EPI COMPETITIVENESS PERCEPTION SURVEY

BUSINESS/ENTERPRISE SURVEY

FINAL REPORT

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FINAL REPORT

USAID ECONOMIC PROSPERITY INITIATIVE (EPI)

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ABSTRACT

This document is a final report of the Competitiveness Perception Survey – Business/Enterprise Survey. The report was prepared for the U.S. Agency for International Development's (USAID) Economic Prosperity Initiative (EPI) by Ltd "ACT Research" (ACT).

Launched in 2010, EPI aims to support businesses operating in various economic spheres of Georgia, while promoting the rise of the country's overall economic competitiveness for sustainable development. The research conducted by ACT aims to examine the work of potential beneficiaries of this project, as well as their views and opinions.

The first wave of research was conducted in 2011 and was comprised of three surveys:

- EPI Competitiveness Perception Survey – Household Survey
- EPI Competitiveness Perception Survey – Business/Enterprise Survey
- EPI Beneficiary Survey

In 2012, the second wave of the Business/Enterprise Survey was conducted. The following report provides a detailed description of the methodology and results of the 2012 Business/Enterprise Survey.

ABBREVIATIONS

EPI	Economic Prosperity Initiative
USAID	United States Agency for International Development
ACT	ACT Research (Market research & consulting company)
GEOSTAT	National Statistic Office of Georgia
FTF	Face to face interviewing techniques

CONTENTS

I. EXECUTIVE SUMMARY

Launched in 2010 by USAID, EPI aims to support businesses operating in various different economic spheres of Georgia, while promoting the rise of the country's overall economic competitiveness for sustainable development. The research conducted by ACT aims to examine the work of potential beneficiaries of this project, as well as their views and opinions.

EPI's assistance is designed to improve enterprise, industry, and country-level competitiveness through three components (1) Expanding and Deepening Georgia's Economic Governance Capacity and Country-Level Competitiveness; (2) Improving Private Sector Competitiveness in (a) the agricultural sector and (b) other industries; and (3) Cross-Cutting Activities.

The first wave of research was conducted in 2011 and was comprised of three surveys:

- EPI Competitiveness Perception Survey – Household Survey
- EPI Competitiveness Perception Survey – Business/Enterprise Survey
- EPI Beneficiary Survey

In 2012, the second wave of the Business/Enterprise Survey was conducted. A brief description of the main results of Business/Enterprise Survey follows.

BUSINESS/ENTERPRISE SURVEY: MAIN RESULTS

POLICY AND REFORM

According to the survey, the majority of survey respondents are aware of economic reforms which were undertaken in 2010 and 2011 in Georgia (94.9%).

- The most popular reform, based on general awareness, is the Taxation Audit Reform (90.2%).
- The main source of information about economic reforms in Georgia is the media (79.6%).
  - The main source of information for surveyed enterprises is television (66.4%) and Internet (28.6%).

Businesses were also asked to name the factors that hinder business in their day-to-day operations. The main hindering factors included:

- Frequent legislation and policy change (23.1%)
- Lack of fair competition environment 20.3%
- 36.8% of respondents indicated no hindrances.

Government Support to Businesses

Surveyed business representatives believed that the Government of Georgia should support business in the following areas in order to increase productivity:

- Improve taxation policy & rates (56.0%)
- Access to affordable finance (50.1%)

According the survey, the majority of enterprises (85%) believed that the Government of Georgia should establish a permanent coordination body comprised of the public sector, private sector and NGOs to discuss, debate and reach consensus on country strategy, policy and legislation prior to adoption.

Tax

According to the survey, 33.9% of respondents regarded the tax audit process as simple. During 2010, tax audits were conducted among 20.8% of the companies and in 2011 among 17.9% of the companies.

The majority of respondents stated that the submission of tax declarations is easy (77.8%) and receiving tax refunds is also easy (74.1%).

Intellectual Property Rights

The survey also measured the attitude of enterprises about the violation of intellectual property rights. In this area:

- 89.8% of respondents think that it is unacceptable to purchase products/goods from manufacturers who violate intellectual property rights.
- 56.8% of enterprises believe that those who trade in commodities that violate intellectual property rights are penalized under Georgian legislation.
- 53.3% of respondents think that it is unacceptable to download pirated materials (music, movies, software, etc.) from the Internet for private use.

INVESTMENT

When asked about foreign investment in Georgia during 2011, responses to the survey included the following:

- Percentage of respondents believed that most foreign investment came from Turkey (59.7%), Azerbaijan (39.0%) and the U.S. (26.4%).
- 42.0% believed that the average percentage of increase of foreign investments during 2011 was 21%.

EXPORTS

Respondents indicated that during 2011, the most significant export products were believed to be: wine/spirits (66.2%), mineral water (52.8%) and scrap metal (33.4%). According to the survey, 43.7% of companies have imported or exported items during last year. The majority of these respondents believed (90.3%) that customs fees are reasonable.

FINANCE

- In 2010, 51.7% of respondents applied for credit from a bank or micro-finance institution.
  - 92.8% received credit.

  - Among those that did not apply for credit in 2010, 85.3% indicated that they did not have the necessity to do so.
- In 2011, 54.1% of respondents applied for credit from a bank or micro-finance institution.
  - 93.9% received credit.
  - Among those that did not apply for credit in 2011, 85.5% indicated that they did not have the necessity to do so.

CONSULTING SERVICES

The survey also revealed attitudes towards Georgian management consulting services.

- 64% were not at all familiar with these services
- Those who were somewhat aware of these services stated that their knowledge increased in 2011 compared to 2010 (59.5%).
  - Out of this group, only 17.9% of businesses (53 businesses) have engaged a Georgian management consulting company.
  - The majority of those who have not engaged a Georgian management consulting company (80.8%) stated that they did not need such service.

WORKFORCE

The survey showed that 53.2% of enterprises feel satisfaction with the professionalism of the available labor force in Georgia. Meanwhile, 24% of enterprises expressed difficulty in finding professional and experienced staff. The majority of enterprises (76.5%) expressed satisfaction in the knowledge and experience of employees. The majority of enterprises (78.8%) were also satisfied with the productivity of their employees. According to the survey, 74.9% of respondents employee less than 50 people.

ICT

More than half of the surveyed companies (58.9%) stated that they have increased their use of information and communication technologies.

- 49.2% have invested in computer technologies
- 31.1% have invested in ‘off the shelf” software

TOURISM

- Surveyed enterprises believed that visitors to Georgia were mostly from: Turkey (51.8%), Azerbaijan (50.7%) and Armenia (46.1%).According to the respondents, 38.3% of businesses state that they had heard about the USAID/Economic Prosperity Initiative or EPI prior to this survey.

II. APPENDICES

A. BACKGROUND

B. METHODOLOGY

C. SURVEY RESULTS

A. BACKGROUND

To gauge perceptions among the public and private sector and guide EPI program implementation, ACT conducted the baseline Competiveness Perception Surveys during the last two weeks of July 2011 in consultation with EPI. These surveys were administered to a nationally representative sample disaggregated by urban/rural and gender of respondent. Going forward, these Competitiveness Perception Surveys will be conducted several times during the project to measure changes in overall perception in Georgia about competitiveness. These surveys will consist of:

1. Household survey: Covers a variety of issues, including perceptions, awareness, and opinions on intellectual property rights protections, tax, and customs systems, awareness of EPI activities.

2. Business/enterprise surveys: Covers firms' perceptions of government policy on various factors affecting their business operations, employment, other basic business factors, ICT access, access to finance/capital, revenue, investments, and awareness of EPI activities.

During 2012, a Business/Enterprise Survey was conducted with 1,013 businesses to study the above mentioned areas.

B. METHODOLOGY

B.1 PREPARATORY WORKS

The Business Enterprise Survey was preceded with a series of preparatory work, including the following:

- The preparation of survey instruments (questionnaires, additional documents needed for fieldwork) and conducting a pilot study
- Training and recruitment of field personnel
- Sampling design

B.1.1 SURVEY INSTRUMENT AND PILOT STUDY

At the initial stage of the survey, questionnaires from the 2011 wave were revised and updated by EPI. ACT's analytical team translated the questionnaire into Georgian and adapted it to the Georgian context. Several new questions were added to the questionnaire, resulting in the need for pilot testing of the new questionnaire

The tasks of the pilot testing were:

- To identify technical or logical inaccuracies in the questionnaire;
- To estimate respondents perceptions of difficulty regarding each question;
- To define respondents' readiness to answer sensitive questions;
- To identify any possible problems in the interviewing process;

Two interviewers and one logical control specialist were selected to conduct the pilot interviews. All three were engaged in the first wave of the survey, therefore were acquainted with survey aims, objectives, as well as the challenges of the fieldwork for the survey.

Before conducting the pilot interviews, ACT's Project Manager conducted a training for pilot interviews. The specifics of each question, as well as the aims and objectives of the survey were provided on the training.

Upon completion of training, pilot interviewers conducted phone calls to randomly selected enterprises from the database. They explained the aims and objectives of the survey and arranged the date and time of the interview. In total, six pilot interviews were conducted with enterprises located in Tbilisi on March 26, 2012.

After the completion of pilot testing, a discussion meeting with pilot interviewers was held, where each question was discussed in detail and respective recommendations were identified. As a result of pilot testing, respective changes were made to the questionnaire and sent to EPI. The results of pilot testing are presented in detail in the Report on Pilot Testing.

Content of Questionnaires:

The Business/Enterprise Survey questionnaire covers firms' perceptions of government policy on various factors affecting their business operations, employment, other basic business factors, ICT access, access to finance/capital, revenue, investments, and awareness of EPI activities.

B.1.2 THE RECRUITMENT AND TRAINING OF FIELD PERSONNEL

Interviewers for the survey were selected from ACT's interviewers database, taking into account experience of participating in the 2011 wave.

Training of field personnel was conducted on March 28, 2012 and was attended by representatives from EPI. ACT conducted training in two phases with two groups of interviewers in order to guarantee that the number of the trainees did not exceed 25 people.

The first stage included training activities for regional coordinators, whereas the second stage focused on training the interviewers. Training was conducted at the ACT head office by the Project Manager and Fieldwork Coordinator. The following field personnel attended the training:

- Regional coordinators;
- Interviewers;
- Logical control specialist;
- Coding specialist.

During the training, the ACT Project Manager explained in detail (a) the subject of the study; (b) instructions for filling in the questionnaire; and (c) the sampling design. The Fieldwork Coordinator ensured that all interviewers/their supervisors clearly understood the tasks. The training focused on following issues:

- The function and responsibilities of field personnel;
- The goals and objectives of the project;
- Rules on how to fill in the questionnaire;
- Additional supporting documents for the questionnaire;
- The logistical progress of fieldwork.

Interviewers were provided with all the materials needed for the field works, such as:

- Route card;
- Sampling guideline;
- Technical report form;
- Questionnaires.

The specifics of each question were discussed in detail in order to avoid any potential obstacles during fieldwork. Simulated interviews were also conducted for some of the questions.

B.1.3 SAMPLING DESIGN

Sampling Method – Stratified random sampling

Sample Frame – The database of companies obtained from National Statistics Office of Georgia (GEOSTAT, Business register)

Target Segment – The target segment of the survey was comprised of medium and large businesses/enterprises with annual turnover exceeding GEL 200,000. The overall number of this segment in the GEOSTAT database is 4,082.

Sample Size – 1,000 completed interviews

Stratification Variable – The type of economic activity (13 substrata - according to NACE classification) and size of enterprise (2 substrata).

Table B.1.1 Classes of economic activities

A_B	Agriculture, hunting, forestry and fishing
C	Mining and quarrying
D	Manufacturing
E	Electricity, gas and water supply
F	Construction
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods
H	Hotels and restaurants
I	Transport, storage and communication
K	Real estate, renting and business activities
M	Education
N	Health and social work
O	Other community, social and personal service activities
P	Unknown activities.

Data Weighting – Weighted coefficients were used for data generalization. The weights were calculated according to type of activity and size substrata.

B.2 FIELDWORK

B.2.1 PROGRESS OF FIELDWORK

After the training, the corresponding number of questionnaires and list of organizations were distributed to the regional coordinators. Based on the list, they devised a logistical plan taking into account interviewer routes and transport facilities.

Using the information gained from the database of enterprises from GEOSTAT, the head office conducted phone calls with respondents. Phone calls were implemented by operators, who were specially trained in arranging the interview.

During the telephone conversations, before being asked to take part in the survey, the respondents received an explanation of the goals and objectives of the survey itself, as well as arguments about how important their participation in the survey would be. In case of consent, interviews were scheduled indicating the specific time and date, at which point interviewers visited the company and conducted the interviews. After these interviews, they submitted the completed questionnaire to the ACT head office.

Survey fieldwork started on March 30 and finished on April 23.

B.2.2 FIELDWORK QUALITY CONTROL

In order to monitor the quality of fieldwork, 100% of the questionnaires went through logical control and revision. The process of revision included checking the logical accuracy of the data presented in the questionnaire, in order to exclude technical mistakes or any missing information. Logical control of the questionnaire was conducted by a logical control specialist, who attended a special training on questionnaire completion and logical connections between questions.

The following inconsistencies were identified in the questionnaire during logical control:

- On questions C1, C2 and D10, sometimes several answers were encircled, whereas the instruction of the question required only one answer;
- Skip logic was not applied in some cases for question E2: in case of code “2”, “77” and “99”, questions E.3 and E.4 were still asked; Same applies for questions E.5, E.6 and E.7; and for G.5, G.6 and G.7;
- In some of the cases, question F.10 was not asked.

In the case of any inconsistency or the skipped question, the questionnaire was given back to interviewer in order to conduct a call-back procedure and fill in the missing information.

B.2.3 DATA PROCESSING

After questionnaires went through the logical control process, the coding of open-ended questions was conducted. Coding was conducted by a coding specialist. Questions that were the same as during the previous wave of the survey were coded using the same codebook in order to guarantee data consistency across rounds. The new codes which were identified in the questionnaire were consequently coded.

Data Entry Procedure - For data entry and archiving of the corresponding documentation, the following procedures were performed:

1. Receipt of revised and coded (open-ended questions) questionnaires from the field department.
2. Distribution of questionnaires to the data-entry operators
3. Collection of the entered questionnaire.

The data were entered in SPSS 15.0. by four data entry operators. SPSS software has effective tools to identify errors. Database Specialists apply template SPSS procedures and macros designed by the ACT Database Department. Macros are designed in SPSS syntax language and are applied to filter the data.

B.2.4 FACED CHALLENGES AND MITIGATION MEASURES

Following challenges were faced during the fieldworks:

- **Database errors** – The problem of database errors was encountered during the first wave of the Business Survey in 2011. The database of business companies was provided by GEOSTAT. There were a number of companies from database which no longer existed or temporarily did not function. Based on the experience from the previous wave, the arrangement of interviews was conducted by operators via phone. If the company appeared to no longer exist, the next respondent was contacted.

- **Period of fieldworks** – As far as the directors or managers of the company were the target segment of the survey, fieldwork was conducted during weekdays. The fieldwork period coincided with Easter holidays in Georgia, therefore, during this period fieldwork was suspended, as respondents refused to arrange the interviews during this period (April 9, 13 and 16). Fieldwork continued after the holidays on April 17.
- **Questionnaire** – Based on experience from the first wave, it was expected that some of the respondents would refuse to provide information for sensitive questions, such as a company's turnover, etc. The interviewers tried their best to convince respondents that the information received from them would by all means remain confidential, and that it would only be used for further processing of material.

C. SURVEY RESULTS

The following chapters of the report represent all the results of the businesses survey, including awareness of reforms, electronic management and privatization, media perceptions, general attitudes, etc.

Results are presented as tables, which include percentages and frequency for each question.

A. AWARENESS AND ASSESSMENT OF REFORMS

The majority of survey respondents are aware of economic reforms which were undertaken in 2010 and 2011 in Georgia (94.9%). The most popular reforms according to general awareness are: Taxation Audit Reform (90.2%), Agricultural Sector Reform (72.2%), Trade Facilitation Reform (57.8%) and Privatization Reform (56.7%).

60.9% of respondents state that the information on economic reforms in Georgia is easily accessible for them.

The main source of information about economic reforms in Georgia is media (79.6%).

Below are presented tables for each question about awareness and assessment of reforms:

Table. A1. Awareness about reforms - *Are you aware of any economic reforms undertaken in 2010 and 2011 in Georgia?*

	Frequency	Percent
Yes	961	94.9%
No	52	5.1%
Total	1013	100.0%

Table. A2. Spontaneous awareness about reforms - *Which economic reforms are you aware of?*[1]

	Frequency	Percent
Taxation Audit Reform	541	56.2%
Agricultural Sector Reform	267	28.1%
Privatization Reform	149	15.2%
Trade Facilitation Reform	130	14,0%
Construction Code Reform	109	11.6%
Financial Leasing Reform	64	6.8%
Customs Reform	13	1.4%
Tax Reforms	12	1.2%
Export Rules	2	0.2%

[1] Some of the questions have multiple responses; therefore the sum of percentages is more than 100%. Sum of cases are more than the total number of respondents who have answered these questions.

	Frequency	Percent
Electronic VAT Reform	2	0.2%
Civic Registry Reform	2	0.2%
Infrastructural Reforms	2	0.2%
Business Registry Reforms	1	0.1%
Business Improvement Reforms	1	0.1%
Business Ombudsmen Reform	1	0.1%
Private Tax Agent Reforms	1	0.1%
Reform on Hydroelectric Station	1	0.1%
Construction Reform	1	0.1%
Revenue Reforms	1	0.1%
Tax Code Legalization Reforms	1	0.1%
Don’t Know/Difficult to Answer	161	16.7%
Total	961	152.9%

Table. A3. General awareness about reforms - *Are you aware of the following economic reforms...?*

	Frequency	Percent
Taxation Audit Reform	868	90.2%
Agricultural Sector Reform	694	72.2%
Trade Facilitation Reform	551	57.8%
Privatization Reform	551	56.7%
Construction Code Reform	429	44.6%
Financial Leasing Reform	350	36.5%
Customs Reform	13	1.4%
Tax Reforms	12	1.2%
Export Rules	2	0.2%
Electronic VAT Reform	2	0.2%
Civic Registry Reform	2	0.2%
Infrastructural Reforms	2	0.2%
Business Registry Reforms	1	0.1%
Business Improvement Reforms	1	0.1%
Business Ombudsmen Reform	1	0.1%
Private Tax Agent Reforms	1	0.1%
Reform on Hydroelectric Station	1	0.1%
Construction Reform	1	0.1%
Revenue Reforms	1	0.1%
Tax Code Legalization Reforms	1	0.1%
Total	961	362.2%

Table. A4. Accessibility of information about economic reforms - *Personally, or for your business, how accessible is information on economic reforms in Georgia?*[2]

	Frequency	Percent
Inaccessible	48	4.6%
Relatively Accessible	338	33.5%
Easily Accessible	616	60.9%
Refused to Answer	3	0.3%
Don't Know/Difficult to Answer	8	0.8%
Total	1013	100.0%

Table. A5. Sources of information about economic reforms - *Personally, or for your business, where do you find information on economic reforms?*

	Frequency	Percent
From Media	808	79.6%
From Government Agencies	219	21.3%
Internet	178	17.2%
From Business Partners	138	13.6%
From Business/Trade Associations	41	4.2%
Audit Company	6	0.6%
Staff	5	0.5%
Tax officer/Agent	3	0.3%
Acquaintances	2	0.2%
Refused to Answer	1	0.3%
Don't Know/Difficult to Answer	15	1.6%
Total	1013	139.3%

B. ELECTRONIC MANAGEMENT & PRIVATIZATION

The majority of the respondents stated that they use Internet to pay bills, make money transfers and other financial transactions (81.4%).

Survey also aimed to ask the respondents about their attitude towards the national Electronic ID Card. The main benefit according to them will be: time saving (25.2%) and greater convenience (25.8%). 23.2% of respondents think that Electronic ID Card will not derive any benefit.

Approximately half of the respondents state that the government's current privatization process is completely fair (50.6%).

97% of enterprises state that their property rights were not violated during the last year.

[2] The percentages are shown with decimals throughout the report. However in some cases the percentages may sum up to 99.9% - 100.1%. The fact is caused due to data weighting and afterwards rounding the numbers.

Survey also aimed to measure the attitude of enterprises about the violation of intellectual property rights. 89.8% of respondents think that it is unacceptable to purchase products/goods from manufacturers who violate intellectual property rights. 56.8% of enterprises state that those who trade in commodities that violate intellectual property rights are penalized under Georgian legislation. 53.3% think that it is unacceptable to download pirated materials (music, movies, software, etc.) from the Internet for private use.

Below are tables for each question about electronic management and privatization.

Table.B1. Use of internet - *Do you currently use the Internet to pay bills, make money transfers or other financial transactions?*

	Frequency	Percent
Yes	826	81.4%
No	184	18.3%
Don’t Know/Difficult to Answer	3	0.3%
Total	1013	100%

Table.B2. Benefits of ID Card - *The Government of Georgia implemented a national Electronic ID Card scheme in August last year. If you are aware of the scheme, please indicate what benefits you anticipate your business will derive from their use?*

	Frequency	Percent
I am not aware of Electronic ID Card scheme	120	11.7%
Greater Security with Transactions	79	7.6%
Greater Convenience	267	25.8%
Increased Transparency	111	10.9%
Time Saving	256	25.2%
It Will Be Easier to Travel to Neighbor Countries	4	0.4%
Will Not Derive any Benefit	236	23.2%
Refused to Answer	7	0.9%
Don’t Know/Difficult to Answer	170	17.4%
Total	1013	123.0%

Table.B3. Attitude towards the fairness of privatization process - *Is the Government’s current privatization process fair?*

	Frequency	Percent
Yes - Completely Fair	518	50.6%
Reasonably Fair	152	15.1%
Not Fair	50	5.0%
Refused to Answer	6	0.6%
Don’t Know/Difficult to Answer	287	28.6%
Total	1013	100.0%

Table.B4. You indicated that you felt the privatization process was not completely fair. Please tell me why you believe so?

	Frequency	Percent
Limited Information Available on Procedures	93	46.4%
Nepotism	39	18.8%
Difficulty Accessing Website	11	6.2%
Direction, Political View is Not Correct	7	3.3%
Complex Bureaucratic System	2	1.8%
Problem with Prices	3	1.4%
There are Violations in Executing Bodies	2	0.9%
Direct Selling Takes Place	1	0.5%
Due to Privatization Economic Bearcat is in Hand of Iran and Turkey	1	0.5%
It is not Reasonable to Privatize all Objects	1	0.5%
Is not Accessible to People	1	0.5%
Freud Takes Place	1	0.5%
Do not Take into Consideration People's View	1	0.4%
Do not Have Qualified Personnel	1	0.4%
Farmers Need Land Privatization	1	0.4%
Do not Have Practice	1	0.4%
Refused to Answer	4	1.9%
Don’t Know/Difficult to Answer	46	22.7%
Total	202	107.5%

Table.B5. Violation of property rights - *Do you believe your property rights (land, buildings) were violated during the past year? If “yes”, please specify:*

	Frequency	Percent
Rights Were not Violated	983	97.0%
Claimed by Government	18	1.9%
Claimed by Third Party (neighbor, etc,)	12	1.3%
By Bank	1	0.1%
Refused to Answer	1	0.1%
Don’t Know/Difficult to Answer	1	0.1%
Total	1013	100.5%

Table.B6. Attitude towards violating intellectual property rights - *Is it acceptable to purchase products/goods from manufacturers who violate intellectual property rights?*

	Frequency	Percent
Unacceptable	913	89.8%
More or less Acceptable	52	5.4%
Completely Acceptable	12	1.3%
Refused to Answer	4	0.4%

	Frequency	Percent
Don't Know/Difficult to Answer	32	3.1%
Total	1013	100.0%

Table.B7. Awareness whether violation of property rights is penalized - *Are those who trade in commodities that violate intellectual property rights penalized under Georgian legislation?*

	Frequency	Valid Percent
Yes	574	56.8%
No	230	22.8%
Refused to Answer	8	0.8%
Don't Know/Difficult to Answer	201	19.6%
Total	1013	100.0%

Table.B8. Attitude towards downloading pirated materials for private use - *Is it acceptable to download pirated materials (music, movies, software, etc.) from the Internet for private use?*

	Frequency	Valid Percent
Unacceptable	547	53.3%
More or less Acceptable	273	27.3%
Completely Acceptable	115	11.8%
Refused to Answer	8	0.7%
Don't Know/Difficult to Answer	70	6.9%
Total	1013	100.0%

C. RELATIONS WITH MEDIA

The main source of information for surveyed enterprises is television (66.4%) and Internet (28.6%). During the previous week, businesses had watched Rustavi 2 (55.6%) and Imedi (12.5%) to obtain business and economic information. Kviris Palitra was named as the most frequently read newspaper for information (18.55%). The majority of respondents stated that they did not get business and economic information from magazines during the previous week (79.7%).

63.1% stated that they had accessed the internet to obtain Georgian business and economic information during previous week. The most frequently visited web-page was www.rs.ge (30%).

38.3% of businesses state that prior to this survey, they had heard about the USAID/Economic Prosperity Initiative or EPI Project.

Below are tables for all questions related to media.

Table.C1. Sources of Information - *Please indicate your primary source of news and information on current affairs in Georgia?*

	Frequency	Percent
Television	673	66.4%
Internet	289	28.6%
Newspaper	27	2.7%
Friends and Family	10	1.0%
Magazine	5	0.4%
Radio	4	0.4%
Staff	1	0.1%
Refused to Answer	4	0.4%
Total	1013	100.0%

Table.C2. Most frequently watched TV stations - *Which TV station did you watch most frequently last week to obtain business & economics information?*

	Frequency	Percent
Rustavi 2	573	55.6%
I did not get business & economics information from TV	226	22.8%
Imedi	125	12.5%
Public Broadcaster	48	4.9%
Maestro	7	0.7%
CNN	4	0.6%
Real TV	4	0.4%
BBC	3	0.3%
Euro News	3	0.3%
Patriarchy Television “Ertsulovneba”	3	0.3%
Kavkasia	3	0.3%
R TV	1	0.1%
Mze	1	0.1%
RBK	1	0.1%
TV -25	1	0.1%
Russian Information Channels	1	0.1%
Al Jazeera	1	0.1%
TV Bulvare	1	0.1%
Refused to Answer	4	0.4%
Don’t Know/Difficult to Answer	3	0.3%
Total	1013	100.0%

Table.C3. Most frequently read newspapers - *Which newspaper did you read most frequently last week to obtain business & economics information?*

	Frequency	Percent
I did not get business & economics information from newspapers	646	64.8%

	Frequency	Percent
Kviris Palitra	195	18.5%
24 Saati	79	7.6%
Sitkva da Sakme	25	2.6%
Asaval-Dasavali	12	1.1%
Alia	8	0.8%
Rezonznsi	8	0.8%
Akhali Taoba	6	0.6%
Biznesi Da Ekonomika	3	0.3%
SaqarTvelos Respublika	4	0.4%
Local Newspaper	3	0.3%
Matsne	2	0.2%
Achara	2	0.2%
Georgia Today	2	0.2%
Bankebi & Finansebi	2	0.2%
Praim Time	2	0.2%
Eko Palitra	1	0.1%
Qronika	1	0.1%
Akhaliversia	1	0.1%
Gadasaxadebi & Aghricxva	1	0.1%
Mesakutre	1	0.1%
Komersanti	1	0.1%
Infobughalteri	1	0.1%
Ekonomika	1	0.1%
Refused to Answer	5	0.5%
Don’t Know/Difficult to Answer	1	0.1%
Total	1013	100.0%

Table.C4. Most frequently read magazines - *Which magazine did you read most frequently last week to obtain business & economics information?*

	Frequency	Percent
I did not get business & economics information from magazines	799	79.7%
Sarke	30	2.8%
AAF	26	2.5%
Reitingi	21	1.9%
Gadasaxadebi & Aghricxva	19	1.9%
Tbiliselebi	18	1.7%
Gza	17	1.6%
Tabula	12	1.1%
Refused to Answer	8	0.8%
Biznesi & Kanonmdebloba	9	0.9%
Sakanonmdeblo Macne	8	0.7%
Fors	7	0.7%

	Frequency	Percent
Liberali	5	0.5%
Ekonomisti	4	0.4%
Ekonomika & Biznesi	3	0.3%
Biznesi	3	0.3%
Menejmenti	1	0.1%
Biznesi & Saqme	1	0.1%
Yviteli Furclebi	1	0.1%
Auditi	1	0.1%
Ekonomika	1	0.1%
Biznesi & MarTva	1	0.1%
Sagadasaxado Kodeqsi	1	0.1%
Business Georgia	1	0.1%
Karibche	1	0.1%
Biznesebi	1	0.1%
City	1	0.1%
Bughalteria & Auditi	1	0.1%
Gadasaxadebi & Finansebi	1	0.1%
Biznes Veli	1	0.1%
Tribuna	1	0.1%
Local Journal	1	0.1%
Finansebi & Bankebi	1	0.1%
Bughaltruli Auditi	1	0.1%
Fokusi	1	0.1%
Amarta	1	0.1%
Sagadasaxado	1	0.1%
Don’t Know/Difficult to Answer	3	0.3%
Total	1013	100.0%

Table.C5. Number of days accessing internet during last week - *Please recall, in the past week, how many days you accessed the internet to obtain Georgian business & economics information?*

	Frequency	Percent
0	367	35.9%
1	46	4.4%
2	75	7.1%
3	85	8.3%
4	38	3.6%
5	114	12.2%
6	29	2.8%
7	248	24.7%
Don’t Know/Difficult to Answer	11	1.1%
Total	1013	100.0%

Table.C6. Most frequently visited web-pages - *Please tell me, which website you used most frequently last week to obtain such information?*

	Frequency	Percent
rs.ge	200	30.5%
ambebi.ge	43	6.7%
google.com	29	4.5%
mof.ge	29	4.3%
presa.ge	24	3.6%
ipn.ge	18	2.9%
komersant.ge	16	2.6%
spa.gov.ge	11	1.7%
facebook.com	10	1.5%
matsne.gov.ge	9	1.3%
yahoo.com	8	1.2%
info.ge	8	1.2%
myvideo.ge	6	0.9%
interes.ge	3	0.7%
yandeqs.ru	3	0.7%
parliament.ge	5	0.7%
top.ge	4	0.6%
rustavi2com.ge	4	0.6%
forum.ge	2	0.6%
moh.gov.ge	4	0.6%
bbc.com	4	0.6%
mail.ru	3	0.5%
ministry of economic	3	0.5%
internet.ge	3	0.5%
Chamber of Commerce Web-Page	3	0.5%
alibaba.com	3	0.4%
palitra.ge	3	0.4%
droni.ge	3	0.4%
bog.ge	2	0.3%
ramber.ru	2	0.3%
bussiness.news.ge	2	0.3%
bizneskurieri.ge	2	0.3%
www.spiegel.ge	1	0.2%
turism.ge	1	0.2%
saqme.ge	1	0.2%
CNN	1	0.2%
Department of Statistics	1	0.2%
Kavkass Press	1	0.2%
bmnautohouse amrin.de	1	0.2%
biznesi & ekonomika	1	0.2%
Web-page of Road Department	1	0.2%

	Frequency	Percent
investingeorgia.org	1	0.2%
jobs.ge	1	0.2%
Yellow Pages web-page	1	0.2%
construcio mangement contulding.com	1	0.2%
Procurement of information data web-page	1	0.2%
news.ge	1	0.2%
24saati.ge	1	0.2%
codex.ge	1	0.2%
privatizacion.ge	1	0.2%
biznes georgia.ge	1	0.2%
doeh.er.com	1	0.2%
Press.ge.tv	1	0.2%
Biznesi & Ekonomika	1	0.2%
petrol corporation.org	1	0.2%
mail.com	1	0.2%
tbilisi gov,ge	1	0.2%
palmoil.eih.gyu	1	0.2%
prokredit bunil.ge	1	0.2%
auqcion.ge	1	0.2%
opera blogs	1	0.2%
financial	1	0.2%
geolonomics.ge	1	0.2%
posta.ge	1	0.2%
tribuna ge	1	0.2%
med portal ge	1	0.2%
BBK.com	1	0.2%
apshu.ge	1	0.2%
livericeindex.com	1	0.2%
kop.korine.ge	1	0.2%
biz.aris.ge	1	0.2%
London Stock	1	0.2%
sivil.ge	1	0.2%
novosti.ge	1	0.1%
nius ru.com	1	0.1%
transiberia.ge	1	0.1%
opiem	1	0.1%
georgian.buziness conlusting.ge	1	0.1%
italtrade.com	1	0.1%
biznesis saiti	1	0.1%
made.ge	1	0.1%
mapr.gov.ge	1	0.1%
rsb.ru	1	0.1%
nova akustik	1	0.1%

	Frequency	Percent
media.ji	1	0.1%
Civic registry	1	0.1%
portal opera.com	1	0.1%
mog.gov.ge	1	0.1%
eseru.ce.ge	1	0.1%
NFW,com.ru	1	0.1%
medicine.portal.ge	1	0.1%
gmail	1	0.1%
ekonomiksi.com	1	0.1%
TBS.ge	1	0.1%
mes.gov.ge	1	0.1%
Refused to Answer	2	0.3%
Don’t Know/Difficult to Answer	112	17.9%
Total	646	100.0%

Table.C7. Awareness of USAID/EPI Project - *Prior to this survey, have you heard or read anything about the USAID/Economic Prosperity Initiative or EPI Project?*

	Frequency	Percent
Yes	392	38.3%
No	590	58.7%
Refused to Answer	1	0.1%
Don’t Know/Difficult to Answer	30	2.9%
Total	1013	100.0%

D. GENERAL ATTITUDES

According to surveyed respondents, during 2011, Georgia received the most foreign investments from the following three countries: Turkey (59.7%), Azerbaijan (39.0%) and USA (26.4%). Surveyed enterprises believed that most visitors to Georgia were from: Turkey (51.8%), Azerbaijan (50.7%) and Armenia (46.1%).

During 2011, the most significant export products were indicated to be: wine/spirits (66.2%), mineral water (52.8%) and scrap metal (33.4%).

42.0% of surveyed businesses believed that, during 2011, foreign investments increased by an average percentage increase of 21%.

Business companies were also asked to name the factors that hinder business in their day-to-day operations. Frequent legislation and policy change and lack of fair competition environment were named as the main hindering factors (23.1% and 20.3% respectively). It should be also noted that according to 36.8% of respondents, there are no hindrances.

Surveyed business representatives believed that the Government of Georgia should support business in the following areas in order to increase productivity: improve taxation policy & rates and access to affordable finance (56.0% and 50.1% respectively).

According to business representatives, the main reason for unemployment in Georgia is a lack of enterprises (59.6%).

The most frequently accessed and used data by business enterprises is data from the Ministry of Finance (50%) and the Revenue Service (76%).

It should be noted that the majority of business enterprises (85%) believed that the Government of Georgia should establish a permanent coordination body comprising the public sector, private sector and NGOs to discuss, debate and reach consensus on country strategy, policy and legislation prior to adoption.

Below are tables for all questions about general attitudes of business representatives.

Foreign Investments - *From which three countries do you believe Georgia received the most foreign investment in 2011?*

	Frequency	Percent
Turkey	606	59.7%
Azerbaijan	403	39.0%
USA	266	26.4%
Kazakhstan	206	20.2%
Ukraine	198	19.1%
Russia	178	18.3%
China	134	12.9%
Netherlands	80	7.7%
Saudi Arabia	53	5.5%
Armenia	42	4.0%
Iran	36	3.4%
Germany	33	3.1%
Israel	26	2.8%
France	16	1.6%
United Kingdom	15	1.4%
India	13	1.4%
Denmark	11	1.1%
Japan	12	1.1%
Cyprus	7	0.7%
British Virgin Islands	5	0.5%
Italy	5	0.5%
Czech Republic	4	0.4%
Poland	3	0.3%
Luxembourg	2	0.2%
Emirates	2	0.2%
Qatar	1	0.1%
Baltic states	1	0.1%
Turkmenistan	1	0.1%
Switzerland	1	0.1%
Bulgaria	1	0.1%

	Frequency	Percent
Dubai	1	0.1%
Europe	1	0.1%
Sweden	1	0.1%
Refused to Answer	2	0.2%
Don’t Know/Difficult to Answer	139	14.0%
Total	1013	246.6%

Visitors - *From which three countries do you believe Georgia received the most visitors in 2011?*

	Frequency	Percent
Turkey	525	51.8%
Azerbaijan	511	50.7%
Armenia	466	46.1%
Ukraine	359	35.8%
USA	154	14.7%
China	85	8.5%
Iran	86	8.2%
Russia	78	7.7%
Kazakhstan	51	4.9%
Germany	45	4.4%
Israel	45	4.3%
France	37	3.5%
Netherlands	26	2.5%
Poland	19	1.8%
Italy	16	1.7%
UK	8	0.7%
India	7	0.7%
Lithuania	5	0.5%
Saudi Arabia	5	0.4%
Greece	3	0.3%
Bulgaria	3	0.3%
Austria	2	0.2%
Baltic states	2	0.2%
Belarus	2	0.2%
EU countries	2	0.2%
Philippines	1	0.1%
Czech Republic	1	0.1%
South Korea	1	0.1%
Switzerland	1	0.1%
Sweden	1	0.1%
Latvia	1	0.1%
Scandinavian Countries	1	0.1%
Rumania	1	0.1%

	Frequency	Percent
Dubai	1	0.1%
Africa	1	0.1%
Refused to Answer	1	0.1%
Don’t Know/Difficult to Answer	116	11.6%
Total	1013	262.9%

Table.D1. Most significant export products - *What were Georgia’s three most significant export products in 2011. in terms of value?*

	Frequency	Percent
Wine/Spirits	675	66.2%
Mineral Water	537	52.8%
Scrap Metal	336	33.4%
Nuts	293	28.6%
Timber	119	11.5%
Fruit	100	9.8%
Motor Vehicles	75	7.5%
Iron/Steel	69	6.8%
Fertilizers	59	5.7%
Gold	43	4.3%
Copper	29	2.9%
Electro Energy	29	2.8%
Citrus	23	2.2%
Manganese	11	1.2%
Sheep	11	1.1%
Fruits and Vegetables	11	1.1%
Greens	10	1.0%
Silicon Manganese	9	0.9%
Tea	8	0.8%
Fero Silicon	5	0.5%
Beer	1	0.3%
Lemonade	2	0.2%
Ores	3	0.3%
Water (Not Mineral)	2	0.2%
Georgian Tkemali	2	0.2%
Fruit juice	1	0.1%
Medicines	1	0.1%
Agricultural Products	1	0.1%
Cable Materials	1	0.1%
Coal	1	0.1%
Laurel	1	0.1%
Metallurgy	1	0.1%
Production of Kula	1	0.1%

	Frequency	Percent
Production of Kazbegi	1	0.1%
Colored Metal	1	0.1%
Mineral Fertilizers	1	0.1%
Maize	1	0.1%
Nitric	1	0.1%
Nothing	1	0.1%
Churchkhela	1	0.1%
Cement	1	0.1%
Construction Materials	1	0.1%
Tomato Pasta	1	0.1%
Cattle	1	0.1%
Production of Marneuli	1	0.1%
Refreshing Drinks	1	0.1%
Don’t Know/Difficult to Answer	96	9.6%
Total	1013	254.0%

Table.D2. Change in foreign investments - *How much do you believe foreign investment has increased or decreased in percentage terms between 2010 and 2011?*

	Frequency	Percent	Mean Percent
Decreased	97	9.7%	26%
Stayed the Same	130	12.6%	
Increased	430	42.0%	21%
Refused to Answer	9	1.0%	
Don’t Know/Difficult to Answer	347	34.7%	
Total	1013	100.0%	

Table.D3. Issues of 10 Point Action Plan - *The Georgian Government issued their 10 Point Action Plan in October 2011 with the goal of increasing employment and improving social conditions in the country. Please list what you believe any of the ’10 Points’ may include.*

	Frequency	Percent
Developed Agriculture	414	40.8%
Improved Education	380	38.0%
Creation of Affordable, High Quality Healthcare System	293	28.2%
Improved Infrastructure	265	26.6%
Enhanced Social Policy	153	15.2%
Improved Investment & Business Environment	148	14.5%
Urban and Regional Development	66	6.7%
Macroeconomic Stability	59	5.6%
Transformation into a Regional Trade and Logistics Hub	44	4.2%
Improved Current Account Balance	37	3.6%

	Frequency	Percent
Development of Tourism	8	0.8%
Development of employment level	3	0.3%
Rebuilding historical buildings	1	0.1%
Development of SMEs	1	0.1%
Refused to Answer	2	0.2%
Don't Know/Difficult to Answer	307	30.2%
Total	1013	215.1%

Table.D4. Factors hindering business - *What factors hinder businesses in their day-to-day operations?*

	Frequency	Percent
No Hindrances	379	36.8%
Frequent Legislation and Policy Change	230	23.1%
Lack of Fair Competition Environment	200	20.3%
Administrative Burden (Number of Documents. Procedures. etc.)	81	8.3%
Inconsistent or Unclear Application of Rule of Law	74	7.3%
Inconsistent Policies (regulations. markets. approaches. etc.)	63	6.2%
Lack of Intellectual Property Rights Protection	51	5.0%
Harassment by Government Bodies/Agencies	40	3.9%
Weakness of Bank Services	27	2.6%
Political and Economic Instability	12	1.5%
Georgian Mentality	11	1.2%
High Taxes	11	1.1%
Less Customers	10	1.1%
Improvement of Tax	8	0.8%
Feeling of Unfairness and Distrust	5	0.7%
Lack of Qualified Personnel	8	0.7%
World Economic Crisis	4	0.4%
Does not Exist Business Ethics	4	0.4%
Less New Technologies	4	0.4%
Inflation	2	0.4%
Not Knowing the Rules	3	0.3%
Less Promotion for Small Business	2	0.2%
Delays Happen Due to Electronic VAT Form	2	0.2%
Due to Trade There are No Businessmen in Georgia	1	0.1%
Rule About Taxation of Private Persons Should be Developed	1	0.1%
Not Developed Rules	1	0.1%
Not Covered Markets	1	0.1%
Imported Goods/Products are Not of High Quality	1	0.1%
Government Should Solve Exports Problems	1	0.1%
Not Reimbursing the Work	1	0.1%
High Communal Expenses	1	0.1%

	Frequency	Percent
School Does not Have Tax Charters	1	0.1%
Paying Income Tax in Advance	1	0.1%
Less Control on Veterinary Clinics	1	0.1%
Does not Exist Georgian Territorial Integrity	1	0.1%
Not Stable Relationship With Russia	1	0.1%
Population is not Informed About Business Sector	1	0.1%
Less Local Production	1	0.1%
High Fuel Price	1	0.1%
Information Sources do not Exist	1	0.1%
Delays in Construction Sphere	1	0.1%
Low Level of Agriculture	1	0.1%
More Frequent Revision Should Take Place	1	0.1%
Weak Economy	1	0.1%
Georgian Market is Small	1	0.1%
New Services Should be Developed for Sending Delivery Notes	1	0.1%
Business Environment Should be Developed	1	0.1%
Refused to Answer	3	0.3%
Don’t Know/Difficult to Answer	71	6.9%
Total	1013	132.2%

Table.D5. Areas which need support from government - *In what areas could the Government of Georgia best support businesses and increase productivity?*

	Frequency	Percent
Improve Taxation Policy & Rates	564	56.0%
Access to Affordable Finance	502	50.1%
Provide Assistance to SMEs in Terms of Technology Adoption	315	30.6%
Support Skills Development	104	10.0%
Development of Joint Public/Private Sector Strategies for Development of Targeted Sectors	76	7.4%
Defending Business Objectively	15	1.6%
Laws Should be Developed, not Changed Frequently	12	1.2%
Monopolization Should be Excluded	9	0.9%
Political and Economic Stability	5	0.5%
Local Producers should have Priority	5	0.5%
More Work Places should be Created	4	0.4%
Simplifying Administrative Burden	3	0.3%
Finding New Markets	3	0.3%
Development of Infrastructure	1	0.3%
Help Finding Investors	2	0.2%
Business Should Become Stable	2	0.2%
Development of Economic Arbitration	2	0.2%

	Frequency	Percent
Defending Market From Import	1	0.1%
Foreign Companies Should be Introduced in Trade Network	1	0.1%
Importer Should Pay More Taxes	1	0.1%
Sanitation Department Should Exist	1	0.1%
Sale on Energy Resources	1	0.1%
Customs Rules Should be Regulated	1	0.1%
Development of Product Realization	1	0.1%
Anti inflation Politics	1	0.1%
Providing Licenses	1	0.1%
Business Should Become Simpler	1	0.1%
Export Should be Encouraged	1	0.1%
Business does not Need Simplicity	1	0.1%
Development of Construction Norms and Instruction	1	0.1%
Development of Revenue Service Hot-Line	1	0.1%
Prices Should not be Priority in Tenders	1	0.1%
Refused to Answer	1	0.1%
Don’t Know/Difficult to Answer	34	3.3%
Total	1013	165.3%

Table.D6. Engagement of private sector in discussions - *Does the Government of Georgia sufficiently/adequately engage the private sector in discussions on:*

New Legislation	Frequency	Percent
Yes	407	39.7%
No	341	33.9%
Refused to Answer	27	2.9%
Don’t Know/Difficult to Answer	238	23.5%
Revising Existing Legislation	Frequency	Percent
Yes	405	39.6%
No	321	31.9%
Refused to Answer	32	3.3%
Don’t Know/Difficult to Answer	255	25.2%
Country Vision and Strategy Development	Frequency	Percent
Yes	309	29.8%
No	376	37.5%
Refused to Answer	35	3.6%
Don’t Know/Difficult to Answer	293	29.1%
Policy Changes and Developments	Frequency	Percent
Yes	276	26.7%
No	404	40.2%
Refused to Answer	35	3.6%
Don’t Know/Difficult to Answer	298	29.4%

Trade Agreements	Frequency	Percent
Yes	377	36.5%
No	329	33.1%
Refused to Answer	32	3.4%
Don't Know/Difficult to Answer	275	27.0%

Table.D7. Attitude towards antimonopoly strategy - *Is Georgia's current antimonopoly legislation sufficient to ensure fair competition within the country?*

	Frequency	Percent
Yes	358	35.3%
No	444	44.0%
Refused to Answer	9	0.9%
Don't Know/Difficult to Answer	202	19.8%
Total	1013	100.0%

Table.D8. Reasons for unemployment - *What is the primary reason for the high level of unemployment in Georgia?*

	Frequency	Percent
Lack of Enterprises	599	59.6%
Character of Georgian Population	96	9.5%
Education not Relevant to Needs of Business Community	74	7.2%
Lack of Concrete Government Strategy	55	5.5%
Lack of Mechanization in Agricultural Sector	42	4.1%
Quality of University Education System	29	2.7%
Quality of Vocational Colleges	26	2.5%
Quality of Primary/Secondary Education	20	1.9%
Weak Development of SMEs	13	1.4%
Changing Government Priorities	14	1.3%
Weak Economy	13	1.2%
Monopolization	3	0.3%
Lack of Competition	2	0.2%
Lack of Investors in Business	2	0.2%
Lack of Investments in Agriculture	2	0.2%
Lack of Technologies	2	0.2%
Not Qualified Personnel	2	0.2%
Cheap Workforce from Foreign Countries	1	0.1%
Worlds Economy Principle	1	0.1%
Laws	1	0.1%
Lack of Rule of Law	1	0.1%
There is no Unemployment in Georgia	1	0.1%

	Frequency	Percent
Refused to Answer	2	0.2%
Don’t Know/Difficult to Answer	12	1.1%
Total	1013	100%

Table.D9. Use of data - ***Do you currently access or use any data from the following organizations?***

		Yes. access and use	Yes. only access	No. do not access or use	Refused to Answer	Don’t Know/Difficult to Answer	Total
National Office of Statistics of Georgia	Frequency	347	245	405	5	11	1013
	Percent	33%	24%	41%	1%	1%	100%
Ministry of Finance	Frequency	506	234	257	2	14	1013
	Percent	50%	23%	25%	0%	1%	100%
Ministry of Agriculture	Frequency	85	211	684	12	21	1013
	Percent	8%	21%	67%	1%	2%	100%
Ministry of Economy & Sustainable Development	Frequency	263	260	456	8	26	1013
	Percent	26%	26%	45%	1%	3%	100%
National Bank of Georgia	Frequency	377	247	365	7	17	1013
	Percent	37%	25%	36%	1%	2%	100%
Revenue Service	Frequency	773	128	93	3	16	1013
	Percent	76%	13%	9%	0%	2%	100%
Georgian National Investment Agency	Frequency	61	176	720	14	42	1013
	Percent	6%	17%	71%	1%	4%	100%
Georgian National Tourism Administration	Frequency	62	218	693	17	23	1013
	Percent	6%	22%	68%	2%	2%	100%
USAID Economic Prosperity Initiative	Frequency	53	238	678	14	30	1013
	Percent	5%	24%	67%	1%	3%	100%
Georgian Business Associations	Frequency	99	285	588	11	30	1013
	Percent	10%	28%	58%	1%	3%	100%

Attitudes towards the data of National Statistics Office of Georgia - ***Do you believe the quality of the data collected and presented by the National Office of Statistics of Georgia is accurate and reliable:***

	Frequency	Percent

	Frequency	Percent
Yes. it is Completely Accurate and Reliable	247	24%
Yes. in Most Cases it is Accurate and/or Reliable	426	42%
No. in Most Cases it is not Accurate or Reliable	123	12%
No. it is Completely Inaccurate and Unreliable	58	6%
Refused to Answer	9	1%
Don't Know/Difficult to Answer	150	15%
Total	1013	100%

Table.D10. Measures to increase R&D. technology adaptation and innovation - *What measures should the Government of Georgia adopt to increase business spending on R&D. technology adoption and innovation?*

	Frequency	Percent
Provide Tax Incentives	525	52.1%
Co-fund R&D Activities	364	35.9%
Fund Research Fellowships	238	23.3%
Undertake Their Own R&D and Technology Adoption	174	17.3%
Development of an Innovation and R&D Strategy	145	14.2%
Facilitate Access to Venture Capital	69	7.0%
Create Mechanisms for Industry/University/ Government Partnerships	66	6.5%
Credit Percent Should be Regulated in Banking Sector	4	0.4%
Solving Personnel Problems	3	0.3%
Information Database Should be Developed	3	0.3%
Matching Taxes and Business Interests	2	0.2%
Reforms in Small Business	2	0.2%
Business Should be Free	2	0.2%
Should Assists Business in R&D	3	0.3%
Lowing Taxes	2	0.2%
Empowering Export Base	1	0.1%
Exact Computation	1	0.1%
Processing and Analyses	1	0.1%
Healthy Competition Should Exists	1	0.1%
Export Should be Grown	1	0.1%
Relationship with Business Should be Open and Transparent	1	0.1%
Controlling Prices	1	0.1%
Outside Markets Should be Identified	1	0.1%
Real Data Should be Published	1	0.1%
Refused to Answer	2	0.2%
Don't Know/Difficult to Answer	137	13.3%
Total	1013	172.7%

Table.D11. Measures to increase management capacity - *What measures should the Government of Georgia adopt to increase management capacity and business sophistication?*

	Frequency	Percent
Creation of Entrepreneurship/Management Schools	369	36.4%
Bring Foreign Expertise to Educate and Train Georgian Companies	299	29.3%
Create Small Business Incubators	292	28.4%
Fund Courses Overseas	269	26.4%
Subsidies for Consulting Services	160	15.7%
Establishment of Innovation/Competitiveness Fund	138	13.6%
Improvement of Tax System and Rate	31	3.0%
Improvement of Bank Service and Credits	10	1.1%
Creating Freedom for Business	10	1.0%
Encouraging Business Sector	9	0.9%
Improvement of Legislation	6	0.6%
Finding Investments	6	0.6%
Development of Anti-Monopoly	3	0.5%
Improving the Level of Qualification for Personnel	5	0.5%
Development of More Employment Opportunities	3	0.3%
Development of Free Economic Zones	2	0.2%
Working Zoo Veterinary	2	0.2%
Meetings for Businessmen and Government	2	0.2%
None	1	0.1%
Make the Price of Raw Materials Lower	1	0.1%
Develop Independent Court	1	0.1%
Develop Commerce stock	1	0.1%
Make Quality Control More Strict	1	0.1%
Projects Should Have Real Timeline	1	0.1%
Business Should be Provided with List of Courses	1	0.1%
Co-financing of Courses	1	0.1%
New Amnesty Should be Stated	1	0.1%
Development of Revenue Service Hot-Line	1	0.1%
Free Resources are Less Grown	1	0.1%
Excluding Excise in Inner Manufacturing	1	0.1%
Taking into Consideration Country Interests	1	0.1%
Development of Law Projects in a Better Way	1	0.1%
Guaranteeing to Receive Knowledge from Higher Education Facilities	1	0.1%
Refused to Answer	3	0.3%
Don’t Know/Difficult to Answer	122	12.6%
Total	1013	173.1%

Table.D12. Attitude towards the effectiveness of Georgian Business Associations - *How effective are each of the following Georgian Business Associations in advocating to the*

Government of Georgia the interests of your specific business or sector (whether you are a member of the association or not)?

		Very Effective	Somewhat Effective	Not Really Effective	Ineffective	I have not heard about this association	Refused to Answer	Don't Know/Difficult to Answer	Total
Business Association of Georgia	Frequency	76	208	80	139	73	28	409	1013
	Percent	7.3%	20.7 %	8.1%	13.7 %	7.1%	2.7%	40.5 %	100%
Georgian Small and Medium Enterprises Association	Frequency	46	186	68	139	98	27	449	1013
	Percent	4.4%	18.8 %	6.7%	13.7 %	9.5%	2.6%	44.4 %	100%
American Chamber of Commerce	Frequency	47	136	58	144	98	29	501	1013
	Percent	4.5%	13.8 %	5.7%	14.3 %	9.5%	2.8%	49.4 %	100%
Georgian Chamber of Commerce & Industry	Frequency	74	166	64	142	79	27	461	1013
	Percent	7.1%	16.8 %	6.2%	14.1 %	7.7%	2.6%	45.5 %	100%
International Chamber of Commerce and Industry	Frequency	45	141	61	140	97	31	498	1013
	Percent	4.4%	14.2 %	6.1%	13.9 %	9.4%	2.9%	49.1 %	100%
Employers Federation	Frequency	41	152	66	153	88	31	482	1013
	Percent	3.9%	15.5 %	6.5%	15.0 %	8.6%	3.0%	47.5 %	100%

Table.D13. Attitude towards permanent coordination body for discussion - *Should the Government of Georgia establish a permanent coordination body comprising the public sector. private sector and NGOs to discuss. debate and reach consensus on country strategy. policy and legislation prior to adoption?*

	Frequency	Percent
Yes	865	85%
No	46	5%
Refused to Answer	1	0%
Don't Know/Difficult to Answer	101	10%
Total	1013	100%

E. AVAILABILITY OF BUSINESS SERVICES

10.6% of enterprises have participated in the privatization process over the last year. Financial leasing services were available to 48.3% of respondents and 11.8% and 13.8% have used financial leasing services in 2010 and 2011 respectively. Those who have not used financial leasing services state that their company did not have the necessity to do so (90.1%).

Slightly more than half of the enterprises have applied for credit from a bank or micro-finance institution during 2010 and 2011 (51.7% and 54.1% respectively). The majority of these received credit (92.8% in 2010 and 93.9% in 2011). Those who had not applied for credit stated they did not have necessity to do so (85.3% in 2010 and 85.5% in 2011).

The survey also revealed attitudes towards Georgian management consulting services. 64% of respondents were not at all familiar with these services. Those who were somewhat aware of these services stated that their knowledge increased in 2011 compared to 2010 (59.5%). Out of this group, only 17.9% of business enterprises (53 enterprises) have engaged Georgian management consulting company. The majority of those who have not engaged a Georgian management consulting company stated that they did not need such a service (80.8%).

In comparison to 2010, 16.5% of companies and 22.9% of the companies' employees increased their participation during 2011 at conferences, workshops, and seminars hosted at Georgian hotels.

Below are presented tables for each question about availability of business services:

Table.E1. Participation in privatization process - *Have you participated in the privatization process over the last year?*

	Frequency	Percent
Yes	111	10.6%
No	895	88.5%
Refused to Answer	1	0.1%
Don't Know/Difficult to Answer	6	0.7%
Total	1013	100.0%

Table.E2. Availability of financial leasing services - *Are financial leasing services currently available in Georgia?*

	Frequency	Percent
Yes	493	48.3%
No	230	23.0%
Refused to Answer	10	1.0%
Don't Know/Difficult to Answer	280	27.7%
Total	1013	100.0%

Table.E3. Use of financial leasing services - *Has your company used financial leasing services in 2010 or 2011?*

	2010		2011	
	Frequency	Percent	Frequency	Percent
Yes	60	11.8%	69	13.6%
No	429	87.4%	422	86.0%
Don't Know/Difficult to Answer	4	0.8%	2	0.4%
Total	493	100.0%	493	100.0%

Table.E4. Reasons for not using financial leasing services - *Why has your company not used financial leasing services?*

	Frequency	Percent
Not Required	396	90.1%
Unable to Identify Provider of Service	5	1.1%
Too Expensive	26	6.2%
Not Relevant to My Sector/Industry	6	1.3%
Due to not having information	1	0.2%
Don't Know/Difficult to Answer	9	2.0%
Total	439	100.9%

Table.E5. Applying for credit - *Has your company applied for credit from a bank or micro-finance institution in 2010 or 2011?*

	2010		2011	
	Frequency	Percent	Frequency	Percent
Yes - Bank Credit	509	50.7%	533	53.0%
Yes – Micro-Finance Institution	8	1.0%	9	1.1%
No	486	47.4%	464	45.3%
Refused to Answer	2	0.2%	1	0.1%
Don't Know	9	0.9%	8	0.8%
Total	1013	100.1%	1013	100.2%

Table.E6. Reasons for not using credit - *Why has your company not applied for credit from a bank or micro-finance institution in 1) 2010 or 2) 2011?*

	2010		2011	
	Frequency	Percent	Frequency	Percent
Not Required	416	85.3%	398	85.5%
Too Expensive	51	10.8%	53	11.7%
Complicated Application Procedure	6	1.3%	7	1.5%
Not Willing to Lend	12	2.3%	13	2.6%
Lack of Available Financial Advisors to Assist with Access to Finance	1	0.2%	1	0.2%
Is already using	1	0.2%	3	0.4%
Don't Know/Difficult to Answer	10	2.0%	2	0.4%
Total	486	102.1%	464	102.6%

Table.E7. Reasons for refusals for credit - *Have you been refused credit by a bank or micro-finance institution? And if 'Yes' what is the reason for the refusal?*

	2010		2011	
	Frequency	Percent	Frequency	Percent
Not Refused	483	92.8%	509	93.9%
Insufficient Collateral	5	0.9%	6	1.1%

	2010		2011	
	Frequency	Percent	Frequency	Percent
Poor Credit History	6	1.1%	4	0.7%
No Credit History / Startup Company	1	0.2%	3	0.5%
Poor Cash Flow/ Business Plan	5	0.9%	5	0.9%
Due to Having Many Partners	1	0.2%	1	0.2%
Not Being in City Hall Program	0	0.0%	1	0.2%
Due to Construction	2	0.7%	1	0.5%
Due to Old Credit	1	0.2%	1	0.2%
Due to Having Credit in Another Bank	1	0.2%	1	0.2%
Bank was not Favor of Us	1	0.5%	0	0.0%
Don’t Know/Difficult to Answer	10	2.2%	8	1.7%
Total	516	100.0%	540	100.0%

Table.E8. Familiarity with Georgian management consulting services - *How familiar are you with the services available through Georgian management consulting companies?*

	Frequency	Percent
Not At All Familiar	645	64.0%
Have Minimal Knowledge	152	15.0%
Have Some Information/Knowledge	122	11.8%
Fully Aware	39	4.0%
Refused to Answer	3	0.3%
Don’t Know/Difficult to Answer	52	5.0%
Total	1013	100.0%

Table.E9. Rise of awareness about Georgian management consulting services - *Has your awareness of Georgian management consulting company services increased in 2011?*

	Frequency	Percent
Yes	183	59.5%
No	119	37.2%
Refused to Answer	1	0.2%
Don’t Know/Difficult to Answer	10	3.1%
Total	313	100.0%

Table.E10. Engagement of Georgian management consulting company - *Have you engaged a Georgian management consulting company in 2011?*

	Frequency	Percent
Yes	53	17.9%
No	257	81.2%
Refused to Answer	1	0.3%
Don’t Know/Difficult to Answer	2	0.6%

Total	313	100.0%

Table.E11. Satisfaction with services received from Georgian management consulting firms - *How satisfied are you. in general. with the services received from Georgian management consulting firms?*

	Frequency	Valid Percent
Very Dissatisfied	1	4.9%
Dissatisfied	3	5.4%
Neither satisfied. nor dissatisfied	7	12.3%
Satisfied	25	47.8%
Very Satisfied	17	29.7%
Total	53	100.0%

Table.E12. Reasons for not engaging Georgian management consulting company - *Why have you not engaged the services of a Georgian management consulting company?*

	Frequency	Percent
I Don't Need Management Consulting Services	207	80.8%
I Have No Information About the Services Offered by Management Consulting Companies	18	7.0%
I Have No Information About Companies Offering Management Consulting Services	1	0.4%
I Don't Trust the Capacity or Competency of Management Consulting Companies	7	2.7%
I Don't Want to Share My Company's Confidential Information with Another Company	2	0.7%
I Don't Have Time to Work with a Management Consulting Company	7	2.7%
Was not Possible Technically	1	0.4%
Lack of Finances	3	1.2%
Don't Know/Difficult to Answer	13	4.9%
Total	257	100.8%

Table.E13. Top 3 problems that could be solved by a management consulting company - *Please list the top 3 problems your company has that you believe could be solved by a management consulting company?*

	Frequency	Percent
We do Not Have Problems	31	9.6%
Tax Issues, Finances	11	4.0%
Marketing and PR	9	2.8%
Improving the Level of Staff Qualification and Quality	8	2.5%
Juridical Issues	7	2.2%
Management	6	1.9%

	Frequency	Percent
High Taxes	4	1.3%
Georgian Management Consulting Company Cannot Solve the Problem	3	1.0%
Small Market	3	1.0%
Development of Business Plan	3	0.9%
Inner Audit	3	0.9%
Lack of Techniques	2	0.7%
Not developed Numerators	2	0.7%
Financial Problems	2	0.7%
High Percent of Bank Credits	2	0.6%
Anti Monopoly Should be Developed	2	0.6%
Budgeting	2	0.6%
Problems with Competition	2	0.6%
Any Issue	2	0.6%
Development of Infrastructure	2	0.6%
Working with Foreign Companies	1	0.4%
Organizing Sales Networks	1	0.3%
Press Realization Distribution	1	0.3%
Fuel is Expensive	1	0.3%
Georgian Developed Production Should Have Priority	1	0.3%
Restricting Street Markets	1	0.3%
Trade with Cars	1	0.3%
Time Planning	1	0.3%
Finding Tourists	1	0.3%
Development of Enterprises	1	0.3%
Never Had any Communication With MCC	1	0.3%
Development of Whole Program of Activity	1	0.3%
Not Paying in Advance Completed Work	1	0.3%
Development of Expenses Centrals	1	0.3%
Inner Control System	1	0.3%
Lack of Projects	1	0.3%
Expanding the Market	1	0.3%
Changing Economic Situations	1	0.3%
People Should Have Money	1	0.3%
Certificates	1	0.3%
Assist in Finding Investors	1	0.3%
Relationship with State	1	0.3%
Management of Stores	1	0.3%
Development of New Technologies	1	0.3%
Problems with Innovations	1	0.3%
Assist Company in Crisis	1	0.3%
Production is Expensive	1	0.3%

	Frequency	Percent
Accessibility to Production and Procedures	1	0.3%
Communal Expenses	1	0.3%
Economic Issues	1	0.3%
Healthy Competition	1	0.3%
Accessibility to Financiers	1	0.3%
Provide Consultation on General Economic Situation of People	1	0.3%
Find Finances	2	0.6%
Expanding the Company	1	0.3%
Company Solves the Problems Itself	1	0.3%
Free Economic Zone	1	0.3%
Updating Existing Services	1	0.3%
Provide Raw Materials	1	0.3%
Identify Market Demand	1	0.3%
Inner Business Procedures	2	0.6%
Optimization of Expenses	1	0.3%
Development of New Services	1	0.3%
Refused to Answer	29	9.1%
Don't Know/Difficult to Answer	178	58.3%
Total	310	115.2%

Table.E14. Georgian management consulting companies - *If you had a need to use the services of a Management Consulting company in Georgia. and funding was not an issue. which company would you first approach to discuss your needs?*

	Frequency	Percent
None	24	7.4%
Revenue Service	4	1.3%
Audit Service	3	1.0%
Business Consultant	3	0.9%
Bank	3	0.9%
Chamber of Commerce	2	0.6%
IPM	2	0.6%
LTD Expert Line	2	0.6%
Fitness Association for Poultry	1	0.4%
Foreign Company	1	0.3%
Tegetta Motors	1	0.3%
Levan Kistauri Company	1	0.3%
BPL	1	0.3%
BDO	1	0.3%
Ernst & Young	1	0.3%
I will chose as the result of consultation	1	0.3%
FMJ	1	0.3%

	Frequency	Percent
Big Four	1	0.3%
Kordzadze Advocacy	1	0.3%
Sinerji	1	0.3%
www.pwc.com.ge	1	0.3%
Inova	1	0.3%
Investment Consulting Group	1	0.3%
LTD Management System	1	0.3%
Russian Registry in Caucasus	1	0.3%
Agriculture	1	0.3%
Business Associations	1	0.3%
MCQINSEY	1	0.3%
Research Organization	1	0.3%
The One Who Has Expertise in Healthcare System	1	0.3%
Audit Consulting	1	0.3%
PMCG	1	0.3%
Socar	1	0.3%
Federation for Accountants and Audit	1	0.3%
Foreign Company	1	0.3%
Refused to Answer	3	0.9%
Don’t Know/Difficult to Answer	237	77.3%
Total	310	100.0%

Table.E15. Increase in number of conferences. workshops. seminars. etc. - *Has your company. in 2011 compared to 2010. increased the number of conferences. workshops. presentations or seminars hosted at Georgian hotels and other venues?*

	Frequency	Valid Percent
Yes	167	16.6%
No	819	80.8%
Refused to Answer	8	0.7%
Don’t Know/Difficult to Answer	19	1.8%
Total	1013	100.0%

Table.E16. Increase in number of conferences. workshops etc. attended by staff members - *Has your staff attended. in 2011 compared to 2010. an increased number of conferences. workshops. presentations or seminars hosted at Georgian hotels and other venues?*

	Frequency	Valid Percent
Yes	234	22.9%
No	754	74.7%
Refused to Answer	9	0.8%
Don’t Know/Difficult to Answer	16	1.6%

Total	1013	100.0%

F. EMPLOYEES

53.2% of enterprises stated that they are satisfied with the professionalism of the available labor force in Georgia. 24% of enterprises find it difficult to find professional and experienced staff. As for the knowledge and experience of employees. the majority of enterprises are satisfied (76.5%). It should be also noted that enterprises are also satisfied with the productivity of their employees (78.8%).

45.7% of the surveyed companies do not provide training for their staff inside the company, while 62% of the surveyed companies train their staff outside company.

Table.F1. Satisfaction with the professionalism of the labor force - *How satisfied you are with the professionalism of the labor force available for your business in Georgia?*

	Frequency	Percent
1. Very Unsatisfied	72	7.4%
2	82	8.0%
3	321	31.4%
4	309	30.5%
5. Very Satisfied	229	22.7%
Total	1013	100.0%

Table.F2. Possibility to find qualified and experienced staff - *How difficult is it to find qualified and experienced staff in your field of activity in Georgia?*

	Frequency	Percent
1. Very Difficult	193	19.0%
2	153	15.0%
3	287	28.5%
4	213	20.8%
5. Very Easy	162	16.3%
Don't Know/Difficult to Answer	5	0.5%
Total	1013	100.0%

Table.F3. Dominant position - *In the production of your main product/service which position contributes the most?*

	Frequency	Percent
Director/Manager	145	15.0%
Engineer/Constructor	85	8.4%
Sales Manager	68	7.0%
Seller/Sales Consultants	62	6.2%
Doctor	58	5.3%
Operator	45	4.4%

	Frequency	Percent
Accountant/Financial Specialist	39	3.7%
Driver	32	3.2%
Worker	30	3.1%
Distributor	26	2.9%
Craftsman	28	2.9%
Technology Specialist	25	2.4%
Pharmaceutics	22	2.1%
Consultant	21	2.0%
Nutrition Technologist	17	1.6%
We do not Have Specific Staff	14	1.3%
Machine-Operator	13	1.3%
Cook	12	1.1%
Financial Director	9	0.9%
Tailor	9	0.9%
Journalists	8	0.8%
Teacher	9	0.7%
Administrator	8	0.7%
Technical Manager / Staff	11	1.1%
Electrician	7	0.7%
Marketing Specialist	7	0.7%
Zoologist	6	0.6%
Production Manager	6	0.6%
Welder	6	0.6%
Security Staff	5	0.5%
Energetic Specialist	5	0.5%
Agronomy	5	0.5%
Programmer	5	0.5%
Tour Manager	3	0.5%
Yard Keeper	5	0.5%
IT Specialist	5	0.5%
Printing Specialist	5	0.5%
Pharmacologist	4	0.4%
Project Manager	4	0.4%
Logistics Manager	4	0.4%
Import Manager	4	0.4%
Architect/Designer	4	0.4%
Installation Specialist	4	0.4%
Lawyer	4	0.4%
Lecturer	4	0.3%
Teller	3	0.3%
Economist	3	0.3%
Geologist	3	0.3%
Owner/Holder	1	0.3%

	Frequency	Percent
Brand Manager	2	0.2%
Glass Cutter	2	0.2%
Foreman	2	0.2%
Product Manager	2	0.2%
Press Distributor	2	0.2%
Realization specialist	2	0.2%
Pilot	2	0.2%
Wine-Maker	2	0.2%
Export Physician	2	0.2%
Quality Controller	2	0.2%
Stone Breaking Specialist	2	0.2%
Manufacturer	2	0.2%
Consultant	2	0.2%
Media Manager	2	0.2%
Editor	2	0.2%
Office Cleaner	2	0.2%
Waiter	2	0.2%
Transporter	1	0.1%
Expert	1	0.1%
Currier	1	0.1%
Declarer	1	0.1%
Coach	1	0.1%
Epidemiologist	1	0.1%
Translator	1	0.1%
Stylist	1	0.1%
Administrative Manager	1	0.1%
Tunnel Provider	1	0.1%
Environmental Specialist	1	0.1%
Manufacturing Department Manager	1	0.1%
Explosion Specialist	1	0.1%
Communication Specialist	1	0.1%
Dealer	1	0.1%
Plant Protection Specialist	1	0.1%
Manager Operator	1	0.1%
Pre-seller	2	0.2%
Purchaser	1	0.1%
Goods Manager	1	0.1%
Fisherman	1	0.1%
Chemist	1	0.1%
Agent	1	0.1%
Book Author	1	0.1%
Operator Consultant	1	0.1%
Assortment Manager	1	0.1%

	Frequency	Percent
Biologist	1	0.1%
Miller	1	0.1%
Operator for Pressure	1	0.1%
Balloon Filler	1	0.1%
Nuts Processor	1	0.1%
Polyethinel Specialist	1	0.1%
Station Transport Controller	1	0.1%
Transport Manager	1	0.1%
Security Manager	1	0.1%
Packager	1	0.1%
Clay and Gyps Specialist	1	0.1%
Sterilization	1	0.1%
Aluminum Specialist	1	0.1%
Adjuster Manager	1	0.1%
Storage Manager	1	0.1%
Auditor	1	0.1%
Controller	1	0.1%
Farmer	1	0.1%
Laboratory Assistant	1	0.1%
Coordinator	1	0.1%
Business Manager	1	0.1%
Collector	1	0.1%
Don’t Know/Difficult to Answer	22	2.3%
Total	1013	100.0%

Table.F4. Salary of staff holding dominant position - *What is the average salary of employees holding this dominant position?*

	Frequency	Percent
>500	477	46.50%
501-1000	311	31.10%
1000<	145	14.30%
Refused to Answer	25	2.5%
Don’t Know/Difficult to Answer	55	5.5%
Total	1013	100.0%

Table.F5. Satisfaction with knowledge and experience of employees - *How satisfied are you with the knowledge and experience of your employees?*

	Frequency	Percent
1. Very Unsatisfied	10	1.0%
2	22	2.1%
3	202	20.2%
4	453	45.1%

5. Very Satisfied	323	31.4%
Don't Know/Difficult to Answer	3	0.3%
Total	1013	100.0%

Table.F6. Satisfaction with the productivity of employees - *How satisfied are you with the productivity of your employees and the quality of their work?*

	Frequency	Percent
1. Very Unsatisfied	9	0.9%
2	13	1.3%
3	189	18.8%
4	467	46.6%
5. Very Satisfied	332	32.2%
Don't Know/Difficult to Answer	3	0.3%
Total	1013	100.0%

Table.F7. Level of education of employees - *What is the highest level of education among your employees?*

	Dominant Position Employees		Education of Other Employees	
	Frequency	Percent	Frequency	Percent
Complete Secondary Education	127	12.3%	117	11.5%
Secondary Special / Professional Education	140	13.8%	182	18.2%
Incomplete Higher Education	14	1.5%	31	3.3%
Complete Higher Education (Bachelor's Degree)	416	41.2%	426	41.9%
Complete Higher (Master's Degree)	288	28.6%	244	23.9%
Postgraduate Study/ Scientific Degree / PhD	23	2.1%	7	0.6%
Refused to Answer	0	0	1	0.1%
Don't Know/Difficult to Answer	5	0.5%	5	0.5%
Total	1013	100.0%	1013	100.0%

Table.F8. Training of employees - *In general. are your employees trained in your company or externally. with your funding?*

	INSIDE COMPANY		EXTERNALLY	
	Frequency	Percent	Frequency	Percent
Yes. Majority of Employees are Trained in Variety of Fields on Annual Basis	374	36.8%	202	19.1%
Yes. Some Employees Undertake at Least One Training Course Each Year	124	12.1%	119	12.2%
Yes. Some Employees Undertake at Least One Training Course Every Three Years	24	2.3%	28	2.7%
Training Courses Might be Conducted Once Every 5 Years	9	0.9%	14	1.3%
Training Courses are not Provided for Employees	459	45.7%	622	62.0%

	INSIDE COMPANY		EXTERNALLY	
	Frequency	Percent	Frequency	Percent
Refused to Answer	13	1.2%	14	1.3%
Don't Know/Difficult to Answer	10	1.0%	14	1.4%
Total	1013	100.0%	1013	100.0%

Table.F9. Training of employees during last 6 months - *In the last 6 months have your employees undertaken training at your company or externally? What was the field of training?*

	INSIDE COMPANY		EXTERNALLY	
	Frequency	Percent	Frequency	Percent
No Training	588	58.0%	733	72.9%
Management	63	6.3%	42	4.1%
Accounting/Finances	54	5.5%	69	6.9%
Service Quality	130	12.7%	60	5.8%
Human Resources	18	1.7%	10	0.9%
Training of Trainers	2	0.2%	4	0.4%
Marketing/Public Relations	31	3.5%	16	1.7%
Communication	16	1.7%	6	0.7%
Information and Communication Technologies	10	1.0%	11	1.0%
Quality Control / Assurance	48	4.8%	13	1.2%
Design (Textile. Equipment. Architecture)	13	1.3%	6	0.6%
Production Practice (Agriculture. Industry)	14	1.3%	10	1.0%
Agriculture (Specifics of Harvest and Processing Technologies)	2	0.2%	2	0.2%
Professional Trainings for Specific Work Places (Sewing Machine Operator. Builder. Mechanic. etc.)	120	11.9%	70	6.8%
Safety	54	5.5%	14	1.6%
Courses on International Standards and Certification	9	0.8%	12	1.1%
Wine Education Programs	1	0.1%	1	0.1%
Refused to Answer	0	0%	3	0.3%
Don't Know/Difficult to Answer	6	0.6%	13	1.2%
Total	1013	117.1%	1013	108.4%

Table.F10. Satisfaction with training courses - *How satisfied are you with the training courses available outside your company in Georgia?*

	Frequency	Percent
1. Very Unsatisfied	49	5.1%
2	61	5.8%
3	243	24.1%
4	224	22.1%
5. Very Satisfied	122	11.8%
Refused to Answer	6	0.6%

Don't Know/Difficult to Answer	308	30.6%
Total	1013	100.0%

G. TAX ADMINISTRATION

33.9% of respondents stated that process of tax audit is simple. During 2010, tax audit was conducted among 20.8% of the surveyed companies and in 2011 among 17.9% of the companies. In more than half of the cases, the tax audit lasted for less than a month (67.2% in 2010 and 57.5% in 2011). Out of this number, more than half were not penalized as a result of the tax audit and the majority of the companies stated that the their operations were not hindered during the tax audit.

The majority of respondents stated that submission of tax declarations is easy (77.8%) and receipt of tax refunds is easy (74.1%).

The tables below demonstrate questions on tax administration.

Table.G1. Assessment of tax audit - *How simple is the process of tax audit?*

	Frequency	Percent
Not Applicable	249	24.8%
Very Complicated	35	3.4%
Complicated	103	10.4%
More or less Simple	249	24.3%
Simple	280	27.4%
Very Simple	67	6.5%
Refused to Answer	4	0.4%
Don't Know/Difficult to Answer	26	2.8%
Total	1013	100.0%

Table.G2. Tax audit in 2010 and 2011 - *Has a tax audit(s) been conducted in your company in 2010 and 2011?*

	2010		2011	
	Frequency	Percent	Frequency	Percent
0 None	789	77.7%	815	80.5%
1	198	19.6%	172	16.8%
2	5	0.5%	7	0.7%
3	3	0.3%	0	0.0%
4	2	0.2%	2	0.2%
12	2	0.2%	2	0.2%
Refused to Answer	5	0.5%	6	0.6%
Don't Know/Difficult to Answer	9	1.0%	9	1.0%
Total	1013	100.0%	1013	100.0%

Table.G3. Average days of audit - *How long did the tax audit take. on average. in your company in 2010 and 2011?*

# of days	2010		2011	
	Frequency	Percent	Frequency	Percent
1 - 30 Days	143	67.2%	106	57.5%
31 - 120 Days	30	14.7%	44	24.8%
More than 120 Days	21	10.7%	15	8.1%
Still Ongoing	0	0.0%	5	2.6%
Don't Know/Difficult to Answer	16	7%	13	6.9%

Table.G4. Additional taxes or penalization as the result of audit - *Was your company charged with some additional taxes or penalized as a result of your last tax audit?*

	2010		2011	
	Frequency	Percent	Frequency	Percent
Yes	83	40.2%	51	28.5%
No	118	55.7%	119	64.6%
Don't Know/Difficult to Answer	9	4.1%	13	6.9%
Total	210	100.0%	183	100.0%

Table.G5. Operations hindered during tax audit - *Was your company's operations hindered during your last tax audit?*

	2010		2011	
	Frequency	Percent	Frequency	Percent
Yes	43	20.1%	19	10.3%
No	165	78.9%	162	88.6%
Refused to Answer	1	0.5%	1	0.6%
Don't Know/Difficult to Answer	1	0.4%	1	0.5%
Total	210	100.0%	183	100.0%

Table.G6. Number of days closed during audit - *For how many days was your business closed as a result of the last tax audit?*

	Frequency	Percent
Not Closed	16	29.6%
1 Day	2	3.7%
2 Days	2	3.6%
3 Days	5	9.3%
4 Days	3	5.6%
5 Days	4	7.4%
1-2 Weeks	11	20.4%
More than 2 Weeks	11	20.3%
Total	54	100.0%

Table.G7. Impact on revenues - *By how much (in terms of percentage) were your revenues impacted for the period of closure during your last tax audit?*

	Frequency	Percent
Not Impacted	13	24.0%
< 10% Loss of Revenue	17	31.5%
10%-20% Loss of Revenue	6	11.0%
21%-30% Loss of Revenue	4	7.4%
41%-50% Loss of Revenue	4	7.5%
51%-75% Loss of Revenue	1	1.9%
76%-100% Loss of Revenue	4	7.4%
Don’t Know/Difficult to Answer	5	9.4%
Total	54	100.0%

Table.G8. Attitude towards tax declarations - *How simple is the process of submitting tax declarations?*

	Frequency	Percent
Not Applicable	3	1.0%
Very Complicated	2	0.6%
Complicated	1	0.3%
More or less Simple	45	14.8%
Simple	159	55.6%
Very Simple	77	25.2%
Don’t Know/Difficult to	8	2.6%
Total	295	100.0%

Table.G9. Attitude towards tax refunds - *How simple is it to obtain tax refunds?*

	Frequency	Percent
Not Applicable	13	4.1%
Very Complicated	7	2.3%
Complicated	2	0.7%
More or less Simple	42	14.3%
Simple	160	54.5%
Very Simple	57	19.6%
Don’t Know/Difficult to Answer	14	4.6%
Total	295	100.0%

H. CUSTOMS PERCEPTIONS

43.7% of respondent companies had imported or exported items during the last year. The majority of them thought that customs fees were reasonable (90.3%). The majority of them also regarded customs procedures as transparent (98.9%) and convenient (97.6%).

96.0% of respondents thought that sufficient information was available on customs regulations and 95.1% thought that sufficient information was available about changes in customs regulations.

Below are tables for each question about customs perceptions.

Table.H1. Import and Export during last year - *Have you imported or exported items during the last year?*

	Frequency	Percent
Yes	438	43.7%
No	571	56.0%
Refused to Answer	3	0.3%
Don't Know/Difficult to Answer	1	0.1%
Total	1013	100.0%

Table.H2. Attitude towards customs - *Do you feel that customs fees are currently reasonable?*

	Frequency	Percent
Yes	394	90.3%
No	33	7.3%
Refused to Answer	1	0.2%
Don't Know/Difficult to Answer	10	2.2%
Total	438	100.0%

Table.H3. Attitudes towards customs procedures - *Do you feel that customs procedures are 1) transparent and 2) convenient for your company?*

	Transparency		Convenience	
	Frequency	Percent	Frequency	Percent
Yes	433	98.9%	427	97.6%
No	5	1.1%	10	2.2%
Don't Know/Difficult to Answer	0	0%	1	0.2%
Total	438	100.0%	438	100.0%

Table.H4. Availability of information on customs regulations - *Is sufficient information on customs regulations currently available to ensure compliance when importing/exporting goods?*

	Frequency	Percent
Yes	420	96.0%
No	12	2.7%
Refused to Answer	1	0.3%
Don't Know/Difficult to Answer	5	1.1%
Total	438	100.0%

Table.H5. Availability of information on changes in customs regulations - *Do you currently have access to information on changes to regulations?*

	Frequency	Percent
Yes	416	95.1%
No	15	3.3%
Don't Know/Difficult to Answer	7	1.6%
Total	438	100.0%

I. INFORMATION AND COMMUNICATION TECHNOLOGIES

More than half of the surveyed companies stated that they have increased their use of information and communication technologies (58.9%). 49.2% stated that they had invested in computer technologies and 31.1% stated that they had invested in "off the shelf" software.

54.2% of companies responded that they have in house staff for ICT related issues. 32.5% of the companies used an external company for ICT issues. Out of this number, the majority stated that they have faced no challenges (83.1%).

Below are tables of all questions ICT.

Table.I1. Increase use of ICT - *Have you increased your use of information and communication technologies (hardware. software. telecom services) over the last 6 months?*

	Frequency	Percent
Yes	595	58.9%
No	413	40.6%
Refused to Answer	2	0.2%
Don't Know/Difficult to Answer	3	0.3%
Total	1013	100.0%

Table.I2. Investment in ICT - *Have you invested in information or communication technologies hardware. telecom equipment) over the last 6 months?*

	Frequency	Percent
No. we have not Invested in ICT Technologies	459	45.2%
Yes. we have Invested in Computer Technologies (hardware. networking. peripherals. etc.)	497	49.2%
Yes. we have Invested in Communication Technologies (telephones. mobile telephones. PABX equipment. etc.)	177	17.6%
Refused to Answer	4	0.4%
Don't Know/Difficult to Answer	2	0.2%
Total	1013	112.5%

Table.I3. Investment in Software/Computer Programs - *Have you invested in Software/Computer Programs over the last six months?*

	Frequency	Percent
No. we have not Invested in any Software	604	59.6%
Yes. we Invested in ‘Off the Shelf’ Software (Windows. Office. Antivirus. etc.)	315	31.1%
Yes. we Invested in Customized Software	127	12.6%
Refused to Answer	3	0.3%
Don’t Know/Difficult to Answer	4	0.4%
Total	1013	104.0%

Table.I4. Staff for ICT - *For ICT related issues in your company. do you have in-house staff or does an external IT company assist you?*

	Frequency	Percent
Have In-house Staff	550	54.2%
Use External IT Company	330	32.5%
Use In-house Staff and External IT Company	27	2.6%
Does not have	31	3.0%
Refused to Answer	22	2.1%
Don’t Know/Difficult to Answer	53	5.6%
Total	1013	100.0%

Table.I5. Challenges with IT companies - *When dealing with external IT companies. what are the main challenges you face?*

	Frequency	Percent
No Challenges Faced	299	83.1%
Identifying Appropriate IT Company with Necessary Experience	7	2.4%
IT Company Understanding Your Specific Needs	4	1.1%
Qualifications and Experience of IT Company Staff	10	3.3%
Appropriateness of Products/Services Recommended	1	0.3%
Cost of Services	9	2.5%
Timely Delivery of Products/Services	7	2.0%
Product/Service Quality	10	2.8%
After-sales Service and Support	7	1.9%
Don’t Know/Difficult to Answer	18	4.9%
Total	357	104.1%

Table.I6. Responsible staff for ICT decisions - *Who in your company is responsible for decision making in the introduction and adoption of ICT technologies?*

	Frequency	Percent
Senior Management (Director/Owner)	363	36.4%
No Specific Individual	286	27.9%
IT Manager	242	23.7%
Accountant	11	1.2%
Marketing Department/Staff	12	1.1%
Procurement/Contract Department/Staff	10	0.9%
HR Department/Staff	9	0.9%
Financial Manager/Director	7	0.7%
Technical Manager/Director/Staff	5	0.5%
Foreign Relations Manager	1	0.1%
Manager	1	0.1%
Depute Director	1	0.1%
Office Manager	1	0.1%
Lower	1	0.1%
Whole Company itself	1	0.1%
Sales Manager	1	0.1%
Project Manager	1	0.1%
Intern	1	0.1%
Resource Manager	1	0.1%
Manufacturing Department Manager	1	0.1%
Programmer	1	0.1%
Analytical Department	1	0.1%
Refused to Answer	9	0.9%
Don’t Know/Difficult to Answer	46	4.6%

	Frequency	Percent
Total	1013	100.0%

J. PACKAGING

The majority of surveyed companies stated that they do not use packaging.

Table.J1. Use of packaging - *Did your business consumption of locally-produced packaging increase. decrease or stay the same over the last 6 months?*

	Corrugated Boxes/Crates		Plastic Boxes/Crates		Glass Bottles		Glass Jars		Wooden Boxes/Crates	
	#	%	#	%	#	%	#	%	#	%
Do Not Use	893	88.0%	895	88.5%	968	95.7%	979	96.8%	975	96.4%
Increased	45	4.9%	46	4.6%	10	0.9%	6	0.6%	9	0.9%
Decreased	8	0.8%	17	1.6%	2	0.2%	1	0.1%	0	0.0%
Stayed the Same	46	4.4%	33	3.2%	11	1.1%	5	0.5%	9	0.8%
Don't Know if Packaging is Local	11	1.1%	11	1.1%	11	1.1%	11	1.1%	11	1.1%
Refused to Answer	6	0.6%	7	0.7%	7	0.7%	7	0.7%	6	0.6%
Don't Know / Difficult to Answer	4	0.4%	4	0.4%	4	0.4%	4	0.4%	3	0.3%
Total	1013	100%	1013	100%	1013	100%	1013	100%	1013	100%

K. TRANSPORTATION & LOGISTICS

Half of the survey respondents stated that their transportation costs had increased (50%). and 33.1% stated that the volume of transportation costs had increased. Almost half of respondents stated that transportation and logistics costs represented less than 10% of their total expenses.

Below are tables for each question on transportation and logistics.

Table.K1. Increase in transportation costs and volume of transported goods - *Did your business transportation costs and volume of transported goods increase. decrease or stay the same over the last 6 months?*

	Transportation costs		Volume of transported goods	
	Frequency	Percent	Frequency	Percent
Do Not Use	157	15.2%	204	19.7%
Increased	501	50.0%	332	33.1%
Decreased	60	6.0%	109	10.9%
Did Not Change	276	26.7%	340	33.1%
Refused to Answer	4	0.4%	6	0.6%
Don't Know/Difficult to Answer	15	1.7%	22	2.6%
Total	1013	100.0%	1013	100.0%

Table.K2. What proportion of your total company expenses is represented by transportation and logistics costs?

	Frequency	Percent
I have no Transport or Logistics Costs	178	17.2%
<10%	484	47.8%
11-20%	146	14.7%
21-30%	48	4.6%
31-40%	24	2.5%
>50%	39	4.0%
Refused to Answer	9	0.9%
Don't Know/Difficult to Answer	85	8.3%
Total	1013	100.0%

Table.K3. If your business manufactures. exports or imports goods/products. do you foresee the need utilize the services of a logistics center in Georgia within the next three years. should such a facility be established?

	Frequency	Percent
Do Not Manufacture. Export or Import Goods/Products	498	48.5%
Unlikely	98	10.0%
Possibly	50	5.2%
Likely	132	13.1%
Certainly	65	6.6%
Refused to Answer	9	0.9%
Don't Know/Difficult to Answer	161	15.7%
Total	1013	100.0%

L. STATE PROCUREMENT

29.2% of respondents participated in state procurement during the last year. Out of this. the majority thought that there was sufficient information available in order to make decisions whether or not to participate in state procurement. The majority of these respondents thought that electronic state procurement process was faster (97%) and easier (94.8%).

Table.L1. Participation in state procurement - *Has your company participated in state procurement during the last year?*

	Frequency	Percent
Yes	298	29.2%
No	715	70.8%
Total	1013	100.0%

Table.L2. Information availability during state procurement - *Is sufficient information and documentation available during the state procurement tender/bidding process to enable you to make a decision on whether to participate?*

	Frequency	Percent
Yes	278	93.4%
No	20	6.6%
Total	298	100.0%

Table.L3. Attitude towards electronic state procurement - *Is the electronic state procurement process faster?*

	Frequency	Percent
Yes	289	97.0%
No	8	2.6%
Don't Know/Difficult to Answer	1	0.3%
Total	298	100.0%

Table.L4. Attitude towards electronic state procurement - *Is the electronic state procurement process easier?*

	Frequency	Percent
Yes	282	94.8%
No	15	4.8%
Don't Know/Difficult to Answer	1	0.3%
Total	298	100.0%

M. WEF QUESTIONNAIRE

23% of survey respondents stated that they participated in Executive Opinion Survey in 2011.

In the majority of cases, respondents were citizens of the country in which they worked (98.9%). For 74.9% of respondents, their employment total was less than 50 people. For 83.5% of surveyed enterprises, ownership was 100% domestic private sector.

74.6% of respondents competed only nationally with other domestic companies.

The survey also aimed to study the attitude of business enterprises about intellectual property rights, training services, customer service, etc. All the questions are presented in the tables below.

Table.M1. Participation in EOS 2011 - *Did you complete the Executive Opinion Survey last year (EOS 2011)?*

	Frequency	Percent
Yes	230	23.0%
No	766	75.2%
Don’t Know/Difficult to Answer	17	1.8%
Total	1013	100.0%

Table.M2. Citizenship - *Are you a citizen of the country in which you work?*

	Frequency	Percent
Yes	1002	98.9%
No	11	1.1%
Total	1013	100.0%

Table.M3. Number of employees - *What is your company’s approximate number of employees in the country in which you work?*

	Frequency	Percent
<50	754	74.9%
50–150	181	17.4%
151-500	44	4.3%
501-1.000	10	0.9%
1.001 – 5.000	6	0.6%
>5.000	3	0.3%
Don’t Know/Difficult to Answer	15	1.4%
Total	1013	100.0%

Table.M4. Ownership percentage - *Please indicate (roughly) the percentage of your company that is:*

	Domestic Private Sector		State-Owned		Foreign-Owned	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
0%	60	5.7%	888	88.2%	890	88.3%
1-50 %	39	3.7%	17	1.6%	22	2.1%
51-99 %	12	1.1%	4	0.4%	10	0.9%
100%	838	83.5%	35	3.2%	21	2.0%
Refused to Answer	1	0.1%	1	0.1%	1	0.1%
Don’t Know/Difficult to Answer	63	6.0%	68	6.5%	69	6.5%

Table.M5. Total revenue - *In the last financial year. what were your company's approximate total revenues in your country?*

	Frequency	Percent
Up to USD 20.000	173	17.4%
USD 20.000 to USD 100.000	212	21.2%
USD100.000 to USD 500.000	203	19.5%
USD 500.000 to USD 1 million	121	11.9%
USD 1milion to USD 10 million	136	13.7%
USD10 million to USD 100 million	17	1.6%
USD100 million to USD1 billion	4	0.4%
Refused to Answer	33	3.2%
Don’t Know/Difficult to Answer	114	11.2%
Total	1013	100.0%

Table.M6. Geographic scope of competition - *Which option best describes the geographic scope of competition in your industry?*

	Frequency	Percent
Traded: Goods and services are traded across regions and often to other countries. Examples: pharmaceuticals. tourism.	374	37.3%
Local: Companies primarily serve the local market. Examples: health services. most utilities. retailing. many types of	559	54.9%
Don’t Know/Difficult to Answer	80	7.8%
Total	1013	100.0%

Table.M7. Company’s exposure to international competition - *Which of the following best describes your company's exposure to international competition? My company competes:*

	Frequency	Percent
Only Nationally with other Domestic Companies	755	74.6%
Only Nationally. but with Both Domestic and International Rivals	147	14.5%
Internationally. but from a Domestic Base Only	34	3.5%
Internationally. with Bases Located Outside of this Country	24	2.4%
Don’t Know/Difficult to Answer	53	5.0%
Total	1013	100.0%

Table.M8. Revenue share generated by exports - *How much of your company’s revenue in your country is generated by exports?*

	Frequency	Percent
None	828	82.0%
10% or less	53	5.3%
11-25%	21	2.0%
26–50%	14	1.3%
Over 50%	29	2.8%
Don’t Know/Difficult to Answer	68	6.5%
Total	1013	100.0%

Table.M9. Company's main activity - *Please select your company's main activity:*

	Frequency	Percent
Wholesale and Retail Trade	393	39.4%
Construction	106	11.2%
Health Services	74	6.8%
Manufacturing: Food Products and Beverages	61	6.1%
Logistics and Transport	56	5.6%
Hotels and Restaurants	30	2.6%
Real Estate	24	2.5%
Engineering	21	2.0%
Other Travel and Tourism-related Services	16	1.6%
Agriculture, Hunting, Forestry and Fishing	16	1.6%
Education	17	1.4%
Media and Entertainment	12	1.1%
Electricity, Gas and Water Supply	13	1.1%
Manufacturing: Textiles and Apparel	11	1.0%
Other Services	11	1.0%
Telecommunications	9	0.9%
Manufacturing: Pharmaceuticals, Biotechnology and Medical Devices	9	0.9%
Mining/Quarrying	8	0.8%
Other Manufacturing	8	0.8%
Computer and Software Services	6	0.7%
Advertising/Marketing Service	7	0.7%
Manufacturing: Chemicals	6	0.6%
Polygraph	6	0.6%
Security	5	0.5%
Manufacturing: Other Electronics	5	0.5%
Business Services	5	0.5%
Manufacturing: Basic Metals	5	0.5%
Information Service	4	0.4%
Manufacturing: Automobiles, Other Motor Vehicles and Transport Equipment	4	0.4%
Cleaning Service	4	0.4%
Manufacturing and Import of construction materials	4	0.4%
Repair Service	3	0.3%
Manufacturing: Refined Petroleum Products, Coke and Nuclear Fuel	3	0.3%
Oil and Gas Extraction	3	0.3%
Manufacturing: Information Technology and Telecommunications Equipment	3	0.3%
Concrete Manufacturing	3	0.3%
Publishing	3	0.3%

	Frequency	Percent
Forwarding Service	1	0.3%
Sports	2	0.2%
Storage	2	0.2%
Financial Services Including Insurance	2	0.2%
Public Utilities/Communal Service	2	0.2%
Maintenance of Gas System	2	0.2%
Juridical/Lawyer Consulting	2	0.2%
Customs Service	1	0.1%
Bath Service	1	0.1%
Gambling Business	1	0.1%
Emergency Situations Management	1	0.1%
Security Systems	1	0.1%
Bridges and Roads Construction	1	0.1%
Import and Realization of automobiles	1	0.1%
Green Service	1	0.1%
Cement Export	1	0.1%
Veterinary Service	1	0.1%
Control and Diagnosis Service	1	0.1%
Wood Processing	1	0.1%
Aviation Service	1	0.1%
Mine Maintenance Service	1	0.1%
Plastic Production	1	0.1%
Construction, Repair	1	0.1%
Sea Technical Service	1	0.1%
Basalt Manufacturing	1	0.1%
Liquid Soil	1	0.1%
Manufacturing of Petroleum Vestigial	1	0.1%
Cartography Production	1	0.1%
Attraction	1	0.1%
Zoo	1	0.1%
Geology	1	0.1%
Consulting Service	1	0.1%
Research Service	1	0.1%
Total	1013	100.0%

Table.M10. Assessment of intellectual property protection - *How would you rate intellectual property protection. including anti-counterfeiting measures. in your country?*

	Frequency	Percent
1. Very Weak	83	8.5%
2	98	10.0%

3	133	13.1%
4	232	22.5%
5	197	19.1%
6	106	10.1%
7. Very Strong	119	12.2%
Don’t Know/Difficult to Answer	45	4.6%
Total	1013	100.0%

Table.M11. Assessment of training services - *In your country. to what extent are high-quality. specialized training services available?*

	Frequency	Percent
1. Not Available	47	4.5%
2	61	6.2%
3	136	13.5%
4	251	24.6%
5	212	20.7%
6	123	11.9%
7. Widely Available	137	13.4%
Don’t Know/Difficult to Answer	46	5.1%
Total	1013	100.0%

Table.M12. Assessment of treating the customers - *How well do companies in your country treat customers?*

	Frequency	Percent
1. Generally Treat Their Customers Badly	22	2.1%
2	34	3.3%
3	91	9.3%
4	256	25.6%
5	232	22.8%
6	171	16.7%
7. Are Highly Responsive to Customers and Customer Retention	184	18.0%
Don’t Know/Difficult to Answer	23	2.4%
Total	1013	100.0%

Table.M13. Management position holders - *In your country. who holds senior management positions?*

	Frequency	Percent
1. Usually Relatives or Friends Without Regard to Merit	38	4.0%
2	38	3.8%
3	79	7.6%
4	150	15.6%
5	176	16.7%

6	236	22.7%
7. Mostly Professional Managers Chosen for Merit and Qualifications	263	26.1%
Don't Know/Difficult to Answer	33	3.3%
Total	1013	100.0%

Table.M14. Assessment of financial sector - *Does the financial sector in your country provide a wide variety of financial products and services to businesses?*

	Frequency	Percent
1. Not at All	33	3.2%
2	43	4.3%
3	123	12.3%
4	262	25.8%
5	220	21.7%
6	148	14.7%
7. Provides a Wide Variety	125	12.0%
Don't Know/Difficult to Answer	59	6.0%
Total	1013	100.0%

Table.M15. Assessment of competition among providers of financial services - *To what extent does competition among providers of financial services in your country ensure the provision of financial services at affordable prices?*

	Frequency	Percent
1. Not at All	37	3.5%
2	63	6.4%
3	127	12.6%
4	304	30.6%
5	226	21.9%
6	112	10.9%
7. Extremely Well	87	8.3%
Don't Know/Difficult to Answer	57	5.8%
Total	1013	100.0%

Table.M16. Assessment of bank loan availability - *How easy is it to obtain a bank loan in your country with only a good business plan and no collateral?*

	Frequency	Percent
1. Very Difficult	227	22.6%
2	129	13.0%
3	101	10.0%
4	121	11.9%
5	139	13.5%
6	129	12.8%
7. Very Easy	141	13.7%

Don’t Know/Difficult to Answer	26	2.4%
Total	1013	100.0%

Table.M17. Availability of latest technologies - *To what extent are the latest technologies available in your country?*

	Frequency	Percent
1. Not Available	38	3.7%
2	69	6.6%
3	113	11.2%
4	203	20.6%
5	186	18.1%
6	186	18.3%
7. Widely Available	192	18.9%
Don’t Know/Difficult to Answer	26	2.5%
Total	1013	100.0%

Table.M18. Assessment of extend to what business absorbs new technologies - *To what extent do businesses in your country absorb new technology?*

	Frequency	Percent
1. Not at All	14	1.4%
2	47	4.5%
3	124	12.2%
4	222	22.2%
5	229	23.1%
6	182	17.6%
7. Aggressively Absorb	163	16.0%
Don’t Know/Difficult to Answer	32	3.0%
Total	1013	100.0%

Table.M19. Assessment of number of local suppliers - *How numerous are local suppliers in your country?*

	Frequency	Percent
1. Largely Nonexistent	25	2.4%
2	72	7.0%
3	151	15.3%
4	249	24.3%
5	215	21.6%
6	136	13.2%
7. Very Numerous	126	12.3%
Don’t Know/Difficult to Answer	39	3.9%
Total	1013	100.0%

Table.M20. Assessment of quality of local suppliers - *How would you assess the quality of local suppliers in your country?*

	Frequency	Percent
1. Very Poor	18	1.7%
2	40	4.4%
3	139	13.8%
4	306	29.9%
5	241	24.0%
6	128	12.4%
7. Very Good	98	9.6%
Don’t Know/Difficult to Answer	43	4.2%
Total	1013	100.0%

Table.M21. Assessment of clusters - *In your country’s economy. how prevalent are well-developed and deep clusters?*

	Frequency	Percent
1. Nonexistent	93	9.3%
2	120	11.9%
3	140	13.9%
4	261	26.2%
5	149	14.3%
6	65	6.2%
7. Widespread in Many Fields	39	3.7%
Don’t Know/Difficult to Answer	146	14.4%
Total	1013	100.0%

Table.M22. Assessment of value chain in exporting companies - *In your country. do exporting companies have a narrow or broad presence in the value chain?*

	Frequency	Percent
1. Broad. Present Across the Entire Value Chain	34	3.2%
2	88	8.6%
3	178	18.2%
4	276	27.9%
5	146	14.1%
6	77	7.5%
7. Do Not Only Produce But Also Perform Product Design. Marketing Sales. Logistics. and After-sales Services	61	5.9%
Don’t Know/Difficult to Answer	153	14.6%
Total	1013	100.0%

Table.M23. Technologies - *In your country. how do companies obtain technology?*

	Frequency	Percent
1. Exclusively from Licensing or Imitating Foreign Companies	117	11.4%
2	143	14.3%
3	171	17.3%
4	224	22.3%
5	126	12.0%
6	73	7.0%
7. By Conducting Formal Research and Pioneering their Own New Products and Processes	53	5.3%
Don’t Know/Difficult to Answer	106	10.5%
Total	1013	100.0%

Table.M24. Assessment of collaboration between business and universities - *To what extent do business and universities collaborate on research and development (R&D) in your country?*

	Frequency	Percent
1. Do not Collaborate at All	90	8.8%
2	119	11.9%
3	173	16.9%
4	228	23.0%
5	170	16.5%
6	66	6.5%
7. Collaborate Extensively	72	6.8%
Don’t Know/Difficult to Answer	95	9.5%
Total	1013	100.0%

Mean Values for questions M10 – M24

Q #	Question	Mean value
m10	How would you rate intellectual property protection. including anti-counterfeiting measures. in your country?	4.18
m11	In your country. to what extent are high-quality. specialized training services available?	4.48
m12	How well do companies in your country treat customers?	4.90
m13	In your country. who holds senior management positions?	5.17
m14	Does the financial sector in your country provide a wide variety of financial products and services to businesses?	4.60
m15	To what extent does competition among providers of financial services in your country ensure the provision of financial services at affordable prices?	4.35
m16	How easy is it to obtain a bank loan in your country with only a good business plan and no collateral?	3.76
m17	To what extent are the latest technologies available in your country?	4.78
m18	To what extent do businesses in your country absorb new technology?	4.84

Q #	Question	Mean value
m19	How numerous are local suppliers in your country?	4.50
m20	How would you assess the quality of local suppliers in your country?	4.52
m21	In your country’s economy. how prevalent are well-developed and deep clusters?	3.67
m22	In your country. do exporting companies have a narrow or broad presence in the value chain?	4.02
m23	In your country. how do companies obtain technology?	3.57
m24	To what extent do business and universities collaborate on research and development (R&D) in your country?	3.81

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