

**Governing for Growth in Georgia (G4G)
Business Organizations Survey**

February, 2019

Interviewer code

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

Organization code

| | | | | | | | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

READ THE TEXT BELOW TO EACH RESPONDENT

Good morning/afternoon/evening, my name is _ _ _ _ , (**TELL YOUR NAME**) and I represent CRRC-Georgia, an independent, non-profit research company. On behalf of the USAID-funded Governing for Growth in Georgia (G4G) Project, I would be grateful if you could spare me a few minutes to answer some questions relating to Georgia’s business environment. All answers will remain confidential and will be used solely to measure project performance and priorities for future activities. Your answers will be combined with those of 999 other business representatives interviewed throughout Georgia and will only be presented collectively. The survey should take around 20-25 minutes in total.

(IF RESPONDENT AGREES THANK HIM/HER) - Thank you

COMPLETE THE TABLE BELOW UPON COMPLETION OF INTERVIEW

| | |
|-------------------------------------|--|
| B1. Name of the company | |
| B2. Address of the company | |
| B3. Telephone number of the company | |
| B4. Respondent’s telephone number | |

***RESPONDENT SHOULD BE THE OWNER/DIRECTOR OF THE COMPANY OR OTHER INDIVIDUAL HOLDING A SENIOR POSITION.**

DATE OF INTERVIEW: _____ / _____
DAY
MONTH

INTERVIEW START TIME: _____ / _____ **INTERVIEW COMPLETION TIME:** _____ / _____
HOUR
MINUTE
HOUR
MINUTE

MINUTE

B5. Respondent's position in the organization:

[Up to two answers. Respondent should be decision-maker in financial issues!!]

| | |
|--|---|
| Finance director/Chief financial officer | 1 |
| Other director/ Chief executive(president) | 2 |
| Financial manager | 3 |
| Other decision-maker manager | 4 |
| Coordinator | 5 |
| Accountant (preferable head accountant) | 6 |
| Shareholder | 7 |
| Head of administration | 8 |
| Other (specify) | 9 |

B6. [Show card B6] What is organizational and legal status of your company? [Only one answer]

| | |
|---------------------------------|----|
| Individual entrepreneur | 1 |
| Joint liability company | 2 |
| Limited partnership | 3 |
| Limited liability company (LTD) | 4 |
| Joint stock company | 5 |
| Cooperative | 6 |
| Branch of foreign company | 7 |
| <i>(Don't know)</i> | -1 |
| <i>(Refuse to answer)</i> | -2 |

SECTION A – AWARENESS OF REFORMS

A1. Are you aware of any economic reforms undertaken during the period of 2014- 2018 in Georgia?

| | | |
|---------------------------|----|--------------------------|
| Yes | 1 | CONTINUE |
| No | 0 | Go to question A4 |
| <i>(Refuse to answer)</i> | -2 | |

A2. Which economic reforms are you aware of?

(DO NOT READ. Accept all answers)

| | A2. SPONTANEOUS AWARENESS |
|---|--|
| Tax Reform | 1 |
| Customs Reform | 2 |
| Pension Reform | 3 |
| Capital Market Reform | 4 |
| State Procurement Reform | 5 |
| Insolvency System Reform | 6 |
| Land Registration Reform | 7 |
| Reform in the Mining Sector | 8 |
| Electricity Trading Mechanism (ETM) Reform | 9 |
| Water Resources Management Reform | 10 |
| Institutionalization of the Regulatory Impact Analysis (RIA) in the legislative process | 11 |
| Tourism Sector Reform | 12 |
| Building Regulations Reform | 13 |
| Reforms related to DCFTA agreement | 14 |
| Other (SPECIFY) | 15 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

A3. Are you aware of the following economic reforms ... (READ ALL REFORMS THAT WERE NOT NAMED IN A2)

| | Yes | No | (Don't know) | (Refuse to answer) |
|---|-----|----|--------------|--------------------|
| Tax Reform | 1 | 0 | -1 | -2 |
| Customs Reform | 1 | 0 | -1 | -2 |
| Pension Reform | 1 | 0 | -1 | -2 |
| Capital Market Reform | 1 | 0 | -1 | -2 |
| State Procurement Reform | 1 | 0 | -1 | -2 |
| Insolvency System Reform | 1 | 0 | -1 | -2 |
| Land Registration Reform | 1 | 0 | -1 | -2 |
| Reform in the Mining Sector | 1 | 0 | -1 | -2 |
| Electricity Trading Mechanism (ETM) Reform | 1 | 0 | -1 | -2 |
| Water Resources Management Reform | 1 | 0 | -1 | -2 |
| Institutionalization of the Regulatory Impact Analysis (RIA) in the legislative process | 1 | 0 | -1 | -2 |
| Tourism Sector Reform | 1 | 0 | -1 | -2 |
| Building Regulations Reform | 1 | 0 | -1 | -2 |
| Reforms related to DCFTA agreement | 1 | 0 | -1 | -2 |
| Other (SPECIFY) | 1 | 0 | -1 | -2 |

A4. Please tell me how accessible information on economic reforms in Georgia is for you or for your company?

| | |
|-----------------------|----|
| Inaccessible | 1 |
| Relatively Accessible | 2 |
| Easily Accessible | 3 |
| (Refuse to answer) | -2 |
| (Don't know) | -1 |

A5. Personally, or for your business, where do you find information on economic reforms? (Do not read. Correspond. Accept all answers)

IF THE RESPONDENT STATES THAT S/HE ACCESSES WEBSITES OF GOVERNMENT AGENCIES CIRCLE CODE 1, IF OF BUSSINESS TRADE ASSOCIATIONS CIRCLE CODE 3. IF THE RESPONDENT NAMES INTERNET GENERALLY AS SOURCE OF DATA CIRCLE CODE 2.

| | |
|----------------------------------|----|
| From Government Agencies | 1 |
| From Media | 2 |
| From Business/Trade Associations | 3 |
| From Business Partners | 4 |
| Other (SPECIFY) | 5 |
| Other (SPECIFY) | |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

SECTION C– RELATIONS WITH MEDIA

C1. Please indicate your primary source of information on current affairs in Georgia? (*Do not read. Correspond. ONE ANSWER ONLY*)

| | |
|--------------------|----|
| Television | 1 |
| Radio | 2 |
| Newspaper | 3 |
| Magazine | 4 |
| Internet | 5 |
| Friends and Family | 6 |
| Other (SPECIFY) | 7 |
| (Refuse to answer) | -2 |

C2. Which TV station did you watch most frequently last week to obtain business & economics information? (*Do not read. Correspond. ONE ANSWER ONLY*)

| | |
|--|----|
| I did not get business & economics information from TV | -5 |
| Imedi | 1 |
| Rustavi 2 | 2 |
| Public Broadcaster | 3 |
| TV 1 | 4 |
| Tabula | 5 |
| Palitra TV | 6 |
| Kavkasia | 7 |
| Sakartvelo | 8 |
| Maestro | 9 |
| Abkhazetis Xma | 10 |
| Patriarchy Television "Ertsulovneba" | 11 |
| Artarea | 12 |
| GDS | 13 |
| Obiektivi | 14 |

| | |
|---------------------|----|
| Adjara TV | 15 |
| CNN | 16 |
| BBC | 17 |
| Al Jazeera | 18 |
| Russian TV Channels | 19 |
| Other (SPECIFY) | 20 |
| (Refuse to answer) | -2 |

C3. Which newspaper did you read most frequently last week to obtain business & economics information? *(Do not read. Correspond. ONE ANSWER ONLY)*

| | |
|--|----|
| I did not get business & economics information from newspapers | -5 |
| Kviris Palitra | 1 |
| 24 Saati | 2 |
| Alia | 3 |
| Qronika | 4 |
| Alioni | 5 |
| Akhali Taoba | 6 |
| Bankebi da Finansebi | 7 |
| Imedi | 8 |
| Sitkva da sakme | 9 |
| Asaval-dasavali | 10 |
| Akhali versia | 11 |
| Georgian Times | 12 |
| Rezonansi | 13 |
| Sakartvelos Respublika | 14 |
| Georgia Today | 15 |
| 7 Dge | 16 |

| | |
|--------------------|----|
| Other (SPECIFY) | 17 |
| (Refuse to answer) | -2 |

C4. Which magazine did you read most frequently last week to obtain business & economics information?

(Do not read. Correspond. ONE ANSWER ONLY)

THE QUESTION IMPLIES READING HARD COPIES OF JOURNALS AS WELL AS ONLINE VERSIONS.

| | |
|---|----|
| I did not get business & economics information from magazines | -5 |
| Forbes Georgia | 1 |
| Focus | 2 |
| Gza | 3 |
| Liberali | 4 |
| Tabula | 5 |
| Sarke | 6 |
| Other (SPECIFY) | 7 |
| (Refuse to answer) | -2 |

C5. Please recall, in the past week, how many days have you accessed the internet to obtain information about Georgian business & economics? Name the number of days when you obtained such information. **(INDICATE NUMBER OF DAYS, IF THE ANSWER IS "NONE" INDICATE "0 DAYS" AND GO TO C6)**

|_| Days

| | |
|--------------------|----|
| (Refuse to answer) | -2 |
| (Don't know) | -1 |

C6. Please tell me, which website have you used most frequently last week to obtain such information? **(Do not read. Correspond. ONE ANSWER ONLY)**

IN CASE RESPONDENT NAMES FACEBOOK, ASK TO PROVIDE THE LINK OF INFORMATIONAL WEBSITE WHICH WAS ACCESSED VIA FACEBOOK.

| | |
|-----------|---|
| www.rs.ge | 1 |
|-----------|---|

| | |
|--|----|
| www.ambebi.ge | 2 |
| www.interpressnews.ge | 3 |
| www.news.ge | 4 |
| www.commersant.ge | 5 |
| www.presa.ge | 6 |
| www.palitra.ge | 7 |
| www.bm.ge | 8 |
| www.on.ge | 9 |
| www.economy.ge | 10 |
| Other (SPECIFY) | 11 |
| (Don't know) | -1 |
| (Refuse to answer) | -2 |

C7. Prior to this survey, have you heard about the Governing for Growth in Georgia / G4G Project?

| | |
|---------------------------|----|
| Yes | 1 |
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

SECTION D– GENERAL ATTITUDES

D1. What factors hinder businesses in their day-to-day operations? *(Do not read. Correspond. Accept all answers)*

| | |
|--|----|
| No Hindrances | -5 |
| Inconsistent Policies (regulations, markets, approaches, etc.) | 1 |
| Frequent Legislation and Policy Change | 2 |
| Harassment by Government Bodies/Agencies | 3 |
| Lack of Fair Competition Environment | 4 |
| Inconsistent or Unclear Application of Rule of Law | 5 |
| Lack of Intellectual Property Rights Protection | 6 |
| Administrative Burden (Number of Documents, Procedures, etc.) | 7 |
| High taxes | 8 |
| Unclear/vague laws | 9 |
| High interest rates for the loans | 10 |
| Lack of high qualified workers | 11 |
| Other (SPECIFY) | 12 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

D2. In what areas could the Government of Georgia best support businesses and increase productivity? *(Do not read. Correspond. Accept all answers)*

| | |
|---|---|
| Access to Affordable Finance | 1 |
| Improve Taxation Policy & Rates | 2 |
| Support Skills Development | 3 |
| Development of Joint Public/Private Sector Strategies for Development of Targeted Sectors | 4 |
| Provide Assistance to SMEs in Terms of Technology Adoption | 5 |
| Improve business climate and related policies | 6 |

| | |
|---------------------------|----|
| Other (SPECIFY) | 7 |
| Other (SPECIFY) | 8 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

D3. Does the Government of Georgia sufficiently/adequately engage the private sector in discussions on:

[Read out issues provided in the first column and select only one answer in each row]

| | | Yes | No | <i>(Refuse to answer)</i> | <i>(Don't know)</i> |
|---|---|-----|----|---------------------------|---------------------|
| 1 | New Legislation | 1 | 2 | -2 | -1 |
| 2 | Revising Existing Legislation | 1 | 2 | -2 | -1 |
| 3 | Country Vision and Strategy Development | 1 | 2 | -2 | -1 |
| 4 | Policy Changes and Developments | 1 | 2 | -2 | -1 |
| 5 | Trade Agreements | 1 | 2 | -2 | -1 |

D4. Is Georgia's current competitiveness legislation sufficient to ensure fair competition within the country?

(Read out. Accept only one answer)

| | |
|---------------------------|----|
| Yes | 1 |
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

D5. Do you believe the quality of the data collected and presented by the National Office of Statistics of Georgia is accurate and reliable? *(Read out. Accept only one answer)*

| | |
|---|----|
| Yes, it is Completely Accurate and Reliable | 1 |
| Yes, in Most Cases it is Accurate and Reliable | 2 |
| No, in Most Cases it is not Accurate and Reliable | 3 |
| No, it is Completely Inaccurate and Unreliable | 4 |
| <i>(Refuse to answer)</i> | -2 |

| | |
|---------------------|----|
| <i>(Don't know)</i> | -1 |
|---------------------|----|

D6. What measures should the Government of Georgia adopt to increase business spending on R&D, technology adoption and innovation? **(Do not read. Correspond. Accept all answers)**

| | |
|--|----|
| Provide Tax Incentives | 1 |
| Co-fund R&D Activities | 2 |
| Fund Research Fellowships | 3 |
| Development of an Innovation and R&D Strategy | 4 |
| Create Mechanisms for Industry/University/ Government Partnerships | 5 |
| Facilitate Access to Venture Capital | 6 |
| Undertake Their Own R&D and Technology Adoption | 7 |
| Other (SPECIFY) | 8 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

D7. What measures should the Government of Georgia adopt to increase management capacity and business sophistication? **(Do not read. Correspond. Accept all answers)**

| | |
|---|----|
| Creation of Entrepreneurship/Management Schools | 1 |
| Fund Courses Overseas | 2 |
| Create Small Business Incubators | 3 |
| Establishment of Innovation/Competitiveness Fund | 4 |
| Subsidies for Consulting Services | 5 |
| Bring Foreign Expertise to Educate and Train Georgian Companies | 6 |
| Other (SPECIFY) | 7 |
| Other (SPECIFY) | 8 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

D8. 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)?

[Read out issues provided in the first column and select only one answer in each row]

| | | Very Effective | Somewhat Effective | Not Really Effective | Ineffective | I have not heard about this association | (Refuse to answer) | (Don't know) |
|----------|--|----------------|--------------------|----------------------|-------------|---|--------------------|--------------|
| 1 | Economic Policy Advocacy Coalition (EPAC) | 1 | 2 | 3 | 4 | -5 | -2 | -1 |
| 2 | Business Association of Georgia (BAG) | 1 | 2 | 3 | 4 | -5 | -2 | -1 |
| 3 | Georgian Small and Medium Enterprises Association (GSSMEA) | 1 | 2 | 3 | 4 | -5 | -2 | -1 |
| 4 | American Chamber of Commerce | 1 | 2 | 3 | 4 | -5 | -2 | -1 |
| 5 | Georgian Chamber of Commerce & Industry (GCCI) | 1 | 2 | 3 | 4 | -5 | -2 | -1 |
| 6 | International Chamber of Commerce | 1 | 2 | 3 | 4 | -5 | -2 | -1 |
| 7 | Georgian Employers' Association (GEA) | 1 | 2 | 3 | 4 | -5 | -2 | -1 |
| 8 | EU – Georgia Business Council (EUGBC) | 1 | 2 | 3 | 4 | -5 | -2 | -1 |
| 9 | Other (Specify) | 1 | 2 | 3 | 4 | -5 | -2 | -1 |

| | Very Effective | Somewhat Effective | Not Really Effective | Ineffective | I have not heard about this association | (Refuse to answer) | (Don't know) |
|--|----------------|--------------------|----------------------|-------------|---|--------------------|--------------|
| | | | | | | | |

D9. Should the Government of Georgia establish a permanent coordination body comprising the public sector, private sector and NGOs to discuss country strategy, policy and legislation prior to adoption?

| | |
|--------------------|----|
| Yes | 1 |
| No | 0 |
| (Refuse to answer) | -2 |
| (Don't know) | -1 |

D10. How do you think, is it necessary or not to involve businesses in preparing law related to business environment?

| | |
|--------------------|----|
| Yes | 1 |
| No | 0 |
| (Refuse to answer) | -2 |
| (Don't know) | -1 |

D11. How do you think, is it necessary or not to conduct Regulatory Impact Analysis (RIA) before reform implementation or law preparation that are related to business environment?

Explain: Aim of Regulatory Impact Analysis (RIA) is to analyze positive and negative impact of legislation or reform on business environment, society, environmental protection and budget expenditures prior to its preparation.

| | |
|--------------------|----|
| Yes | 1 |
| No | 0 |
| (Refuse to answer) | -2 |
| (Don't know) | -1 |

D12. How do you think, is economic governance transparent in Georgia?

| | |
|-----|---|
| Yes | 1 |
| No | 0 |

| | |
|---------------------------|----|
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

D13. How do you think, is economic governance fair in Georgia?

| | |
|---------------------------|----|
| Yes | 1 |
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

SECTION G – AUDIT AND TAX ADMINISTRATION

G1. [Show card G1] In your opinion, how simple or complicated is the process of tax audit? Please base your answer on a 5-point scale, where 1 represents “Very Complicated” and 5 represents “Very Simple”

(TAX AUDIT PERFORMED BY THE REVENUE SERVICE AND NOT A PRIVATE AUDIT WHICH COULD BE FINANCED BY THE COMPANY)

| | |
|--------------------------------|----|
| Not Applicable | -5 |
| Very Complicated | 1 |
| Complicated | 2 |
| Neither simple nor complicated | 3 |
| Simple | 4 |
| Very Simple | 5 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

G2. How many times has a tax audit(s) been conducted in your company in 2016? in 2017(2) (3) in 2018? **(TAX AUDIT PERFORMED BY THE REVENUE SERVICE AND NOT A PRIVATE AUDIT FINANCED BY THE COMPANY)**

| | G2.1 2016 | G2.2 2017 | G2.3 2018 | |
|---|-----------|-----------|-----------|--|
| Indicate Number of Audits Performed (If none has been conducted indicate “0”. In case answers are “0”, “-1”, “-2” do not ask G3, G4 and G5 questions for those years) If none has been conducted in 2016, 2017 and 2018 go to section G8 | | | | |
| <i>(Refuse to answer)</i> | -2 | -2 | -2 | |
| <i>(Don't know)</i> | -1 | -1 | -1 | |

G3. How long did the tax audit take, on average, in your company (1) in 2016, (2) in 2017 and (3) in 2018? **(INDICATE NUMBER OF DAYS)**

| | G3.1 2016 | G3.2 2017 | G3.3 2018 |
|---------------------------|-----------|-----------|-----------|
| Number of Days | | | |
| <i>(Refuse to answer)</i> | -2 | -2 | -2 |

| | | | |
|--------------|----|----|----|
| (Don't know) | -1 | -1 | -1 |
|--------------|----|----|----|

G4. Was your company charged with some additional taxes as a result of the tax audit in (1) 2016? (2) in 2017? (3) and in 2018?

| | G4.1 2016 | G4.2 2017 | G4.3 2018 |
|--------------------|------------------|------------------|------------------|
| Yes | 1 | 1 | 1 |
| No | 0 | 0 | 0 |
| (Refuse to answer) | -2 | -2 | -2 |
| (Don't know) | -1 | -1 | -1 |

G5. Was your company's operations hindered during the last tax audit (1) in 2016? (2) in 2017? (3) and in 2018?

| | G5.1 2016 | G5.2 2017 | G5.3 2018 | |
|--------------------|------------------|------------------|------------------|---|
| Yes | 1 | 1 | 1 | CONTINUE |
| No | 0 | 0 | 0 | GO TO G8 if the answers are 0, -1, or -2 for all three years |
| (Refuse to answer) | -2 | -2 | -2 | |
| (Don't know) | -1 | -1 | -1 | |

G6. For how many days was your business closed as a result of the tax audit? **(Do not read. Correspond. ONE ANSWER ONLY)**

| | |
|--------------------|----|
| (Did not close) | -5 |
| 1 Day | 1 |
| 2 Days | 2 |
| 3 Days | 3 |
| 4 Days | 4 |
| 5 Days | 5 |
| 1-2 Weeks | 6 |
| More than 2 Weeks | 7 |
| (Refuse to answer) | -2 |
| (Don't know) | -1 |

G7. What was the revenue loss (in terms of percentage) for the period of closure during tax audit? **(Do not read. Correspond. ONE ANSWER ONLY)**

| | |
|-------------------------|----|
| (Not Impacted/ No loss) | -5 |
|-------------------------|----|

| | |
|---------------------------|----|
| < 10% Loss of Revenue | 1 |
| 10%-20% Loss of Revenue | 2 |
| 21%-30% Loss of Revenue | 3 |
| 31%-40% Loss of Revenue | 4 |
| 41%-50% Loss of Revenue | 5 |
| 51%-75% Loss of Revenue | 6 |
| 76%-100% Loss of Revenue | 7 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

G8. [Show card G1] How simple or complicated is the process of submitting tax declarations? Please base your answer on a 5-point scale, where 1 represents "Not simple at all" and 5 represents "Very Simple"

| | |
|--------------------------------|----|
| Not Applicable | -5 |
| Very Complicated | 1 |
| Complicated | 2 |
| Neither simple nor complicated | 3 |
| Simple | 4 |
| Very Simple | 5 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

G9. [Show card G1] How simple or complicated is it to obtain tax refunds? Please base your answer on a 5-point scale, where 1 represents "Not simple at all" and 5 represents "Very Simple"

| | |
|--------------------------------|----|
| Not Applicable | -5 |
| Very Complicated | 1 |
| Complicated | 2 |
| Neither simple nor complicated | 3 |
| Simple | 4 |
| Very Simple | 5 |
| <i>(Refuse to answer)</i> | -2 |

| | |
|--------------|----|
| (Don't know) | -1 |
|--------------|----|

G10a. How did new corporate income tax regime influence your business (introduced from January 1, 2017)? *[Read out]*

| | |
|--------------------|----|
| Positively | 1 |
| Negatively | 2 |
| No influence | -5 |
| (Refuse to answer) | -2 |
| (Don't know) | -1 |

G10b. *[Show card G10b]* As a result of this reform approximately what share of profit has been reinvested in business and was not distributed on shareholders. Please tell me about the period before the reform in 2016 and after that in 2017.

| | 2016 | 2017 |
|-------------------------------------|------|------|
| Less than 10% | 1 | 1 |
| 11%-20% | 2 | 2 |
| 21%-30% | 3 | 3 |
| 31%-40% | 4 | 4 |
| 41%-50% | 5 | 5 |
| 51%-60% | 6 | 6 |
| 61%-70% | 7 | 7 |
| 71%-80% | 8 | 8 |
| 81%-90% | 9 | 9 |
| 91%-100% | 10 | 10 |
| My business was not established yet | -5 | -5 |
| (Don't know) | -1 | -1 |
| (Refuse to answer) | -2 | -2 |

G11. What were main directions where you reinvested money? Please tell me about the period before the reform in 2016 and after that in 2017. *[Don't read. Correspond. Accept all answers.]*

| | 2016 | 2017 |
|---------------------------|------|------|
| It didn't happen | 1 | 1 |
| Fixed assets of company | 2 | 2 |
| Hire additional employees | 3 | 3 |
| Other (Specify) | 4 | 4 |
| (Don't know) | -1 | -1 |
| (Refuse to answer) | -2 | -2 |

G12. How did the use of unified treasury code influence your business (introduced from January 1, 2016)?

[Don't read, correspond, Up to three answers]

| | |
|---------------------------------------|----|
| It did not have significant influence | -5 |
|---------------------------------------|----|

| | |
|--|----|
| Reduced stress | 1 |
| Reduced errors | 2 |
| Reduced tax filing costs | 3 |
| Reduced tax filing time | 4 |
| Improved correct filing | 5 |
| Improved timely payment | 6 |
| Improved refund process (refund of VAT or other taxes) | 7 |
| (Don't know) | -1 |
| (Refuse to answer) | -2 |

G13. Which accounting standards do you use for your business? [Don't read. Correspond. Only one answer]

| | |
|---|----|
| International Financial Reporting Standards (IFRS) | 1 |
| IFRS for Small-and Medium-Sized Entities | 2 |
| Financial reporting standards for the enterprises of the fourth category. | 3 |
| Other (Specify) | 4 |
| (Don't know) | -1 |
| (Refuse to answer) | -2 |

SECTION H – CUSTOMS PERCEPTIONS

H1. Have you imported or exported items during the last year?

| | | |
|--------------------|----|------------------------|
| Yes | 1 | CONTINUE |
| No | 0 | |
| (Refuse to answer) | -2 | GO TO SECTION Z |
| (Don't know) | -1 | |

H2. Do you feel that customs fees are currently reasonable?

| | |
|--------------------|----|
| Yes | 1 |
| No | 0 |
| (Refuse to answer) | -2 |
| (Don't know) | -1 |

H3. Do you feel that customs procedures are 1) transparent and 2) convenient for your company?

| | H3a.Transparent | H3b.Convenient |
|-----|-----------------|----------------|
| Yes | 1 | 1 |

| | | |
|---------------------------|----|----|
| No | 0 | 0 |
| <i>(Refuse to answer)</i> | -2 | -2 |
| <i>(Don't know)</i> | -1 | -1 |

H4. Is sufficient information on customs regulations currently available to ensure compliance when importing/exporting goods?

| | |
|---------------------------|----|
| Yes | 1 |
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

H5. Is sufficient information on changes of customs regulations currently available?

| | |
|---------------------------|----|
| Yes | 1 |
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

H6. Is the waiting time during the customs clearance reasonable?

| | |
|---------------------------|----|
| Completely reasonable | 1 |
| Reasonable | 2 |
| Not reasonable | 3 |
| Not reasonable at all | 4 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

SECTION Z – INFORMATION AND COMMUNICATION TECHNOLOGIES

Z1. Are you using **computers** in your business?

| | |
|---------------------------|----|
| Yes | 1 |
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

Z2. Are you using **internet** in your business?

| | |
|---------------------------|----|
| Yes | 1 |
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

Z3. Are you using the **Information Systems** in your business?

| | |
|---------------------------|----|
| Yes | 1 |
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

Z4. [Show card Z4] In your view, how advanced is the adoption of Innovations and Technologies in the sector you are operating (among businesses in Georgia)? Please provide your evaluation on a 10-point scale, where “1” means “not advanced at all” and “10” means “very advanced”. **[Provide a Showcard]**

| Not advanced at all | | | | | | | | | Very advanced | <i>(Don't know)</i> | <i>(Refuse to answer)</i> |
|---------------------|---|---|---|---|---|---|---|---|---------------|---------------------|---------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | -1 | -2 |

Z5. Does your company have a dedicated website for your business?

| | | |
|---------------------------|----|-----------------|
| Yes | 1 | Go to Z6 |
| No | 0 | |
| <i>(Refuse to answer)</i> | -2 | |
| <i>(Don't know)</i> | -1 | |

Z5.1. For how many years do you have the website already?*[Don't read. Correspond. Only one answer]*

| | |
|-----------------------------|----|
| Less than one year | 1 |
| From one up to three years | 2 |
| From three up to five years | 3 |
| More than 5 years | 4 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

Z6. Are you using social media (Facebook, Twitter, Instagram, etc.) for your business?

| | |
|---------------------------|----|
| Yes | 1 |
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

Z7. Are you using e-Commerce for purchases Countrywide? Cross border?

| | Z7a.Countrywide | Z7b.Cross Border |
|---------------------------|------------------------|-------------------------|
| Yes | 1 | 1 |
| No | 0 | 0 |
| <i>(Refuse to answer)</i> | -2 | -2 |
| <i>(Don't know)</i> | -1 | -1 |

Z8. Are you using e-Commerce for selling goods or services Countrywide? Cross border?

| | Z8a.Countrywide | Z8b.Cross Border |
|---------------------------|------------------------|-------------------------|
| Yes | 1 | 1 |
| No | 0 | 0 |
| <i>(Refuse to answer)</i> | -2 | -2 |
| <i>(Don't know)</i> | -1 | -1 |

Z9. Do you use internet or online platforms for loans or investment attraction?

| | |
|-----|---|
| Yes | 1 |
|-----|---|

| | |
|---------------------------|----|
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

Z10. Have you increased or not your use of information and communication technologies (computer and communication technologies, phone usage) over the last 6 months?

| | |
|---------------------------|----|
| Yes | 1 |
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

Z11. Have you invested or not in information or communication technologies (computer and communication technologies, phones, etc.) over the last 6 months? *[Don't read. Correspond. Accept all answers]*

| | |
|--|----|
| No, we have not bought/invested in ICT Technologies | 0 |
| Yes, we have bought/invested in Computer Technologies (hardware, monitor, peripherals, etc.) | 1 |
| Yes, we have bought/invested in Communication Technologies (telephones, telecommunications equipment.) | 2 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

Z12. Have you invested or not in introducing new technologies in your enterprise (e.g. New production line, innovations, other types of technologies)? *[Don't read. Correspond. Accept only one answer]*

| | |
|---|----|
| No, we have not bought/invested in introducing new technologies | 0 |
| Yes, we have bought/invested in introducing new technologies | 1 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

Z13. Have you invested or not in Software/Computer Programs over the last six months?
[Don't read. Correspond. Accept all answers]

| | |
|---|----|
| No, we have not bought/invested in any Software | 0 |
| Yes, we have bought/invested in 'Off the Shelf' Software (Windows, Office, Antivirus, etc.) | 1 |
| Yes, we invested in Customized Software | 2 |
| (Refuse to answer) | -2 |
| (Don't know) | -1 |

SECTION K– TRANSPORTATION & LOGISTICS

K1. Did your business transportation costs and volume of transported goods increase, decrease or did not change over the last 6 months? *If company does not use transportation select code 0 in the column "Do not use" (THE TRANSPORTATION COSTS IMPLY TRANSPORTATION OF GOODS INSIDE THE COUNTRY AS WELL AS FROM AND TO FOREIGN COUNTRIES).*

| | Increased | Decreased | Did Not Change | Do Not Use | (Refuse to answer) | (Don't know) |
|-----------------------------|-----------|-----------|----------------|------------|--------------------|--------------|
| Transportation Costs | 1 | 2 | 3 | 0 | -2 | -1 |
| Volume of Transported Goods | 1 | 2 | 3 | 0 | -2 | -1 |

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

[Don't read. Correspond. Accept only one answer]

| | |
|--|----|
| I have no Transport or Logistics Costs | -5 |
| Up to 10% | 1 |
| 11-20% | 2 |
| 21-30% | 3 |
| 31-40% | 4 |
| 41-50% | 5 |
| More than 50% | 6 |
| (Refuse to answer) | -2 |
| (Don't know) | -1 |

K3. If your business manufactures, exports or imports goods/products, to what extent would you use the services of a Georgian logistics center within the next three years?

[Read out. Accept only one answer]

| | |
|---|----|
| Do Not Manufacture, Export or Import Goods/Products | -5 |
| I would not use it | 1 |
| I would rather not use it | 2 |
| I would rather use it | 3 |
| I would certainly use it | 4 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

K4. Is the transportation and logistics services reliable in Georgia?

[Read out. Accept only one answer]

| | |
|---------------------------|----|
| Completely reliable | 1 |
| Reliable | 2 |
| Not reliable | 3 |
| Not reliable at all | 4 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

SECTION L – STATE PROCUREMENT

L1. Has your company/business participated in state procurement (tenders) during the last year?

| | | |
|---------------------------|----|-----------------|
| Yes | 1 | CONTINUE |
| No | 0 | |
| <i>(Refuse to answer)</i> | -2 | |
| <i>(Don't know)</i> | -1 | |

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

| | |
|---------------------------|----|
| Yes | 1 |
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |

| | |
|---------------------|----|
| <i>(Don't know)</i> | -1 |
|---------------------|----|

L3. Is the electronic state procurement process sufficiently fast?

| | |
|---------------------------|----|
| Yes | 1 |
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

L4. Is the electronic state procurement process sufficiently easy?

| | |
|---------------------------|----|
| Yes | 1 |
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

SECTION N – CAPITAL MARKET

N1. Do you use capital market instruments in financing your business operations (for example Equities, Corporate Bonds)?

| | |
|---------------------------|----|
| Yes | 1 |
| No | 0 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

N2. Thinking about the future, will you be willing to use capital market instruments, in the next 10 years?

| | | |
|---------------------------|----|--------------------------|
| Yes | 1 | Go to Question N4 |
| No | 0 | |
| <i>(Refuse to answer)</i> | -2 | |
| <i>(Don't know)</i> | -1 | |

N3. Which instruments would you more likely use?

| | | YES | NO | <i>(Don't know)</i> | <i>(Refuse to answer)</i> |
|---|-----------------|-----|----|---------------------|---------------------------|
| 1 | Corporate Bonds | 1 | 0 | -1 | -2 |
| 2 | State Bonds | 1 | 0 | -1 | -2 |
| 3 | Equities | 1 | 0 | -1 | -2 |
| 4 | Derivatives | 1 | 0 | -1 | -2 |

N4. Could you please evaluate your general awareness on the capital market functioning in Georgia?

[Read out. Accept only one answer]

| | |
|---------------------------|----|
| Completely aware | 1 |
| Aware | 2 |
| Not aware | 3 |
| Not aware at all | 4 |
| <i>(Don't know)</i> | -1 |
| <i>(Refuse to answer)</i> | -2 |

SECTION O – PENSION REFORM

O1. Could you please evaluate your general awareness on the ongoing Pension Reform in Georgia? *[Read out]*

| | |
|--------------------|----|
| Completely aware | 1 |
| Aware | 2 |
| Not aware | 3 |
| Not aware at all | 4 |
| (Don't know) | -1 |
| (Refuse to answer) | -2 |

O2. [Show card O2] In your opinion, how important is the implementation of pension reform for [1] your business, [2] for Georgian population, [3] for the country overall? Please provide your evaluation on a 10-point scale, where “1” means “not important at all” and “10” means “very important”. [Provide a Showcard]

| | | Not important at all | | | | | | | | | Very Important | (Don't know) | (Refuse to answer) |
|---|---------------------|----------------------|---|---|---|---|---|---|---|---|----------------|--------------|--------------------|
| 1 | Your Business | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | -1 | -2 |
| 2 | Georgian Population | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | -1 | -2 |
| 3 | country overall | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | -1 | -2 |

O3. [Show card O3] The government of Georgia adopted the law on the private retirement savings system model. According to this model, the monthly contribution to the pension fund is defined as 6%. The contribution will be distributed among employee (2%), employer (2%) and the State (2%). The employees below age 40 will automatically become members of the pension system, however, the employee above age 40 will have the right to withdraw from the system. In the case the employee is in the system, the 2% co-funding obligation of the State and employer emerge. Pension savings go to the non-commercial pension fund. The accumulated funds will be invested in local and international financial markets.

To what extent do you agree to the above proposed concept of the pension reform?

| | |
|----------------|---|
| Strongly agree | 1 |
| Agree | 2 |
| Neutral | 3 |

| | |
|---------------------------|----|
| Disagree | 4 |
| Strongly disagree | 5 |
| <i>(Refuse to answer)</i> | -2 |
| <i>(Don't know)</i> | -1 |

O4. [Show card O4]. As you might already know, the new pension reform implies the obligation of paying additional contribution to the employees (2%). Could you please evaluate your willingness to pay this additional contribution on a 10-point scale where "1" means not at all willing and "10" means fully willing to pay.

| Not willing at all | | | | | | | | | Fully willing | <i>(Don't know)</i> | <i>(Refuse to answer)</i> |
|--------------------|---|---|---|---|---|---|---|---|---------------|---------------------|---------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | -1 | -2 |

SECTION P – WATER ISSUES

P1. [Show card P1] In your opinion, how actively do businesses and government collaborate on water policy development? Please provide your evaluation on a 10-point scale, where “1” means that they cooperate very passively and “10” means that they operate very actively. **[Provide a Showcard] [If a respondent states that there is the full absence of cooperation circle “-5”]**

| | | | | | | | | | | | | |
|----------------|--------------------------|---|---|---|---|---|---|---|---|-------------------------|--------------|--------------------|
| No Cooperation | Very passive cooperation | | | | | | | | | Very active cooperation | (Don't know) | (Refuse to answer) |
| -5 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | -1 | -2 |

P2. Are you aware on the draft Water Resources Management law?

| | | |
|--------------------|----|-------------------------------|
| Yes | 1 | COMPLETE THE INTERVIEW |
| No | 0 | |
| (Refuse to answer) | -2 | |
| | | |

P2.1. Which particular main aspects are regulated by the draft law on Water Resources Management? **[Read out]**

| | | YES | NO | (Don't know) | (Refuse to answer) |
|---|--|-----|----|--------------|--------------------|
| 1 | Changes in water use tariffs | 1 | 0 | -1 | -2 |
| 2 | Water abstraction/discharge licenses | 1 | 0 | -1 | -2 |
| 3 | Implementation of water catchment basins management principles | 1 | 0 | -1 | -2 |
| 4 | Other (Specify) | 1 | 0 | -1 | -2 |

P3. [Show card P3] Overall, how would you evaluate new Water Resources Management law? Please provide your evaluation on a 10-point scale, where “1” means “very negatively” and “10” means “very positively”. **[Provide a Showcard]**

| | | | | | | | | | | | |
|-----------------|---|---|---|---|---|---|---|---|-----------------|--------------|--------------------|
| Very negatively | | | | | | | | | Very positively | (Don't know) | (Refuse to answer) |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | -1 | -2 |