



Georgetown Chamber of Commerce and Industry's Attitudinal Survey 2014

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Summary of survey findings from Clinton Urling, Chamber President

The attitudinal survey is conducted annually to assess our members' views and opinions on a wide range of issues relating to their businesses and the economy. This year's 80 respondents accounted for a sixty seven per cent (67%) response rate of the membership. This year's responses indicate shrinking business performance in 2013 and muted optimism for the 2014 economy.

Some seventy five per cent (75%) of respondents reported a profit position in 2013. However, the twenty five per cent (25%) reporting a loss represented the highest percentage recorded for such a position in the survey's recent history. Concomitantly, a lower percentage, seventy three per cent (73%) of members, compared to 2012 [eighty seven per cent (87%)], rated their firm's business activities as strong or very strong.

Similarly, business optimism for 2014 is down. Only fifty three per cent (53%) indicated they expect revenue to increase in 2014, compared to seventy one per cent (71%) last year. However, thirty eight per cent (38%) of respondents expect revenues to remain stable in 2014, compared to just twenty two per cent (22%) in 2013. In terms of economic outlook, eighty two per cent (82%) indicated they are either positive or expect things to remain as is.

Cost remains a significant concern to our members with seventy eight percent (78%) reporting increased costs in 2013 and ninety one percent (91%) expecting costs to continue their increase.

We also gauged member views about private and public institution they would like to see established or improved, where applicable. The Guyana Police Force topped the list with seventy two per cent (72%) of respondents believing its operations should be improved. This was followed by the city councils & municipalities [sixty two per cent (62%)], parliament [fifty per cent (50%)], establishment of the Public Procurement Commission [forty seven per cent (47%)], Go-Invest [forty three per cent (43%)] and University of Guyana [forty two per cent (42%)].

Summary of survey findings from Clinton Urling, Chamber President

Perceptions of public corruption persisted as in 2013 with seventy per cent (70%) believing corruption was high [seventy four per cent (74%) in 2013]. Meanwhile, twenty eight per cent (28%) held a neutral position on the issue. Likewise, an overwhelming majority [eighty nine per cent (89%)] believed that government is not doing enough to curb corruption. Some forty five per cent (45%) indicated that government attitudes and support towards their businesses were either moderately supportive or very supportive, while forty one per cent (41%) took a neutral position on the question. Only forty one per cent (41%) expect cooperation and compromise in 2014 from our parliamentary policy makers.

In terms of major obstacles to business, respondents identified keeping good employees [thirty six per cent (36%)], crime and security [thirty per cent (30%)] high tax rates [thirty per cent (30%)], the high cost and unreliability of electricity [twenty per cent (20%)] and political instability [nineteen per cent (19%)] as top concerns.

We hope these survey responses serve as a sounding board to policymakers, representing the private sector's thinking and suggesting ways to work with all stakeholders to craft appropriate policies and resource allocation for addressing these concerns.

Yours sincerely,

Clinton Urling

President, Georgetown Chamber of Commerce and Industry

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I. Summary of survey respondents

PROFILE OF BUSINESS RESPONDENTS

1.1 Respondents totaled 80 members of the Georgetown Chamber of Commerce and Industry (“the Chamber”) that took part in the 2014 Chamber Attitudinal Survey. The GCCI disseminated surveys in the form of a questionnaire to all of its members between January and March 2013. The response rate represented sixty seven per cent (67%) of the Chamber’s total membership.

1.2 The majority fifty eight per cent (58%) of respondents have been in business for 11 or more years while seventeen per cent (17%) have been in business between 1 and 3 years, followed by fourteen per cent (14%) between 7 and 10 years. Only 1 respondent have been in business for less than one year.

1.3 A plurality of respondents, forty nine per cent (49%), represented businesses with between 1-20 employees and the second largest respondent group, twenty two per cent (22%) represented businesses with 21-50 and more employees. The remaining groups, in descending order were businesses with 100 or more employees- twenty one per cent (21%) and 51-100 employees- nine per cent (9%).

1.4 Respondents came from a diverse, comprehensive cross-section of industries including retail- thirty five per cent (35%), technology/web developers- nine per cent (9%), manufacturing- nine per cent (9%), banking- eight per cent (8%), professional service – ten per cent (10%), PR, Marketing Agencies- four per cent (4%), and insurance- five per cent (5%).

I. Summary of survey respondents

BUSINESS PERFORMANCE INDICATORS

1.5 In terms of business performance in 2013, seventy three per cent (73%) of respondents stated that business activities were either “strong” [sixty four per cent (64%)] or “very strong” [nine per cent (9%)]. 21 respondents indicated a “weak” [twenty seven per cent (27%)] or “very weak” [zero percent (0%)] performance.

1.6 A majority of businesses, seventy five per cent (75%), reported a profit position in 2013 while twenty five per cent (25%) indicated a loss position.

1.7 Fifty three per cent (53%) of respondents expect to see increased revenues in 2014 while thirty eight per cent (38%) expect revenues to remain stable. Only nine per cent (9%) expect a drop in revenues.

1.8 Fifty seven per cent (57%) of respondents expect staff turnover to stay static in 2014 while thirty per cent (30 %) indicated that staff turnover would increase in 2014.

COSTS OF DOING BUSINESS

1.9 A majority of respondents indicated that their costs in administering business increased somewhat [sixty three per cent (63%)], or increased significantly [fourteen per cent (14%)] in 2013. Only five respondents [six per cent (6%)] indicated their administrative business costs decreased.

I. Summary of survey respondents

1.10 Ninety one per cent (91%) expect financial costs to either increase significantly or somewhat in 2014. Only nine per cent (9%) expected costs to decrease in 2014.

OUTLOOK ON NATIONAL ECONOMY

1.11 Close to 8 out of every 10 respondents [eighty two per cent (82%)] indicated that they were either positive and optimistic about the economy in 2014 or expected things to remain the same. Ten per cent (10%) of the respondents have a negative outlook on the economy in 2014.

ACCESS TO FINANCE

1.12 The majority of respondents [seventy three per cent (73%)] did not seek financing in 2013, while twenty seven per cent (27%) sought to secure financing for their business in 2013. Of those respondents applying for financing, eighty six per cent (86%) were successful in their efforts.

1.13 Among those who sought financing in 2013 for one or more purposes, twenty four per cent (24%) did so in order to finance the expansion of their businesses, twenty four per cent (24%) did so with the aim of buying real estate, nineteen per cent (19%) aimed to invest in Marketing, and nineteen per cent (19%) to improve existing buildings, nineteen per cent (19%) for working capital and cash flow.

I. Summary of survey respondents

OBSTACLES TO BUSINESS SUCCESS

1.14 When prompted with possible multiple responses regarding obstacles to business success, the main difficulty most frequently mentioned was “finding and keeping good employees” [thirty six per cent (36%)], followed by “high tax rates” and “crime and security” at thirty per cent (30%) each, “high cost and unreliability of electricity” [twenty per cent (20%)], “political instability” [nineteen percent (19%)], “inefficiencies of the legal system” [fifteen per cent (15%)], “inefficient government bureaucracy” [fourteen (14%)], “customs inefficiency” [twelve per cent (12%)] and “access to and cost of finance” [eleven per cent (11%)].

GOVERNMENT SUPPORT

1.15 Forty five per cent (45%) of respondents indicated that government attitude toward business was either “very supportive” [eight per cent (8%)] or “moderately supportive” [thirty seven per cent (37%)]. Forty one per cent (41%) of the respondents characterized the government’s attitude as “neutral.” Only fifteen per cent (15%) indicated government attitude as “unsupportive”.

I. Summary of survey respondents

PERCEPTIONS OF CORRUPTION

1.17 Only 2 respondents indicated that public sector corruption is “low” or “somewhat low,” while a significant proportion of businesses [seventy per cent (70%)] believe that corruption is “high” or “somewhat high.” Twenty-eight per cent (28%) offered a “neutral” view on this question.

1.18 A vast majority [eighty nine per cent (89%)] felt that government was not doing enough to curb corruption, while only eleven per cent (11%) felt much was being done.

POLITICAL COMPROMISE

1.19 A plurality of respondents [fifty nine per cent (59%)] were pessimistic that our political policy makers would compromise and cooperate in 2014 while forty one per cent (41%) were optimistic that political policy makers would work together.

I. Summary of survey respondents

INSTITUTIONAL ESTABLISHMENT AND STRENGTHENING

1.22 In terms of ranking which public or private institutions should be strengthened or established, the Guyana Police Force [seventy two per cent (72%)] was identified as the institution most in need of strengthening, City Council and Municipalities [sixty two per cent (62%)], Parliament [fifty per cent (50%)], Public Procurement Commission [forty seven per cent (47%)], Go-Invest [forty three per cent (43%)], University of Guyana [forty two per cent (42%)], Commissioners of the Integrity Commission [thirty five per cent (35%)], Development Bank [thirty four per cent (34%)], Private Sector Commission [thirty one per cent (31%)], Financial Intelligence Unit [twenty eight per cent (28%)], Commercial Court [twenty seven per cent (27%)], and the National Competitiveness Council [nineteen per cent (19%)]. 3 respondents identified the Guyana Revenue Authority for improvement.

This was not given as an option but was suggested under “other”. This omission might have affected the responses concerning GRA.

2. Background and Aims

BACKGROUND OF THE SURVEY

2.1 The Chamber's capacity to support its membership is contingent upon gaining a comprehensive understanding of the members' perspectives regarding fundamental measures of the country's business and economic climate as well as the key elements in supporting a business-friendly environment. This survey was conducted between January 23 and March 2013 by the Chamber's Secretariat.

AIMS OF THE SURVEY

2.2 The main aims of the survey were:

- To gauge members' intentions, needs, concerns and the obstacles to fulfilling their performance potential;
- To act as an effective, relevant, and well-articulated sounding board for possible government and other policy makers' interactions, intervention and relationship-building initiatives to assist Chamber members and the wider private sector throughout Guyana;
- To create a database which can be used for follow-up studies among the private sector and which eventually will provide effective longitudinal measures;
- To inform the Chamber about business and economic issues that are timely and that warrant pro-active advocacy on the part of the nation's private sector.