

1. Embodied in new machinery or equipment

2. By hiring key personnel

3. Licensing or turnkey operations from international sources

4. Licensing or turnkey operations from domestic sources

5. Developed or adapted within the establishment locally

6. Transferred from parent company

7. Developed in cooperation with client firms

8. Developed with equipment or machinery supplier

9. From a business or industry association

10. Trade Fairs

11. Study Tours

12. Consultants

13. From universities, public institutions

14. Other (please specify) _____ **qx202x** _____

- XII.3 What share of KG's plant machinery and equipment is:

a. <5 years old

b. 5-10 years old

c. 10-20 years old

d. >20 years old

_____ **qx203a** _____ %

_____ **qx203b** _____ %

_____ **qx203c** _____ %

_____ **qx203d** _____ %

100%

- XII.4 When did you make your most recent purchase of machinery or equipment? _____ **qx204** _____ Year

- XII.5 What percent of the workforce at your establishment have the following education levels:

a. Did not complete primary school

b. Primary schooling

c. Some secondary school

d. Secondary school diploma

e. Some university or higher

_____ **qx205a** _____ %

_____ **qx205b** _____ %

_____ **qx205c** _____ %

_____ **qx205d** _____ %

_____ **qx205e** _____ %

100%

XII.6 What is the highest level of education of the top manager? _qx206______

- | | |
|--------------------------------------|---|
| a. Did not complete secondary school | c. Secondary School |
| b. Vocation Training | d. Some university training |
| e. Graduate degree (BA, BSc etc.) | f. .Post graduate degrees (Ph D, Masters) |

XII.7 What percent of the senior management is male? _qx207_ %

XII.8 How many years of experience working in this sector did the top or general manager have before joining this establishment? _qx208_ years

- | | |
|--|---|
| a) Of these, how many years were with a domestic firm? | _qx208a_ years |
| b) Of these, how many years were with a foreign firm? | _qx208b_ years |
| c) Did any of these prior firms export? | _qx208c_ Yes =1 No=2 |

Investment Climate Survey of Pakistan 2002

The Small & Medium Enterprise Development Authority
and
The World Bank Group

Part II of Survey Questionnaire

The Investment Climate Survey of Pakistan is a joint effort of the World Bank Group and the Small and Medium Enterprises Development Authority of the Government of Pakistan. Its purpose is to better understand conditions in the local investment climate and how they affect the performance of businesses. 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. Please note that the information obtained here will be treated confidentially. Neither your name nor the name of your firm will be used in any document based on this survey.

0.1 ESTABLISHMENT NO. id

0.3 CITY city

Codes: Karachi = 1
Lahore = 2
Sheikhpura = 3
Sialkot = 4
Faisalabad = 5
Gujranwala = 6

Wazirabad = 7
Islamabad/Rawalpindi = 8
Sukkur = 9
Hyderabad = 10
Quetta = 11
Peshawar = 12

0.2 INDUSTRY industry

0.4. Name of Interviewer interviewer

Codes: Textiles = 1
Garments = 2
Leather and leather products = 3
Food processing = 4
Electronics & electrical equipment = 5
Chemicals = 6
Sports goods = 7
Other = 8

0.5. Enumeration validated by validator

XIII. PRODUCTS AND INPUTS

XIII.1. Please provide the following information on the three most important products of *your plant* in the fiscal year of 2001.

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

Product description	Unit	Quantity Sold (total including exports)	Quantity Exported (total)	Total sales including exports ('000 PKR)	Value of Exports ('000 PKR)	Year of first Production by your plant	Year of first export by <i>your plant</i>
1. qx301a1	qx301b1	qx301c1	qx301d1	qx301e1	qx301f1	qx301g1	qx301h1
2. qx301a2	qx301b2	qx301c2	qx301d2	qx301e2	qx301f2	qx301g2	qx301h2
3. qx301a3	qx301b3	qx301c3	qx301d3	qx301e3	qx301f3	qx301g3	qx301h3

XIII.2. Please provide the following information on the three most important products of *your plant* in the fiscal year of 2000.

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

Product description	Unit	Quantity Sold (total including exports)	Quantity Exported (total)	Total sales including exports ('000 PKR)	Value of Exports ('000 PKR)	Year of first Production by your plant	Year of first export by <i>your plant</i>
1. qx302a1	qx302b1	qx302c1	qx302d1	qx302e1	qx302f1	qx302g1	qx302h1
2. qx302a2	qx302b2	qx302c2	qx302d2	qx302e2	qx302f2	qx302g2	qx302h2
3. qx302a3	qx302b3	qx302c3	qx302d3	qx302e3	qx302f3	qx302g3	qx302h3

XIII.3. Please provide the following information on the three most important raw materials (in terms of value) of *your plant* in the fiscal year of 2001. **(Note: please indicate only one input for each row)**

Raw material description	Unit	Quantity purchased (total including imports)	Quantity imported (total)	Value of purchases including imports ('000 PKR)	Value of imports ('000 PKR)
1. qx303a1	qx303b1	qx303c1	qx303d1	qx303e1	qx303f1
2. qx303a2	qx303b2	qx303c2	qx303d2	qx303e2	qx303f2
3. qx303a3	qx303b3	qx303c3	qx303d3	qx303e3	qx303f3

XIII.4. Please provide the following information on the three most important raw materials (in terms of value) of **your plant** in the fiscal year of 2000. (Note: please indicate only one input for each row)

Raw material description	Unit	Quantity purchased (total including imports)	Quantity imported (total)	Value of purchases including imports (‘000 PKR)	Value of imports (‘000 PKR)
1. qx304a1	qx304b1	qx304c1	qx304d1	qx304e1	qx304f1
2. qx304a2	qx304b2	qx304c2	qx304d2	qx304e2	qx304f2
3. qx304a3	qx304b3	qx304c3	qx304d3	qx304e3	qx304f3

XIII.5. How was the value of **your plant's** purchase of imported raw materials distributed in per cent between the following geographic origins?

			Which year did your plant import from this region for the first time?
	2001	2000	(year)
a. West Europe	qx305a1%	qx305a2%	qx305a3
b. East Europe	qx305b1%	qx305b2%	qx305b3
c. North America (USA & Canada)	qx305c1%	qx305c2%	qx305c3
d. China	qx305d1%	qx305d2%	qx305d3
e. rest of Asia (excl. China)	qx305e1%	qx305e2%	qx305e3
f. local traders (Pakistani Importers)	qx305f1%	qx305f2%	qx305f3
g. others	qx305g1%	qx305g2%	qx305g3
TOTAL	100%	100%	

XIII.6. Approximately what per cent of annual purchases of raw materials by **your plant** was from the following sources in...?

	2001	2000
a. Produced domestically by other divisions of your company ...	qx306a1%	qx306a2%
b. Produced domestically by other companies	qx306b1%	qx306b2%
c. Produced abroad (imported raw materials)	qx306c1%	qx306c2%
Total	100 %	100%

XIII. 7. What % of annual sales has been sold to

	2001	2000
a. other divisions of your company ...	qx307a1%	qx307a2%
b. other companies domestically	qx307b1%	qx307b2%
c. abroad (exports)	qx307c1%	qx307c2%
Total	100 %	100%

XIII.10. What per cent of **your plant's** sales revenue was from exports during the fiscal year of ...?

	2001	2000	1999
Direct Export	qx310a1%	qx310a2%	qx310a3%
Indirect Export (through distributor)	qx310b1%	qx310b2%	qx310b3%
	100%	100%	100%

XIII.11. Please provide information on the percentage distribution of **your plant's** exports by destination regions:

Regions of export:	Per cent of annual exports of <i>your plant</i> by year		Which year did <i>your plant</i> export to this region for the first time?
	2001	2000	
a. West Europe	qx311a1%	qx311a2%	qx311a3
b. East Europe	qx311b1%	qx311b2%	qx311b3
c. North America (USA & Canada)	qx311c1%	qx311c2%	qx311c3
d. Russia & Former Soviet Union countries	qx311d1%	qx311d2%	qx311d3
e. China	qx311e1%	qx311e2%	qx311e3
f. rest of Asia (excluding China)	qx311f1%	qx311f2%	qx311f3
g. others	qx311g1%	qx311g2%	qx311g3
TOTAL	100%	100%	

XIV. CORPORATE FINANCE

Cost of Production

XIV.1. Sales and expenses for the fiscal years of 1999, 2000 and 2001.	Value in thousands PKR		
	2001	2000	1999
Total sales.....	qx401a1	qx401b1	qx401c1
Purchases of materials excluding fuel	qx401a2	qx401b2	qx401c2
Consumption of energy :	qx401a3	qx401b3	qx401c3
Electricity	qx401a4	qx401b4	qx401c4
Other	qx401a5	qx401b5	qx401c5
Manpower costs:	qx401a6	qx401b6	qx401c6
Wages and salaries	qx401a7	qx401b7	qx401c7
Allowances, bonuses and other benefits	qx401a8	qx401b8	qx401c8
Interest charges and financial fees	qx401a9	qx401b9	qx401c9
Selling and general administration expenses (SGA)	qx401a10	qx401b10	qx401c10
Other costs (i.e.: overhead expenses, design dept., etc.)	qx401a11	qx401b11	qx401c11

XIV.2. What was **your plant's** sales revenue in thousands PKR for the fiscal year of

(a) 1996? (five years ago)

qx402a

(b) 1991 ? (ten years ago)

qx402b

XIV.3. How much did the following cost **your plant** in thousands PKR during the fiscal year of ...?

	2001	2000
a. Rent for machinery and equipment (if owned, please enter value of depreciation)	qx403a1	qx403a2
b. Rent for land or buildings (if owned, please enter value of depreciation)	qx403b1	qx403b2
c. Transport services (freight outward)	qx403c1	qx403c2
d. Telecommunication costs (telephone, postal serv., etc)	qx403d1	qx403d2
e. Traveling (for employees)	qx403e1	qx403e2
f. Royalty or license fee to domestic companies	qx403f1	qx403f2
g. Royalty or license fee to foreign owned companies .	qx403g1	qx403g2

XIV.4 Machinery & equipment:

a) What would be the cost of replacing all your machinery and equipment at the end of 2001 by acquiring new machines? qx404a (thousand PK R)

b) How much would you get if you sold all your machinery and equipment at the end of 2001? qx404b (thousand PK R)

XIV.5. What would be the cost of replacing all your business premises or leasehold at the end of 2001? qx405 (thousand PKR)

XIV.6. What is the estimated annual market rent that **your plant** would have paid for its business premises in 2001? qx406 (thousand PKR)

XIV.7. How much did your plant spend on design or R&D in 2001? [Spending includes wages and salaries of R&D personnel, such as scientists and engineers; materials, education costs, and subcontracting costs.] qx407 (thousand PKR)

XIV.8. How much did **your plant** spend on additional machinery, equipment, vehicles, land and buildings in the fiscal year of...?

	2001		2000		1999	
	amount (‘000 PKR)	of which % imported	amount (‘000 PKR)	of which % imported	amount (‘000 PKR)	of which % imported
a) New machinery and equipment	qx408a1	qx408a2%	qx408a3	qx408a4%	qx408a5	qx408a6%
b) Second hand machinery and equipment	qx408b1	qx408b2%	qx408b3	qx408b4%	qx408b5	qx408b6%
c) Land and buildings and improvement in leasehold	qx408c1		qx408c3		qx408c5	
d) New vehicles	qx408d1	qx408d2%	qx408d3	qx408d4%	qx408d5	qx408d6%
e) Second hand vehicles	qx408e1	qx408e2%	qx408e3	qx408e4%	qx408e5	qx408e6%

XIV.9. Did you sell any equipment or property during the fiscal year of ___?

Value sold in ‘000 PKR of

	2001	2000	1999
a) New machinery and equipment	qx409a1	qx409a2	qx409a3
b) Land and buildings or leasehold	qx409b1	qx409b2	qx409b3
c) Vehicles	qx409c1	qx409c2	qx409c3

Balance Sheet Items			
XIV.10.	Value in thousand PKR as of end of the fiscal year of		
	2001	2000	1999
Total Assets	qx410a1	qx410b1	qx410c1
Property, Plant and Equipment:	qx410a2	qx410b2	qx410c2
Gross Block (Acquisition cost)	qx410a3	qx410b3	qx410c3
Machinery and equipment (including transport) .	qx410a4	qx410b4	qx410c4
Land, buildings and leasehold improvement	qx410a5	qx410b5	qx410c5
Net Block (Net book value)	qx410a6	qx410b6	qx410c6
Machinery and equipment (including transport)	qx410a7	qx410b7	qx410c7
Land, buildings and leasehold improvement ..	qx410a8	qx410b8	qx410c8
Current Assets:	qx410a9	qx410b9	qx410c9
Inventories and stocks	qx410a10	qx410b10	qx410c10
Finished goods	qx410a11	qx410b11	qx410c11
Work-in-progress	qx410a12	qx410b12	qx410c12
Raw materials excluding fuel	qx410a13	qx410b13	qx410c13
Fuel	qx410a14	qx410b14	qx410c14
Accounts receivable	qx410a15	qx410b15	qx410c15
Cash on hand and in bank	qx410a16	qx410b16	qx410c16
Loan advances and deposits (for custom, electricity, etc.)	qx410a17	qx410b17	qx410c17
Deferred revenue expenses	qx410a18	qx410b18	qx410c18
XIV.11.	Value in thousands PKR as of end of the fiscal year of		
	2001	2000	1999
Total liabilities	qx411a1	qx411b1	qx411c1
Long-term liabilities (i.e., more than one year)	qx411a2	qx411b2	qx411c2
Domestic currency denominated	qx411a3	qx411b3	qx411c3
Foreign currency denominated	qx411a4	qx411b4	qx411c4
Short-term liabilities (i.e. one year or less)	qx411a5	qx411b5	qx411c5
Domestic currency denominated	qx411a6	qx411b6	qx411c6
Of which: payables	qx411a7	qx411b7	qx411c7
Foreign currency denominated	qx411a8	qx411b8	qx411c8
Of which: payables	qx411a9	qx411b9	qx411c9
Stockholders Equity	qx411a10	qx411b10	qx411c10
Share Capital (Equity)	qx411a11	qx411b11	qx411c11
Reserves and Surplus (Retained Earnings)	qx411a12	qx411b12	qx411c12

XIV.12. What is the average interest rate for each category of your plant's liabilities?

	Domestic	Foreign
Short term liabilities	_qx412a1_ %	_qx412a2_ %
Long term liabilities	_qx412b1_ %	_qx412b2_ %

XV LABOR AND HUMAN RESOURCES

Please use the following definitions in this section.

Management Persons making management decisions. Please exclude those involved only in shop floor supervision.

Professionals: Trained and certified specialists outside of management such as engineers, accountants and chemists.

Skilled Production worker: Those person involved in production processes or direct or supervision of such processes and whom management considers to be skilled.

Unskilled Production worker: Persons involved in production processes but whom management considers to be unskilled.

Non-production worker: Support, administrative, sales workers not included in management or among professionals.

Temporary workers = all (paid) short term(i.e. for less than a year) employees with no guarantee of renewal of employment contract.

Permanent workers = all paid workers that are not temporary.

EMPLOYEE TURNOVER

XV.1. How many workers in total were employed in this establishment at the end of...? 2001 qx501a (number)
 2000 qx501b (number)
 1999 qx501c (number)

XV.2. Does your plant's employ temporary workers? qx502 Code: Yes=1 No=2

XV.3. If yes, how many temporary employees did you have at the end of 2001? qx503 (number)

The following table refers to all employees of your plant

XV.4.	Management	Professionals	Skilled Production Workers	Unskilled Production Workers	Non- production workers	Total (Note: shaded cells should equal to XV.1)
Number of workers at the end of the fiscal year of 2001	qx504a1	qx504a2	qx504a3	qx504a4	qx504a5	
of which Female	qx504b1	qx504b2	qx504b3	qx504b4	qx504b5	qx504b6
Number of workers at the end of the fiscal year of 2000	qx504c1	qx504c2	qx504c3	qx504c4	qx504c5	

XV.5. How many new employees did you hire in 2001? qx505 (number)

XV.6. How many employees retired in 2001? qx506 (number)

XV.7. How many employees were dismissed or laid off in 2001? qx507 (number)

XV.8. How many employees resigned in 2001? qx508 (number)

XV.9. How many employees left for other reasons 2001? qx509 (number)

Please provide the cost to ***your plant*** of the following for the fiscal year of 2001 by the indicated group of workers (**values in thousands PKR**)

XV.10.	Management	Professionals	Skilled Production Workers	Unskilled Production Workers	Non-production workers	Total
Total Wages and Salaries	qx510a1	qx510a2	qx510a3	qx510a4	qx510a5	qx510a6
Of which over-time pay	qx510b1	qx510b2	qx510b3	qx510b4	qx510b5	qx510b6
Bonuses	qx510c1	qx510c2	qx510c3	qx510c4	qx510c5	qx510c6
Other benefits (social security*, education, food, transport, etc.) ..	qx510d1	qx510d2	qx510d3	qx510d4	qx510d5	qx510d6
Total compensation	qx510e1	qx510e2	qx510e3	qx510e4	qx510e5	qx510e6

* i.e. pensions, medical insurance and unemployment insurance.

XV.11. Are any of your employees members of a trade union? qx511 Code: Yes=1 No=2

XV.12. What percentage of your plant's employees belong to a trade union? qx512 %

XV.13. Please provide the following information on the movement of employees of your plant during 2001 between positions?

- a) How many unskilled production workers moved to skilled -production positions? qx513a (number)
- b) How many skilled production workers moved to professional positions? qx513b (number)
- c) How many professionals were promoted to management positions? qx513c (number)

XV.15. What % of the wage bill for production workers in 2001 was calculated piece rate? qx515

Human Capital Stock and Acquisition

XV.16. For people *your plant* employ full time at the end of the fiscal year of 2001 please give us an estimate of the following:

	Management	Professionals (Engineers/ Accountants)	Skilled Production Workers	Unskilled Production Workers	Non- production workers
Average number of years of education	qx516a1	qx516a2	qx516a3	qx516a4	qx516a5
Average tenure (in years)	qx516b1	qx516b2	qx516b3	qx516b4	qx516b5
Average Age	qx516c1	qx516c2	qx516c3	qx516c4	qx516c5

XV.17. How many professionals with university degrees did your plant employ full time at the end of the fiscal year of 2001 in the following professions?

- a. Trained locally qx517a (number)
- b. Trained abroad qx517b (number)
- c. Expatriates qx517c (number)

XV.18. Did you sponsor formal training programs for employees of this plant during the fiscal year of 2001? qx518 Yes=1, No=2

XV.19. *If Yes*, please give the following information on the programs:

	Management	Professionals	Skilled Production Workers	Unskilled Production Workers	Non-production workers
How many people were trained in these programs?	qx519a1	qx519a2	qx519a3	qx519a4	qx519a5
What were the total person-weeks of training?	qx519b1	qx519b2	qx519b3	qx519b4	qx519b5

XV.20. Where did your employees receive formal outside training in 2001? *Code: Yes=1 No=2*

- | | |
|---------------------------------|---------------------|
| 1. University | <u>qx5201</u> _____ |
| 2. Partners | <u>qx5202</u> _____ |
| 3. Government institutes | <u>qx5203</u> _____ |
| 4. Private training schools | <u>qx5204</u> _____ |
| 5. Vocational/technical schools | <u>qx5205</u> _____ |
| 6. In-house | <u>qx5206</u> _____ |

XV.21. How much did the your firm spent on outside training in 2001? qx521_____ ‘000 PKR

XV.22. How many of the employees that participated in training (both in-house and outside) were promoted in 2001 following training?
qx522_____ (number)

XV.23. How many of the employees that participated in training (both in-house and outside) had pay increases in 2001 as a result of the training?
qx523_____ (number)

XV.24. How many of the employees that participated in training (both in-house and outside) left your plant in 2001 after the training?
qx524_____ (number)

XV.25. Did you benefit from any of these for employees’ training in 2001?

- | | | |
|----------------------|---------------------|----|
| a. Tax deductions | <u>qx525a</u> _____ | No |
| b. Tuition Subsidies | <u>qx525b</u> _____ | No |

XV.26. Did the employees share the cost of training in 2001? qx526_____ *Code: Yes=1 No=2*

XV. 27. How many weeks of training does it take for a newly hired production worker to be fully operational?
qx527_____ (weeks)

THIS IS THE END OF PART II OF THE QUESTIONNAIRE