

Productivity and the Investment Climate Private Enterprise Survey

The purpose of this survey is to better understand conditions in the local investment climate and how they affect firm-level productivity. The goal is to advise government on ways to change policies that hinder private establishments like yours and to develop new policies and programs that support productivity growth. Your answers should reflect only your experience of doing business in your country. Please note that the information obtained here will be treated strictly confidentially. Neither your name nor the name of your firm will be used in any document based on this survey.

CONTROL INFORMATION (to be filled prior to the interview)

Name of firm: _____ id_code: _____

Address: _____

City: _____ (name of the city) Code: _____ (Enumerator, Please code as follows: 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)

Sector: _____ (add list of sectors sampled)

GENERAL INFORMATION

Note: Questions 1 through 6 apply to your entire firm, including all its establishments (factories, stores and/or service outlets).

1. **Q1.** What is the current legal status of your firm? _____
- | | |
|--|-----|
| Publicly listed company | = 1 |
| Private equity (not listed), limited company | = 2 |
| Partnership (unlimited responsibility) | = 3 |
| Sole proprietorship (individual) | = 4 |
| Other (specify: _____ q1x _____) | = 5 |

2. What percentage of your firm is owned (final owner) by:

| | | |
|------------------------------------|-------------|----------------------|
| Q2.1A Private Sector: | a) domestic | _____ % |
| Q2.1B | b) foreign | _____ % |
| Q2.2 Government/State | | _____ % |
| Q2.3 Other (specify: _____) | | Q2.3A _____ % |
| TOTAL | | 100% |

3. **Q3a.** Was your firm previously majority owned by the government (the state)? ___ Yes =1 No=2
Q3b. If YES, when was it privatized? _____ (year) (If NO, go to question 4)

4. **Q4a.** What percentage of your firm is owned by the largest shareholder or owner? _____ %
 b. Which of the following best describes the largest shareholder or owner in your firm?

(Question allows multiple answers only if there are multiple owners with equal shares, e.g. 3 owners with 33.3% each)

Principal Owner(s): i) _____ ii) _____ iii) _____ iv) _____

Q4B.1. Individual

Q4B.2 Family

Q4B.3 Domestic company

Q4B.4 Foreign company

Q4B.5 Bank

Q4B.6 Investment fund

Q4B.7 Managers of the firm

Q4B.8 Employees of the firm

Q4B.9 Government or government agency

Q4B.10 Other (Specify: _____ q4b_10x _____)

If the largest shareholder (*or one of them*) is an individual or a family (*alternatives 1 and 2 above*):Q4C. Is the principal owner (*or one of the principal owners*) also the manager? _____ Yes=1 No=2Q4D. Is the principal owner (*or one of the principal owners*) a female? _____ Yes=1 No=2

5. Q5A. How many establishments (separate factories, stores or service outlets) does your firm have in this country? _____ (number)

Q5B. Does your firm have holdings, factories, stores or service outlets in other countries? _____ Yes =1
No=2

6. Q6. Does your firm have headquarters separated from this establishment? _____ Yes =1 No=2

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

7. Q7. In what year did your establishment begin operating in this country? _____ (year)

8. a. What are your establishment's three main product lines? (*ask for description and code. For 'code', show lists of 4 digits ISIC-rev3 codes*)

b. What percent of your establishment total sales is represented by each of these main product lines?

| | a1. Description | a2. Codes | b. % of Total Sales |
|---------|-----------------|-----------|---------------------|
| Q8A.1.1 | _____ | Q8A.2.1 | Q8B.1 _____ % |
| Q8A.1.2 | _____ | Q8A.2.2 | Q8B.2 _____ % |
| Q8A.1.3 | _____ | Q8A.2.3 | Q8B.3 _____ % |

SALES AND SUPPLIES

9. a. What percent of your establishment's sales are:

i) Q9A.1 sold domestically _____ %

ii) Q9A.2 exported directly _____ %

iii) Q9A.3 exported indirectly (through a distributor) _____ %

TOTAL 100%

- b. If you export (*directly or indirectly*):

i) Q9B. what was the year your establishment first exported? _____ (year)

- ii) which countries were the three biggest destinations of your establishment 's exports in 2003 and what percent of your total exports does each of them account for?

| <u>Countries name</u> | <u>% of total exports</u> |
|-----------------------|---------------------------|
| Q9C.1.1 First: _____ | Q9C.2.1 _____ % |
| Q9C.1.2 Second: _____ | Q9C.2.2 _____ % |
| Q9C.1.3 Third: _____ | Q9C.2.3 _____ % |

- iii) which countries were the three biggest destinations of your establishment's exports in 1997 and what percent of your total exports did each of them account for?

| <u>Countries name</u> | <u>% of total exports</u> |
|-----------------------|---------------------------|
| Q9D.1.1 First: _____ | Q9D.2.1 _____ % |
| Q9D.1.2 Second: _____ | Q9D.2.2 _____ % |
| Q9D.1.3 Third: _____ | Q9D.2.3 _____ % |

10. If you **export directly** to Non-EU countries, 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?

Q10.1 _____ days on average

Q10.2 _____ days was the longest time in the last year

11. Q11. What percent of your establishment's material inputs and supplies are of imported origin?

_____ %:

12. If you **import directly**, from Non-EU countries 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?

Q12.1 _____ days on average

Q12.2 _____ days was the longest time in the last year

13. Q13. At the time you receive a delivery of your most important input or supply, how many days of stock on hand (*measured as days of production*) does the establishment typically have on hand? _____ (days of production)

14. Q14. How many **competitor** firms in total did you have in the domestic market? _____ (total number)
(This number includes producers in Lithuania as well as producers whose goods are imported into Lithuania. If the respondent **does not know** the precise number, but knows it is more than 20, please code as "555") If they can not estimate it leave it blank.

INVESTMENT CLIMATE CONSTRAINTS TO THE ESTABLISHMENT

15. a. 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>Obstacle</u> | | <u>No Problem</u> | <u>Degree of</u> | | | | | |
|------------------------------|--|-------------------|------------------|---|---|---|--|--|
| A. Q15A.1 Telecommunications | | 0 | 1 | 2 | 3 | 4 | | |
| B. Q15A.2 Electricity | | 0 | 1 | 2 | 3 | 4 | | |

| | | | | | | |
|----|--|---|---|---|---|---|
| C. | Q15A.3 Transportation | 0 | 1 | 2 | 3 | 4 |
| D. | Q15A.4 Access to Land | 0 | 1 | 2 | 3 | 4 |
| E. | Q15A.5 Tax burden | 0 | 1 | 2 | 3 | 4 |
| F. | Q15A.6 Tax administration | 0 | 1 | 2 | 3 | 4 |
| G. | Q15A.7 Customs and Trade Regulations | 0 | 1 | 2 | 3 | 4 |
| H. | Q15A.8 Labor Regulations | 0 | 1 | 2 | 3 | 4 |
| I. | Q15A.9 Skills and Education of Available Workers | 0 | 1 | 2 | 3 | 4 |
| J. | Q15A.10 Business Licensing and Operating Permits | 0 | 1 | 2 | 3 | 4 |
| K. | Q15A.11 Access to Financing (e.g. collateral) | 0 | 1 | 2 | 3 | 4 |
| L. | Q15A.12 Cost of Financing (e.g. interest rates) | 0 | 1 | 2 | 3 | 4 |
| M. | Q15A.13 Regulatory Policy Uncertainty | 0 | 1 | 2 | 3 | 4 |
| N. | Q15A.14 Macroeconomic Instability (inflation, exchange rate) | 0 | 1 | 2 | 3 | 4 |
| O. | Q15A.15 Corruption | 0 | 1 | 2 | 3 | 4 |
| P. | Q15A.16 Crime, theft and disorder | 0 | 1 | 2 | 3 | 4 |
| Q. | Q15A.17 Anti-competitive or informal practices | 0 | 1 | 2 | 3 | 4 |
| R. | Q15A.18 Legal system/conflict resolution | 0 | 1 | 2 | 3 | 4 |

b. Among the above alternatives, please indicate which one constitutes

Q15B.1 the biggest obstacle for the operation and growth of your establishment. _____

Q15B.2 the second biggest obstacle for your establishment _____

INFRASTRUCTURE AND SERVICES

16. a. During how many times last year did your establishment experience the following service interruptions?

b. How many hours did they last on average?

c. What were the losses resulting from these interruptions, as a percentage of the production value? (**Please include losses due to lost production time from the outage, time needed to reset machines, and production lost due to processes being interrupted.*)

| | a. # times | b. Avg duration | c. Lost value (*) |
|--|--------------|-----------------|-------------------|
| i. power outages or surges from the public grid? | Q16A.1 times | Q16B.1 Hrs | Q16C.1 % |
| ii. insufficient water supply for production? | Q16A.2 times | Q16B.2 Hrs | Q16C.2 % |
| iii. unavailable mainline telephone service? | Q16A.3 times | Q16B.3 Hrs | Q16C.3 % |
| iv. transport failures? | Q16A.4 times | Q16B.4 Hrs | Q16C.4 % |

17. Q17A. Does your establishment own or share a generator? _____ I = Yes 2 = No (If NO, go to quest. 18)

If YES, ...

b. Q17B What percentage of your electricity comes from your own or a shared generator? _____ %

18. a. Does your establishment regularly use e-mail or a website in its interactions with clients and suppliers?

Q18A.1 E-mail? _____ I = Yes 2 = No

Q18A.2 . A website? _____ I = Yes 2 = No

Q18B. What percentage of the establishment sales are sold through a website and/or e-mail? _____ %

19. Does your establishment regularly use e-mail or a website in its interactions with government agencies?

Q19.1. E-mail? _____ I = Yes 2 = No

Q19.2. A website? _____ I = Yes 2 = No

20. **Q20A.** Is your establishment a member of a business association or chamber of commerce? ___ 1=Yes 2= No
If YES, ... (If NO, go to question 21)

Q20B. Among the business association to which your establishment belongs, which is the most important for your establishment? _____ (name)

- c. Regarding this most important business association, please indicate which of the following services it provides to your establishment.
d. For each of those services provided, please indicate the importance of this service for your establishment, in a 0-4 scale where...

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

| | Q20C | | Q20D | | | | | | |
|--|--------|------|-----------|-----------|---------------|--|--|--|--|
| | Served | | Provided? | | value for the | | | | |
| | Yes=1 | No=2 | | | establishment | | | | |
| i. Lobbying government | Q20C.1 | 1 2 | Q20D.1 | 0 1 2 3 4 | | | | | |
| ii. Resolution of disputes (with officials, workers or other firms) | Q20C.2 | 1 2 | Q20D.2 | 0 1 2 3 4 | | | | | |
| iii. Information and/or contacts on domestic product and input markets | Q20C.3 | 1 2 | Q20D.3 | 0 1 2 3 4 | | | | | |
| iv. Information and/or contacts on international product and input markets | Q20C.4 | 1 2 | Q20D.4 | 0 1 2 3 4 | | | | | |
| v. Accrediting standards or quality of products; reputational benefits | Q20C.5 | 1 2 | Q20D.5 | 0 1 2 3 4 | | | | | |
| vi. Information on government regulations | Q20C.6 | 1 2 | Q20D.6 | 0 1 2 3 4 | | | | | |
| vii. Other (specify: _____) | Q20C.7 | 1 2 | Q20D.7 | 0 1 2 3 4 | | | | | |

21. If you are not a member of a business association, why not (multiple answers allowed) yes=1 no=2.

| | |
|---|-------------|
| Q21.1. there is no association of relevance to our line of business | yes=1 no=2. |
| Q21.2. existing associations provide no tangible benefits to their members. | yes=1 no=2. |
| Q21.3. our membership was not renewed | yes=1 no=2. |
| Q21.4. membership is too expensive | yes=1 no=2. |
| Q21.5. other (specify _____ q21_5x _____) | yes=1 no=2. |

FINANCE

22. 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 receivable and cash)

ii) **New Investments** (i.e. new land, buildings, machinery and equipment)

| | Working Capital | New Investments |
|---|------------------------|------------------------|
| a. Internal funds or Retained earnings | Q22A.1 % | Q22B.1 % |
| b. Loan, overdraft from local commercial banks | Q22A.2 % | Q22B.2 % |
| c. Foreign owned commercial banks | Q22A.3 % | Q22B.3 % |
| d. Leasing arrangement | Q22A.4 % | Q22B.4 % |
| e. Investment Funds/Special Development Financing/ Or Other State Services | Q22A.5 % | Q22B.5 % |
| f. Trade credit (supplier or customer credit) | Q22A.6 % | Q22B.6 % |
| g. Credit cards | Q22A.7 % | Q22B.7 % |
| h. Equity, sale of stock | Q22A.8 % | Q22B.8 % |
| i. Family, friends | Q22A.9 % | Q22B.9 % |
| j. Informal sources (e.g. money lender) | Q22A.10 % | Q22B.10 % |
| k. Parent company | Q22A.11 % | Q22B.11 % |
| l. Factoring | Q22A.12 % | Q22B.12 % |
| m. Other (specify: _____) Q22A.13 | Q22A.13A % | Q22B.13 % |
| TOTAL | 100% | 100% |

23. Q23 Does your establishment have an overdraft facility or line of credit? *1=Yes 2= No*

If YES, ...

(If NO, go to question 24)

Q23A. What percent is currently unused? _____%

Q23B. What is the average monthly interest rate of the overdraft or line of credit? _____% (per month)

24. Q24A. Does your establishment currently have a loan? _____ *1=Yes 2= No (If NO, go to question 26)*

If YES, for the most recent loan...:

Q24B. What year was this loan approved? _____ (year)

Q24C. Did the loan require collateral or a deposit? _____ *1=Yes 2= No (If NO, go to question 24f)*

d. *If YES, where any of the following accepted as collateral:*

- i) Q24D.1 Land and buildings? _____%
- ii) Q24D.2 Machinery and equipment? _____%
- iii) Q24D.3 Other Tangible assets (e.g. accounts receivable, inventory)? _____%
- iv) Q24D.4 Personal assets of the owner/manager (e.g. house)? _____%
- v) Q24D.5 Other (specify: _____) Q24D.5A _____%

Q24E. What was the approximate value of the collateral required as a percentage of the loan value? _____%

Q24F. What is the loan's approximate annual cost/ rate of interest? _____%

Q24G. What is the total duration (term) of the loan? _____ months

25. Q25A. Does your firm have a long term loan (a loan with a duration longer than a year)?

_____ Yes=1 no=2.

Q25B. What is the average duration of your long term loans?

_____ (years)

26. **Q26.** If you currently do not have a loan, what is the reason? _____
 1) Because not applied for a loan → (Go to question 27.a)
 2) Because the last application for a loan was turned down → (Go to question 27.b)
27. a. *If not applied for a loan*, what were the two principal reasons?
 __Q27A.1__ (most important reason) __Q27A.2__ (2° most important)
- 1) Do not need loans
 - 2) Application procedures for bank loans are too cumbersome
 - 3) Collateral requirements of bank loans are too stringent
 - 4) Interest rates are too high
 - 5) It is necessary to have contacts or give informal payments to get the loans (Corruption in the allocation of bank credit)
 - 6) Did not think that it would be approved
 - 7) Others (Specify: __q27a_1x, q27a_2x__)
- b. *If the application was rejected*, what were the two principal reasons given to you when the application was turned down? __Q27B.1__ (most important reason) __Q27B.2__ (2° most important)
- 1) lack of collateral (e.g. property not accepted as collateral)
 - 2) incompleteness of application
 - 3) perceived lack of feasibility of project
 - 4) Bad credit history
 - 5) Other (Specify: __q27b_1x, q27b_2x__)
28. **Q28** What share of your total borrowing (loans, accounts payable) is denominated in foreign currency?
 ____%
29. **Q29** Does your establishment have its annual financial statement reviewed by an external auditor? ____
 1=Yes 2=No
30. What part of buildings and the land they occupy belong to your firm (establishment) and what part is rented or leased?
What is the medium length of leasing/rent contract for land/buildings?

| | 30a.1. Property | 30a.2. Rent/ leasing | 30b. Length of contract |
|--------------|----------------------------|---------------------------------|------------------------------------|
| 1. Land | Q30A.1.1 _ % | Q30A.2.1 _ % | Q30B.1 _ months |
| 2. Buildings | Q30A.1.2 _ % | Q30A.2.2 _ % | Q30B.2 _ months |

BUSINESS-GOVERNMENT RELATIONS

Q31. To what extent do you agree with this statement?: "In general, government officials' interpretations of regulations affecting my establishment are predictable." Do you (read 1-6)?

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

32. **Q32** 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? _____ %
(e.g. 90% implies you would reduce your workforce by 10%, 110% means you want to expand by 10%, 100% means you would leave it unchanged.)

33. **Q33** If the answer to question 32 is not 100%, what is the main reason that prevents you from properly sizing your work force? _____

1. Laws and regulations regarding hiring, firing of workers
2. High severance payments
3. Union agreements or pressure
4. High minimum wage or mandatory benefits
5. Pressure from politicians or political groups
6. Fear of social sanctions
7. Safety and health regulations
8. Regulations regarding shifts
9. Other (specify: _____ **q33x** _____)

34. **Q34.** In a typical week, what percentage of senior management's time (e.g. chairman, director, vice-president, and/or chief officers for operation, finance, human resources, but not supervisors) 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.? _____ %

35. We've heard that establishments are sometimes required to make gifts or informal payments to public officials to "get things done" with regard to customs, taxes, licenses, regulations, services etc.

- i. **Q35A** Does this occur for establishments in your sector (not necessarily your establishment)? _____ 1=Yes 2=No
- ii. **Q35B.1** If yes, on average, what percent of annual sales value would such expenses cost a typical firm like yours? _____ %
- iii. **Q35B.2** How much would it be in Litas _____ Lt

36. Based on the most recent experience of your establishment over the last two years, what is the actual delay experienced (from the day you applied to the day you received the service or approval) and was a gift or informal payment asked for or expected to obtain each of the following?

| | <u>Actual Delay/Wait (days)</u> | <u>Gift/payment expected?</u> | <u>If yes, value?</u> |
|---------------------------------|---------------------------------|-------------------------------|-----------------------|
| i) An electrical connection | Q36A.1.1 or N/A | Q36A.2.1 1=Yes 2= No | Q36B.1 LTL |
| ii) A water connection | Q36A.1.2 or N/A | Q36A.2.2 1=Yes 2= No | Q36B.2 LTL |
| iii) A construction permit | Q36A.1.3 or N/A | Q36A.2.3 1=Yes 2= No | Q36B.3 LTL |
| iv) An import license | Q36A.1.4 or N/A | Q36A.2.4 1=Yes 2= No | Q36B.4 LTL |
| v) Operating license or permits | Q36A.1.5 or N/A | Q36A.2.5 1=Yes 2= No | Q36B.5 LTL |
| vi) Other Q36A.1.6 | Q36A.1.6A or N/A | Q36A.2.6 1=Yes 2=No | Q36B.6 LTL |

Q37. 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 does not report for tax purposes? _____ %

Q38. Recognizing the difficulties many enterprises face in fully complying with labor taxes and labor regulations, what percentage of actual labor costs would you estimate the typical establishment in your area of activity does not report for tax purposes? _____ %

39. On average, how many **days last year** were spent in inspections and mandatory meetings with officials of each of the following agencies in the context of regulation of your business? And what were the costs associated with these interactions?

| | Total days spent in inspections, required meetings with officials | Total Cost of Fines or seized goods | Was Gift or Informal Payment Ever Expected/Requested? | If yes, value? (LTL) |
|--|---|-------------------------------------|---|----------------------|
| a. Tax Inspectorate | Q39A.1.1 | Q39A.2.1 | 1=Yes 2= No Q39B.1 | Q39C.1 |
| b. Labor and Social Security | Q39A.1.2 | Q39A.2.2 | 1=Yes 2= No Q39B.2 | Q39C.2 |
| c. SoDra | Q39A.1.3 | Q39A.2.3 | 1=Yes 2= No Q39B.3 | Q39C.3 |
| d. Fire prevention inspection | Q39A.1.4 | Q39A.2.4 | 1=Yes 2= No Q39B.4 | Q39C.4 |
| e. State planning of territory and construction inspection | Q39A.1.5 | Q39A.2.5 | 1=Yes 2= No Q39B.5 | Q39C.5 |
| f. State non-food products inspection | Q39A.1.6 | Q39A.2.6 | 1=Yes 2= No Q39B.6 | Q39C.6 |
| g. State food and veterinary inspection | Q39A.1.7 | Q39A.2.7 | 1=Yes 2= No Q39B.7 | Q39C.7 |
| h. Environmental | Q39A.1.8 | Q39A.2.8 | 1=Yes 2= No Q39B.8 | Q39C.8 |
| i. Customs | Q39A.1.9 | Q39A.2.9 | 1=Yes 2= No Q39B.9 | Q39C.9 |
| j. Municipal Police | Q39A.1.10 | Q39A.2.10 | 1=Yes 2= No Q39B.10 | Q39C.10 |
| k. Statistics Department | Q39A.1.11 | Q39A.2.11 | 1=Yes 2= No Q39B.11 | Q39C.11 |

| | | | | |
|--|-----------|-----------|------------------------|---------|
| l. Financial Crime Investigation Service | Q39A.112 | Q39A.2.12 | 1=Yes 2= No Q39B.12 | Q39C.12 |
| m. Cultural Heritage Protection Agency | Q39A.113 | Q39A.2.13 | 1=Yes 2= No Q39B.13 | Q39C.13 |
| n. State Language Commission | Q39A.114 | Q39A.2.14 | 1=Yes 2= No Q39B.14 | Q39C.14 |
| o. Other (Specify: Q39A.115) | Q39A.115a | Q39A.2.15 | 1=Yes 2= No Q39B.15 | Q39C.15 |
| p. TOTAL , all agencies | Q39A.116 | Q39A.2.16 | 1=Yes 2= No Q39B.16 | Q39C.16 |

40. Please evaluate the following areas regarding tax administration in respect of your firm's activities, over the past 12 months (last fiscal year).

| | a. Is certain area an obstacle (CIRCLE ONE) | | | | b. How severe is the obstacle? | | | | |
|---|---|----|------------|-----|--------------------------------|----------|-------|-------------|--------|
| | Yes | No | Don't know | N/A | Minor | Moderate | Major | Very Severe | |
| 1. Q40A.1 Your firm's treatment by tax authorities | 1 | 2 | 8 | 9 | 1 | 2 | 3 | 4 | Q40B.1 |
| 2. Q40A.2 Availability of information on tax requirements | 1 | 2 | 8 | 9 | 1 | 2 | 3 | 4 | Q40B.2 |
| 3. Q40A.3 Completing tax forms/ filing | 1 | 2 | 8 | 9 | 1 | 2 | 3 | 4 | Q40B.3 |
| 4. Q40A.4 Burden of Audits | 1 | 2 | 8 | 9 | 1 | 2 | 3 | 4 | Q40B.4 |
| 5. Q40A.5 Frequency of changes in rules and rates | 1 | 2 | 8 | 9 | 1 | 2 | 3 | 4 | Q40B.5 |
| 6. Q40A.6 Severity of Penalties | 1 | 2 | 8 | 9 | 1 | 2 | 3 | 4 | Q40B.6 |
| 7. Q40A.7 Effectiveness of Appeals mechanisms | 1 | 2 | 8 | 9 | 1 | 2 | 3 | 4 | Q40B.7 |

Q41. Has your firm had any major disputes with the tax authorities in the past 12 months? Yes=1 no=2.

Q42A. Was your firm assessed any fines by the Tax authorities in the last 12 months? ____ Yes=1 no=2

Q42B. If so, how much in total were the fines _____LTL

Q43A. When establishments in your industry do business with the government, is a gift or informal payment expected to secure the contract? ____ 1=Yes 2=No (If NO, go to question 44)

Q43B. If YES, what is the typical value of the gift or informal payment as a percentage of the contract value? _____ %

Q44. Does the government currently owe your enterprise VAT refund, duty draw back or some other refund? _____ Yes=1 No=2

Q45. If the answer to 44 is yes, how much does the government currently owe your enterprise? ____ LTL

Q46. On average how long does it usually take to receive refunds from the government ____ weeks

Q47. On a scale of 1-5 please rate how well prepared your establishment is to comply with ES acquis communautaire? _____

- 1= completely unprepared
- 2= slightly prepared
- 3= moderately prepared
- 4= well prepared
- 5= completely prepared

48. Using a 5-point scale, how would you evaluate the likely costs for your business of conforming to the following EU requirements?

- 1=No additional costs
- 2=Slight additional costs
- 3=Moderate additional costs
- 4=Major additional costs
- 5=Extremely large additional costs

- Q48.1 quality standards _____
- Q48.2 environmental norms, _____
- Q48.3 work safety requirements _____
- Q48.4 increases in excise duties, _____
- Q48.5 increases in import duties _____
- Q48.6. Other (please specify _____) Q48.6A _____

CONFLICT RESOLUTION / LEGAL ENVIRONMENT

Q49A. To what degree do you agree with this statement?: "I am confident that the judicial system will enforce my contractual and property rights in business disputes." Do you (*read 1-6*)? _____

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

Q49B. Has your firm been involved in a court case in the last 3 years? 1 = Yes 2 = No

Q50. What percent of your establishment's inputs are bought on credit (i.e. full payment is not due at the time of delivery)? _____ %

51. a. On average, what percent of your establishment's sales is...?

- Q51A.1. Pre paid (paid before delivery) _____ %
- Q51A.2. Paid at delivery _____ %
- Q51A.3. Sold on credit (or with deferred payment) _____ % (*if =0, Go to question 52*)
- TOTAL: 100%

Q51B. What percent of your sales to private customers involve overdue payments? _____ %

Q51C1. Do you have sales to government agencies or state owned enterprises? _____ *1=Yes 2= No*

Q51C2. *If YES*, what percent of your sales to government agencies or state-owned enterprises involve overdue payments? _____ %

Q51D. In general (for all customers), how many weeks does it typically take to resolve an overdue payment? _____ weeks

Q51E. Over the last 2 years, what percent of your establishment's disputes over payments were resolved by court action? _____ %

Q51F. On average, how many weeks did those court cases take to resolve? _____ weeks

Q51G. Was the decision of the court (whether in your favor or not) enforced? *1=Yes 2=No*

Q51H. How long did it take for the court decision to be to enforced? _____ weeks

52. During the past three years, did you resolve an important disagreement with a customer or another business using any of the following private or informal methods of conflict resolution (for example, using a mediator, etc.) other than through the courts?

- | | | |
|----------------------------------|-------|------|
| i. Q52.1 private debt collectors | yes=1 | no=2 |
| ii. Q52.2 arbitration | yes=1 | no=2 |
| iii. Q52.3 mediation | yes=1 | no=2 |

CRIME

53. Please estimate your establishment's costs (as a percent of its total sales) of providing:

- a. Q53.1 security (equipment, personnel, or professional security service)? _____ %
- b. Q53.2 protection payments (e.g. to organized crime to prevent violence)? _____ %

Q54A. Did your establishment experience losses in the last year due to theft, robbery, vandalism, or arson? _____ 1=Yes 2=No (If No, go to question 55)

Q54B. If YES, please estimate the value of the loss as a percent of your total sales _____ %

Q54C. What share of the incidents did you report to the police? _____ %

Q54D. Of these reported incidents, what share were solved (the perpetrator was caught, etc.)? _____ %

CAPACITY, INNOVATION, LEARNING

55. a. What was this establishment's average capacity utilization over the last year and the year before? (*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.*)

Q55A.1 In 2003: _____ % Q55A.2 In 2002: _____ %

Q55B. Over the last year, how many shifts did your firm normally run? _____

- | | |
|---------------|--|
| 1. One shift | 3. Three shifts |
| 2. Two shifts | 4. Other (specify: _____ q55bx) |

Q55C. How many shifts would your firm like to run if there were no government regulations that made adding extra shifts difficult? _____

d. If the firm feels constrained from operating a desired shift, list the main regulations constraining it from increasing the number of shifts.

Q55D.1 _____

Q55D.2 _____

Q55D.3 _____

Q56. Does your establishment use technology licensed from a foreign-owned company? ___ 1=Yes 2=No

Q57.1.. Q57.1A What are your establishment's intentions over the next two years?

1. Expand capacity by _____ %
2. Maintain existing capacity
3. Reduce capacity by _____ %

Q58. Has your establishment received an internationally-recognized quality certification (e.g. ISO 9000, 9002 or 14,000, etc.) ? _____ 1=Yes 2=No 3= No, but application is in process

59. Has your establishment undertaken any of the following initiatives in the last two years?

| | Undertaken | |
|---|------------|----|
| | Yes | No |
| 1. Q59.1 Developed a major new product line | 1 | 2 |
| 2. Q59.2 Upgraded an existing product line | 1 | 2 |
| 3. Q59.3 Introduced new technology that has substantially changed the way that a product is produced | 1 | 2 |
| 4. Q59.4 Discontinued at least one product (not production) line | 1 | 2 |
| 5. Q59.5 Agreed to a new joint venture with foreign partner | 1 | 2 |
| 6. Q59.6 Obtained a new licensing agreement | 1 | 2 |
| 7. Q59.7 Outsourced a major production activity that was previously conducted in-house | 1 | 2 |

Q60. Over the last two years, what was the most important way your establishment acquired new technology, choosing from the following list? _____

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 and/or Study Tours
11. Consultants
12. From universities, public institutions
13. Other (specify: q60x)
14. Did not acquire new technology

61. How important are each of the following influences on your establishment to reduce the production costs of existing products.

| | Not at all important | Slightly important | Fairly important | Very important | Don't know | NA |
|---|----------------------|--------------------|------------------|----------------|------------|------|
| Q61.1 Pressure from domestic competitors | 1 | 2 | 3 | 4 | -666 | -777 |
| Q61.2 Pressure from foreign competitors | 1 | 2 | 3 | 4 | -666 | -777 |

LABOR RELATIONS

Q62. When your establishment started its operation in this country, what was the total number of full-time paid employees? _____ (number of employees)

63. Please describe your workforce using the following definitions:

| | |
|-------------------------------------|---|
| Management: | Persons making management decisions (exclude supervisors). |
| Professionals: | Trained and certified specialists outside of management such as engineers, accountants, lawyers, chemists, scientists, software programmers. Generally, Professionals hold a University-level degree. |
| Skilled Production worker: | Skilled Production workers are technicians involved directly in the production process or at a supervisory level and whom management considers to be skilled. |
| Unskilled Production worker: | Persons involved in production process whom management considers to be unskilled. |
| Non-production worker: | Support, administrative, sales workers not included in management or among professionals. |

a. The following table refers only to permanent workers (including management) of your establishment. Permanent workers are defined as all paid workers that are employed for a term of one or more year and/or have a guaranteed renewal of their employment contract.

| | Total | Management | Professionals | Skilled Production Workers | Unskilled Production Workers | Non- production workers |
|---|--------------|------------|---------------|----------------------------------|------------------------------------|-------------------------------|
| Ave. number of workers during fiscal year 2001 | Q63A.1.1 | | | | | |
| Ave. number of workers during fiscal year 2002 | Q63A.1.2 | | | | | |
| Ave. number of workers during fiscal year 2003 | Q63A.1.3 | Q63A.2.3 | Q63A.3.3 | Q63A.4.3 | Q63A.5.3 | Q63A.6.3 |
| of which: % female | Q63A.1.4 | Q63A.2.4 | Q63A.3.4 | Q63A.4.4 | Q63A.5.4 | Q63A.6.4 |
| of which: % part-time | Q63A.1.5 | | | | | |
| Average monthly wage and benefits for this category | | Q63A.2.6 | Q63A.3.6 | Q63A.4.6 | Q63A.5.6 | Q63A.6.6 |

b. The following table refers only to temporary workers of your plant. Temporary workers are defined as all (paid) short term (i.e. for less than a year) employees with no guarantee of renewal of employment contract.

| | FY2003 | FY2002 | FY2001 |
|---|----------------------|----------------------|----------------------|
| Average number of temporary workers employed: | Q63B.1.1 | Q63B.2.1 | Q63B.3.1 |
| Of which, average number of female workers | Q63B.1.2 | Q63B.2.2 | Q63B.3.2 |
| Of which, average number of part-time workers | Q63B.1.3 | Q63B.2.3 | Q63B.3.3 |
| Average length of employment for each worker | Q63B.1.4 (months) | Q63B.2.4 (months) | Q63B.3.4 (months) |
| Average monthly wage of all temporary workers (LTL) | Q63B.1.5 | Q63B.2.5 | Q63B.3.5 |

Q64. How many of your permanent skilled, professional, or managerial workers are foreign nationals? _____ (number)

Q65. For your temporary workers, on average, how many hours per week do they work? ____ (hours/week)

Q66A. In 2003, how many new employees did your plant hire? ____ (number)

b. In 2002, how many employees from your plant: Q66B1 were dismissed or laid off? ____ (number)

Q66B2 left due to sickness or died? ____ (number)

Q66B3 left for other reasons? ____ (number)

67. Within the last two years, how many weeks did it take to fill your most recent vacancy through external recruitment for a:

Q67.1 skilled technician? ____ weeks NA= -777 (if no one was hired)

Q67.2 production/service worker? ____ weeks NA= -777 (if no one was hired)

Q67.3 manager ____ weeks NA= -777 (if no one was hired)

68. a. In the last year, did you offer formal (beyond “on the job”) training to your permanent employees?

Q68A.1. Internal training (offered within the walls of your establishment)? 1=Yes 2=No

Q68A.2. External training (offered at a location outside your establishment)? 1=Yes 2=No

[If respondent answers “no” to both, skip to question 70.]

Skilled Unskilled

b. What percent of your total permanent employees received formal training in 2003?

Q68B.1 ____ % Q68B.2 ____ %

c. What was the average number of weeks of training for each employee? Q68C.1 weeks Q68C.2 weeks

Q69. What percent of your workforce is unionized? ____ %

70. How many days of production last year did you lose due to

Q70.1. worker strikes or other labor disputes? ____ days

Q70.2. civil unrest? ____ days

Q70.3. employee absenteeism due to illness, death, funerals? ____ days

71. a. What percent of the workforce at your establishment have the following education levels?

Q71A.1. Some primary ____ %

Q71A.2. Completed primary ____ %

Q71A.3. Some secondary ____ %

Q71A.4 Completed secondary ____ %

Q71A.5. Some university or higher ____ %

Total 100%

Q71B. Of those who did not complete primary school (4 years), what percent are female? ____ %

Q72. What is the highest level of education of the top manager? ____

1. Did not complete secondary school

4. Some university training

2. Secondary School

5. Graduate degree (BA, BSc etc.)

3. Vocational Training

6. Post graduate degree (PhD, Masters)

Q73. What percent of the senior management (e.g. chairman, director, vice-president, and/or chief officers for operation, finance, human resources, but not supervisors) is male? ____ %

74. How many years of experience working in this sector did the top manager have before running this establishment? _____ years

Q74A. Of these, how many years were with a domestic firm? _____ years

Q74B. Of these, how many years were with a foreign firm? _____ years

Q74C. Did any of these prior firms export? 1=Yes 2=No

SECTION II: PRODUCTIVITY

P.1. Please provide the following information on your establishment's production, sales and expenses

| | Value in thousands of LTL | | |
|---|---------------------------|--------|------|
| | 2003 | 2002 | 2001 |
| Total sales | P1.1.1 | P1.2.1 | P1.3 |
| Total market value of production* | P1.1.2 | P1.2.2 | |
| Direct raw material costs (Raw materials used in production) | P1.1.3 | P1.2.3 | |
| Total cost of labor, including wages, salaries and bonuses | P1.1.4 | P1.2.4 | |
| All other costs, i.e.: utilities, overhead expenses, selling and general administration expenses, design dept., etc. (Not depreciation) | P1.1.5 | P1.2.5 | |

* Market value of production = (total number of units produced) x (unit sales price)

Total sales is the value of all sales including manufactured goods and goods the establishment has bought for trading. If a firm makes blue jeans and also imports blue jeans to sell, total sales is the value of all blue jeans sold, both produced and imported.

Total market value of production is the amount of production multiplied by the market (unit sales) price of the good. In the example above this is the number of blue jeans produced times the market price of the jeans even if they are not sold but go into inventory. This is needed to calculate productivity and must be estimated by the enumerator since the market value of production is not found in a company's books.

Direct raw materials costs are the costs of the raw materials used in the total production. We need to know how much raw material was used in the year's production.

Total cost of labor, including wages, salaries and benefits is the total wages and all benefits, including food, transport, social security (i.e. pensions, medical insurance, unemployment insurance).

| | 2003 (thousands of LTL) | 2002 (thousands of LTL) |
|---------------------------|----------------------------|----------------------------|
| Fuel | P1A.1.1 | P1A.2.1 |
| Electricity | P1A.1.2 | P1A.2.2 |
| Other Energy | P1A.1.3 | P1A.2.3 |
| Water | P1A.1.4 | P1A.2.4 |
| Telephones/communications | P1A.1.5 | P1A.2.5 |
| Transport/logistics | P1A.1.6 | P1A.2.6 |
| Depreciation | P1A.1.7 | P1A.2.7 |
| Maintenance and repair | P1A.1.8 | P1A.2.8 |
| Interest charges | P1A.1.9 | P1A.2.9 |
| Advertising | P1A.1.10 | P1A.2.10 |

P.3. How much did your establishment spend on...?

| | Value in thousands of LTL | |
|--|---------------------------|--------|
| | 2003 | 2002 |
| Machinery and equipment | P3.1.1 | P3.2.1 |
| Land, buildings or improvements to leasehold | P3.1.2 | P3.2.2 |
| Information technology | P3.1.3 | P3.2.3 |
| Design, Research and Development * | P3.1.4 | P3.2.4 |

*Spending includes wages and salaries of R&D personnel, such as scientists and engineers; materials, education costs, and subcontracting costs.

P.4 What was the net book value of the following at the end of the year...?

| | Value in thousands of LTL | |
|---|---------------------------|--------|
| | 2003 | 2002 |
| Machinery and equipment (including transport) | P4.1.1 | P4.2.1 |
| Land, buildings and leasehold improvements | P4.1.2 | P4.2.2 |
| Information technology | P4.1.3 | P4.2.3 |

P.5 At the end of 2003, what was the market value of the following (if you had to purchase it today in its current condition today):

| | Value in thousands of Local Currency Units |
|---|--|
| | 2003 |
| Machinery and equipment (including transport) | P5A.1 |
| Land, buildings and leasehold improvements | P5A.2 |

P.5. What was the value of the following at the end of the year...?

| | Value in thousands LTL as of end of the fiscal year | |
|------------------------------------|---|---------|
| | 2003 | 2002 |
| Value of your total assets? | P5B.1.1 | P5B.2.1 |
| Value of your accounts receivable? | P5B.1.2 | P5B.2.2 |

P.6. Please provide the following information on the structure of your establishment's liabilities:

| | Value in thousands LTL as of end of the fiscal year | |
|--|---|--------|
| | 2003 | 2002 |
| Total Liabilities | P6.1.1 | P6.2.1 |
| Long-term liabilities (i.e. more than 1 year) | P6.1.2 | P6.2.2 |
| Short-term liabilities (i.e. one year or less) | P6.1.3 | P6.2.3 |
| Of which: payables | P6.1.4 | P6.2.4 |

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

a3. Place of the interview.

1. Vilnius 2. Kaunas 3. Klaipėda 4. Šiauliai 5. Panevėžys

a4. Field of activity. *PARAŠYKITE:*
