

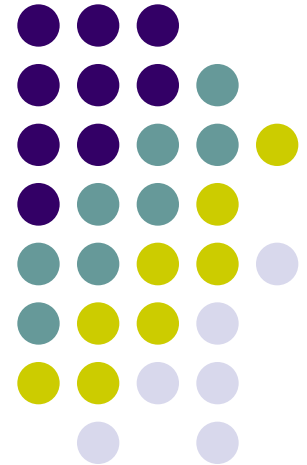


USAID
FROM THE AMERICAN PEOPLE



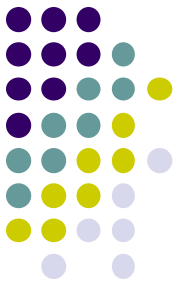
MICRO ENTERPRISE SUPPORT PROJECT

**RESULTS OF THE SECOND SURVEY
CONDUCTED AMONG 1000 SMALL
BUSINESSES**



BAKU 2016

About the survey



- **Name of the Project:**
Micro Enterprise Support Project
- **Research Period:**
September 05– October 10 2016
- **Number of respondents:**
1000 persons

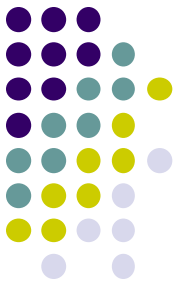
About the survey



Geographical distribution of respondents

№	Economic region	Number of respondents
1.	Baku	200
2.	Absheron	80
3.	Ganja-Gazakh	170
4.	Shaki-Zagatala	80
5.	Lankaran	80
6.	Guba-Khachmaz	80
7.	Aran	210
8.	Yukhari Karabakh	40
9.	Daghlig Shirvan	60
	Total	1 000

About the survey



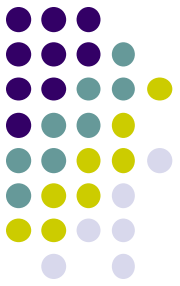
Interviewed respondents

- Juridical persons – 9,4%
- Natural persons – 90,6%

Division of business entities by sectors

- Trade – 30%
- Service – 30%
- Manufacture – 20%
- Agriculture – 20%

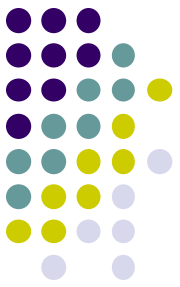
About the survey



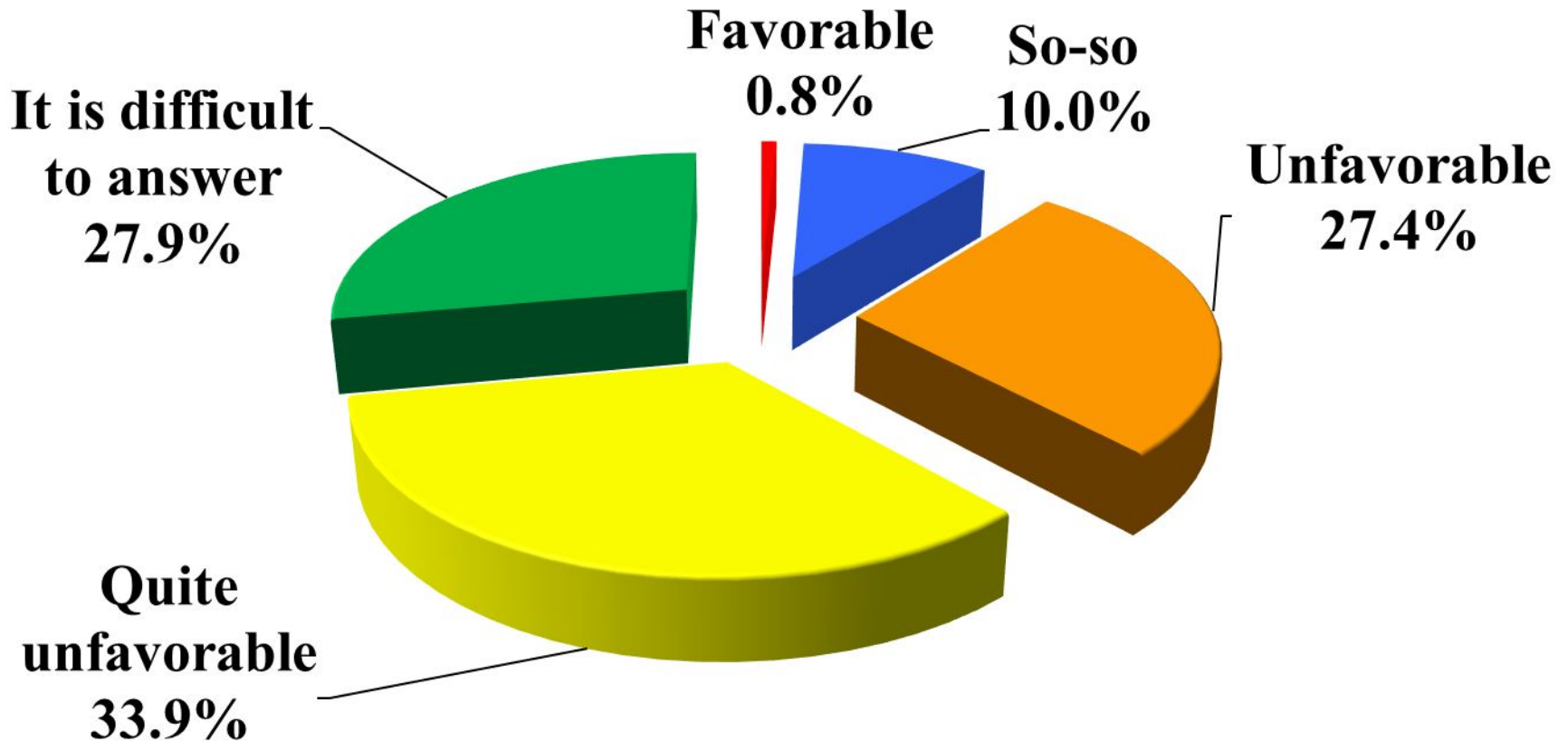
Grouped questions

- Questions about the current state of business
- Questions about inspections
- Questions related to the obtaining a license
- Questions about real estate registration
- Questions about the National Fund for Entrepreneurship Support
- Questions about the tax system
- Questions about customs procedures
- Questions about the suspension of activities
- Questions about permits for a construction
- Questions about awareness on legislation
- Questions related to the development of private entrepreneurship
- Questions related to the World Trade Organization
- Demography

The current state of business



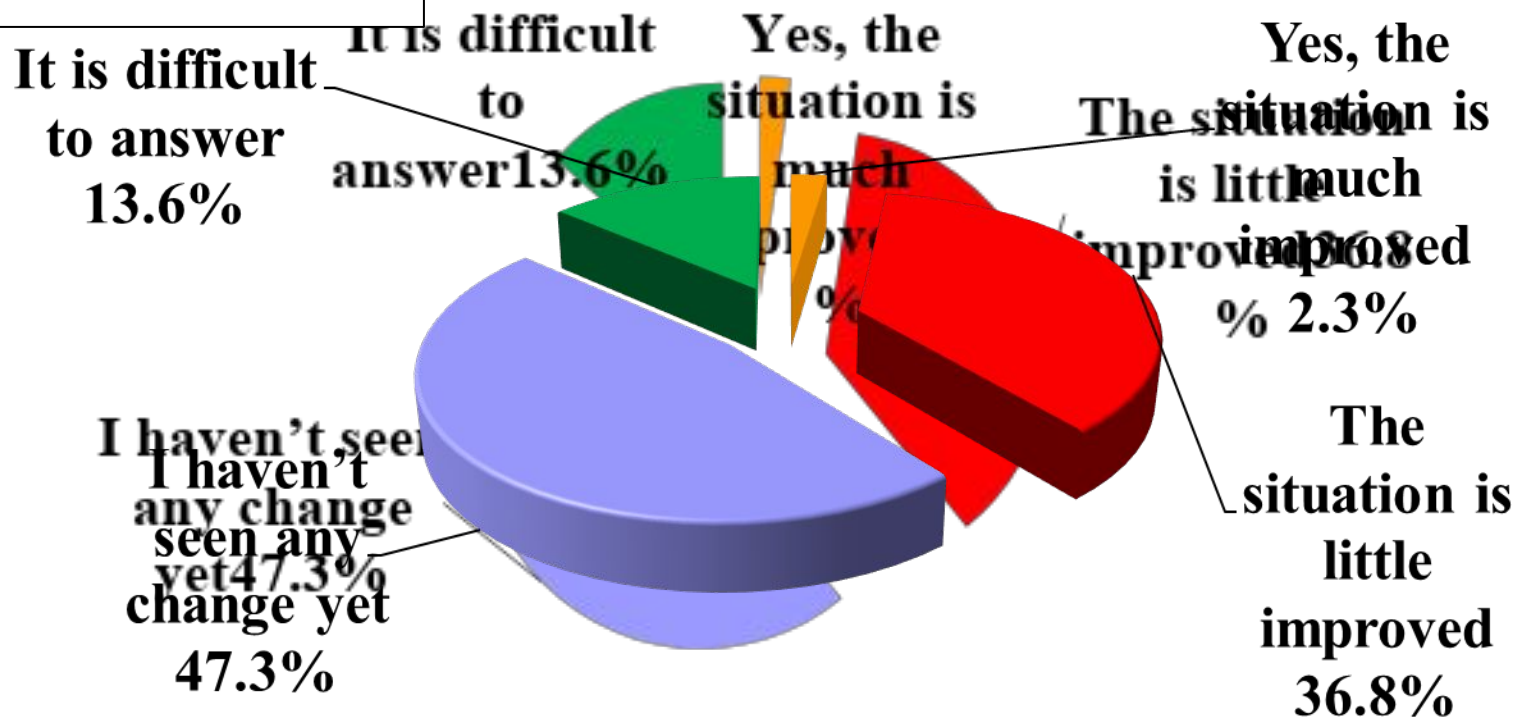
How is the current state of your business?



The current state of business



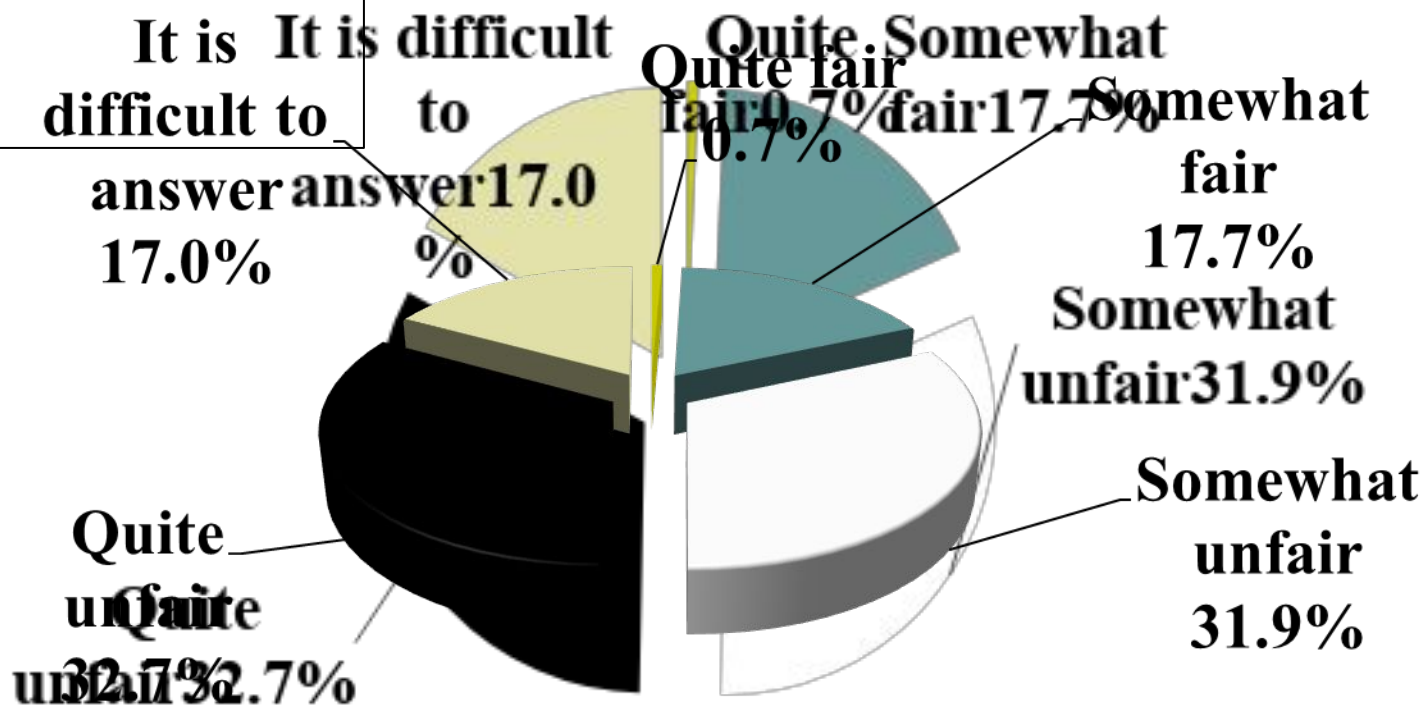
Do you see the decrease in demands for bribes as a result of the steps taken by the government to reduce corruption since the beginning of 2011?



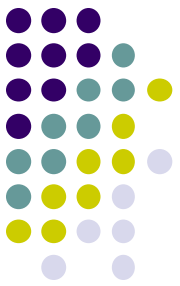
The current state of business



How do you assess the competitive conditions in the sector of the economy that you are working in?



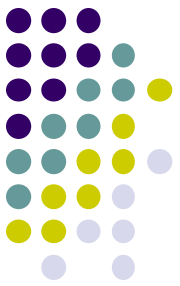
The situation concerning the inspections



Do state agencies often visit your office for inspections?

Ministry or other government agency	At least once a week	At least once a month	At least half a year	At least once a year	Haven't visited yet
1. Ministry of Taxes	5	249	512	234	0
2. Ministry of Economy	5	121	355	476	43
3. Ministry of Emergency Situations	2	142	422	413	21
4. State Committee for Standardization, Metrology and Patent	2	234	429	164	171
5. Police	14	548	275	138	25
6. State Security Service	0	7	14	27	952
7. Ministry of Environment and Natural Resources	0	4	12	53	931
8. District executive power	3	209	251	448	89
9. Sanitary-epidemiological bodies	11	289	327	219	154
10. Other - The Ministry of Labour and Social Protection			4	1	

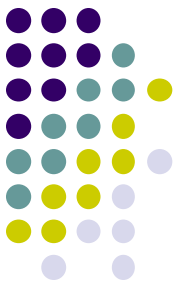
Obtaining a license



Only 20.4% of the surveyed entrepreneurs obtained a license so far. 80.9% of them, in other words, 165 of the respondents said that it was difficult to obtain a license. The main problems were as follows:

- Procrastination in the relevant official body that issues license 30,1%***
- Collection of documents from various government agencies to obtain a license 27,4%,***
- Short duration of a license 18,3%***

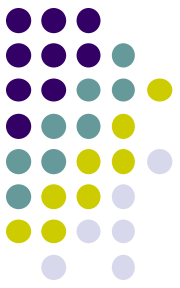
Real estate registration



222 surveyed entrepreneurs registered their real estates. 78.8% of them noted that it is difficult to register a property. The main problems were as follows:

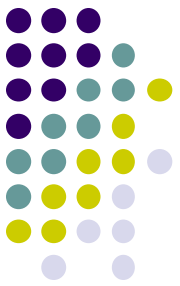
- Procrastination in the relevant official body that issues license* **47,7%**
- Collection of documents from various government agencies to obtain a license* **43,7%**
- Rules are ambiguous and not clear* **8,3%**

The National Fund for Entrepreneurship Support

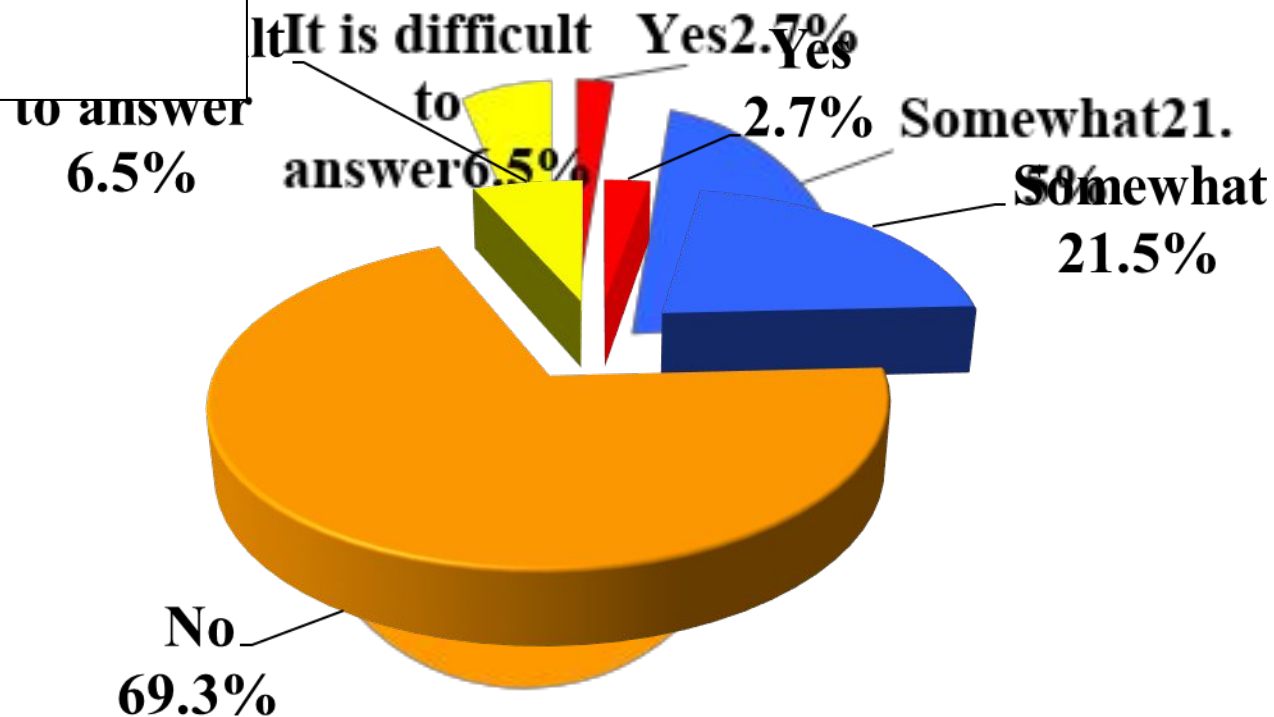


20% of respondents told that they had applied for loans, for the National Entrepreneurship Support Fund. 31% of them, or 62 entrepreneurs had been able to get a loan from the fund.

The current state of business



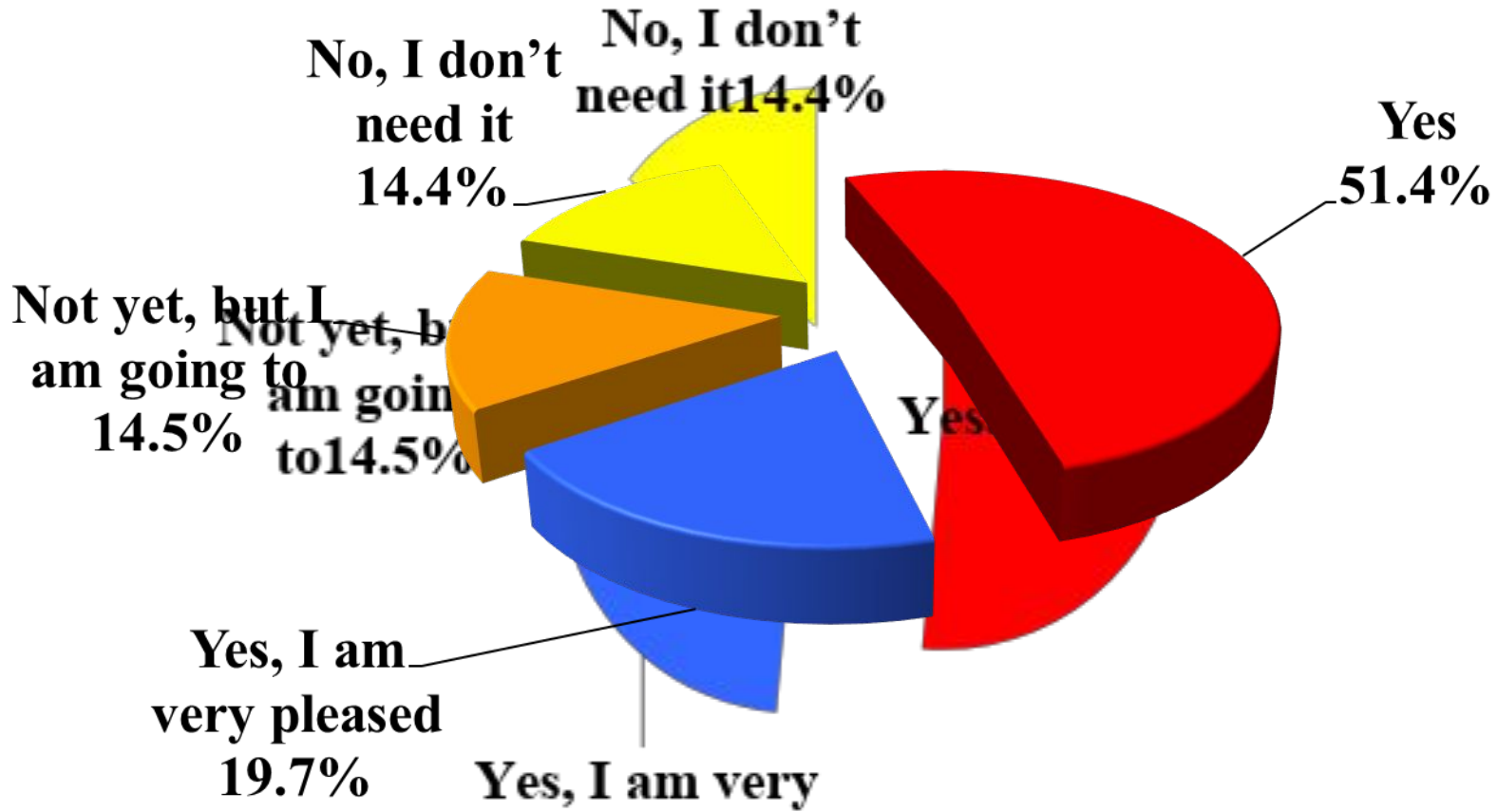
Do you consider yourself protected from the arbitrariness of officials?



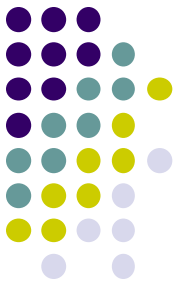


Tax system

Do you use e-tax payment?



Tax system



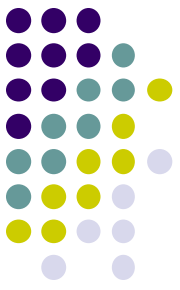
What is the reason for not using e-tax payment?

- For me, it is hard work, I do not have experience working with electronic system – 34,3%
- I do not trust the electronic system, I'm afraid that if there is a problem, I'll be responsible – 9,3%
- It is easier to pay taxes in the traditional way – 56,4%

The current state of business



- **10.8% of the surveyed entrepreneurs, 108 respondents said that they are currently engaged in foreign trade operations.**
- **4.8% of the respondents, 48 entrepreneurs said that they closed their company in the past.**
- **27.2% of respondents, 272 entrepreneurs said that, they had to get permission to carry out construction.**

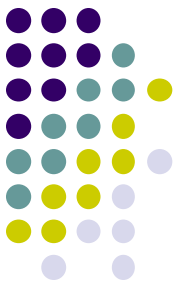


Awareness of legislation

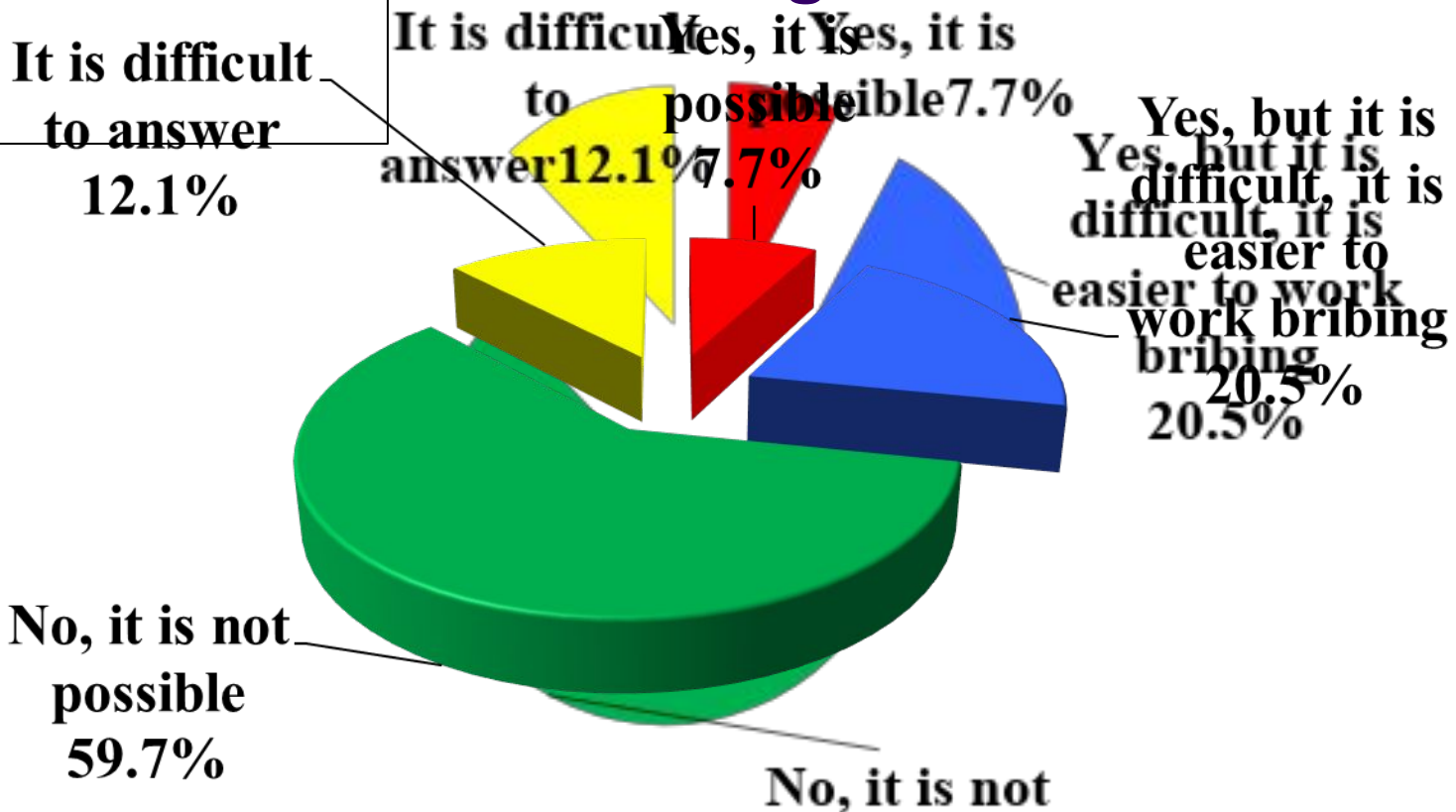
48% of surveyed entrepreneurs can get timely information on decisions of governmental bodies on entrepreneurial issues. This information can be obtained as follows:

- From TVs 66%
- During inspections 16,9%
- From fellow entrepreneurs 9,2%
- From web-sites of governmental bodies 6,6%
- From newspapers 1,3%

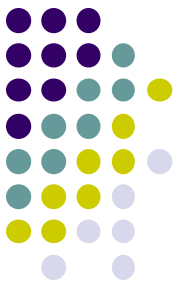
The current state of business



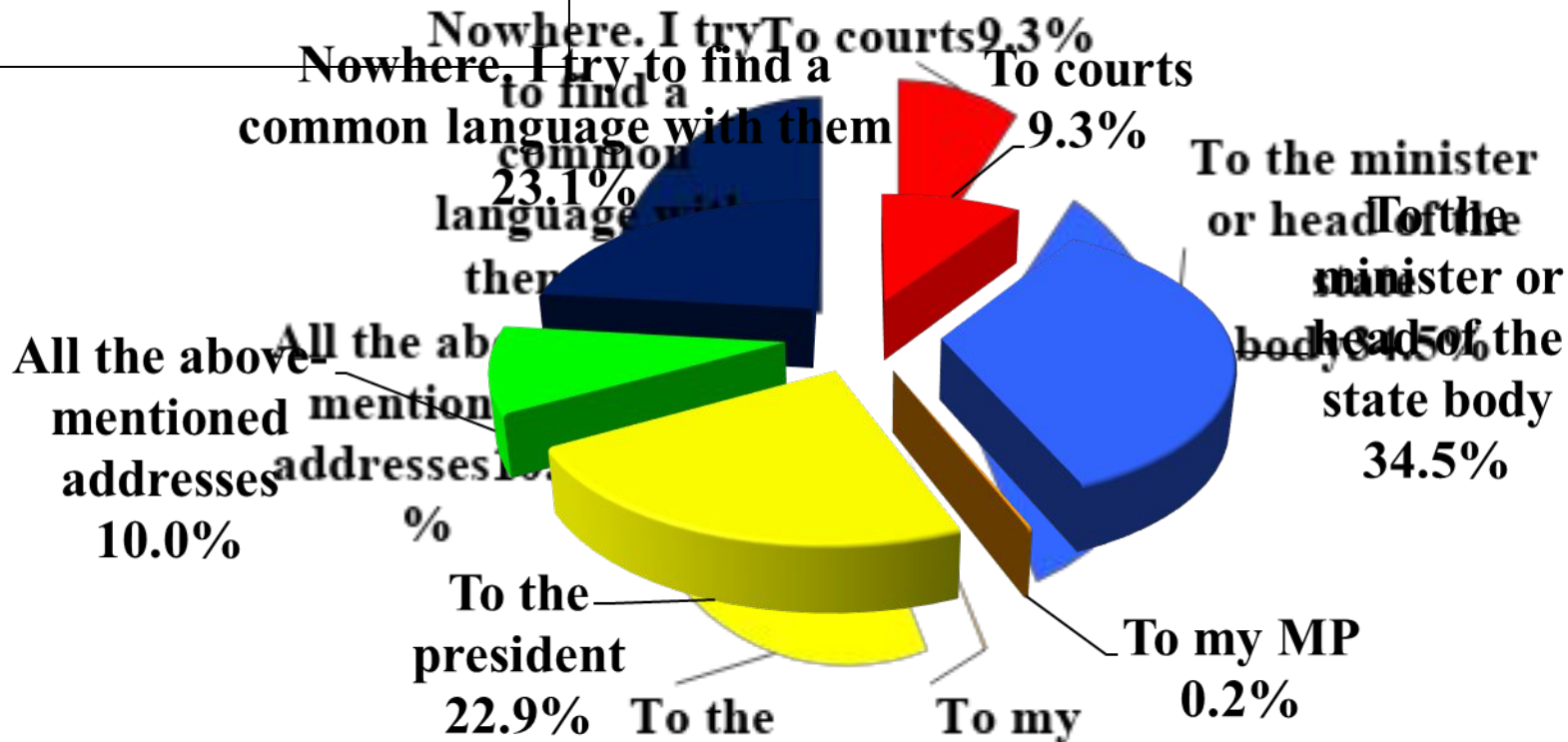
Is it possible to do business in Azerbaijan without breaking the law?



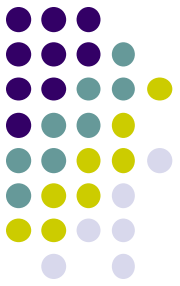
The current state of business



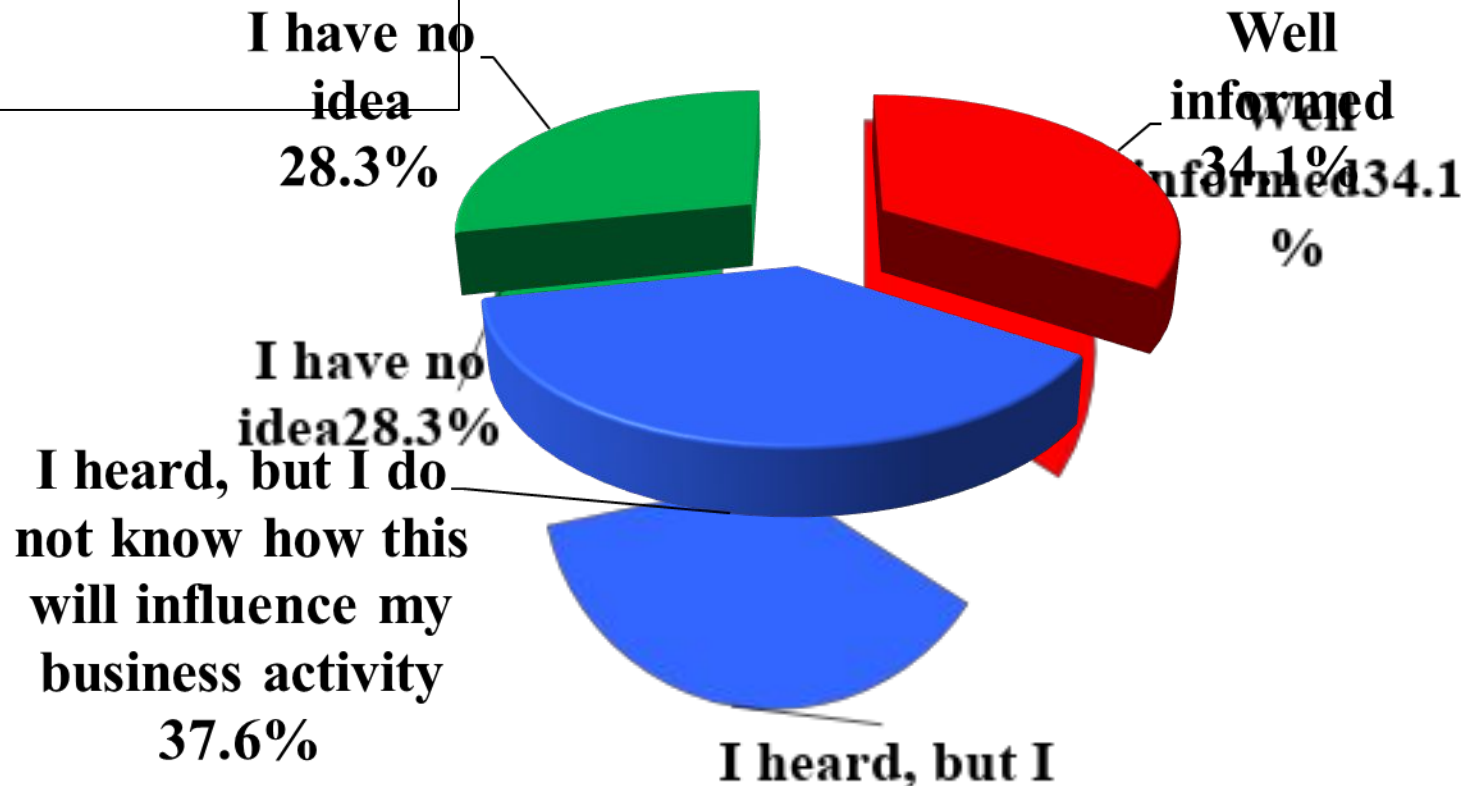
If you are oppressed by any local department of a state agency or an official, where you prefer to address?



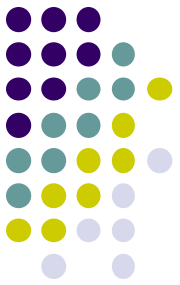
World Trade Organization



Azerbaijan is preparing to join the World Trade Organization. Are you aware of it?



Results of the Survey



THANK YOU FOR YOUR ATTENTION!