

Questionnaire for the Private Sector Survey, 2007

This survey is being undertaken to better understand the constraints that hinder development of private business like yours. The INA conducted two similar surveys in 1999 and 2002. We now wish to update the information in the light of the changed economic conditions facing the PNG economy. From this survey we will learn what is holding back private sector development in PNG and so understand what needs to be done to make PNG more conducive to business and investment. This will provide comprehensive advice to government on the right directions to go to improve the performance of business and investment in PNG and to develop the right initiatives and programs to strengthen support for enterprise growth.

In order to be sure there is no duplication we request the name of your company. Please be assured that the information you provide will be treated in the strictest confidence. We greatly appreciate your assistance in this survey by filling in the questionnaire.

Business Name _____

Contact Person _____

Phone _____ **Fax** _____ **Email** _____

Many thanks for completing this questionnaire. Please mail the completed questionnaire using any one of the following addresses:

- **Postal address – Private Sector Survey, INA, P.O. Box 1530, Port Moresby, NCD;**
- **Fax – 321 7223; and**
- **E-mail addresses (use any of these) – Solomona@upng.ac.pg, steven.goie@cimcpng.org
kenson.kiopa@cimcpng.org**

Please note: We are expecting the completed questionnaire to be back with us by mid-May 30, 2007, for us to prepare a full report by the end of June 2007.

A. GOVERNMENT REGULATIONS AND POLICIES

A1. Are you concerned over the stability of government rules, regulations and policies that affect your business?

- (1) very highly concerned
- (2) highly concerned
- (3) fairly concerned
- (4) fairly unconcerned
- (5) highly unconcerned
- (6) completely unconcerned

A2. Do you fear retrospective changes of rules or regulations?

- (1) very highly concerned
- (2) highly concerned
- (3) fairly concerned
- (4) fairly unconcerned
- (5) highly unconcerned
- (6) completely unconcerned

A3. To what extent do you believe that affected businesses are informed or consulted during the process of developing regulations or policies?

- (1) always
- (2) mostly
- (3) frequently
- (4) sometimes
- (5) seldom
- (6) never

A4. When the government announces major policies, how confident are you that they will be fully implemented?

- (1) always confident
- (2) mostly confident
- (3) frequently confident
- (4) sometimes confident
- (5) seldom confident
- (6) never confident

A5. "Changes of government are usually accompanied by large changes in rules and regulations that have an impact on my business." To what extent do you agree with this statement?

- (1) fully agree
- (2) agree in most cases
- (3) tend to agree
- (4) tend to disagree
- (5) disagree in most cases
- (6) strongly disagree

A6. Do you feel that your business is affected during periods of political uncertainty?

- (1) very highly affected
- (2) highly affected
- (3) fairly affected
- (4) fairly unaffected
- (5) highly unaffected
- (6) completely unaffected

A7. How concerned are you for the stability of the political environment in PNG?

- (1) very highly concerned
- (2) highly concerned
- (3) fairly concerned
- (4) fairly unconcerned
- (5) highly unconcerned
- (6) completely unconcerned

A8. Has your business ever decided not to proceed with a major investment because of problems relating to compliance with government regulations?

- yes
- no ... go to q. 10

A9. If your answer above was “yes”, please specify the reason which best describes the nature of these problems (tick one):

- (1) Excessive compliance fees
- (2) Long processing time
- (3) Too complex and haphazard
- (4) Other (specify)

B. BUSINESS SECURITY

B1. To what extent has the law and order situation impacted upon your business operations?

- (1) very highly affected
- (2) highly affected
- (3) fairly affected
- (4) fairly unaffected
- (5) highly unaffected
- (6) completely unaffected

B2. Has the law and order situation affected decisions for further investment in your business or to expand your business operations?

- (1) very highly affected
- (2) highly affected
- (3) fairly affected
- (4) fairly unaffected
- (5) highly unaffected
- (6) completely unaffected

B3. As a percentage of turnover, what are your:

security costs? _____ %

losses due to theft, robbery _____ %

B4. Do you have confidence in the judicial system and the decisions the courts make?

- (1) very highly confident
- (2) highly confident
- (3) fairly confident
- (4) fairly not confident
- (5) highly not confident
- (6) completely not confident

B5. Have difficulties in gaining access to land hindered your business from investing in PNG?

- (1) very big hindrance
- (2) big hindrance
- (3) fairly big hindrance
- (4) minor hindrance
- (5) not a hindrance at all
- (6) not applicable

C. GOVERNMENT-BUSINESS RELATIONSHIP

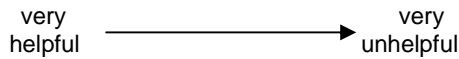
C1. Please judge on a 6-point scale the following government controls as a problem for your business. Indicate 0 if not applicable to your business. (Please circle your selected number for each control)

	n/a	not a problem	→	extremely problematic
a. visas	0	1	2	3 4 5 6
b. work permits	0	1	2	3 4 5 6
c. restrictions on occupations for foreigners	0	1	2	3 4 5 6
d. labour regulations	0	1	2	3 4 5 6
e. superannuation regulations	0	1	2	3 4 5 6
f. building codes	0	1	2	3 4 5 6
g. health regulations	0	1	2	3 4 5 6
h. physical planning/zoning regulations	0	1	2	3 4 5 6
i. environmental regulations	0	1	2	3 4 5 6
j. safety regulations	0	1	2	3 4 5 6
k. regulations on borrowing	0	1	2	3 4 5 6

- l. regulations on foreign trade (exports, imports) 0 1 2 3 4 5 6
- m. foreign currency regulations 0 1 2 3 4 5 6
- n. price controls 0 1 2 3 4 5 6
- o. government leases 0 1 2 3 4 5 6

- (1) always
 (2) mostly
 (3) frequently
 (4) sometimes
 (5) seldom
 (6) never
 (7) don't know

C2. Please rate your overall perception of the relationship between government/bureaucracy and private firms on the following scale:



Now 1 2 3 4 5 6

C3. To what extent have instances of corruption in dealing with government been to the detriment of your business?

- (1) very highly affected
 (2) highly affected
 (3) fairly affected
 (4) fairly unaffected
 (5) highly unaffected
 (6) completely unaffected

C4. "It is common for firms in my line of business to have to pay some 'irregular additional payments' to government officials in order to get things done." This is true;

- (1) always
 (2) mostly
 (3) frequently
 (4) sometimes
 (5) seldom
 (6) never

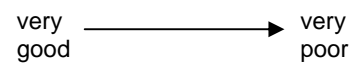
C5. "When a firm pays an 'irregular additional payment' the service is usually delivered effectively as agreed and without requests for further additional payments." This is true;

C6. In the event that a government official you are dealing with acts in a corrupt or improper way, do you find you are able to seek recourse from another official or from their superior?

- (1) always
 (2) mostly
 (3) frequently
 (4) sometimes
 (5) seldom
 (6) never
 (7) don't know

D. EFFECTIVENESS OF GOVERNMENT SERVICE PROVISION

D1. Please rate your overall perception of the efficiency, effectiveness, and quality of the following services:



a. financial and banking services

now	1	2	3	4	5	6
5 years ago	1	2	3	4	5	6

b. legal services

now	1	2	3	4	5	6
5 years ago	1	2	3	4	5	6

c. port services

now	1	2	3	4	5	6
5 years ago	1	2	3	4	5	6

d. water and sewerage

now	1	2	3	4	5	6
5 years ago	1	2	3	4	5	6

e. road and bridge infrastructure

now	1	2	3	4	5	6
5 years ago	1	2	3	4	5	6

f. telecommunications and postal services						
now	1	2	3	4	5	6
5 years ago	1	2	3	4	5	6
g. electricity services						
now	1	2	3	4	5	6
5 years ago	1	2	3	4	5	6

D2. How would you rate the efficiency, effectiveness and quality of government provided services in general?

- (1) very high
- (2) high
- (3) fairly high
- (4) fairly poor
- (5) poor
- (6) very poor

D3. Do you think major reforms will lead to an improvement in the quality of services offered in PNG?

- (1) strongly agree
- (2) agree
- (3) about the same
- (4) disagree
- (5) strongly disagree

E. RATING HINDRANCES TO BUSINESS AND INVESTMENT

E1. Please indicate to what extent the following pose a hindrance to your business in PNG both in terms of its operation and of future investment decisions. Please be careful to focus your answers solely on how your business is affected: (cross or circle the appropriate number)

		not a	→				extremely
		problem					problematic
a. VAT/GST	1	2	3	4	5	6	
b. company tax rate	1	2	3	4	5	6	
c. Inadequate subsidy/tariff support	1	2	3	4	5	6	

d. the state of transport infrastructure	1	2	3	4	5	6
e. the state of electricity infrastructure	1	2	3	4	5	6
f. the state of telecommunications infrastructure	1	2	3	4	5	6
g. quality and access of financial/banking services	1	2	3	4	5	6
h. access to land	1	2	3	4	5	6
i. land compensation claims	1	2	3	4	5	6
j. the cost of inputs	1	2	3	4	5	6
k. the cost of unskilled labour	1	2	3	4	5	6
l. the cost of skilled labour	1	2	3	4	5	6
m. availability of skilled labour	1	2	3	4	5	6
n. interest rates	1	2	3	4	5	6
o. inflation	1	2	3	4	5	6
p. the variable exchange rate	1	2	3	4	5	6
q. law and order	1	2	3	4	5	6
r. corruption	1	2	3	4	5	6
s. political uncertainty	1	2	3	4	5	6
t. stability of rules and regulations	1	2	3	4	5	6
u. international terrorism	1	2	3	4	5	6
v. local level government/urban authority taxes and rules	1	2	3	4	5	6

E2. Out of the list from the previous question, please indicate what you would like to see as the top three priority issues for government to tackle in order to encourage business and investment.

1st priority _____

2nd priority _____

3rd priority _____