

ESCAP Survey on International Trade and Global Value Chains:

Data Collection and Analysis¹

1. Introduction

This business survey aims to shed light on the key issues of global value chains (GVCs) and associated international trade in the Asia-Pacific region. GVCs refer to the full range of cross-border, value-added business activities that are required to bring a product or service from the conception, design, sourcing and processing of raw materials and intermediate inputs, to production, marketing, distribution and supplying the final consumers (ESCAP, 2007). One prominent feature of GVCs is that heterogeneous firms (regarding various aspects e.g. sector, size, location and nationality) participate in GVCs to provide various supplies and services under a loose or structured supervision of a lead firm, which is typically a large enterprise or multinational. During the last decades, the emergence of GVCs has offered firms new incentives to engage in international trade while increasing their competitiveness. By integrating into GVCs, enterprises can specialize in one or few specific activities. Hence, firms have the opportunity to focus on the exploitation of their competitive advantages, enhancing their productivity more than if they were to complete several or all the activities.

This survey examines the characteristics and behaviours of those firms and the factors that affect their ability to participate in GVCs and conduct trade internationally. The survey particularly examines major obstacles (both internal and external) that firms encounter when engaging in international trade. The results of the survey are expected to help governments and policymakers in deciding which policies are needed the most by the business community to facilitate their ability to integrate into GVCs. The survey also presents factors that affect investment decisions in developing countries, which can also help countries in Asia and the Pacific to create a favourable business environment and thus attract more foreign investment,

¹ This Survey was implemented as part of work on Asia-Pacific Trade and Investment Report 2015: Supporting Participation in Value Chains (available at <http://www.unescap.org/resources/asia-pacific-trade-and-investment-report-2015-supporting-participation-value-chains>). The Survey was conducted by Giovanni Palmioli, formerly a consultant at the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), Bangkok, Thailand, and presently trainee at the European Central Bank, Frankfurt, Germany. The work was done under the close supervision of Masato Abe at ESCAP, while Mia Mikic, Adam Heal and Marc Proksch provided useful comments. This report on the Survey's Data Collection and Analysis was prepared by Pietro Guzzetti (while he was an intern at ESCAP), Masato Abe and Giovanni Palmioli. Kira Lamont (consultant at ESCAP) provided substantive inputs to this study. The opinions expressed in this Report are those of the authors and do not necessarily reflect the views of the United Nations and the European Central Bank, or the survey respondents.

a crucial element that affects the ability of local businesses to develop and take part into GVCs. The survey was conducted by the Trade and Investment Division of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) from February to July 2015.

This paper starts by describing the survey methodology and results of data collection, followed by the presentation of sample profiles. Then, it moves to analyze substantive topics, namely perceived the importance of international trade, major trade obstacles and key elements to enable a business environment in developing countries. In conclusion, policy implications and recommendations are presented.

2. Survey Methodology and Data Collection

As the first step of the survey project, a structured survey questionnaire was formulated based on an extensive literature review covering many existing business survey questionnaires, which were conducted by international and bilateral agencies and academics in Asia and the Pacific in the past (e.g. ADB and ADBI, 2015; ESCAP, 2014; World Bank, 2015). Survey questions were selected or modified from the existing business survey questionnaires or were newly developed. In addition to those for general descriptive statistics, we drafted the questions to fit with advanced statistical techniques in order to conduct more in-depth data analysis in exploring relationships between the main issues and comparing group differences.² The final questionnaire consists of 34 questions, which typically use six-point Likert scale instruments, and is divided, excluding the introductory part, into the following five sections (the survey questionnaire is appended at the end of this Report):

1. Importance of international trade
2. Trade obstacles
3. Doing business in developing countries
4. General questions
5. Contact details and feedbacks

The survey questionnaire was prepared using Internet-based survey software *Surveygizmo*³ and it included an introductory statement which clearly mentioned the objectives and

² The present study cannot examine all important relationships and group differences due to limited resources. One or two working papers are planned to be developed at the later stage.

³ For details, visit <http://www.surveygizmo.com/>.

expected contributions of the survey. The questionnaire also offered to share the results of the survey with those interested as an incentive to complete it.

The key feature of the survey is that it works with branching logic. This feature allows questions to change based upon answers to previous questions. For example, if a respondent claimed international trade is not important at all for his/her company at the very beginning, the respondent would only be asked to provide a reason and would not be asked any additional questions about their operations in international trade. The respondent would then be directed to the next section. This feature allowed the survey to be more user-friendly and concise since the respondents would not be asked irrelevant questions. Another important feature to point out is that the majority of questions were not made compulsory. As a consequence, a respondent could skip irrelevant questions to him/her and still submit his/her response at the end without being frustrated by many questions unnecessarily. While this approach was meant to make the survey ‘less binding’ and ‘less time consuming’ it might have triggered partial responses, as reviewed below.

The online questionnaire was disseminated entirely via email from the beginning of April 2015 to the end of May 2015. It was specifically sent out to 1,627 individuals and/or organizations which were listed in a database developed by the secretariat of the ESCAP Business Advisory Council (EBAC).⁴ The survey targeted businesses involved in international trade and/or participating in Global Value Chains (GVCs) as suppliers or distributors based in the Asia-Pacific region. However, some businesses outside the region were also contacted mostly due to their engagement with the region. The survey responses were monitored on a regular basis over the survey period. Reminders were sent out approximately every two weeks by email starting from the beginning of May 2015. The final survey statistics were as follows:

- Number of responses: 807
- Number of partial responses: 752
- Number of complete responses: 206
- Number of disqualified responses: 0

⁴ The database consists of individual industry experts, private and public enterprises, business associations, governments and international organizations as well as non-governmental/non-profit organizations, all of which have participated in at least one of ESCAP’s business related meetings, seminars, workshops and forums, which were held in various cities in Asia and the Pacific from 2004 to 2014. For more details of the EBAC, visit <http://ebac.unescap.org/>.

For the purpose of clarification, partial responses are those responses in which the respondent did not answer all questions. Excluding overlap between partial responses and complete responses,⁵ 807 individuals opened the survey link and 206 completed the whole survey. Due to this, the completion rate among the 807 individuals was 25.5% and the overall response rate was 12.7% (206 complete responses out of 1,627 of target population).⁶ Consecutively we conducted an analysis of variance (ANOVA) to examine response bias.⁷ Specifically, we divided the respondents into three groups according to days that took from receiving to submitting the survey questionnaire. The first group comprises 73 respondents that submitted the filled questionnaire within one week from when they received it. The second group is formed by 65 firms that spent from one to two weeks, whereas the third and last group is made up by the remaining 68 companies that submitted the questionnaire after more than two weeks from when they received it. We performed the analyses on four profile variables namely: size of the company regarding people employed; the share of foreign ownership; years of operations; and yearly turnover. The results confirmed no statistically significant difference between the three groups; thus, we concluded that no response bias existed in the sample.

Those businesses sampled included all firm sizes (i.e. micro, small and medium-sized and large enterprises), diverse sectors and nationalities and operated in various geographical locations. Computerization of the collected data was completed by the end of June 2015, and the ESCAP survey team cleaned up the dataset by the beginning of July 2015. The dataset was further reviewed and recoded by team members as/if necessary by the end of July 2015 for data analysis. The final dataset used for the analysis contains 206 cases, and data are in line with the questions of the online survey questionnaires (see annex).

3. Sample Profile

This section highlights the short profiles of sampled businesses and their broad characteristics. The survey presents industrial sectors in which the sampled firms operate, sizes regarding number of employees, turnovers in 2013, the shares of foreign ownership, ages, the scopes of operations, the locations of head offices and the locations of branches

⁵ This means that an individual or an organization responded to this survey more than one time.

⁶ This is still an encouraging result compared with low response rates experienced by many other online business surveys in the past (cf. Baruch and Holtom, 2008; Deutskens, *et al.*, 2004).

⁷ Nonresponse bias occurs when a large number of people in the survey sample do not respond to the questionnaire and have responses different from those who do participate (Armstrong and Overton, 1977).

within the Asia-Pacific region. According to *Surveygizmo*, the average time that a respondent spent to complete the survey is approximately 48 minutes.

Figure 1 illustrates the composition of the sampled firms by industrial sector. The respondent was allowed to choose only one of 16 sectors suggested by the survey. The majority of the firms (18.0%) operate in ‘other services,’ while ‘professional services’ are the second most chosen (13.6%). Finance and insurance; apparel and garment manufacturing; and wholesale, retail trade and distribution constitute over 8% of the sampled businesses each. The sectors with the lowest shares of companies engaged are electronics manufacturing and public utilities with 1.0% of share each. In aggregated sectoral distributions, as revealed in figure 2, the service sector accounts for 66.4%, while the primary sector and manufacturing sector have 8.7% and 23.9% of shares, respectively. Companies operating in the manufacturing sector tend to be the largest and to be between the categories of medium and large, while those in the primary sector and service sector tend to be smaller between the categories of small and medium.

Figure 1: In which sector does your company operate?

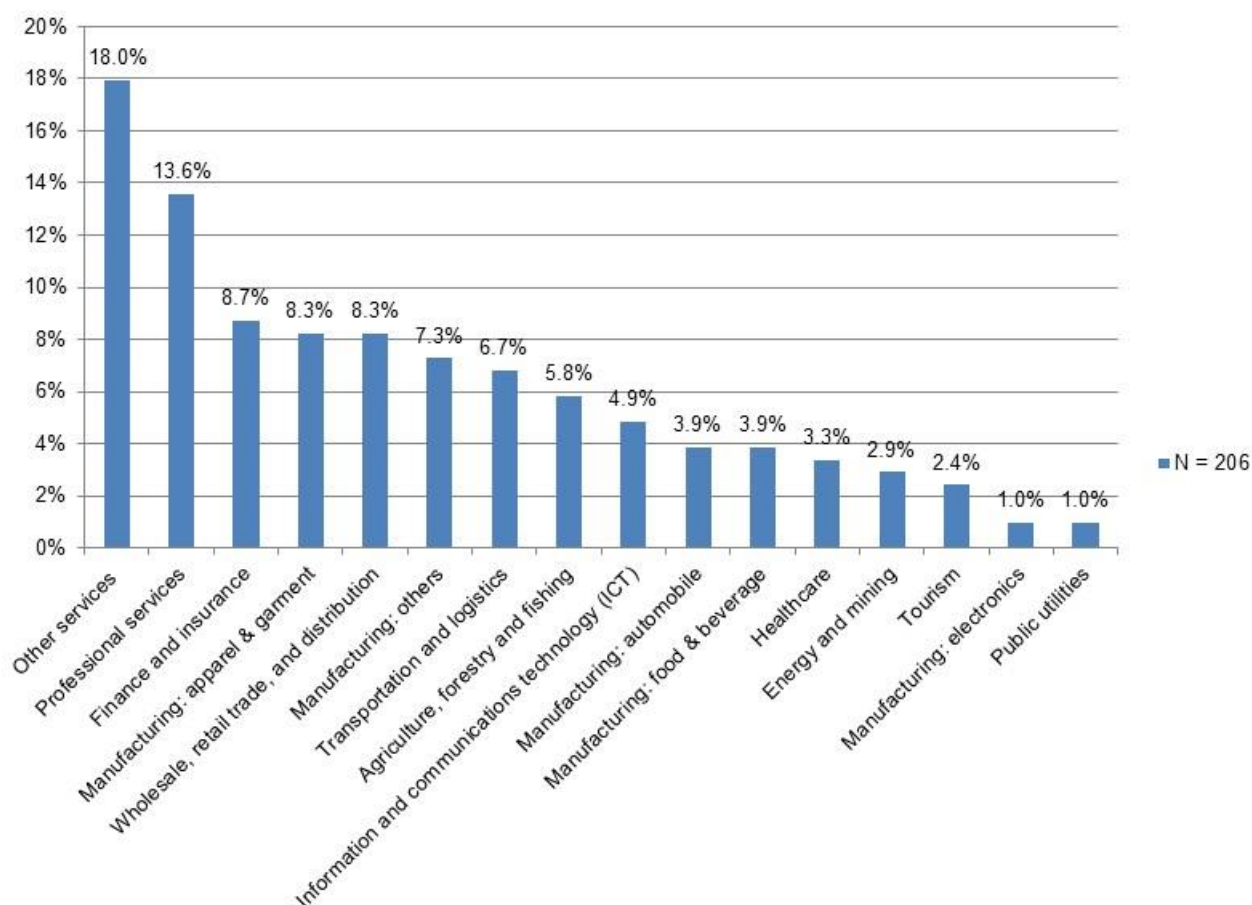


Figure 2: Aggregated sectoral distribution of the sampled firms

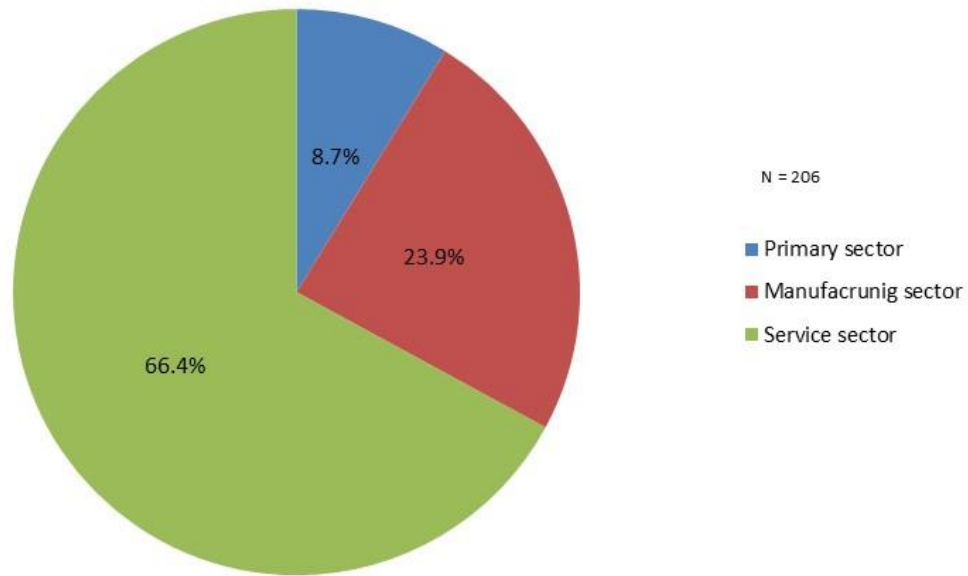


Figure 3 shows the size of the surveyed firms regarding a number of employees. Large enterprises (more than 250 employees) are the largest group, constituting 39.8% of total firms sampled. Medium-sized enterprises (employing between 50 and 250 employees) have the lowest share (17.4%), while firms categorized as micro (employing less than 10 people) and small (with a number of employees ranging from 10 to 49) represent 20.9% and 21.9% of total businesses surveyed, respectively. This result is different from a typical size composition of the business community in the world as well as in Asia and the Pacific, where more than 99.5% of firms are typically micro or small and medium-sized enterprises, also known as SMEs (Abe, *et al.*, 2012). This derives two issues for further data analysis: (i) the sampled firms do not well represent the business community in Asia and the Pacific, perhaps because the survey used the EBAC database (as explained earlier) which contains a number of large enterprises;⁸ and (ii) with the first issue, interpretation of survey results must be done with caution for policy implications and recommendation.

⁸ This is understandable that the EBAC database consists of those businesses which have engaged with the United Nations and they tend to be a larger entity.

Figure 3: How big is your company?

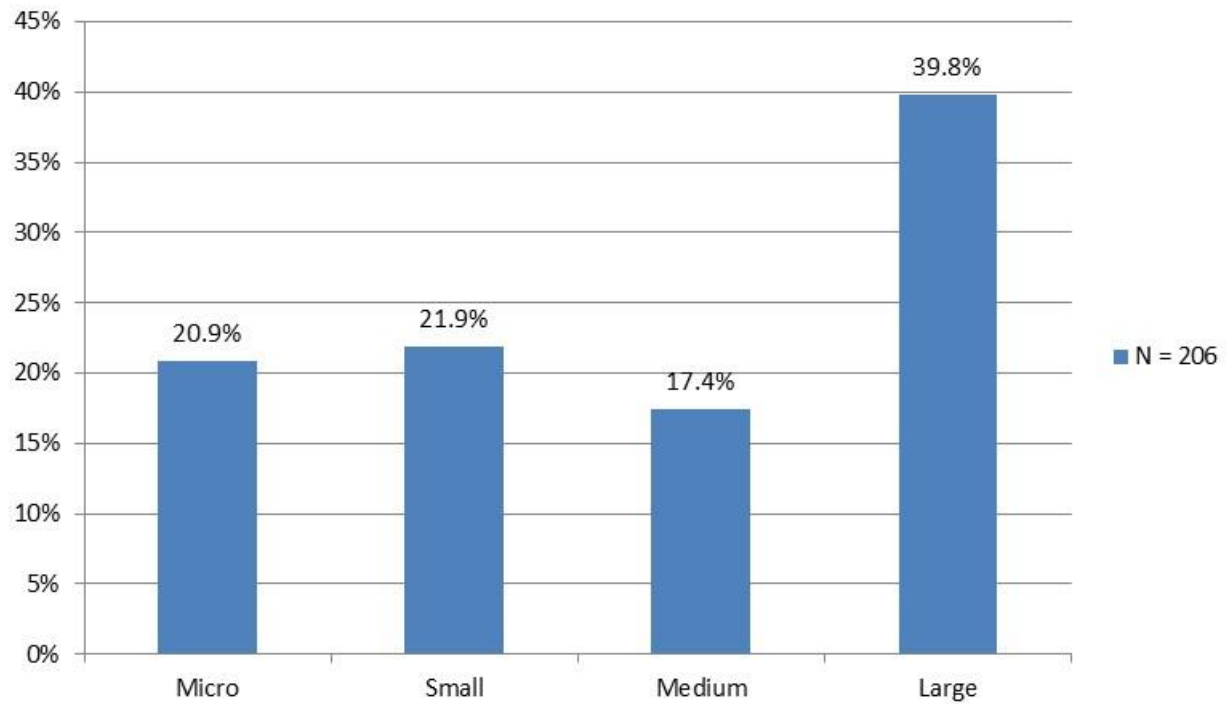
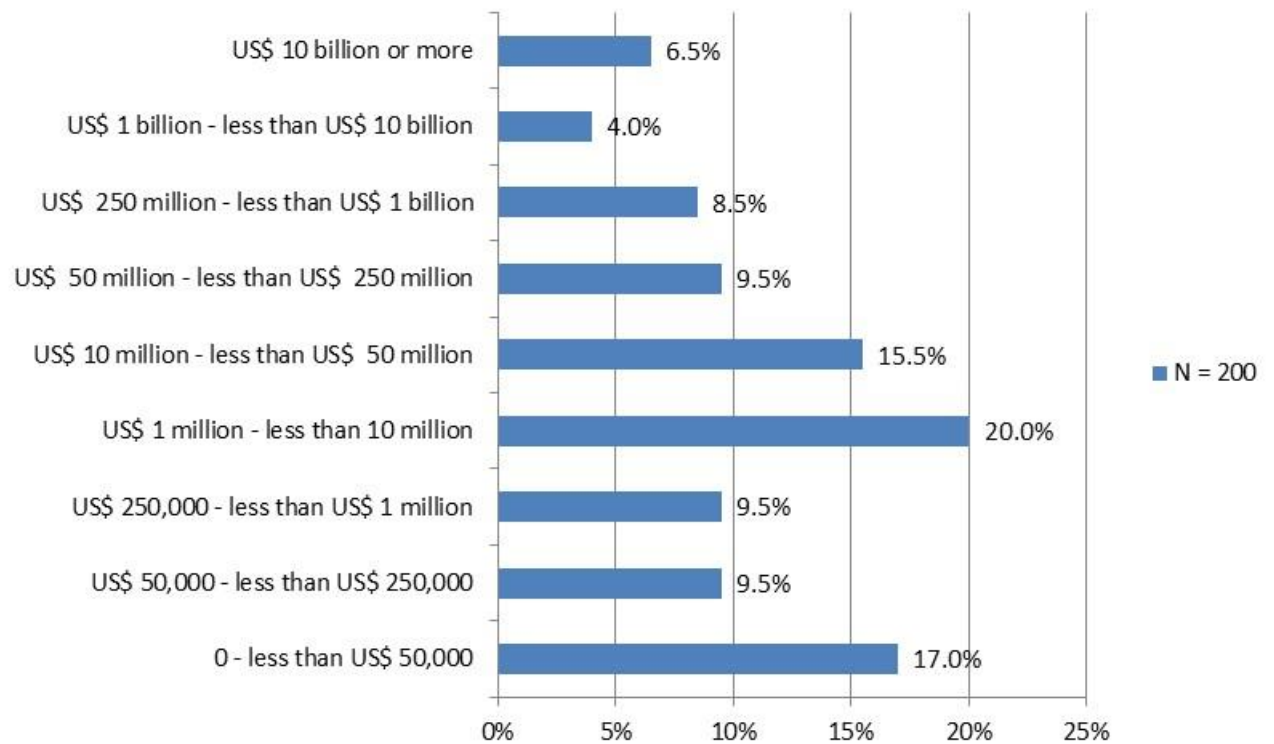


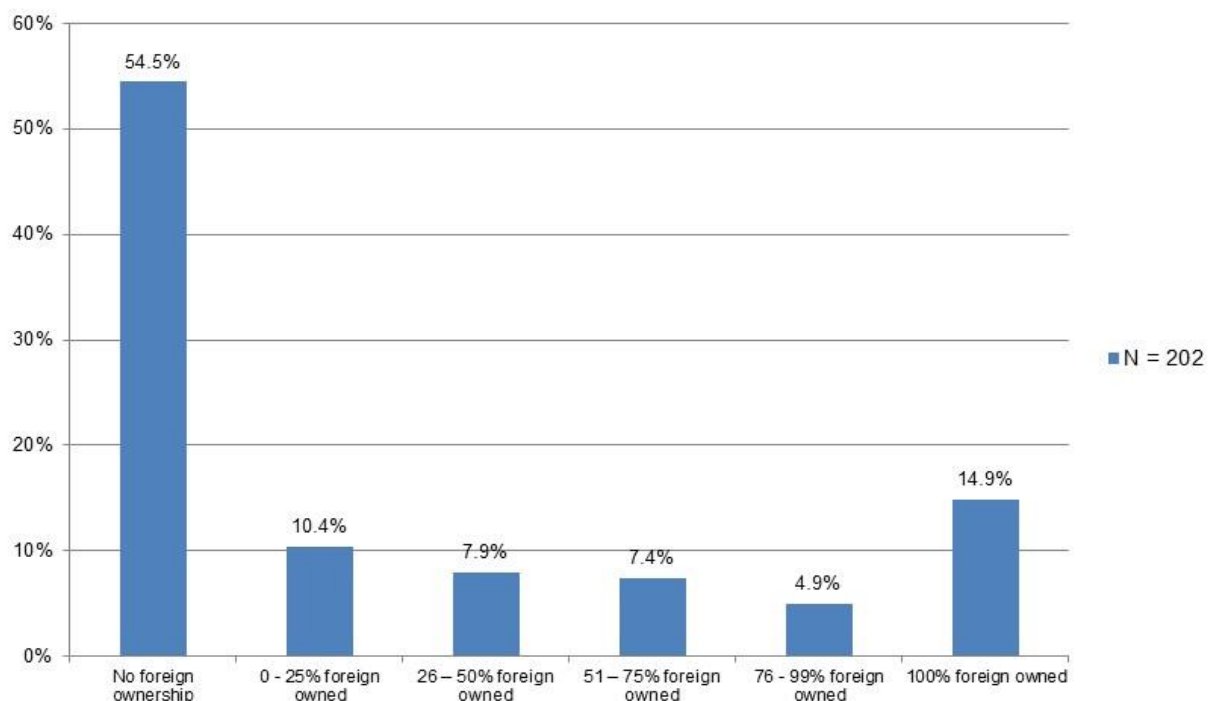
Figure 4: What was your turnover in 2013?



Upon analysis of the sampled firms' annual turnover (for the year of 2013), figure 4 reveals the following picture. The sample covers the different levels of turnover from less than \$50,000 to over \$10 billion. The median turnover is \$30 million. The figure is consistent with the results of the firm size shown in the previous graph on the number of employees: this survey collected data from a considerable number of large firms. The figure also highlights three peaks at: (i) turnover less than \$50,000; (ii) turnover between \$1 million and \$10 million; and (iii) turnover over \$10 billion. This particular observation suggests that those sampled firms could be categorized into a few groups based on the size of turnover and other corporate characteristics (this issue will be further reviewed in the later section).

Figure 5 presents a well-diversified picture regarding domestic and foreign ownerships among the samples. Those with no foreign ownership account for more than one-half of the total surveyed businesses (54.5%). Firms completely owned by foreigners represented the second largest category with 14.9% of total sampled. Those firms with partial foreign ownership comprise 30.6% of the sample. More specifically, firms with a share of foreign ownership ranging from zero per cent to 25% account for around one-tenth of total businesses. Those whose share of foreign ownership ranges from 26% to 50% and from 51% to 75% comprise 7.9% and 7.4% of the sample, respectively. Firms belonging to the last category (76% to 99%) are 4.9% of total businesses.

Figure 5: What share of your company is foreign owned?



Old and well-established companies are by far the most represented in this survey as firms operating more than 20 years constitutes nearly one-half of total sampled firms (48.6%, figure 6). By contrast, start-up firms operating less than one year are the least represented (3.9% of total sampled). The rest of the firms aged between 1 and 20 years constitute 47.5% of the total. In details, those firms whose age range from 1 and 5 years make up 18.9% of total sampled, whereas those active from 5 to 10 years and from 10 to 20 years account for 10.2% and 18.5%, respectively. Similar to the turnover previously reviewed, this observation suggests that those sampled firms could be categorized into a few groups based on the years of operations and other corporate characteristics. Again, this issue will be further reviewed in the later section.

Figure 6: How many years has your company been in operation?

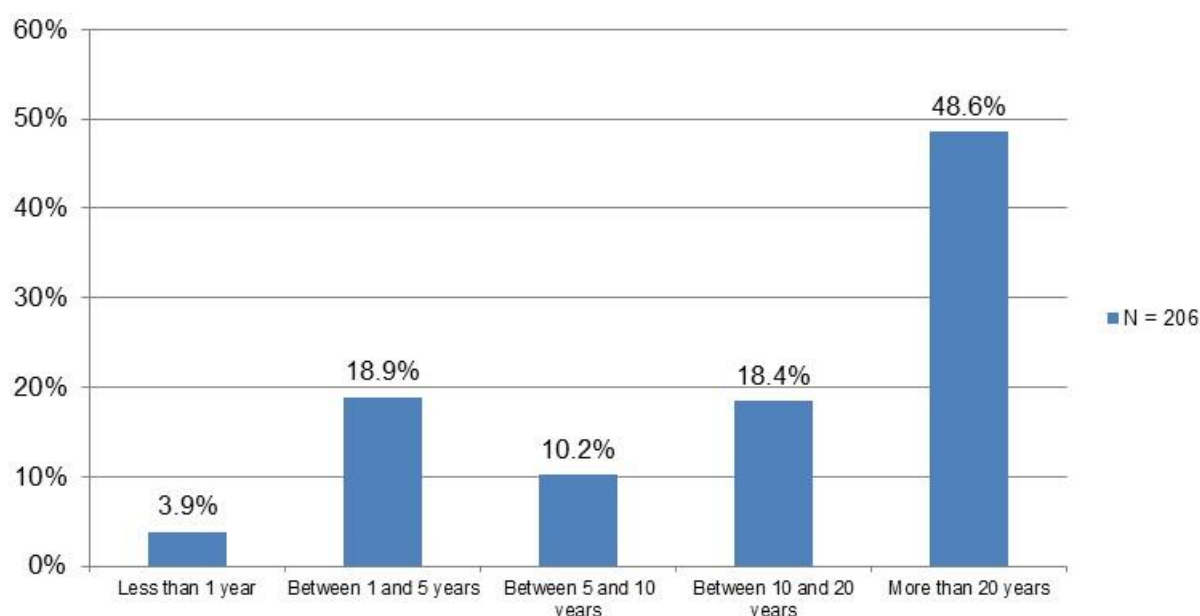
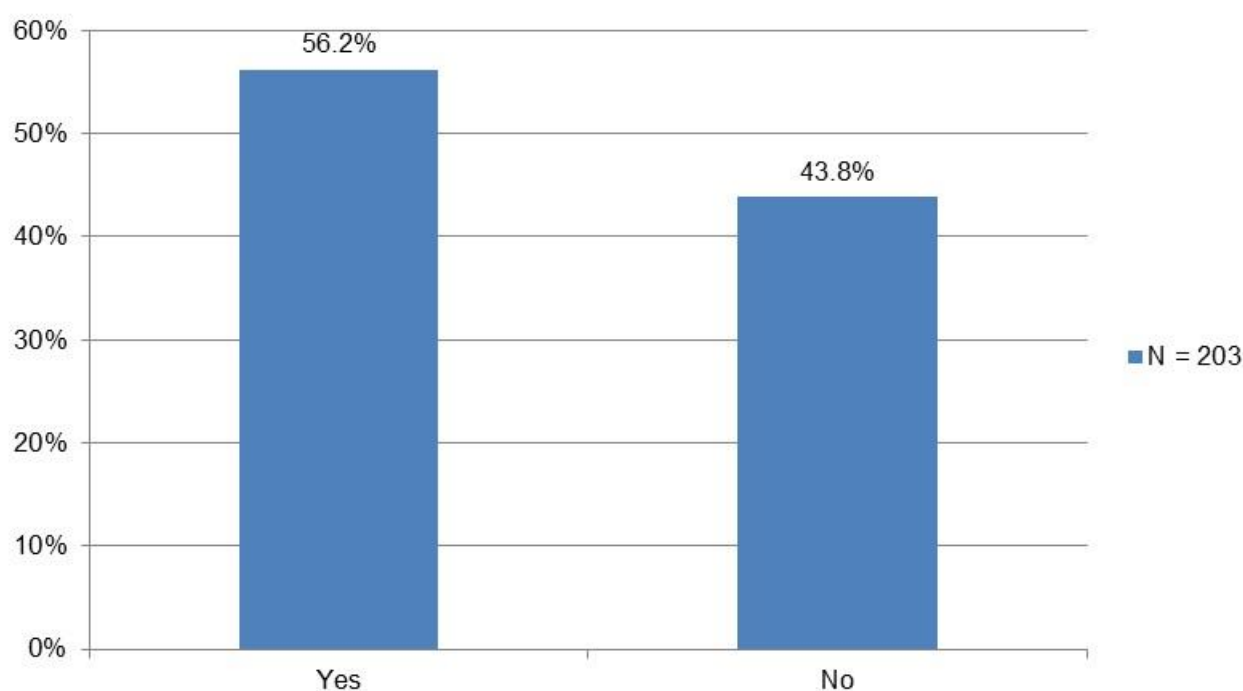


Figure 7 provides information on internationalization of the sampled firms. The majority of them (56.2% or 114 enterprises) report that they operate in at least two different countries whereas 43.8% of them answer that they are active only in one country. Note that while these firms do not have any foreign branches or facilities, they may still conduct an international trade or participate in GVCs as suppliers, service providers or distributors at the local level.

Figure 7: Does your company operate in more than one country?



Additionally, sampled firms were asked to reveal the country where they have their head office (figure 8). The majority of the sampled firms have their head offices in Asia and the Pacific (88.3%). Thailand is the country where most sampled firms have their headquarters (12.1% of total), followed by Hong Kong, China; Sri Lanka; and the Philippines with, respectively, 9.7%, 7.3% and 5.8% of total sampled. A relatively high percentage of firms (4.4%) have their head offices located in a country which does not belong to the Asia-Pacific region, i.e. the United States. It is noteworthy that due to the characteristics of the EBAC database,⁹ his survey covers a number of businesses from the developing countries in the region, while 80 firms have their head offices located in high-income countries (i.e. Hong Kong, China; Japan, the United States, Singapore, Australia and United Arabs Emirates).¹⁰

⁹ The majority of EBAC members come from the Asia-Pacific developing countries and the EBAC secretariat is located in Bangkok, Thailand. Therefore, the database of EBAC contains a number of businesses from the Asia-Pacific developing countries, including those operating in Thailand.

¹⁰ We use the categorization of countries by income, given by the World Bank at <http://data.worldbank.org/about/country-and-lending-groups>. Data refer to the year 2015.

Figure 8: In what country is your head office located?

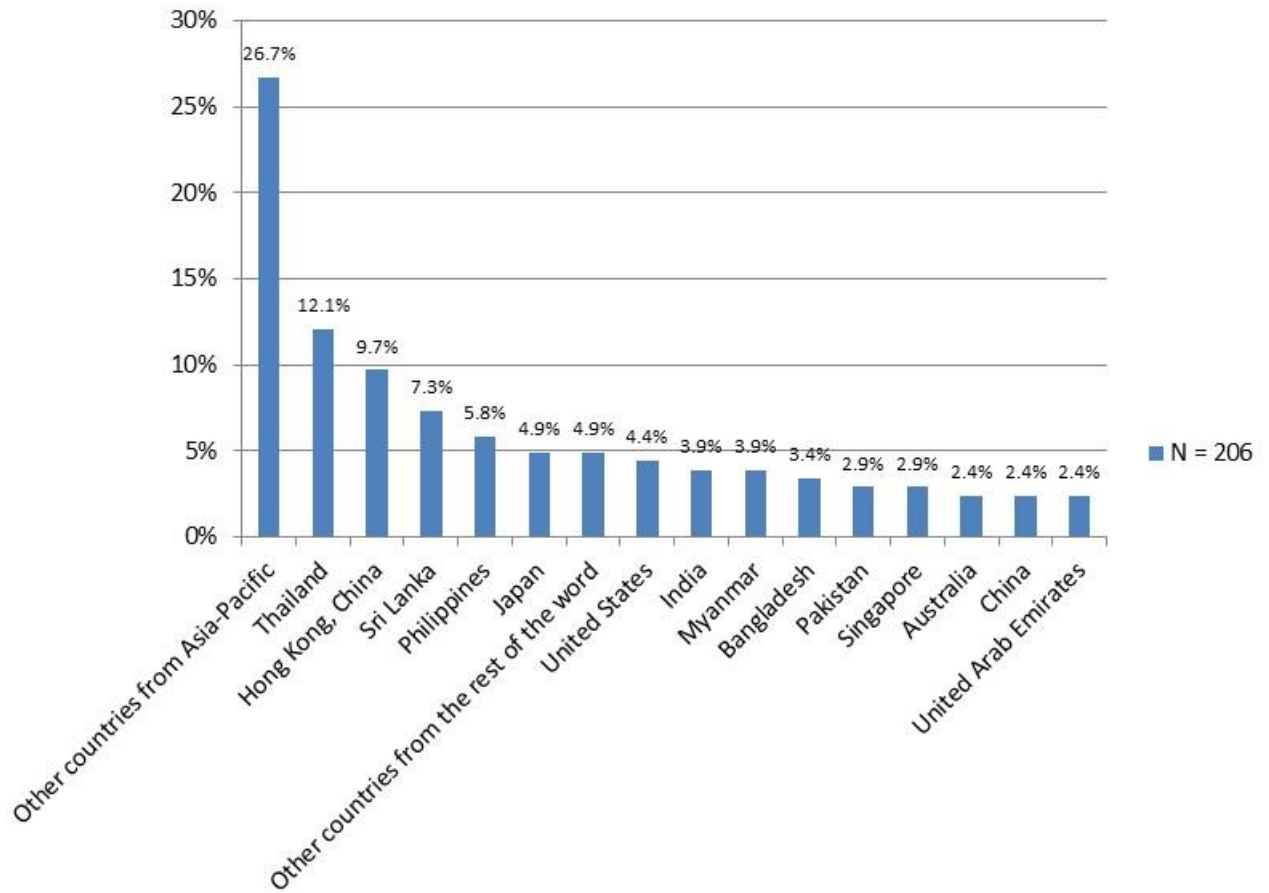
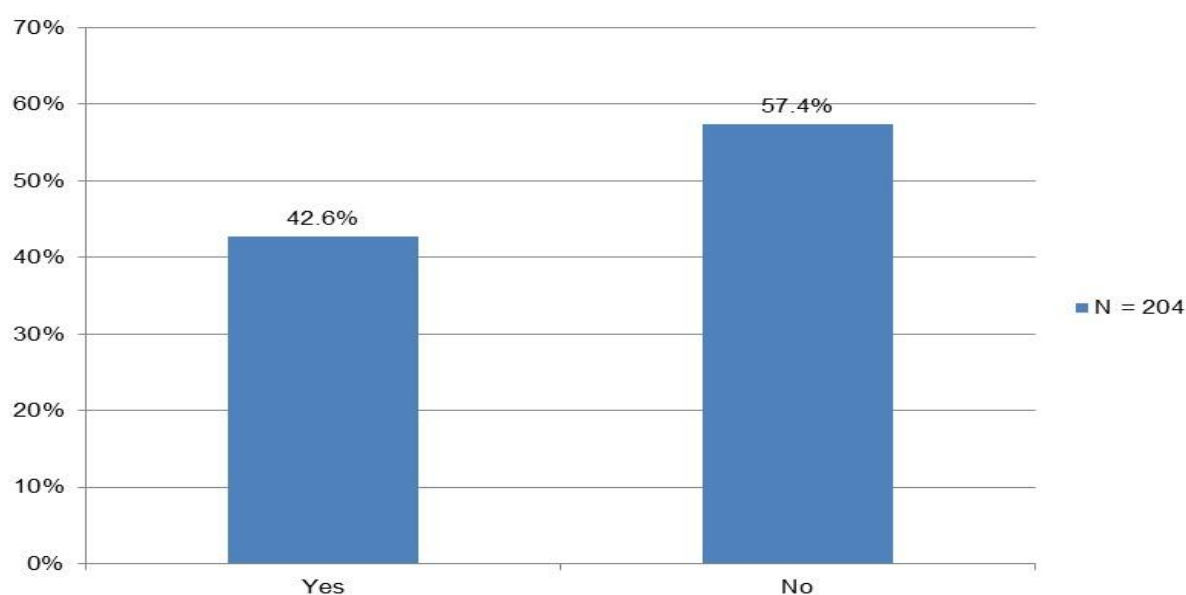


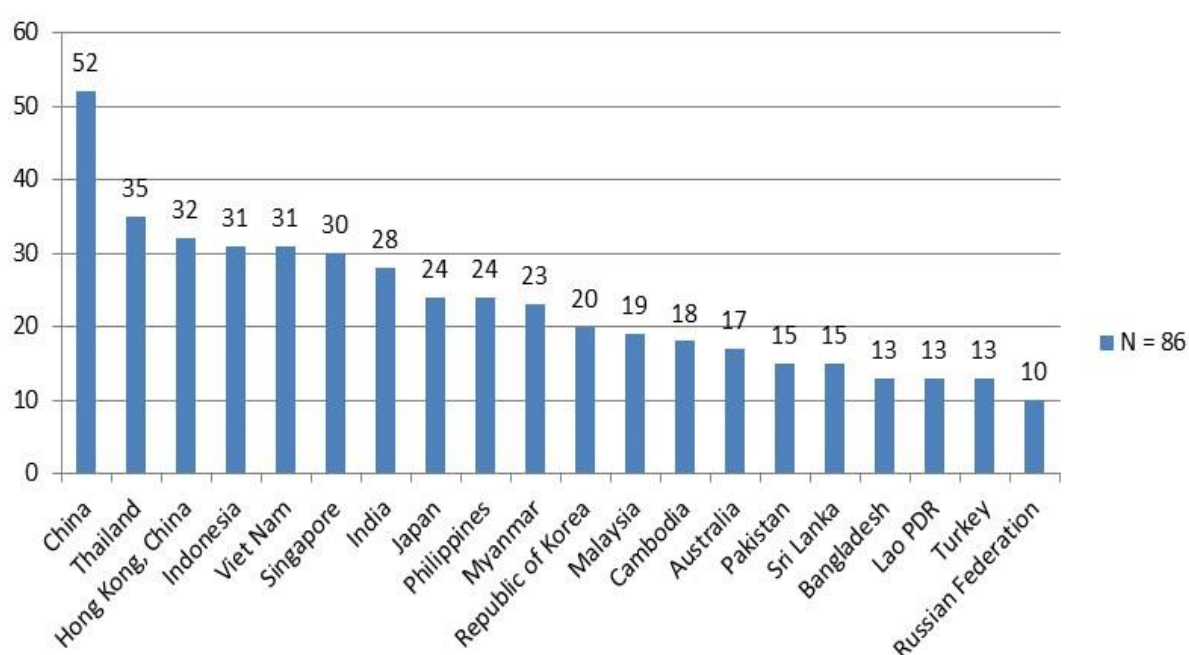
Figure 9 reveals that more than one-half of the sampled firms have no branches in this region (57.3% of total enterprises or 117 firms). It is understandable since many of them operate in only one country (see figure 7). However, 42.6% of respondents have already developed their branches within the Asia-Pacific region, strongly indicating their active participation in international trade.

Figure 9: Does your company have any branches in the Asia-Pacific region?



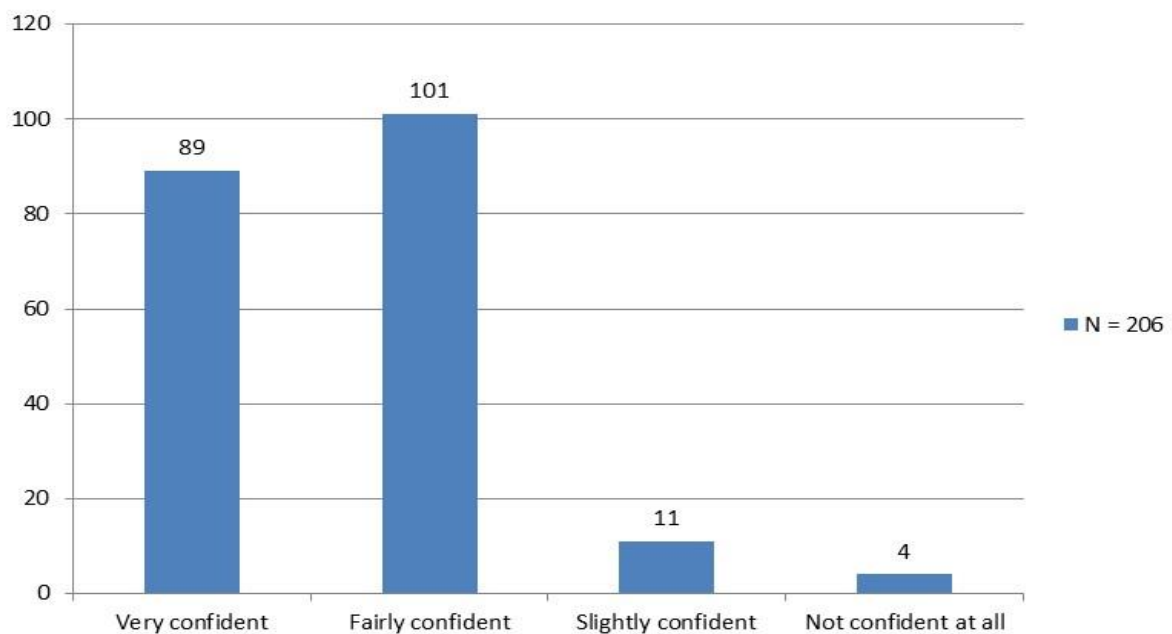
Firms that answered affirmatively to the previous question were also asked to disclose the countries where their branches are hosted (figure 10). The results suggest that China hosts the largest number of foreign branches (52 out of 86 firms). In other words, more than 60% of the companies which have foreign branches have branches active in China, followed by Thailand; Hong Kong, China; Indonesia; and Viet Nam, with, respectively, 35, 32, 31 and 31 branches.

Figure 10: Please indicate the location of such branches and use multiple options if necessary.



At the very end of this survey questionnaire we provided the respondents an opportunity to evaluate the degree of their confidence in answering the questions (figure 11). The vast majority of them (97.9%) indicate that they answered the questions at least fairly confidently. Only four respondents stated that they were not confident at all when answering the questions of the survey. Due to the lack of confidence, those four companies are excluded from further data analysis; thus, 202 cases are used for further data analysis in the following sections.

Figure 11: How confident were you in answering the questions in the questionnaire?



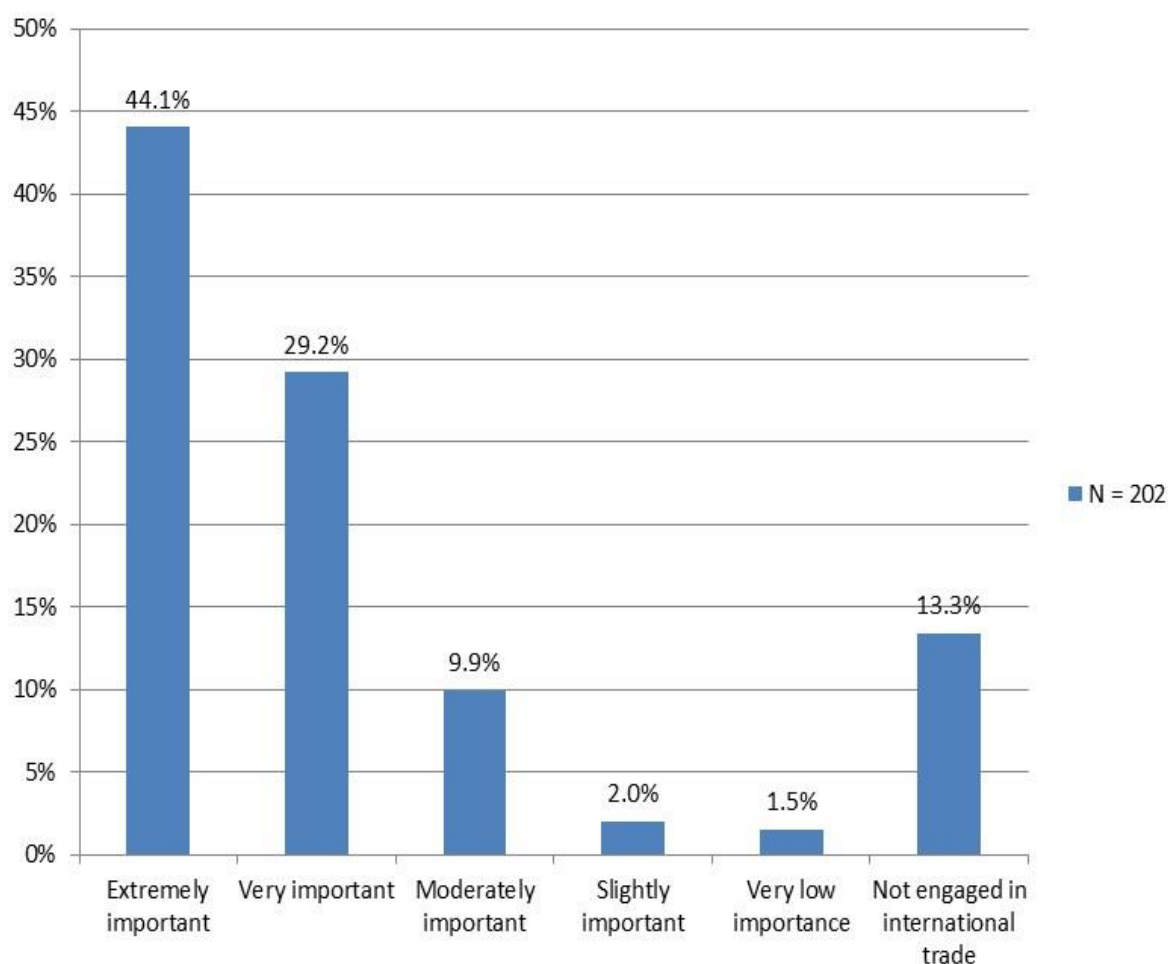
4. Importance of International Trade

This section examines the perceived importance of international trade, defined regarding both imports and exports, to the respondents. Also, it provides information on the samples' direct or indirect involvement in importing and exporting business, which can suggest the status of the sampled firms' participation in GVCs.

Figure 12 indicates that 13.4% of the sampled firms are not engaged at all in international trade activities, suggesting 86.6% of them conduct international business in some form. The vast majority of them perceive that international trade has at least some importance. More

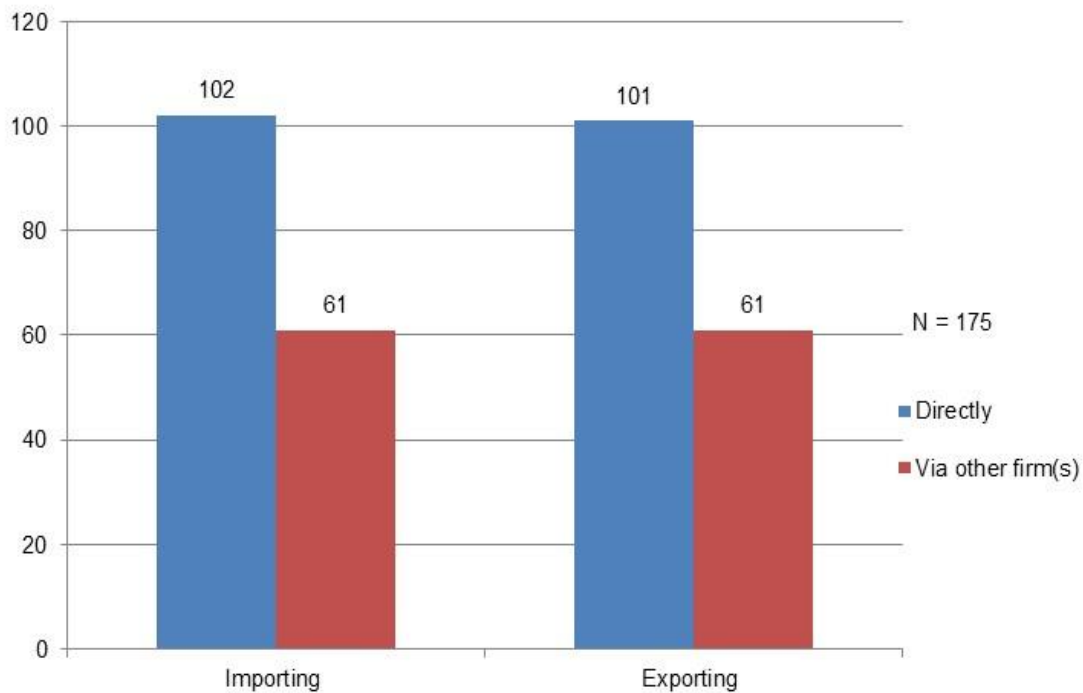
specifically, around 73% of businesses regard importing or exporting from other countries very or extremely important.

Figure 12: How important is international trade (export and imports) for your company?



The firms surveyed show similar strategies on their direct or indirect involvement in both importing and exporting business (figure 13). They tend to import directly rather than by taking advantage of the services offered by other firms or middlemen, and the same pattern is observed for exports. However, the results also provide some evidence to the indirect involvement of substantial businesses to GVCs through other firms or middlemen. In details, 58.2% of the firms confirm that they import goods and services directly, whereas businesses that import via other firms are 34.9%. Almost the same patterns are identified in exporting business as 57.7% of the firms export goods and services directly whereas businesses that export via other firms are 34.9%.

Figure 13: Does your company import, export or both?



5. Trade Obstacles

This section investigates various obstacles that firms may encounter when trading in the Asia-Pacific region. The analysis illustrates how the ability to engage in international trade is affected by some factors endogenous to businesses. Also, this section inspects major external factors that the companies regard to influence their ability to participate in international trade, and it provides data on the composition and value of imports and exports. Since the issues encountered when trading internationally differ between exports and imports, this section also evaluates those obstacles separately in both exporting and importing operations.¹¹

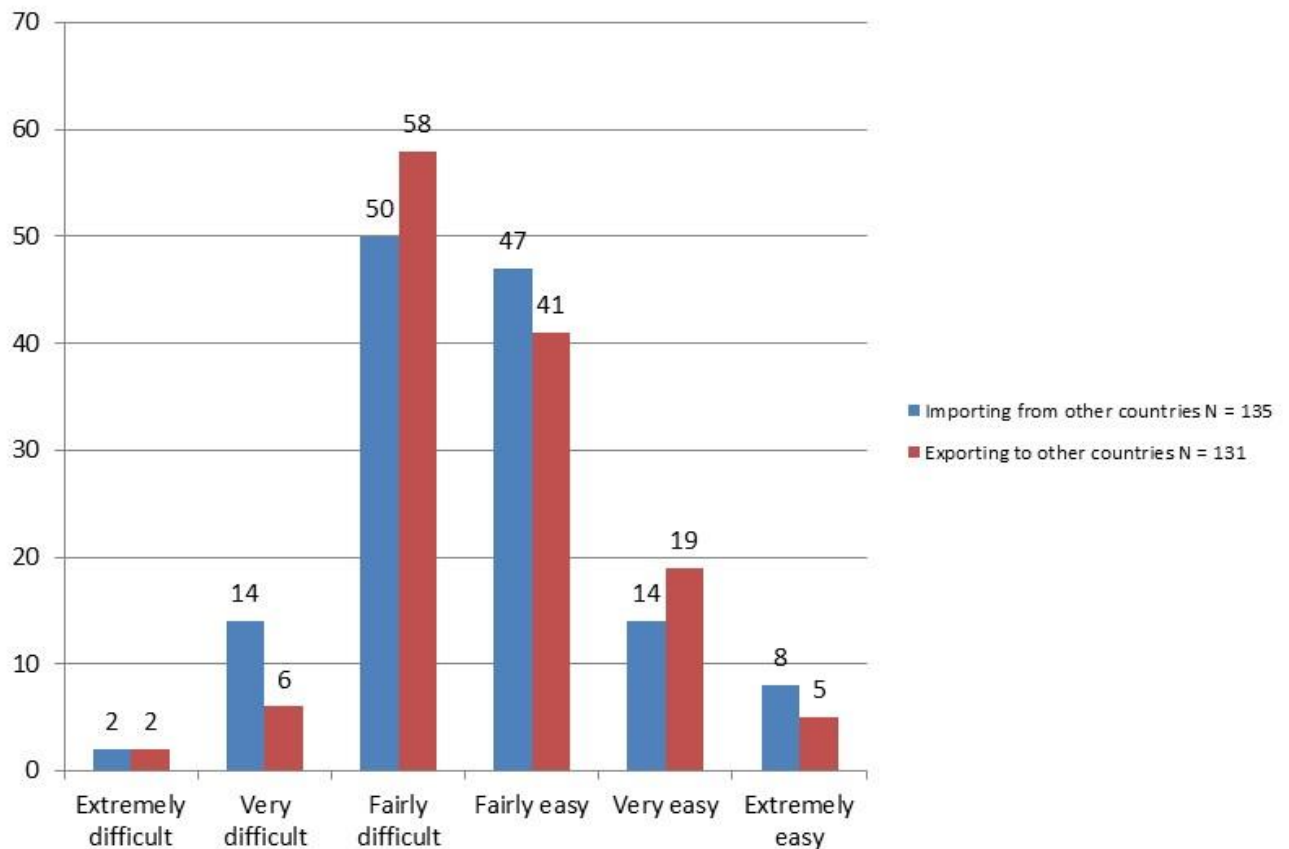
While international trade is regarded as a crucial activity for the majority of the firms surveyed (figure 12), figure 14¹² suggests that, overall, about one-half of the firms consider importing and exporting goods and services from the rest of the world as a difficult activity. About 16% of the sampled firms regard importing to be extremely to very easy, while nearly

¹¹ The great majority of the sampled firms (69.5%) consider that different factors affect exporting and importing. Note that only 167 out of 202 samples responded to the question perhaps because those unanswered have no adequate experience in international trade.

¹² Figure 14 also more or less supports the normality of the data which is a fundamental condition for conducting the following analysis of variance (ANOVA).

one-half of them consider importing activities to be from extremely to fairly difficult. What emerged from analyzing importing is also valid for what concerns export activities. More than half of the sample firms (50.4%) regard exporting activities to be from fairly to extremely difficult, whereas 18.3% of them consider exporting as extremely to very easy.

Figure 14: In general how easy is for your company to import/export?



It is commonly understood that internal elements or corporate characteristics affect the ability of companies to trade internationally (Czinkota and Ronkainen, 2010). Specifically, we analyze the influence of two characteristics of companies that engage in international trade: the size of enterprises regarding people employed or yearly turnover; and the number of years firms have been operating.¹³

The *Melitz model* suggests that, in a setting of heterogeneous firms and economies of scale, larger enterprises are more likely to enter foreign markets and export their goods and services than smaller firms do (Melitz, 2003). According to the model, this notion stems from the fact that the more productive and efficient firms (or larger firms) can absorb: (i)

¹³ In addition, other two factors, namely foreign ownership and foreign operations (figures 5 and 7), were examined using *T*-test. The test results detected no substantial difference among different groups.

fixed costs, such as overseas facilities; and (ii) variable costs, such as international marketing, communications and transportation expenses, which originate from operating outside the domestic or home economy.

Firms that have operated for a considerable amount of time and experience could also have an advantage when exporting and importing goods and services with the rest of the world (Wagner, 2014). International trade often requires the construction of distribution channels or supply chains and the development of solid long-term relationships with trading partners (Löf and Andersson, 2010). Hence, experience plays an important role: the longer a firm has been in operation the stronger the channels of supply or distribution are and therefore the easier is for this firm to export or import goods and services.

To test the above-summarized hypotheses we perform analysis of variance (ANOVA). Figure 15 broadly suggests a positive correlation between the number of people that a firm employs and the firm's perception of ease of exporting, thus validating one of our initial hypotheses that larger firms are in the better position to conduct international trade. ANOVA results presented in Figure 16 provide additional evidence, supporting a positive association between yearly turnover and ease of importing. These results strongly suggest that smaller firms need policies aimed to enhance their capacities to participate in international trade or GVCs. Such interventions are particularly important considering that SMEs provide 60% to 70% of jobs (Hall, 2002), and the sector remains underdeveloped in many countries and necessitates greater support from governments (Abe, *et al*, 2012).

Figure 15: Relationship between number of employees and ease of exporting¹⁴

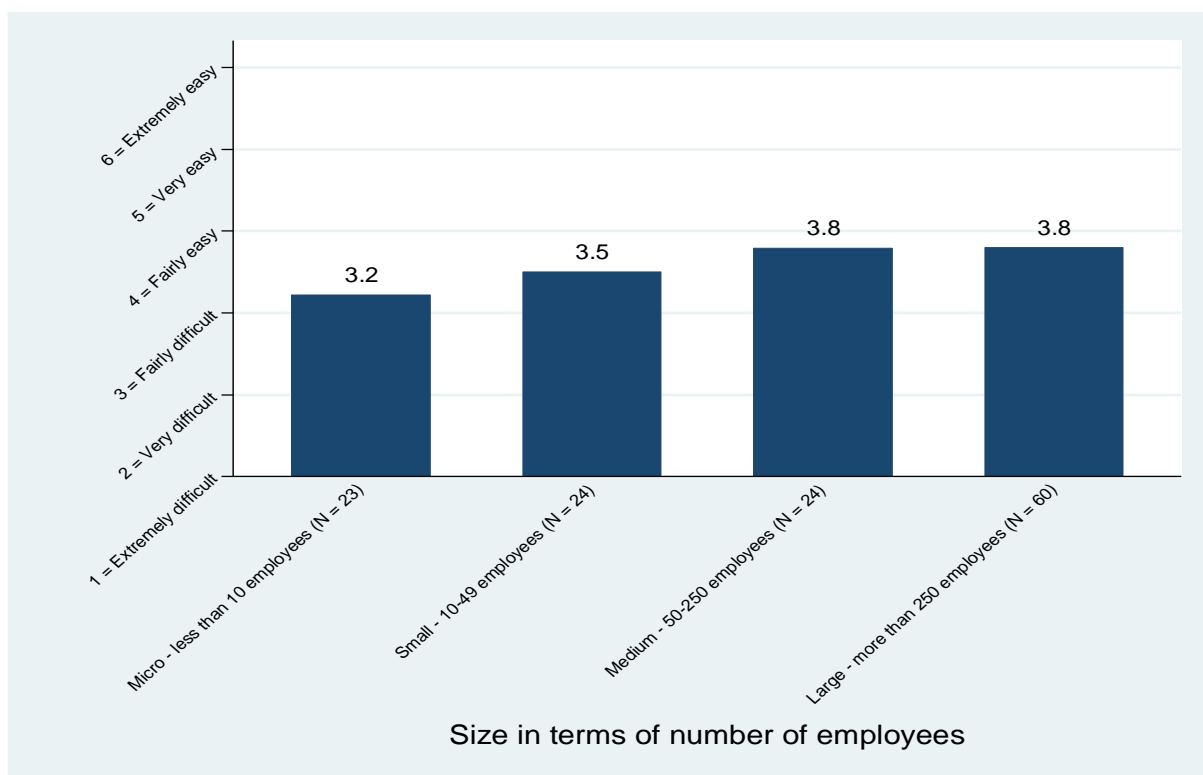
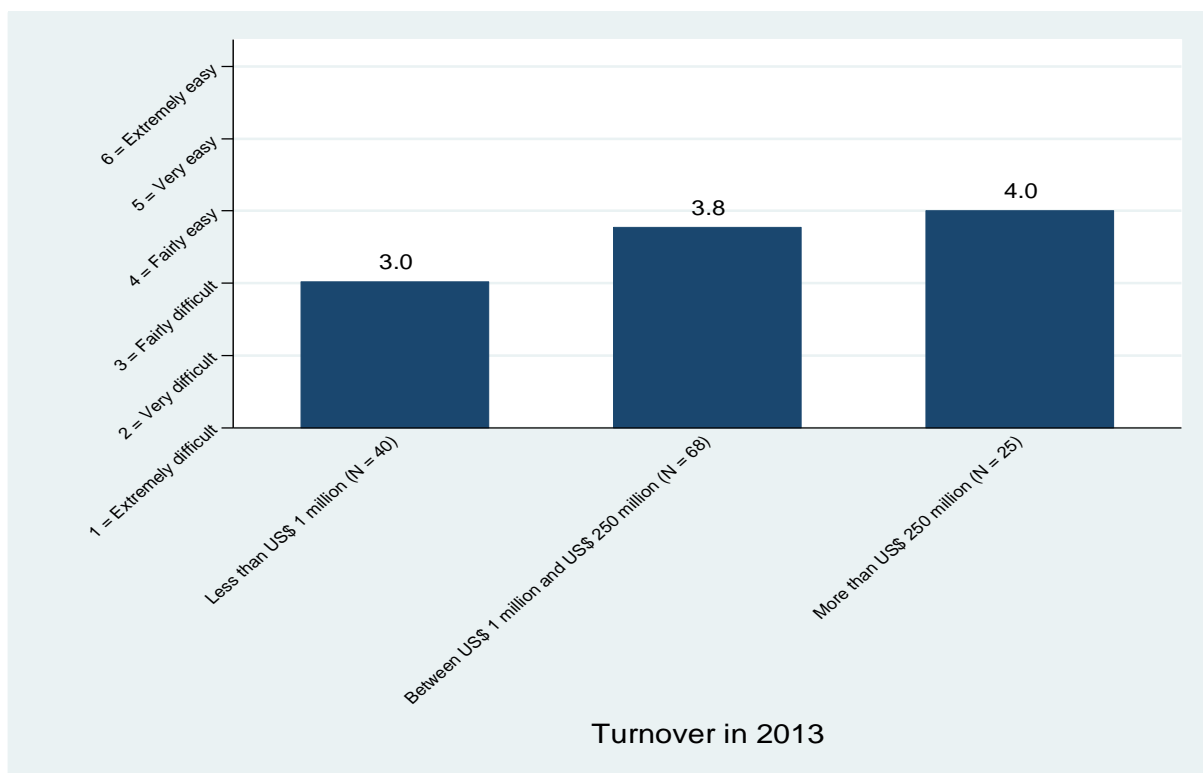


Figure 16: Relationship between annual turnover and ease of importing¹⁵



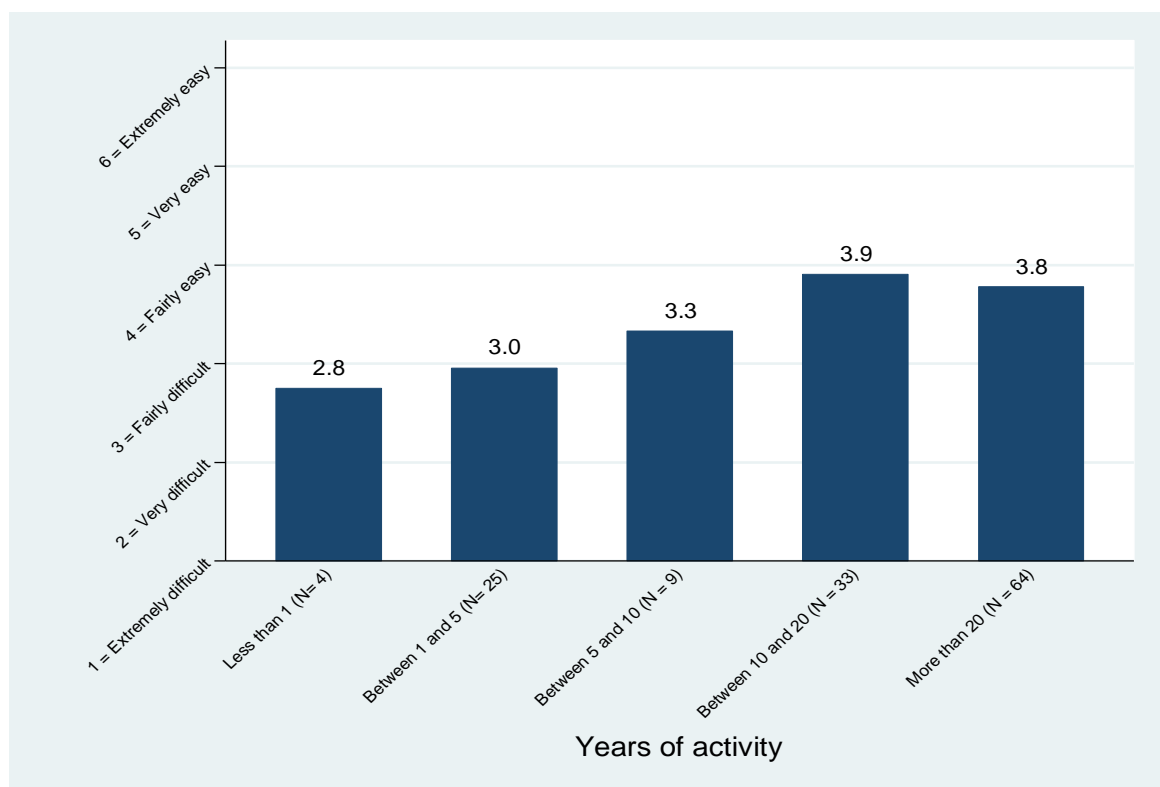
¹⁴ The confidence level is p -value at 90.0%. Sidak multiple comparison test supports that the first group (micro enterprises) and the fourth group (large enterprises) have significant mean difference with a confidence level of 90.0%.

¹⁵ The confidence level is at 99.9%.

Continuing to analyze endogenous factors affecting the ability to import, figure 17 strongly indicates that the older a company is the easier it imports goods and services. The relationship between years of activity and ease of exporting¹⁶ also shows a similar trend to that of importing. Again, the results support our initial hypothesis.

Firms active in the manufacturing sector tend to perceive export activities with greater ease, followed by companies operating in the service sector (figure 18). Companies operating in the primary sector are those that export with the least degree of ease. Another analysis was conducted on the relationship between sector of activity and ease of importing, resulting in a similar trend to exporting.¹⁷

Figure 17: Relationship between years of activity and ease of importing¹⁸

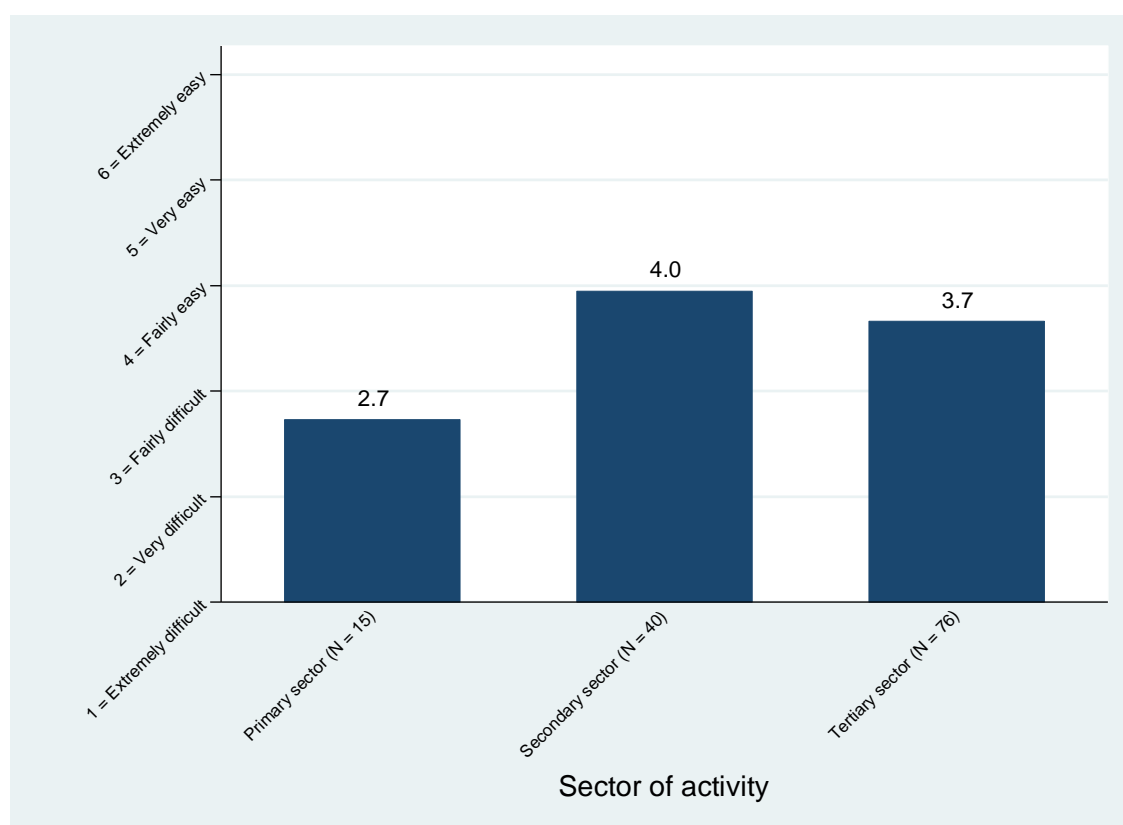


¹⁶ This result is not statistically significant.

¹⁷ This result is not statistically significant, though.

¹⁸ The confidence level is at 99.9%.

Figure 18: Relationship between sector of activity and ease of exporting¹⁹



We now move to examine the significance of obstacles in three industrial sectors, namely primary, manufacturing and services. It is expected that specific issues appear to impact the three sectors differently.

While the sample of the primary sector is particularly limited (18 of the surveyed firms), Table 1 presents that companies active in the primary sector appear to be affected by different factors when engaging in international trade. Although these companies value transparency in rules and regulations, it seems that they do not particularly consider the factors previously described as crucial, such as a stable political system. Moreover, companies active in the primary sector perceive that elements such as non-tariff barriers, the ease of access to capital and the existence of preferential access scheme affect considerably their ability to engage in international trade.

¹⁹ The confidence level is at 99.9%.

Table 1: Factors influencing international trade: primary sector

Factor	Percentage of firms attributing extreme importance to the factor	Number of firms attributing extreme importance to the factor	Number of firms answering the question
Non-tariff barriers	40.0%	6	15
Transparency in rules and regulations (foreign)	40.0%	6	15
Transparency in rules and regulations (domestic)	35.7%	5	14
Access to capital/finance	33.3%	5	15
Existence of preferential market access schemes	33.3%	5	15
Technical facilities for standards compliance	33.3%	5	15
Customs delays	26.7%	4	15
Transport and logistic infrastructure or services	26.7%	4	15
Political stability (domestic)	26.7%	4	15
Insufficient information on foreign markets	26.7%	4	15
Insufficient information on trading partners	26.7%	4	15
Existence of free trade agreements	20.0%	3	15
Security and safety	20.0%	3	15
Geographical location	20.0%	3	15
Unfair competition	20.0%	3	15

Analyzing companies operating in the manufacturing sector, Table 2 shows that more than 40% of them consider transport and logistic infrastructure extremely important when engaging in international trade, followed by security and safety, telecommunications and supply of electricity. Those manufacturers appear to care about non-tariff barriers, exchange rate volatility and supply of water to be able to produce and trade their finished and intermediate goods.

Table 2: Factors influencing international trade: manufacturing sector

Factor	Percentage of firms attributing extreme importance to the factor	Number of firms attributing extreme importance to the factor	Number of firms answering the question
Transport and logistic infrastructure or services	43.8%	21	48
Security and safety	39.6%	19	48
Telecommunications	38.3%	18	47
Supply of electricity	36.2%	17	47
Non-tariff barriers	33.3%	16	48
Exchange rate volatility	31.3%	15	48
Supply of water	30.4%	14	46
Transparency in rules and regulations (foreign)	29.2%	14	48
Existence of free trade agreements	27.7%	13	47
Political stability (domestic)	27.7%	13	47
Cost of supplies	27.1%	13	48
Transparency in rules and regulations (domestic)	27.1%	13	48
Low demand for your firm's goods or services	25.0%	12	48
Supply of petrol	25.0%	12	48
Customs delays	22.9%	11	48

More than 100 companies in the sample are operating in the service sector (Table 3). The factors perceived as extremely important by most respondents in the service sector are broadly in line with and more significant than the information provided by figure 19, namely transparency in rules and regulations (domestic and foreign), political stability (domestic and foreign) and customs delay being the top ranked factors, followed by telecommunications, transport and logistic infrastructure or services and protection of property rights. However, what is important to notice from Table 3 is that the hierarchy of the factors differs from the primary and manufacturing sectors substantively, meaning that firms operating in different sectors considered being affected by different factors when engaging in international trade.

Table 3: Factors influencing international trade: service sector

Factor	Percentage of firms attributing extreme importance to the factor	Number of firms attributing extreme importance to the factor	Number of firms answering the question
Transparency in rules and regulations (domestic)	49.5%	52	105
Political stability (domestic)	46.2%	49	106
Transparency in rules and regulations (foreign)	46.2%	49	106
Customs delays	41.7%	43	103
Political stability (foreign)	38.1%	40	105
Telecommunications	34.0%	35	103
Transport and logistic infrastructure or services	32.7%	34	104
Protection of property rights	32.4%	34	105
Tariffs and/or customs duties and fees	30.8%	32	104
Security and safety	30.8%	32	104
Access to capital/finance	30.4%	31	102
Non-tariff barriers	29.1%	30	103
Exchange rate volatility	29.0%	31	107
Informal payments to authorities	27.9%	29	104
Access to trade finance	27.7%	28	101

Trading goods (i.e. raw materials, intermediate goods, final products or services) carried out by the firms surveyed are analyzed in figure 20. Overall, the sampled firms are more active in international trade for final products and services. Approximately 60 firms import raw materials whereas over 20 firms export them. These numbers also apply to intermediate inputs. More than 70 companies export final products whereas slightly less than 60 are involved in importing them. Trade in services presents comparable figures for final products. This finding broadly presents a picture that those sampled firms are more likely to work in the lower streams of GVCs, importing raw materials and intermediate goods and converting them into final products and services for export.

Figure 19: Please assess the importance of the following factors for your company to conduct international trade.

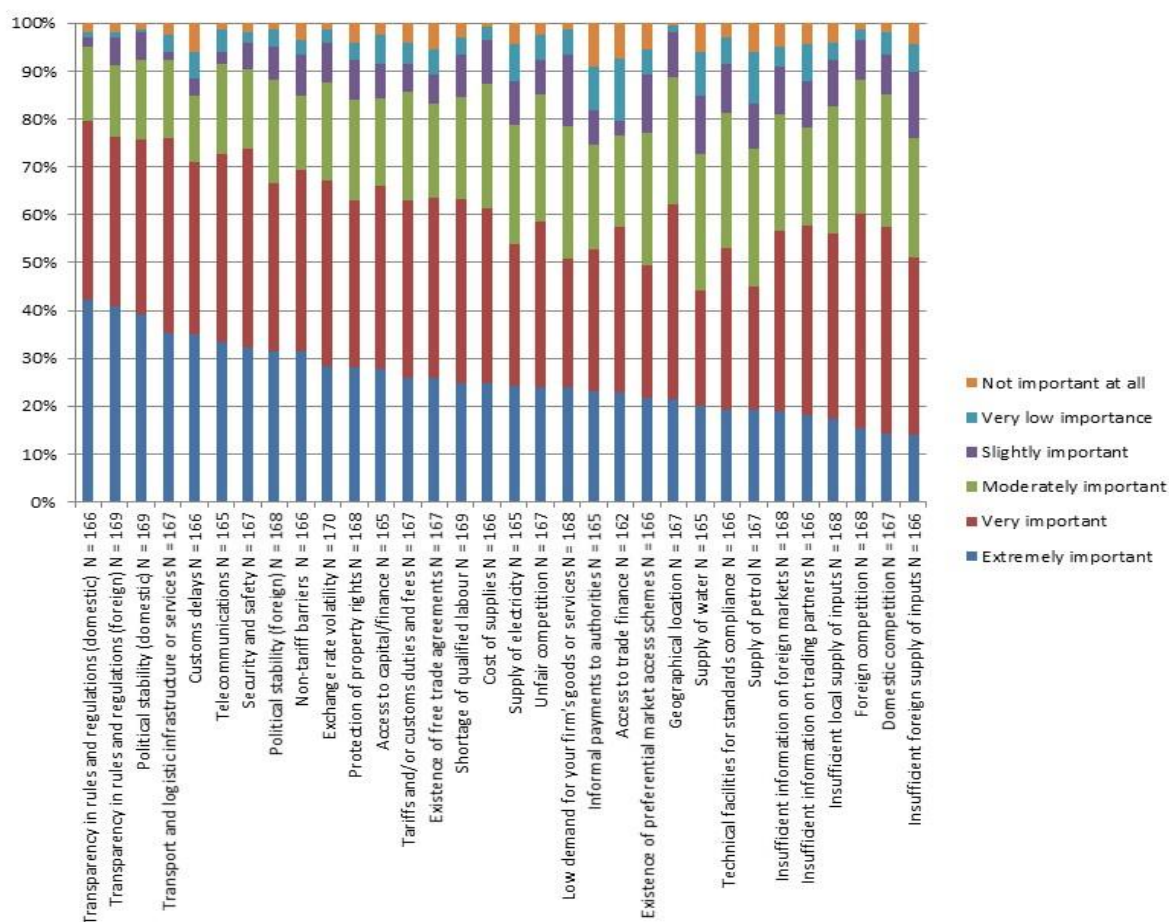
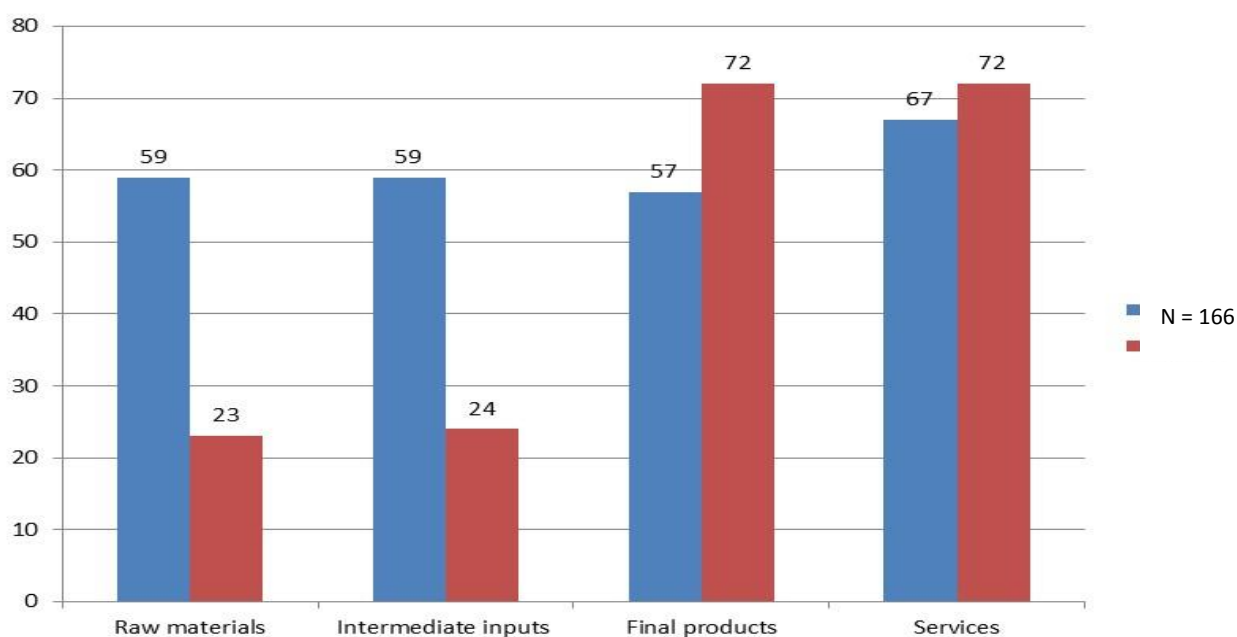


Figure 20: What does your company import and export? Please select multiple choices if necessary.



Looking into the kinds of services imported and exported by the firms of the survey, figure 21 presents a situation where imports seem to predominate over exports. The only outlier is consultancy and professional services which, apart from being the category with which the sampled firms are most active (98 firms), show exports to predominate over imports. Considering imports and exports cumulatively, the second and third most represented categories comprised enterprises active in communication and information services (66 firms) and transport and logistics (56 firms).

Figure 21: What type of services does your company import and/or export? Please select multiple answers if necessary.

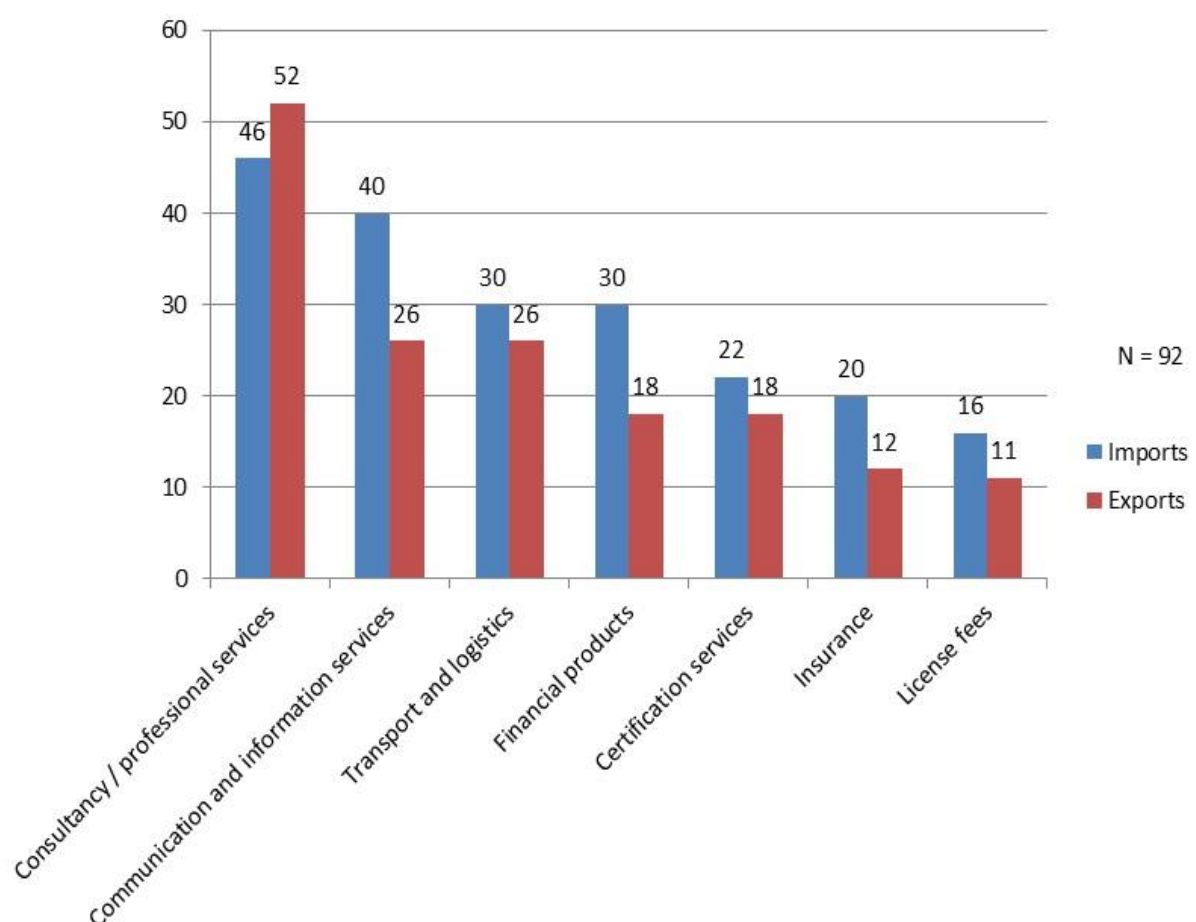
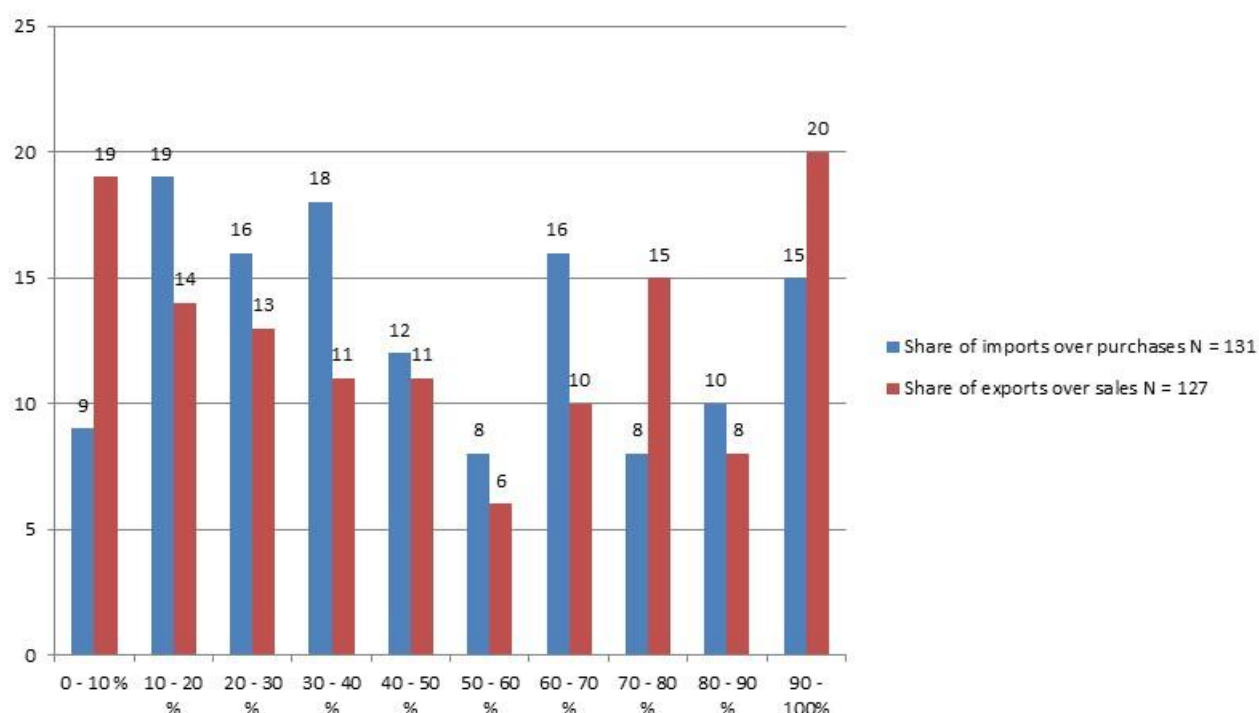


Figure 22 analyzes the value of imports as a share of total purchases as well as the value of exports as a share of total sales. No clear pattern emerges from the answers which spread to all ranges. It is interesting to notice, however, that nearly half of the firms that answered the question import more than half of their purchases. What is true for imports remains valid for the value of exports as a share of total sales. Again, no clear pattern is discernible. As before, nearly half of the firms that responded to this question earn more than half of their sales from exports, indicating their strong integration in GVCs.

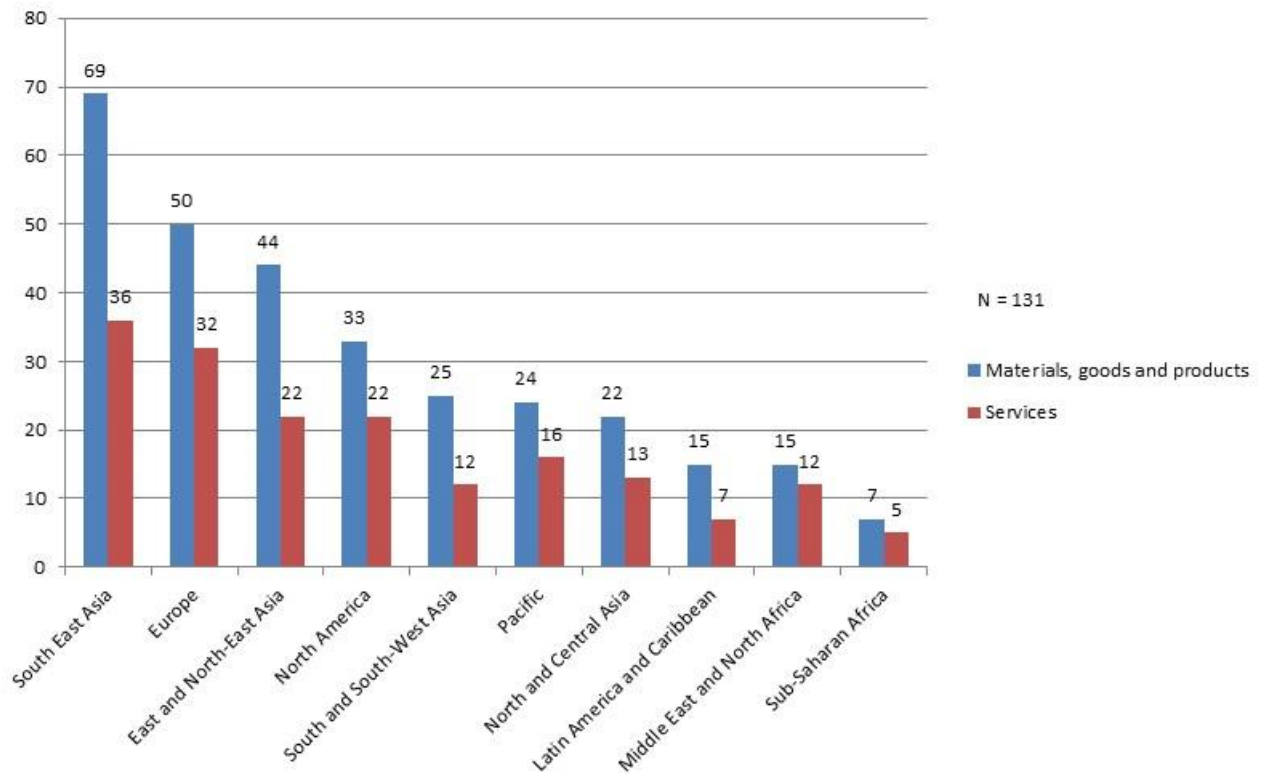
Figure 22: What is the value of goods, materials and services that your company imports/exports from foreign countries? Please indicate the approximate share of total purchases/sales.



Considering the regions and subregions²⁰ with which the firms surveyed are engaged in international trade, it seems that geographic proximity matters to a considerable extent (figure 23). The vast majority of the firms import from Asia and the Pacific. Within the Asia-Pacific region, South-East Asia appears to be the subregion where more than 100 firms are active, followed by North and North-East Asia, South and South-West Asia, Pacific and North and Central Asia. Relatively few firms import goods or services from Latin America and Africa. Europe and North America are two outliers in this picture since long distances did not impede that a considerable number of firms import from these regions. Importantly, these results that emerge from the present survey are consistent with intra and inter-regional trade statistics provided by the *Asia-Pacific Trade and Investment Report 2015* (ESCAP, 2015). In every region or subregion, imports of materials, goods and products predominate over imports of services, and this is particularly true for South-East Asia where imports of materials, goods and products are found to be twice as much as imports of services.

²⁰ In figure 21, the subregions of Asia and the Pacific include South-East Asia; North and North-East Asia; South and South-West Asia; Pacific; and North and Central Asia.

Figure 23: Please indicate the regions from which your company imports (materials, goods and products) and services. Please indicate multiple options if necessary.



An analogous consideration to the previous part can be done regarding regions and subregions the firms surveyed export to (figure 24). Again, geographic proximity seems to matter considerably, given that the vast majority of the enterprises surveyed export within the Asia-Pacific region. However, export to Africa and Latin America appears to be more active than import from the same regions. North America and Europe continue to be outliers and present a relatively high number of businesses which export to these regions. Again, the results that emerge from the survey are consistent with trade statistics provided by the *Asia-Pacific Trade and Investment Report 2015* (ESCAP, 2015). Regarding the comparison between materials, goods and products with services, there is no clear-cut predominance of either of them.

Figure 24: Please indicate the regions from which your company exports (materials, goods and products) and services. Please indicate multiple options if necessary.

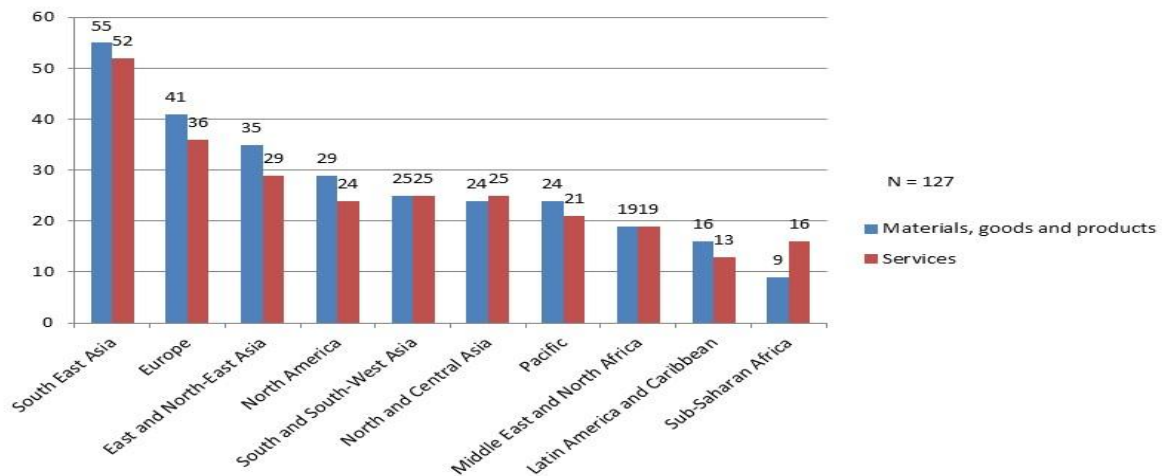
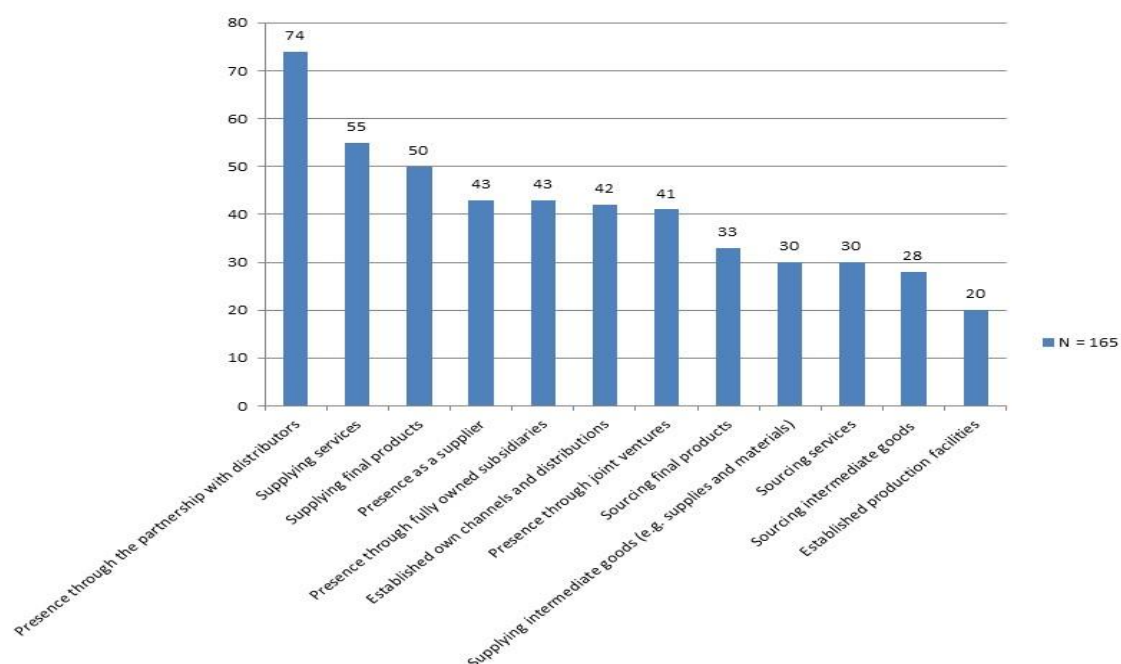


Figure 25 presents 12 different commercial relationships that the firms surveyed have in the regions and subregions examined in the previous part. Presence in foreign markets through the partnership with distributors is the most popular way for the sampled firms to conduct international trade. Supplying services and supplying final products directly to foreign customers also have a considerable share of businesses engaging in international trade. On the other hand, establishing production facilities is by far less common among the firms in the survey.

Figure 25: Please indicate what type of commercial relationships you have in these regions. Please select multiple answer options, if necessary.

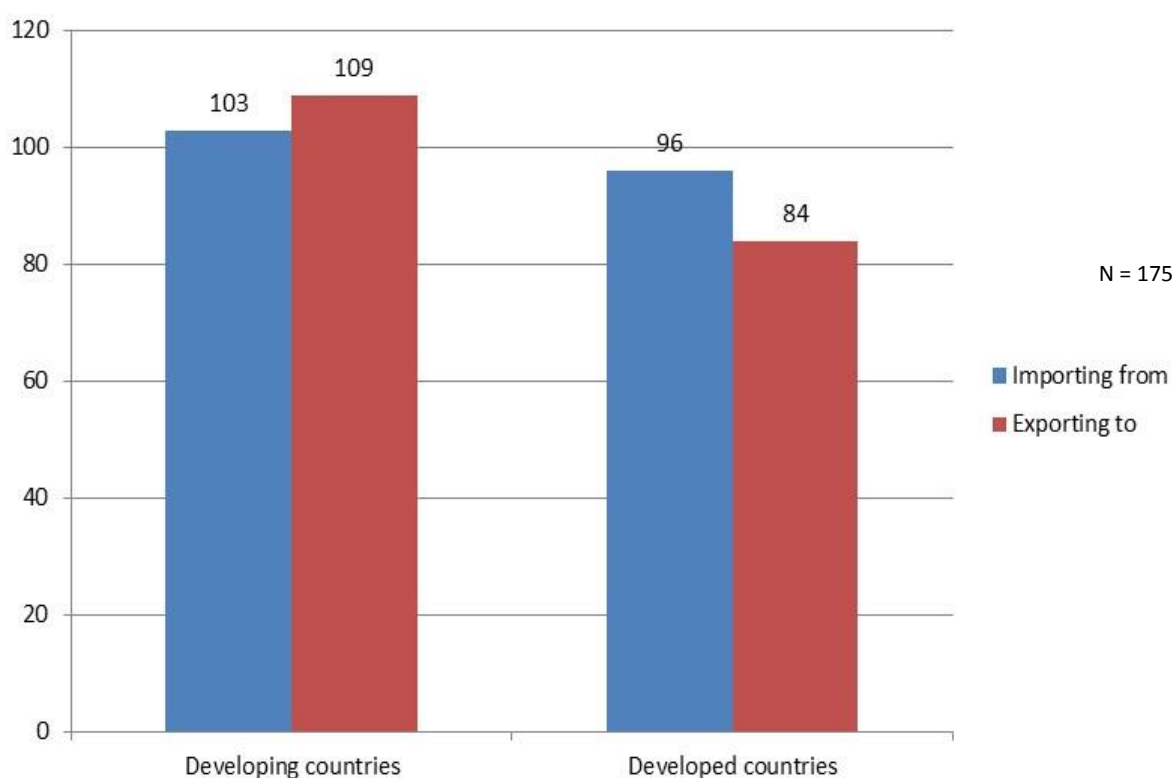


6. Doing Business in Developing Countries

This section focuses on the features of international business conducting in developing countries in the Asia-Pacific region. It identifies challenges business faces to engage with developing countries, illustrating the firms' strategies on international trade as well as factors to take into account when considering investments, which is a key driver of the development of GVCs.

Overall, sampled businesses engage in international trade slightly more with developing countries than with developed countries (figure 26).²¹ The number of total firms engaged in trade (both export and import) with developing countries is higher by approximately 14% than those with developed countries. It is apparent that the sampled firms are more active in the markets of developing countries than in those of developed countries.

Figure 26: Where are your trading partners located? Choose multiple answers if necessary.



²¹ For simplicity, a developing country is here defined as any country, except the United States, Canada, European countries, Japan, Australia and New Zealand.

The majority of the surveyed firms (74.4%) consider that business factors affecting international trade with developing countries differ substantially from those of developed countries (figure 27). Over one-half of firms have at least a kind of operation in a developing country (figure 28). Over one-half of those firms which do not presently have any operations in developing countries also plan to develop such an operation in the future (figure 29). All of them suggest unique features of conducting business in developing countries as well as the sampled firms' strong intention to expand their business to the developing countries.

Figure 27: If your trading partners are located in developing countries, do the important factors affecting international trade significantly differ from those of developed countries?

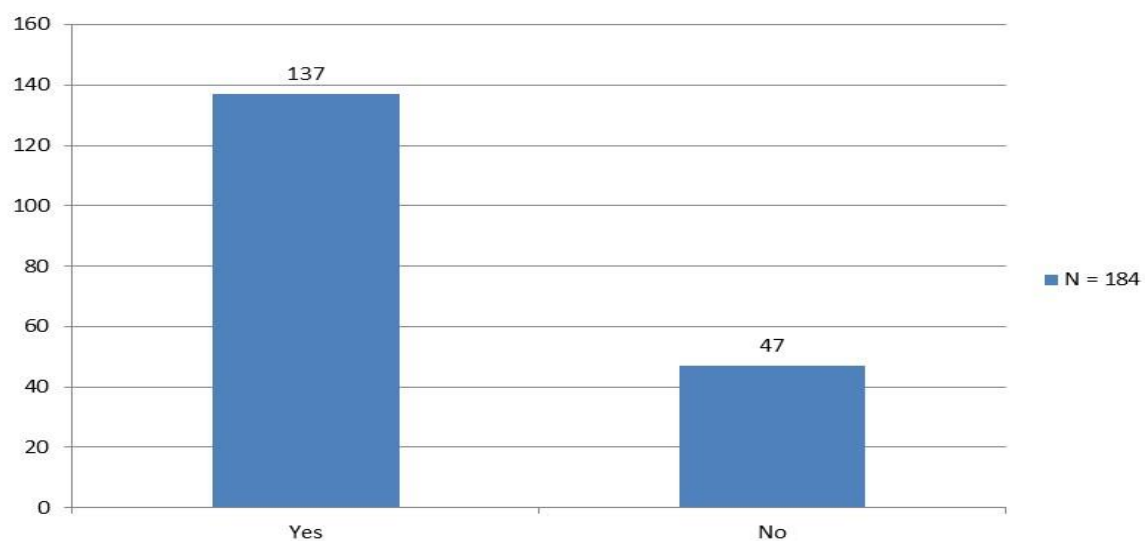


Figure 28: Does your company have any facilities/branches/operations in developing countries?

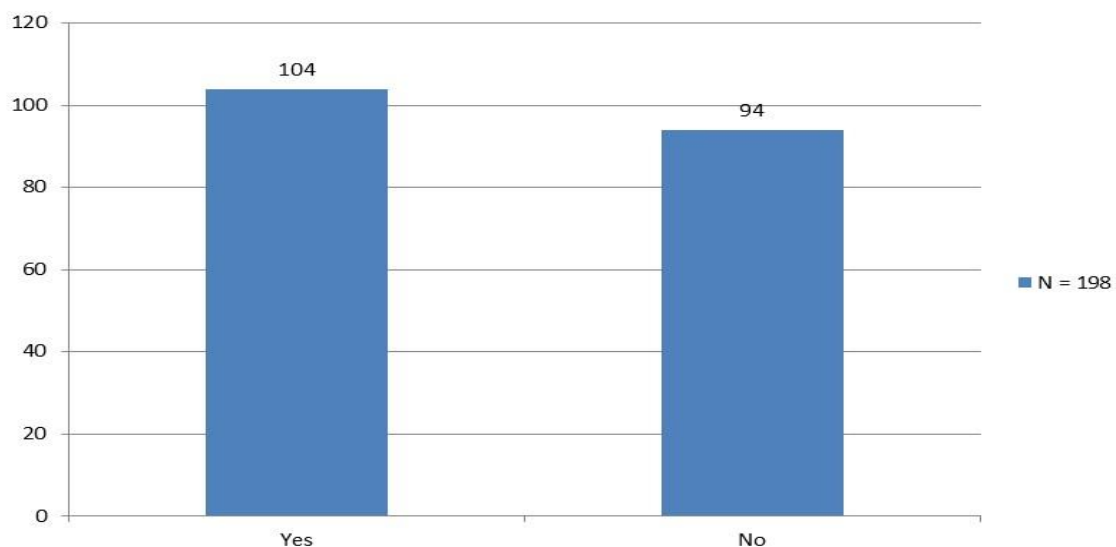


Figure 29: If no, does your company wish to set up facilities/branches/operations in developing countries in the future?

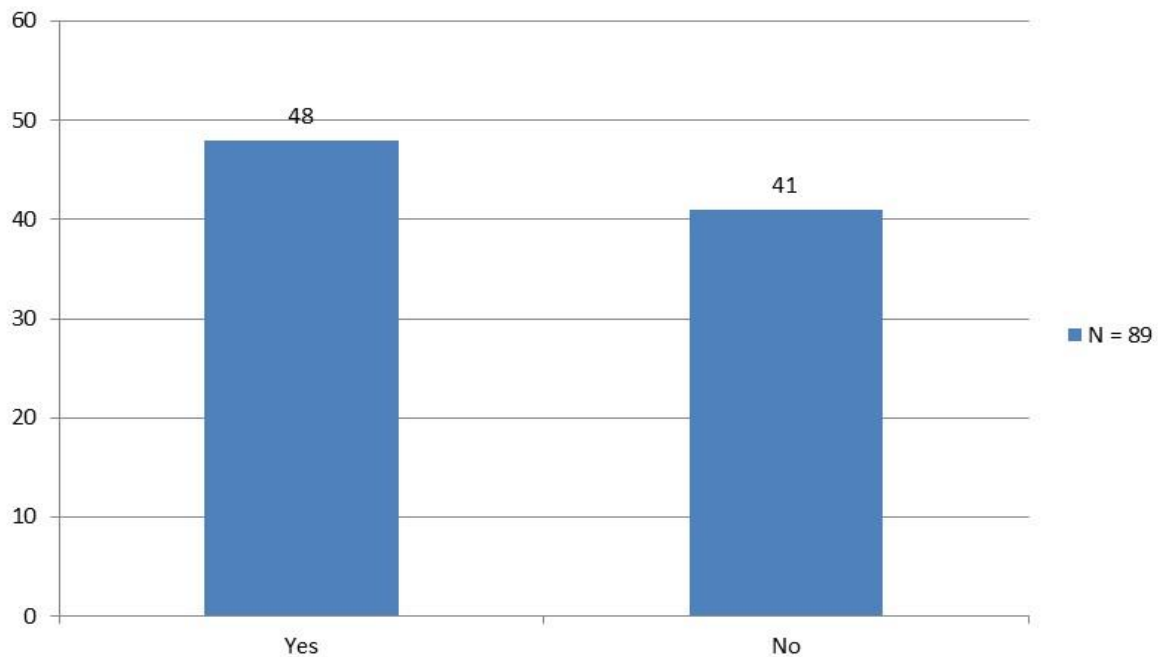
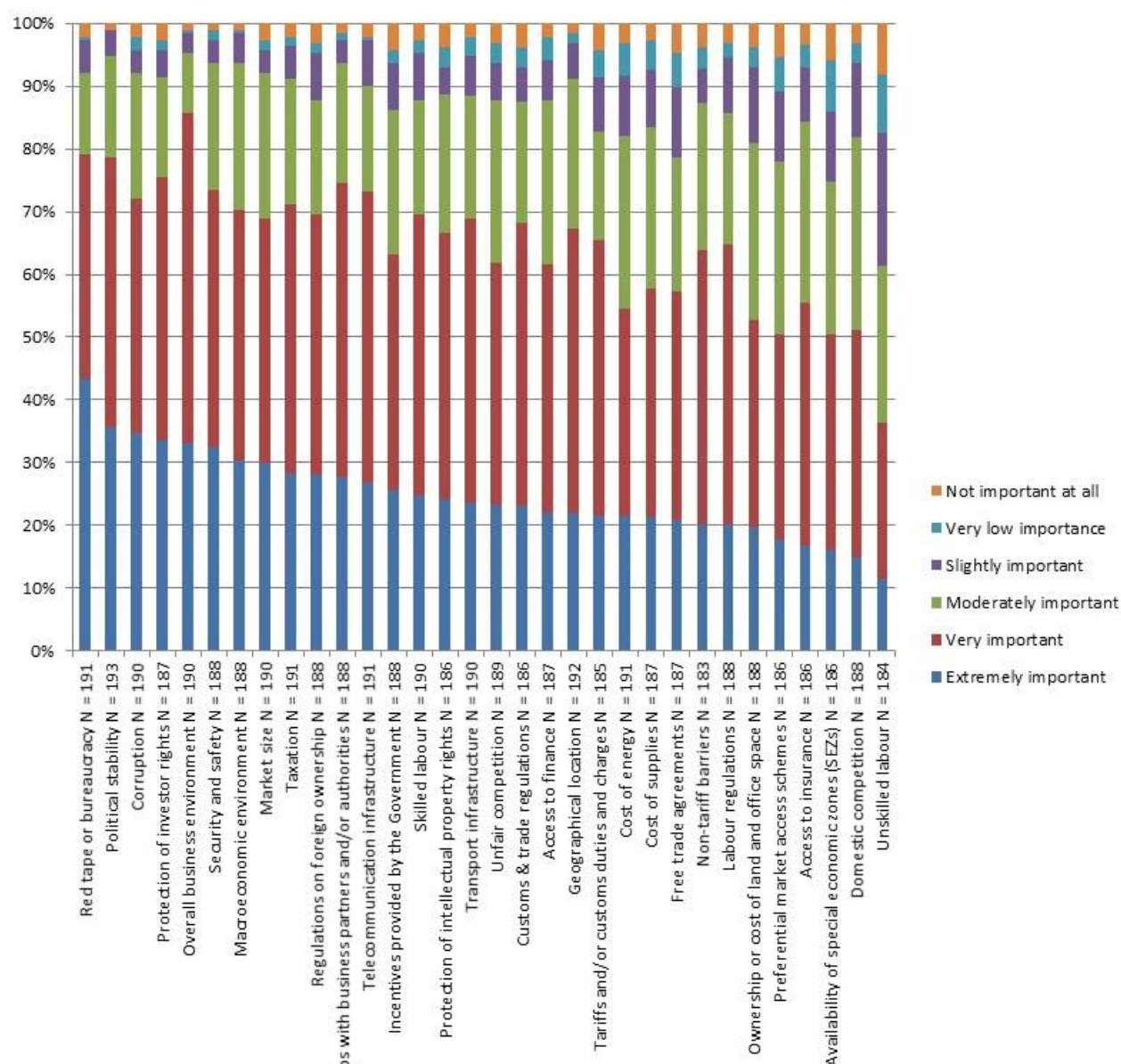


Figure 30 provides an illustration of the degree of importance that the sampled firms ascribe to 32 factors when considering investment in developing countries. To a certain extent, all the factors suggested in the survey have a substantial importance; except the importance of unskilled labour, all of the factors are reported by at least 50% of the firms surveyed to be very or extremely important. Considering only the category 'extremely important,' the degree of red tape or bureaucracy appears as the most crucial factor among the sampled firms when considering investment decisions in developing countries. Other important factors include: political stability; corruption; protection of investors' rights; and overall business environment. Importantly, previous studies agree on the importance that these factors have when firms consider investments in developing countries. Mauro (1995) found that the degree of red tape and the level of corruption are negatively associated with investment inflows, while Bütte and Milner (2008) stressed that countries characterized by unstable political systems receive less investment. Other authors (cf. Adams, 2006) also found that improvements in investors' rights are positively correlated with FDI inflows. Additional factors that seem to be particularly important are: security and safety; macroeconomic environment; market size; relationships with business partners and/or authorities; and regulations on foreign ownership.

Figure 30: In your opinion, what factors affect your investment decisions in developing countries?



Again, our sample for firms operating in the primary sector is limited (i.e. 18 firms). With such limitation, however, factors that affect investment decisions in developing countries according to companies operating in the primary sector suggest a marked sector-heterogeneity (Table 4). Considering the factors regarded as extremely important, the most crucial ones (the size of the market, regulations in customs and trade and transport infrastructure) differ considerably from those of figure 30.

Table 4: Factors affecting investment decisions in developing countries: primary sector

Factor	Percentage of firms attributing extreme importance to the factor	Number of firms attributing extreme importance to the factor	Number of firms answering the question
Market size	33.3%	5	15
Customs and trade regulations	31.3%	5	16
Transport infrastructure	29.4%	5	17
Regulations on foreign ownership	26.7%	4	15
Free trade agreements	25.0%	4	16
Incentives provided by the Government	23.0%	4	16
Cost of energy	23.5%	4	17
Geographical location	23.5%	4	17
Protection of intellectual property rights	20.0%	3	15
Corruption	18.8%	3	16
Tariffs and/or customs duties and charges	18.8%	3	16
Non-tariff barriers	18.8%	3	16
Red tape or bureaucracy	17.6%	3	17
Telecommunication infrastructure	17.6%	3	17
Macroeconomic environment	17.6%	3	17

Considering those factors that are regarded as extremely important by the surveyed firms in the manufacturing sector, important factors are those related to the efficiency of the bureaucratic system, to the protection of the rights of investors and the political stability of the country (Table 5). Specifically, the four most critical factors are: red tape or bureaucracy, corruption, political stability and protection of investor rights. These results significantly differ from that emerged from the analysis of the responses by firms belonging to the primary sector (Table 4).

Table 5: Factors affecting investment decisions in developing countries: manufacturing sector

Factor	Percentage of firms attributing extreme importance to the factor	Number of firms attributing extreme importance to the factor	Number of firms answering the question
Red tape or bureaucracy	42.9%	21	49
Corruption	38.3%	18	47
Political stability	31.3%	15	48
Protection of investor rights	30.4%	14	46
Overall business environment	29.2%	14	48
Cost of supplies	28.3%	13	46
Market size	27.1%	13	48
Security and safety	25.6%	12	47
Taxation	25.0%	12	48
Macroeconomic environment	23.4%	11	47
Tariffs and/or customs duties and charges	23.4%	11	47
Transport infrastructure	22.9%	11	48
Free trade agreements	21.7%	10	46
Labour regulations	21.3%	10	47
Unfair competition	21.3%	10	47

Finally, Table 6 suggests that red tape or bureaucracy; political stability; security and safety; and protection of investor rights are crucial when considering investment in the service sector of developing countries. Those in the service sector also show more severity in the crucial issues than other two sectors (find the higher percentages of firms indicating extreme importance of the factors in Table 20).

Table 6: Factors affecting investment decisions in developing countries: service sector

Factor	Percentage of firms attributing extreme importance to the factor	Number of firms attributing extreme importance to the factor	Number of firms answering the question
Red tape or bureaucracy	47.2%	59	125
Political stability	39.8%	51	128
Security and safety	38.4%	48	125
Protection of investor rights	37.3%	47	126
Overall business environment	37.0%	47	127
Corruption	35.4%	45	127
Macroeconomic environment	34.7%	43	124
Relationships with business partners and/or authorities	33.6%	42	125
Regulations on foreign ownership	32.3%	41	127
Telecommunication infrastructure	31.0%	39	126
Taxation	31.0%	39	126
Market size	30.7%	39	127
Skilled labour	29.1%	37	127
Incentives provided by the Government	28.8%	36	125
Protection of intellectual property rights	27.8%	35	126

7. Policy implications and conclusions

The aim of this paper is to shed light on the crucial issues of GVCs and related international trade in the Asia-Pacific region. By analyzing the *ESCAP Survey on International Trade and Global Value Chains*, one of the most striking results that emerged is that, even though most firms regard international trade as a crucial activity for their business, very few of them consider trading with foreign partners as an easy activity. Describing companies' perceptions of international trade and GVCs is important but equally crucial is to provide policymakers with concrete recommendations to make their intervention more informed and practical. Therefore, we conclude this paper by highlighting the following points:

- a) *While the vast majority of the sampled firms ascribed considerable importance to international trade, obstacles encountered by firms are substantial.* It is critical for

governments to understand what kind of endogenous and exogenous factors affect companies which aim to their effective participation in international trade and GVCs.

- b) *When engaging in international trade, firms operating in different sectors are affected by different factors.* Major obstacles to international trade differ among firms active in different sectors (e.g. primary, manufacturing and services). If a country wants to improve the way companies in a particular sector engage in international trade and GVCs, it will be necessary to develop policies tailored to the needs of the specific sector.
- c) *When considering investment decisions in developing countries, different sectors take into account different factors.* Countries that wish to attract FDI more are encouraged to develop specific policies according to the unique characteristics of target sectors or the origin of the investments.
- d) *The results support the Melitz model (Melitz, 2003): the bigger a company is the easier is for this company to export.* The results highlight the needs for policymakers to design policies aimed to support SMEs given that they face particularly severe obstacles when engaging in international trade and GVCs.
- e) *The role of experience matters when firms export and import.* Policymakers are suggested to design and implement interventions aimed at favouring knowledge spillovers among the oldest and the youngest firms. Further research is required but there is ground to encourage governments to implement policies aimed to enhance the sharing and exchange of information among firms, also initiating various training.
- f) *Geographic proximity is the key.* Coordinating policies among neighbouring countries in the Asia-Pacific region should have high priority given the high level of trade among companies in close locations. This result reinforces the need for policymakers in the region to strengthen cooperation among neighbours, concerning GVCs and international trade.
- g) *Within GVCs firms are active in exporting final products and services, while they import raw materials and intermediate goods more.* This result suggests that

governments in this region have an opportunity to expand the roles of their local enterprises through GVCs by implementing proper policy interventions and facilitating them to take various responsibilities throughout GVCs (e.g. supply, production, distribution or services).

h) Firms in countries that receive substantial foreign investments and supports can more easily integrate into GVCs, thanks to the new capital, technology and expertise which are expected to be transferred. Factors attract investment must be well understood by those developing countries willing to facilitate indigenous firms to integrate into GVCs and reap the benefits. In this connection, efficiency in regulations and the strength of the rule of law appear to be among the most important factors.

Finally, we must recognize the limitations of our analysis. Overall the samples are not fully representative of the business community in the Asia-Pacific region. Also, this study has not covered all possible relationships among observed data; for example, further analysis may be useful to identify different perceptions among various GVC players, such as lead firms, suppliers, service providers and distributors. Future analysis using larger datasets may also be useful to reinforce the findings of this study although its expected costs could be an issue.

Nonetheless, this study indicates some important guidelines for those Asia-Pacific countries that wish to improve the business environment to enhance the capacity of local enterprises and promote the flows of FDI. Proper and timely policy interventions can facilitate business' effective engagement with international trade as well as integration into GVCs.

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Annex

Survey Questionnaire

ESCAP Survey on International Trade

IMPORTANCE OF INTERNATIONAL TRADE (IMPORTS AND EXPORTS)

1) How important is international trade (imports and exports) for your company?*

- ☐ Extremely important
- ☐ Very important
- ☐ Moderately important
- ☐ Slightly important
- ☐ Very low importance
- ☐ Not engaged in international trade (including importing and exporting via other firms)

2) Does your company import, export, or both? Choose multiple answers if necessary.*

- ☐ Importing goods/services directly
- ☐ Importing goods/services via other firm(s)
- ☐ Exporting goods/services directly
- ☐ Exporting goods/services via other firm(s)

3) Why is your company not engaged in international trade?*

- ☐ Factors internal to our company (e.g. products/services, management, skills, size, etc.)
- ☐ Factors external to our company (e.g. rules and regulations, tariffs, infrastructure, corruption, etc.)
- ☐ Don't see any benefits from international trade
- ☐ Finding trading partners is very difficult
- ☐ Competition is too high for us
- ☐ International trade is not part of our business strategy
- ☐ No interest

() Other - please specify: _____

TRADE OBSTACLES

4) In general, how easy is it for your company to IMPORT?*

- () Extremely difficult
() Very difficult
() Fairly difficult
() Fairly easy
() Very easy
() Extremely easy

5) In general, how easy is it for your company to EXPORT?*

- () Extremely difficult
() Very difficult
() Fairly difficult
() Fairly easy
() Very easy
() Extremely easy

6) Please assess the importance of the following factors for your company to conduct international trade.

	Extrem ely import ant	Very import ant	Modera tely importa nt	Slightl y import ant	Very low importa nce	Not import ant at all
Access to capital/finance	()	()	()	()	()	()
Access to trade finance (e.g.	()	()	()	()	()	()

L/C)						
Customs delays	()	()	()	()	()	()
Tariffs and/or customs duties and fees	()	()	()	()	()	()
Exchange rate volatility	()	()	()	()	()	()
Existence of preferential market access schemes (e.g. GSP)	()	()	()	()	()	()
Existence of free trade agreements	()	()	()	()	()	()
Non-tariff barriers (standards, licensing, certificates, etc.)	()	()	()	()	()	()
Informal payments to authorities (corruption)	()	()	()	()	()	()
Supply of electricity	()	()	()	()	()	()
Supply of petrol	()	()	()	()	()	()

Supply of water	()	()	()	()	()	()
Telecommunications	()	()	()	()	()	()
Transport and logistic infrastructure or services	()	()	()	()	()	()
Protection of property rights	()	()	()	()	()	()
Technical facilities for standards compliance (e.g. testing centres)	()	()	()	()	()	()
Security and safety	()	()	()	()	()	()
Geographical location	()	()	()	()	()	()
Political stability (domestic)	()	()	()	()	()	()
Political stability (foreign)	()	()	()	()	()	()
Transparency in rules and regulations (domestic)	()	()	()	()	()	()

Transparency in rules and regulations (foreign)	()	()	()	()	()	()
Unfair competition	()	()	()	()	()	()
Domestic competition	()	()	()	()	()	()
Foreign competition	()	()	()	()	()	()
Low demand for your firm's goods or services	()	()	()	()	()	()
Cost of supplies	()	()	()	()	()	()
Insufficient local supply of inputs	()	()	()	()	()	()
Insufficient foreign supply of inputs	()	()	()	()	()	()
Insufficient information on foreign markets	()	()	()	()	()	()
Insufficient information on trading partners	()	()	()	()	()	()
Shortage of	()	()	()	()	()	()

qualified labour						
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7) In general, do you think that the important factors affecting international trade (identified previously) differ between imports and exports?

☐ Yes

☐ No

8) What does your company import and export? Please select multiple choices if necessary

	Imports	Exports
Raw materials (e.g. metal, rubber, wood, etc)	<input type="checkbox"/>	<input type="checkbox"/>
Intermediate inputs (parts and components for final products)	<input type="checkbox"/>	<input type="checkbox"/>
Final products	<input type="checkbox"/>	<input type="checkbox"/>
Services	<input type="checkbox"/>	<input type="checkbox"/>

9) What type of services does your company import and/or export? Please select multiple answers if necessary.

	Imports	Exports
Certification services	<input type="checkbox"/>	<input type="checkbox"/>

Communication and information services	[]	[]
Consultancy / professional services	[]	[]
Transport and logistics	[]	[]
Insurance	[]	[]
Financial products	[]	[]
License fees	[]	[]

10) What is the value of goods, materials, and services that your company IMPORTS from foreign countries? Please indicate the approximate share of total purchases.

- () 0 - 10 %
- () 10 - 20 %
- () 20 - 30 %
- () 30 - 40 %
- () 40 - 50 %
- () 50 - 60 %
- () 60 - 70 %
- () 70 - 80 %
- () 80 - 90 %
- () 90 - 100%

11) What is the value of goods, materials, and services that your company EXPORTS to foreign countries? Please indicate the approximate share of total sales.

- () 0 - 10 %
- () 10 - 20 %

- () 20 - 30 %
- () 30 - 40 %
- () 40 - 50 %
- () 50 - 60 %
- () 60 - 70 %
- () 70 - 80 %
- () 80 - 90 %
- () 90 - 100 %

12) Please indicate the regions from which your company IMPORTS (materials, goods, and products) and services. Please indicate multiple options if necessary.

	Materials, goods, and products	Services
North America	[]	[]
Latin America and Caribbean	[]	[]
Europe	[]	[]
Middle East and North Africa	[]	[]
Sub-Saharan Africa	[]	[]
North and Central	[]	[]

Asia		
South and South-West Asia	[]	[]
South East Asia	[]	[]
East and North-East Asia	[]	[]
Pacific	[]	[]

13) Please indicate the regions to which your company EXPORTS (materials, goods, and products) and services. Please indicate multiple options if necessary.

	Materials, goods, and products	Services
North America	[]	[]
Latin America and Caribbean	[]	[]
Europe	[]	[]
Middle East and North Africa	[]	[]

Sub-Saharan Africa	<input type="checkbox"/>	<input type="checkbox"/>
North and Central Asia	<input type="checkbox"/>	<input type="checkbox"/>
South and South-West Asia	<input type="checkbox"/>	<input type="checkbox"/>
South East Asia	<input type="checkbox"/>	<input type="checkbox"/>
East and North-East Asia	<input type="checkbox"/>	<input type="checkbox"/>
Pacific	<input type="checkbox"/>	<input type="checkbox"/>

14) Please indicate what type of commercial relationships you have in these regions. Please select multiple answer options, if necessary.

- ☐ Presence through the partnership with distributors
- ☐ Presence through joint ventures
- ☐ Presence through fully owned subsidiaries
- ☐ Established production facilities
- ☐ Established own channels and distributions
- ☐ Presence as a supplier
- ☐ Supplying final products
- ☐ Supplying intermediate goods (e.g. supplies and materials)
- ☐ Supplying services
- ☐ Sourcing final products
- ☐ Sourcing intermediate goods (e.g. supplies and materials)
- ☐ Sourcing services

[] Other - please specify: _____

DOING BUSINESS IN DEVELOPING COUNTRIES

15) Where are your trading partners located? Choose multiple answers if necessary. For simplicity, a developing country is here defined as any country except the United States, Canada, European countries, Japan, Australia, and New Zealand.*

[] Importing from DEVELOPING countries

[] Importing from DEVELOPED countries

[] Exporting to DEVELOPING countries

[] Exporting to DEVELOPED countries

16) If your trading partners are located in DEVELOPING countries, do the important factors affecting international trade (identified previously in question 6) significantly differ from those of DEVELOPED countries?

() Yes

() No

17) Does your company have any facilities/branches/operations in DEVELOPING COUNTRIES?

() Yes

() No

18) If no, does your company wish to set up facilities/branches/operations in DEVELOPING COUNTRIES in the future?

() Yes

() No

19) In your opinion, what factors affect your investment decisions in DEVELOPING COUNTRIES?

	Extrem ely import	Very import ant	Moderat ely importa	Slightl y import	Very low importa	Not import ant at

	ant		nt	ant	nce	all
Red tape or bureaucracy (e.g. getting your business registered, obtaining licensing & permits, etc)	()	()	()	()	()	()
Cost of energy	()	()	()	()	()	()
Transport infrastructure	()	()	()	()	()	()
Telecommunication infrastructure	()	()	()	()	()	()
Macroeconomic environment (growth performance, inflation, exchange rate volatility etc.)	()	()	()	()	()	()
Political stability	()	()	()	()	()	()
Taxation	()	()	()	()	()	()
Overall business environment	()	()	()	()	()	()
Market size	()	()	()	()	()	()

Geographical location	()	()	()	()	()	()
Ownership or cost of land and office space	()	()	()	()	()	()
Regulations on foreign ownership	()	()	()	()	()	()
Protection of intellectual property rights	()	()	()	()	()	()
Protection of investor rights	()	()	()	()	()	()
Corruption	()	()	()	()	()	()
Access to insurance	()	()	()	()	()	()
Access to finance	()	()	()	()	()	()
Availability of special economic zones (SEZs) or industrial parks	()	()	()	()	()	()
Preferential market access schemes (e.g. GSP)	()	()	()	()	()	()

Free trade agreements	()	()	()	()	()	()
Tariffs and/or customs duties and charges	()	()	()	()	()	()
Non-tariff barriers (standards, licensing, certificates, etc.)	()	()	()	()	()	()
Customs & trade regulations	()	()	()	()	()	()
Labour regulations	()	()	()	()	()	()
Skilled labour	()	()	()	()	()	()
Unskilled labour	()	()	()	()	()	()
Domestic competition	()	()	()	()	()	()
Unfair competition	()	()	()	()	()	()
Security and safety	()	()	()	()	()	()
Cost of supplies	()	()	()	()	()	()
Incentives	()	()	()	()	()	()

provided by the Government						
Relationships with business partners and/or authorities	()	()	()	()	()	()

General questions about your company

20) In which sector does your company operate? Please choose ONLY ONE sector that best corresponds to your main area of commercial operation.*

- ☐ Agriculture, forestry and fishing
- ☐ Energy and mining
- ☐ Finance and insurance
- ☐ Healthcare
- ☐ Information and communications technology (ICT)
- ☐ Manufacturing: automobile
- ☐ Manufacturing: apparel & garment
- ☐ Manufacturing: electronics
- ☐ Manufacturing: food & beverage
- ☐ Manufacturing: others
- ☐ Professional services
- ☐ Public utilities
- ☐ Transportation and logistics
- ☐ Tourism
- ☐ Wholesale, retail trade, and distribution
- ☐ Other services - please specify:: _____

21) How big is your company?*

- ☐ Less than 10 employees
- ☐ 10 - 49 employees

- ☐ 50 - 250 employees
- ☐ More than 250 employees

22) What was your turnover in 2013? If you do not know, please provide an estimate.

- ☐ 0 - less than US\$ 50,000
- ☐ US\$ 50,000 - less than US\$ 250,000
- ☐ US\$ 250,000 - less than US\$ 1 million
- ☐ US\$ 1 million - less than 10 million
- ☐ US\$ 10 million - less than US\$ 50 million
- ☐ US\$ 50 million - less than US\$ 250 million
- ☐ US\$ 250 million - less than US\$ 1 billion
- ☐ US\$ 1 billion - less than US\$ 10 billion
- ☐ US\$ 10 billion or more

23) What share of your company is foreign owned?

- ☐ 100% foreign owned
- ☐ 76 - 99% foreign owned
- ☐ 51 – 75% foreign owned
- ☐ 26 – 50% foreign owned
- ☐ 0 - 25% foreign owned
- ☐ No foreign ownership

24) How many years has your company been in operation?

- ☐ Less than 1 year
- ☐ Between 1 and 5 years
- ☐ Between 5 and 10 years
- ☐ Between 10 and 20 years
- ☐ More than 20 years

25) Does your company operate in more than one country?

- ☐ Yes
- ☐ No

26) In what country is your head office located?*

- ☐ Afghanistan
- ☐ Albania
- ☐ Algeria
- ☐ American Samoa
- ☐ Andean Region
- ☐ Andorra
- ☐ Angola
- ☐ Antigua and Barbuda
- ☐ Argentina
- ☐ Armenia
- ☐ Aruba
- ☐ Australia
- ☐ Austria
- ☐ Azerbaijan
- ☐ Bahamas, The
- ☐ Bahrain
- ☐ Bangladesh
- ☐ Barbados
- ☐ Belarus
- ☐ Belgium
- ☐ Belize
- ☐ Benin
- ☐ Bermuda
- ☐ Bhutan
- ☐ Bolivia
- ☐ Bosnia and Herzegovina
- ☐ Botswana
- ☐ Brazil
- ☐ Brunei Darussalam
- ☐ Bulgaria

- ☐ Burkina Faso
- ☐ Burundi
- ☐ Cabo Verde
- ☐ Cambodia
- ☐ Cameroon
- ☐ Canada
- ☐ Cayman Islands
- ☐ Central African Republic
- ☐ Chad
- ☐ Chile
- ☐ China
- ☐ Colombia
- ☐ Comoros
- ☐ Congo, Dem. Rep.
- ☐ Congo, Rep.
- ☐ Costa Rica
- ☐ Cote d'Ivoire
- ☐ Croatia
- ☐ Cuba
- ☐ Curacao
- ☐ Cyprus
- ☐ Czech Republic
- ☐ Denmark
- ☐ Djibouti
- ☐ Dominican Republic
- ☐ Ecuador
- ☐ Egypt, Arab Rep.
- ☐ El Salvador
- ☐ Equatorial Guinea
- ☐ Eritrea
- ☐ Estonia
- ☐ Ethiopia

- ☐ Faeroe Islands
- ☐ Fiji
- ☐ Finland
- ☐ France
- ☐ French Polynesia
- ☐ Gabon
- ☐ Gambia, The
- ☐ Georgia
- ☐ Germany
- ☐ Ghana
- ☐ Greece
- ☐ Greenland
- ☐ Grenada
- ☐ Guam
- ☐ Guatemala
- ☐ Guinea
- ☐ Guinea-Bissau
- ☐ Guyana
- ☐ Haiti
- ☐ Honduras
- ☐ Hong Kong SAR, China
- ☐ Hungary
- ☐ Iceland
- ☐ India
- ☐ Indonesia
- ☐ Iran, Islamic Rep.
- ☐ Iraq
- ☐ Ireland
- ☐ Isle of Man
- ☐ Israel
- ☐ Italy
- ☐ Jamaica

- ☐ Japan
- ☐ Jordan
- ☐ Kazakhstan
- ☐ Kenya
- ☐ Kiribati
- ☐ Korea, Dem. Rep.
- ☐ Korea, Rep.
- ☐ Kosovo
- ☐ Kuwait
- ☐ Kyrgyz Republic
- ☐ Lao PDR
- ☐ Latvia
- ☐ Lebanon
- ☐ Lesotho
- ☐ Liberia
- ☐ Libya
- ☐ Liechtenstein
- ☐ Lithuania
- ☐ Luxembourg
- ☐ Macao SAR, China
- ☐ Macedonia, FYR
- ☐ Madagascar
- ☐ Malawi
- ☐ Malaysia
- ☐ Maldives
- ☐ Mali
- ☐ Malta
- ☐ Marshall Islands
- ☐ Mauritania
- ☐ Mauritius
- ☐ Mexico
- ☐ Mexico and Central America

- ☐ Micronesia, Fed. Sts.
- ☐ Moldova
- ☐ Monaco
- ☐ Mongolia
- ☐ Montenegro
- ☐ Morocco
- ☐ Mozambique
- ☐ Myanmar
- ☐ Namibia
- ☐ Nepal
- ☐ Netherlands
- ☐ New Caledonia
- ☐ New Zealand
- ☐ Nicaragua
- ☐ Niger
- ☐ Nigeria
- ☐ Northern Mariana Islands
- ☐ Norway
- ☐ Oman
- ☐ Pakistan
- ☐ Palau
- ☐ Panama
- ☐ Papua New Guinea
- ☐ Paraguay
- ☐ Peru
- ☐ Philippines
- ☐ Poland
- ☐ Portugal
- ☐ Puerto Rico
- ☐ Qatar
- ☐ Romania
- ☐ Russian Federation

- ☐ Rwanda
- ☐ Samoa
- ☐ San Marino
- ☐ Sao Tome and Principe
- ☐ Saudi Arabia
- ☐ Senegal
- ☐ Serbia
- ☐ Seychelles
- ☐ Sierra Leone
- ☐ Singapore
- ☐ Sint Maarten (Dutch part)
- ☐ Slovak Republic
- ☐ Slovenia
- ☐ Solomon Islands
- ☐ Somalia
- ☐ South Africa
- ☐ Southern Cone Extended
- ☐ South Sudan
- ☐ Spain
- ☐ Sri Lanka
- ☐ St. Kitts and Nevis
- ☐ St. Lucia
- ☐ St. Martin (French part)
- ☐ St. Vincent and the Grenadines
- ☐ Sudan
- ☐ Suriname
- ☐ Swaziland
- ☐ Sweden
- ☐ Switzerland
- ☐ Syrian Arab Republic
- ☐ Tajikistan
- ☐ Tanzania

- ☐ Thailand
- ☐ Timor-Leste
- ☐ Togo
- ☐ Tonga
- ☐ Trinidad and Tobago
- ☐ Tunisia
- ☐ Turkey
- ☐ Turkmenistan
- ☐ Turks and Caicos Islands
- ☐ Tuvalu
- ☐ Uganda
- ☐ Ukraine
- ☐ United Arab Emirates
- ☐ United Kingdom
- ☐ United States
- ☐ Uruguay
- ☐ Uzbekistan
- ☐ Vanuatu
- ☐ Venezuela, RB
- ☐ Vietnam
- ☐ Virgin Islands (U.S.)
- ☐ West Bank and Gaza
- ☐ Yemen, Rep.
- ☐ Zambia
- ☐ Zimbabwe

27) Does your company have any branches in the Asia-Pacific region?

- ☐ Yes
- ☐ No

28) Please indicate the location of such branches and use multiple options if necessary.

- ☐ Afghanistan

- ☐ American Samoa
- ☐ Armenia
- ☐ Australia
- ☐ Azerbaijan
- ☐ Bangladesh
- ☐ Bhutan
- ☐ Brunei Darussalam
- ☐ Cambodia
- ☐ China
- ☐ Cook Islands
- ☐ DPR Korea
- ☐ Fiji
- ☐ French Polynesia
- ☐ Georgia
- ☐ Guam
- ☐ Hong Kong, China
- ☐ India
- ☐ Indonesia
- ☐ Iran, Islamic Republic
- ☐ Japan
- ☐ Kazakhstan
- ☐ Kiribati
- ☐ Kyrgyzstan
- ☐ Lao PDR
- ☐ Macao, China
- ☐ Malaysia
- ☐ Maldives
- ☐ Marshall Islands
- ☐ Micronesia, F.S.
- ☐ Mongolia
- ☐ Myanmar
- ☐ Nauru

- ☐ Nepal
- ☐ New Caledonia
- ☐ New Zealand
- ☐ Niue
- ☐ Northern Mariana Islands
- ☐ Pakistan
- ☐ Palau
- ☐ Papua New Guinea
- ☐ Philippines
- ☐ Republic of Korea
- ☐ Russian Federation
- ☐ Samoa
- ☐ Singapore
- ☐ Solomon Islands
- ☐ Sri Lanka
- ☐ Tajikistan
- ☐ Thailand
- ☐ Timor-Leste
- ☐ Tonga
- ☐ Turkey
- ☐ Turkmenistan
- ☐ Tuvalu
- ☐ Uzbekistan
- ☐ Vanuatu
- ☐ Viet Nam

Contact details and feedback

29) Please provide your contact details. Please note that your contact details will not be shared with third parties.*

Company Name: _____

Country*: _____

Email Address*: _____

30) Your gender

☐ Female

☐ Male

31) How confident were you in answering the questions in the questionnaire?

☐ Very confident

☐ Fairly confident

☐ Slightly confident

☐ Not confident at all

**32) Were there any issues that you wanted to discuss but you did not find in the questionnaire?
If yes, please specify in the box below.**

33) Is there anything else you would like to add? If yes, please write in the box below.

34) Would you like to receive the results of the survey?

☐ Yes

☐ No