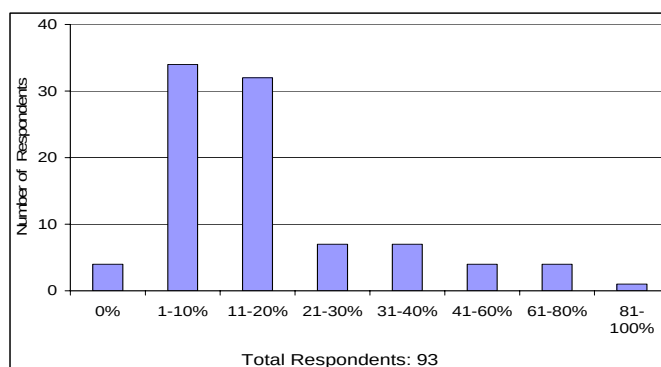


Appendix I

Comprehensive Results of the Executive Opinion Survey 2005 in Cambodia

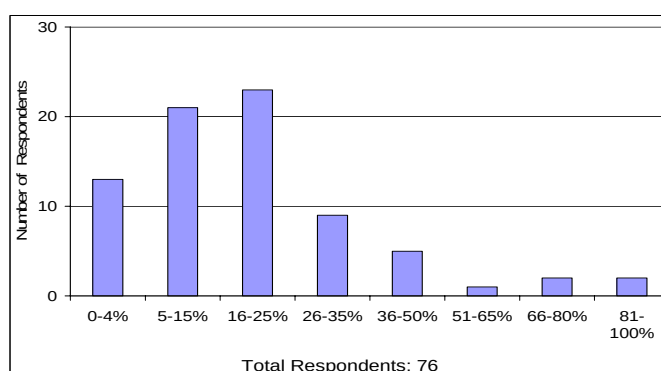
I. ABOUT THE COMPANY

1.05 How much time does your firm's senior management spend dealing/negotiating with government officials? (as a percentage of work time)



71 percent of the CEOs surveyed reported a 1-20% of time spent dealing with government officials.

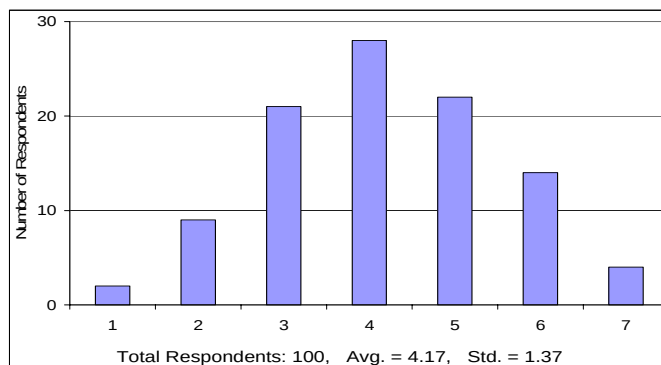
1.06 The overall tax burden on your enterprise including all associated costs (tax rates plus administrative and time costs, penalties, etc.) is estimated as (in % of net revenues)



58 percent of the respondents reported a 5-25% of net revenues as tax burden.

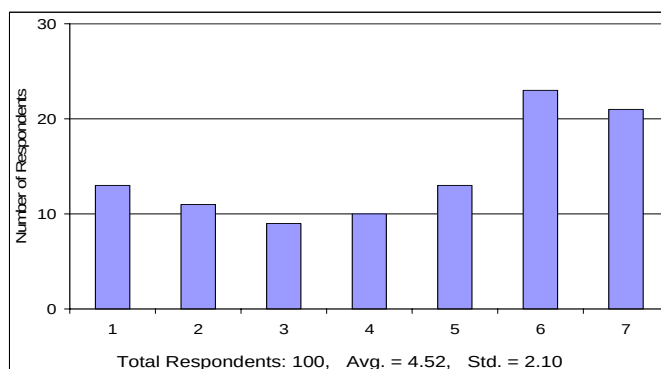
II. OVERALL PERCEPTIONS ON THE ECONOMY

2.01 Your country's economy (1 = Will likely be in a recession in 2005/2006, 7 = Will have strong growth in 2005/2006)



About 40 percent of top CEOs surveyed have a positive view about the country's economic prospects.

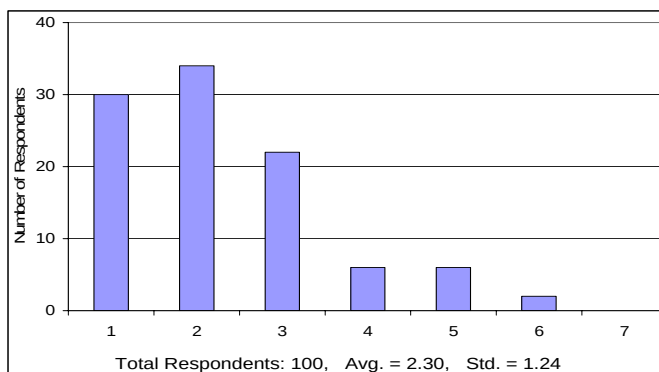
2.02 The threat of terrorism in your country (1 = Imposes significant costs on business, 7 = Does not impose significant costs on business)



Terrorism does not seem to entail significant costs on business in Cambodia, according to 67 percent of the respondents.

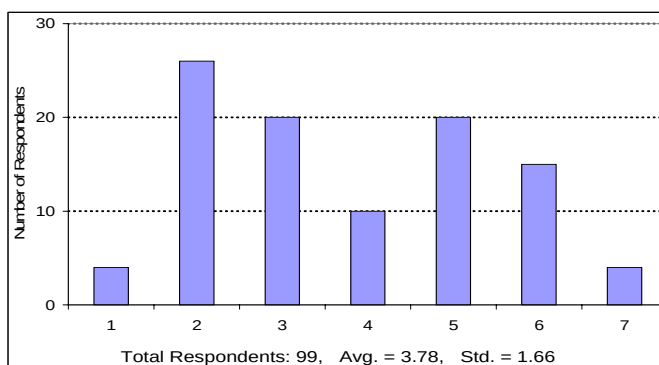
III. TECHNOLOGY

3.01 Your country's level of technological readiness (1 = Generally lags behind most other countries, 7 = Is among the world leaders)



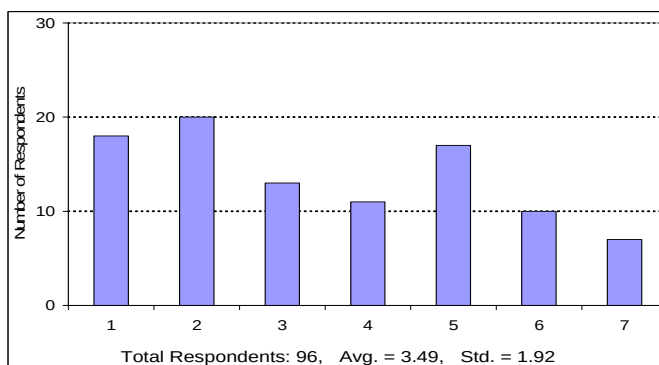
Technological readiness is perceived as lagging behind most other countries by the majority of the respondents (86%).

3.02 Companies in your country are (1 = Not able to absorb new technology, 7 = Aggressive in absorbing new technology)



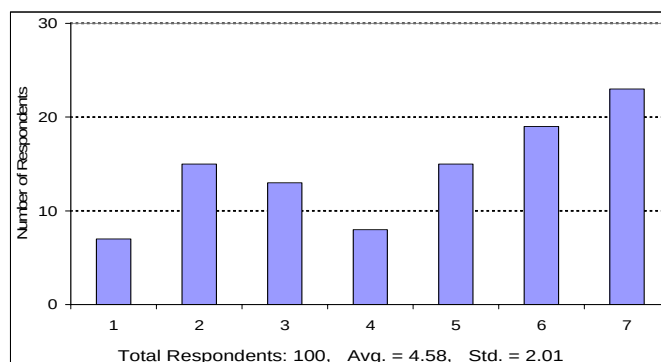
Technology absorption is perceived as not aggressive enough by 60 percent of the respondents.

3.03 In your country, licensing of foreign technology is (1 = Uncommon, 7 = A common means of acquiring new technology)



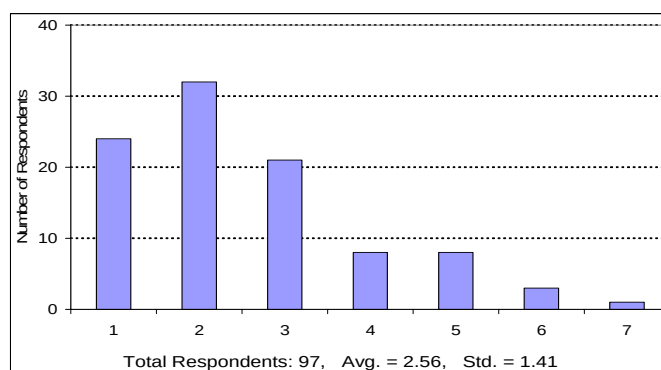
The answers are ambivalent, regarding licensing of foreign technology in Cambodia.

3.04 Foreign direct investment in your country (1 = Brings little new technology, 7 = Is an important source of new technology)



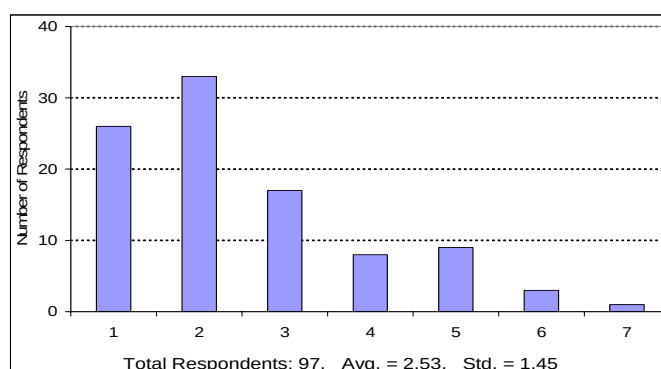
67 percent of the respondents feel that FDI is an important source of new technology in Cambodia.

3.05 Scientific research institutions in your country are (1 = Non-existent, 7 = The best in their fields internationally)



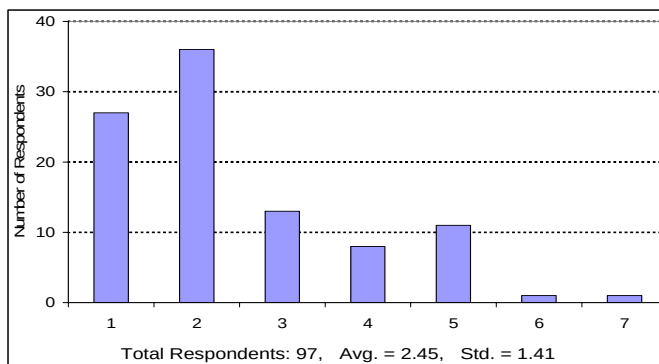
The quality of scientific research institutions are rated quite low by 80 percent of the respondents.

3.06 Companies in your country (1 = Do not spend money on research and development, 7 = Spend heavily on research and development relative to international peers)



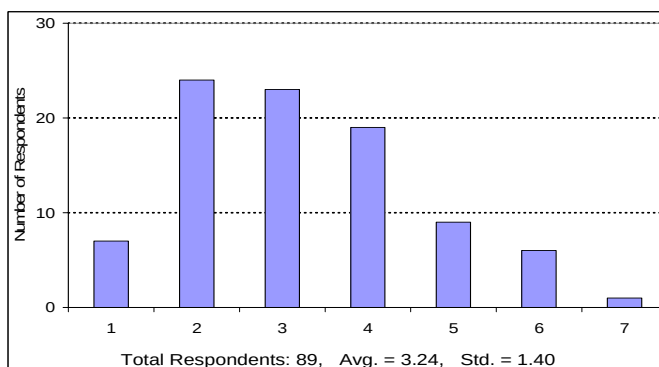
Companies in Cambodia are not believed to invest sufficiently in research and development, according to 79 percent of the respondents.

3.07 In its R&D activity, business collaboration with local universities is (1 = Minimal or non-existent, 7 = Intensive and ongoing)



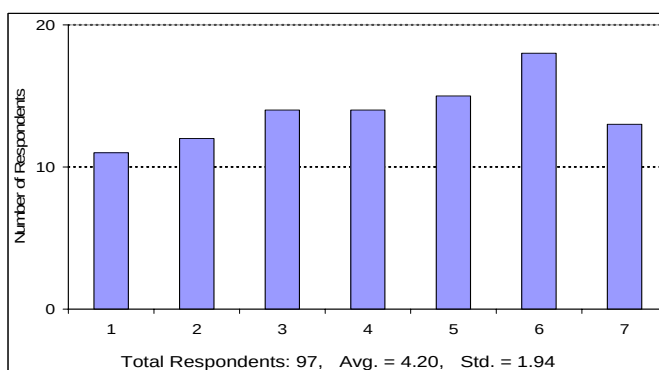
In its R& D, business collaboration with local universities is rated quite low by 78 percent of the respondents.

3.08 Government purchase decisions for the procurement of advanced technology products are (1 = Based solely on price, 7 = Based on technical performance and innovativeness)



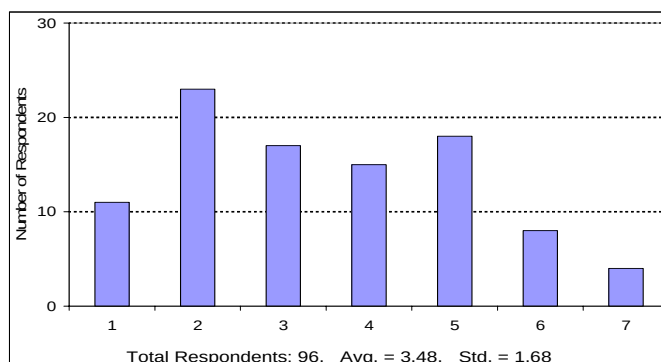
Government purchase decisions for the procurement of advanced technology products are believed to be based on price rather than on technical performance by 61 percent of the respondents.

3.09 Information and communication technologies (ICT) are an overall priority for the government (1 = Strongly disagree, 7 = Strongly agree)



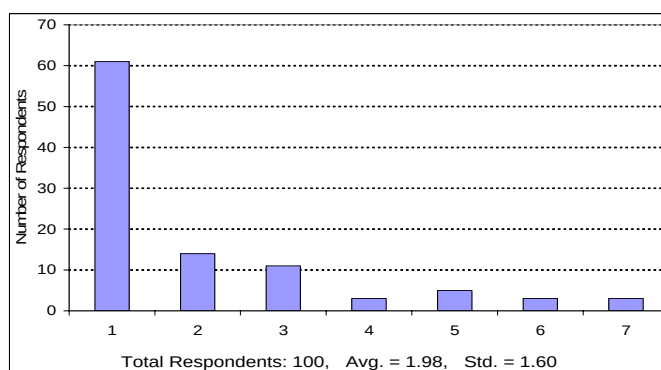
61 percent of the CEOs interviewed agree that ICT are an overall priority for the government.

3.10 Government programmes promoting the use of ICT are (1 = Not very successful, 7 = Highly successful)



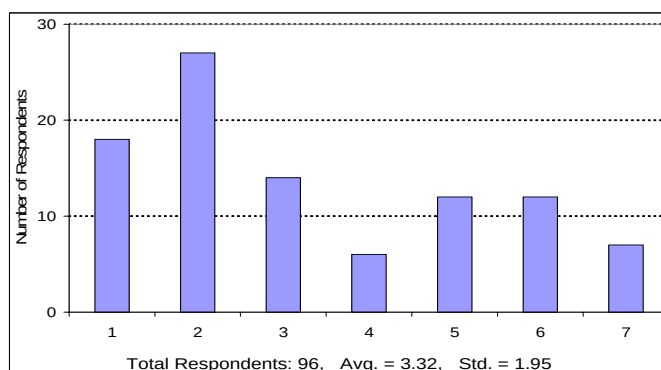
Promoting the use of ICT is perceived unsuccessful by more than 50 percent of the respondents.

3.11 In your country, online government services are (1 = Not available, 7 = Extensively available)



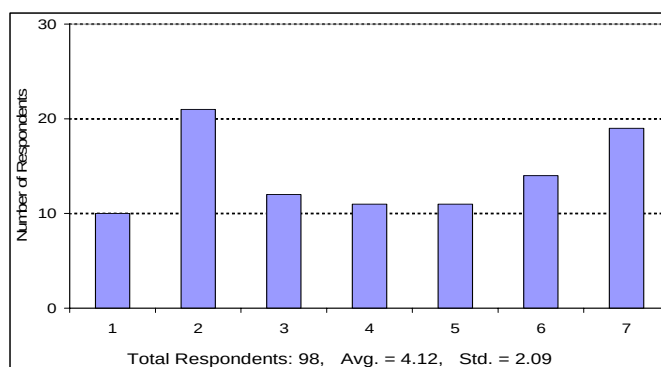
Online government services are not available, according to more than 85 percent of the respondents.

3.12 In your view, ICT use by the government in your country has increased its productivity (1 = Very little, 7 = Significantly)



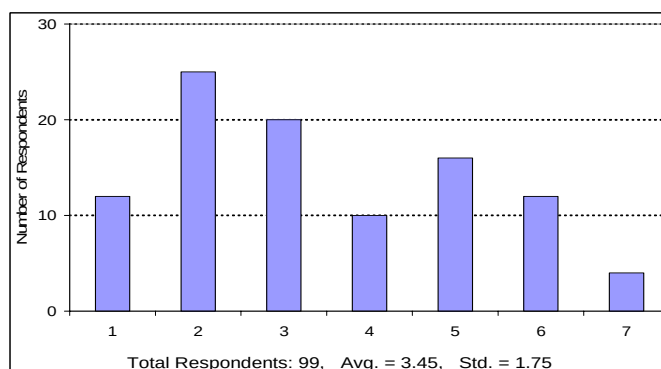
62 percent of the respondents perceived that ICT use by the government increases very little productivity.

3.13 ICT is an important part of the government's vision of the future of the country and the government communicates its vision to citizens actively (1 = Strongly disagree, 7 = Strongly agree)



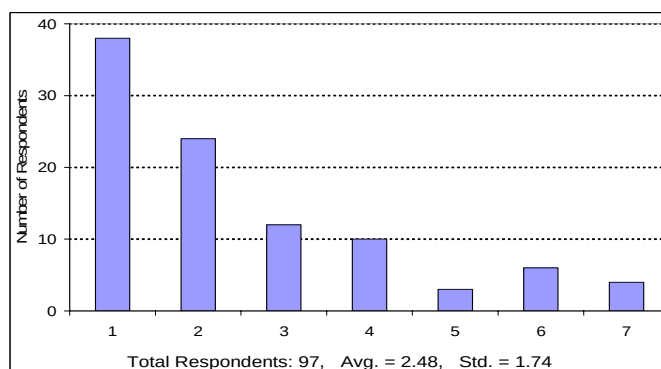
The responses are ambivalent, regarding the importance of ICT in the government's future vision.

3.14 The presence of ICT (computers, PCs, networks, etc.) in government offices in your country is (1 = Very rare, 7 = Commonplace and pervasive)



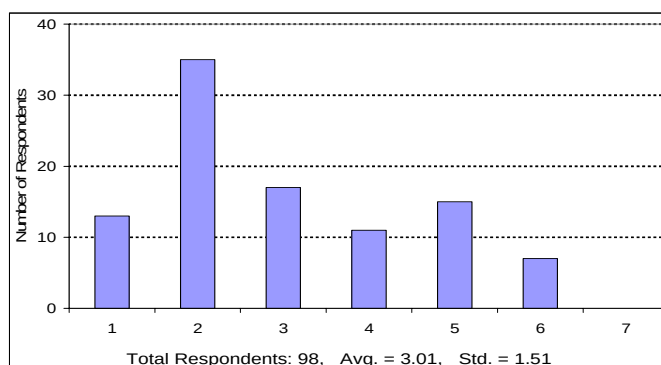
57 percent of the respondents reported that the presence of ICT in government offices is rare.

3.15 Laws relating to the use of information technology (electronic commerce, digital signatures, consumer protection) are (1 = Non-existent, 7 = Well-developed and enforced)



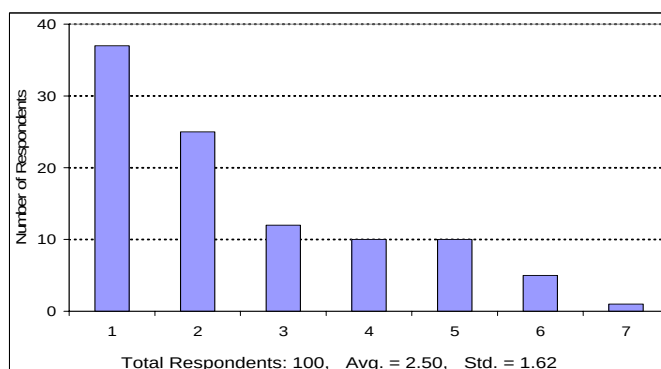
Law relating to the use of information technology is believed to be almost non-existent by 76 percent of the respondents.

3.16 Is there sufficient competition among Internet Service Providers in your country to ensure high quality, infrequent interruptions and low prices? (1 = No, 7 = Yes, equal to the best in the world)



Competition among Internet Service Providers is perceived insufficient to ensure high quality by the large proportion of the respondents (66%).

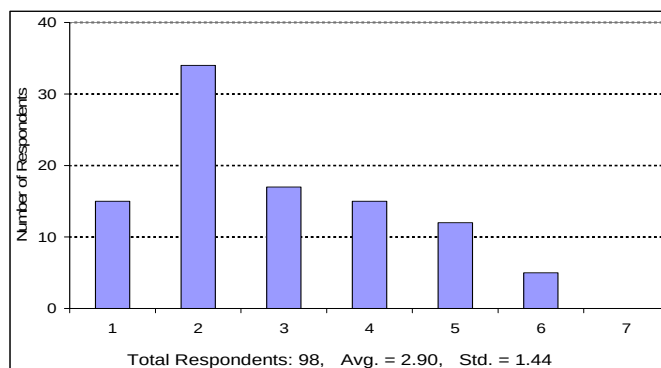
3.17 Internet use by businesses in your country to buy and/or sell products and services is (1 = Very low, 7 = Very widespread)



E-business in Cambodia is almost unavailable, according to 74 percent of the respondents.

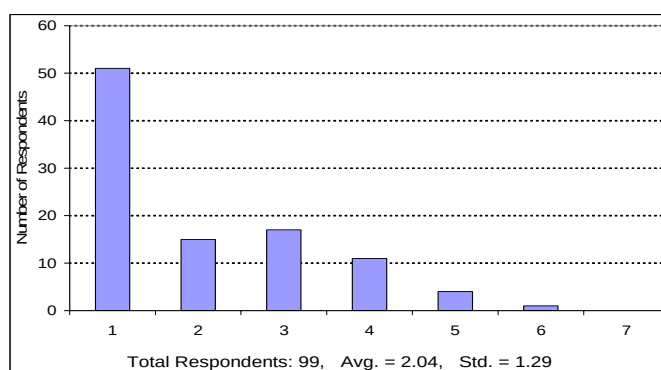
IV. GOVERNMENT AND THE PUBLIC SECTOR

4.01 How effective is your national Parliament/Congress as a law-making and oversight institution? (1 = Very ineffective, 7 = Very effective – the best in the world)



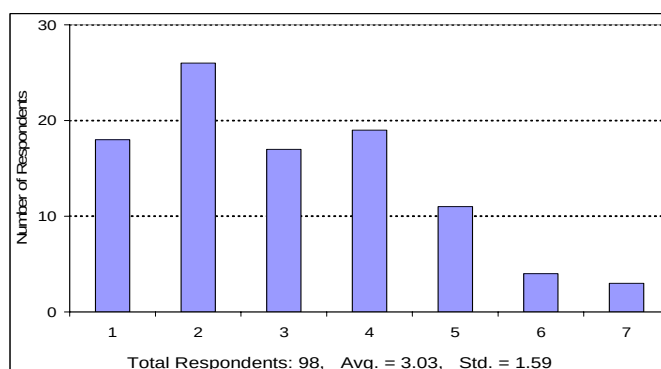
The effectiveness of the national parliament is rated quite low by 67 percent of the respondents.

4.02 Public trust in the financial honesty of politicians is (1 = Very low, 7 = Very high)



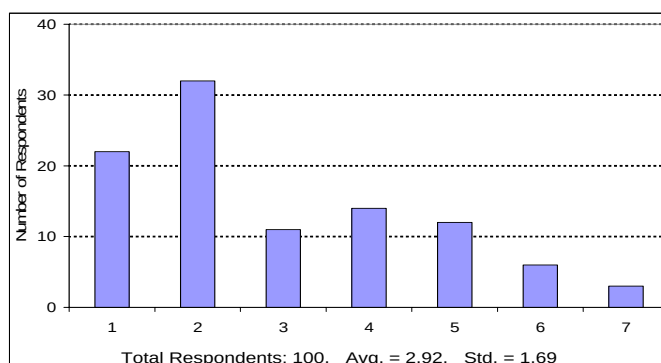
Public trust in the financial honesty of politicians is rated very low by a large proportion of the business executives interviewed.

4.03 The composition of public spending in your country (1 = Is wasteful, 7 = Provides necessary goods and services not provided by the market)



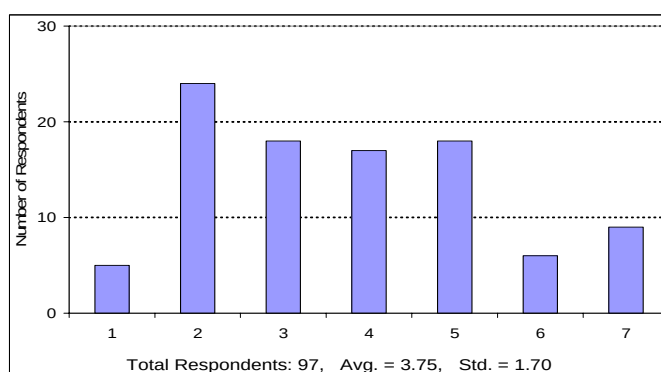
Public spending is perceived rather wasteful by 62 percent of the respondents.

4.04 Complying with administrative requirements (permits, regulations, reporting) issued by the government in your country is (1 = Burdensome, 7 = Not burdensome)



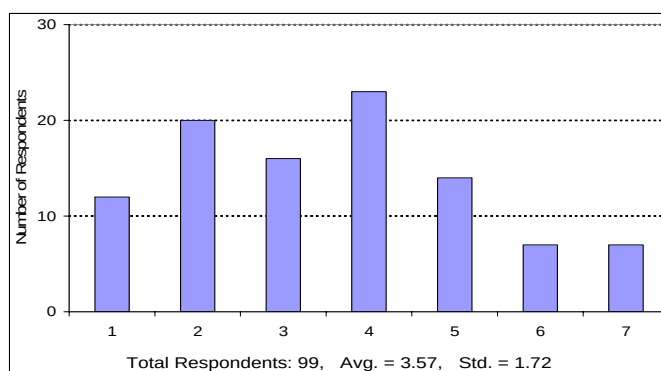
Administrative compliance is burdensome, according to about two-thirds of top business executives surveyed.

4.05 The level of taxes in your country (1 = Significantly limits the incentives to work or invest, 7 = Has little impact on the incentives to work or invest)



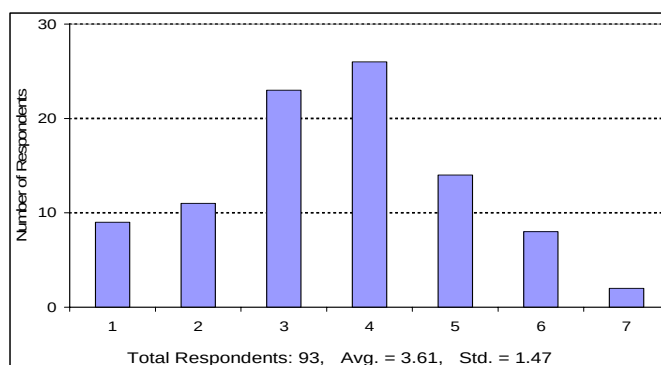
The level of taxes in Cambodia is believed to limit the incentives to work or invest by 47 percent of the respondents.

4.06 Your country's tax system is (1 = Highly complex, 7 = Simple and transparent)



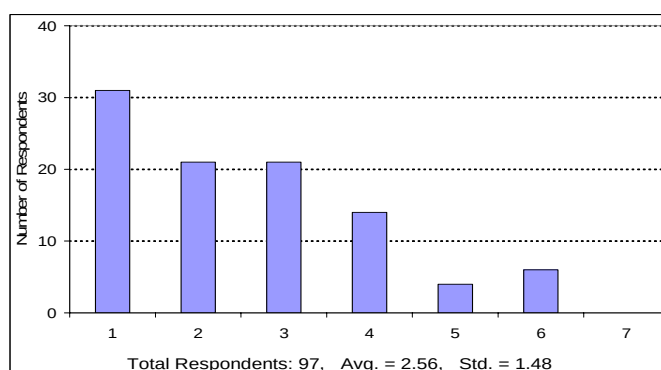
The country's tax system is perceived as being complex by 48 percent of the respondents.

4.07 Agricultural policy in your country (1 = Is excessively burdensome for the economy, 7 = Balances the interests of taxpayers, consumers and producers)



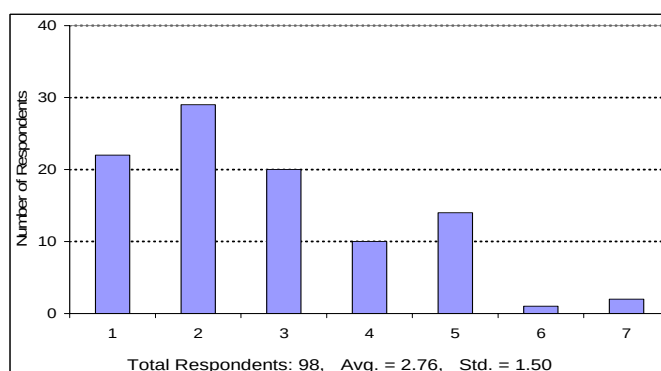
Agricultural policy in Cambodia is believed not to balance the interests of taxpayers, consumers and producers by about three-quarters of the respondents.

4.08 When deciding upon policies and contracts, government officials (1 = Usually favour well-connected firms and individuals, 7 = Are neutral)



Government decisions upon policies and contracts are perceived as not being neutral, by more than 75 percent of the respondents.

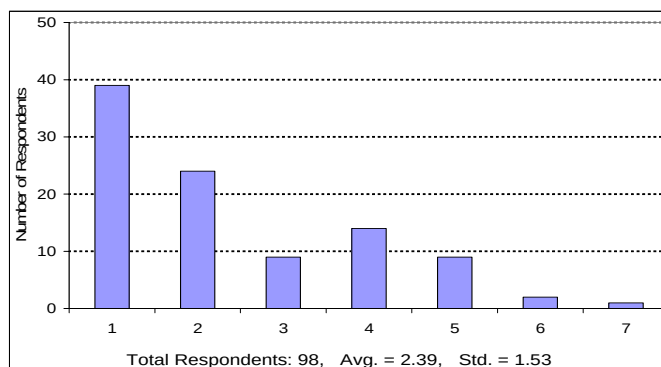
4.09 In your country, the government's efforts to reduce poverty and address income inequality are (1 = Ineffective, 7 = Effective)



Government efforts to reduce poverty in Cambodia are perceived as ineffective by more than 70 percent of the respondents.

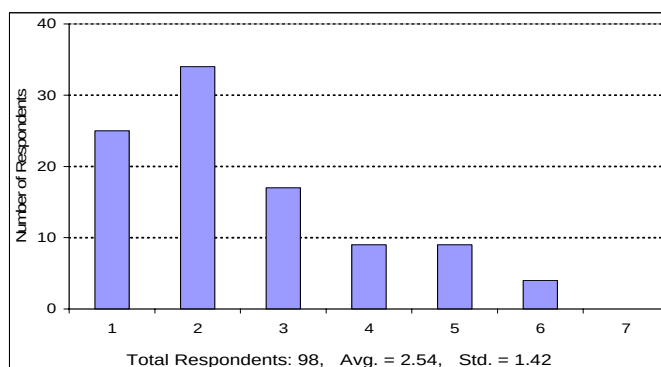
V. PUBLIC INSTITUTIONS

5.01 Is the judiciary in your country independent from political influences of members of government, citizens or firms? (1 = No – heavily influenced, 7 = Yes – entirely independent)



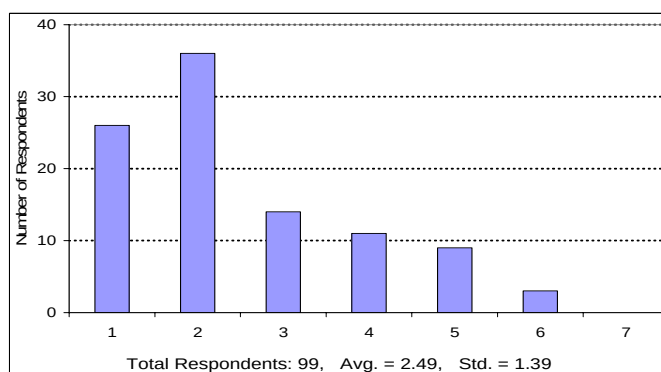
The judiciary is perceived not to be independent from undue influences by the business community.

5.02 The legal framework in your country for private businesses to settle disputes and challenge the legality of government actions and/or regulations: (1 = Is inefficient and subject to manipulation, 7 = Is efficient and follows a clear, neutral process)



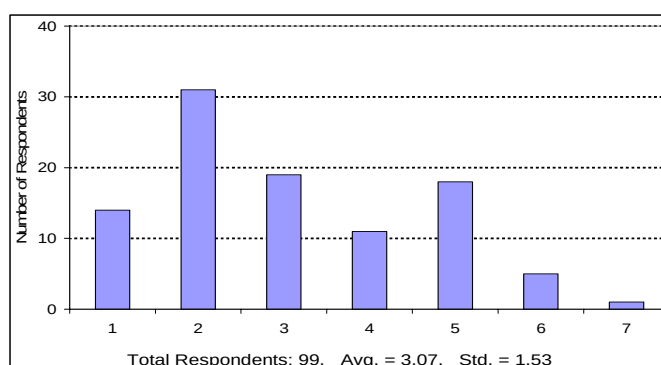
The legal framework is perceived inefficient to protect businesses in Cambodia by a large proportion of the respondents (78 percent).

5.03 Intellectual property protection in your country (1 = Is weak or non-existent, 7 = Is equal to the world's most stringent)



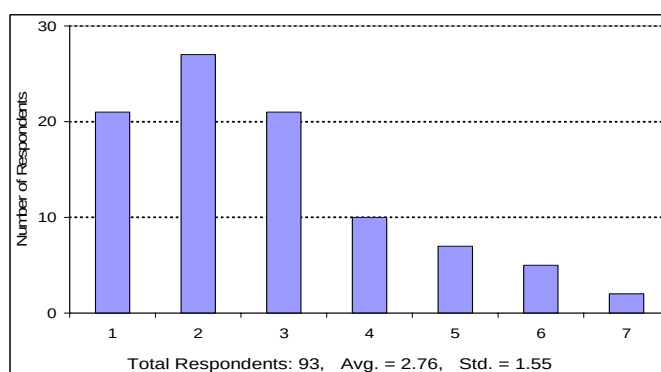
Intellectual property protection is reported rather weak by more than 75 percent of the respondents.

5.04 Property rights, including over financial assets: (1 = Are poorly defined and not protected by law, 7 = Are clearly defined and well protected by law)



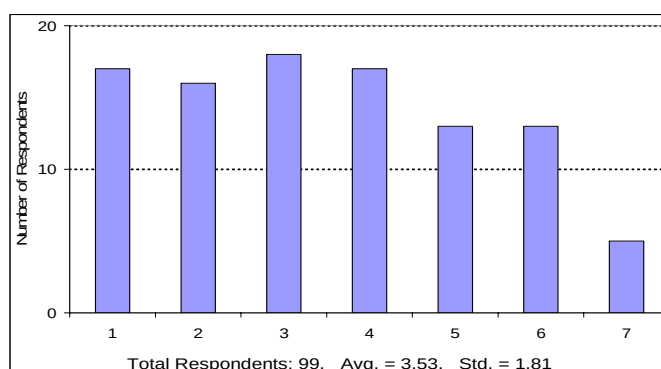
Property rights are poorly protected by law, according to 64 percent of the respondents.

5.05 Economic policy-making in your country is: (1 = Centralized – national government controls almost all important decisions, 7 = Decentralized – states and cities have important decision rights affecting economic development)



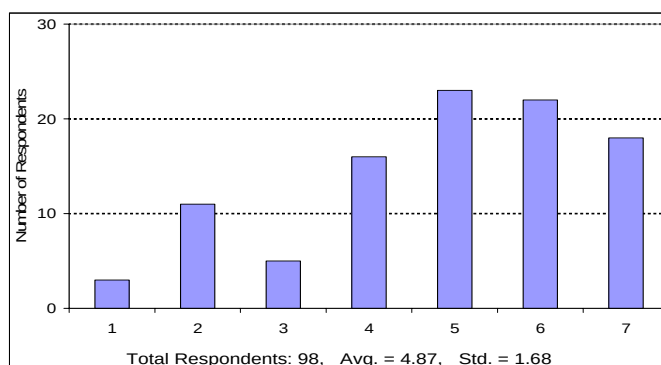
Economic policy-making is believed to be rather centralized by 75 percent of the respondents.

5.06 In your country, can the media publish/broadcast stories of their choosing without fear of censorship or retaliation? (1 = No, 7 = Yes – whatever they want)



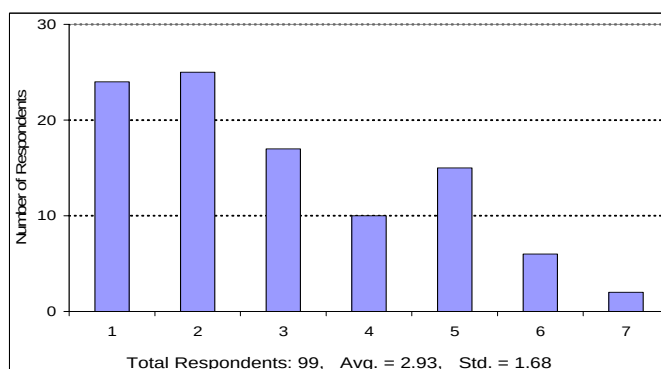
The responses are ambivalent, regarding the freedom of the press.

5.07 How much business activity in your country would you estimate to be unofficial or unregistered (1 = None, all business is registered, 7 = More than 50% of economic activity is unrecorded)



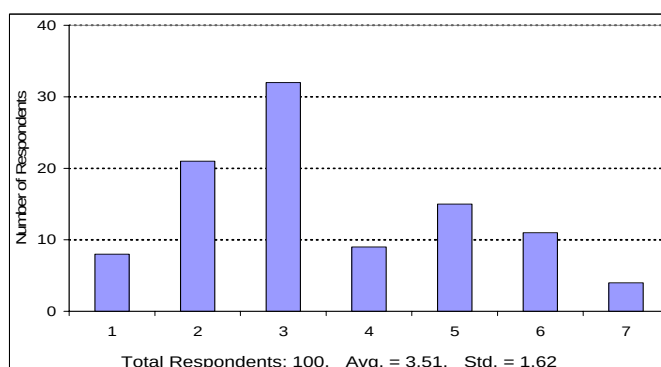
More than 50 percent of economic activity in Cambodia is believed unregistered, by 79 percent of the respondents.

5.08 Police services: (1 = Cannot be relied upon to protect businesses from criminals, 7 = Can be relied upon to protect businesses from criminals)



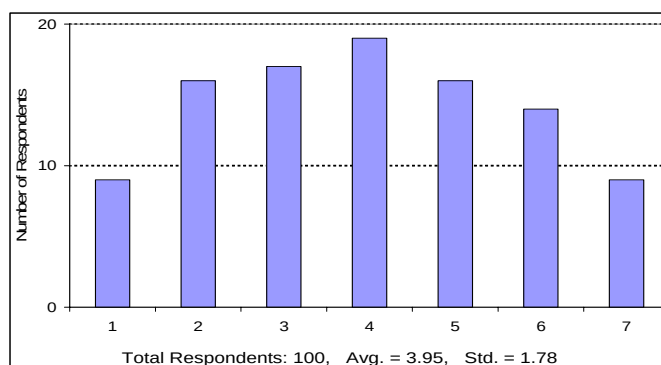
Police services are perceived unreliable to protect businesses from criminals by more than 60% of the respondents.

5.09 The incidence of common crime and violence (e.g., street muggings, firms being looted) (1 = Imposes significant costs on businesses, 7 = Does not impose significant costs on businesses)



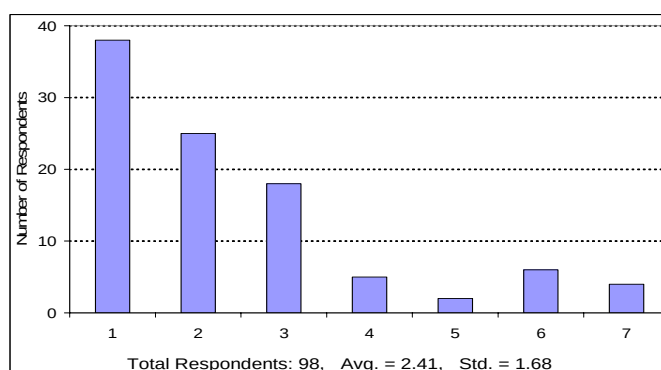
Common crime and violence seems to impose certain costs on businesses, according to 61 percent of the respondents.

5.10 Organized crime (mafia-oriented racketeering, extortion) in your country (1 = Imposes significant costs on businesses, 7 = Does not impose significant costs on businesses)



The answer is ambivalent, regarding the business cost of organized crime.

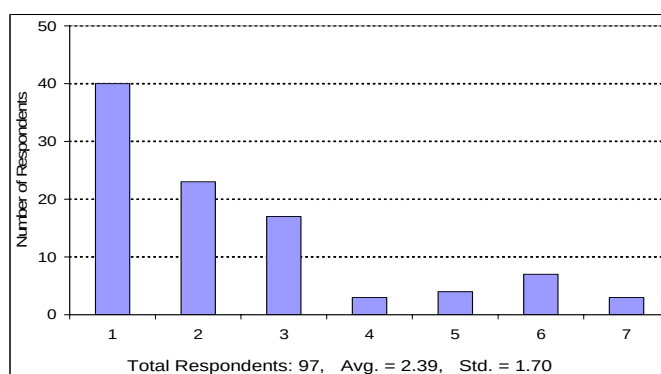
5.11 In your country, diversion of public funds to companies, individuals or groups due to corruption (1 = Is common, 7 = Never occurs)



Diversion of public funds is perceived as common by the majority of the respondents (83%).

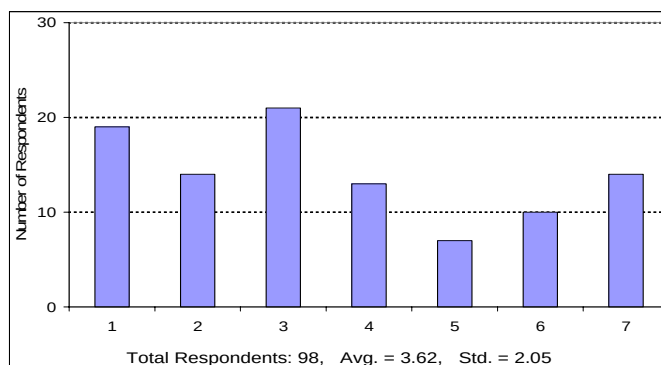
5.12 In your industry, how common would you estimate that firms make undocumented extra payments or bribes connected with the following: (1 = Common, 7 = Never occur)

5.12.A - Import and export permits



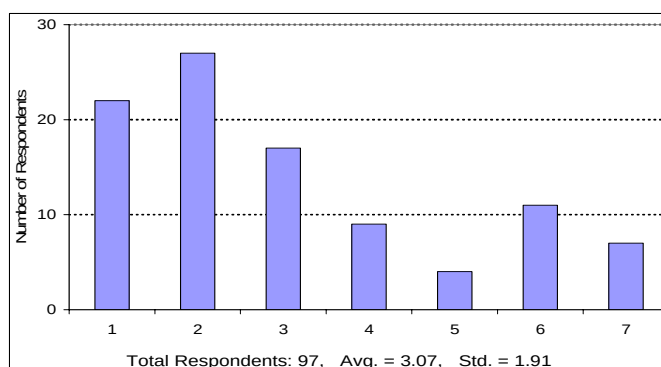
Corruption in connection with import and export permits is perceived common by 83 percent of the respondents.

5.12.B - Connection to public utilities (e.g., telephone or electricity)



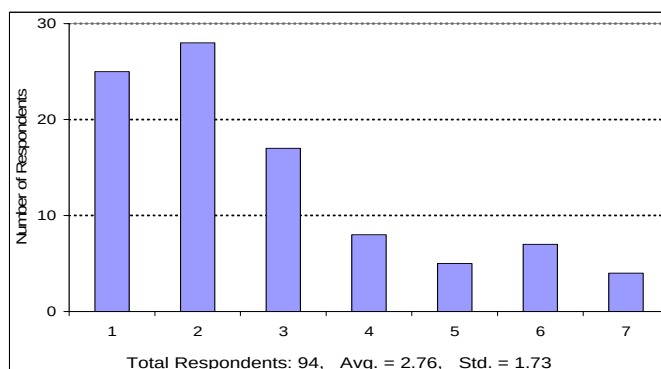
Corruption in connection with the use of public utilities is perceived as common by 54 percent of the respondents.

5.12.C - Annual tax payments



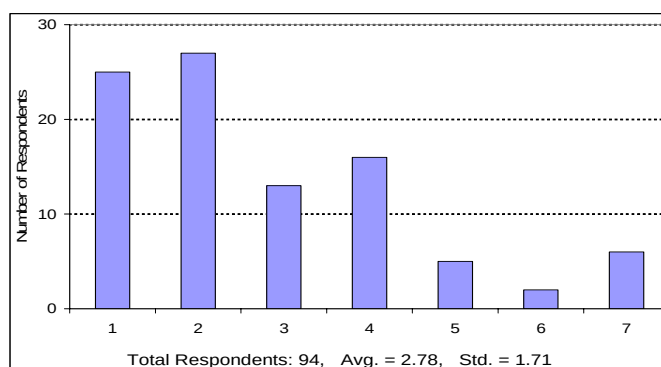
Corruption in connection with annual tax payments is perceived as common by 69 percent of the respondents.

5.12.D - Awarding of public contracts (investment projects)



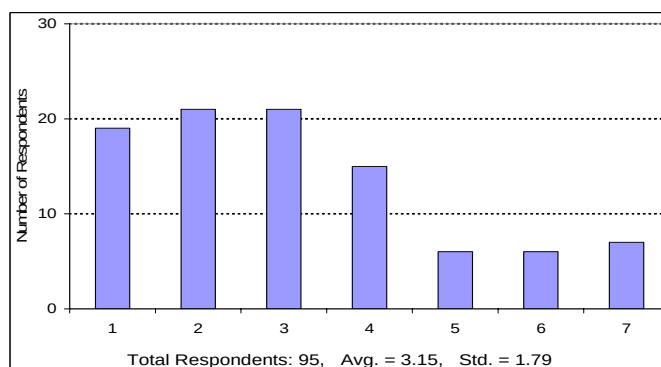
Corruption in connection with public contracts is perceived common by 75 percent of the respondents.

5.12.E - Receiving favorable judicial decisions



Corruption in connection with judicial decisions is perceived common by 70 percent of the respondents.

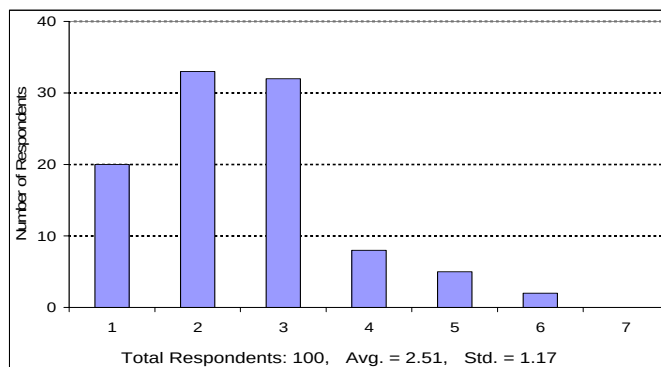
5.13 Do other firms' illegal payments to influence government policies, laws or regulations impose costs or otherwise negatively affect your firm? (1 = Large impact distorting competition, 7 = No impact on competition)



More than 60 percent of the respondents believe that corruption negatively affects their firm.

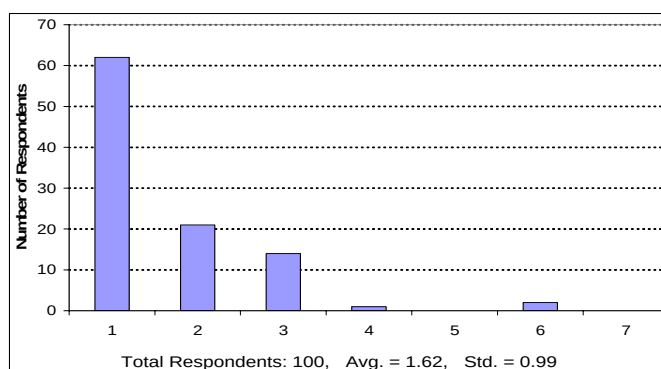
VI. INFRASTRUCTURE

6.01 General infrastructure in your country (1 = Is poorly developed and inefficient, 7 = Is among the best in the world)



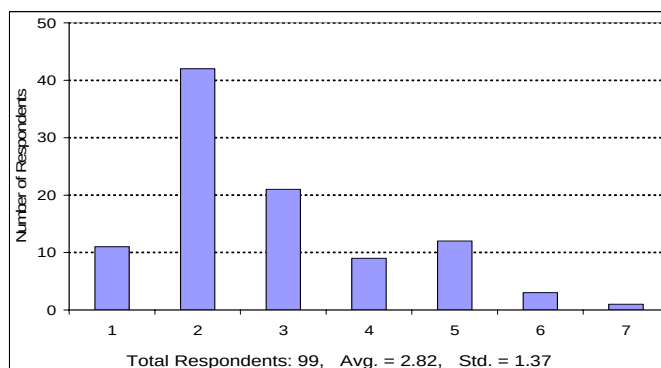
General infrastructure is reported very poor by business people (85 percent of the respondents).

6.02 Railroads in your country are (1= Underdeveloped, 7 = As extensive and efficient as the world's best)



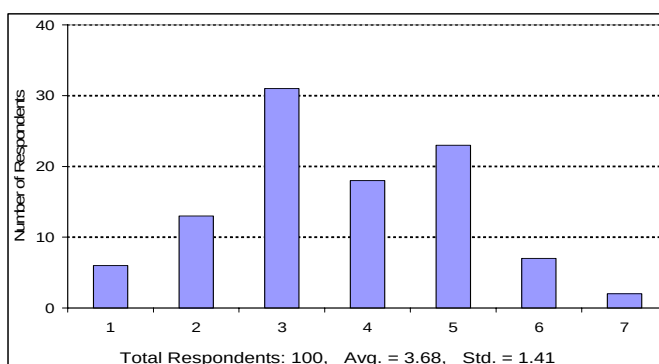
Railroads in Cambodia are underdeveloped, according to more than 95 percent of the respondents.

6.03 Port facilities and inland waterways in your country are: (1 = Underdeveloped, 7 = As developed as the world's best)



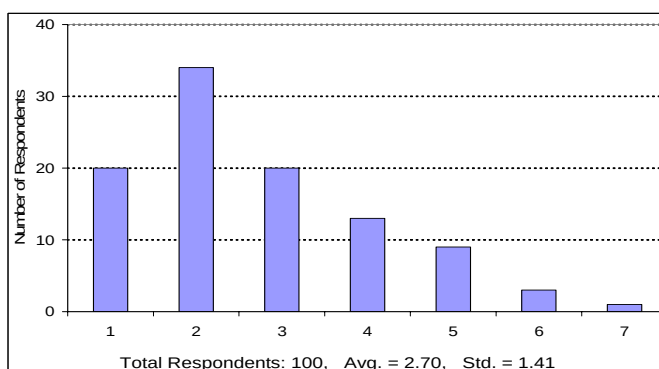
Port facilities are of rather poor quality, according to approximately 75 percent of the respondents.

6.04 Passenger air transport in your country is (1 = Infrequent and inefficient, 7 = As extensive and efficient as the world's best)



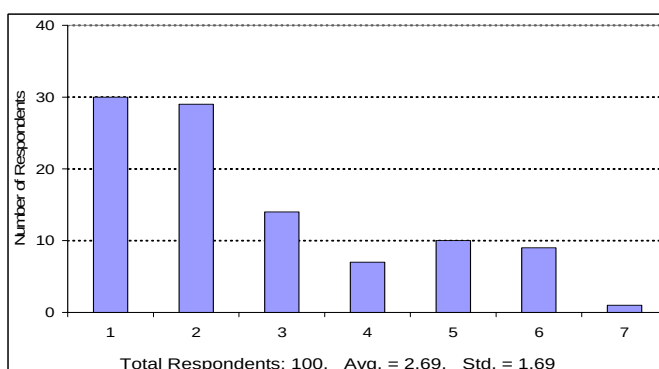
Passenger air transport is rated better than other public utilities while 32 percent of the respondents feel that it is efficient.

6.05 The quality of electricity supply in your country (lack of interruptions and lack of voltage fluctuations) is (1 = Worse than in most other countries, 7 = Meets the highest standards in the world)



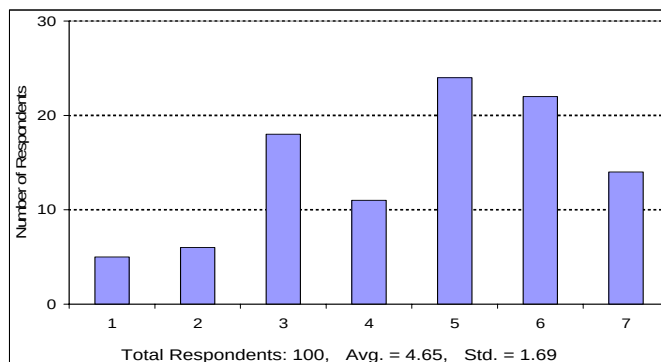
The quality of electricity supply is believed worse than in most other countries by more than 70 percent of the respondents.

6.06 Do you trust your country's postal system sufficiently to have a friend mail a small package worth US\$ 100 to you? (1 =Not at all, 7 = Yes, trust the system entirely)



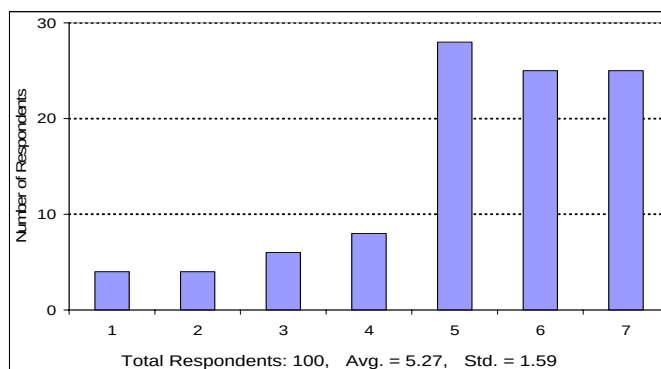
The postal system is not reliable, according to 73 percent of the respondents.

6.07 New telephone lines for your business are (1 = Scarce and difficult to obtain, 7 = Widely available and highly reliable)



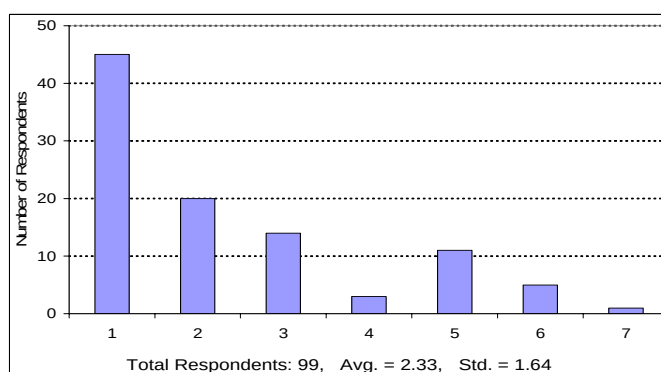
New telephone lines for business are perceived somewhat available and reliable by 60 percent of the respondents.

6.08 Mobile or cellular telephones for your business are (1 = Not available, 7 = As accessible and affordable as in the world's most technologically advanced countries)



Mobile telephones for business are believed accessible and affordable by more than 75 percent of the respondents.

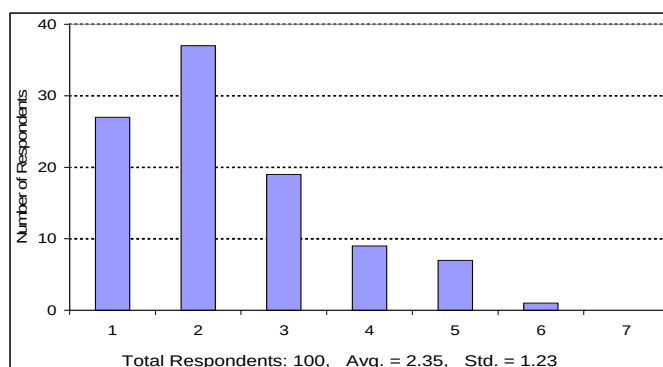
6.09 Internet access in schools is (1 = Very limited, 7 = Extensive – most children have frequent access)



Internet access in schools is believed to be very limited by more than 75 percent of the respondents.

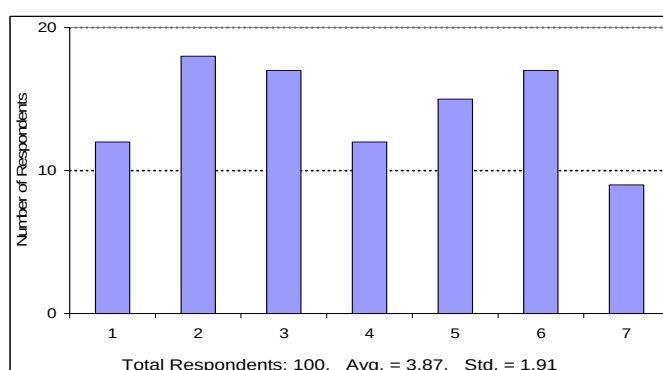
VII. HUMAN RESOURCES

7.01 The public (free) schools in your country are (1 = Of poor quality, 7 = Equal to the best in the world)



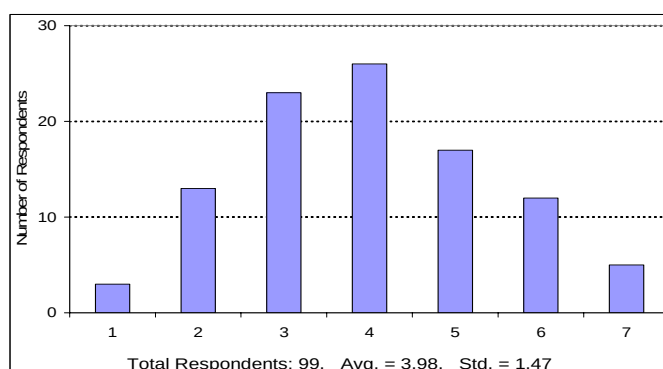
Public schools in Cambodia are perceived to be of poor quality by more than 80 percent of the respondents.

7.02 The hiring and firing of workers is (1 = Impeded by regulations, 7 = Flexibly determined by employers)



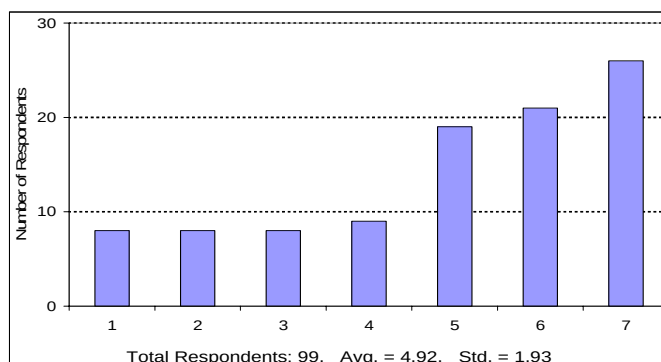
The hiring and firing of workers is perceived as impeding by regulations by 47 percent of the respondents.

7.03 Labour-employer relations in your country are (1 = Generally confrontational, 7 = Generally cooperative)



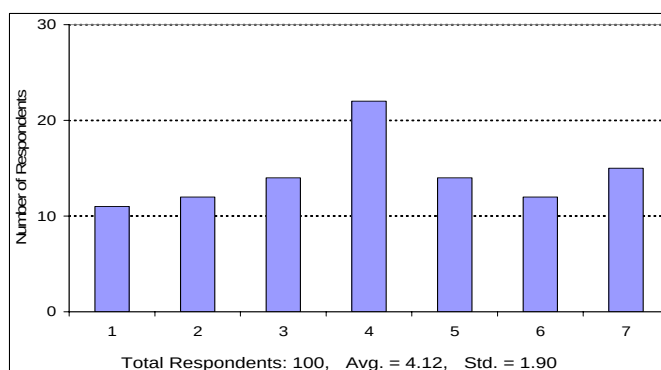
The responses are ambivalent, regarding labour-employer relations in Cambodia.

7.04 Wages in your country are (1 = Set by a centralized bargaining process, 7 = Up to each individual company)



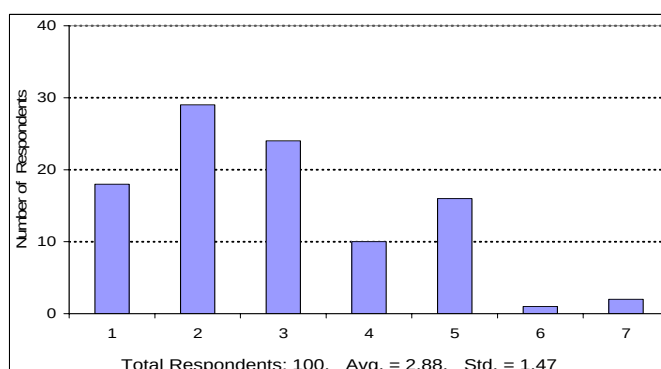
Wages in Cambodia are believed to be set by each individual company by 66 percent of the respondents.

7.05 Pay in your country is (1 = Not related to worker productivity, 7 = Strongly related to worker productivity)



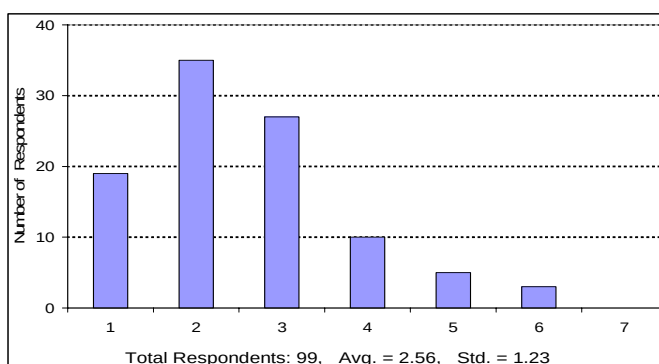
Pay in Cambodia is believed to be related to worker productivity by about 40 percent of the respondents.

7.06 The educational system in your country (1 = Does not meet the needs of a competitive economy, 7 = Meets the needs of a competitive economy)



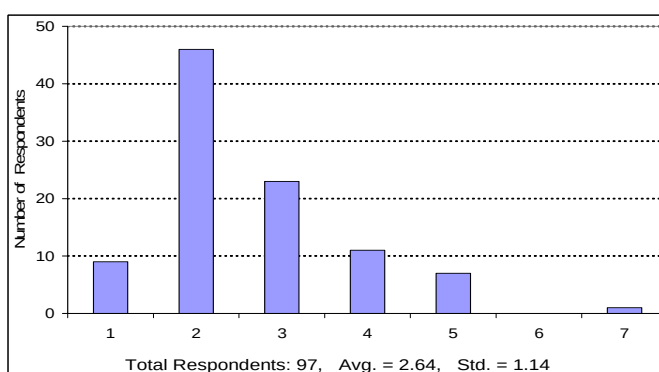
Educational system in Cambodia is very unlikely to meet the needs of a competitive economy, according to more than 70 percent of the respondents.

7.07 Math and science education in your country's schools (1 = Lag far behind most other countries, 7 = Are among the best in the world)



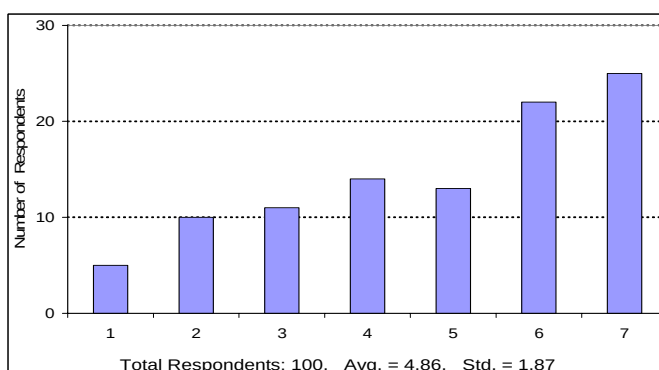
Math and science education are perceived as lagging far behind most other countries by the majority of the respondents (81%).

7.08 Scientists and engineers in your country are (1 = Non-existent or rare, 7 = Widely available)



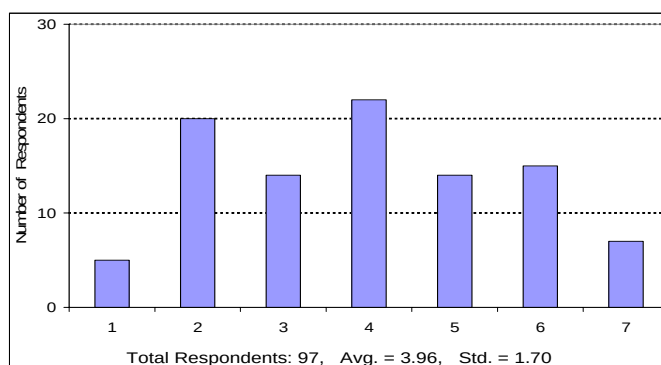
Scientists and engineers in Cambodia are rare, according to about 80 percent of the respondents.

7.09 Labour regulation in your country (1 = Prevents your company from employing foreign labour, 7 = Does not prevent your company from employing foreign labour)



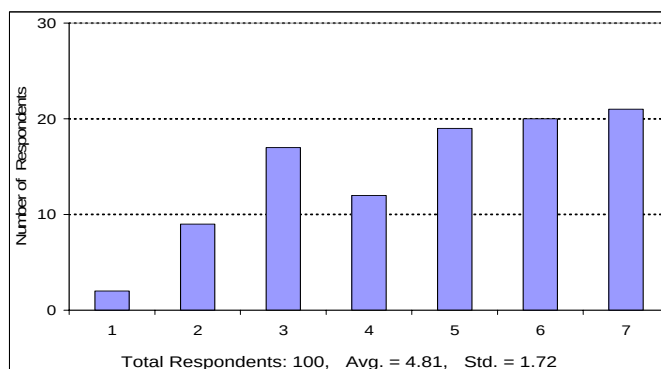
Labour regulations do not seem to prevent companies from employing foreign labour, according to 60 percent of the respondents.

7.10 Your country's talented people (1 = Normally leave to pursue opportunities in other countries, 7 = Almost always remain in the country)



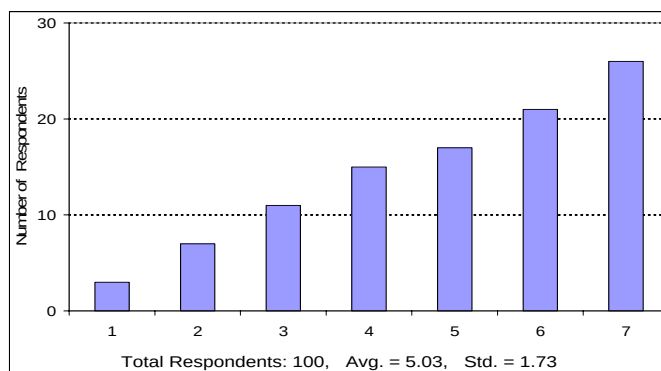
The responses are ambivalent, regarding the Cambodia's brain drain.

7.11 In your country, private sector employment of women is (1 = Limited and usually takes place in less important jobs, 7 = Equal to that of men)



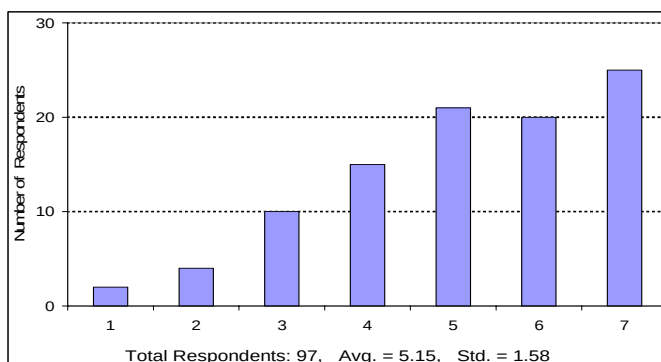
Private sector employment of women seems to equal that of men, according to the majority of the respondents (60%).

7.12 In your country, for similar work, wages for women are (1 = Significantly below those of men, 7 = Equal to those of men)



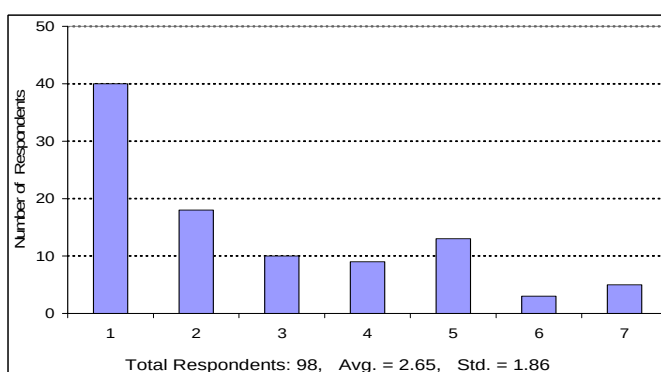
For similar work, women are believed to be paid equally to that of men by approximately 80 percent of the respondents.

7.13 In your country, maternity laws (1 = Impede the hiring of women, 7 = Are not a hindrance for hiring women)



Maternity laws are not a hindrance for hiring women, according to about 80 percent of the respondents.

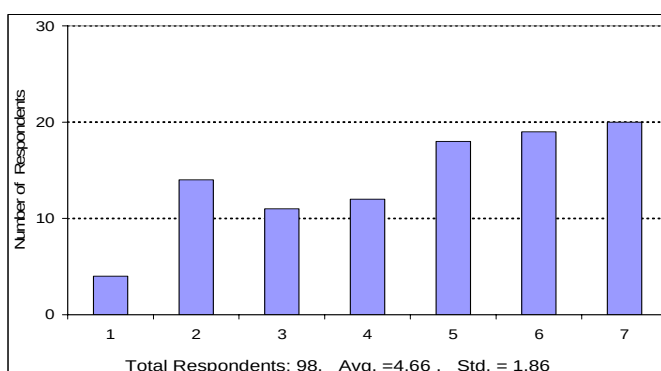
7.14 In your country, government-provided childcare is (1 = Non-existent or very limited, 7 = Widely accessible)



Government-provided childcare is seen as very limited by about 70 percent of the respondents.

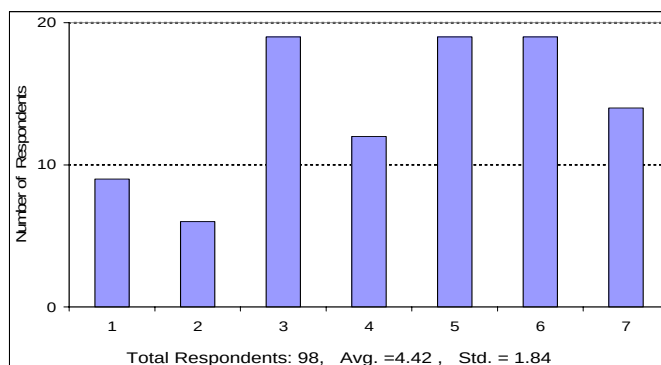
7.15 How serious do you consider the future impact of these diseases on your company in the next 5 years? (1 = Extremely serious, 7 = Not a problem)

7.15.A - Malaria



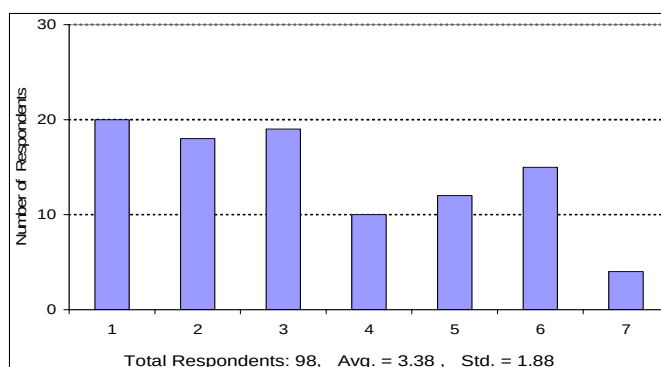
Malaria seems not to be a serious problem affecting a company's future operation, according to 57 percent of the respondents.

7.15.B - Tuberculosis



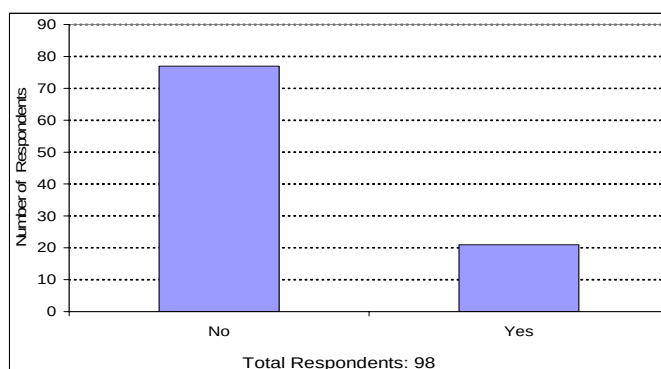
Tuberculosis seems not to be a serious problem affecting a company's future operation, according to more than 50 percent of the respondents.

7.15.C - HIV/AIDS



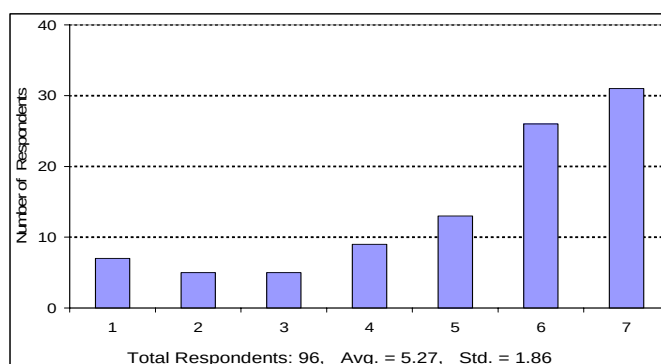
HIV/AIDS is perceived to affect a company's future operations by 57 percent of the respondents.

7.16 Have you conducted a quantitative HIV/AIDS risk assessment (e.g. company-based testing, actuarial calculation)?



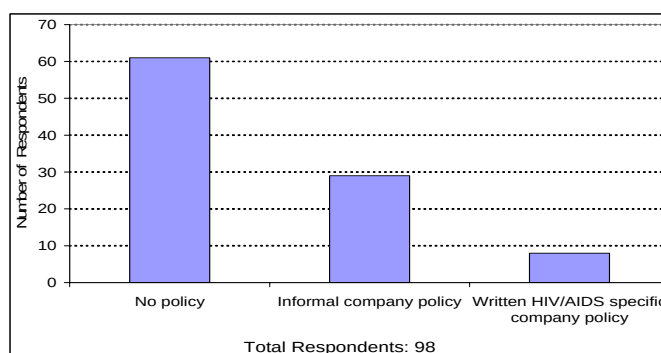
Only 21 percent of the respondents confirmed to have conducted a quantitative HIV/AIDS risk assessment within their organisations.

7.17 How severely is HIV/AIDS currently affecting your business operations (1 = Significant negative impact, 7 = Not a problem)



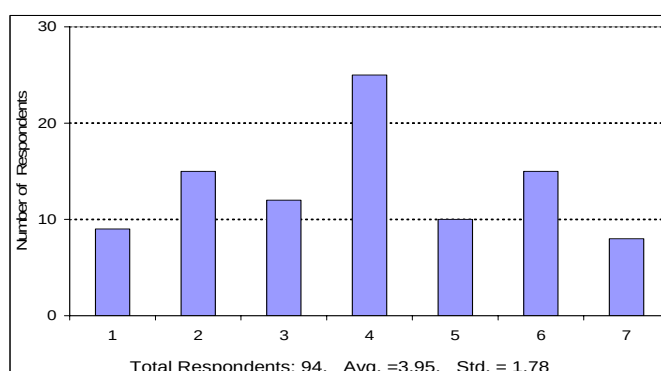
HIV/AIDS seems not to be a serious problem for the current business operations, according to 73 percent of the respondents.

7.18 What is the state of your company's HIV/AIDS policy?



A large proportion of the sample companies (62 percent) have no HIV/AIDS policy.

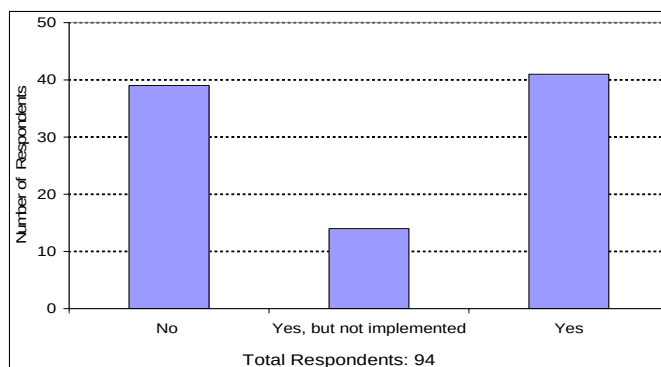
7.19 To what extent do you believe that your company's current policies and programmes are sufficient to effectively manage the impact of HIV/AIDS on your business in the next five years? (1 = Current policies and programmes will not be sufficient and/or effective, 7 = Current policies and programmes will be sufficient)



The answers are ambivalent, regarding the company's current policies and programme to manage the impact of HIV/AIDS on business.

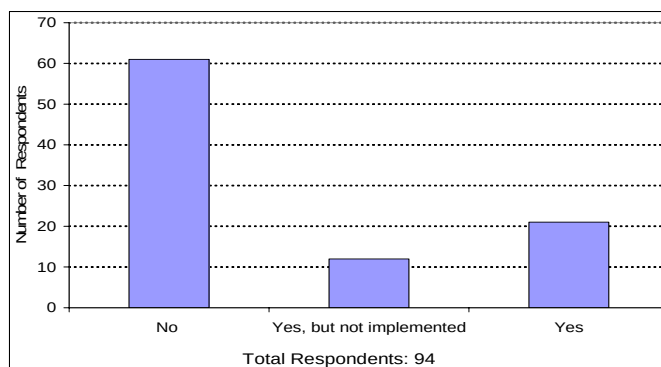
7.20 Does your company have an HIV/AIDS policy and/or programmes to address the following issues?

7.20.A - Information about the risks of infection



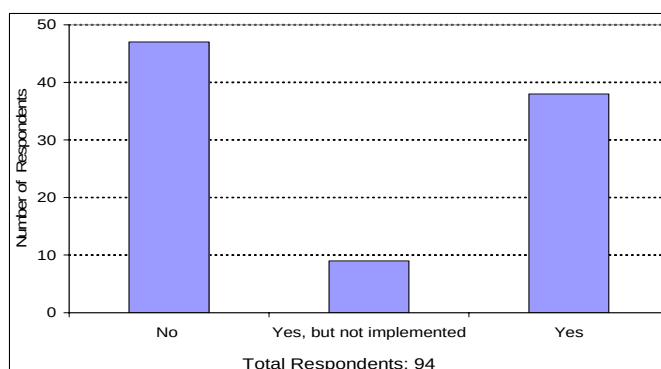
Information about the risks of infection has been addressed by 44 percent of the sample companies.

7.20.B - Voluntary, confidential, anonymous HIV testing



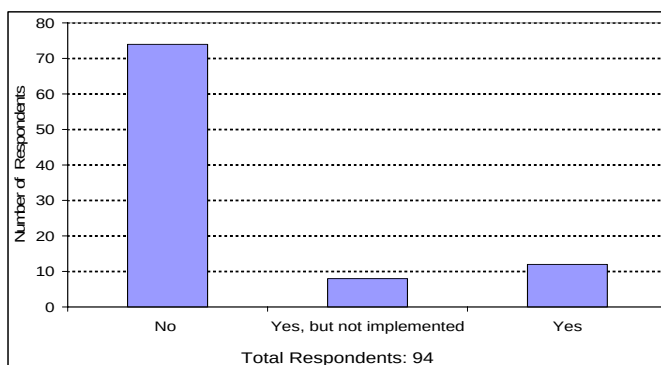
Voluntary, confidential, anonymous HIV testing has not been addressed by 65 percent of the sample companies.

7.20.C – Condoms



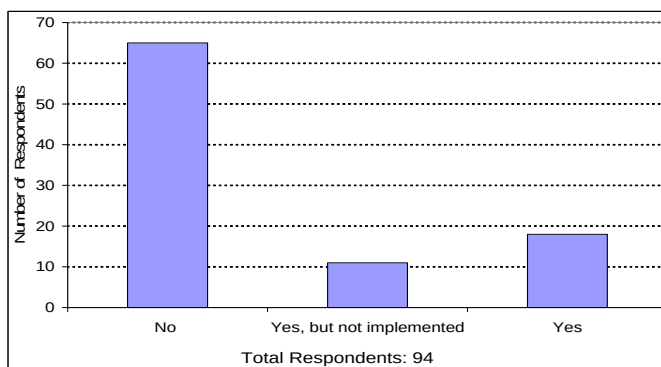
Only about 40 percent of the sample companies confirmed to have addressed the issues related to condoms.

7.20.D - Discrimination in promotion, pay or benefits based on HIV status



Approximately 80 percent of the sample companies confirmed to have not addressed the issues related to discrimination in promotion, pay or benefits based on HIV status.

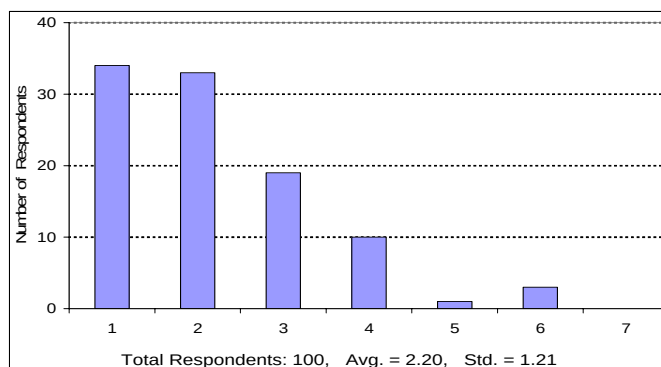
7.20.E - Anti-retroviral (AIDS drugs)



Approximately 70 percent of the sample companies confirmed to have not addressed the issues related to anti-retroviral (AIDS drugs).

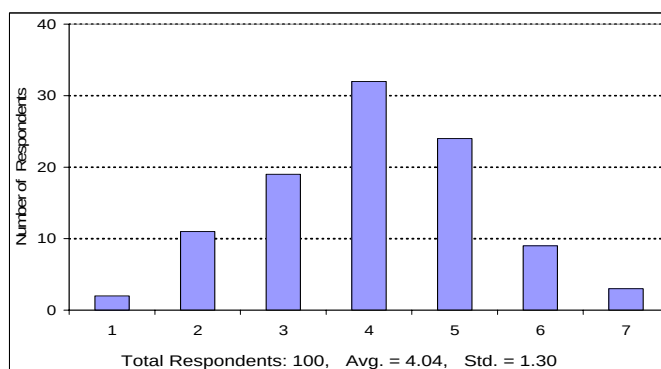
VIII. FINANCE AND OPENNESS

8.01 The level of sophistication of financial markets in your country is (1 = Lower than international norms, 7 = Higher than international norms)



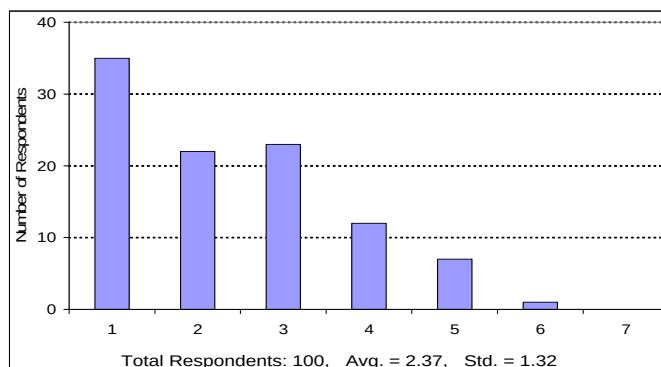
Financial markets in Cambodia are believed to be less sophisticated than the international norms by a large proportion of the respondents (86 percent).

8.02 Banks in your country are: (1 = Insolvent and may require a government bailout, 7 = Generally healthy with sound balance sheets)



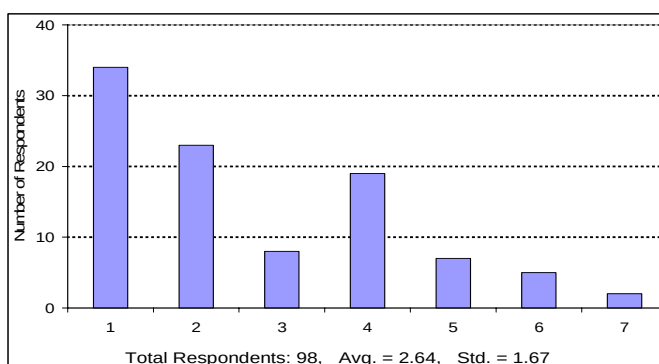
Soundness of banks is seen somewhat improving by more than 35 percent of the respondents.

8.03 How easy is it to obtain a bank loan in your country with only a good business plan and no collateral? (1 = Impossible, 7 = Easy)



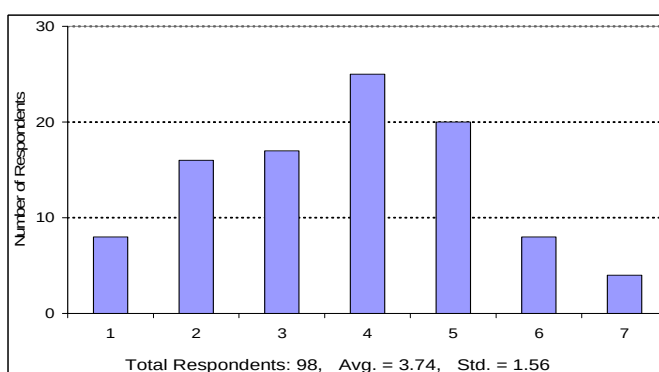
Ease of access to a bank loan in Cambodia is seen as being difficult by a large proportion of the respondents (80 percent).

8.04 Entrepreneurs with innovative but risky projects can generally find venture capital in your country (1 = Not true, 7 = True)



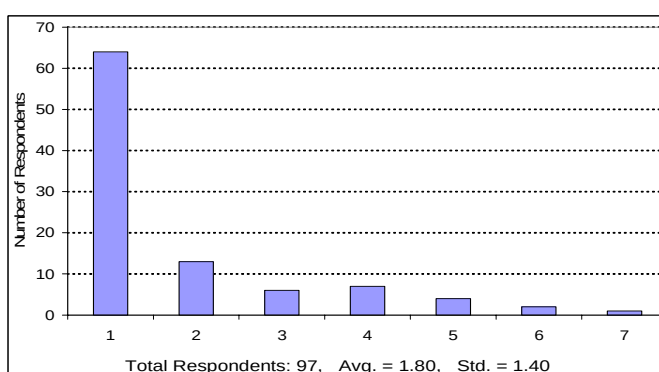
Entrepreneurs cannot generally find venture capital in Cambodia, according to 66 percent of the respondents.

8.05 During the past year, obtaining credit for your company has become (1 = More difficult, 7 = Easier)



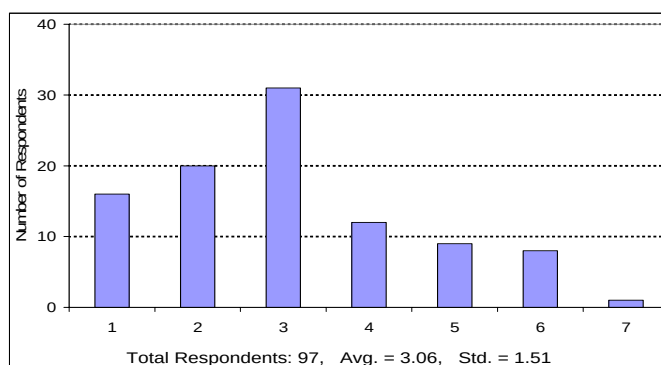
Obtaining credit for companies has been more difficult by more than 40 percent of the respondents.

8.06 Raising money by issuing shares on the local stock market is: (1 = Nearly impossible, 7 = Quite possible for a good company)



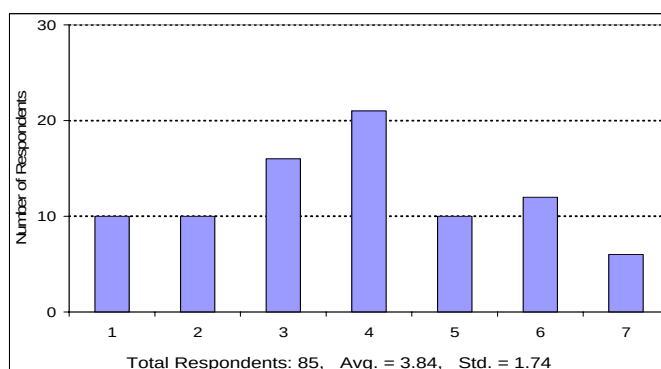
Raising money by issuing shares on the local stock market is impossible, according to about two-third of the respondents.

8.07 Financial auditing and reporting standards regarding a company's financial performance in your country are: (1 = Extremely weak, 7 = Extremely strong – the best in the world)



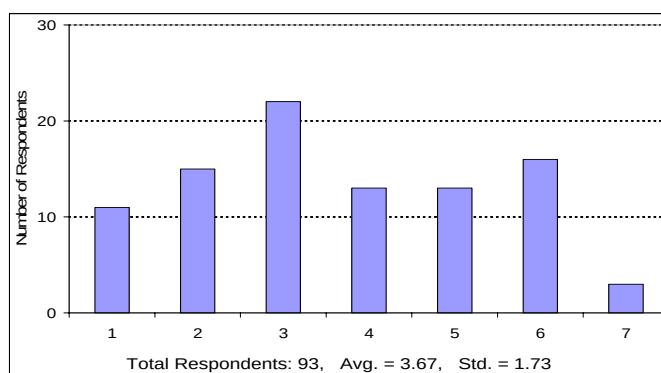
Financial auditing and reporting standards are seen as weak by approximately 70 percent of the respondents.

8.08 Money laundering through the formal banking system in your country is (1 =Pervasive, 7 = Extremely rare)



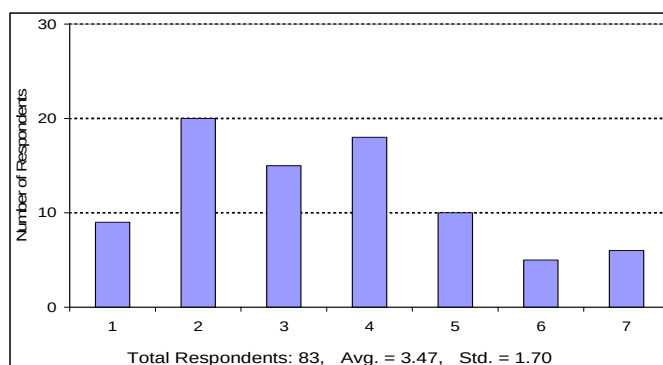
The responses seem ambivalent regarding money laundering through the formal banking system.

8.09 In your country, tariff and non-tariff barriers significantly reduce the ability of imported goods to compete in the domestic market (1 = Strongly agree, 7 = Strongly disagree)



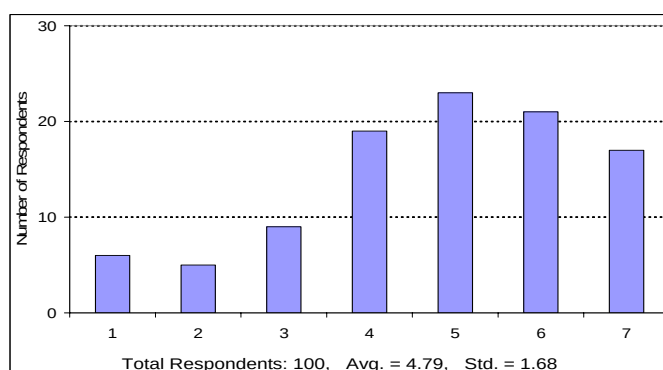
Tariff and non-tariff barriers are believed to reduce the ability of imported goods to compete in the domestic market by more than 50 percent of the respondents.

8.10 Interests of minority shareholders in your country are (1 = Not protected by law and seldom recognized by majority shareholders, 7 = Protected by law and actively enforced)



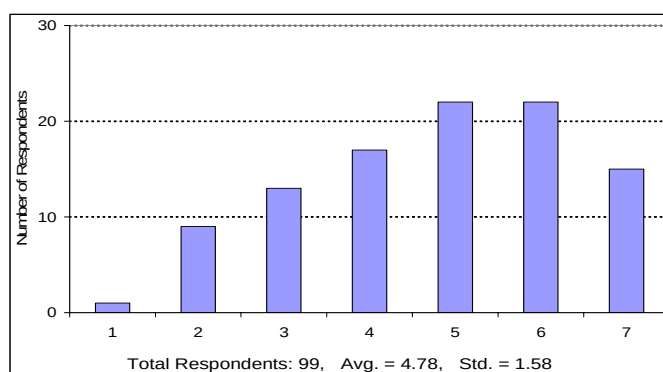
More than 50 percent of the respondents perceive that interests of minority shareholders are not well-protected by law.

8.11 Foreign ownership of companies in your country is (1 = Rare, limited to minority stakes and often prohibited in key sectors, 7 = Prevalent and encouraged)



Foreign ownership is somewhat prevalent and encouraged, according to about 60 percent of the respondents.

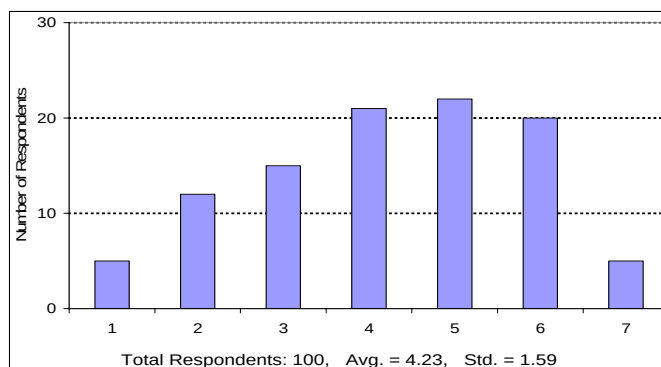
8.12 In your country, rules governing foreign direct investment are (1= Damaging and discourage foreign direct investment, 7 = Beneficial and encourage foreign direct investment)



Rules governing FDI are believed to be beneficial and encourage FDI by approximately 60 percent of the respondents.

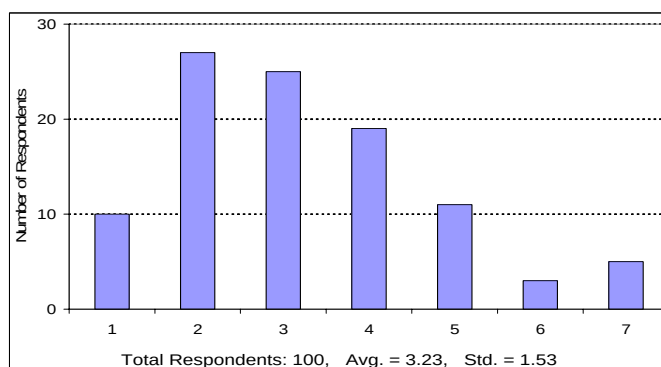
IX. DOMESTIC COMPETITION

9.01 Competition in the local market is (1 = Limited in most industries and price-cutting is rare, 7 = Intense in most industries as market leadership changes over time)



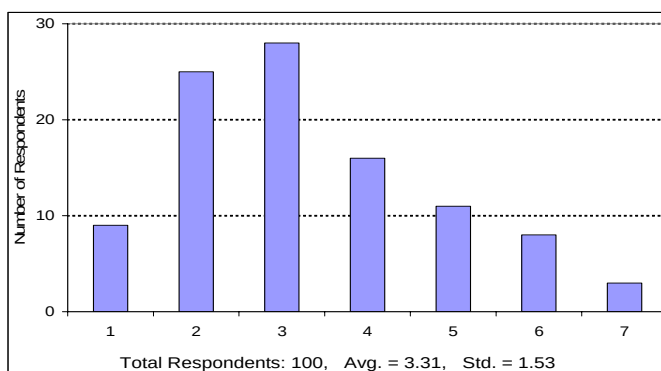
Competition in local market is believed quite intense by 47 percent of the respondents.

9.02 Buyers in your country are (1= Unsophisticated and make choices based on the lowest price, 7 = Knowledgeable and demanding and buy based on superior performance attributes)



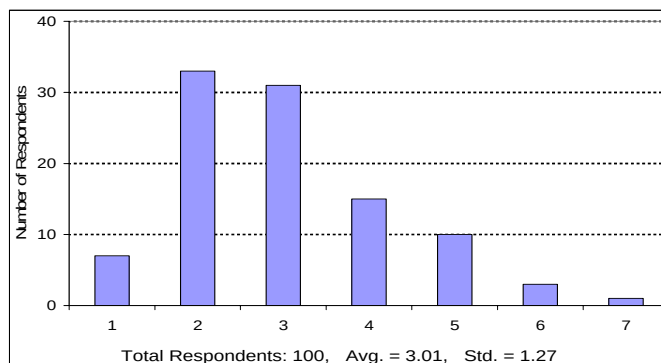
Cambodian buyers are seen somewhat unsophisticated by more than 60 percent of the respondents.

9.03 Local suppliers in your country are (1 = Largely non-existent, 7 = Numerous and include the most important materials, components, equipment and services)



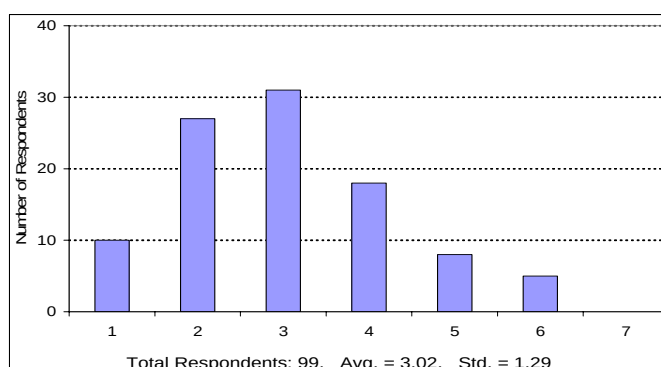
Local suppliers are perceived as almost non-existent by more than 60 percent of the respondents.

9.04 The quality of local suppliers in your country is (1 = Poor as they are inefficient and have little technological capability, 7 = Very good as they are internationally competitive and assist in new product and process development)



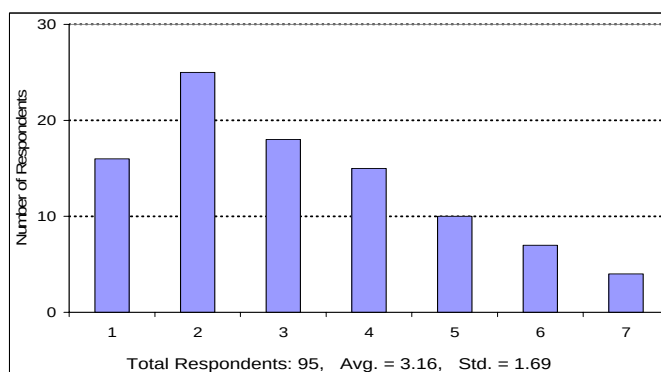
The quality of local suppliers is seen as poor by more than 70 percent of the respondents.

9.05 Standards on product/service quality, energy and other regulations (outside environmental regulations) in your country are (1 = Lax or non-existent, 7 = Among the world's most stringent)



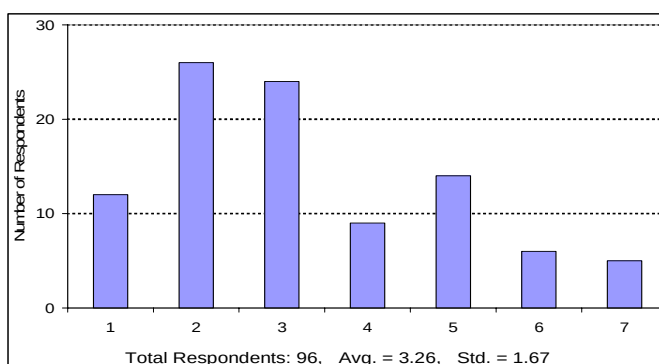
Standards on product/ service quality are almost non-existent by more than two-thirds of the respondents.

9.06 Anti-monopoly policy in your country is (1 = Lax and not effective at promoting competition, 7 = Effective and promotes competition)



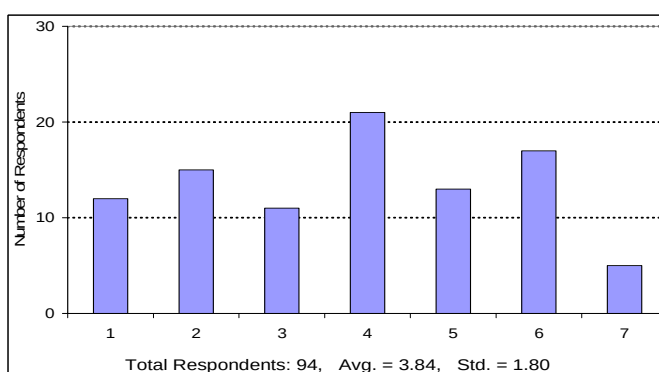
Anti-monopoly policy is believed ineffective at promoting competition by more than 60 percent of the respondents.

9.07 Corporate activity in your country is (1 = Dominated by a few business groups, 7 = Spread among many firms)



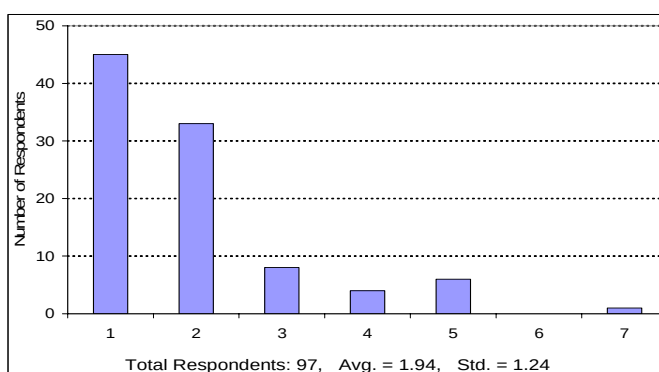
Corporate activity in Cambodia is seen as dominated by a few business groups by 55 percent of the respondents.

9.08 Strong and deep clusters are widespread throughout the economy (1 = Strongly agree, 7 = Strongly disagree)



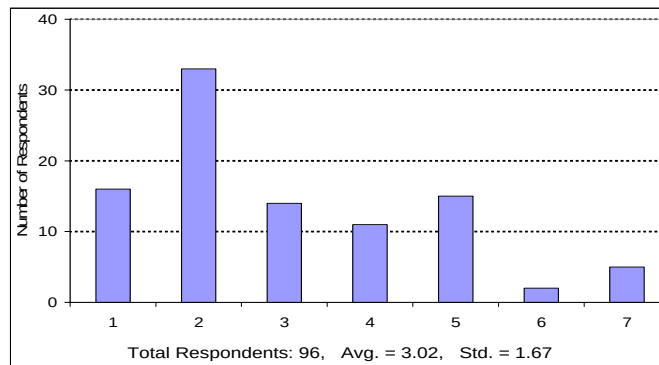
The answers are ambivalent, regarding cluster development.

9.09 How is process equipment and machinery specific to your field obtained in your country? (1 = Specialized process equipment and machinery are almost always imported, 7 = Specialized process equipment and machinery are almost always locally available from capable suppliers)



Process equipment and machinery are believed to be imported from abroad by the majority of the respondents (88 percent).

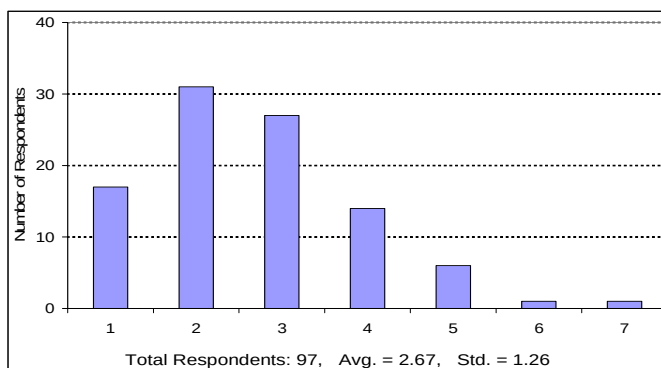
9.10 In your country, specialized research and training services are (1 = Not available in the country, 7 = Available from world-class local institutions)



Specialized research and training services are perceived unavailable within the country by about two-thirds of the respondents.

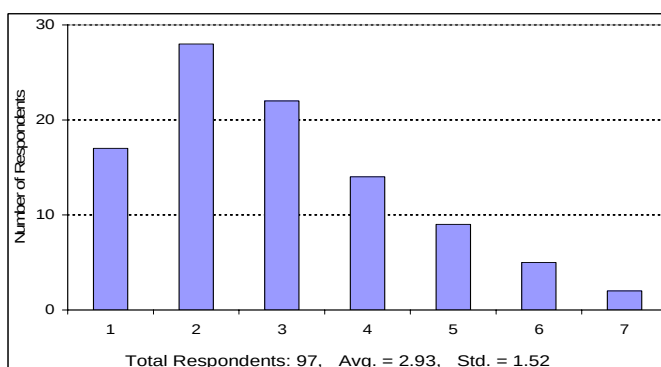
X. COMPANY OPERATIONS AND STRATEGY

10.01 Competitiveness of your country's companies in international markets is primarily due to (1 = Low cost or local natural resources, 7 = Unique products and processes)



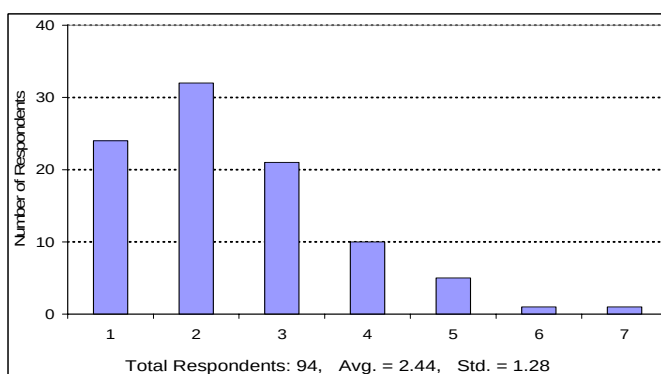
Competitiveness of companies in Cambodia derives primarily from low cost or local natural resources, according to approximately 80 percent of the respondents.

10.02 Exporting companies in your country (1 = Are primarily involved in resource extraction or production, 7 = Not only produce but also perform product design, marketing sales, logistics and after-sales services)



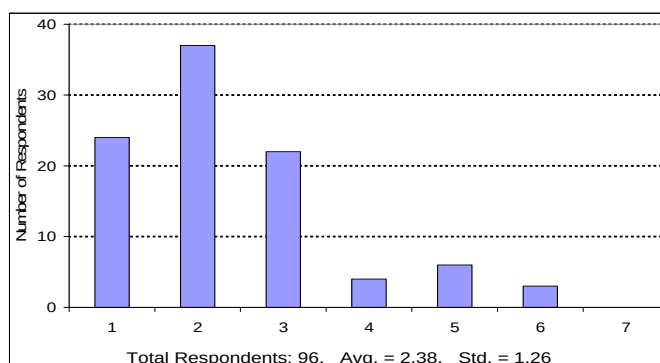
Usually exporting companies are believed to be involved in resource extraction, according to the majority of the respondents (70 percent).

10.03 Companies obtain technology (1 = Exclusively from licensing or imitating foreign companies, 7 = By conducting formal research and pioneering their own new products and processes)



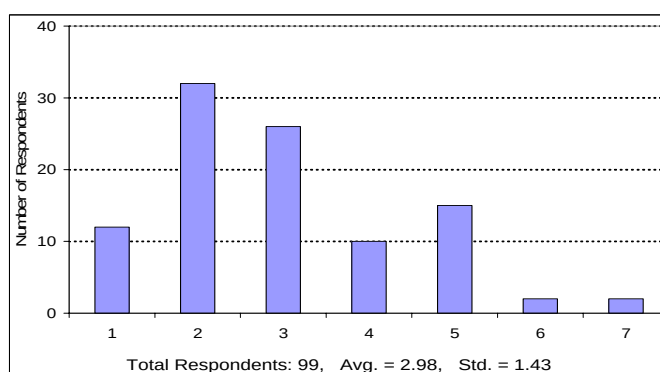
A large proportion of companies (52 percent) believe that technology is obtained from licensing or imitating foreign companies.

10.04 Production processes use (1 = Labour-intensive methods or previous generations of process technology, 7 = The world's best and most efficient process technology)



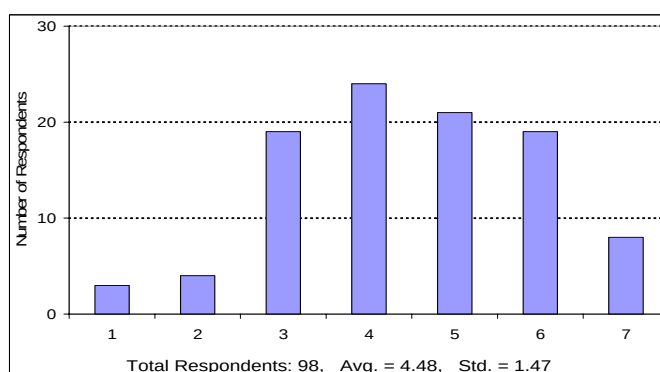
Production processes are reported to use labour-intensive methods or previous generations of process technology by more than 80 percent of the respondents.

10.05 The extent of marketing in your country is (1 = Limited and primitive, 7 = Extensive and employs the world's most sophisticated tools and techniques)



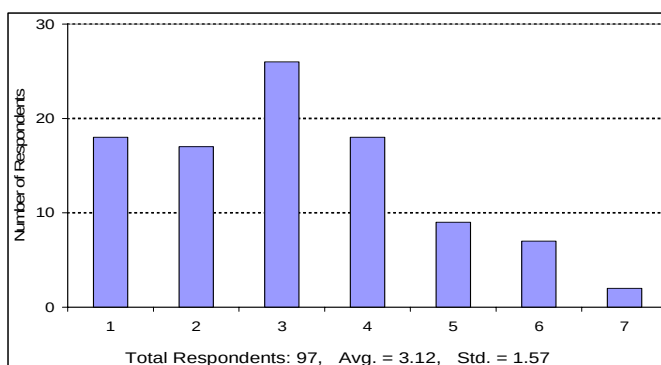
The extent of marketing in Cambodia is perceived limited and primitive by about 70 percent of the respondents.

10.06 Customer orientation: Firms in your country (1= Generally treat their customers badly, 7 = Are highly responsive to customers and customer retention)



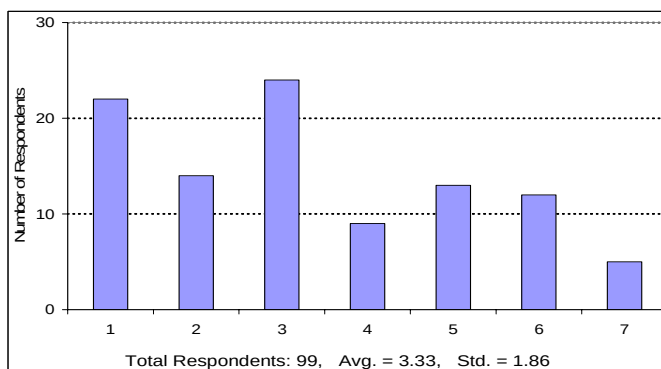
Customer orientation is rated quite good by approximately 50 percent of the respondents.

10.07 International distribution and marketing from your country (1 = Takes place through foreign companies, 7 = Is owned and controlled by local companies)



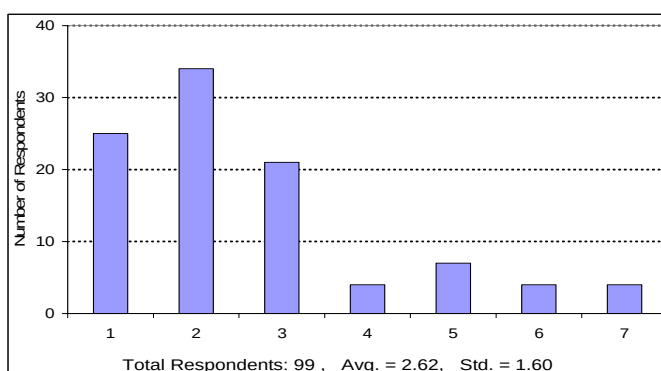
International distribution and marketing from Cambodia is likely to take place through foreign companies, as perceived by 64 percent of the respondents.

10.08 Exports from your country to neighboring countries are (1 = Limited, 7 = Substantial and growing)



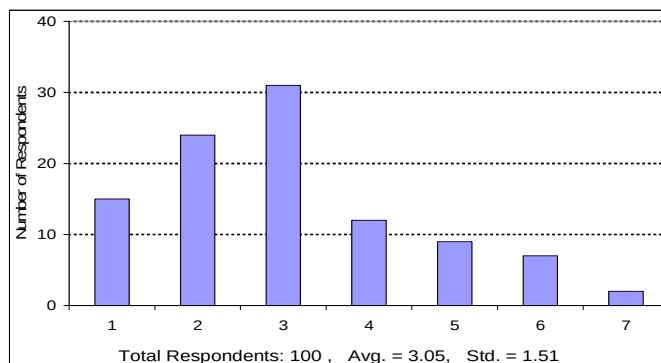
Exports from Cambodia to neighboring countries are perceived limited by 60 percent of the respondents.

10.09 Exporting companies from your country sell (1 = Primarily in a small number of foreign markets, 7 = In virtually all international country markets)



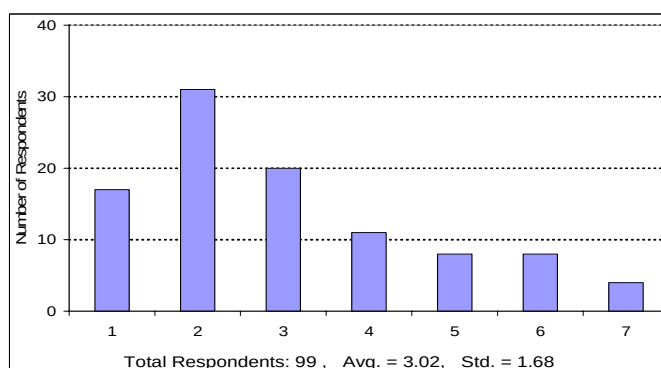
Markets for exports from Cambodia are believed limited to a small number of foreign markets by about 80 percent of the respondents.

10.10 The general approach of companies in your country to human resources is (1 = To invest little in training and employee development, 7 = To invest heavily to attract, train and retain employees)



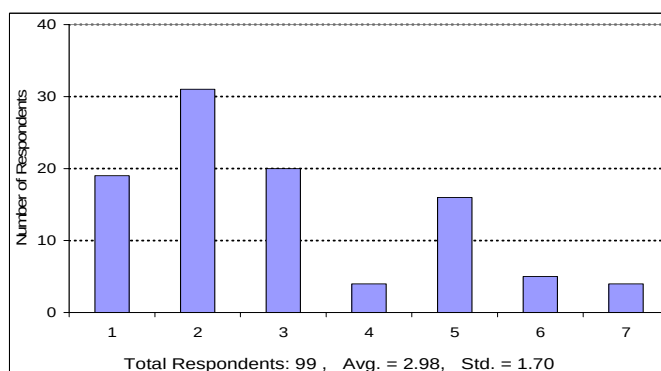
Companies in Cambodia invest little in training and employee development as perceived by 70 percent of the respondents.

10.11 Willingness to delegate authority to subordinates is (1 = Low – top management controls all important decisions, 7 = High – authority is mostly delegated to business unit heads and other lower level managers)



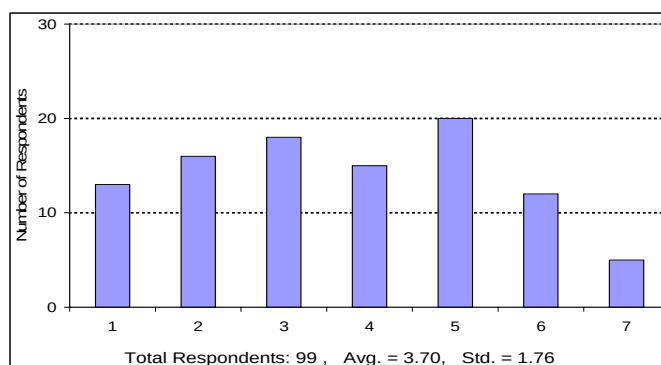
Willingness to delegate authority to subordinates is perceived quite low by about two-thirds of the respondents.

10.12 Cash compensation of management (1 = Is based exclusively on salary, 7 = Includes bonuses and stock options, representing a significant portion of overall compensation)



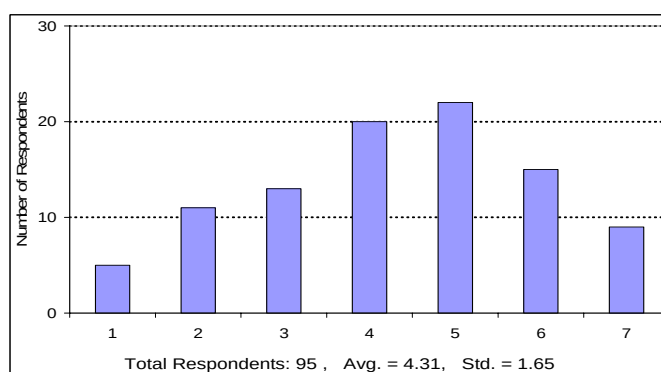
Cash compensation of management is based on salary, as confirmed by 70 percent of the business executives surveyed.

10.13 Senior management positions in your country are (1 = Usually held by relatives, 7 = Held by professional managers chosen based on superior qualification)



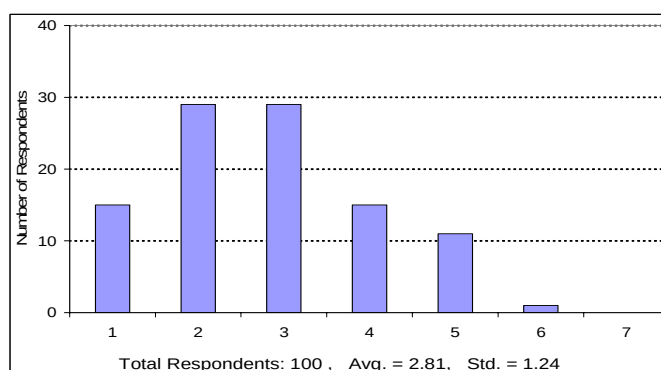
47 percent of the respondents agreed that senior management positions are held by relatives, while 37 percent referred to superior qualification.

10.14 Corporate governance by investors and boards of directors in your country is characterized by (1 = Management has little accountability, 7 = Investors and boards exert strong supervision of Management decisions)



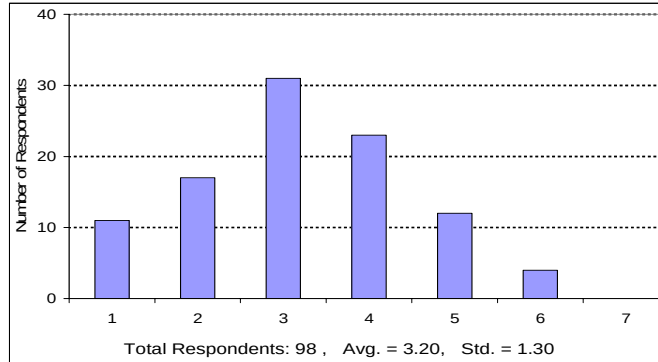
Corporate governance by investors and boards of directors is rated quite good by approximately 50 percent of the respondents.

10.15 Management or business schools in your country are (1 = Limited or of poor quality, 7 = The best in the world)



Business schools in Cambodia are perceived as of poor quality by the majority of business people (73 percent of the respondents).

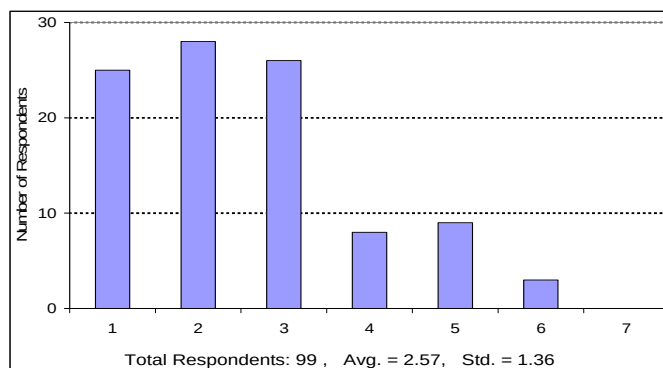
10.16 The corporate ethics (ethical behavior in interactions with public officials, politicians and other enterprises) of your country's firms in your industry are (1= Among the world's worst, 7 = The best in the world)



The corporate ethics are perceived somewhat negatively by 60 percent of the respondents.

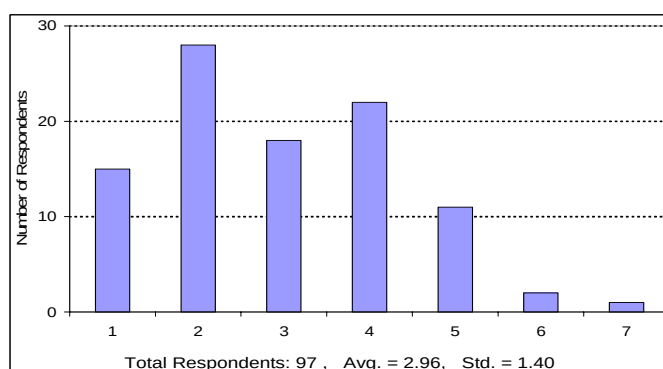
XI. ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

11.01 How stringent is your country's environmental regulation? (1 = Lax compared to most countries, 7 = Among the world's most stringent)



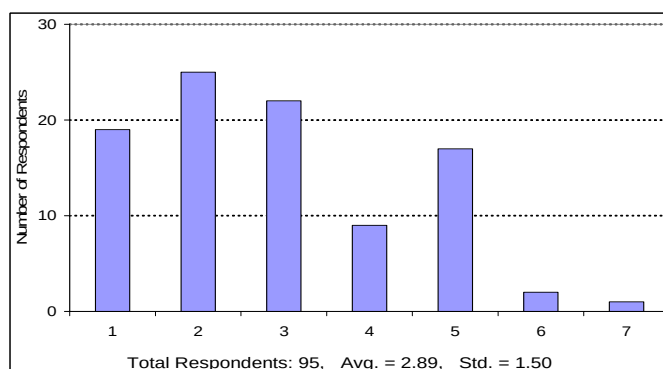
Many of the respondents (79 percent) believe that the country's environmental regulation is lax compared to most countries.

11.02 Environmental regulations in your country are (1 = Confusing and enforced erratically, 7 = Stable and enforced consistently and fairly)



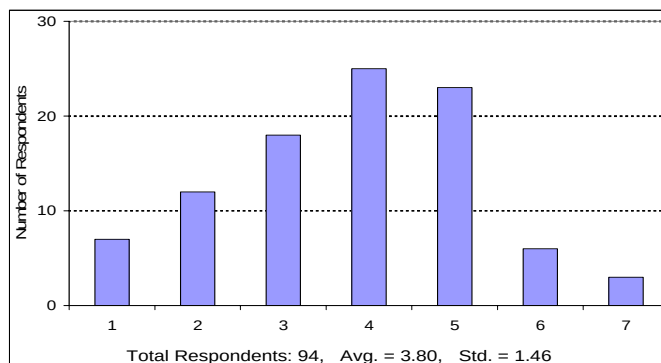
Environmental regulations are perceived confusing and enforced erratically by a large proportion of respondents (63%).

11.03 Government-mandated disclosures of environmental performance and pollutant releases in your country are (1 = Non-existent, 7 = Widely used and effective)



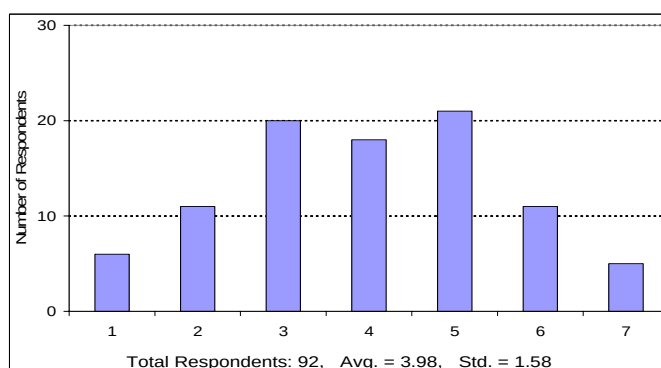
Government-mandated disclosures of environmental performance and pollutant are perceived to be rather non-existent by approximately 70 percent of the respondents.

11.04 Complying with environmental standards in your country (1 = Significantly reduces competitiveness, 7 = Helps long-term competitiveness by encouraging improvements in products and processes)



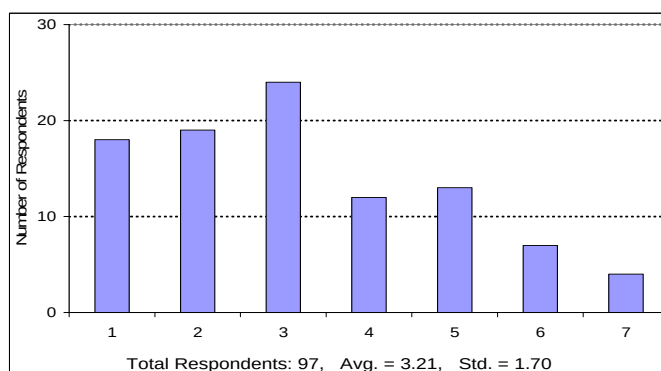
Only 33 percent of the respondents believe that complying with environmental standards helps improving long-term competitiveness.

11.05 Privatization of major sectors in your country (1 = Distorts competition and encourages inefficient use of energy and materials, 7 = Improves long-term competitiveness and efficient use of energy and materials)



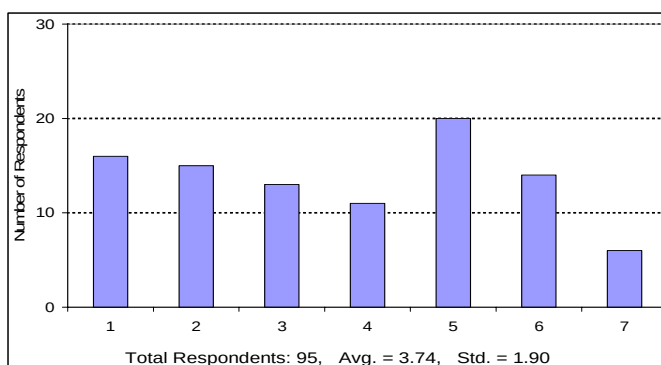
The answers are ambivalent, regarding long-term competitiveness from privatization of major sectors.

11.06 In your country, energy efficiency and the transition to new and renewable sources of energy are (1= A low priority, 7 = A high priority)



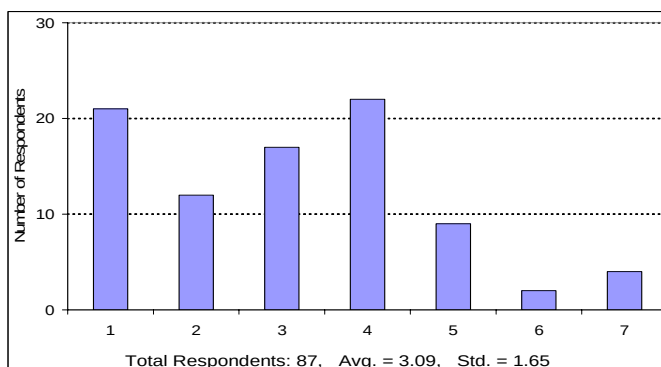
Energy efficiency and the transition to new and renewable sources of energy are perceived as a low priority by 64 percent of the respondents.

11.07 Business and project planning in your country now consider long-term factors such as global climate change to be (1 = Unimportant, 7 = Important)



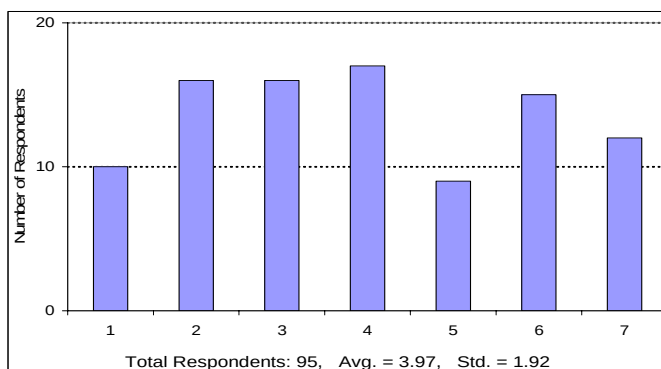
Long-term factors are considered as rather important by 40 percent of the respondents.

11.08 How relevant are the country risks and opportunities posed by the Kyoto Protocol to businesses in your sector of the economy? (1 = Irrelevant, 7 = Extremely relevant)



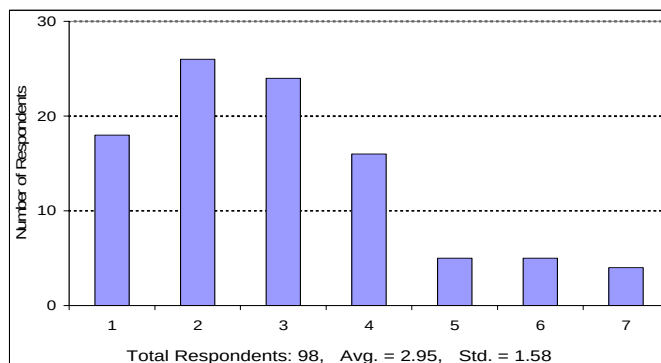
The Kyoto Protocol does not seem relevant to businesses in Cambodia, according to 58 percent of the respondents.

11.09 Lack of clean water or clear air significantly impacts your company's operations or decisions on expanding local business activities (1 = Strongly agree, 7 = Strongly disagree)



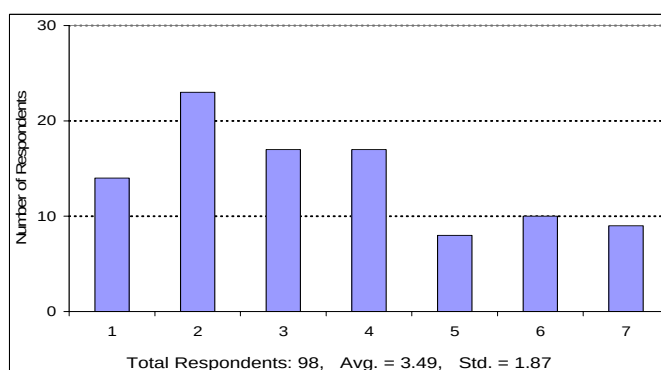
The answers are ambivalent, regarding the business impacts of lack of clean water or clear air.

11.10 In your country, companies that harvest or process natural resources such as food, forest or fishery products: (1 = Rarely concern themselves with the degradation of ecosystems, 7 = Frequently take steps to preserve the ecosystems they depend on)



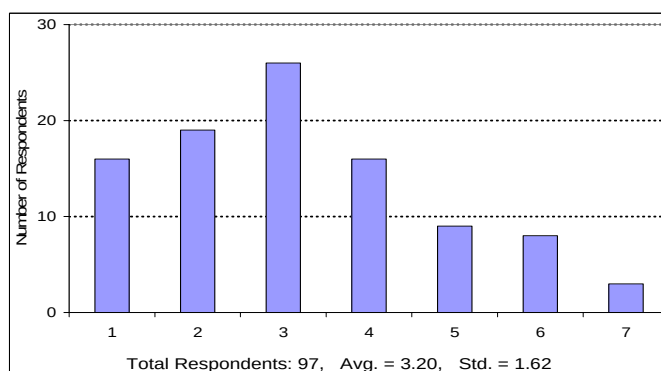
Companies in Cambodia are believed to rarely concern themselves with the degradation of ecosystems by approximately 80 percent of the respondents.

11.11 The incidence of environmental disasters such as floods, droughts, or severe storms significantly impacts your company's operations or decisions on expanding local business activities (1 = Strongly agree, 7 = Strongly disagree)



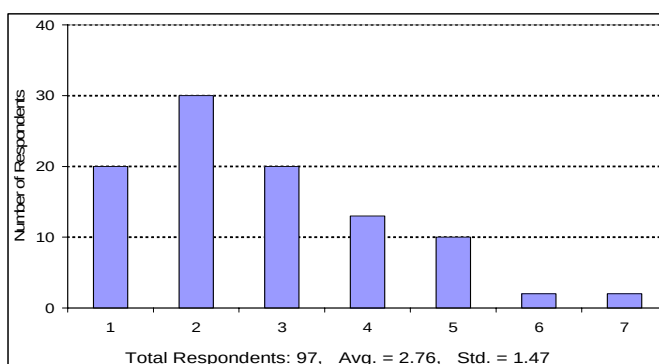
Environmental disasters seem to negatively affect the firm's operations, according to more than 50 percent of the respondents.

11.12 In your country, corporate codes of conduct and other aspects of corporate social responsibility are (1 = Rare or non-existent, 7 = Frequent)



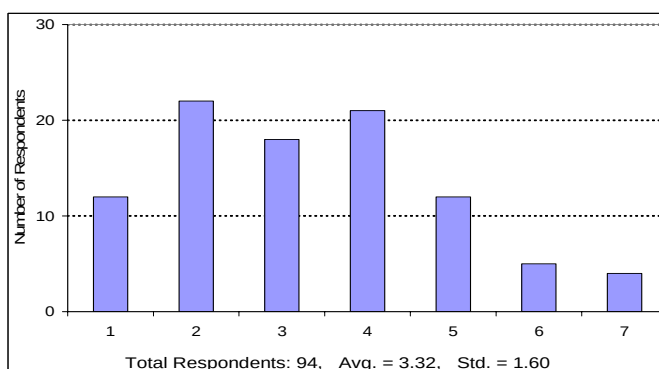
Corporate codes of conduct and other aspects of corporate social responsibility are rare, according to the answers of 63 percent of the respondents.

11.13 Corporate environmental reporting in your country is (1 = Non-existent, 7 = Widespread)



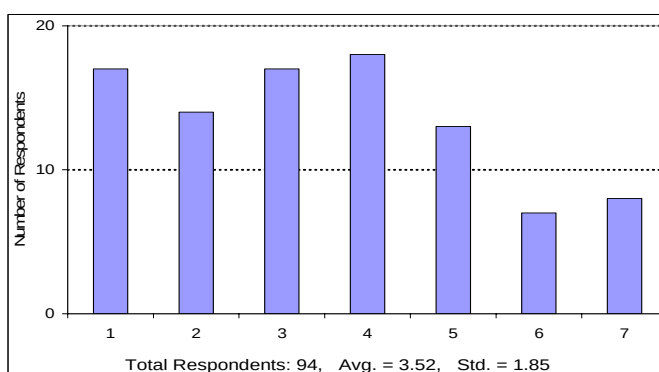
Corporate environmental reporting in Cambodia is almost non-existent, according to more than 70 percent of the respondents.

11.14 Companies in your sector of the economy routinely conduct environmental and social risk assessments as a part of overall business risk assessment (1= Strongly disagree, 7 = Strongly agree)



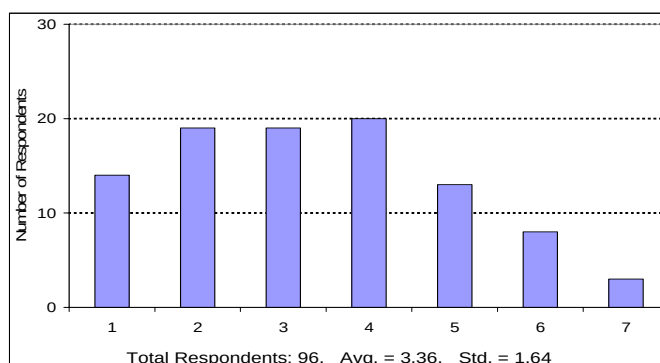
The majority of companies (55 percent of the respondents) are believed not to conduct environmental and social risk assessments.

11.15 Multilateral Development Bank (e.g. World Bank, Inter-American Development Bank) environmental and social standards apply to all or part of your company's operations (1= Strongly disagree, 7 = Strongly agree)



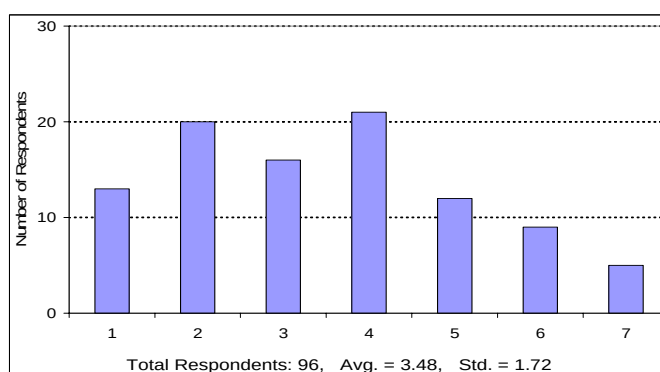
About 50 percent of the respondents agree to the fact that environmental and social standards of multilateral development bank do not apply to companies in Cambodia.

11.16 In your sector of the economy, the possible financial impacts of non-compliance with environmental and social standards are (1 = Rarely considered, 7 = Carefully assessed)



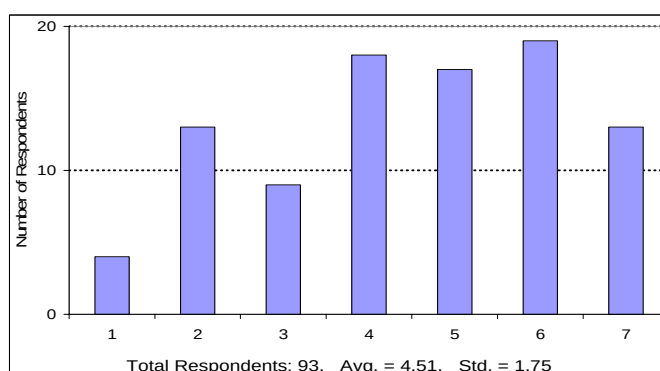
Financial impacts of non-compliance with environmental and social standards are rarely considered, according to 55 percent of the respondents.

11.17 Companies in your sector of the economy view environmental management systems: (1 = Purely as part of regulatory compliance, 7 = Important in themselves to maintain competitiveness)



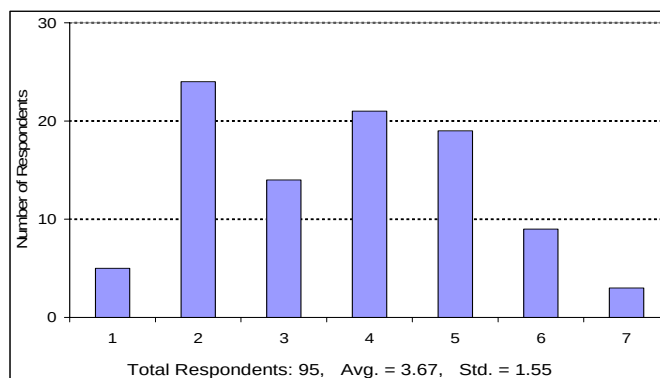
Companies in Cambodia usually view environmental management systems purely as part of regulatory compliance, according to more than 50 percent of the respondents.

11.18 Companies in your sector of the economy consider cleaner production, material flow management, waste reduction and recycling, and life cycle management of products to be (1 = Irrelevant, 7 = Very important)



Cleaner production is considered as rather important by more than 50 percent of the respondents.

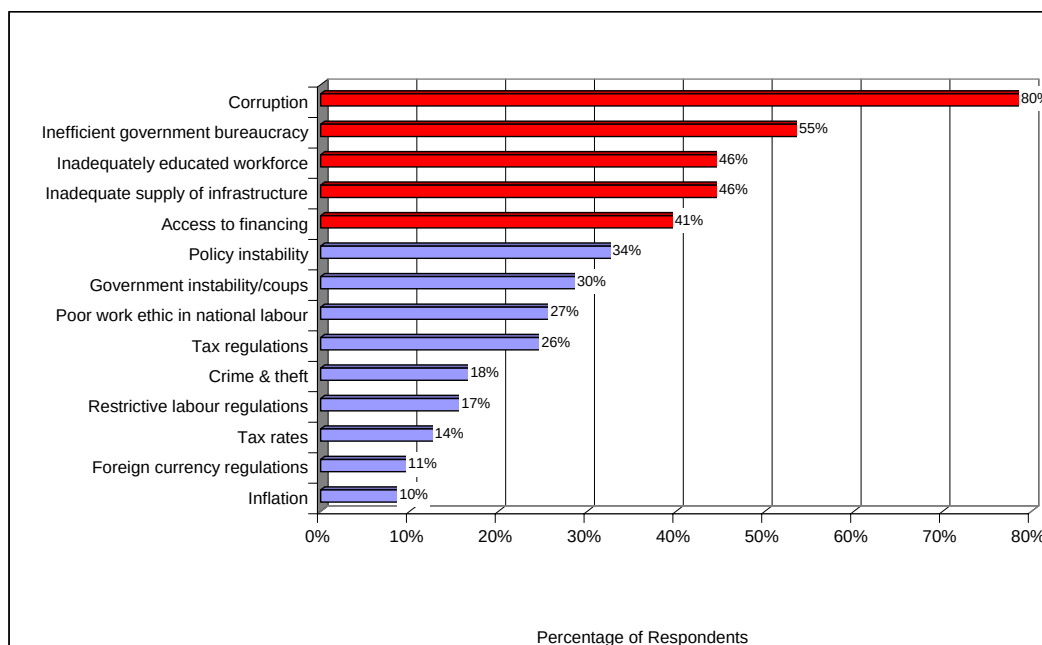
11.19 In your country, development projects that have the potential to impact specific communities (1 = Rarely consult or gain support from those communities, 7 = Do not proceed without consultation and community support)



Development projects are believed to proceed somewhat with consultation and community support, according to more than 30 percent of the respondents.

XII. GENERAL QUESTION

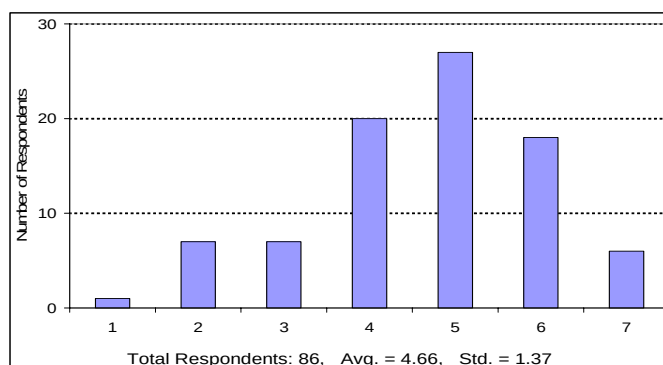
12.01 The most problematic factors for doing business in Cambodia:
From a list of 14 factors, respondents were asked to select the most five critical reforms for doing business in Cambodia



A large majority of the CEOs surveyed identify corruption as their leading constraint for doing business in Cambodia, followed by inefficient government bureaucracy, inadequately educated workforce, inadequate supply of infrastructure and access to financing.

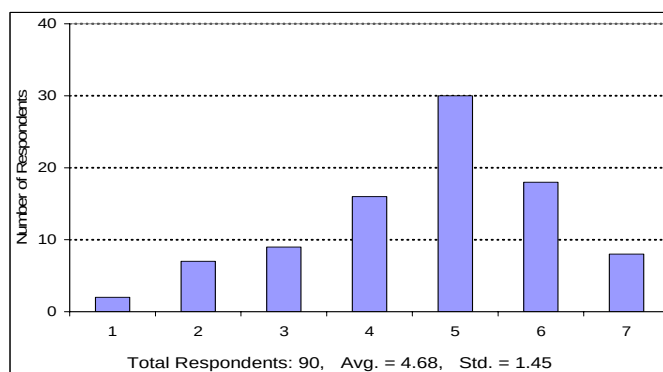
XIII. SPECIFIC ADDITIONAL QUESTIONS ON CAMBODIA

13.01 How was your business in 2004? (1 = Very bad, 7 = Very good)



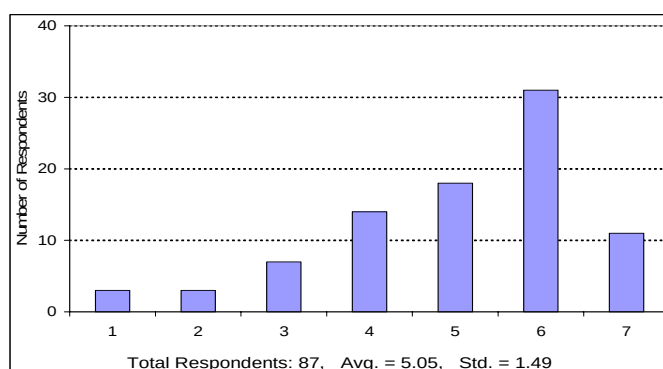
Approximately 60 percent of the respondents reported a good business experiences in 2004.

13.02 How do you see your business outlook in 2005? (1 = Very bad, 7 = Very good)



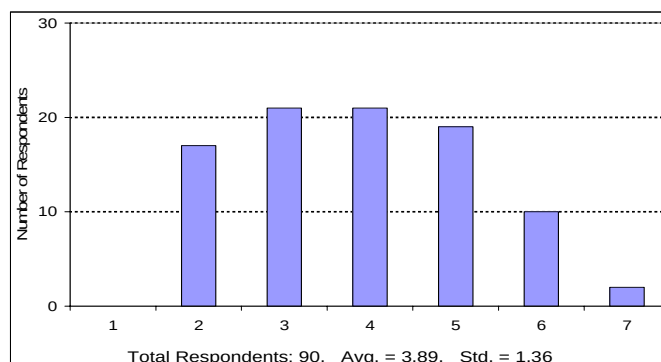
More than 60 percent of the respondents have a positive view about their short-term business outlook.

13.03 Do you think that the creation of Industrial Zones will help improve the general business climate? (1 = Strongly disagree, 7 = Strongly agree)



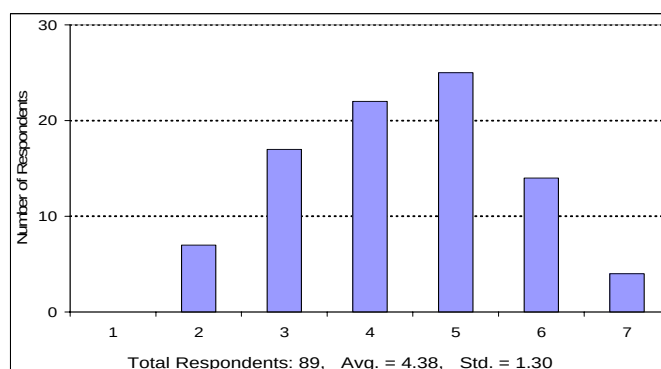
The creation of industrial zones is believed to improve the business climate by 70 percent of the respondents.

13.04 How do you rate the current socio-political situation in Cambodia? (1 = Very bad, 7 = Very good)



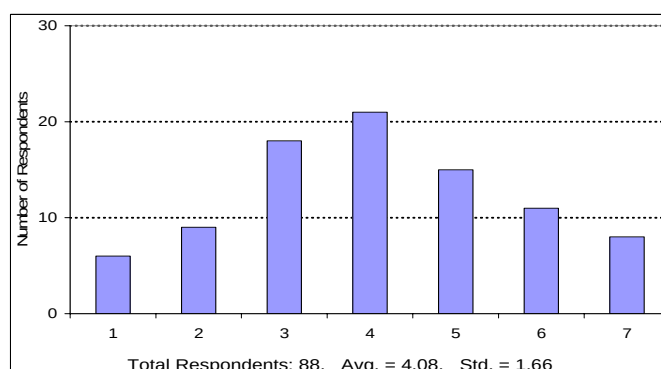
The socio-political situation in Cambodia is rated rather negatively by more than 40 percent of the respondents.

13.05 What do you think are the prospects for the socio-political situation in Cambodia over the next 12 months? (1 = Very bad, 7 = Very good)



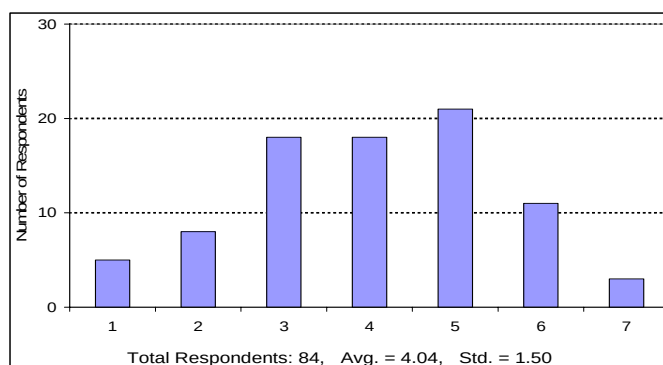
Business people (48 percent of the respondents) have rather good prospects for the socio-political situation in Cambodia.

13.06 Do you think the Cambodian Labor Law encourages investment? (1 = Strongly disagree, 7 = Strongly agree)



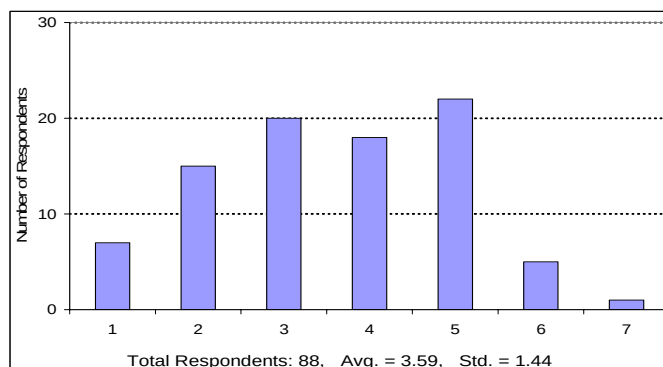
The Cambodian labor law is believed to encourage investment by approximately 40 percent of the respondents.

13.07 Do you think the current Land Management Policy in Cambodia encourages investment? (1 = Strongly disagree, 7 = Strongly agree)



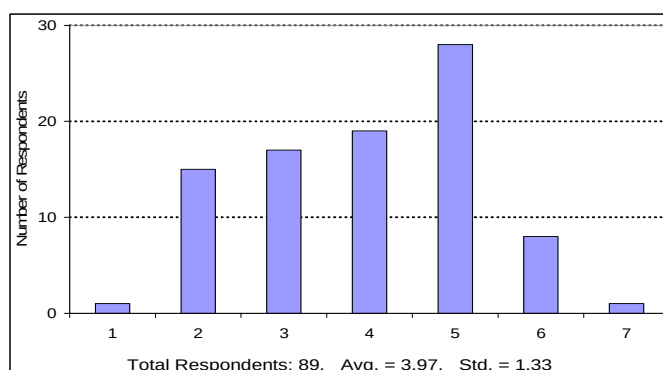
Land management policy is perceived to encourage investment by about 40 percent of the respondents.

13.08 What do you think about the government's reforms during the last 12 months? (1 = Unsuccessful, 7 = Highly successful)



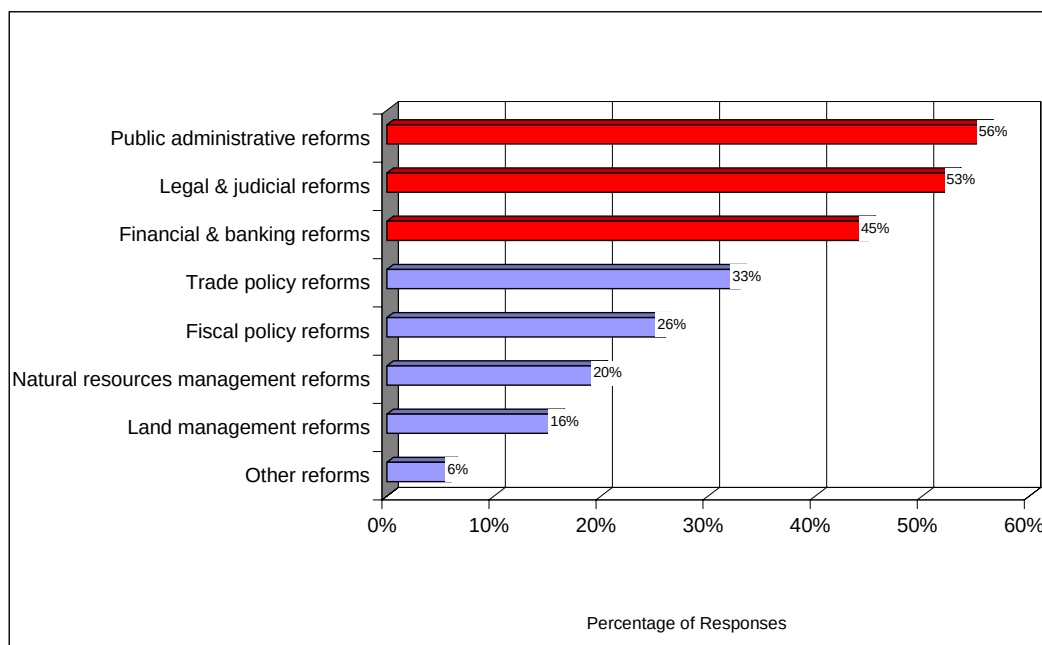
Government's reforms are perceived rather unsuccessful by about 48 percent of the respondents.

13.09 What are the prospects for the government's reforms over the next 12 months? (1 = Unsuccessful, 7 = Highly successful)



Business people (41 percent of the respondents) have modest positive prospects for the government's reforms.

13.10 The most critical reforms for doing business in Cambodia:
From a list of 8 factors, respondents were asked to selected the most
three critical reforms for doing business in Cambodia



Public administrative reforms, legal and judicial reforms and financial and banking reforms have been identified as the most three critical reforms for doing business in Cambodia by a large majority of the top business executives surveyed.