



CIPE Afghanistan – Frequency Questionnaire

Job no. 355

December 22, 2009 – January 29, 2010; 738 In-Person Interviews

Formal Business Sector

INTRODUCTION: I am working for ALTAI, a private research organization with no relation to the government or any international donor organizations. I want to ask some questions about "matters of interest to Afghan business." I am interested in your opinion. There are no right or wrong answers. I just want to know what you think. All answers will be kept confidential and your name will not be given to anyone. The results of this survey will be published in a few months, and if you provide us with an email address, we can send you a copy.

Q.1 through Q.5 contain confidential personally identifying information regarding the interviewer and the respondent.

Q.6 Province (**Interviewer to record**)

Respondents	738
Kabul	28%
Nangarhar	17%
Balkh	15%
Herat	15%
Kandahar	14%
Khost	12%

I. BUSINESS DEMOGRAPHICS

Let me begin by first getting to know a few things about your business

Q.7 How long has your business been in operation?

[ONE ANSWER ALLOWED]

1 year or less	7%
2-5 years	41%
6-10 years	33%
11 years or more	19%
Refused to answer	0%
Don't know	0%

**Q.8 To what business sector does your company belong?
[ONE ANSWER ALLOWED]**

Services	SKIP to Q10	25%
Wholesale trade.....		5%
Media		4%
Transportation, courier and storage		4%
Health and medicine		3%
Accommodation and food service activities (incl. hotels & restaurants)		2%
Financial and insurance activities		1%
Consulting		1%
IT.....		1%
Motor vehicle service.....		1%
Government services.....		0%
Telecommunications		0%
Other services (SPECIFY: _____)		2%
 Manufacturing	CONTINUE	23%
Food		6%
Fabricated metal products		4%
Chemicals.....		2%
Plastics & rubber.....		2%
Non metallic mineral products.....		2%
Textiles.....		1%
Garments		1%
Machinery and equipment.....		1%
Electronics.....		1%
Basic metals		0%
Other manufacturing (SPECIFY: _____)		3%
 Construction	CONTINUE	26%
Retail	SKIP to Q10	26%
Refused to answer	SKIP to Q10	0%
Don't know	SKIP to Q10	0%
Other sector (SPECIFY: _____)	SKIP to Q10	0%

Q.9 Do you purchase the majority of your raw materials from domestic Afghan sources, neighboring countries or from sources outside of the country?

[ONE ANSWER ALLOWED]

Respondents	367
Domestic Afghan sources.....	65%
Neighboring countries	26%
Sources outside the country.....	9%
Refused to answer	0%
Don't know	0%

Q.10 Is your business a sole proprietorship, family-owned, a non-family partnership or corporation, or previously government-owned?

[MULTIPLE ANSWERS ALLOWED]

Respondents	738
Sole proprietorship	44%
Family-owned.....	35%
A non-family partnership or corporation.....	21%
Previously government-owned.....	0%
Refused to answer	0%
Don't know	0%

Q.11 Does your business primarily serve local customers, local businesses, state-owned enterprises or foreign markets?

[ONE ANSWER ALLOWED]

Local consumers.....	59%
Foreign markets	19%
Local businesses	12%
State-owned enterprises.....	6%
Foreign companies located in Afghanistan	4%
Other (SPECIFY: _____).....	0%
Refused to answer	0%
Don't know	0%

Q.12 Currently, how many full- and part-time employees are working for your business, including yourself and family members?

[ONE ANSWER ALLOWED]

	Total	Full time	Part time
5 or less	31%	94%	6%
6 to 24	42%	93%	7%
25 to 49	12%	89%	11%
50 or more	15%	89%	11%
Refused to answer	0%		
Don't know	0%		

Q.13/14 Of these, how many are men? How many, if any, are women?

[ONE ANSWER ALLOWED]

	Total	Male	Female	Ref
5 or less	31%	100%	0%	0%
6 to 24	42%	95%	5%	0%
25 to 49	12%	94%	6%	0%
50 or more	15%	88%	12%	0%
Refused to answer	0%			
Don't know	0%			

Q.15 Are any of the owners of this business a woman?

[ONE ANSWER ALLOWED]

Yes	3%
No	97%
Refused to answer	0%
Don't know	0%

Q.16 Compared to last year, has the number of employees in your firm increased, decreased or stayed the same?

[ONE ANSWER ALLOWED]

Increased.....	37%
Decreased	20%
Stayed the same	42%
Refused to answer	1%
Don't know	0%

Q.17 Compared to last year, has your company earnings increased, decreased or stayed the same?

[ONE ANSWER ALLOWED]

Increased.....	38%
Decreased	39%
Stayed the same	21%
Refused to answer	1%
Don't know	0%

Q.18 In the next six months, do you plan to do any of the following?

[MULTIPLE ANSWERS ALLOWED]

Employ more people	57%
Purchase office equipment	39%
Purchase technology equipment (hardware/software/services).....	32%
Train employees to increase productivity or learn new skills	28%
Purchase or rent a new building	27%
Partner with a foreign company	22%
I don't plan to do any of these.....	20%
Other (SPECIFY: _____)	7%
Refused to answer	2%
Don't know	3%

II. BUSINESS FINANCING

Q.19 What financing resources do you rely on for your business?

[MULTIPLE ANSWERS ALLOWED]

Business profits	75%
Private savings.....	65%
Private loans	7%
Bank loans	6%
Introducing new partners.....	3%
Sale of personal assets.....	1%
Refused to answer	0%
Don't know	0%

Q.20 What is the primary payment method you use in purchasing goods and services for your business?

[ONE ANSWER ALLOWED]

Cash.....	75%
Bank transfers.....	17%
Checks	5%
Credit card	0%
Barter	0%
Other (SPECIFY: _____)	1%
Refused to answer	0%
Don't know	1%

Q.21 During the next six months, do you expect the following components will increase, decrease or stay the same?

[ONE ANSWER ALLOWED FOR EACH PART]

	Inc- rease	Dec- rease	Stay the Same	Re- fuse	Don't Know
a Your sales. Will it...	76%	8%	12%	0%	3%
b Number of employees. Will it.....	73%	8%	17%	0%	2%
c Net profit. Will it.....	76%	9%	11%	1%	3%
d Investments in your business. Will it.....	76%	8%	13%	1%	3%

Q.22 During the past year, have you attempted to borrow money to start or expand your business? **IF YES, ASK:** Did you receive the amount you requested, less than the amount you requested, or not receive any money?

[ONE ANSWER ALLOWED]

Yes, and I received the amount requested.....	CONTINUE.....	19%
Yes, but received less than requested.....	CONTINUE.....	3%
Yes, but I did not receive any money.....	CONTINUE.....	4%
No, I have not attempted to borrow money.....	GO TO Q24.....	73%
Refused to answer.....	GO TO Q24.....	1%
Don't know.....	GO TO Q24.....	0%

Q.23 Who did you approach to borrow money?

[ONE ANSWER ALLOWED]

Respondents.....	191
Friends and/or relatives.....	33%
Private bank.....	31%
Business partners.....	20%
Micro-fund loan.....	5%
International donor.....	4%
State-owned bank.....	3%
Leasing property (land, home, etc).....	0%
Other (SPECIFY:)	3%
Refused to answer.....	1%
Don't know.....	0%

ONLY ASK IF THE BUSINESS DID NOT TRY TO GET A LOAN

Q.24 If you have not tried to borrow money, why not?

Respondents	547
No need for a loan - establishment has sufficient capital	75%
It is prohibited in Islam	26%
Interest rates are not favorable	21%
Application procedures for loans or lines of credit are complex.....	10%
Size of loan and maturity are insufficient	10%
Collateral requirements are too high	8%
Did not think it would be approved.....	2%
Gave up trying	1%
Other (SPECIFY: _____)	2%
Refused to answer	1%
Don't know	1%

III. BUSINESS ENVIRONMENT

Q.25 Now I'd like to get your opinion about some government services.

[ONE ANSWER ALLOWED FOR EACH PART]

Respondents	738
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	None							
	In	Very	Smwt	Smwt	Very	Don't	Total	Total
	Area	Sat	Sat	Dis	Dis	Know	Sat	Dis
a Does the government provide roads in this area? IF YES: With the roads, are you.....	14%	41%	23%	8%	15%	0%	63%	23%
b Does the government provide water in this area? IF YES: With the water service, are you... ..	72%	14%	9%	2%	1%	0%	24%	4%
c Does the government provide electricity in this area? IF YES: With the electricity, are you.....	43%	17%	17%	10%	13%	0%	33%	23%

IF THE SERVICE DOES NOT EXIST IN THEIR AREA, DO NOT ASK ABOUT IMPROVEMENT

Q.26 Now I'd like to get your opinion about how the quality of these government services has changed over the past year. For each service, tell me if the government's delivery has gotten much better, somewhat better, somewhat worse or much worse.

[ONE ANSWER ALLOWED FOR EACH PARTY]

	Much Btr	Smwt Btr	Smwt Wrs	Much Wrs	Don't Know	Total Btr	Total Wrs
Respondents							637
a Roads. Have the roads gotten.....	33%	34%	18%	15%	0%	67%	33%
Respondents							204
b Water. Has the water service gotten... ..	46%	37%	9%	6%	2%	82%	15%
Respondents							419
c Electricity. Has electricity service gotten.....	22%	35%	20%	22%	1%	57%	42%

Q.27 Is the current economy in your community very good, somewhat good, somewhat bad or very bad?

[ONE ANSWER ALLOWED]

Respondents		738
Very good	9%	
Somewhat good	57%	
Somewhat bad	21%	
Very bad	11%	
Refused	0%	
Don't know	1%	
Total Good.....	66%	
Total Bad	33%	

Q.28 Compared to last year, is the economy in your community much better, somewhat better, somewhat worse, much worse or the same?

[ONE ANSWER ALLOWED]

Much better.....	17%
Somewhat better.....	39%
Somewhat worse.....	21%
Much worse.....	10%
The same.....	12%
Refused to answer.....	0%
Don't know.....	1%
Total better.....	56%
Total worse.....	31%

Q.29 Over the next year, do you expect the economy of your community to grow significantly, grow somewhat, decline somewhat decline significantly or stay the same?

[ONE ANSWER ALLOWED]

Grow significantly.....	28%
Grow somewhat.....	47%
Decline somewhat.....	8%
Decline significantly.....	4%
Stay the same.....	6%
Refused.....	1%
Don't know.....	6%
Total grow.....	75%
Total decline.....	12%

Now I want to ask you about the laws and regulations that affect your business

Q.30 Thinking of these laws and regulations, are you very familiar, somewhat familiar, not very familiar or not at all familiar with them?

[ONE ANSWER ALLOWED]

Very familiar.....	59%
Somewhat familiar.....	30%
Not very familiar.....	4%
Not at all familiar.....	5%
Refused to answer.....	1%
Don't know.....	1%
Total Familiar.....	89%
Total Not familiar.....	9%

Q.31 Are these laws and regulations...

[ONE ANSWER ALLOWED FOR EACH PARTY]

	Yes	No	Don't Know
a Easily available to you?	54%	42%	3%
b Easily understandable to you?	76%	21%	4%

Q.32 In the next year, do you expect Afghan government policy to be more favorable, less favorable or unchanged towards business?

[ONE ANSWER ALLOWED]

More favorable	22%
Less favorable.....	37%
Unchanged.....	33%
Refused to answer	2%
Don't know	6%

Q.33 In your opinion, how would you rate the knowledge level on general market principles and business practices among the following groups .

[FOR EACH QUESTION READ ANSWER CODES]

	Very Know-ldgble	Smwt Know-ldgble	Not Very Know-ldgble	Not At all Know-ldgble	Don't Know	Total Know-ldgble	Total Not Know-ldgble
a Political leaders. Are political leaders... ..	19%	25%	13%	32%	10%	45%	45%
b Government officials. Are government officials... ..	25%	26%	16%	26%	8%	51%	42%
c Journalists. Are journalists... ..	22%	27%	15%	22%	15%	49%	37%
d Business people in your community. Are business people in your community.....	50%	30%	7%	5%	7%	81%	12%
e The general public. Are the general public.....	14%	19%	14%	36%	17%	33%	50%
f Youths. Are youths.....	26%	22%	10%	27%	15%	48%	37%

Q.34 In the recent presidential election, did the candidates discuss economic issues too much, just the right amount, not enough or not at all?

[ONE ANSWER ALLOWED]

Too much.....	30%
Just the right amount	36%
Not enough	14%
Not at all	13%
Refused to answer	2%
Don't know	5%

Q.35 What single government action would be the most helpful to your business?

[ONE ANSWER ALLOWED]

Reform of customs procedures and duties	22%
Reducing unfair competition due to government officials giving preferential treatment to relatives and friends	18%
Improve security.....	17%
Finding conducive transit routes to increase imports and exports	8%
Facilitation in issuance of business and trade visas	7%
Providing accessible credit with reasonable interest rates	6%
Reducing unfair competition from the informal sector	6%
Simplifying the process of licensing and permits or other burdensome government regulations	3%
Other (SPECIFY: _____)	12%
Refused to answer	1%
Don't know	0%

Q.36 Which of the following issues do you think should be among the government's highest priorities in order to promote economic growth and strong private sector?

[UP TO THREE RESPONSES ALLOWED]

	1 st	2 nd	3 rd	Total
Reform of customs procedures and duties	22%	17%	20%	59%
Reducing unfair competition due to government officials giving preferential treatment to relatives and friends.....	33%	14%	10%	57%
Facilitation in issuance of business and trade visas	10%	15%	17%	42%
Finding conducive transit routes to increase imports and exports	6%	15%	15%	36%
Reducing unfair competition from the informal sector ..	5%	15%	13%	32%
Providing accessible credit with reasonable interest rates	5%	11%	11%	27%
Simplifying the process of licensing and permits or other burdensome government regulations	4%	10%	10%	24%
Other (SPECIFY: _____).....	14%	4%	3%	21%
Refused to answer	0%	0%	1%	1%
Don't know	0%	0%	0%	0%

Q.37 Compared to one year ago, has the security situation in your area gotten much better, somewhat better, somewhat worse or much worse?

[ONE ANSWER ALLOWED]

Much better.....	23%
Somewhat better.....	48%
Somewhat worse.....	15%
Much worse.....	13%
Refused to answer.....	0%
Don't know.....	0%
Total better.....	71%
Total worse.....	29%

Q.38 What three factors MOST adversely affect the growth of the Afghan business sector?

[ONLY THREE RESPONSES ALLOWED]

	1 st	2 nd	3 rd	Total
Insecurity.....	55%	19%	5%	78%
Corruption.....	8%	19%	26%	53%
Lack of electricity.....	22%	15%	7%	44%
Crime, theft and disorder.....	1%	8%	5%	14%
Government regulations and red tape.....	2%	4%	7%	13%
Access to land.....	2%	4%	6%	12%
Not applying laws and regulations.....	1%	5%	6%	12%
Unfair competition/Monopolies.....	2%	3%	4%	9%
High fees of permits/licensing/registration.....	1%	3%	4%	9%
Political instability.....	1%	3%	4%	8%
Weakness of the infrastructure.....	1%	3%	4%	7%
Difficulty in obtaining loans from banks or financial institutions.....	0%	2%	4%	7%
Communication problems inside and outside of Afghanistan.....	1%	2%	2%	5%
Absence of information on contracts, legal systems and business within Afghanistan.....	1%	2%	3%	5%
Absence of international partners/investors.....	0%	2%	2%	4%
Difficulty of access to the Internet/e-mail.....	1%	1%	2%	4%
Lack of respect for property rights.....	0%	1%	1%	3%
Old installations and equipment.....	0%	0%	1%	1%
Drug trade.....	0%	1%	0%	1%
Other (SPECIFY: _____).....	2%	3%	4%	9%
Refused to answer.....	0%	0%	1%	1%
Don't know.....	0%	0%	0%	0%

Q.39 What is the most important need for the Afghan workforce today?

[ONE ANSWER ALLOWED]

Development of a better education system.....	32%
Creation of specialized training institutes	19%
Basic literacy in local language (Dari, Pashto)	14%
Knowledge of international standards related to their businesses.....	13%
Computer training/Internet, email, business software applications	12%
English language training	5%
Adoption of better code of business ethics and values.....	3%
Other	1%
Refused to answer	0%
Don't know	0%

IV. CORRUPTION

Q.40 Has your business bid on a contract from the Afghan government?

[ONE ANSWER ALLOWED]

Yes.....	35%
No	64%
Refused to answer	0%
Don't know	1%

Q.41 Has the Afghan government been transparent in awarding contracts through its various ministries?

[ONE ANSWER ALLOWED]

Yes.....	21%
No	67%
Refused to answer	1%
Don't know	12%

Q.42 In the coming year, how confident are you that the new government will be transparent in its contracting. Very confident, somewhat confident, not very confident or not confident at all?

[ONE ANSWER ALLOWED]

Very confident.....	11%
Somewhat confident.....	47%
Not very confident.....	12%
No confidence at all.....	20%
Refused to answer	2%
Don't know	8%

Total Confident.....58%

Total Not confident.....31%

Q.43 In Afghanistan, are tax collectors always honest, usually honest, usually dishonest or always dishonest?

[ONE ANSWER ALLOWED]

Always honest	16%
Usually honest	32%
Usually dishonest	20%
Always dishonest.....	27%
Refused to answer	1%
Don't know	3%
Total Honest	48%
Total Dishonest	47%

Q.44 Do Afghan businesses have to pay bribes, unofficial fees or make gifts to operate? **IF YES, ASK:** To whom?

[MULTIPLE ANSWERS ALLOWED]

No	44%
Yes, to local government officials.....	41%
Yes, to customs officials	28%
Yes, to national government officials.....	26%
Yes, to road police.....	23%
Yes, to tax collectors	22%
Yes, to private representatives of public officials	17%
Yes, to other security forces	10%
Yes, to other private individuals.....	9%
Yes, to Tribal leaders.....	8%
Yes, to Taliban and other armed groups.....	5%
Yes, to others (SPECIFY: _____)	1%
Refused to answer	1%
Don't know	1%

Q.45 Which of the following statements about corruption in government is closest to your view?

[ONE ANSWER ALLOWED]

Corruption is not a problem.....	1%
Corruption is a minor problem	4%
Corruption is a significant problem and more needs to be done to combat it.....	90%
Corruption is a significant problem and nothing can be done about it.....	3%
Refused to answer	2%
Don't know	0%

Q.46 What percentage of your total business costs are spent on paying bribes and/or for gifts to government officials?

0	38%
1-4%	10%
5-10%	22%
11-20%	13%
21% or more	10%
Refused to answer	2%
Don't know	4%

V. CHAMBER OF COMMERCE

Q.47 Are you aware of a chamber of commerce or business association in your area? IF YES: Is your business a member?

[ONE ANSWER ALLOWED]

Not aware	23%
Aware, but not a member	34%
Aware and a member.....	41%
Refused to answer	0%
Don't know	2%

Total aware75%

Q.48 Do you think the Afghan business community can influence government policy very much, somewhat, a little or not at all?

[ONE ANSWER ALLOWED]

Very much	43%
Somewhat	37%
A little.....	6%
Not at all	11%
Refused to answer	0%
Don't know	3%

Very/somewhat80%

Little/Not at all.....17%

Q.49 Are there any active business associations in Afghanistan that have a significant role in communicating the needs of the business sector to the Afghan government? IF YES: What are they?

[ONE ANSWER ALLOWED]

Yes, Chamber of Commerce	7%
Yes, Industrial Workers' Union	5%
Yes, AISA	2%
Yes, Afghanistan Industrial Association	1%
Yes, Construction Companies' Union	1%
Yes, PDT	1%
Yes, Senfi Union	1%
Yes, Trade Union	1%
Yes, Union Commerce	1%
Yes, Other	8%
No	65%
Refused to answer	1%
Don't know	6%

Q.50 How useful do you find chambers of commerce and business associations - very useful, somewhat useful, not very useful or not at all useful?

[ONE ANSWER ALLOWED]

Very useful	26%
Somewhat useful	49%
Not very useful	7%
Not at all useful	9%
Refused to answer	0%
Don't know	10%
Total useful.....	74%
Total not useful.....	16%

Q.51 How often do you visit or contact your local chamber of commerce or business association - very often, occasionally, not very often or never?

[ONE ANSWER ALLOWED]

Very often.....	14%
Occasionally	27%
Not very often.....	14%
Never	44%
Refused to answer	0%
Don't know	1%

Q.52 What are the most important services you get from your chamber of commerce or business association?

[MULTIPLE ANSWERS ALLOWED]

I don't receive any services.....	66%
Advising members on business and investment opportunities.....	15%
Advocacy on behalf of the business community to the government.....	15%
Providing information on local and international trade exhibitions, conferences and seminars.....	10%
Facility business and trade visa application procedures.....	7%
Providing up-to-date information on public tender and procurement opportunities.....	4%
Provide business development, advocacy and legal services.....	6%
Offer discounts for rental of conference facilities.....	3%
Providing up-to-date information on business information and a directory of members.....	2%
Other (SPECIFY: _____)	2%
Refused to answer	1%
Don't know	3%

Q.53 What are the most important services that a chamber of commerce should provide to its member businesses?

[MULTIPLE ANSWERS ALLOWED]

Advocacy on behalf of the business community to the government.....	49%
Advising members on business and investment opportunities.....	39%
Providing information on local and international trade exhibitions, conferences and seminars.....	37%
Provide business development, advocacy and legal services.....	32%
Facility business and trade visa application procedures.....	29%
Providing up-to-date information on public tender and procurement opportunities.....	22%
Offer discounts for rental of conference facilities.....	14%
Providing up-to-date information on business information and a directory of members.....	14%
Other (SPECIFY: _____)	12%
Refused to answer	3%
Don't know	8%

VI. MEDIA

Q.54 What is your main source for economic and business information?

[ONE ANSWER ALLOWED]

Internet.....	32%
Television	26%
Word of Mouth.....	22%
Radio	9%
Newspapers	7%
Magazines or journals	1%
Other (SPECIFY: _____)	3%
Refused to answer	0%
Don't know	0%

Q.55 Which of the following means of communication is used most often by your company to do business?

[ONE ANSWER ALLOWED]

Mobile phone.....	88%
Email/ internet	9%
Landline telephone/conference calls	2%
Fax machine	0%
Postal mail	0%
Refused to answer	0%
Don't know	0%

Q.56 What is the annual revenue of your business over the past year

500,000 or less	42%
500,001 to 1 million	4%
1,000,001 to 2.5 million	2%
Over 2.5 million	2%
Did not make revenue over the past year	9%
Made loss	17%
Refused	11%
Don't know	13%

Finally, a few personal questions:

Q.57 Name of the interviewee

Q.58 Position of the interviewee

Q.59 Name of the owner (s) of the company

Q.60 To what ethnic group do you belong?

[ONE ANSWER ALLOWED]

Pashtun	53%
Tajik.....	35%
Hazara.....	5%
Turkmen	1%
Uzbek.....	1%
Baloch.....	0%
Other (SPECIFY: _____)	4%
Refused to answer	1%
Don't know	0%