

Investment Climate Survey - Brazil

Client: WORLD BANK (support: Sebrae, CNI e InvesteBrasil)
Supplier: WMS PESQUISAS BRAZIL

Questionnaire number |____|____|____|____|

CNPJ _____

<i>PART I of the Questionnaire</i> <i>(To be applied to the <u>General Manager</u> of the plant)</i>	Application of this Part Beginning: __:__ End: __:__ Total: __:__ hrs
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TIME SPENT AT THE PLANT AND DURATION OF THE INTERVIEW:

1) **TIME SPENT AT THE PLANT:** Arrival at the plant: __:__ Exit: __:__ ⇒ Time: __:__ hrs

2) **TIME TAKEN TO APPLY THE WHOLE QUESTIONNAIRE:** Beginning: __:__ End: __:__ ⇒ Duration: __:__ hrs

Information on this plant:

Plant name: _____

Name of the general manager of the plant _____

Job title of the general manager of the plant _____

Address of the plant: _____

Neighborhood: _____ CEP: _____ City: _____ State: _____

Telephone: () _____ Extension: _____ E-mail: _____

Code for the city: _____ *(1= Capital City; 2=Other city of over 1 million people; 3=City of 250,000-1million, 4=City of 50,000-250,000; 5=Town or Location with less than 50,000 population)* (part of C7)

E-mail where to send the final report: _____

Plant's website: _____

Industry (CNAE): _____

Staff that worked on this questionnaire

Dates

Interviewer: _____	____/____/____
Checker _____	____/____/____
Critic 1: _____	____/____/____
Critic 2: _____	____/____/____

General comments on how the interview was conducted:

Example: I asked PART I to the main manager of the plant called Mr. X, when he had to answer some financial questions he called the financial manager of the plant Mr. Y who answered questions a through g in PART I etc. etc... The richer the details provided on how the interview was conducted, the better.

A) ESTABLISHMENT No. _____ **(indicate the number, based on the instructions)**

(select the corresponding code)

B) INDUSTRY : CNAE

1	<i>Food processing</i>	150
2	<i>Textiles</i>	170
3	<i>Garments</i>	180
4	<i>Shoes and leather products</i>	190
5	<i>Chemicals</i>	240
6	<i>Machinery</i>	290
7	<i>Electronics</i>	320
8	<i>Auto-parts</i>	344
9	<i>Furniture</i>	361

C) Location: Municipality/City _____ **(indicate the name of the municipality/city)**

(select the corresponding code)

1	<i>São Paulo</i>
2	<i>Rio de Janeiro</i>
3	<i>Minas Gerais</i>
4	<i>Santa Catarina</i>
5	<i>Rio Grande do Sul</i>
6	<i>Paraná</i>
7	<i>Goiás</i>
8	<i>Mato Grosso</i>
9	<i>Ceará</i>
10	<i>Paraíba</i>
11	<i>Maranhão</i>
12	<i>Bahia</i>
13	<i>Amazonas</i>

**SECTION I
GENERAL INFORMATION**

P1) In what year did your firm begin operations in this country? |_____|(year) |_____|(month) (C1)

P2) Was your firm previously owned by the government (the state)? 1 YES (*Continue*) 2 NO (*GO TO P.4*) (C4)

P3) (*Only to those answering code 1= YES in P2*)

If YES, when was it privatized? |_____|_____|_____|_____|(year)

P4) What percentage of your firm is owned by: [*multiple choices allowed*] (C3)

1. Private sector: a) domestic _____ %
 b) foreign _____ %
2. Government/State _____ %
3. Other (specify)_____ _____ %

(ATTENTION: TOTAL MUST ADD UP TO 100%)

P5) What is the current legal status of this firm? (*Use CARD P5*) (C2)

- 1= Publicly listed company (S.A)
- 2= Private held, limited company (capital divided into shares freely tradable)
- 3= Private held, limited company (capital divided into quotas that require notary registration to be traded)
- 4= Cooperative
- 5= Sole proprietorship
- 6= Partnership
- 7= Other (specify)_____

P6) How many establishments (separate operating facilities) does your firm have in this country? |_____|_____|(number)
(an operating facility is defined as a productive unit geographically different than other units. A product line per se does not constitute an operating facility.) (C6a)

P7) Does your firm have holdings or operations in other countries? 1 YES 2 NO (C6b)

P8) Does your firm belong to an economic group? 1 YES 2 NO (ext)

P9) What percentage of your firm is owned by the largest shareholder or owner → |_____|_____|_____| % (C5a)

P10) Which of the following best describes the largest shareholder or owner in your firm? (*Use CARD P10*) (C5b)

(if the answer to P9 is 50% this question has 2 answers)

1. Individual _____
2. Family _____
3. Domestic company _____
4. Foreign company _____
5. Bank _____
6. Investment fund _____
7. Managers of the firm _____
8. Employees of the firm _____
9. Government or government agency _____
10. Other (Specify) _____

(If the largest shareholder is not an individual or family – code 1 or 2 in P10, GO TO P13):

P11) Is this principal owner also the manager/director? 1 YES 2 NO (C5c)

P12) Is this principal owner male? 1 YES 2 NO (C5d)

P13) Does this firm have headquarters different from this establishment? (part of C7)

1 YES. In which city are headquarters located?

_____ (indicate name of the city) Code |_____|

2 NO. There are no headquarters different from this establishment.

NOTE: For the remainder of this survey, please answer with respect to THIS ESTABLISHMENT (factory, store or service outlet).

P14) **At this moment, what is the** total number of employees of this plant (excluding those subcontracted)? _____
(Value=Sum of P15+P16)

(ext)

P15) Out of this total number (P14), how many are full-time employees? _____

(ext)

P16) Out of this total number (P14), how many are part-time employees? _____

(ext)

P17) How many workers **are subcontracted**? _____

(ext)

P18) What is your main product line? (**Show CARD with Product Lines**) _____

(C8)

P19) Do you have other income generating activities beyond these main business lines?

(C9)

1 YES (**Continue**) 2 NO (**GO TO Section II**)

P20) (**Only for those answering code 1=YES in P19**) If YES, what percent of your workers time is accounted for by:

a. Manufactures? _____%

b. Services: main service provided _____ (e.g. consulting, transportation): _____%

c. Commerce (retail/wholesale trade): _____%

d. Construction? _____%

e. Other (specify): _____%

SECTION II (Principal Manager of the Establishment)

P21) Gender ? 1 Male 2 Female (to be completed by enumerator)

(ext)

P22) What percent of the senior management is male? → _____%

(C72)

P23) What is the highest level of education completed by you? (**Use CARD P23**)

(modified C71)

- 1) Post-Graduate degree (Masters, PhD, etc)
- 2) A university degree (4 years or more)
- 3) Incomplete university degree or special university degree of short duration (e.g., 2 years)
- 4) Vocational training after secondary school was completed at e.g. Senac, Senai, Sebrae, etc
- 5) Completed Secondary School
- 6) Did not complete Secondary School
- 7) Completed Primary School
- 8) Did not Complete Primary School

P24) How long have you been working for this **establishment**? _____ years

(ext)

P25) How many years of experience in this industry did you have before joining this establishment?

(C73)

1 Never worked in any other establishment or firm in the same industry (**GO TO Section III**)

2 _____

P26) Of these, how many years were with a domestic firm? → _____ years

P27) Of these, how many years were with a foreign firm? → _____ years

P28) Did any of these prior firms export? 1 YES 2 NO

SECTION III PLANNING AND LABOR RELATIONS

Part A. Planning

P29) Right now, how many months ahead has the management of your plant planned its activities with regard to:

a. product mix and target markets _____ months or _____ years Code: _____

(C55)

b. human resources (employment and training) _____ months or _____ years Code: _____

c. investments _____ months or _____ years Code: _____

P30) Which of the following is the most important influence/pressure on your establishment to...?

	P30. reduce the production costs of existing products or services? (C60)	P30a. develop new products or services and markets? (C61)
a. domestic competitors	1	1
b. foreign competitors	2	2
c. customers	3	3
d. shareholders	4	4
e. creditors	5	5
f. government or gov't agencies	6	6

Part B. Labor Relations

P31) If you could change the number of regular full-time workers you currently employ without any restrictions (i.e. without seeking permission, making severance payments etc.), what would be your optimal level of employment as a percent of your existing workforce? (C37)

1 higher → How much ? |__|__|__| % (Continue)

2 lower → How much ? |__|__|__| % (Continue)

3 same as current 100% (GO TO P33)

P32) (Only for those that answered alternative 1 (higher) or 2 (lower) in P31), is any of the following a possible reason for you maintaining a staffing level below or above your current business needs [multiple choices allowed] (ext)

- | | | |
|---|-------|------|
| a. Laws and regulations regarding the firing of workers | 1 YES | 2 NO |
| b. Pressure from unions | 1 YES | 2 NO |
| c. Anticipation of an upturn or downturn in sales | 1 YES | 2 NO |
| d. Other (please specify) _____ | 1 YES | 2 NO |

P33) Given the constraints to hire workers and the additional costs that it entails, in your opinion, what percentage of the permanent and temporary employment in a typical firm your size in your industry would be considered informal/unregistered? (ext/sme)

a) Full-time: |__|__|__|%

b) Partial-time: |__|__|__|%

SECTION IV BUSINESS ENVIRONMENT AND BUSINESS RELATIONS

Part A. Investment Climate Constraints

P34) 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: (C18)

0 =No obstacle 1 =Minor 2 =Moderate 3 =Major 4 =Very Severe Obstacle -77 =Not applicable
(Show CARD P34)

	No Problem	Degree of Obstacle				Not Appl.
A. Telecommunications	0	1	2	3	4	N/A=-777
B. Electricity	0	1	2	3	4	N/A=-777
C. Transportation	0	1	2	3	4	N/A=-777
D. Access to Land	0	1	2	3	4	N/A=-777
E. Tax rates	0	1	2	3	4	N/A=-777
F. Tax administration	0	1	2	3	4	N/A=-777
G. Trade Regulations	0	1	2	3	4	N/A=-777
H. Customs Regulations	0	1	2	3	4	N/A=-777
I. Labor regulations	0	1	2	3	4	N/A=-777
J. Skills and education of available workers	0	1	2	3	4	N/A=-777
K. Business Licensing and Operating permits	0	1	2	3	4	N/A=-777
L. Patents and Registered Trademarks (INPI)	0	1	2	3	4	N/A=-777
M. Standards and Quality (INMETRO)	0	1	2	3	4	N/A=-777
N. Access to Financing (e.g., collateral)	0	1	2	3	4	N/A=-777
O. Cost of Financing (e.g. interest rates)	0	1	2	3	4	N/A=-777
P. Economic and regulatory policy uncertainty	0	1	2	3	4	N/A=-777
Q. Macroeconomic instability (inflation, exch rate)	0	1	2	3	4	N/A=-777

R.	Corruption	0	1	2	3	4	N/A=-777
S.	Crime, theft and disorder	0	1	2	3	4	N/A=-777
T.	Anti-competitive or informal practices	0	1	2	3	4	N/A=-777
U.	Legal system/conflict resolution	0	1	2	3	4	N/A=-777

P35) (**Show CARD P35**) For each of the following business services, please assess for your establishment over the last year, whether it was affordable: (part of C26)

P35a) Which of the following business services did your establishment outsource last year? (ext)

P36) Please evaluate the quality of the business services outsourced on a 1-4 scale, where 1 is very poor and 4 is very good. (Quality: 1 = very poor, 2 = somewhat poor, 3 = somewhat good, 4 = very good) (part of C26)

(Show CARD P36)

	Affordable?			Outsourced it?		-----Quality-----			
	YES	NO	DK	YES	NO	Very Poor		Very Good	
1. Engineering & design	1	2	3	1	2	1	2	3	4
2. Management	1	2	3	1	2	1	2	3	4
3. Marketing	1	2	3	1	2	1	2	3	4
4. Accounting	1	2	3	1	2	1	2	3	4
5. Legal services	1	2	3	1	2	1	2	3	4
6. Insurance	1	2	3	1	2	1	2	3	4
7. IT services	1	2	3	1	2	1	2	3	4

P37. Besides the services mentioned in question P35, did your plant outsource any other services? (**Show CARD P37**)

[multiple choices allowed]

(mS&C13/sme)

- | | |
|---|--------------------------------------|
| 1. Production of intermediate goods | 6. Public relations |
| 2. Production of finished goods | 7. Security |
| 3. Training | 8. Research and Development |
| 4. Repairs/maintenance | 9. Other (specify)) _____ |
| 5. Personnel management/organizational services | 10. DID NOT OUTSOURCE OTHER SERVICES |

(IF THE ESTABLISHMENT DID NOT OUTSOURCE ANY SERVICES IN P35A AND P37, GO TO P39)

P38. The cost of outsourcing (of services in P35A and P37) amounts to what percent of your total costs? |____|____| %
(mS&C13/sme)

Part B. Governance and Business-Government Relations

P39. How would you generally rate the efficiency of government in delivering services (e.g. public utilities, public transportation, security, education and health etc.). Would you rate it as ? (**show CARD P39**) (C34)

- | | |
|-------------------------|-----------------------|
| 1. Very inefficient | 4. Somewhat efficient |
| 2. Inefficient | 5. Efficient |
| 3. Somewhat inefficient | 6. Very Efficient |

P40. In general, government officials' interpretations of regulations affecting my establishment are consistent and predictable." To what extent do you agree with this statement? Do you? (**show CARD P40**) (C35)

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

P41. Thinking about national laws and regulations enacted in **the last two years** that have a substantial impact on your business, how much influence do you think the following groups actually had on the approval of those laws and regulations ? : (**show CARD P41**) (C44b)

(1 =No impact 2 =Minor influence 3 =Moderate influence 4 =Major influence 5 =Decisive influence

NA =Not Applicable, DK =Don't know)

	Degree of Influence					
- Your firm directly (C44a)	1	2	3	4	5	NA=-777 DK=-666
- Dominant firms or conglomerates in key sectors of the economy	1	2	3	4	5	NA=-777 DK=-666
- Individuals or firms with close personal ties to political leaders	1	2	3	4	5	NA=-777 DK=-666
- Foreign firms	1	2	3	4	5	NA=-777 DK=-666

- Other domestic firms	1	2	3	4	5	NA=-777 DK=-666
- Business associations	1	2	3	4	5	NA=-777 DK=-666
- Labor unions	1	2	3	4	5	NA=-777 DK=-666
- Regional or local government	1	2	3	4	5	NA=-777 DK=-666
- International development agencies or foreign governments	1	2	3	4	5	NA=-777 DK=-666

P42. To what degree do you agree with the following statement "I am confident that the judicial system will enforce my contractual and property rights in business disputes." Do you **(show CARD P42)**? (C46)

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

P43. In resolving business disputes, do you believe your country's court system to be: **(show CARD P43)** (ext/sme)

	Never	Seldom	Sometimes	Frequently	Usually	Always
1. Fair and impartial	1	2	3	4	5	6
2. Honest/Uncorrupt	1	2	3	4	5	6
3. Quick	1	2	3	4	5	6
4. Affordable	1	2	3	4	5	6
5. Consistent	1	2	3	4	5	6
6. Decisions Enforced	1	2	3	4	5	6

P44. In the past three years, has your firm been involved in a court case to resolve a legal dispute? (ext/sme)

- 1 YES How many? _____ **(Continue)** 2 NO **(GO TO P45)**

P44a. **(Only for those answering code 1=YES)** If Yes, was the court decision in your favor?

- 1 YES. How many? _____
2 NO. How many? _____
3 No judgment yet. How many? _____

P45. Recognizing the difficulties many enterprises face in fully complying with taxes and regulations, what percentage of total sales would you estimate the typical establishment in your area of activity reports for tax purposes?
|_|_|_|_| % **of total sales** (C41)

P46. In the past three years, have you bid on government procurement?

- 1 YES **(Continue)** 2 NO **(GO TO P47)** (ext/sme)

P46a. **(Only for those answering code 1=YES in P46)** Could you please comment on the ease or difficulty of the following: **(Show CARD P46a)**

(0 = No obstacle 1 =Minor obstacle 2 =Moderate obstacle 3 =Major obstacle 4 =Very Severe Obstacle)

	No Problem	Degree of Obstacle			
- learning about public (government or parastatal) tenders.	0	1	2	3	4
- pre-qualifying to bid for public tenders.	0	1	2	3	4
- the bidding process itself: openness, fairness, complexity	0	1	2	3	4
- the size of contracts (compared to your capacity).	0	1	2	3	4
- supervision of contracts -- competence, fairness.	0	1	2	3	4
- timeliness and adequacy of payment for goods and services.	0	1	2	3	4
- requirement of unofficial payments	0	1	2	3	4

P46b. Did you win any of your bids? 1 YES 2 NO

P47. When establishments in your industry do business with the government, how much of the contract value is typically expected in gifts or informal payments to secure the contract? |_|_|_|_|% (C43)

Part C. Membership of Business Associations

P48. Is your establishment a member of a producer or trade association?

- 1 YES **(GO TO P48b)** 2 NO **(Continue)** (C25a)

P48a. **(For those who answered code 2=NO in P48, ask this question then GO TO Part D)** If NO, why doesn't your establishment belong to any business association ? **[multiple choices allowed]** (ext/sme)

	YES	NO
a. There is no association of relevance to our line of business	1	2
b. Existing associations provide no tangible benefits to their members	1	2
c. The association did not renew my membership	1	2
d. Membership fee is too high	1	2
e. Other (specify)_____	1	2

P48b. **(Only for those who answered code 1=YES in P48)** Does your establishment belong to any of the following types of associations ? **(multiple answers possible)** (ext/sme)

1. Chamber of commerce ? 1 YES → Name(s) ? 2 NO
2. Association that includes only firms in your industry ? 1 YES → Name(s)? 2 NO
3. Association that includes firms in many industries ? 1 YES → Name(s)? 2 NO

(Important: Ask the rest of the questions in this Part only for those who answered code 1=YES in P48, otherwise GO TO P51)

P49. What is the name of the most important business association to which your establishment belongs ? (ext)

P50. Regarding the most important business associations to which you belong, which of the following support services do they provide to you ? (part of C25b)

P50a. For those services provided, what is their value to your plant ? (Show CARD P50a) (part of C25b)

(1=no value; 2=minor value; 3=moderate value; 4=major value; 5=critical value to your plant)

	YES	NO	Value to the plant				
a) Lobbying the Government to preserve your interests	1	2	1	2	3	4	5
b) Resolution of disputes (with officials, workers or other firms)	1	2	1	2	3	4	5
c) Information and/or contacts on domestic product and input markets	1	2	1	2	3	4	5
d) Information and/or contacts on international product and input markets	1	2	1	2	3	4	5
e) Accrediting standards or quality of products; reputational benefits	1	2	1	2	3	4	5
f) Information on government regulations	1	2	1	2	3	4	5
g) Other (specify):_____	1	2	1	2	3	4	5

Part D. Competition

P51. Within your main product line, what share of the local market in your state is made up by the sales of your establishment ? |__|__|__| % -666=Don't Know (C10a)

P51a. Within your main product line, what share of the national market is made up by the sales of your establishment |__|__|__| % -666=Don't Know (C10b)

P51b. For your main product line, is the main competitor an imported product ? 1 YES 2 NO (ext)

P51c. For your main product line, the sales of imported products represent what percentage of the domestic market ? |__|__|__| % -666=Don't Know (ext)

P52. Over the last year, within your main product line, **how many competitors** did you have in the domestic market ? (modified C16*)

How many were Foreign Owned Firms ? _____

P52a. Over the last year, within your main product line, **how many suppliers** of your main supply or input did you have ? _____

How many were Foreign Owned Firms ? _____

P52b. Over the last year, within your main product line, **how many customers (firms)** did you have ? _____

P53. Now I would like to ask you a hypothetical question. If you were to raise your prices of your main product line or main line of services 10% above their current level in the domestic market (after allowing for any inflation) which of the following would best describe the result assuming that your competitors maintained their current prices?

(Show CARD P53)

(C17)

1. Our customers would continue to buy from us in the same quantities as now
2. Our customers would continue to buy from us, but at slightly lower quantities
3. Our customers would continue to buy from us, but at much lower quantities
4. Our customers would stop buying from us.

P54. Regarding your major competitors, please tell us how frequently they engage in the following practices ?

(Show CARD P54)

(ext/sme)

	Never	Seldom	Sometimes	Frequently	Usually	Always	Not applicable	Don't know
They pay sales tax, (IPI/ICMS) or other taxes	1	2	3	4	5	6	-777	-666
They do pay import duties and observe trade regulations	1	2	3	4	5	6	-777	-666
They get preferential treatment in Government procurement	1	2	3	4	5	6	-777	-666
They pay labor taxes/regulations (e.g., social security)	1	2	3	4	5	6	-777	-666
They respect your copyrights, patents or trademarks	1	2	3	4	5	6	-777	-666
They receive subsidies (including the toleration of tax arrears) from national/local government	1	2	3	4	5	6	-777	-666
They have favored access to credit, infrastructure services or customers	1	2	3	4	5	6	-777	-666

SECTION V SERVICES AND GOVERNMENT REGULATIONS

Part A. Communications

P55. Which communication methods do you use most when contacting your suppliers or clients? (Show CARD P55)

1st place	2nd place	3rd place	4th place	5th place
Most used				Less used

(Attention: Write code 9 for each item that the establishment does not use)

- | | | |
|-------------------------|----------------|--------|
| | <i>Ranking</i> | |
| a. Fixed telephone line | _____ | (ext) |
| b. Mobile phone | _____ | (ext) |
| c. Fax | _____ | (ext) |
| d. E-mail | _____ | (C24a) |
| e. Website/Internet | _____ | (C24b) |

Part B. Government Regulations

P56. In a typical week, what percentage of senior management's time 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? ____|____|____|%

(C38)

Land and Premises

P57. In the last 2 years, did your establishment acquire any land ? 1 YES (Continue) 2 NO (GO TO P58) (ftr)

P57a. How much did you pay for the land most recently acquired by your establishment (excluding fees, registries and payments to real estate and other agencies)? _____R\$

P57b. For your most recent acquisition of land, how many days were spent on... ? (read items 1,2,3 and 4)

(mAB9)

P57c. How much was spent (in R\$) to... : ? **(read items 1,2,3 and 4)**

P57d. Did someone ask you for an extra/informal payment ? **(if the answer is that an extra payment was asked but the establishment did not pay it, write code =1 here and write 0 R\$ in P57e)**

P57e. **(If YES=code 1 in P57d)** What was the value paid for this extra/informal payment?

	P57b. Time (in days)	P57c. Cost (in R\$)	P57d. Extra payment?		P57e. Extra value? (in R\$)
			YES	NO	
1- Identifying, contacting, dealing with owners			1	2	
2- Obtaining a land survey			1	2	
3- Registering title in the land office/ cadastre			1	2	
4- Total for the land acquisition (sum of items 1, 2 and 3)			1	2	

P58. In the last 2 years, have you constructed any premise?

(ftr)

1 YES (Continue) 2 NO (GO TO PART II OF THE QUESTIONNAIRE)

P58a. For the most recent construction, did your establishment ask for the approval of the project, for a construction permit and for an occupation permit?

(filtr)

1 YES (Continue) 2 NO (GO TO THE NEXT PART OF THE QUESTIONNAIRE)

P58b. For the most recent process of obtaining a construction permit, what was the total number of days spent with... ?

(read items 1,2,3 and 4)

(mAB10)

P58c. And how much was spent (in R\$) for .. : ? **(read items 1,2,3 and 4)**

P58d. Did someone ask you for an extra/informal payment ? **(if the answer is that an extra payment was asked but the establishment did not pay it, write code =1 here and write 0 R\$ in P58e)**

P58e. **(If YES=code 1 in P58d)** What was the value paid for this extra/informal payment?

	P58b. Time (in days)	P58c. Cost (in R\$)	P58d. Extra payment?		P58e. Extra value? (in R\$)
			YES	NO	
1- Design approval			1	2	
2- Construction permit			1	2	
3- Total, construction permit and approval (sum of items 1 and 2)			1	2	
4- Occupancy/use permit			1	2	

<p align="center">PART II of the Questionnaire</p> <p align="center"><i>(To be applied to the person in charge of <u>Human Resources</u> at the plant)</i></p>	<p align="center">Application of this Part</p>
	<p>Beginning: __: __</p> <p align="center">End: __: __</p> <p>Total: __: __ hrs</p>

Information on the interviewee:

Name of the interviewee: _____

Position of the interviewee: _____

e-mail of the interviewee: _____

Staff that worked on this questionnaire	Dates
Interviewer: _____	____/____/____
Checker _____	____/____/____
Critic 1: _____	____/____/____
Critic 2: _____	____/____/____

General comments on how PART II of the questionnaire was conducted, please be as detailed as possible:

Example: I did PART II with Mr. AAA who works on Human Resources in the plant, for questions X, Y, Z he called his assistant Mrs. BBB, etc. etc... The richer the details provided on how this part of the interview was conducted, the better.

SECTION VI LABOR RELATIONS

P59. What percent of the workforce at your establishment have the following education levels: (**show CARD P59**)
(modified C70*)

- | | | |
|---|---------|--------------------|
| a. Some university or higher | _ _ _ % | |
| b. Secondary school completed (11 years) | _ _ _ % | |
| c. Secondary school incomplete (8 < years < 11) | _ _ _ % | |
| d. Lower secondary completed (8 years) | _ _ _ % | |
| e. Lower secondary incomplete (4 < years < 8) | _ _ _ % | |
| f. Primary completed (4 years) | _ _ _ % | |
| g. Primary incomplete (less than 4 years) | _ _ _ % | (If = 0 GO TO P60) |

Total → 100%

P59a. Of those who did not complete primary school (4 years), what percent are female? |_|_|_|_|%

P60. Regarding your experience in the last 2 years, how much time did it take to fill your **most recent vacancy** for a:

- | | | | | |
|------------------------|-----------|----------------|-----------------------|-------|
| a. Skilled technician? | _ _ days | or _ _ weeks | or -777= did not hire | (C66) |
| b. Production worker? | _ _ days | or _ _ weeks | or -777= did not hire | |

P61. How many weeks does it take for a newly hired production worker to be fully operational? |_|_|/|_|/ weeks (mHR12)

P62. What percentage of your workforce is unionized? |_|_|_|_|% (C68)

P63. What percent of your total workforce regularly uses a computer in their jobs? |_|_|_|_|% (C23)

P64. Did you lay off any employees for any reason, in the last year? 1 YES (**Continue**) 2 NO (**GO TO P64c**) (ftr)

P64a. How many workers were laid off ? |_|_|/|_|/|_|/ workers (C65b.i)

P64b. How many of those workers laid off contested the layoff or firing through a tribunal? |_|_|_|_| (ext)

P64c. (**For all**) In your experience with laid-off workers that contested their dismissal in a tribunal, on average how long does it/did it take from the moment you notified the worker until the process was totally finished (including court procedures)? |_|_|_|_| years **-777 Not Applicable (GO TO Section VII)**

P64d. For the workers that contested their dismissal in a tribunal, in what percentage of the cases did your establishment and the workers reach an agreement in the tribunal? _____% (**if = 0, GO TO Section VII**)

P64e. On average, how many monthly salaries did you have to pay to those workers as a result of the agreement in the tribunal ? |_|_|_|_| monthly salaries

SECTION VII 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 the production professionals.

Part-time workers = all (paid) employees that work for less than the full work-week at the establishment, generally enjoying less benefits than full-time workers

Full-time workers = all paid workers that work the full work-week at the establishment.

Part A. Employment

P65. The following table refers only to **full-time workers** of your establishment. What was the number of... ? (part of C62)

Years	2002		2001	2000
Full-time workers	Total number of workers at the end of the year?	Of which ...Number of female workers?	Total number of workers at the end of the year?	Total number of workers at the end of the year?
a. Total ?				
Show CARD P65 with worker categories				
b. Management ?				
c. Professionals?				
d. Skilled Production workers?				
e. Unskilled Production workers?				
f. Non-production workers?				

P66. Please provide the **total cost** to your plant of the **full-time workers** in the year 2002. Of this total, what percent was spent with each of the following worker categories... ? (**Show CARD P65**) (part of C62)

Full-time workers	Total compensation (*) in R\$
a. Total spent in R\$ with all workers?	R\$
b. Management ?	%
c. Professionals?	%
d. Skilled Production workers?	%
e. Unskilled Production workers?	%
f. Non-production workers?	%

(*)Total compensation: salaries and all the benefits including: food, transport, social security, medical assistance, maternity leave, pensions, education, etc)

P67. What percent of your **full-time skilled workers** are foreign nationals? |__|__|__| % (C64)

P67a. In 2002, how many new employees did your plant hire? _____ (number) (C65a)

P67b. In 2002, how many employees from your plant:

a. left due to sickness or died? _____ (number) (C65b.ii)

b. left for other reasons (apart from dismissal)? _____ (number) (C65b.iii)

P68. How many additional workers does your plant hire during peak season? _____ (number) (ext)

(If the establishment does NOT have part-time workers, GO TO P71)

P69. The following table refers only to **part-time workers** of your establishment: (C63)

Years	2002	2001	2000
a. <u>Average</u> number of part-time workers employed ?			
b. Of which, <u>average</u> number of female workers ?			
c. How many hours <u>on average</u> did part-time workers work per week ? (ext)			
d. How many months <u>on average</u> did part-time workers work per year ?			
e. Total Compensation of all part-time workers (including wages and all benefits) in R\$?			

P70. On average, what percent of your **part-time workers** are skilled workers? |__|__|__| % (ext)

Part B. Training

P71. Did **your plant** offer formal in-house training programs or outside training to the workers in 2002 ?

P71a. Formal in-house training: 1 YES 2 NO (C67a*) (mHR4)

P71b. Outside training: 1 YES 2 NO (C67a*) (mHR5)

(If the answer is NO in both P71a and P71b, GO TO P74)

P71c. How many full-time workers were trained ? (C67b*)

P71d. How many hours on average did each worker spend in training in 2002 ? (C67c*)

	P71c. Number of workers that received training	P71d. Number of hours of training per worker (on average)
Skilled workers?		
Unskilled workers?		

(P72 and P73 are to be asked only to the plants that sent workers for outside training, code 1=YES in P71b. If the answer to P71b was code 2=NO, GO TO P74)

P72. Where did your full-time workers receive formal outside training in 2002 ? (mHR6)

	YES	NO
a. University	1	2
b. Partner firms	1	2
c. Government institutes	1	2
d. Private training schools	1	2
e. Vocational/technical schools	1	2

P73. How much did your establishment spend on outside training in 2002? R\$_____ (ext)

P74. What were the reasons for your plant not to offer outside training to full-time workers? (**Show CARD P74**)

(mHR5*/sme)

	P74. Reasons	
	YES	NO
a. New workers become proficient in the job through learning by doing	1	2
b. In-house training is adequate	1	2
c. We lack knowledge about training techniques and training programs	1	2
d. Training is not affordable due to my firm's limited resources	1	2
e. Skilled workers can be readily hired from other firms	1	2
f. Skills that workers learn in school are adequate to our needs	1	2
g. We are skeptical about the benefits of training	1	2
h. Training is costly because of high labor turnover	1	2

(P75 through P77a are to be asked to plants that offered some type of training)

P75. How many of the workers that participated in training (both in-house and outside) left your plant in 2002 after the training? _____ (mHR9)

P76. Due to worker training in 2002 did your plant benefit from:

(mHR10)

P76a. Tax deductions **1** YES **2** NO

P76b. Tuition Subsidies 1 YES 2 NO

P77. Did the workers share the cost of training in 2002 ?

(mHR11)

1 YES (Continue) 2 NO (GO TO PART III OF THE QUESTIONNAIRE)

P77a. If YES, in what percent did they contribute to this cost? |__| |__| |__| %

(ext)

CNPJ _____

<p style="text-align: center;"><i>PART III of the Questionnaire</i></p> <p style="text-align: center;"><i>(To be applied to the person in charge of <u>Production</u> at the plant)</i></p>	Application of this Part
	Beginning: __: __ End: __: __ Total: __: __ hrs

Information on the interviewee:

Name of the interviewee: _____

Position of the interviewee: _____

e-mail of the interviewee: _____

Staff that worked on this questionnaire**Dates**

Interviewer: _____ / /

Checker _____ / /

Critic 1: _____ / /

Critic 2: _____ / /

General comments on how PART III of the questionnaire was conducted, please be as detailed as possible:

Example: I did PART III with Mrs. DDD who is the plant's floor supervisor, for questions X, Y, Z he called his assistant Mr. NNN, etc. etc... The richer the details provided on how this part of the interview was conducted, the better.

SECTION VIII CAPACITY AND INNOVATIONS

P78. What was this establishment's average capacity utilization over the last 3 years? (*Capacity utilization is the amount of output actually produced relative to the maximum amount that could be produced with your existing machinery and equipment and regular shifts.*)

P78a. In **2002** ? | | | | % (C50)

P78b. In **2001** ? | | | | % (ext)

P78c. In **2000** ? | | | | % (ext)

P79. How many products does your establishment produce ? _____ (number) (C53)

P79a. How many new products (i.e. those that involve a significant change in the production process) has your establishment introduced in the last three years? _____ (number)

P80. Does your establishment use technology licensed from a foreign-owned company (paying royalties or receiving it from the parent company)? → 1 YES 2 NO (C54)

P81. Thinking of your main product line or main line of services and comparing your production process with that of your closest competitor, which of the following best summarizes your position (**Show CARD P81**): (C56)

1. My firm's technology is **less advanced** than that of its main competitor
2. My firm's technology is **about the same** as that of its main competitor
3. My firm's technology is **more advanced** than that of its main competitor

P82. Has your plant received any quality certification (e.g. ISO 9000) ? (modified C57)
1 YES 2 NO (**GO TO P83**) 3 **Is expecting it but has not received it yet (GO TO P83)**

If YES in P82. P82a. Which **one**? _____ (name of the certification)

P83. On average, considering the regular and seasonal/peak months you have, how many hours per day did your plant operate in 2002 _____ hours per day (ext)

P84. How many days of production last year did your plant lose due to:

P84a. Strikes? _____ days (C69a)

P84b. Civil unrest (e.g. transport strikes)? _____ days (C69b)

P85. In 2002: (ext)

P85a. How many days per week did your plant operate ? | _____ | days

P85b. Did your plant stop working on national holidays ? 1 YES 2 NO

P85c. Besides weekends and national holidays, did your plant stop working due to other local holidays or collective staff holidays ? 1 YES – How many days? | _____ | **days** 2 NO

P86. Has your company undertaken any of the following initiatives since 1998? (C58)

	Undertaken	
	YES	NO
a. Developed a major new product line	1	2
b. Upgraded an existing product line	1	2
c. Introduced new technology that has substantially changed the way that the main product is produced	1	2
d. Discontinued at least one product (not production) line	1	2
e. Opened new plant	1	2
f. Closed at least one existing plant or outlet	1	2
g. Agreed a new joint venture with foreign partner	1	2
h. Obtained a new licensing agreement	1	2
i. Outsourced a major production activity that was previously conducted in-house	1	2
j. Brought in-house of a major production activity that was previously outsourced	1	2

P87. Over **the last two years**, which were the most important ways in which your establishment acquired new technology? (**Show CARD P87**) (C59)

	1 st Most important	2 nd Most important	3 rd Most important
a. Embodied in new machinery or equipment	1	1	1
b. By hiring key personnel	2	2	2
c. Licensing /turnkey operations from international sources	3	3	3
d. Licensing /turnkey operations from domestic sources	4	4	4
e. Developed or adapted within this establishment locally	5	5	5
f. Transferred from parent company	6	6	6
g. Developed in cooperation with client firms	7	7	7
h. Developed with equipment or machinery supplier	8	8	8
i. From a business or industry association	9	9	9
j. Trade Fairs and/or Study tours	10	10	10
k. Consultants	11	11	11
l. From universities, public institutions	12	12	12
m. Other (specify) _____	13	13	13

SECTION IX BUSINESS RELATIONS

Part A. Inputs/raw-materials and relations with Suppliers

P88. What percent of your inputs/supplies are of lower than agreed upon quality? (C14)

1. Domestic _____ % 2. Imported _____ %

(if = 0 in both items, GO TO P89 and if the plant does not import inputs write -777 in item 2)

P88a. Of these, what percent do you return because of inadequate quality? (mSCh7)

1. Domestic _____ % 2. Imported _____ % **-777 NA (Not applicable)**

P89. For the domestic inputs, what % comes from the same state where your plant is located? |__|__|__| %
-777 NA (If the plant uses ONLY imported inputs or ~~inputs coming from other states~~) (mSCh9)

P90. At the time you receive delivery of your most important input or supply, how many days of inventory do you typically have on hand? |__|__| days of inventory of main input (C13)

Part B. Sales and relations with Clients

P91. On average, how many days of inventory of finished goods do you keep? |__|__| days (ext)

P92. On average, what percentage of the value of your average cargo consignment is lost while in transit due to breakage, theft, or spoilage? _____ % of consignment value (C22)

P93. What percent of sales in the last year were lost due to delivery delays from suppliers? |__|__|__| % sales (C15)

SECTION X
INFRASTRUCTURE, SERVICES AND INSPECTIONS

Part A. Provision of Utility Services

P94. Analyzing the following service interruptions during last year and considering only the establishment's working hours: (C19)

P94a. During how many days last year did your establishment experience... ?

P94b. How long did the service interruptions last on average (in hours)... ?

P94c. What percent of your production was lost last year due to those interruptions... ?

	# days	Avg. duration (hrs)	Lost value *
a. interruptions to your supply of electricity from the external grid?	_____ days	_____	_____
b. interruptions to your water supply?	_____ days	_____	_____
c. unavailable mainline telephone services?	_____ days	_____	_____
d. transport failures?	_____ days	_____	_____

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

P95. Do you own or share a generator ?

1 YES (Continue) 2 NO (GO TO P96)

P95a. When did you acquire this generator? | _____ | year

P95b. What was the cost of acquisition? R\$ _____

P95c. What percentage of your electricity comes from your own or shared generator ? | _____ | %

P96. What share of your firm's water supply do you get from:

P96a. municipal/public sources? | _____ | %

P96b. your own well or a shared well? | _____ | %

P96c. purchased from private vendors? | _____ | %

TOTAL 100%

P97a. During the last two years, have you applied for a mainline telephone and/or an electrical or water connection?

P97b. How long did it take -from the moment of the application to the moment of the reception- to obtain each of the following services (in days)?

P97c. What were the official costs of the installation (including fees, etc)?

P97d. Did someone ask you for an extra/informal payment ? **(if the answer is that an extra payment was asked but the establishment did not pay it, write code =1 here and write 0 R\$ in P97e)**

P97e. **(If YES=code 1 in P97d)** What was the value paid for this extra/informal payment? (C40i-iii/mAB11 part)

	P97a. Applied for...		(only for those that answered code 1=Yes in P97a)				
			P97b.	P97c.	P97d. Extra payment ?		P97e. If yes ...
	YES	NO	Wait time? (in days)	Official costs ? (in R\$)	SIM	NÃO	Value of extra payment?
A mainline telephone connection?	1	2			1	2	
An electrical connection?	1	2			1	2	
A water connection?	1	2			1	2	

Part B. Inspections

P98a. How many times, in the past year, was your establishment visited by inspectors from the following agencies in the context of regulation of your business? (*C42 or AB12)

P98b. On average, how long did these inspectors' visits last ?

P98c. What were the costs associated with these inspections, including fines or seized goods ?

P98d. Did someone ask you for extra/informal payments ?

Agencies	P98a. Number of visits?		(only if a visit occurred)			
	No visits	Number	P98b. Length of the visit? (in hours)	P98c. Costs of fines or seized goods? (in R\$)	P98d. Extra payments ?	
Federal Health Ministry? (*C42d)	0				1	2
Municipal Health Department ? (*C42d)	0				1	2
Federal Environmental Agency? (*C42f)	0				1	2
State Environmental Agency? ? (*C42f)	0				1	2
Municipal Environmental Agency? (*C42f)	0				1	2
Labor & Social Security ? (*C42b)	0				1	2
Fire and Building Safety ? (*C42c)	0				1	2
Standards (INMETRO) ? (ext)	0				1	2

CNPJ _____

<p style="text-align: center;"><i>PART IV of the Questionnaire</i> <i>(To be applied to the <u>Financial Manager</u> of the plant)</i></p>	Application of this Part
	Beginning: __: __ End: __: __ Total: __: __ hrs

Information on the interviewee:

Name of the interviewee: _____

Position of the interviewee: _____

e-mail of the interviewee: _____

Staff that worked on this questionnaire	Dates
Interviewer: _____	____/____/____
Checker _____	____/____/____
Critic 1: _____	____/____/____
Critic 2: _____	____/____/____

General comments on how PART IV of the questionnaire was conducted, please be as detailed as possible:

Example: I did PART IV with Mrs. JJJ who is the plant's financial manager, for questions X, Y, Z he called his assistant Mrs. GGG, etc. etc... The richer the details provided on how this part of the interview was conducted, the better.

SECTION XI FINANCE

P99. How much have your sales changed (grown or declined) in each of the last 3 fiscal years ? (C51)

	Grown	Declined	Unchanged	Percent change
2002 relative to 2001	1	2	3	_____ %
2001 relative to 2000	1	2	3	_____ %
2000 relative to 1999	1	2	3	_____ %

P100. Approximately what share of net profits were re-invested in your establishment last year (that is, not distributed to owners or shareholders)? |_____| % **(write -777 if there were no profits and GO TO P101)** (C52)

P100b. What percentage of your sales did your profits last year represent? |_____| % **(write -777 if there were no profits)** (ext)

P101. When deciding about a certain investment, do you apply any methodology to calculate the minimum profitability of this investment?→ **1 YES (Continue)** **2 NO (GO TO P103)** (ext)

P102. What methods do you use?

- 1 Internal rate of return** → Minimum acceptable rate of return of the investment |____|____|____| % (per year)
- 2 Repayment period** → Maximum acceptable period of repayment? |____|____| years
- 3 Present value**
- 4 Others** (specify) _____

P103. Please identify the contribution over the last year of each of the following sources of financing for your establishment's...: (C27)

P103a. **Working capital** (i.e. inventories, accounts receivable and cash) ? **(Show CARD P103)**

P103b. **New Investments** (i.e. new land, buildings, machinery and equipment)? **(Show CARD P103)**

	P103a. Working capital	P103b. New Investments
a. Internal funds or Retained earnings	_____%	_____%
b. Local commercial banks (loan, overdraft)	_____%	_____%
c. Foreign owned commercial banks	_____%	_____%
d. Leasing arrangement	_____%	_____%
e. Investment Funds/Special Development Financing/ Or Other State Services (e.g., BNDES, PROGER, etc)	_____%	_____%
f. Trade credit (supplier or customer credit)	_____%	_____%
g. Credit cards	_____%	_____%
h. Equity, sale of stock	_____%	_____%
i. Family, friends	_____%	_____%
j. Informal sources (e.g. money lender)	_____%	_____%
k. Other (specify source): _____	_____%	_____%
TOTAL	100%	100%

P104a. Does your plant have an overdraft facility or line of credit ? (C28a)

1 YES (*Continue*) 2 NO (*GO TO P105*)

P104b. What is the total amount of the overdraft or line of credit → R\$ _____, _____ (ext)

P104c. What percent of the overdraft is **NOT BEING USED** currently ? → |____|____|____|% (C28b*)

P104d. What is the average interest rate paid → |____|____|____|% per month (ext)

P105. (*To all*) Does your plant have a loan from a bank or financial institution (apart from the overdraft or line of credit)?

1 YES (*Continue*) 2 NO (*GO TO P107*) (Ftr)

P106. For your plant's **most recent loan**: (C29)

P106a. When was this financing approved? → |_____|year

P106b. Did the financing require collateral or a deposit ?

1 YES (*Continue*) 2 NO (*GO TO P106e through P106g*)

P106c. If YES, what share of collateral was...?

- | | | |
|---|---------|-------|
| 1. Land, buildings | _____ % | |
| 2. Machinery | _____ % | |
| 3. Intangible assets (accounts receivable, inventory) | _____ % | |
| 4. Personal assets of owner/manager (e.g. house, cars, etc) | _____ % | |
| 5. Other (specify) _____ | _____ % | (ext) |
| TOTAL = 100 % | | |

P106d. What was the approximate value of collateral required as a percentage of the loan value ? |_____|%

P106e. Is the loan's interest rate fixed or variable ?

1 If it is fixed → What is the monthly rate |_____|% per month

2 If it is variable → What is the monthly rate |_____|% per month, adjusted by which index?

1 – IGP-M 2 – IGP-DI 3 – FIPE 4 – INPC 5 – IPCA 6 – Others (specify) _____

P106f. What is the duration (term) of the loan ? |_____| years

P106g. Were audited statements necessary to obtain the bank credit ? → 1 YES 2 NO (mF5)

(GO TO P108)

(Only for plants that DO NOT HAVE a loan, code 2=NO in P105)

P107. If you do **not** have a bank loan, what is the reason? (mF4)

1. Did not apply for a bank loan → ASK Table A

2. Application for loan(s) was turned down → ASK Table B

A. If your plant has not applied for a bank loan, which were the 2 main reasons? (Show CARD P107a)	1st main reason	2nd main reason
Do not need loans	1	1
Application procedures for bank loans are too cumbersome	2	2
Collateral requirements of bank loans are too stringent	3	3
Interest rates are too high	4	4
Corruption in the allocation of bank credit (e.g., do not have contacts at the bank to help us getting the loan)	5	5
Did not expect to be approved (ext)	6	6
Other (specify) _____ (ext)	7	7

B. Which were the 2 main reasons given to you by the bank last time it turned down a loan application made by your plant? (Show CARD P107b)	1st justification	2nd justification
Lack of collateral	1	1
Incompleteness of application	2	2
Perceived lack of feasibility of project	3	3
Poor credit history (ext)	4	4
Other (specify) _____	5	5

P108. What share of your total borrowing (loans, accounts payable) is denominated in foreign currency? |_____|% (C30)

P109. How long does it take and how much does it cost to clear a foreign currency wire through your financial institution?
(write - 777 if it is not applicable) (part c of C31)

→ Time until the recipient can draw the funds |_____| days

→ Fee charged for the transaction in R\$ _____ or as a |_____| % of the transaction

P110. Does your establishment have its annual financial statement reviewed by an external auditor? 1 YES 2 NO (C32)

P111. How many banks or financial institutions do you do business with? |_____|/(number) (mF1)

P111a. What is the most important? _____ (mF2*)

SECTION XII BUSINESS RELATIONS

Part A. Inputs/raw-materials and relations with Suppliers

P112. What percent of your establishment's total material inputs and supplies are : (C12)

a. Of domestic origin |_____|%

b. Imported indirectly (through a distributor) |_____|%

c. Imported directly by this establishment |_____|% (If = 0, GO TO P114a)

TOTAL 100 %

P113a. (Only for plants that import directly, P112c > 0) 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 entry (e.g. port, airport) until the time you could claim them from customs? (C36a)

|_____| days on average

|_____| days for the longest time in the last year

P113b. Did you use an agent ("despachante") to facilitate customs clearance for your imports? 1 YES 2 NO (ext)

P114a. Do you use supplier credit (i.e. accounts payable) to purchase your inputs ? (mF6)

1 YES (Ask P114b and THEN GO TO P115) 2 NO (GO TO P114c)

P114b. If YES, what percent of inputs are purchased on credit ? |_____|%

P114c. Is supplier credit offered to you by your suppliers? 1 YES 2 NO (Answer and then GO TO P115d)

P115. Regarding the repayment of trade credit (average over all your trade creditors for all inputs), what are: (mF7)

P115 a. Average number of days before supplier will impose penalties? |_____|days

P115b. Average number of days before you pay off your credit? |_____|days

P115c. Percent of total input cost paid due to the overdue penalty? |_____| %

P115d. Are you offered a discount on early repayments of your credit? (ftr for (e))

1 YES (Continue) 2 NO (GO TO P116a)

P115e. If YES, what percent of times do you take this discount ? |_____| %

Part B. Sales and relations with Clients

P116a. What percent of your establishment's total sales are: (C11a)

i. sold domestically |_____| %

ii. exported directly |_____| %

iii. exported indirectly (through a distributor) |_____| %

TOTAL 100 %

P116b. **(Only for plants that sell domestically, i.e., item i in P116a > 0)** What percentage of your domestic sales are to: **(Show CARD P116b)** (C11b)

i. the government	_____ %
ii. state owned or controlled enterprises	_____ %
iii. multinationals located in your country	_____ %
iv. your parent company and/or affiliated subsidiaries	_____ %
v. large domestic firms (those with approximately 300 plus workers)	_____ %
vi. other (sales to small firms, individuals, etc.)	_____ %
TOTAL	100 %

(If the plant does not export (i.e., P116a items ii and iii = 0), GO TO P118)

P116c. i. What was the year your establishment first exported ? |_____| (year) (C11c)

ii. Which countries are the 3 biggest destinations for your exports ? (C11c)

iii. Did you get your first export contract for particular goods or services that your establishment was already producing ? 1 YES 2 NO (ext)

(Ask P117a-b ONLY if the plant exports directly (item ii in P116a is NOT 0), otherwise GO TO P118)

P117a. What was the average and the longest number of days that it took –last year- from the time your goods arrived in their point of exit (e.g., port, airport) until the time they clear customs? (C36b)

|_____| days on average

|_____| days was the longest time in the last year

P117b. Did you use **an agent** (“despachante”) to facilitate customs clearance for your exports? 1 YES 2 NO (ext)

P118. In the past year what percent of your total sales:

a. went to your largest customer?|_____|% (mSch15)

b. were sold as intermediate products (used by these firms to continue their production process ?|_____|% (ext)

P119. For the domestic sales, what % went to the same *state* where your plant is located? |_____|% (mSch20)

P120. What percent of your sales are:

a. Paid before delivery |_____|% (C47a/mF8)

b. Paid at delivery |_____|% (mF8)

c. Bought on credit |_____|% **(If = 0, GO TO Section XIII)** (C47b/mF8)

d. Other *especifica*) _____ |_____|%

Total 100%

P121. If you offer credit to your customers (i.e. accounts receivables): (mF9a*)

a. What discount, if any, do you offer customers that pay in cash? |_____|%

b. What is the monthly interest rate that you charge to customers that buy on credit ? |_____|% per month

c. What % of your sales to private customers involve overdue payments? |_____|% (C47c)

d. What % of your sales to government agencies or state owned enterprises involve overdue payments? |_____|%

(NA -777, if the plant does not sell to government agencies or state owned enterprises) (C47d)

(If there are NO overdue payments –i.e., the answer to P121c and P121d was 0, GO TO Section XIII)

e. How long does it typically take to resolve an overdue payment ? |_____| **days** (C47e)

f. Over the last two years, what percent of your establishment’s disputes over payments were resolved by court action? |_____| % **(if = 0 GO TO Section XIII)** (C47f)

g. On average, how many weeks did those court cases take to resolve? |_____| **months** - 555 still awaiting for a resolution in the tribunal (C47g)

SECTION XIII
INCENTIVES AND GOVERNMENT REGULATIONS

Part A. Fiscal Incentives

P122a. Did your plant use the following incentives? (*Show CARD P122a*) (ext/admb)

- 1 **YES**, the plant had this incentive available and it used it (*Ask P122c and P122d*)
- 2 **NO**, the plant had this incentive available but it did not use it (*Ask P122b*)
- 3 That incentive is not available to the plant (*GO TO P123*)

P122b. (*Only for those who answered code 2= NO in P122a*) Why didn't your plant use that incentive? (*Show CARD P122b*) [multiple choices allowed]

- 1 The incentive is not valuable
- 2 The administrative costs to use the incentive are too high
- 3 The extra payments needed to be able to benefit from the incentive are very high

P122c. (*Only for code 1 in P122a*) How long did it take from the application to receipt of the benefit (in days)?

P122d. (*Only for code 1 in P122a*) Was it necessary to make any extra/informal payment to obtain that fiscal incentive ?

Incentives	P122a			P122b			P122c	P122d	
	YES	NO	Not available	Not valuable	High costs	Extra payment needed	Number of days	Extra payment	
								YES	NO
Input Tariff exemption ?	1	2	3	1	2	3		1	2
Federal Investment incentives?	1	2	3	1	2	3		1	2
State Investment incentives ?	1	2	3	1	2	3		1	2
Municipal investment incentive?	1	2	3	1	2	3		1	2

P123. Were the guidelines and/or availability of incentives for clear and transparent ? (ext/admb)

Incentives	YES	SOMEWHAT	NO	Don't know
a. Federal	1	2	3	-666
b. State	1	2	3	-666
c. Municipal	1	2	3	-666

Part B. Permits and Registrations, Inspections and Taxes

Permits and Registrations

P124. When was your plant registered for the first time ? _____ Year (ftr)

If the plant was registered in 2000 or after, GO TO P125

If the plant was registered before 2000, GO TO P126

P125. Based on the experience of your establishment over the **last two years**, which of the following registrations did you need to ask to start operating ? (*Show CARD P125*) (like C40iv-vi-AdmB)

P125a. What was the actual delay experienced –from the day you applied to the day you received the approval- to get each of the registrations ?

P125b. Did someone ask you for an extra/informal payment to “speed up” the process ?

P125c. (*Only for those who answered code 1=YES to P125b*) If you had made an extra payment, how long do you think you would have waited to obtain the registration ?

Registrations	P125. Asked ?		P125a. Wait time (in days)	P125b. Extra payments		P125c. Wait time with extra payment (in days)
	YES	NO		YES	NO	
<i>Junta Comercial</i> (only for SAs and limited firms with some commercial activity)	1	2		1	2	
Registration of the plant with the notary (<i>cartório</i>) (for all other firms)	1	2		1	2	
<i>Secretaria da Receita Federal (CNPJ)</i>	1	2		1	2	
National Institute of Social Security (INSS)	1	2		1	2	
State Tax – <i>Inscrição Estadual (Fazenda – ICMS)</i>	1	2		1	2	
Municipal Tax - <i>Inscrição municipal (ISS)</i>	1	2		1	2	

Registration with the Central Bank (for foreign investors)	1	2		1	2	
Environmental Registration – Federal (<i>IBAMA</i>)	1	2		1	2	
Environmental Registration – State (<i>FEEMA</i> , etc)	1	2		1	2	
Health Inspection	1	2		1	2	
Fire inspection	1	2		1	2	

(If the plant answered NO to P125 for all the registrations, GO TO P128)

P126. Based on the experience of your establishment over the **last two years**, which of the following permits did you need to ask to continue operating ? **(Show CARD P126)** (like C40iv-vi-AdmB)

P126a. What was the actual delay experienced –from the day you applied to the day you received the approval- to get each of the permits ?

P126b. Did someone ask you for an extra/informal payment to “speed up” the process ?

P126c. **(Only for those who answered code 1=YES to P126b)** If you had made an extra payment, how long do you think you would have waited to obtain the permit ?

Permits	P126. Asked ?		P126a. Wait time (in days)	P126b. Extra payments		P126c. Wait time with extra payment (in days)
	YES	NO		YES	NO	
Work, Technical assistance, and Residency visas	1	2		1	2	
Import License (*C40v)	1	2		1	2	
Foreign Investment Permit/ Registration (Central Bank)	1	2		1	2	
Patents or Trademarks (<i>INPI</i>)	1	2		1	2	
Health Permit (different from Health Inspection) (ONLY for some industries: chemicals and food:						
LF (state operating permit), AFE (operating permit), AE (special operating permit) and Product Registration (every 5 years)	1	2		1	2	

(If the plant answered NO to P126 for all the permits, GO TO P128)

P127. **(For plants that answered YES to some of the alternatives in P125 or P126)** Considering all the permits/registrations discussed above, did you hire a consultant, lawyer or any agent or professional to deal with these procedures ? 1 YES (**Continue**) 2 NO (**GO TO P128a**) (ext)

P127a. What was the annual cost of that? R\$_____

Taxes

P128a . How many visits of federal, state and municipal tax authorities did your plant receive last year ? **(If there were NO visits GO TO P129)** (*C42a/ext/admb)

P128b. What was the average length of the visits (in hours) ?

P128c. What were the total costs associated with these visits, including fines or seized goods ?

P128d. Did someone asked you for extra/informal payments ?

Level of government	P128a Number of visits		P128b Length of the visit (in hours)	P128c Total costs of fines or seized goods		P128d Extra payments	
	No visits	Number		R\$	Refusal	YES	NO
Federal	0				-999	1	2
State	0				-999	1	2
Municipal	0				-999	1	2

P129. Have your tax returns **ever** been challenged in the past 3 years?

(ext)

1 YES (Continue)

2 NO (GO TO P130)

P129a. How many times have your taxes been challenged ?

P129b. Did a tax agent ask your plant for an informal payment to drop the case?

P129c. Did your plant appeal any of the challenges ?

If YES (appealed some challenge), continue with P129d.

P129d. How long did the appeal process take (in days) ?

P129e. Did your plant win that process?

Level of government	P129a. Number of times challenged		P129b. Informal payment to drop the case		P129c. Did you appeal?		P129d. Length of appeal process (in days)	P129e. Did you win?	
	Never	Number	YES	NO	YES	NO		YES	NO
Federal	0		1	2	1	2		1	2
State	0		1	2	1	2		1	2
Municipal	0		1	2	1	2		1	2

P130. How many different tax forms does your plant need to fill annually?

(similar to mAB14a)

Federal	
State	
Municipal	

P131. Please evaluate the following areas regarding tax administration, over the past 12 months. **(Show CARD P131)**

(mAB13)

Tax Administration	No Obstacle	Minor obstacle	Moderate obstacle	Major obstacle	Very Severe obstacle	Don't know	Not Applicable
a. Your treatment by tax authorities	0	1	2	3	4	-666	-777
b. Availability of information on tax requirements	0	1	2	3	4	-666	-777
c. Completing tax forms/ filing	0	1	2	3	4	-666	-777
d. Burden of Audits	0	1	2	3	4	-666	-777
e. Frequency of changes in rules and rates	0	1	2	3	4	-666	-777
f. Severity of Penalties	0	1	2	3	4	-666	-777
g. Effectiveness of Appeals mechanisms	0	1	2	3	4	-666	-777

SECTION XIV ACCOUNTING INFORMATION

P132a. Please estimate the losses (as a percent of total sales) of theft, robbery or vandalism against your establishment in the last year. I _____% **(If = 0 GO TO P133)**

(C49)

P132b. What share of the incidents did you report to the police ? I _____% **(N.A. -777) (If = 0 GO TO P133)**

P132c. Of these reported incidents, what share were solved (the perpetrator was caught, etc.) ? I _____% **(N.A. -777)**

P133. Please estimate your establishment's costs (as a % of its total sales) of providing security (equipment, personnel, etc): I _____%

(part of C48)

P134. Of the land and buildings occupied by this establishment, what percent is owned, leased or rented?

(C33)

	<u>Own</u>	<u>Rented/leased</u>	<u>If leased/rented, average contract length</u>
a. Land	_____ %	_____ %	_____ months
b. Buildings	_____ %	_____ %	_____ months

P135. How much did your plant spend on design or R&D in 2002? [Spending includes wages and salaries of R&D personnel, such as scientists and engineers; materials, education costs, and subcontracting costs.]:

R\$ _____

(C80)

P136. What was **your plant's** sales revenue for the year 1997? R\$ _____

(C75)

P137. Could you please provide the following information regarding **production and sales** by your plant in the last 3 fiscal years ?

(part of C74)

Possible answers: Don't know = -666 Refusal = -999	2002	2001	2000
	R\$	R\$	R\$
Total Sales in each year ?			
Total Market Value of Production in each year ? (total number of units produced) x (unit sales price) includes unsold production			

P138. Could you please provide the following information regarding the **operational costs** of your plant in the last 3 fiscal years ?

(part of C74)

Possible answers: Don't know = -666 Refusal = -999	2002	2001	2000
	R\$	R\$	R\$
Direct costs of raw materials and inputs used in production in each year ? (excluding energy)			
Total energy costs (including expenditures on electricity and all other sources of energy)			
-Of these total energy costs, what percent was spent on electricity?	%	%	%
Total labor costs (including salaries and wages, social security benefits, bonus and other benefits)			
Financial costs (interest charges and financial fees)			
Other Administrative Costs (e.g., overhead expenses, selling and general administration expenses design dept., etc....)			

P139. Considering the **total labor costs** of your plant in 2002, what values **did** correspond to:

(part of C74)

(Values are in: **P139_pc** **1.....%** or **2.....R\$**)

Possible answers: Don't know = -666 Refusal = -999	2002
	R\$ ou % of total labor costs
Salaries and wages paid to the workers (including 13th month wage)	
Social security benefit payments	
Allowances, bonuses and other benefits (except social security)	

P140. How much did your plant spend in the last 3 fiscal years with **leases, licenses and royalties** ?

(C79*, w/out depr)

Possible answers: Don't know = -666 Refusal = -999	2002	2001	2000
	R\$	R\$	R\$
Rent of machinery and equipment			
Rent of land or buildings			
Rent (lease) of vehicles (annual)			
Royalties or license fees (annual)			

Balance Sheet items

P141. Could you please provide the following **information** on **balance sheet** items for your plant in the last 3 fiscal years? (part of C81 and C82)

(indicate values in R\$, at the end of each fiscal year)			
	2002	2001	2000
	R\$	R\$	R\$
Assets:			
Property, Plant and Equipment – Net Book value (excluding depreciation) of machinery and equipment, vehicles, land, buildings and leasehold improvements			
Current Assets – Value of inventories and stocks of finished goods, work-in-progress, raw materials and inputs, accounts receivable, cash on hand and in the bank			
TOTAL ASSETS			
Liabilities:			
Long-term liabilities (i.e., more than one year)			
Short-term liabilities (i.e., one year or less)			
--- Of these, what percent are payables ?	%	%	%
Total equity (share capital + retained earnings, reserves and surplus)			
--- Of the total equity, what percent is share capital ?	%	%	%
TOTAL LIABILITIES (INCLUDING TOTAL EQUITY)			

(Note: Total Assets must equal Total Liabilities)

Property, Plant and Equipment

P142. Considering your plant's **property, plant and equipment**, what part is machinery and equipment ? (part of C81)
(Values are in: **P142_pc** 1.....% or 2.....R\$)

	2002 R\$ or % of property, plant and equipment	2001 R\$ or % of property, plant and equipment	2000 R\$ or % of property, plant and equipment
Machinery and equipment (excluding depreciation)			

P143. How much did your establishment spend on **additional machinery, equipment, vehicles, land and buildings** in the year ...? (C76)

P143a. What percent of this expenditure was imported ?

Codes: NT = did not have this expenditure RC = refusal NA = not applicable	2002				2001				2000			
	NT	RC	R\$	% imported	NT	RC	R\$	% imported	NT	RC	R\$	% imported
a) New machinery and equipment	-777	-999			-777	-999			-777	-999		
b) Used machinery and equipment	-777	-999			-777	-999			-777	-999		
c)) Land, buildings, improvement in leasehold	-777	-999		NA=-777	-777	-999		NA=-777	-777	-999		NA=-777
d) Vehicles	-777	-999			-777	-999			-777	-999		

P144. Please give the value of any equipment or property your establishment sold during the year? (C78)

Codes: NT =did not have this expenditure RC = refusal	2002			2001			2000		
	NT	RC	R\$	NT	RC	R\$	NT	RC	R\$
a) Machinery and equipment	-777	-999		-777	-999		-777	-999	
b) Land, buildings, improvement in leasehold	-777	-999		-777	-999		-777	-999	
c) Vehicles	-777	-999		-777	-999		-777	-999	

Current Assets

P145. Out of your plant's current assets, what part corresponded to each of the following items ?

(part of C81)

(Values are in: P145_pc 1.....% or 2.....R\$)

	2002	2001	2000
	R\$ or % of current assets	R\$ or % of current assets	R\$ or % of current assets
Inventories and stocks of finished goods			
Inventories and stocks of work-in-progress			
Inventories and stocks of raw materials and inputs			
Accounts receivable			
Cash on hand and in bank			

Liabilities

P146. What was the average interest rate for each category of your establishment's liabilities in 2002?

(mF10)

	Domestic liabilities	Foreign liabilities
P146a. Annual interest rate for short-run liabilities (debts to be paid in one year or less)(annual)	_____ %	_____ %
.....(if applicable for the annual rate: adjusted by what index?)	_____index	_____index
.....(monthly)	_____ %	_____ %
.....(if applicable for the monthly rate: adjusted by what index?)	_____index	_____index
P146b. Annual interest rate for long-run liabilities (debts to be paid in more than one year)(annual)	_____ %	_____ %
.....(if applicable for the annual rate: adjusted by what index?)	_____index	_____index
.....(monthly)	_____ %	_____ %
.....(if applicable for the monthly rate: adjusted by what index?)	_____index	_____index

End of the questionnaire
Thanks for your cooperation