

MICRO, SMALL, and MEDIUM-SIZED ● ● ● ● ENTERPRISES SURVEYS

Private Sector in

**Kurdistan
Region**

DECEMBER 2022



Micro, Small and Medium-Sized Enterprises Survey Private Sector in Kurdistan Region

December 2022



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Foreword

Ministry of Planning



Ministry of Planning

A key national priority of KRI Vision 2030 is to develop a diversified, productive and competitive economy that creates added value for all and is resilient to external shocks. Diversification of the economy requires a dynamic and productive private sector capable of creating quality jobs to absorb the constantly growing number of persons entering the labor market each year. This requires information on the size and characteristics of this sector and determining its needs and requirements at the level of Micro, Small and Medium-sized enterprises and their employment profile, including those of the informal sector.

With the support of the United Nations Development Programme (UNDP), in close cooperation with the Ministry of Planning and with financing from the United States Agency for International Development (USAID), Kurdistan Region Statistical Office has implemented a comprehensive field survey of MSMEs in order to avail data and economic indicators that serve decision makers and development partners in planning and implementing development policies in KRI.

The results of the MSME survey covered several areas of research, including characteristics of MSMEs as to date of starting the business, registration with government organizations, economic activity; ease of access to financing, employment and human resources, use of technology, participation of women and women entrepreneurship, access to markets and the degree of utilization of business networks and clusters.

The survey was conducted using a random sample partitioned according to population between the four governorates of KRI: Erbil, Sulaimaniya, Halabjah and Duhok. The results of the survey include recommendations aiming at developing the managerial and entrepreneurial capabilities of MSMEs, easing access to growth opportunities as to financing, credit facilities, and small loans, access to technology, markets and business development information, improvement of the business environment in terms of support to MSMEs, strengthening economic development programs at the local level and enhancing the responsiveness of government agencies to those development requirements. These recommendations will be the basis for preparing a road map to facilitate implementation.

Finally, I extend my sincere thanks and appreciation to Kurdistan Region Statistical Office, and the staff of all Statistics Directorates for implementing the field survey with high professionalism, to UNDP, to USAID and everyone who contributed to the accomplishment of this survey from the staff of the main committees, subcommittees and the field teams, valuing their good efforts in this endeavor and wishing them all success and prosperity.

Dr. Dara Rashid Mahmoud
Minister of Planning
October 2022

Foreword

Kurdistan Region Statistics Office



In mid-2016, Kurdistan Region Government (KRG) launched an economic reform road map with assistance from the World Bank. The road map clarified the economic situation of the Kurdistan Region of Iraq (KRI) and made it very clear that reform is needed to stimulate sustainable growth independent of the oil sector.

Part of these reforms depend on restructuring applicable laws and regulations which impede private businesses in having a development role within the Kurdistan (KR) economy, and away from a rentier economy. Another part of the reform is related to the lack of evidence and data which are essential to study the actual economic situation and build policies towards sustainable development. Therefore, the provision of data and key indicators is a crucial element for necessary reform in providing real time data and track the progress being made.

Additionally, KRG has faced multiple security and economic crises since 2016 compounded by the Covid 19 pandemic, which added to the challenge of obtaining data under constrained circumstances.

Subsequently, in 2021, the Ministry of Planning (MoP) instructed Kurdistan Region Statistics Office (KRSO) to work with United Nations Development Program (UNDP) to prepare a comprehensive survey in KR governorates to capture how economic enterprises are functioning and adapting to the challenges of the business environment. As a result of this initiative; the KRSO, UNDP and USAID worked together to implement a private sector enterprise survey in 2022, with the aim of capturing as much data and key indicators as possible, taking into consideration that KRG economic data is not widely gathered or utilized to analyze the viability of the economy.

The survey results report was made available on 8th Dec 2022, and was presented at an official event in Erbil. This presentation shed light on the formal and informal structure of Micro, Small and Medium Enterprises (MSMEs), based on core statistical data drawn from the survey sample. The results reflected how vulnerable these enterprises are to rapid changes and challenges, and showed the weak points of both the enterprises and legal and financial environments in KR.

The concluding recommendations of this effort outline the need for further action needed by both the government and private sector to strengthen the KR economy. The KRSO is the leading institution to give the right direction to this effort; through data provision and enabling evidence-based decision making via programs and initiatives in this domain.

Serwan Mohamed
President/KRSO



USAID
FROM THE AMERICAN PEOPLE

Message from United States Agency for International Development-Iraq

Micro, small, and medium enterprises (MSME) are the lifeblood of a healthy economy. They are also exceptionally vulnerable to risk. As outlined in this study, MSMEs in Iraq receive the brunt of systemic challenges to growth and innovation, ranging from insufficient funding resources, complex financial processes, and shocks resulting from the aftermath of conflict with ISIS, oil market volatility, and the COVID-19 pandemic.

The findings of this study offer sobering insight into the barriers faced by MSMEs in KRI and present promising opportunities for broadening the lens of prosperity. For example, the reality that 87% percent of surveyed MSMEs are owned by men indicates a massive, untapped potential for economic growth and gender equality. The majority of MSMEs find it difficult to access financing and more than 97% of MSMEs sales are transacted locally and in federal Iraq with an export share less than 3%.

USAID programs support greater market participation of women, youth, and members of vulnerable groups through tailored business training, facilitating investment opportunities, access to business development and markets, increased use of technology, and targeted financial and in-kind support to help diversify and grow the KRI economy. Scaling up these inclusive models for capacity building, while expanding concerted efforts for systemic and sustainable private sector growth, will help to foster a more business-friendly ecosystem that places KRI's MSMEs at the heart of the process.

The U.S. Government, through USAID, proudly contributes to this compelling research that highlights the challenges for Iraqi MSMEs. Together with the Kurdistan Region Government, international agencies like the UNDP, and other dedicated stakeholders, we look forward to building on the recommendations of this study. By doing so, we are able to best support MSMEs and contribute to fostering long-term economic stability and prosperity in the Kurdistan Region of Iraq.

Elise Jensen
Mission Director
USAID Iraq



Message from

United Nations Development Programme-Iraq

Micro, Small and Medium-sized Enterprises (MSMEs) represent a substantial segment of the private sector, and are known to promote innovation, agility and job creation around the world, with an important impact on economic and social development.

The United Nations Development Programme (UNDP) has conceived and implemented this project to provide accurate and up to date information on MSMEs, including the informal sector, in order for the Kurdistan Region Government to formulate policies and programmes that will encourage the establishment and growth of these enterprises as an effective pathway for economic and social transformation and growth.

This study examines the four governorates of the Kurdistan Region of Iraq, and was undertaken in cooperation with the Ministry of Planning / Kurdistan Region Statistics Office, following completion of a similar survey in the governorates of Baghdad, Ninewa and Basra, both generously funded by the United States Agency for International Development (USAID). Including a survey, analysis and recommendations, this study provides an evidence base for stakeholders and policy makers related to job creation, and supports the KRG Vision 2030 towards economic diversification through the development of the private sector, in particular MSMEs, to cope with the increasing demand for job opportunities and the need to expand the economy vertically across economic sectors with high potential for growth, and horizontally across various governorates and districts.

With an aim to strengthen the capabilities of MSMEs at the individual and enterprise level and improve this study also identifies opportunities for growth. Key recommendations include strengthening the capacity of government agencies who deal with MSMEs at both central and local levels, to provide better support and assist in removing obstacles that impede their growth.

UNDP Iraq remains committed to supporting the Kurdistan Region Government and other development partners in efforts to achieve the 2030 Agenda for Sustainable Development.

Zena Ali-Ahmad
UNDP Iraq Resident Representative
UNDP Iraq

A Message of Appreciation to USAID

The partners responsible for the implementation of the project, the consultancy firm and the UNDP are pleased to extend their appreciation to the United States Agency for International Development (USAID) for their generous support and funding to conduct a survey of MSMEs in the governorates of Erbil, Duhok, Sulaymaniyah and Halabja, to identify the opportunities of growth, enhance the role of MSMEs, developing the economy of Kurdistan Region and creating new jobs for youth and women and increasing their contribution to the comprehensive development in the country.

Acknowledgement

There were numerous participants that contributed to the success of the MSME survey and the preparation of this report. Appreciation is extended to all of them. The work was carried out under the leadership of the UNDP Iraq team, in close cooperation with the Ministry of Planning / KRSO team and in coordination with USAID, which funded the project. All of them, along with the consultant Team International, contributed to the completion of the project according to the desired requirements. Below are the names of the officials and executives of the Ministry of Planning / KRSO, who contributed to the completion of this important project.

First: The High Committee for Surveying

1-	Sirwan Mohammed Mohiuddin	Head of the Kurdistan Region Statistics Office	Committee Chairman
2-	Saman Ezaddin Rashid	Director - Directorate of Statistics of Erbil Governorate	member
3-	Mahmoud Osman Marouf	General Supervisor of Surveys in Sulaymaniyah Governorate	member
4-	Shwan Jabbar Fatah	Director - Directorate of Statistics of Sulaymaniyah Governorate	member
5-	Chiavan Abdulrazzaq Sulaiman	Director - Directorate of Statistics of Duhok Governorate	member
6-	Haider Shamsullah Jahangir	Director of the Statistics Administration of Garmian	member
7-	Haider Mahmoud Khader	Director of the Statistics Administration of Suran	member
8-	Araz Ibrahim Hamad	Director of the Statistics Administration of Ranya	member
9-	Shaima Mohammed Shakir Ahmed	Project manager and coordinator / Kurdistan Region Statistics Office - responsible for the industrial statistics department	member
10-	Mohammed Tawfiq Rasul	Project manager and coordinator / Kurdistan Region Statistics Office - responsible for the industrial statistics department	member

Second: The Central Supervision Committee for Field Work

1-	Murad Zainal Ahmed	central supervisor	Kurdistan Region Statistics Office
2-	Dlawaher Jalil Ahmed	central supervisor	Kurdistan Region Statistics Office
3-	Shahla Hani Ali	central supervisor	Kurdistan Region Statistics Office

Three: Data Management and Processing Committee

1-	Raqeab Bahauddin Muhammad	Committee Chairman	Kurdistan Region Statistics Office
2-	Regin Mamand Hamad	member	Kurdistan Region Statistics Office
3-	Laila Qasim Mohammad	member	Kurdistan Region Statistics Office

Four: GIS Committee

1-	Bushan Farooq Muhammad	Committee Chairman	Kurdistan Region Statistics Office
2-	shayda Ghanem Hassan	member	Kurdistan Region Statistics Office
3-	Hamdamin Ola Safi	member	Erbil Governorate Statistics Directorate
4-	Bahahar Hasan Muhammad	member	Sulaymaniyah Governorate Statistics Directorate
5-	Ziyad Ahmed Karim	member	Duhok Governorate Statistics Directorate

Five: Field Work Team

No.	Full Name	Survey Position	Location
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4-	Bahshadar Ahmad Khadr	Team leader	Erbil Governorate Statistics Directorate
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6-	Media Omar Ahmed	Researcher	Erbil Governorate Statistics Directorate
7-	Iskandar Saleh Muhammad	Researcher	Erbil Governorate Statistics Directorate
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9-	Rickan Khaled Ali	Researcher	Erbil Governorate Statistics Directorate
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13-	Emad Ismail Ali	Researcher	Soran Administration Statistics Directorate
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27-	Deidar Muhammad Mustafa	Researcher	Rabhrain Administration Statistics Directorate
28-	Khanda Jalal Qadir	Researcher	Rabhrain Administration Statistics Directorate
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31-	Bakhtiar Ali Ahmed	Researcher	Garmian Administration Statistics Directorate
32-	Hussein Namam Otak	Researcher	Garmian Administration Statistics Directorate
33-	Drav Abdullah Nasir	local admin	Duhok Governorate Statistics Directorate
34-	Abdel Sattar Mohammed Abdullah	local admin	Duhok Governorate Statistics Directorate
35-	Payman Rasoul Abdullah	Team leader	Duhok Governorate Statistics Directorate
36-	Hakar Haji Nasser	Team leader	Duhok Governorate Statistics Directorate
37-	Hassan Muhammed Saeed	Researcher	Duhok Governorate Statistics Directorate
38-	Michael Taha Hajji	Researcher	Duhok Governorate Statistics Directorate
39-	Mehavan Sedky Mostafa	Researcher	Duhok Governorate Statistics Directorate
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41-	Kawa Abdel-Baqi Ismail	Researcher	Duhok Governorate Statistics Directorate
42-	Darvan Tahseen Taha	Researcher	Duhok Governorate Statistics Directorate

List of Abbreviations

MSMEs	Micro, Small, and Medium Sized Enterprises
KRI	Kurdistan Region Iraq
KRSO	Kurdistan Regional Statistical Office
MoP	Ministry of Planning
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
ODK	Open Data Kit
CAPI	Computer-Assisted Personal Interview
ILO	International Labor Organization
UNOPS	United Nations Office for Project Services
PSD	Private Sector Development
PSDP	Private Sector Development Program
OECD	Organization for Economic Co-operation and Development
ASEAN	The Association of Southeast Asian Nations
MFI	Micro Finance Institutions
DFS	Digital Finance Services

MICRO, SMALL, AND MEDIUM-SIZED ENTERPRISES SURVEYS IN THE GOVERNORATES OF ERBIL, SULAYMANIYAH, DUHOK AND HALABJA

Executive Summary

This report presents the results of the MSME Survey in the Kurdistan Region 2022. This was implemented through a comprehensive field survey with a sample size of registered and unregistered (Formal and Informal) MSMEs engaged in various economic activities. The purpose of this study is to build a comprehensive picture of the structure, characteristics and dynamics of MSMEs. Including, a deeper understanding of the needs of MSMEs based on modern and reliable information and data that allows relevant stakeholders to plan initiatives that support enterprises in the private sector, in the aim of enabling job creation and contributing to the policy of economic growth in the Kurdistan Region of Iraq (KRI).

The field survey was deployed between January to April 2022 in cooperation between the United Nations Development Program (UNDP) team and the Ministry of Planning team / Kurdistan Regional Statistics Authority (MoP/ KRSO). The household was chosen as a sampling unit due to the availability of a reliable population framework at the governorate, district and sub-district levels. The survey was conducted through a random sample of 2,016 households distributed over four governorates (Erbil, Sulaymaniyah, Halabja, and Dohuk) according to their population. The information was collected by computer-assisted personal interview (CAPI) and in the form of a systematic sampling, where a random geographic point was chosen to start the path of each interview researcher to conduct a home interview for one of 5 households from that point sequentially. The survey took into account the enterprises operating in rural areas, where 20% of the sample was allocated. Thus, the samples were representative of the researched community in each of the four governorates in the region.

Main Findings - KRI 2022 Survey

The survey results are represented in the following MSME research areas:

- MSME Profile
- General MSME Environment
- Employment And Human Resources
- Women Entrepreneurs And Women Owned Businesses
- Innovation And Technology
- Msmes And Globalization
- Networking, Partnerships And Clusters
- Covid 19
- MSME Finance
- Future Business Outlook

- **Characteristics and the General MSME Environment**

These characteristics included enterprise ownership, registration percentage, business activities, ease of setting up a business, year of incorporation, and access to financing etc. The results were as follows:

- The survey showed that the vast majority of MSMEs are owned by males (86.7%), with no significant disparity in between governorates or registered/unregistered enterprises.
- The average percentage of individual ownership of MSMEs is 85%, and this percentage decreases according to the size of the enterprise as follows: micro enterprises 86.5%, small enterprises 64.6%, and medium enterprises 64.3%. The percentage of partnership and stock ownership increases for medium enterprises compared to small enterprises.
- The majority of enterprises are not registered (59.8%), and the majority of registered enterprises are registered in the tax directorate, followed by the Ministry of Health, and then in trade unions. The percentage of registered MSMEs increases as the size of the enterprise increases. The majority of owners of unregistered establishments considered that their work does not require registration. As for the registration rate in the Social Security Fund, it was only 8% of the sample.
- As for business activities, the majority are concentrated in the wholesale and retail trade sector with a percentage of (31.5%), followed by the transportation and storage sector with a percentage of (15.6%) and then the agriculture and fishing sector with a percentage of (15.2%).
- More than half of the MSMEs (61.4%) found difficulties in establishing their businesses. The results showed that highest difficulty rate was in Erbil governorate at 82%, followed by the rest of the governorates with lower rates (Sulaymaniyah 58.1%, Dohuk 44.4% and Halabja 22.5%). The results showed that most of the difficulties faced by MSMEs were mostly "in obtaining financing" with a percentage of (63.2%), followed by difficulty in obtaining land with a percentage of (7.9%).
- Enterprises were distributed according to the year of establishment as follows: 22.8% before 2003, 32.1% between 2003 and 2014 and 43.8% after 2014.
- The previous activities of business owners were distributed as follows: 29% of them were working independently in the same activity, 25.5% worked independently in a different activity, 16% were students, and 12.5% of them were unemployed. The results of the closure of previous enterprises rated at 12.5%, with the highest rate of closure in Erbil governorate at (15%), followed by Dohuk (12.6%), then Halabja with (11.1%) and Sulaymaniyah with (9.3%). The reasons for the closure were; 31.7% due to a financial crisis, 28.3% due to low demand in the market, and 19.2% due to bankruptcy.

- **Employment and Human Resources**

The aspects of employment and human resources included the gender of employers, the average number of current employees, the change in the number of employees during the past three years, the level of education, types of jobs, and sources and channels of employment, and the results were as follows:

- The results of the research showed that the vast majority (86.7%) of business owners are males, however when comparing with the Iraq MSME study (Baghdad, Nineveh and Basra) 2020-2021 and the International Labor Organization survey for 2011, the results showed an increase in the number of female entrepreneurs by more than double in KRI. (13.4%).
- The survey shows that the number of the workforce in MSMEs decreased by (-4%) in 2018, only to rise by (5%) in 2019. The Corona pandemic (Covid-19) did not have a severe impact on the labor market in 2020. It recorded a decrease of (1%) only from 2019. As for the year 2021, the labor market witnessed a remarkable improvement by (8%).
- It was found from the results of the research that about half of the workers in MSMEs (49.9%) have completed the intermediate/secondary education stage, and that 32.2% are professionals who do not hold any certificates. The percentage of university graduates was 9.8%.
- The types of jobs in the sample indicated unskilled labor at a rate of (41.5%), and management jobs at a rate of (26.4%). HR and IT jobs were the least prevalent. Enterprises indicated a high need for skilled labor in the technical/industrial sectors, at a rate of (50.6%).
- With regard to sources and channels of recruitment, the majority of the answers (approximately 66.1%) were through "acquaintances and personal relationships". General employment centers or training institutes are not used. About 38.1% of the respondents indicated the need to practical professional skills for employees, followed by methods of dealing with work.

The results showed clear shortcomings in the management and organization of enterprises and their work systems, ranging from; registration with the competent authorities, accounting systems, marketing, production, and service delivery methods.

- **Women Entrepreneurs and Women Owned Businesses**

The following results show the extent of women's participation in the business sector and the impact of the business environment on them, and the results were as follows:

- The survey showed that women still represent a minority in the ownership of enterprises with 13% of the total sample.
- Out of the 13% of the total sample that represented Women-owned enterprises the highest rate was in Erbil governorate with a percentage of (47.2%), followed by Sulaymaniyah governorate with (40.9%), then Dohuk governorate with (9.7%), and then Halabja governorate with (2.2%).
- 53.2% of female respondents reported that the level of difficulty they face when establishing a new project is higher compared to projects owned by males.
- The majority of women/entrepreneurs surveyed (48.3%) stated that it is more difficult for them to obtain financing from official bodies (banks and small financial institutions) compared to men.

- **Innovation and Technology**

The results included to which extent MSMEs had access to technology and the extent to which they depend or use it:

- The survey showed a low level of technology use by MSMEs. The highest percentage was (61.6%) in usage of "mobile phones" mainly in the transactions to accomplish daily work.
- It is clear that the general concept of the use of technology is not fully mature, as 94.3% indicated that they do not need to use digital channels in their business.
- The use of the Internet and electronic commerce is very low (only 16 institutions from 2016 use electronic commerce).
- The results of the survey showed the weak dependence of enterprises on innovation and technology in their business, especially when compared to the total sample number (2016), for example, 10 out of only 16 respondents reported their dependence on innovation and technology in their business, when compared to the total sample number, the percentage is a mere 0.5%.
- The level of awareness of MSMEs in the field of technology and innovation is currently very limited, except for the use of mobile phones. Therefore, this will be the starting point for enabling organizations to use technology through smart phone applications, as this will be the fastest and most effective way to communicate with organizations and improve their performance. These applications, should aim to cover areas such as finance, sales, and enterprise support.

- **MSMES and Globalization**

The survey showed the limited access of MSMEs to globalization and foreign markets, the results were as follows:

- MSMEs depend almost completely on the local sales market in the KRI by 82%, as the owners of these enterprises do not view the export market as a priority or necessity, and the vast majority of the enterprises do not have plans to export (95.7%). This is due to the fact that most of these establishments rely on the direct market in their area as a point of sale.
- Enterprises depended largely on trade relations within the KRI (98%). The survey showed that 29 institutions work with non-Kurdistan-Iraq companies, and 42 work with non-Iraqi companies.

- **Networks, Partnerships and Clusters**

The results of the survey showed a low overall activity in relation to partnerships and professional clusters that could enhance market access, business development, technology development and innovation in various industries and services.

- The data did show some positive foundations on which to build future strategic plans; 88 enterprises stated that there is cooperation between them and "service providers", 9 enterprises reported the existence of cooperation between them other MSMEs in the same field, and 16 enterprises reported the existence of cooperation with research centers.

- **COVID 19 Pandemic**

The impact of the Corona pandemic was investigated as an example of the impact of disasters

and how to address them:

- The survey showed that the majority of enterprises in the sample faced a decline in their business returns (upto 80.5%) at the beginning of the Corona pandemic in 2020, and this decline continued, but at a lower rate by (73.2%) during 2020-2021. As for the governorates, it was found that the governorates of Erbil, Sulaymaniyah and Dohuk had the lowest turnover in business followed by the governorate of Halabja. It was also found that the trade and retail sector, the transport and warehousing sector, and technical crafts are the most affected by the Corona pandemic. Most of the respondents (86.5%) stated that they did not put their workers on leave due to the Corona pandemic, the highest percentage retention being micro enterprises at (87.5%). At the governorate level, Erbil had the highest retention with 97.5%, followed by Sulaymaniyah with 90%.

The other actions taken were as follows:

- Reducing working hours with partial salaries, by (13.2%) without noticeable discrepancy according to the size of the enterprise. Dohuk governorate was the highest, accounting for 25.7% of MSMEs in which working hours were reduced with partial salaries.
- A large segment of respondents reported that workers' salaries were affected and did not remain the same during the Corona pandemic, affecting 68% of micro enterprises, 57.1% of medium enterprises and 55.9% of small enterprises. There is a disparity between the governorates, where the salary impact percentage rates were as follows: 75.9% in Erbil, 73.4% in Sulaymaniyah, 62.5% in Halabja, and 48.5% in Dohuk.
- Salaries were reduced, but working hours were kept the same, at a rate of (9.9%), without any discrepancy the size of the enterprises. However, the disparity appears at the governorate level, where Dohuk governorate was the highest with 24.3%.
- When asked whether the measures taken by the government were appropriate to limit the impact of the Corona pandemic, more than half answered that they were appropriate, with a percentage of (67.4%). It was found that the percentage of females' satisfaction with government measures during the Corona pandemic is higher than that of males.

- Finance

Financing is one of the most important elements for MSME growth. The research included the level of use of banking services, access to financing, availability of assets and the need for financing. The survey revealed low levels of financial and banking transactions and the difficulty of accessing financing by enterprises, in particular:

- Weak use of banking services with the vast majority of MSMEs not having bank accounts with only 1.5% MSMEs having accounts, and there is a clear discrepancy at the level of the size of the enterprise, as this percentage increases from 1% for micro enterprises to 3.2% for small enterprises and 14% for medium-sized enterprises. The enterprises that have bank accounts were distributed by governorate as follows: Sulaymaniyah 14 institutions, Erbil 9 institutions, Dohuk institutions 7, and Halabja only one.
- The main reasons for not having bank accounts are as follows: 86.3% of the enterprises stated that their work does not require opening an account, while 9.7% reported that they do not trust banks, and 1.9% of stated that bank accounts are expensive to maintain.

- The results of the survey showed that the percentage of access to financing is 62.4% for all MSMEs, and it was found that 5% "planned, but did not obtain financing", with a reluctance to borrow at a rate of 32.4% of MSMEs.
- The majority of respondents (89%) stated that they obtained or planned to obtain financing either through loans from family and friends (49%) or through personal savings (40%).
- The majority of enterprises (66%) did not have any assets when they established their businesses. The survey showed that the larger the size of the enterprise the more assets were available, and the results were as follows: medium enterprises (50%), small enterprises (36.2%), and micro enterprises (33.7%).
- The percentage of assets availability for MSMEs according to the governorates was as follows: Erbil 30%, Sulaymaniyah 25%, Halabja 47%, Dohuk 49%. At a rate of 37% for males and 15% for females, and 37% for registered institutions and 31% for unregistered institutions.
- Most MSMEs, 69%, did not plan to obtain financing after starting their business. The average percentage of obtaining financing was 25.5%, distributed as follows: 25% for micro enterprises, 33.1% for small enterprises, and 28.6% for medium enterprises. The percentage of enterprises that tried to obtain financing after starting work and did not succeed reached 4.9%.
- Erbil governorate recorded the highest percentage of obtaining financing after starting work with a percentage of (34.9%), followed by Sulaymaniyah governorate with (21.8%), then Dohuk governorate with (19.7%) and then Halabja governorate with (12.5%). The most important reasons for financing after the start of work was in sequence, to; "expand the business", "increase inventory", "recruit new employees", "renew or upgrade equipment", or "provide new products or services".
- Respondents were asked to assess the level of difficulty in obtaining financing, with the majority (72%) stating that 'there is difficulty in obtaining financing' and the reasons for the difficulty were the following: 56% income is too low, 24% due to lack of collateral and 10% financier avoiding risk, 3% absence of a guarantor and 1.9% high interest rate.
- With regard to operating expenses, the largest part of operating expenses was on raw materials at 44%, followed by transportation at 12%, while energy costs (electricity, heating and cooling) do not constitute more than 9% of expenditures.
- The vast majority of institutions (92.5%) do not keep accounting records.

Main Recommendations - KRI 2022 Survey

The results of the survey includes recommendations aiming at developing the capabilities of MSMEs, easing access to finance and growth opportunities, providing better links to markets and business information, and increasing awareness and use of technology and communication channels. The ultimate goal is to improve the business environment in terms of economic development programs at the local level and enhanced responsiveness of government agencies to MSME requirements at the national level. The strategic recommendations of the survey are based on the main elements of the business survey which are the foundation for preparing the MSME development roadmap;

- **Employment and Human Resources**
- **Women Entrepreneurs and Women Owned Businesses**
- **Innovation and Technology**
- **Globalization**
- **Networking, Partnerships and Clusters**
- **Finance**

Employment and Human Resources

The main immediate recommendations are:

Enhancing Employability

- Launching a program to facilitate the search for jobs that meet the needs of the market.
- Coordinating with educational institutions to provide educational curricula in line with economic trends, and providing matching services for individuals looking for work and MSMEs looking for employees.
- Coordination between the Ministry of Labor and Social Affairs (MoLSA) and between universities and technical training institutes to support on-the-job training programs, for fresh graduates to enhance their employability.
- Establish an electronic platform through MoLSA in KRI aligning jobs between higher education institutions, training centers and MSMEs to facilitate the process of employing graduates.
- Enhancing the suitability of the technical and vocational education and training systems to meet the needs of the labor market.

Encouraging the use of technology and changing the perception of financial and human resources functions in enterprises

- MSMEs need to use technology to develop their business and to turn to external institutions to help manage financial resources, legal affairs, employment, human resources, compliance, and other services. As the size of organizations grow, investing in technology and managing financial and human resources becomes critical because current

practices and processes cannot support them in the long term. Within this framework, there is a need to develop the skills of the owners and employees of MSMEs to use technology in business (for example, relying on modern technologies in agriculture and irrigation, and the use of the internet for marketing and sales).

Women Entrepreneurs and Women Owned Businesses

There is a vast opportunity to expand the KRI economy by increasing the participation of women by creating a positive environment for women in business to mitigate the obstacles they presently face;

Create a conducive work environment for women

- Cooperation between relevant stakeholders and women entrepreneurs, industrial associations and microfinance institutions to produce information and identify initiatives and programs to support women entrepreneurs.
- Encouraging the introduction of a quota system for women in private and/ or public organizations.

A legal and regulatory system that supports women's economic empowerment

- Develop and implement a series of seminars in various governorates to raise women's awareness of business financial and management.
- Providing targeted training to empower women.

Financing

- Provide support and incentives to banks and financial institutions to provide financing products and services specifically designed for women.
- Regulate the minimum and maximum interest fees charged by microfinance institutions to MSMEs (with a focus on women-owned businesses).

Specialized training

- Develop and publish a specialized training curriculum to provide financial, administrative and technical support to female entrepreneurs.
- Determining business programs that target sectors in which women are more likely to participate than men (especially in the field of modern agricultural methods, e-commerce, marketing and sales).

Innovation and Technology

There is a large gap in engagement and utilization of technology by MSMEs in the KRI. The main recommendations from the survey identify the following as initial necessary steps to enable technological awareness:

- Create awareness of the benefits of technology in business, illustrated with local and regional success stories. Awareness of the benefits to connect with suppliers, clients, other businesses to gain exposure and be able to improve sales and potentially open new markets.

- Establish facilities that MSMEs can share (computer centers, business development centers, and municipal MSME bureaus).
- Provide financing programs for equipment, machinery, hardware and software.
- Promote commercialization of technology and build capabilities to foster digital exposure.
- Enhance e-commerce infrastructure in KRI.

MSMEs and Globalization

The over dependency on the local market combined with the absence of regional engagement and global exposure, results in a knowledge and skills gap which creates many problems in growth and expansion for MSME. Some of the main initiatives that need to be examined are;

Digital Portal

- A central information database and online portal to be developed for MSMEs, where all data can be accessed in a 'user friendly' program (especially on mobile technology).
- Publication and digital access to market information and opportunities for domestic, regional and global access for each sector.
- Provision of relevant commodity information on the MSME information portal.
- Availability of overseas market information for MSMEs to access international markets.

Trade Fairs

- Annual Trade Expo to be conducted in major towns and market centers.
- Support to MSMEs to participate in trade fairs and exhibitions.
- Government facilitation of promotional missions to give exposure to MSMEs to market their products and seek new business ideas and secure business partnerships.
- Government led international investment program aimed at most attractive/ proactive sectors for global companies to invest in.

Marketing Locations

- Marketing outlets in high population locations to help MSMEs to market their products.
- Open markets with relevant infrastructure to facilitate products to market and consumer access.

Incentives

- Support product development, quality improvement, packaging, branding and market networking of MSMEs to compete locally and internationally.
- Linking of wholesale or bulk buying facilities where viable for MSMEs to expedite market penetration.
- Explore and create MSME incentives to encourage and promote exports for MSMEs who are able to engage in regional or international trade.
-

Networking, Partnerships and Clusters

In many developed countries, networks, partnerships and clusters have been the basis of accelerating the growth and stability of MSMEs. In this regard the main recommendations are:

- Foster wider MSME clustering to achieve economies of scale via networks such as co-ops, hubs, incubator centers and other MSME collective mechanisms.
- Promote programs for market exposure and awareness that are sector based to foster industry clustering locally and connecting clusters regionally where applicable.
- Promote, where applicable, opportunities for multiple MSMEs to tap the opportunities in local economic development programs, infrastructure development, trade deals, etc.
- Implement government assisted/ chamber of commerce international platforms that promote collaboration between MSMEs from different countries.
- Bridge MSMEs to large enterprises and multinationals.

Finance

The lack of accessible and affordable financing and appropriate financial mechanisms remain a major constraint for MSME development. The main immediate recommendations are;

- Develop, promote and expand alternative financial instruments to better serve MSMEs' financing requirements. These instruments may include soft loans, grant facilities, preferential interest rates and loan guarantee programs.
- Explore a program for introducing Digital Financial Services (DFS), or the provision and usage of responsible and affordable financial products and services through digital channels.
- Build capacities of financial institutions and cooperatives to provide business development assistance for MSMEs.
- Provide financial literacy trainings for MSMEs.
- Institute policies and programs for innovative financing.
- Streamline and simplify loan requirements and processes for MSMEs.

Policy initiatives should be approached with a focus to meet certain criteria in enabling a financing system for MSMEs;

- Ensure a dedicated pool of funding is available for lending to MSMEs.
- Implement appropriate credit guarantee scheme to facilitate access to finance by MSMEs.
- Encourage the development of the privately-owned microfinance industry.
- Build capacity in MFIs to adequately service MSME needs.
- Provide critical support through capacity building, training and technical support to prepare MSMEs to access finance.

- Establish clear criteria for suitable applications including an appropriate feedback mechanism for unsuccessful applications.
- Build public awareness of financing options available to MSMEs.
- Publicize interest rates for business loans in order to promote competition and transparency in the financial community.
- Encourage national, regional and international private sector and NGO partnerships to provide a source of financing to MSMEs.

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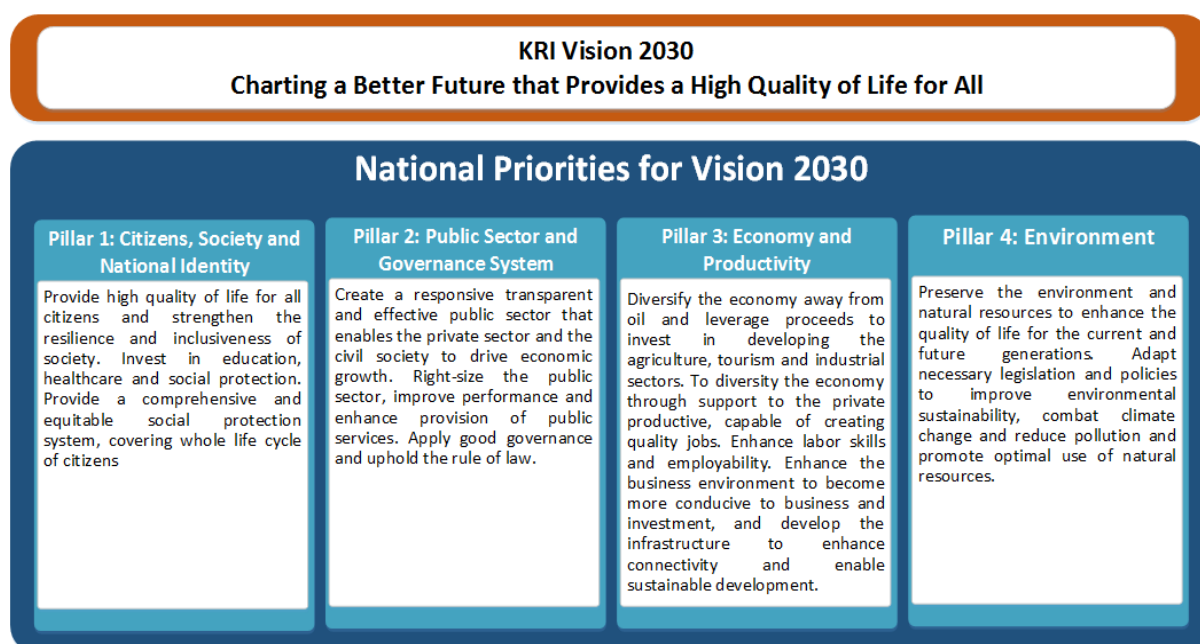
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Part A – Introduction and Context of Project

1. INTRODUCTION

This report aims to build a comprehensive understanding of the structure, direction, business dynamics, challenges and opportunities of micro, small and medium enterprises (MSMEs) in Kurdistan Region Iraq (KRI). Through up to date and reliable market information, data and analysis that provides accurate and reliable statistics, that will allow stakeholders (governmental and non-governmental) to design initiatives that supports the private sector by enabling MSMEs and job creation to contribute to the policy of economic growth.

This survey supports Vision 2030 of Kurdistan “**towards a better future that provides a high quality of life for all**”. Specifically, the third pillar of Vision 2030 that focuses on the economy and productivity (matrix below).



A key national priority of KRI Vision 2030 is to develop a diversified, productive and competitive economy that creates added value for all and is resilient to external shocks. Diversification of the economy requires a dynamic and productive private sector capable of creating quality jobs to absorb the constantly growing number of persons entering the labor market each year. This requires reforming the education system to equip students with the right skills demanded by the labor market and enhance labor force employability. Diversifying the economy and growing the private sector require that business environment be conducive to business and attractive to investments. The business environment shall be supported by quality and modern infrastructure to enhance connectivity and enable sustainable economic development.

Another key priority of vision 2030 is to develop a dynamic private sector including MSMEs to lead the economy and create sustainable jobs, empowered by a competitive business environment that attracts investments. Proceeds from natural resources will be invested in developing the productive and knowledge sectors including agriculture, tourism and industrial sectors in order to accelerate economic diversification away from oil and create value added employment opportunities to contribute to raising households' income levels.

1.1 MSME Survey KRI 2022, UNDP Financed by USAID

UNDP has provided over the last decade comprehensive support to Iraq, both Federal and KRI, through various programs to develop and strengthen the private sector, including MSMEs (Appendix contains a comparison of the key findings of the KRI MSMEs survey 2022 with the Iraq MSMEs survey 2020). This report covers the results of the MSME survey conducted in KRI in March 2022. In collaboration with; The Ministry of Planning (MoP), Kurdistan Regional Central Statistical Office (KRSO), financed from USAID; to understand and unlock the full potential of the MSME sector. The main objective was to profile, size and scope MSMEs in KRI while shedding light on accessibility to finance conditions, employment and human resources, technology utilization, market reach, network and cluster activity, gender distribution, and COVID impact on enterprises. The study covered these key MSME characteristics in an effort to identify the needs of the sector and come up with recommendations for its growth and sustainability.

The survey study was prepared using CAPI method in the form of face-to-face interviews, with the aim of allowing stakeholders to understand the characteristics of MSMEs in four locations Erbil, Sulaymaniyah, Halabja and Duhok. The field survey was implemented between March and April 2022 in cooperation between the United Nations Development Program (UNDP) team and the Ministry of Planning/ Kurdistan Regional Central Statistical Office (MoP/KRSO) team. The household was chosen as the sampling unit due to the viability of a reliable framework for the population at the governorate, district, and sub-district levels. The sample size was determined at 2016 households distributed among the four governorates according to their population.

2. OBJECTIVES AND SCOPE OF THE SURVEY

The available data collected through indirect estimation shows 68% of the workforce is employed with the informal sector. Also, ILO MSMEs survey concluded that vast majority of the MSMEs in Iraq are operating informally. While it's recognized that the informal sector is notably expanding, there has been no attempt to measure the magnitude and nature of the informal economy which would help in understanding of the statistical concepts of the informal economy particularly the real contribution to the GDP, the employment size and pattern.

The purpose of this survey is to build a comprehensive picture on the MSMEs structure, trend, business dynamics, challenges and opportunities through up-to-date, reliable, relevant market information and analysis in order to identify those economic sectors / sub-sectors with the highest potential to allow all actors (governmental and non- governmental) to design informed initiatives aimed at supporting the private sector through MSMEs, job creation and growth policy.

Therefore, this is a special formal and informal MSME survey to:

- Generate a broad range of information about the informal sector, including the number and characteristics of the enterprises involved, their production activities, employment, income generation, capital equipment, conditions and constraints in which they operate.
- Assist key stakeholders through in-depth analysis covering various trade, manufacturing, agribusiness and other sectors to diagnose the level of productivity, innovation and competitiveness, and understand the business ecosystem as a first step to determine the advisory services, and financial support needed for increased and sustainable business productivity and competitiveness.
- Augmenting and complementing the statistics prepared by the MoP/ KRSO on the characteristics of Micro, Small and Medium-sized Enterprises (MSMEs) such as their type (size, sector, legal status and so on), the characteristics of their owners, the recent turnover and employment growth.
- Understand the current scenario of the cluster-based MSME development and non-cluster-based MSME development in KRI including total number of firms, total number of employments, annual turnover, technology upgrade etc.

As such, this survey will also help to build upon the efforts of the International Labor Organization (ILO) and United Nations Office for Project Services (UNOPS) Private Sector Development Program in Iraq (PSDP-I) that was conceived and designed with Iraqi Federal and KRI public and private stakeholders and other international stakeholders in an effort to create an effective, coherent, and comprehensive framework for private sector development in Iraq and KRI. The aim of which is to achieve:

- Sustainable and increased employment opportunities.
- Poverty reduction.
- Building resilience to minimize the impact of crises and shocks.
- The enhancement of the legal and regulatory framework for investment.

- The development of a legal and regulatory framework designed to facilitate and coherent economic environment.
- The gender diversification of future economy.

MSME development is viewed as an essential element in a comprehensive strategy designed to lead to sustainable enterprise development. Which will accommodate firms of all sizes across multiple sectors, enabling successful private sector growth that results in a diversified KRI economy and promotes better job creation for women and men.

3. PREVIOUS RELATED STUDIES

There have been three studies of value recently conducted to try and shed light on the MSME sector in KRI;

Study A	Evolution of SME Enterprises in Kurdistan Region Iraq (KRI) from 2006-2015
Study B	Microfinance System analysis in Rural SMEs of Kurdistan 2020
Study C	Finance and Banking: Development Obstacles of the Private Sector in KRI (based on SMEs in Erbil – Journal of Critical Review 2020)

Here we surmise the key traits and trends that they highlighted with regard to the condition of the MSME sector.

Study A - Evolution of SME Enterprises in Kurdistan Region Iraq (KRI) from 2006-2015

The data examined SME contribution towards the KRI economy between 2006-2015 (the data tabulated was sourced from a statistical database at the Kurdistan Ministry of Industry and Trade). The study also recommended what are necessary initiatives to sustain and grow the sector.

The study findings and recommendations are described in the table below:

Findings	Recommendations
<ul style="list-style-type: none"> – The SME community is facing financial deficiency due to limited personal capital and the absence of financial programs. – The KRI implemented the Investment Law No.4 in 2006, but investment has been effected by lack of liquidity and regionally instability. – Although the evolution of SMEs shows a positive trend, it is held back due to under-development of infrastructure, lack of technology use, and vocational training. – Lack of education for entrepreneurs. 	<ul style="list-style-type: none"> – Establishment of banking services to facilitate loans for SMEs. – Public banks should offer interest free loans for SMEs for a period of five years at least. – Establish SME business consultation centers. – Introduce vocational training in all relevant skills for KRI SMEs, especially in managerial topics. – Courses in communication skill and computer literacy are needed. – Encourage business men and business women to join promotional events. – The government should establish an industrial site for the business entrepreneurs. – Young business men and women should establish an industrial journal for exchange of business news. – Imported new technologies by the government should be sold to SMEs at affordable prices.

Study B - Microfinance System analysis in Rural SMEs of Kurdistan

The target population of this study consisted of two groups of experts including agricultural agents and entrepreneurship banks staff. The reason for selection of expert groups was that agents who are involved in the creation of microfinance funds are aware of weaknesses, strengths, opportunities and threats of the microfinance systems; therefore, they are the key informant to access information. Entrepreneurship bank staffs are also key informant to access information about existing situation of microfinance system.

The study used a multistage random sampling of 103 experts, with a SWOT analysis approach collecting information from the two groups. The study concluded that there is a need for:

- 1) Development of strategies for entrepreneurship training and learning.
- 2) Establishing an effective partnership between the government and private financial organizations in order to increase the capital of the microfinance systems (and rural financing).
- 3) Increasing the capital allocated for microfinance institutions and banks in the entrepreneurship sector.

Study C - Finance and Banking: Development Obstacles of the Private Sector in KRI – Erbil Polytechnic University, Department of Business Administration (based on SMEs in Erbil - Journal of Critical Review 2020).

The data utilized for this survey was processed via the Erbil Chamber of commerce and Industry in collaboration with the Department of Studies and Research, Kurdistan Federation of Chambers of Commerce & Industry. The questionnaire was distributed to 250 SME business's in Erbil. The focus of the categorize was: banking system, insurance systems, and financial services. These were chosen to measure the efficiency of these sectors so that corrective steps can be taken to improve their condition.

The result of the survey indicated that 74.8% of the respondents viewed services as either on a 'basic level' or 'not available'. Were as, 17.6% viewed them as of 'medium' capacity and 7.6% as of a 'good' capacity.

The research concluded that it is essential to identify the key obstacles and difficulties on developing this sector accurately, so that positive steps can be taken in developing it to an effective level. Specifically, the precise understanding of how the finance and private sectors can become productively supported towards meeting SME requirements.

4. SURVEY DESIGN APPROACH

Figure (4.1) shows the logical framework of the KRI MSMEs Survey. Commencing with the work methods and mechanisms that need to be performed in order to produce the required outputs that will support Pillar 3 of KRI Vision 2030: Economic growth and productivity; including economic diversification, private sector support, improving business environment and enhancing labor skills and employability.

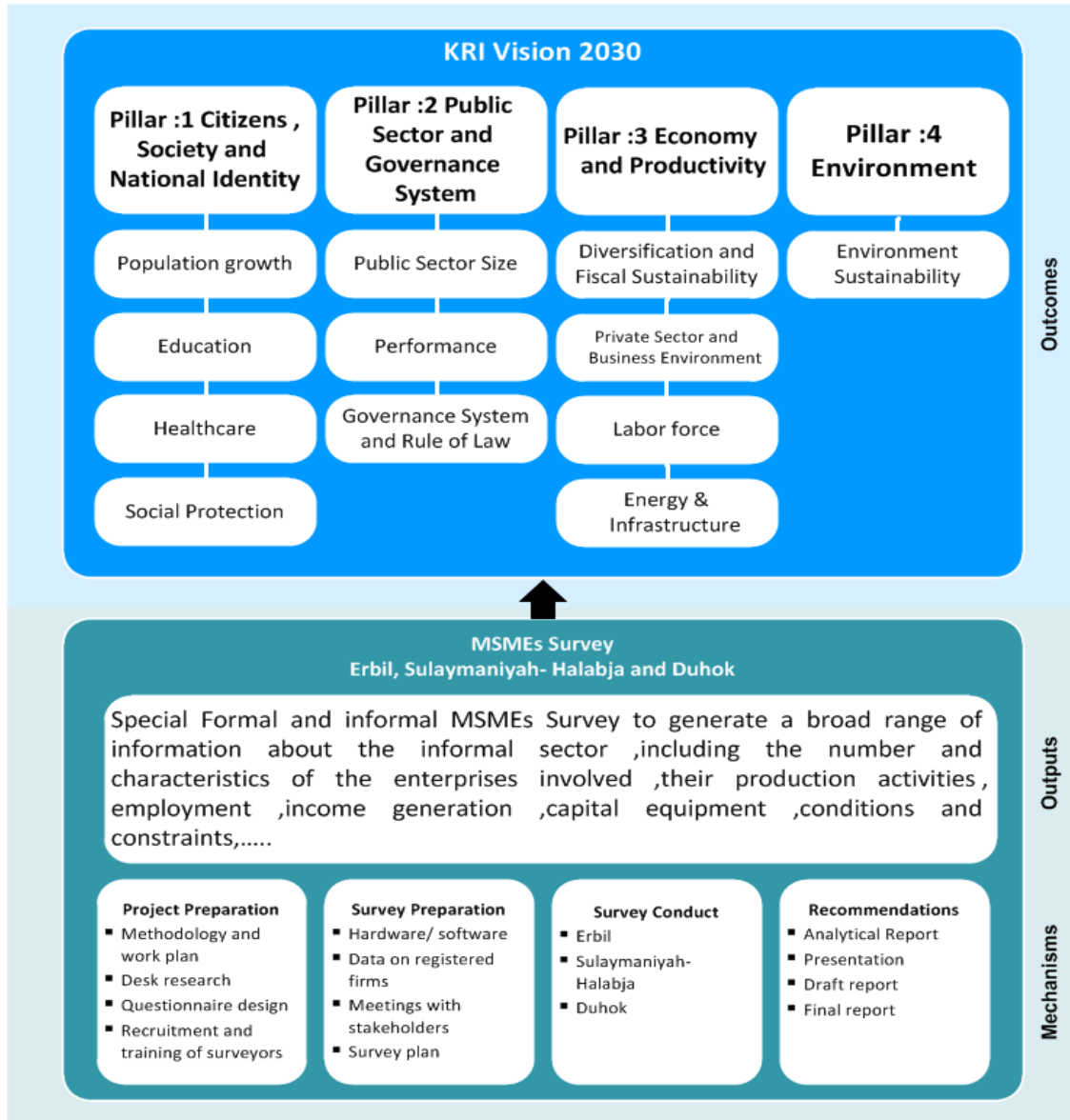


Figure (4.1): KRI MSMEs Survey Logical Framework

The consultant adopted a systematic method to gather information from a sample of MSMEs for the purposes of describing the attributes of the MSME population of KRI, in the Governorates of Erbil, Sulaymaniyah, Halabja and Duhok ⁽¹⁾.

⁽¹⁾ Given the predominantly urban nature of MSMEs, we primarily covered the urban areas to capture the true MSME situation, which predominantly operate in cities. Interviews were also allocated to rural areas to provide an indication of the MSME activities there (i.e. agricultural).

5. SURVEY METHODOLOGY

The survey design was discussed with UNDP and KRSO teams in the workshop held in Erbil September 16-17, as to various elements that ensure validity and reliability of the survey results. These elements include:

- Survey target population
- Sampling frame
- Sampling unit
- Sample size
- Sample distribution
- Sample pathways

Figure (5.1) shows the methodology for the survey.

5.1 Target Population

MSMEs are defined by ILO as:

“Business activities producing an added value in goods or services for sale or barter regardless of the form of their legal form, and thus include both formal and informal businesses”.

Thus, the means of production, as defined by the number of workers, is what determines whether an establishment is considered within the population of MSMEs (Box 5.1).

The classifications that were adopted for MSMEs in this survey are:

- Micro Enterprises : 1-3 including the owner
- Small Enterprises : 4-9 including the owner
- Medium Enterprises : 10-29 including the owner

Box (5.1): Definitions of Informal Sector Enterprises and Employment

Employment in the informal sector and informal sector enterprises

The definition of employment in the informal sector that was formally adopted by the 15th ICLS is based on the concept of the informal sector enterprise, with all jobs deemed to fall under such an enterprise included in the count. In other words, employment in the informal sector basically comprises all jobs in unregistered and/or small-scale private unincorporated enterprises that produce goods or services meant for sale or barter.

There are considerable nuances and complexities to the definition. The term “enterprise” is used in a broad sense, as it covers both units which employ hired labour and those run by individuals working on own account or as self-employed persons, either alone or with the help of unpaid family members. Workers of all employment statuses are included if deemed to be engaged in an informal enterprise. Thus, self-employed street vendors, taxi drivers and home-based workers are all considered enterprises. The logic behind establishing the criterion based on employment size was that enterprises below a certain size are often exempted, under labour and social security laws, from employee registration and are unlikely to be covered in tax collection or labour law enforcement due to lack of government resources to deal with the large number of small enterprises (many of which have a high turnover or lack easily recognizable features).

Certain activities, which are sometimes identified with informal activities, are not included in the definition of informal enterprises for practical as well as methodological reasons. Excluded activities include: agricultural and related activities, households producing goods exclusively for their own use, e.g. subsistence farming, domestic housework, care work, and employment of paid domestic workers; and volunteer services rendered to the community.

The definition of informal sector enterprises was subsequently included in the System of National Accounts (SNA 1993), adopted by the United Nations Economic and Social Council on the recommendation of the United Nations Statistical Commission. Inclusion in the SNA was considered essential, as it was a prerequisite for identification of the informal sector as a separate entity in the national accounts and hence for quantification of the contribution of the informal sector to gross domestic product.

The concept of “informal employment”

The definition of the 15th ICLS relates to the informal sector and the employment therein. But it has been recognized, also within the statistical community, that there are also aspects of informality that can exist outside of informal sector enterprises as currently defined. Casual, short term and seasonal workers, for example, could be, informally employed – lacking social protection, health benefits, legal status, rights and freedom of association, but when they are employed in the formal

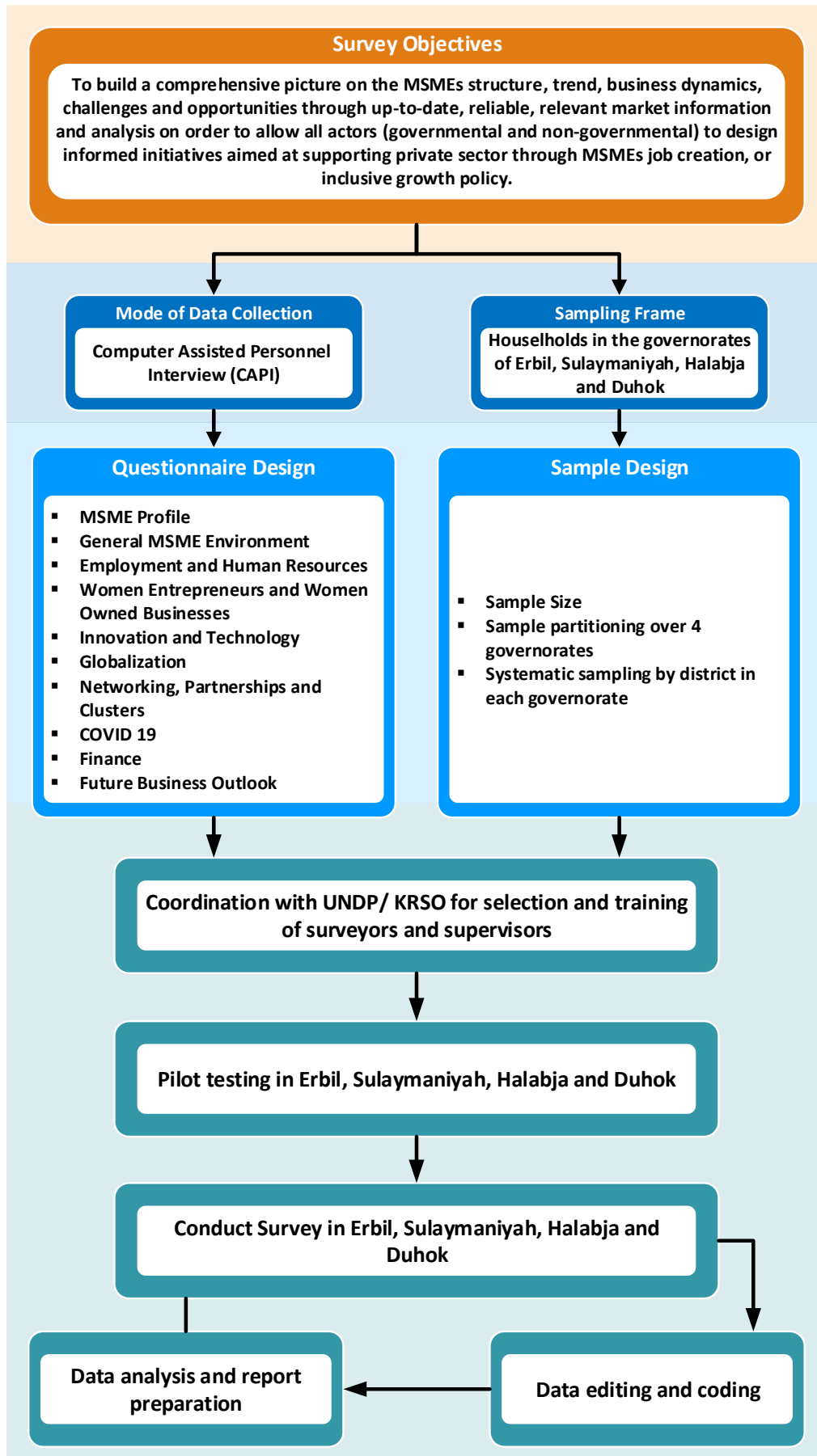


Figure (5.1): KRI MSME 2021 Survey Methodology

5.2 Sampling Frame

The key consideration in selecting the sampling frame was to have an accurate listing of population that is amenable to random sampling and to the ability to expand results to the total population. Our review and discussions with KRSO team indicated that:

- The MSME sector attributes in Iraq including KRI are largely unknown. There is no listing of firms across various industries that could be taken as a sampling frame from which to draw the sample. One of the objectives of the survey is to generate an estimate of the number of MSMEs, their total employment and their total contribution to the economy of KRI.
- The KRSO has compiled sampling frames for medium industrial establishments. Those sampling frames are, however only subsets of the total population of MSMEs and cover mostly formal enterprises and are limited subsectors/ industries/ trades, and therefore could not be used as an MSME sampling frame, considering the objectives and scope of the MSME 2021 survey.
- Existing knowledge of the informal sector is very meager and there is a need to obtain updated information on such attributes as: size, manpower, activities and characteristics.

Given these constraints, and the consultation with UNDP and KRSO teams, it was decided to use the number of households as the sampling frame. KRSO keeps accurate data of the population of KRI by governorate and district. So the sample results could be reliably expanded to the total population of KRI by knowing the percentage of households with members belonging to MSMEs.

5.3 Sampling Unit

The household was used as the sampling unit. This is in line with similar studies conducted in other countries comparable to Iraq - KRI. Therefore, the survey is conducted with adults who own and run their own businesses or work in MSMEs.

5.4 Sample Size

Setting the sample size depends on a number of factors. These include the purpose of the study (what types of tables to be produced and their granularity), the population size, and the allowed sampling error (risk factor). In other terms, it requires deciding on the precision level (+ or - 5% for example), and the confidence level (number of observations that will fall around the mean, taking into consideration the degree of precision and the variation, that are measured with standards deviations). And the third perhaps most challenging factor is the variability within the sample; in another word, how heterogeneous is the targeted population.

Looking at the various economic activities and previous surveys made on MSMEs, their size and degree of sophistication tend to show a rather homogeneous population in MSMEs when it comes to the objectives of this study, which is to define the profile of the MSMEs. Since population is most common and easily measured attribute in this study, we recommend to take the average number of working persons per MSMEs as the attribute to measure the sample size as will be shown below.

We have also considered previous research conducted for similar objectives, and the sample size was close to the proposed 2016 successful interviews. The different methods led to

assuring results.

The sample size is determined within the following framework:

- The population of MSMEs is not defined in KRI (total number of MSMEs and their distribution). An estimate is used in this section based on the enterprise density.
- There are no figures on the main attributes about MSMEs, such as average number of working persons per MSME, that can be used ahead to define the optimum sample size.

The key issue was to ensure that the sample size is large enough to extract significant results by:

1. Four governorates
2. Urban / Rural
3. Provide indicative information on the main economic activities

Our proposed sample of 2016 interviews in the governorates meets the requirement of the calculations methods shown below, and is in line with the ILO original survey (below). Depending on the average employment size within each reporting levels, different levels of reporting details could be made. In the absence of variability of attributes, the level of reporting will be determined based on the outcome of the different attributes.

Below, we show the methods for sample calculations:

1. Using the Large Population Formula to determine the Sample:

This method for calculating the sample size is based on the assumption of large population size, as is the case of the number of MSMEs.

In this case, and given that the population size is large enough, we can apply the infinite population formula as shown below:

$$n = \frac{z^2 \times \hat{p}(1-\hat{p})}{\epsilon^2}$$

$$n = \frac{1.96^2 \times 0.5(1-0.5)}{0.05^2} = 384.16 \sim 385$$

Where:

z is the z score at 95% confidence interval

ϵ^2 is the margin of error

\hat{p} is the population proportion which we set at 50% being the most stringent.

Hence a sample size of around 2000 will be adequate for reporting breakdown by the different layers.

2. Using previous studies:

The ILO first survey had distributed the total sample of 4000 as shown in the table below. Baghdad was 1209, Nineveh 440, and Erbil 344.

MSME Survey Respondents by Governorate, Size and Sex

Governorate	Micro		Small		Medium		Totals
	M	F	M	F	M	F	
FIRST SURVEY							
Nineveh	395	1	42	0	2	0	440
Kirkuk	190	8	19	0	3	3	220
Erbil	276	0	53	0	15	0	344
Anbar	236	6	63	2	1	0	308
Baghdad	1008	65	203	3	11	0	1209
Babylon	265	8	43	0	0	0	316
Wasit	185	8	17	0	0	0	210
Salah Al Din	205	3	55	0	1	0	264
Qadisiya	181	6	29	0	0	0	216
Basrah	348	11	29	2	2	0	392
Totals	3289	116	553	7	35	0	4000

Source: ILO-PSD 1-2011

KRI MSME Survey Sample by Governorate

Governorate	Total	Erbil	Sulaymaniyah	Halabja	Duhok
	No.	No.	No.	No.	No.
	2016	684	744	36	552

The final sample size is illustrated in the tables below and can be found in the main findings section of the final report;

MSME By Governorate and Gender

MSME Gender	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
	No.	%	No.	%	No.	%	No.	%	No.	%
Male	1747	87	557	81	630	85	34	85	526	95
Female	269	13	127	19	110	15	6	15	26	5
Total	2016	100	684	100	740	100	40	100	552	100

MSME Size of Business

MSME Gender	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Male	1747	87	1613	86	121	95	13	93
Female	269	13	262	14	6	5	1	7
Total	2016	100	1875	100	127	100	14	100

5.5 KRI MSME Training

During the months of December 2021 and January 2022, various training programs were delivered that covered the following topics;

- a) Open Data Kit (ODK) Training.
- b) Survey Implementation (TOT) Team Training and KRI MSME Survey questionnaire.

a) Open Data Kit (ODK) Training

The attendees included 10 ODK specialists/ programmers/ Users, the training session covered the following main topics:

- Management of ODK Users.
- Management of project using ODK Central.
- Management of Permissions using ODK Central.
- Monitor and control data submission using ODK Central.
- ODK Collect installation.
- Use of ODK Collect system (upload/submit forms).
- Module Integration.
- Excel testing.
- System/ application trouble shooting.
- Uploaded forms - usage and management.

b) Implementation (TOT) Team Training

The training sessions introduced the final survey sample size adopted by KRSO, and the number of staff by governorate/district. In addition the survey questionnaire was explained and discussed thoroughly with supervisors, identifying the constraints on each question, while adding any additional elements.

The training session included the following topics:

- Questionnaire design: explanation and discussion with KRSO supervisors on the survey's questionnaire.
- Explanation and discussion on the Field training manual - Operations manual for supervisors and interviewers.

Part B – MSME Survey Results

The following sections provide an evidence-based description of MSMEs in the Kurdistan Region, Iraq (KRI). It contains analysis and scheduling of the survey results according to the research design that was fully discussed with the UNDP team and the Ministry of Planning (MoP) in the Kurdistan Regional Government (KRG) / Kurdistan Regional Statistics Office (KRSO). It also provides basic statistical measurements of the size and nature of the informal/informal economy that can be used to develop effective policies to support the transition to the formal system represent the sector and demonstrating its role, ascertaining employment trends and analyzing linkages between stakeholders.

The survey was implemented in the governorates of Erbil, Sulaymaniyah, Halabja and Duhok between 5 to 31 March 2022.

The survey results are represented in the following MSME research areas:

- MSME Profile
- General MSME Environment
- Employment and Human Resources
- Women Entrepreneurs and Women Owned Businesses
- Innovation and Technology
- Globalization
- Networking, Partnerships and Clusters
- COVID 19
- Finance
- Future Business Outlook

Each section begins with a textual analysis of the data, highlighting the most obvious feature of the survey results for a set of relevant questions. This is followed by relevant numerical tabulations generated by the survey which includes data on MSME enterprise size.

The numbers in the numerical data tables show the results of the actual observations of the survey sample (which is 2,016 MSMEs covering the governorates of Erbil, Sulaymaniyah, Halabja and Duhok), presented to derive and highlight the important data that has emerged to realize the survey goals.

6. MSME Profile

This section covers results related to the characteristics of institutions, which include the following:

- Profile of business owners
- Business activity
- Characteristics of Institutions
- Distribution of institutions according to registration

6.1 Profile of Business Owners

• Gender of Business Owners

The survey showed a significant imbalance between the sexes. As the vast majority of business owners are males, their percentage reaches 87% (with 13% female), as shown in (Table 6.1 A). This imbalance also appears in the same proportion at the governorate level (Table 6.1 B).

It was also found that 68.5% of males work in the following sectors; wholesale and retail trade (35%), transport and storage (18%), agriculture and fishing (15%). While for women the highest percentages were in; technical professional sector (60%) (hairdresser, technician,...), agriculture and fishing (14%), wholesale and retail trade (8%) as shown in (Table 6.1 C).

It was noted that the proportion of men in the urban and rural community is almost equal, as is the case for women (Table 6.1 D).

Table (6.1 A): MSME Owners Gender by Size of Business

Gender of the MSME interviewee	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Male	1747	87	1613	86	121	95	13	93
Female	269	13	262	14	6	5	1	7
Total	2016	100	1875	100	127	100	14	100

Table (6.1 B): MSME Owners Gender by Governorate

Gender of the MSME Interviewee	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
	No.	%	No.	%	No.	%	No.	%	No.	%
Male	1747	87	557	81	630	85	34	85	526	95
Female	269	13	127	19	110	15	6	15	26	5
Total	2016	100	684	100	740	100	40	100	552	100

Table (6.1 C): Business Sector Activity by Gender

Business Sector	Total		Gender			
	No.	%	Male		Female	
			No.	%	No.	%
Wholesale and retail trade	636	31.5	613	35.1	23	8.6
Transportation and storage	314	15.6	314	18	0	0
Agriculture and fishing	307	15.2	269	15.4	38	14.1
Technical Professional (hair stylist, technician,..)	238	11.8	76	4.4	162	60.2
Building and construction works	129	6.4	129	7.4	0	0
Food Industry	122	6.1	101	5.8	21	7.8
Car and motorcycle repair and maintenance	41	2	41	2.3	0	0
Metal Products Industry	38	1.9	37	2.1	1	0.4
Accommodation, restaurant and hotel services activities	37	1.8	37	2.1	0	0
craft work	36	1.8	17	1	19	7.1
Repair of equipment, machinery and equipment	31	1.7	31	1.8	0	0
real estate activities	23	1.1	23	1.3	0	0
Industry of electrical and electronic equipment and components	10	0.5	8	0.4	2	0.7
Administrative and support services activities	5	0.2	4	0.2	1	0.4
Other services	49	2.4	47	2.7	2	0.7
Total	2016	100	1747	100	269	100

Table (6.1 D): Gender of business owners by type of society

Gender of the MSME interviewee	Total		Rural Community		Urban Community	
	No.	%	No.	%	No.	%
Male	1747	86.7	350	85.8	1397	86.9
Female	269	13.3	58	14.2	211	13.1
Total	2016	100	408	100	1608	100

Age of MSME Owners

MSMEs covered all age groups, with the highest percentage of MSMEs being in the 35-44 age groups at 30.5% of the sample, as shown in (Table 6.1E).

The highest percentage of males was in the 18 to 24 years old age group at 95%, and the highest percentage of females was in the 35 to 44 years old age group at 18%, as shown in (Table 6.1 F).

Table (6.1 E): Age of Business Owners by Enterprise Size

Owner's age	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
15 - 17	10	0.5	9	0.5	1	0.8	0	0
18 - 24	132	6.5	123	6.6	8	6.3	1	7.1
25 - 34	455	22.6	431	23.0	23	18.1	1	7.1
35 - 44	615	30.5	573	30.6	41	32.3	1	7.1
45 - 54	485	24.1	448	23.9	30	23.6	7	50
55 - 64	218	10.8	198	10.6	16	12.6	4	28.6
+65	101	5.0	93	5.0	8	6.3	0	0
Total	2016	100	1875	100	127	100	14	100

Table (6.1 F): Age of Business Owners by Size of Enterprise by Gender

Owner's age	Gender				Total	
	No.		%			
	Male	Female	Male	Female	No.	%
24 - 15	134	8	94.4	5.6	142	100
34 - 25	401	54	88	12	455	100
44 - 35	502	113	82	18	615	100
54 - 45	424	61	87	13	485	100
64 - 55	194	24	89	11	218	100
65+	92	9	91	9	101	100

6.2 Business Activity

It was noted that a total of 74% of MSME business activities were from the following sectors (Table 6.2 A and Table 6.2 B):

- 1) Wholesale and retail trade 31.5%,
- 2) Transportation and storage by 15.6%
- 3) Agriculture and fishing by 15.2%.
- 4) Technical professional 11.8%.

By Governorate MSME business sectors were similar, in that the top four sectors were the same but not necessarily in the same order. The results by order of the top four activities per Governorate were as follows (Table 6.2 A and Figure 6.2 A);

- Erbil governorate; wholesale and retail trade sector (32%), technical professional (20%), transport and storage (16%), agriculture and fishing (7%). These four sectors made up 75% of MSME activity in the Governorate.

- Sulaymaniyah governorate; wholesale and retail trade sector (34%), agriculture and fishing (18%), transport and storage (12%) and technical professional (9%). These four sectors made up 73% of MSME activity in the Governorate.
- Halabja governorate; wholesale and retail trade sector (25%), agriculture and fishing (42%), transport and storage (12%) and technical professional (2%). These four sectors made up 81% of MSME activity in the Governorate.
- Duhok governorate; wholesale and retail trade sector (28%), agriculture and fishing (19%), transport and storage (19%) and technical professional (5%). These four sectors made up 71% of MSME activity in the Governorate.

Table (6.2 A): Business Sector Activity by Governorate

Business Sector	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
	No.	%	No.	%	No.	%	No.	%	No.	%
Wholesale and retail trade	636	31.5	219	32.0	254	34.3	10	25.0	153	27.7
Transportation and storage	314	15.6	114	16.7	92	12.4	5	12.5	103	18.7
Agriculture and fishing	307	15.2	49	7.2	134	18.1	17	42.5	107	19.4
Technical Professional (hair stylist, technician,..)	238	11.8	139	20.3	68	9.2	1	2.5	30	5.4
Building and construction works	129	6.4	39	5.7	44	5.9	0	0.0	46	8.3
Food Industry	122	6.1	39	5.7	52	7.0	3	7.5	28	5.1
Car and motorcycle repair and maintenance	41	2.0	11	1.6	15	2.0	1	2.5	14	2.5
Metal Products Industry	38	1.9	15	2.2	15	2.0	0	0.0	8	1.4
Accommodation, restaurant and hotel services activities	37	1.8	11	1.6	19	2.6	2	5.0	5	0.9
craft work	36	1.8	9	1.3	2	0.3	0	0.0	25	4.5
Repair of equipment, machinery and equipment	31	1.5	15	2.2	13	1.8	1	2.5	2	0.4
real estate activities	23	1.1	5	0.7	9	1.2	0	0.0	9	1.6
Industry of electrical and electronic equipment and components	10	0.5	4	0.6	3	0.4	0	0.0	3	0.5
Administrative & support services activities	5	0.2	4	0.6	1	0.1	0	0.0	0	0.0
Other services	49	2.4	11	1.6	19	2.7	0	0.0	19	3.6
Total	2016	100	684	100	740	100	40	100	552	100

Table (6.2 B): Business Sector Activity by MSME Size

Business Sector	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Wholesale and retail trade	636	31.5	613	32.7	21	16.5	2	14.3
Transportation and storage	314	15.6	311	16.6	2	1.6	1	7.1
Agriculture and fishing	307	15.2	268	14.3	33	26.0	6	42.9
Technical Professional (hair stylist, technician,..)	238	11.8	236	12.6	2	1.6	0	0.0
Building and construction works	129	6.4	104	5.5	25	19.7	0	0.0
Food Industry	122	6.1	103	5.5	17	13.4	2	14.3
Car and motorcycle repair and maintenance	41	2.0	39	2.1	2	1.6	0	0.0
Metal Products Industry	38	1.9	31	1.7	6	4.7	1	7.1
Accommodation, restaurant and hotel services activities	37	1.8	26	1.4	10	7.9	1	7.1
craft work	36	1.8	34	1.8	2	1.6	0	0.0
Repair of equipment, machinery and equipment	31	1.5	29	1.5	2	1.6	0	0.0
real estate activities	23	1.1	23	1.2	0	0.0	0	0.0
Industry of electrical and electronic equipment and components	10	0.5	9	0.5	1	0.8	0	0.0
Administrative and support services activities	5	0.2	5	0.3	0	0.0	0	0.0
Other services	49	2.4	44	2.3	4	3.1	1	7.1
Total	2016	100	1875	100	127	100	14	100

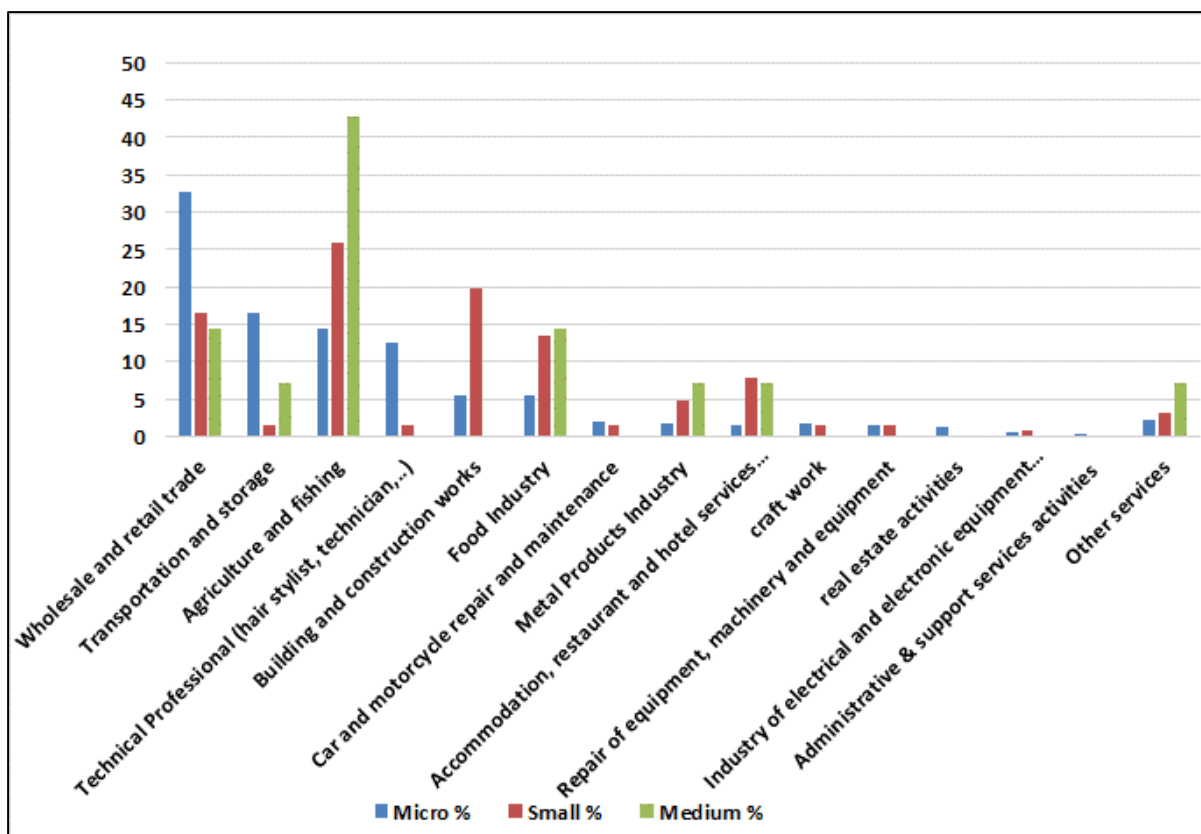


Figure (6.2 A): Business Sector Activity by MSME Size

6.3 Profile of MSMEs

Business Location

Distribution of Institutions

The results indicated that the largest number of institutions in the survey sample is micro-enterprises in all governorates (1875 out of 2016) as shown in Table (6.3 A).

Table (6.3 A): Distribution of Enterprises by Governorate

Governorate	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Erbil	684	33.9	634	33.8	49	38.6	1	7.1
Sulaymaniyah	740	36.7	693	37.0	44	34.6	3	21.4
Halabja	40	2.0	36	1.9	2	1.6	2	14.3
Duhok	552	27.4	512	27.3	32	25.2	8	57.1
Total	2016	100	1875	100	127	100	14	100

The survey showed that the percentage of availability for a business location increased from 53% to 93% with the increase in the size of the enterprise, and vice versa with regard to the type of work that does not require a dedicated site. Over half of MSMEs (54%) had dedicated locations for their business activities as for the percentage of MSMEs who work from home, this reached 14% of the sample (Table 6.3 B).

Table (6.3 B): Availability of Business Location

Work site	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Available	1094	54	994	53	87	69	13	93
No, my business does not require a dedicated site	639	32	607	32	31	24	1	7
Work from home	283	14	274	15	9	7	0	0
Total	2016	100	1875	100	127	100	14	100

6.4 Distribution of Institutions According to Registration

It was found that more than half of the enterprises in the survey are Not registered with any entity (60%), and it was noted that the highest percentile registration rate of MSMEs is in Halabja Governorate (55%), followed by the rest of the governorates, with a registry rate ranging between 38% and 42% (Table 6.4 A and Table 6.4 B).

There is a noticeable difference in the registration rate according to the size of the enterprise, as it was found that more than half of the micro-enterprises are not registered (60.6%) and nearly half of the small (48.9%) and medium-sized (50%) enterprises are not registered according to the size of the sample (Table 1.4 B). It was also observed that the highest percentage of registered MSMEs (79%) work in the following sectors (Table 6.4 C):

Wholesale and retail trade	34%
Transportation, storage	20%
Agriculture and fishing	10%
Technical professional (hairdresser, technician, ..)	8%
Food industries	7%

Table (6.4 A): Registration Status by Governorate

Registration status	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
	No.	%	No.	%	No.	%	No.	%	No.	%
Not registered	1205	60	411	60	454	61.3	18	45	322	58
Registered	811	40	273	40	286	38.7	22	55	230	42
Total	2016	100	684	100	740	100	40	100	552	100

Table (6.4 B): Registration Status According to the Size of the Enterprise

Enterprise size	Enterprise Registration Status					
	Total		Registered Enterprise		Not Registered Enterprise	
	No.	%	No.	%	No.	%
Micro	1875	100	739	39.4	1136	60.6
Small	127	100	65	51.1	62	48.9
Medium	14	100	7	50	7	50
Total	2016	100	811	40.2	1205	59.8

Table (6.4 C): Business Activity by Registration Status

Business Sector	Registered		Not Registered	
	No.	%	No.	%
Wholesale and retail trade	273	33.7	363	30.1
Transportation and storage	164	20.2	150	12.5
Agriculture and fishing	81	10.0	226	18.8
Technical Professional (hairdresser, technician,..)	64	7.9	174	14.4
Food Industry	59	7.3	63	5.2
Accommodation, restaurant and hotel services activities	25	3.1	12	1.0
Car and motorcycle repair and maintenance	25	3.1	16	1.3
real estate activities	21	2.6	2	0.2
Construction work	20	2.5	109	9.1
Metal Products Industry	20	2.5	18	1.5
Human health and social work activities	15	1.9	2	0.2
Repair of equipment, machinery and equipment	11	1.4	20	1.7
Professional (doctor, lawyer, engineer)	10	1.2	0	0.0
Craft work	6	0.7	30	2.5
Industry of electrical and electronic equipment and components	4	0.5	6	0.5
Administrative and support services activities	1	0.1	4	0.3
Other services	12	1.5	10	0.8
Total	811	100	1205	100

The highest rate of registration was with the Tax Authority (17%) and the Ministry of Health (13%). There is a high concentration of Medium sized enterprises registered with the Ministry of Health (17.4%) and the Chamber of Commerce (17.4%) (Table 6.4 D).

The results showed that the highest registration rates in the governorates was as follows; Erbil governorate with Municipalities (22.1%), Sulaymaniyah governorate with the Tax Authority (20.6%), Halabja governorate with the Ministry of Health (30.8%), and Duhok governorate was with the Tax Authority (22.6%) (Table 6.4 E).

Table (6.4 D): Institutions Registry by Institution Size (Multiple Answers)

Enterprise registration entities	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Tax authority	216	17.0	192	16.9	21	18.1	3	13.0
Ministry of Health	163	12.8	146	12.9	13	11.2	4	17.4
Guilds	152	11.9	142	12.5	9	7.8	1	4.3
Qaim Maqam	147	11.6	132	11.7	13	11.2	2	8.7
Municipalities	137	10.8	124	10.9	12	10.3	1	4.3
Chamber of Commerce	129	10.1	107	9.4	18	15.5	4	17.4
Local municipality	103	8.1	89	7.9	13	11.2	1	4.3
The commercial register in the provinces	75	5.9	67	5.9	5	4.3	3	13.0
Directorate of Labor in the provinces	16	1.3	15	1.3	1	0.9	0	0.0
Commercial Register	16	1.3	12	1.1	4	3.4	0	0.0
Industrial Development Directorate	9	0.7	7	0.6	1	0.9	1	4.3
The Ministry of Labour and Social Affairs	8	0.6	7	0.6	0	0.0	1	4.3
Social Security Fund	8	0.6	6	0.5	1	0.9	1	4.3
Ministry of Culture	4	0.3	4	0.4	0	0.0	0	0.0
Investment Authority	4	0.3	1	0.1	2	1.7	1	4.3
Other	85	6.7	82	7.2	3	2.6	0	0.0
Total	1272	100	1133	100	116	100	23	100

Table (6.4 E): Registration Locations by Governorate (multiple answers)

Enterprise registration entities	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
	No.	%	No.	%	No.	%	No.	%	No.	%
Tax authority	216	17.0	35	8.6	96	20.6	1	3.8	84	22.6
Ministry of Health	163	12.8	33	8.1	70	15.0	8	30.8	52	14.0
Guilds	152	11.9	52	12.8	59	12.6	2	7.7	39	10.5
Qaim Maqam	147	11.6	34	8.4	80	17.1	9	34.6	24	6.5
Municipalities	137	10.8	90	22.1	32	6.9	1	3.8	14	3.8
Chamber of Commerce	129	10.1	29	7.1	51	10.9	1	3.8	48	12.9
Local municipality	103	8.1	73	17.9	9	1.9	1	3.8	20	5.4
The commercial register in the provinces	74	5.8	30	7.4	25	5.4	3	11.5	16	4.3
Directorate of Labor in the provinces	16	1.3	2	0.5	4	0.9	0	0.0	10	2.7
Commercial Register	16	1.3	1	0.2	5	1.1	0	0.0	10	2.7
Industrial Development Directorate	9	0.7	1	0.2	5	1.1	0	0.0	3	0.8
The Ministry of Labour and Social Affairs	8	0.6	1	0.2	4	0.9	0	0.0	3	0.8
Social Security Fund	8	0.6	2	0.5	6	1.3	0	0.0	0	0.0
Ministry of Culture	4	0.3	0	0.0	2	0.4	0	0.0	2	0.5
Investment Authority	4	0.3	2	0.5	2	0.4	0	0.0	0	0.0
Other	86	6.8	22	5.4	17	3.6	0	0.0	47	12.6
Total	1272	100	407	100.0	467	100	26	100	372	100

Reasons for Not Registering an Enterprise

Out of the 1,236 respondents, 91% regarded that their business does not need to be registered (Table 6.4 F). Other reasons given were; long red tape, complicated procedures and reporting requirements that may arise from registering. The reasons for 'not registering' averaged a similar pattern same across governorates (Table 6.4 G).

Table (6.4 F): Reasons for Not Registering an Enterprise by MSME Size (multiple answers)

Reasons for not registering the business	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
My business doesn't require registration	1135	91.7	1074	92.2	55	84.6	6	75
Long routine and complicated procedures	35	2.9	30	2.6	4	6.2	1	12.5
Reporting requirements that may result from registration	20	1.7	19	1.7	0	0	1	12.5
Difficulty understanding the information and the registration process	16	1.3	13	1.1	3	4.6	0	0
Legal status of the business as a result of registration	12	1	11	1	1	1.5	0	0
Other	18	1.5	16	1.4	2	3.1	0	0
Total	1236	100	1163	100	65	100	8	100

Table (6.4 G): Reasons for Not Registering an Enterprise by Governorate (multiple answers)

Reasons for not registering the business	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
	No.	%	No.	%	No.	%	No.	%	No.	%
My business doesn't require registration	1135	91.8	383	91.4	423	89.6	16	84.2	313	96.0
Long routine and complicated procedures	35	2.8	10	2.4	21	4.4	0	0.0	4	1.2
Reporting requirements that may result from registration	20	1.6	9	2.1	9	1.9	1	5.3	1	0.3
Difficulty understanding the information and the registration process	16	1.3	11	2.6	3	0.6	1	5.3	1	0.3
Legal status of the business as a result of registration	12	1.0	3	0.7	8	1.7	1	5.3	0	0.0
Other	18	1.5	3	0.7	8	1.7	0	0.0	7	2.1
Total	1236	100	419	100	472	100	19	100	326	100

7. General MSME Environment

This section covers findings related to the general environment of organizations, which include the following:

- Doing business
- Distribution of institutions by year of establishment
- The educational level of the owner of the institution
- Types of corporate insurance
- Institutional ownership form
- Previous activities of business owners

7.1 Doing Business

Difficulty Setting Up a Business

The survey showed that more than half of MSMEs (61.4%) found difficulties in establishing their businesses (Table 7.1 A). The results also showed that most affected governorate was Erbil with 82% indicating difficulty in setting up a business, the rest of the governorates registered lower rates (Sulaymaniyah 58%, Duhok 44% and Halabja 22%) (Table 7.1 B).

Table (7.1 A): Level of Difficulty in Setting Up a Business by the size of enterprise

Level of Difficulty to set up company	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Difficult	1238	61.4	1154	61.5	76	59.8	8	57.1
Easy	778	38.6	721	38.5	51	40.2	6	42.9
Total	2016	100	1875	100	127	100	14	100

Table (7.1 B): Level of Difficulty in Setting up a Business by Governorate

Level of Difficulty to set up company	Total		Governorate							
			Erbil		Sulaymaniyah		Halabja		Duhok	
	No.	%	No.	%	No.	%	No.	%	No.	%
Difficult	1238	61.4	546	82.0	430	58.1	9	22.5	253	44.4
Easy	778	38.6	120	18.0	310	41.9	31	77.5	317	55.6
Total	2016	100	666	100	740	100	40	100	570	100

Reasons for the Difficulty in Setting Up a Business

The survey showed that most of the difficulties facing were due to lack of access to finance (63%), lack of access to land (8%), and lack of access to resources (8%) (Table 7.1 C). The highest percentage by governorate was for “difficulty in accessing finance”; Erbil 65.9%, Sulaymaniyah 59%, Halabja 50% and Duhok 64.7% (Table 7.1 D).

Table (7.1 C): Reasons for the Difficulties to Establish a Business

Reason for difficulty	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Access to finance	980	63.2	920	63.9	54	54.0	6	50.0
Access to Land	123	7.9	114	7.9	9	9.0	0	0.0
Lack of resources (i.e. equipment, transport, staff)	120	7.7	109	7.6	9	9.0	2	16.7
Strong competition	98	6.3	89	6.2	9	9.0	0	0.0
Licensing	64	4.1	57	4.0	6	6.0	1	8.3
Other	166	10.7	150	10.4	13	13.0	3	25.0
Total	1551	100	1439	100	100	100	12	100

Table (7.1 D): Reasons for the Difficulties to Establish a Business by Governorate

Reason for difficulty	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
	No.	%	No.	%	No.	%	No.	%	No.	%
Access to finance	980	63.2	459	65.9	320	59.0	5	50.0	196	64.7
Access to Land	123	7.9	56	8.0	35	6.5	0	0.0	32	10.6
Lack of resources (i.e. equipment, transport, staff)	120	7.7	58	8.3	52	9.6	0	0.0	10	3.3
Strong competition	98	6.3	47	6.8	36	6.6	0	0.0	15	5.0
Licensing	64	4.1	22	3.2	34	6.3	1	10.0	7	2.3
Other	166	10.7	54	7.8	65	12.0	4	40.0	43	14.2
Total	1551	100	696	100	542	100	10	100	303	100

7.2 MSMEs by Years of Establishment

The responses pertaining to the year of establishment of the business spread over more than 20 years (Table 7.2 A and Figure 7.1 A), with significant number of firms established in the following years:

- 2015-2020: 43.8%
- Pre-2003: 22.8%
- 2009-2014: 20.0%
- 2003-2008: 12.1%

Table (7.2 A): Distribution of Firms by Year of Establishment by Governorate

Year Established	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
	No.	%	No.	%	No.	%	No.	%	No.	%
Before 2003	460	22.8	108	15.8	190	25.7	20	50.0	142	25.7
2003- 2008	243	12.1	85	12.5	87	11.8	3	7.5	68	12.3
2009- 2014	404	20.0	156	22.8	125	16.8	4	10.0	119	21.6
2015- 2020	884	43.8	332	48.5	318	43.0	13	32.5	221	40.0
N/A	25	1.2	3	0.4	20	2.7	0	0.0	2	0.4
Total	2016	100	684	100	740	100	40	100	552	100

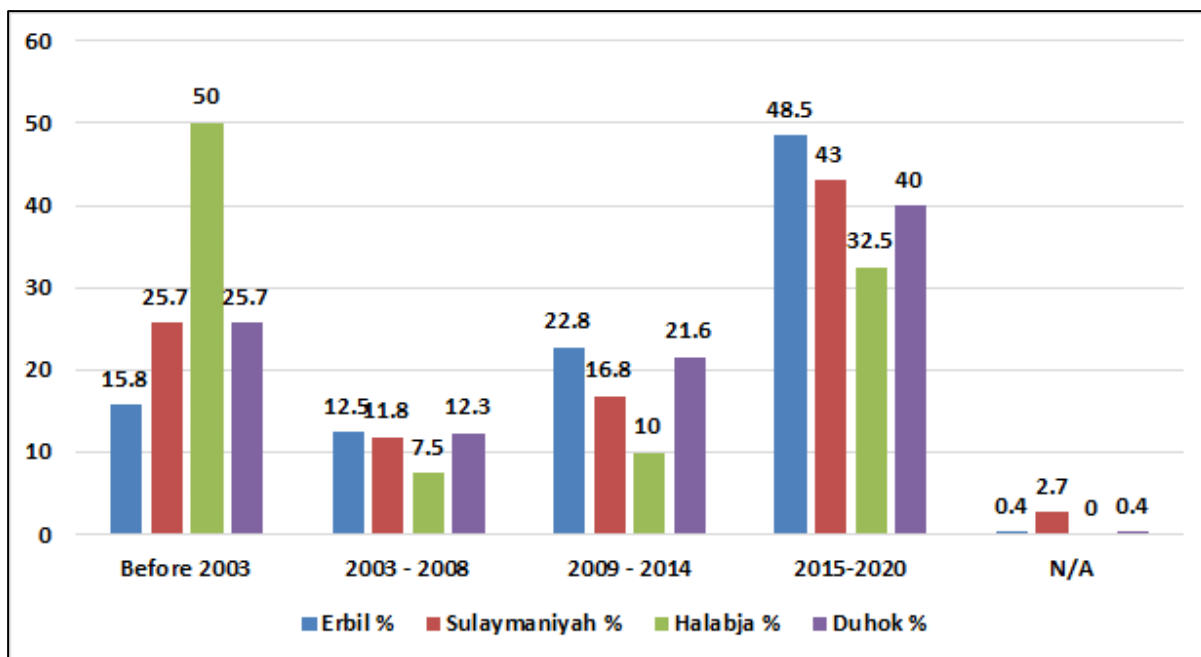


Figure (7.1 A): Distribution of MSMEs by Year, Type and Governorate

7.3 The Educational Level of the Owner of the Institution

Regarding the level of education for the owners, the answers were as follows:

- 54.8% of owners have a secondary/intermediate education certificate, 31.5% did not have any formal education. The largest percentage size of MSMEs holding university degrees are medium-sized enterprises at 64.3% (Table 7.3 A). The highest percentage of holders of a school education certificate (intermediate/ secondary) by governorate was Erbil governorate (62.7%), followed the rest of the governorates (Table 7.3 B).

Table (7.3 A): Business owners education level by the size of enterprise

Education Level	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Secondary/ Intermediate	1105	54.8%	1025	54.7%	71	55.9%	9	64.3%
No Formal Education	635	31.5%	601	32.1%	31	24.4%	3	21.4%
University Degrees	132	6.5%	116	6.2%	15	11.8%	1	7.1%
Technical School Certificates	129	6.4%	120	6.4%	8	6.3%	1	7.1%
Training Center Certificates	15	0.7%	13	0.7%	2	1.6%	0	0.0%
Total	2016	100	1875	100	127	100	14	100

Table (7.3 B): Business Owners Education Level by Governorate

Education Level	Erbil		Sulaymaniyah		Halabja		Duhok	
	No.	%	No.	%	No.	%	No.	%
Secondary/ Intermediate	429	62.7	403	54.5	21	52.5	252	45.7
No Formal Education	166	24.3	217	29.3	13	32.5	239	43.3
University Degrees	36	5.3	62	8.4	2	5.0	32	5.8
Technical School Certificates	48	7.0	49	6.6	4	10.0	28	5.1
Training Center Certificates	5	0.7	9	1.2	0	0.0	1	0.2
Total	684	100	740	100	40	100	552	100

7.4 Types of Corporate Insurance

In an attempt to determine insurance coverage, the result showed that the majority of respondents do not have any type of insurance (98.8%). It is also worth noting that the largest percentage of the sample that adopts medical insurance for employees is in medium-sized institutions (14.3%), and it was not noted that vehicle insurance was not used by any MSME (Table 7.4 A).

Table (7.4 A): Insurance Coverage by size of Enterprise

Type of insurance	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Do not have any insurance	1992	98.8	1860	99.2	121	95.3	11	78.6
Workers compensation insurance	16	0.8	10	0.5	5	3.9	1	7.1
Medical insurance for staff	6	0.3	4	0.2	0	0.0	2	14.3
Property insurance	2	0.1	1	0.1	1	0.8	0	0.0
Vehicle insurance	0	0.0	0	0.0	0	0.0	0	0.0
Total	2016	100	1875	100	127	100	14	100

7.5 Form of Ownership Structure

The type of institutional ownership was determined in the survey, and the majority of enterprises had sole ownership (85%). This percentage decreases according to the size of the enterprise (Table 7.5 A):

- 86.5 % Micro
- 64.6 % Small
- 64.3 % Medium

The form of business ownership according to the business sector was as follows (Table 7.5 B):

- Sole ownership: 31.4% of wholesale and retail trade, and 16.8% of transport and storage.
- Partnership: 32.5% of wholesale and retail trade, 17.8% of agriculture and fishing.
- Shareholders: 29.4% of wholesale and retail trade, and 29.4% of agriculture and fishing.

Table (7.5 A): Ownership Structure of the Business by the Size of Enterprise

Ownership Structure	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Sole ownership	1713	85.0	1622	86.5	82	64.6	9	64.3
Partnership	286	14.2	238	12.7	43	33.9	5	35.7
Shareholders	17	0.8	15	0.8	2	1.6	0	0.0
Total	2016	100	1875	100	127	100	14	100

Table (7.5 B): Business Structure by Business Sector

Business sector	Sole ownership		Partnership		Shareholders	
	No.	%	No.	%	No.	%
Wholesale and retail trade	538	31.4	93	32.5	5	29.4
Transportation and storage	288	16.8	24	8.4	2	11.8
Agriculture and fishing	251	14.7	51	17.8	5	29.4
Technical Professional (hairdresser, technician, .)	219	12.8	17	5.9	2	11.8
Building and construction works	108	6.3	20	7.0	1	5.9
Food Industry	99	5.8	21	7.3	2	11.8
Car and motorcycle repair and maintenance	34	2.0	7	2.4	0	0.0
Metal Products Industry	27	1.6	11	3.8	0	0.0
Accommodation, restaurant and hotel services activities	27	1.6	10	3.5	0	0.0
craft work	33	1.9	3	1.0	0	0.0
Repair of equipment, machinery and equipment	27	1.6	4	1.4	0	0.0
real estate activities	14	0.8	9	3.1	0	0.0
Industry of electrical and electronic equipment and components	8	0.5	2	0.7	0	0.0
Administrative and support services activities	4	0.2	1	0.3	0	0.0
Arts, entertainment and recreation activities	1	0.1	0	0.0	0	0.0
Education and training activities	1	0.1	1	0.3	0	0.0
Energy - generator owners	2	0.1	1	0.3	0	0.0
Financial and insurance activities	3	0.2	1	0.3	0	0.0
Gas stations	0	0.0	1	0.3	0	0.0
Human health and social work activities	12	0.7	5	1.7	0	0.0
Mining, quarrying and quarrying	3	0.2	1	0.3	0	0.0
Professional (doctor, lawyer, engineer)	8	0.5	2	0.7	0	0.0
Scientific and artistic activities	3	0.2	0	0.0	0	0.0
Water supply, sanitation, waste management and treatment activities	3	0.2	1	0.3	0	0.0
Total	1713	100	286	100	17	100

7.6 Previous Activities of Business Owners

When inquiring about the previous activities of MSME business owners, the answers were as follows Table (7.6 A) based on the survey sample:

- 29% were working independently in the same sector.
- 25.5% were working independently in a different sector.
- 16% students.
- 12.5% unemployed.

Based on respondents (Table 7.6 B) the main sectors were: building and construction 22.2%, the public sector 19.3%, agriculture and fishing 10.4% (the total respondents was 857, with 1,159 non-respondents).

Table (7.6 A): Prior Activities of Owners by size of enterprise

Previous work	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Independently working in same sector	584	29	529	28.2	44	34.6	11	78.6
Independently working in different sector	515	25.5	494	26.3	20	15.7	1	7.1%
Student	323	16	298	15.9	24	18.9	1	7.1
Unemployed	253	12.5	236	12.6	17	13.4	0	0.0
Employed in public sector	170	8.4	161	8.6	9	7.1	0	0.0
Employed in private sector	154	7.6	140	7.5	13	10.2	1	7.1
Other	17	0.8	17	0.9	0	0.0	0	0.0
Total	2016	100	1875	100	127	100	14	100

Table (7.6 B): Previous Activities of Business Owners According to Business Activity by MSME size

Business Sector	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Construction	190	22.2	182	22.4	8	19.0	0	0
Public sector	165	19.3	156	19.2	9	21.4	0	0
Agriculture and fishing	89	10.4	85	10.5	4	9.5	0	0
Wholesale and retail trade	86	10.0	79	9.7	5	11.9	2	1
Transportation and storage	55	6.4	51	6.3	4	9.5	0	0
Administrative and support services activities	47	5.5	45	5.5	2	4.8	0	0
Craft work	41	4.8	38	4.7	3	7.1	0	0
Other services	184	21.5	177	21.8	7	16.7	0	0
Total	857	100	813	100	42	100	2	100

Closed Enterprises

The data on the closure of enterprises helps determine the degree of business continuity in the context of the factors affecting the work environment. 857 respondents reported the question related to the state of the enterprise/ organization in which they were working as follows (Table 7.6 C):

67.2% - Did not close
20.3% - Employment was terminated
12.5% - Closed

Concerning the governorates, the largest number of enterprise that closed was Erbil (47), followed by Duhok (36) and Sulaymaniyah (23) (Table 7.6 D).

Table (7.6 C): Status of the Previous Enterprise According to Size

Status of previous institutions	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Did not close	576	67.2	545	67.0	30	71.4	1	50
Employment was terminated	174	20.3	166	20.4	8	19.0	0	0.
Closed	107	12.5	102	12.5	4	9.5	1	50
Total	857	100	813	100	42	100	2	100

Table (7.6 D): Status of Previous Enterprise by governorate

Status of previous institutions	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
	No.	%	No.	%	No.	%	No.	%	No.	%
Did not close	576	67.2	180	57.3	182	73.4	6	66.7	208	72.7
Employment was terminated	174	20.3	87	27.7	43	17.3	2	22.2	42	14.7
Closed	107	12.5	47	15.0	23	9.3	1	11.1	36	12.6
Total	857	100	314	100	248	100	9	100	286	100

The Reason for Closure of Previous Enterprises

The survey inquired about the reasons for any closures, and the main reasons were Table (7.6 E), Table (7.6 F), Figure (7.6 A):

- **Financial constraint:** 31.7% (the highest percentage was in Erbil 38.8%, and the lowest in Duhok 20%).
- **Low market demand:** 28.3% (the highest percentage was in Duhok 42.2%, and the lowest percentage in Erbil 18.4%).

Table (7.6 E): Reason for Closure of Previous Enterprise

Reason	Total	
	No.	%
Financial constraint	38	31.7
Low market demand	34	28.3
Bankruptcy	23	19.2
Security problems	10	8.3
COVID-19	5	4.2
Strong competition	3	2.5
Internal displacement	2	1.7
other	5	4.2
Total	120	100

Table (7.6 F): Status of Previous Institutions by Governorate

Reason	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
	No.	%	No.	%	No.	%	No.	%	No.	%
Financial constraint	38	31.7	19	38.8	9	36.0	1	100	9	20.0
Low market demand	34	28.3	9	18.4	6	24.0	0	0.0	19	42.2
Bankruptcy	23	19.2	15	30.6	4	16.0	0	0.0	4	8.9
Security problems	10	8.3	2	4.1	2	8.0	0	0.0	6	13.3
COVID-19	5	4.2	2	4.1	0	0.0	0	0.0	3	6.7
Strong competition	3	2.5	1	2.0	2	8.0	0	0.0	0	0.0
Internal displacement	2	1.7	1	2.0	1	4.0	0	0.0	0	0.0
other	5	4.2	0	0.0	1	4.0	0	0.0	4	8.9
Total	120	100	49	100	25	100	1	100	45	100

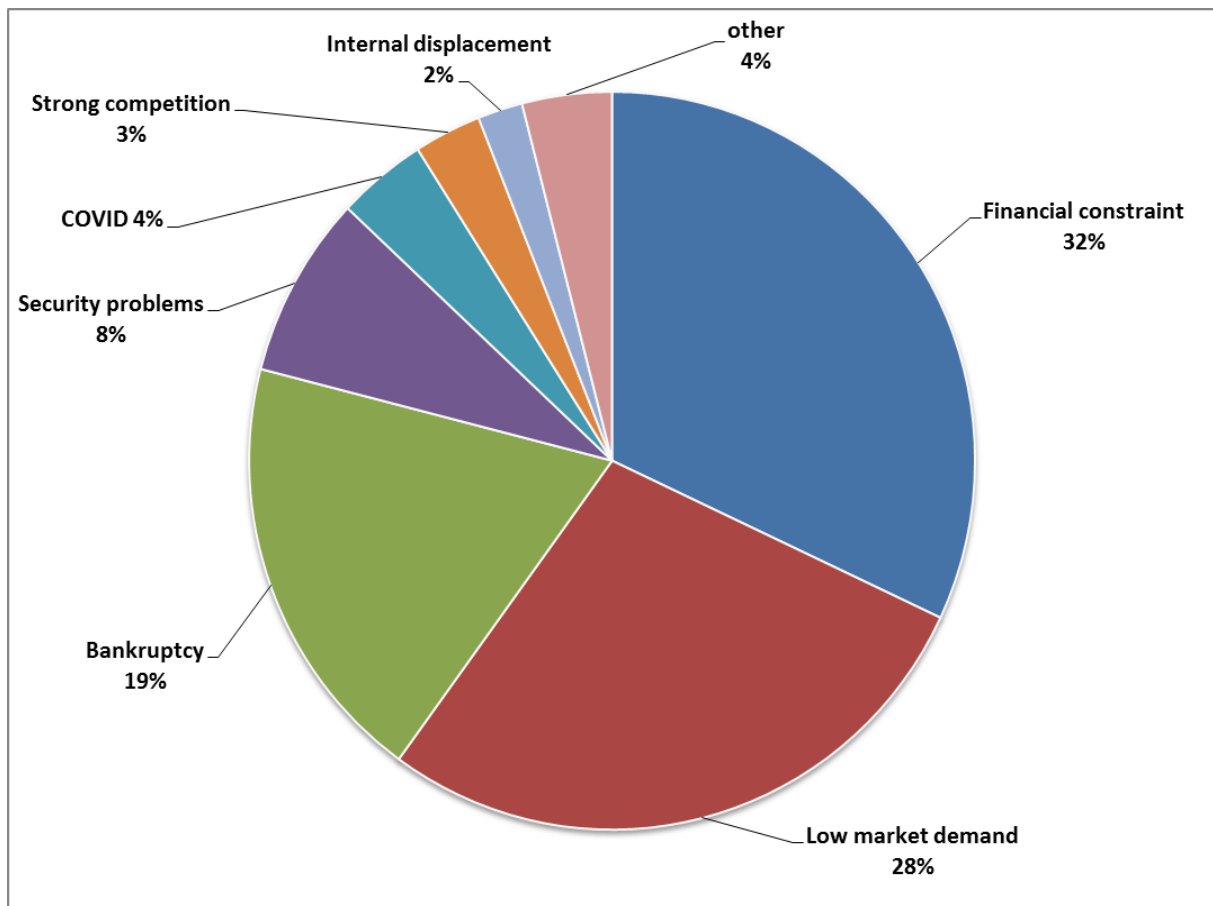


Figure (7.6 A): Reason for Closure of Previous Enterprises

7.7 Doing Business in Iraq - World Bank Report 2020

A recent report by the World Bank Group on doing business in Iraq-2020, shows the ranking of Iraq position in terms of the business environment among 190 countries (Table 7.7 A):

Table (7.7 A): Iraq's 'Doing Business' ranking (from 190 countries)

Subject	Rank	Result
1. Establishing a facility	154	77.3
2. Obtaining building permits	103	67.7
3. Getting electricity	131	61.9
4. Ownership registration	121	57.3
5. Getting credit	186	0.0
6. Protecting Minority Investors	111	46.0
7. Paying taxes	131	63.5
8. Trade across borders	181	25.3
9. Enforcement of contracts	147	48.0
10. Solve the problem of bankruptcy	168	0.0

Source: World Bank 'Doing Business' report 2020

As for a comparison with previous periods; the table below illustrates a comparison of business classification in Iraq for 2020, 2015, 2010 - according to the World Bank Group (Table 7.7 B);

Rate of Change by Rank

Table (7.7 B): Business Classification Comparison in Iraq for 2020, 2015, 2010

Subject	2020		Rank Change (2015-2020)	2015		Rank Change (2010-2015)	2010	
	Rank	Result		Rank	Result		Rank	Result
1. Establishing a facility	154	77.3	-12	142	74	-33	175	n/a
2. Obtaining building permits	103	67.7	-94	9	86.7	+85	94	n/a
3. Getting electricity	131	61.9	-95	36	84.9	n/a	-	n/a
4. Ownership registration	121	57.3	-12	109	62.6	-56	53	n/a
5. Getting credit	186	0.0	-6	180	5	-13	167	n/a
6. Protecting Minority Investors	111	46.0	+35	146	42.5	-27	119	n/a
7. Paying taxes	131	63.5	-79	52	80	-27	53	n/a
8. Trade across borders	181	25.3	-3	178	20.5	+2	180	n/a
9. Enforcement of contracts	147	48.0	-6	141	47.3	-2	139	n/a
10. Solve the problem of bankruptcy	168	0.0	+21	189	0.0	-6	183	n/a

Source: World Bank 2010, 2015 and 2020.

Business environment reforms in Iraq

The World Bank's Business Activity Report 2020 states the following:

From May 2, 2018 to May 1, 2019, 115 countries implemented 294 business regulatory reforms across the 10 areas measured by the 'Doing Business' index. These reforms inspired by Doing Business have been implemented in all regions. Below are the reforms implemented in Iraq since Doing Business 2008:

- **Registering a Business:** Facilitating the procedures for starting a business by combining multiple registration procedures and reducing the time required to register companies.
- **Getting credit:** Iraq has improved access to credit information by launching a new credit registry.
- **Building Permits:** Facilitating the process of handling building permits by allowing simultaneous processing of center permits and building permit applications.
- **Obtaining electricity services:** The Ministry of Electricity has accelerated the process of obtaining electricity services by regulating the dates for obtaining electricity services.
- **Starting a business:** It has become more expensive to start a business in Iraq, due to the increased cost of obtaining a name reservation certificate, and the cost of lawyers to prepare a draft 'Memorandum of Association' for enterprises.

8. Employment and Human Resources

The instability of the labor market and the persistently high unemployment rates have negatively affected all aspects of social and economic life in KRI, as their impact is not limited to the workforce only, but also affect many groups of the society through their association with the production process.

The employment and human resources part of the survey aimed to provide data on:

- Enterprises Classification and Staffing
- Employees of MSMEs, gender, and age groups
- MSMEs' Business activities
- Type of jobs
- Sources and channels for recruitment
- training of employees
- Enterprises Organization and Management

8.1 Enterprises Classification and Staffing

The total number of respondents in the sample were 2016 respondents, distributed by gender into 1747 males (87%) and 269 females (13%).

The informal enterprises (not registered at any entity) form the majority of the sample 1205 enterprises representing (59.8%), whereas formal enterprises (registered in at least in one entity) 811 enterprises (40.2%). The captured data were distributed as follows (Tables 8.1 A) and chart (8.1 A).

Table (8.1 A): Enterprises Registration Status by Size

Enterprises Registration Status	Total		Micro		Small		Medium	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Not Registered	1205	59.8%	1136	60.6%	62	48.8%	7	50%
Registered	811	40.2%	739	39.4%	65	51.2%	7	50%
Total	2016	100%	1875	100%	127	100%	14	100%

The employment distribution by gender showed a very high gender imbalance:

The total number of employees in the sample was 3812 employees of whom 3313 were males representing (86.9%). The number of female employees was 499 employees (13.1%). The captured data were distributed as follows (Tables 8.1 B).

The average number of employees in the sample was 1.89. Note: The average number of employees in the sample is the total number of employees in the sample 3812 over the total sample's respondents 2016.

- Average number of workers in small enterprises (1.58)
- Average number of workers in small enterprises (5.1)
- Average number of employees in medium enterprises (12.85)

Table (8.1 B): Number of Employees in the Sample by Gender and Enterprise Size

Enterprise Size	Total	Total No. of Employees		Male		Female	
		No.	%	No.	%	No.	%
Micro	1875	2976	78.1%	2603	68.3%	373	9.8%
Small	127	656	17.2%	576	15.1%	80	2.1%
Medium	14	180	4.7%	134	3.5%	46	1.2%
Total	2016	3812	100%	3313	86.9%	499	13.1%

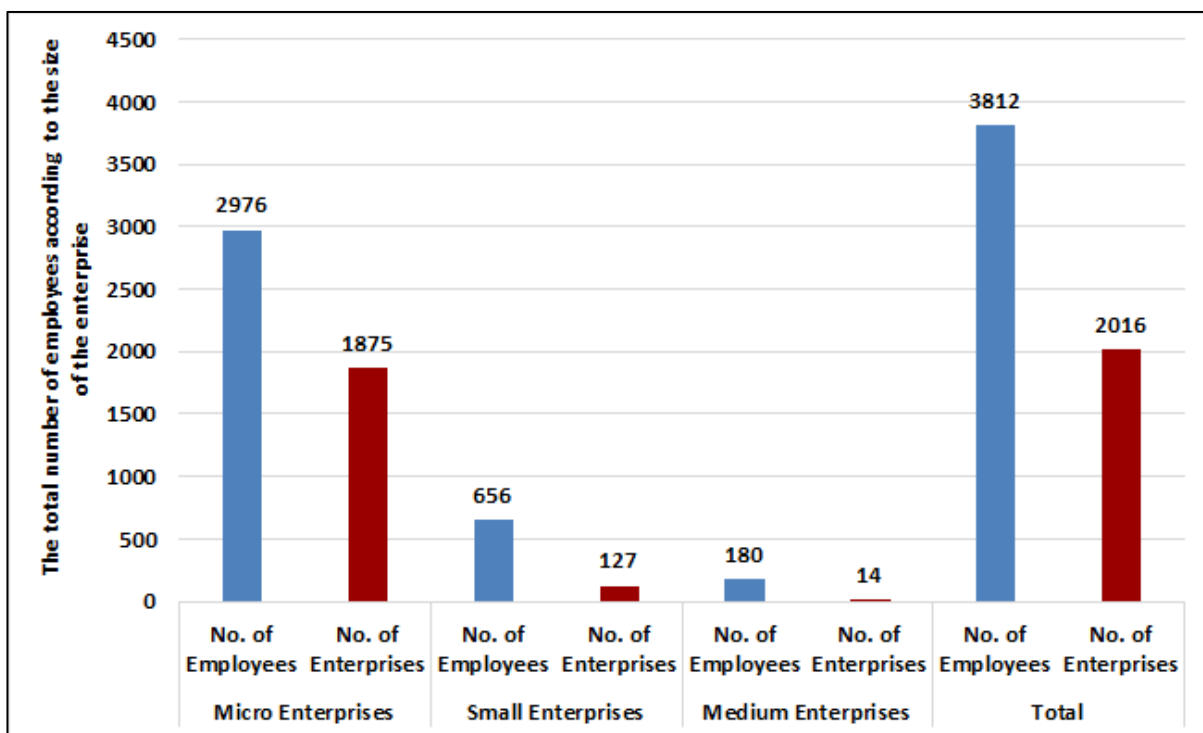


Figure (8.1 A): Distribution of Enterprises and Employees by Size of enterprise

Comparing the present survey with the MSMEs Survey in the Governorates of Baghdad, Basra and Nineveh (2020 - 2021), and the ILO survey of 2011, the results do not differ significantly. The captured data were distributed as follows (Table 8.1 C):

Table (8.1 C): Comparison of the current study with the MSME Survey in The Governorates of Baghdad, Basra and Nineveh (2020 - 2021) and the 2011 ILO survey

Enterprises Employment by Gender					
Survey	Total	Male		Female	
		No.	%	No.	%
MSMEs Survey (Erbil, Sulaymaniyah, Duhok) (2021-2022)	2016	1747	86.7%	269	13.3%
MSMEs Survey (Baghdad, Nineveh, Basra) (2020-2021)	2017	1915	94.9%	102	5.1%
ILO Survey (2011 – 2012)*	4533	4388	96.8%	145	3.2%

* Source: ILO – CCC (2011, 2012).

The current survey showed that the majority of the employees were concentrated in the micro enterprises with 2976 employees forming (78.1%), and distributed as follows (Tables 8.1D, 8.1E, 8.1F):

- Males, with 2,603 employees, or 68.3%
- Females, with 373 female employees, or 9.8%

Table (8.1 D): Number of Employees in the Sample by size of enterprise

Enterprise Size	Total Enterprises	Total No. of Employees		Male		Female	
		Total	%	Total	%	Total	%
Micro	1875	2976	78.1 %	2603	68.3%	373	9.8%
Small	127	656	17.2%	576	15.1%	80	2.1%
Medium	14	180	4.7%	134	3.5%	46	1.2%
Total	2016	3812	100%	3313	86.9%	499	13.1%

Table (8.1 E): Number of Employees in Micro Enterprises

No. of Employees	Micro Enterprises			Total No. of Employees			
	Total Enterprises	Total No. of Employees	%	Male		Female	
1	1082	1082	36.4%	916	30.8%	166	5.6%
2	485	970	32.6%	848	28.5%	122	4.1%
3	308	924	31.0%	839	28.2%	85	2.9%
Total	1875	2976	100%	2603	87.5%	373	12.5%

Table (8.1 F): Number of Employees in Small Enterprises

No. of Employees	Small Enterprises			Total No. of Employees			
	Total Enterprises	Total No. of Employees	%	Male		Female	
4	58	232	35.4%	217	33.1%	15	2.3%
5	29	145	22.1%	127	19.4%	18	2.7%
6	18	108	16.5%	96	14.6%	12	1.8%
7	10	70	10.7%	58	8.8%	12	1.8%
8	7	56	8.5%	45	6.9%	11	1.7%
9	5	45	6.9%	33	5.0%	12	1.8%
Total	127	656	100%	576	87.8%	80	12.2%

Table (8.1 G): Number of Employees in Medium Enterprises

No. of Employees	Medium Enterprises			Total No. of Employees			
	Total Enterprises	Total No. of Employees	%	Male		Female	
10	4	40	22.2%	31	17.2%	9	5%
12	5	60	33.3%	48	26.7%	12	6.7%
15	2	30	16.7%	19	10.6%	11	6.1%
16	2	32	17.8%	18	10%	14	7.8%
18	1	18	10%	18	10%	-	-
Total	14	180	100%	134	74.4%	46	25.6%

Table (8.1 H) shows employees distribution based on employment status (full time/ part time) and gender. The results were concentrated in Micro enterprises and distributed as follows:

- 2619 full time employees (2296 Males (60.2%) and 323 Females (8.5%))
- 357 part time employees (307 Males (8.1%) and 50 Females (1.3%))

Table (8.1 I) shows employees distribution based on employment status (full time/ part time) and employees' gender.

Table (8.1 H): Employees Distribution Based On Employment Status

Enterprise Size	Total	Total No. of Employees		Full Time Employees				Part Time Employees			
				Male		Female		Male		Female	
Micro	1875	2976	78.1%	2296	60.2%	323	8.5%	307	8.1%	50	1.3%
Small	127	656	17.2%	495	13.0%	67	1.8%	81	2.1%	13	0.3%
Medium	14	180	4.7%	115	3%	31	0.8%	19	0.5%	15	0.4%
Total	2016	3812	100%	2906	76.2%	421	11%	407	10.7%	78	2%

Table (8.1 I): Employees Distribution Based On Employment Status

Enterprise Size	No. of Employees	Respondents	Total No. of Employees		Full Time Employees				Part Time Employees			
					Male		Female		Male		Female	
Micro	1	1082	1082	28.4%	884	23.2%	150	3.9%	32	0.8%	16	0.4%
	2	485	970	25.4%	718	18.8%	106	2.8%	130	3.4%	16	0.4%
	3	308	924	24.2%	694	18.2%	67	1.8%	145	3.8%	18	0.5%
Small	4	58	232	6.1%	182	4.8%	15	0.4%	35	0.9%	-	-
	5	29	145	3.8%	117	3.1%	13	0.3%	10	0.3%	5	0.1%
	6	18	108	2.8%	78	2.0%	9	0.2%	18	0.5%	3	0.1%
	7	10	70	1.8%	47	1.2%	7	0.2%	11	0.3%	5	0.1%
	8	7	56	1.5%	42	1.1%	11	0.3%	3	0.1%	-	-
	9	5	45	1.2%	29	0.8%	12	0.3%	4	0.1%	-	-
Medium	10	4	40	1%	31	0.8%	5	0.1%	-	-	4	0.1%
	12	5	60	1.6%	33	0.9%	12	0.3%	15	0.4%	-	-
	15	2	30	0.8%	15	0.4%	0	0.0%	4	0.1%	11	0.3%
	16	2	32	0.8%	18	0.5%	14	0.4%	-	-	-	-
	18	1	18	0.5%	18	0.5%	-	-	-	-	-	-
Total		2016	3812	%100	2906	76.2%	421	11.0%	407	10.7%	78	2%

The main labor-force in the sample is concentrated in the informal economy (micro enterprises that consist of 1 employee (the owner), and distributed as follows (Table 8.1J).

Table (8.1 J): Employees Distribution Based On Employment Status

Enterprise Size	No. of Employees	Respondents	Registered				Not Registered			
			Male	Female	Total	%	Male	Female	Total	%
Micro	1	1082	365	16	381	22.8%	551	150	701	32.7%
	2	485	410	34	444	26.6%	438	88	526	24.5%
	3	308	381	27	408	24.5%	458	58	516	24.1%
Small	4	58	110	2	112	6.7%	107	13	120	5.6%
	5	29	70	5	75	4.5%	57	13	70	3.3%
	6	18	61	5	66	4%	35	7	42	2.0%
	7	10	27	8	35	2.1%	31	4	35	1.6%
	8	7	17	7	24	1.4%	28	4	32	1.5%
	9	5	20	7	27	1.6%	13	5	18	0.8%
Medium	10	4	10	0	10	0.6%	21	9	30	1.4%
	12	5	30	6	36	2.2%	18	6	24	1.1%
	15	2	-	-	-	-	19	11	30	1.4%
	16	2	18	14	32	1.9%	-	-	-	-
	18	1	18	0	18	1.1%	-	-	-	-
Total		2016	1537	131	1668	100%	1776	368	2144	100%

The survey showed that the majority of employees were concentrated mainly in Micro enterprises consisting of one employee (the owner):

- Sulaymaniyah governorate with 409 employees (345 males and 64 females) forming (10.7%)
- Erbil Governorate with 382 employees (295 males and 87 females) forming (10%).
- Halabja governorate registered the lowest number of employed personnel with 16 employees (14 males and 2 females) at a rate of (0.4%).

The results were distributed as shown in (Table 8.1 K), and figure (8.1 B).

Note: The percentages were calculated based on the total number of employees in the sample, which are 3812 employees.

Table (8.1 K): Number of Employees Based on Governorates

No. of Employees	Respondents	Total		Erbil				Sulaymaniyah				Halabja				Duhok			
		Male	Female	Male	Female	Total	%	Male	Female	Total	%	Male	Female	Total	%	Male	Female	Total	%
1	1082	916	166	295	87	382	10	345	64	409	10.7	14	2	16	0.4	262	13	275	7.2
2	485	848	122	267	55	322	8.4	319	55	374	9.8	7	1	8	0.2	255	11	266	7
3	308	839	85	236	37	273	7.2	255	36	291	7.6	40	8	48	1.3	308	4	312	8.2
4	58	217	15	110	6	116	3.0	53	7	60	1.6	-	-	-	-	54	2	56	1.5
5	29	127	18	45	5	50	1.3	45	10	55	1.4	5	-	5	0.1	32	3	35	0.9
6	18	96	12	41	1	42	1.1	49	11	60	1.6	-	-	-	-	6	0	6	0.2
7	10	58	12	21	-	21	0.6	15	6	21	0.6	1	6	7	0.2	21	0	21	0.6
8	7	45	11	-	-	-	-	17	7	24	0.6	-	-	-	-	28	4	32	0.8
9	5	33	12	-	-	-	-	11	7	18	0.5	-	-	-	-	22	5	27	0.7
10	4	31	9	-	-	-	-	-	-	-	-	-	-	-	-	31	9	40	1
12	5	48	12	12	-	12	-	18	6	24	0.6	-	-	-	-	18	6	24	0.6
15	2	19	11	-	-	-	-	-	-	-	-	10	5	15	0.4	9	6	15	0.4
16	2	18	14	-	-	-	-	-	-	-	-	3	13	16	0.4	15	1	16	0.4
18	1	18	0	-	-	-	-	18	0	18	0.5	-	-	-	-	-	-	-	-
Total	2016	3313	499	1027	191	1218	32	1145	209	1354	35.5	80	35	115	3	1061	64	1125	29.5

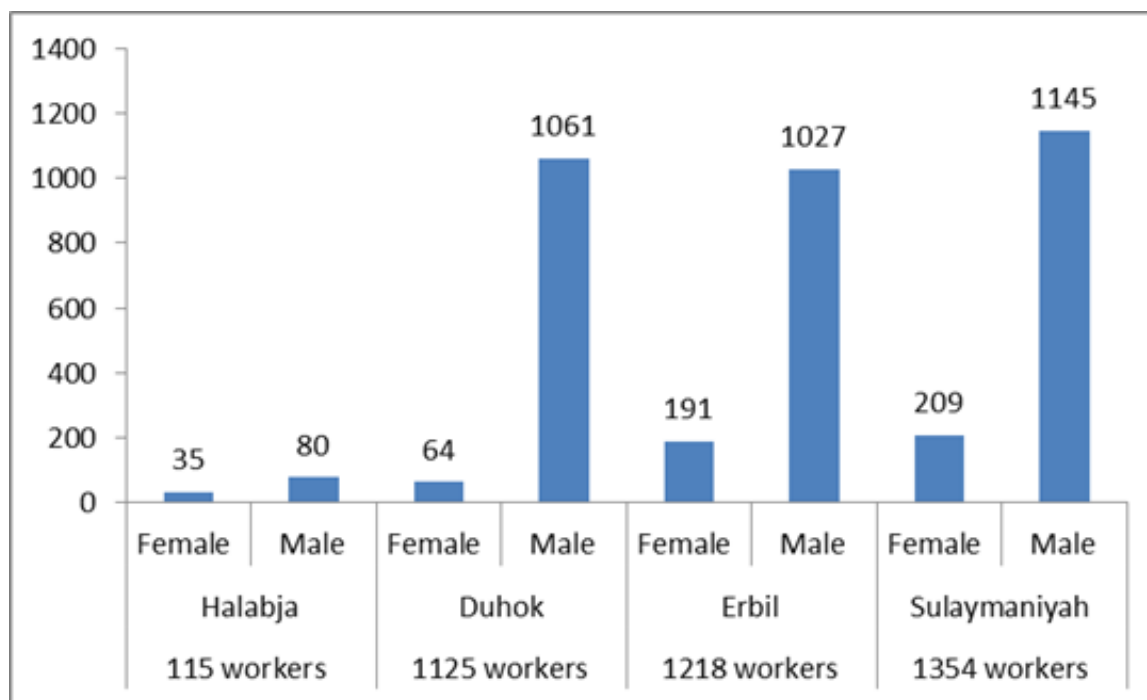


Figure (8.1 B): Number of Employees Based on Governorates

Staff Distribution for the Years (2017 - 2018 - 2019 - 2020 - 2021)

The survey showed that the labor force in MSMEs decreased in 2018 and recorded negative (4%); to rise in 2019 and register (5%). However, COVID 19 pandemic in 2020 did not have a heavy impact on employment rates and recorded a decrease of only (1%) to record (4%). In 2021, the labor force registered a remarkable improvement to register (8%). Labor force distribution over the past 5 years were as follows (Tables 3.1 L, 3.1 M, and Figure 3.1 C).

Table (8.1 L): Number of Employees (2017, 2018, 2019, 2020, 2021)

2017	2018	2019	2020	2021
Total No. of Employees	Total No. of Employees	Total No. of Employees	Total No. of Employees	Total No. of Employees
3403	3254	3413	3533	3812

Table (8.1 M): Percentage Change over the Last Four Years

% Variation 2017 - 2018	% Variation 2018 - 2019	% Variation 2019 - 2020	% Variation 2020 - 2021
-4%	5%	4%	8%

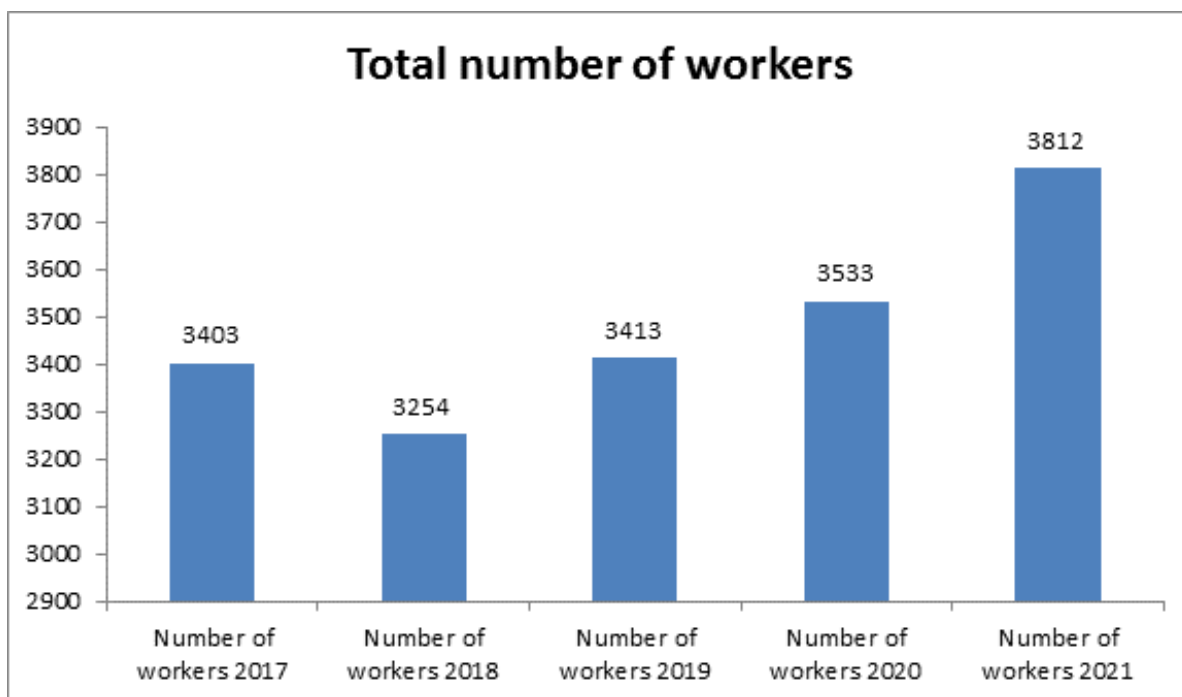


Figure (8.1 C): Number of Employees (2017, 2018, 2019, 2020, 2021)

Employees Rotation in 2020 – 2021

The survey showed that the majority of enterprises (1981 enterprises with a rate 98.3%) retained their employees, and only (1%) of the enterprises stated that they discharged only 1 employee. It should be noted that the total number of discharged employees in 2020 - 2021 were 55 employees (1.4%) of the current labor force in the sample (Table 3.1 N).

Table (8.1 N): Discharged Employees in 2020 - 2021

No. of Discharged Employees	No. of Micro Enterprises	No. of Small Enterprises	No. of Medium Enterprises	No. Enterprise	Total No. of Discharged Employees	% of Discharged Employees
0	1846	121	14	1981	0	98.3
1	19	1	0	20	20	1
2	6	4	0	10	20	0.5
3	4	1	0	5	15	0.2
Total	1875	127	14	2016	55	100

The highest percentage of Discharged employees was concentrated in the wholesale and retail trade sectors, with 15 discharged employees (27.3%), and the Electricity and gas supply sector, with 9 discharged employees (16.4%) (Table 8.1 O).

Table (8.1 O): Discharged Employees in 2020 – 2021 based on Business Sectors

Business Activities	Discharged Employees	
Trade	15	27.3%
Construction	9	16.4%
Food industry	5	9.1%
Professional (Doctor, Layer, Engineer)	5	9.1%
Artisanal Work	4	7.3%
Manufacturing of metal products	4	7.3%
Repair of motor vehicles & motorcycles	4	7.3%
Hospitality	3	5.5%
Agriculture and Fishery	3	5.5%
Energy Supply	2	3.6%
Transportation and Storage	1	1.8%
Total	55	100%

Erbil Governorate recorded the highest percentage in the number of discharged employees, with the number of 26 discharged employees and a rate of (47.3%) (Table 8.1 P).

Table (8.1 P): Discharged Employees in 2020 - 2021 based on Governorates

Discharged Employees	Total	Erbil	Sulaymaniyah	Halabja	Duhok
Distribution of Discharged Employees	55	26	15	-	14
	100%	47.3%	27.3%	-	25.5%

Employees Recruitment in 2020 – 2021

The survey showed that the majority of enterprises (96.9%) did not recruit any employees in 2020 - 2021, and (2%) stated that they recruited only 1 employee. It should be noted that the total number of recruited employees in 2020 - 2021 were 94 employees (Table 3.1 Q).

Table (8.1 Q): Recruited Employees in 2020-2021

No. of Recruited Employees	Micro	Small	Medium	Total number of enterprises	Total No. of Recruited Employees	%of Recruited Employees
0	1830	111	12	1953	0	96.9%
1	37	3	1	41	41	2%
2	7	8	0	15	30	0.7%
3	1	4	0	5	15	0.2%
4	0	1	1	2	8	0.1%
Total	1875	127	14	2016	94	100%

Recruited employees were distributed among; wholesale and retail trade sectors 21 employees (22.3%), Accommodation & food service Activities 13 employees (13.8%), Construction 12 employees (12.8%), and Professional (Doctor, Layer, Engineer)11 employees (11.7%) (Table 8.1 R).

Table (8.1R): Recruited Employees in 2020-2021 based on Business Sector

Business Activities	Recruited Employees	
	No.	%
Trade	21	22.3%
Hospitality	13	13.8%
Construction	12	12.8%
Professional (Doctor, Layer, Engineer)	11	11.7%
Agriculture and Fishery	9	9.6%
Manufacturing of metal products	8	8.5%
Repair of motor vehicles & motorcycles	7	7.4%
Manufacturing of metal products	6	6.4%
Transportation and Storage	3	3.2%
Energy Supply	2	2.1%
Gas stations	1	1.1%
Administrative & support service activities	1	1.1%
Total	94	100%

The governorates of Erbil and Sulaymaniyah were equal in the number of employed employees at a rate of (42.6%) and with the number of 40 certain employees (Table 8.1 S).

Table (8.1 S): Recruited Employees in 2020-2021 based on Governorates

No. of Recruited Employees	Total	Erbil	Sulaymaniyah	Halabja	Duhok
Total No. of Recruited Employees	94	40	40	2	12
	100%	42.6%	42.6%	2.1%	12.8%

MSMEs' Staff Education

The question pertaining to provision of training was directed to small and medium size enterprises with 4 to 29 employees (141 enterprises of which 127 Small enterprises and 14 Medium size enterprises, employing 836 employees). The data were distributed as shown in (Table 3.1 T), and the result was concentrated as follows:

- Secondary/ Intermediate Education, 417 employees (49.9%)
- No formal education, 269 employees (32.2%)

Table (8.1 T): Employees' Education level

Education Level	Number of employees		Small		Medium	
	No.	%	No.	%	No.	%
Secondary/ Intermediate	417	49.9%	346	52.7%	71	39.4%
No Formal Education	269	32.2%	184	28%	85	47.2%
University Degrees	82	9.8%	69	10.5%	13	7.2%
Technical School Certificates	61	7.3%	53	8.1%	8	4.4%
Training Center Certificates	7	0.8%	4	0.6%	3	1.7%
Total	836	100%	656	100%	180	100%

Tables (8.1 U) and (8.1 V) show Employees' education level distribution by business activities. The results show the following:

Only School education (Secondary/intermediate)

- Agriculture, forestry & fishing, 102 employees (41%)
- Wholesale & retail trade, 94 employees (67.6%)
- Construction, 68 employees (52.7%)

No Formal Education

- Agriculture, forestry & fishing, 114 employees (45.8%)
- Construction, 40 employees (31%)
- Food industry, 37 employees (32.7%)

University degrees

- Agriculture, forestry & fishing, 17 employees (6.8%)
- Wholesale & retail trade, 15 employees (10.8%)
- Construction, 11 employees (8.5%)

Technical school certificates

- Agriculture, forestry & fishing, 14 employees (5.6%)
- Wholesale & retail trade, 11 employees (7.9%)
- Construction, 10 employees (7.8%)

Table (8.1 U): Employees' Education level based on Business Activities

Business Activity	Total		School education (Secondary/intermediate)		No formal education		University degrees		Technical school certificates		Training center certificates	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture, forestry & fishing	249		102	41	114	45.8	17	6.8	14	5.6	2	0.8
Wholesale & retail trade	139		94	67.6	19	13.7	15	10.8	11	7.9	-	-
Construction	129		68	52.7	40	31%	11	8.5	10	7.8	-	-
Food industry	113		56	49.6	37	32.7	7	6.2	12	10.6	1	0.9
Accommodation & food service activities	66		34	51.5	19	28.8	9	13.6	4	6.1	-	-
Manufacturing of metal products	39		14	35.9	16	41	6	15.4	3	7.7	-	-
Transportation & storage	18		8	44.4	8	44.4	2	11.2	-	-	-	-
Gas station	18		12	66.7	2	11.1	3	16.6	1	5.6	-	-
Repair of equipment, machinery and	17		9	52.9	-	-	7	41.2	1	5.9	-	-
Technician (hairdresser, Technician...)	12		5	41.5	7	58.5	-	-	-	-	-	-
Repair of motor vehicles & motorcycles	10		9	90	1	10	-	-	-	-	-	-
Artisanal works	9		4	44.4	1	11.1	1	11.2	2	22.2	1	11.1
Manufacturing of Electrical and electronic equipment	7		-	-	4	57.1	-	-	2	28.6	1	14.3
Education & training	4		1	25	-	-	-	-	1	25	2	50
Human health & social work activities	5		-	-	1	20	4	80	-	-	-	-
Professional (Doctor, Layer, Engineer)	1		1	100	-	-	-	-	-	-	-	-
Total	836	100%	417	49.9	269	32.2	82	9.8	61	7.3	7	0.8

Table (8.1 V): Employees' Education Level Based on Business Activities

Business Activity	Total		School education (Secondary/ Intermediate)		No formal education		University degrees		Technical school certificates		Training center certificates	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture, forestry & fishing	249	29.8	102	24.5	114	42.4	17	20.7	14	23	2	28.6
Wholesale & retail trade	139	16.6	94	22.5	19	7.1	15	18.3	11	18	-	-
Construction	129	15.4	68	16.3	40	14.9	11	13.4	10	16.4	-	-
Food industry	113	13.5	56	13.4	37	13.8	7	8.5	12	19.7	1	14.3
Accommodation & food service activities	66	7.9	34	8.2	19	7.1	9	11	4	6.6	-	-
Manufacturing of metal products	39	4.7	14	3.4	16	5.9	6	7.3	3	4.9	-	-
Transportation & storage	18	2.2	8	1.9	8	3	2	2.4	-	-	-	-
Gas station	18	2.2	12	2.9	2	0.7	3	3.7	1	1.6	-	-
Repair of equipment, machinery and	17	2	9	2.2	-	-	7	8.5	1	1.6	-	-
Technician (hairdresser, Technician...)	12	1.4	5	1.2	7	2.6	-	-	-	-	-	-
Repair of motor vehicles & motorcycles	10	1.2	9	2.2	1	0.4	-	-	-	-	-	-
Artisanal works	9	1.1	4	1	1	0.4	1	1.2	2	3.3	1	14.3
Manufacturing of Electrical and electronic equipment	7	0.8	-	-	4	1.5	-	-	2	3.3	1	14.3
Education & training	4	0.5	1	0.2	-	-	-	-	1	1.6	2	28.6
Human health & social work activities	5	0.6	-	-	1	0.4	4	4.9	-	-	-	-
Professional (Doctor, Layer, Engineer)	1	0.1	1	0.2	-	-	-	-	-	-	-	-
Total	836	100	417	100	269	100	82	100	61	100	7	100

8.2 Employees Age

Table (8.2 A) shows the distribution of employees by size of firm and age group. The results show:

Micro Enterprises that consist of 1 employee (the owner)

- 359 employees (273 males and 81 females) are from 35 to 44 years old, (33.2%)
- 256 employees (221 males and 35 females) are from 25 to 34 years old representing (23.6%).

Small Enterprises that consist of 2 employees

- 270 (232 employees and 38 employees) are from 35 to 44 years old, (27.2%)
- 250 employees (214 males and 36 females) are form 45 to 54 years, (25.8%)

Table (8.2 A): Employees Distribution by Gender and Age Group

No. of Employees	Respondents	Total		Total No. of Employees	15 - 17		18 - 24		25 - 34		35 - 44		45 - 54		55 - 64		+65	
		Male	Female		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1	1082	916	166	1082	5	1	64	5	221	35	278	81	215	28	82	9	51	7
					0.5%	0.1%	5.9%	0.5%	20.4%	3.2%	25.7%	7.5%	19.9%	2.6%	7.6%	0.8%	4.7%	0.6%
2	485	848	122	970	6	-	76	4	180	24	232	38	214	36	101	15	39	5
					0.6%	-	7.8%	0.4%	18.6%	2.5%	23.9%	3.9%	22.1%	3.7%	10.4%	1.5%	4.0%	0.5%
3	308	839	85	924	-	-	40	2	200	19	219	18	214	26	131	16	35	4
					-	-	4.3%	0.2%	21.6%	2.1%	23.7%	1.9%	23.2%	2.8%	14.2%	1.7%	3.8%	0.4%
4	58	217	15	232	4	-	24	-	33	7	75	1	51	5	22	2	8	0
					1.7%	-	10.3%	-	14.2%	3.0%	32.3%	0.4%	22.0%	2.2%	9.5%	0.9%	3.4%	0.0%
5	29	127	18	145	-	-	5	-	8	2	53	2	28	7	22	3	11	4
					-	-	3.4%	-	5.5%	1.4%	36.6%	1.4%	19.3%	4.8%	15.2%	2.1%	7.6%	2.8%
6	18	96	12	108	-	-	6	-	30	-	28	2	12	6	14	4	6	-
					-	-	5.6%	-	27.8%	-	25.9%	1.9%	11.1%	5.6%	13%	3.7%	5.6%	-
7	10	58	12	70	-	-	-	-	14	-	8	6	12	2	12	2	12	2
					-	-	-	-	20%	-	11.4%	8.6%	17.1%	2.9%	17.1%	2.9%	17.1%	2.9%
8	7	45	11	56	-	-	-	-	24	-	5	11	16	-	-	-	-	-
					-	-	-	-	42.9%	-	8.9%	19.6%	28.6%	-	-	-	-	-
9	5	33	12	45	-	-	-	-	2	7	13	5	18	-	-	-	-	-
					-	-	-	-	4.4%	15.6%	28.9%	11.1%	40%	-	-	-	-	
10	4	31	9	40	-	-	5	5	6	4	-	-	20	-	-	-	-	-
					-	-	12.5%	12.5%	15%	10%	-	-	50%	-	-	-	-	
12	5	48	12	60	-	-	-	-	-	-	12	0	6	6	30	6	-	-
					-	-	-	-	-	-	20%	-	10%	10%	50%	10%	-	-
15	2	19	11	30	-	-	-	-	-	-	-	-	9	6	10	5	-	-
					-	-	-	-	-	-	-	-	30%	20%	33.3%	16.7%	-	-

16	2	18	14	32	-	-	-	-	-	-	-	-	18	14	-	-	-	-
					-	-	-	-	-	-	-	-	56.3%	43.8%	-	-	-	-
18	1	18	0	18	-	-	-	-	-	-	-	-	18	-	-	-	-	-
					-	-	-	-	-	-	-	-	100%	-	-	-	-	-
Total	2016	331 3	499	3812	15	1	220	16	718	98	923	164	851	136	424	62	162	22

8.3 Business Activities

Business activities (2016 respondents, making up 3,812 employees) were distributed among commercial, service, and production activities. Tables (8.3 A) and (8.3 B) shows the distribution of enterprises by business activity and size of firm. The results show:

Wholesale & retail trade, 1080 employees (28.3%)

- Micro enterprises, 941 employees (87.1%)
- Small enterprises, 111 employees (10.3%)

Agriculture, forestry & fishing, 821 employees (21.5%)

- Micro enterprises, 572 employees (69.7%)
- Small enterprises, 177 employees (21.6%)

Construction, 365 employees (9.6%)

- Micro enterprises, 236 employees (64.7%)
- Small enterprises, 129 employees (35.3%)

Segregated data of enterprises by business activity, governorate and size of firm are shown in (Table 8.3 C). The main results were distributed as follow:

Wholesale & retail trade

- **Erbil Governorate**, 371 employees – micro enterprises 338 employees (31.3%), and small enterprises 33 employees (3.3%).
- **Sulaymaniyah Governorate**, 411 employees – micro enterprises 360 employees (33.3%), small enterprises 39 employees (3.6%), and Medium enterprises 12 employees (1.1%).
- **Duhok Governorate**, 283 employees – micro enterprises 228 employees (21.1%), small enterprises 39 employees (3.6%), and Medium enterprises 16 employees (1.5%).

Agriculture, forestry & fishing

- **Erbil Governorate**, 144 employees – micro enterprises 88 employees (10.7%), and small enterprises 56 employees (6.8%).
- **Sulaymaniyah Governorate**, 314 employees – micro enterprises 246 employees (30%), small enterprises 68 employees (8.3%).
- **Duhok Governorate**, 302 employees – micro enterprises 197 employees (24%), small enterprises 48 employees (5.8%), and Medium enterprises 57 employees (6.9%).

Construction

- **Erbil Governorate**, 109 employees – micro enterprises 71 employees (19.5%), and small enterprises 38 employees (10.4%).
- **Sulaymaniyah Governorate**, 108 employees – micro enterprises 69 employees (18.9%), small enterprises 39 employees (10.7%).
- **Duhok Governorate**, 148 employees – micro enterprises 96 employees (26.3%), small enterprises 52 employees (14.2%).

Table (8.3 A): Labor Force distribution based on Business Activities

Business Activity	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Wholesale & retail trade	1080	28.3	941	31.6	111	16.9	28	15.6
Agriculture, forestry & fishing	821	21.5	572	19.2	177	27	72	40
Construction	365	9.6	236	7.9	129	19.7	-	-
Transportation & storage	355	9.3	337	11.3	8	1.2	10	5.6
Technician (hairdresser, Technician...)	317	8.3	305	10.2	12	1.8	-	-
Food industry	299	7.8	186	6.3	85	13	28	15.6
Accommodation & food service activities	110	2.9	44	1.5	54	8.2	12	6.7
Manufacturing of metal products	102	2.7	63	2.1	27	4.1	12	6.7
Repair of motor vehicles & motorcycles	83	2.2	73	2.5	10	1.5	-	-
Artisanal works	56	1.5	47	1.6	9	1.4	-	-
Repair of equipment, machinery and	50	1.3	41	1.4	9	1.4	-	-
Real estate activities	35	0.9	35	1.2	-	-	-	-
Human health & social work activities	28	0.7	23	0.8	5	0.8	-	-
Manufacturing of Electrical and electronic equipment & components	24	0.6	17	0.6	7	1.1	-	-
Professional (Doctor, Layer, Engineer)	23	0.6	14	0.5	9	1.4	-	-
Gas station	18	0.5	-	-	-	-	18	10
Electricity and gas supply	9	0.2	9	0.3	-	-	-	-
Mining & quarrying	8	0.2	8	0.3	-	-	-	-
Administrative & support service activities	7	0.2	7	0.2	-	-	-	-
Water supply, sewerage, waste management & remediation activities	7	0.2	7	0.2	-	-	-	-
Financial & insurance activities	6	0.2	6	0.2	-	-	-	-
Education & training	5	0.1	1	0	4	0.6	-	-
Scientific & technical activities	3	0.1	3	0.1	-	-	-	-
Arts, entertainment & recreation	1	0	1	0	-	-	-	-
Total	3812	100	2976	100	656	100	180	100

Table (8.3 B): Labor Force distribution based on Business Activities

Business Activity	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Wholesale & retail trade	1080	100	941	87.1	111	10.3	28	2.6
Agriculture, forestry & fishing	821	100	572	69.7	177	21.6	72	8.8
Construction	365	100	236	64.7	129	35.3	-	-
Wholesale & retail trade	355	100	337	94.9	8	2.3	10	2.8
Technician (hairdresser, Technician...)	317	100	305	96.2	12	3.8	-	-
Food industry	299	100	186	62.2	85	28.4	28	9.4
Accommodation & food service activities	110	100	44	0.4	54	49.1	12	10.9
Manufacturing of metal products	102	100	63	61.8	27	26.5	12	11.8
Repair of motor vehicles & motorcycles	83	100	73	88	10	12	-	-
Artisanal works	56	100	47	83.9	9	16.1	-	-
Repair of equipment, machinery and	50	100	41	82	9	18	-	-
Real estate activities	35	100	35	100	-	-	-	-
Human health & social work activities	28	100	23	82.1%	5	17.9	-	-
Manufacturing of Electrical and electronic equipment & components	24	100	17	70.8	7	29.2	-	-
Professional (Doctor, Layer, Engineer)	23	100	14	60.9	9	39.1	-	-
Gas station	18	100	-	-	-	-	18	100
Electricity and gas supply	9	100	9	100	-	-	-	-
Mining & quarrying	8	100	8	100	-	-	-	-
Administrative & support service activities	7	100	7	100	-	-	-	-
Water supply, sewerage, waste management & remediation activities	7	100	7	100	-	-	-	-
Financial & insurance activities	6	100	6	100	-	-	-	-
Education & training	5	100	1	20	4	80	-	-
Scientific & technical activities	3	100	3	100	-	-	-	-
Arts, entertainment & recreation	1	100	1	100	-	-	-	-
Total	3812	100	2976	78.1	656	17.2	180	4.7

Table (8.3 C): Labor Force Distribution Based Governorate, Enterprise Size and Business Activities

Business Activity	Total	Erbil			Sulaymaniyah			Halabja			Duhok		
	No.	Micro	Small	Medium	Micro	Small	Medium	Micro	Small	Medium	Micro	Small	medium
Wholesale & retail trade	1080	338	33	-	360	39	12	15	-	-	228	39	16
		31.3%	3.1%	-	33.3%	3.6%	1.1%	1.4%	-	-	21.1%	3.6%	1.5%
Agriculture and Fishery	821	88	56	-	246	68	-	41	5	15	197	48	57
		10.7%	6.8%	-	30.0%	8.3%	-	5.0%	0.6%	1.8%	24.0%	5.8%	6.9%
Construction	365	71	38	-	69	39	-	-	-	-	96	52	-
		19.5%	10.4%	-	18.9%	10.7%	-	-	-	-	26.3%	14.2%	-
Transportation & storage	355	124	-	-	99	4	-	6	-	-	108	4	10
		34.9%	-	-	27.9%	1.1%	-	1.7%	-	-	30.4%	1.1%	2.8%
Technician (hairdresser, Technician...)	317	182	-	-	79	8	-	1	-	-	43	4	-
		57.4%	-	-	24.9%	2.5%	-	0.3%	-	-	13.6%	1.3%	-
Food industry	299	60	46	-	79	20	-	3	7	16	44	12	12
		20.1%	15.4%	-	26.4%	6.7%	-	1.0%	2.3%	5.4%	14.7%	4%	4%
Accommodation & food service activities	110	10	19	-	27	31	12	2	-	-	5	4	-
		9.1%	17.3%	-	24.5%	28.2%	10.9%	1.8%	-	-	4.5%	3.6%	-
Manufacturing of metal products	102	21	13	12	24	14	-	-	-	-	18	-	-
		20.6%	12.7%	11.8%	23.5%	13.7%	-	-	-	-	17.6%	-	-
Repair of motor vehicles & motorcycles	83	15	4	-	25	6	-	3	-	-	30	-	-
		18.1%	4.8%	-	30.1%	7.2%	-	3.6%	-	-	36.1%	-	-
Artisanal works	56	11	4	-	2	-	-	-	-	-	34	5	-
		19.6%	7.1%	-	3.6%	-	-	-	-	-	60.7%	8.9%	-
Repair of equipment and machinery	50	22	5	-	15	4	-	1	-	-	3	-	-
		44%	10%	-	30%	8%	-	2%	-	-	6%	-	-
Real estate activities	35	6	-	-	15	-	-	-	-	-	14	-	-
		17.1%	-	-	42.9%	-	-	-	-	-	40%	-	-
Human health & social work activities	28	3	-	-	10	-	-	-	-	-	10	5	-
		10.7%	-	-	35.7%	-	-	-	-	-	35.7%	17.9%	-

Business Activity	Total	Erbil			Sulaymaniyah			Halabja			Duhok		
	No.	Micro	Small	Medium	Micro	Small	Medium	Micro	Small	Medium	Micro	Small	medium
Manufacturing of Electrical and electronic equipment & components	24	6 25%	7 29.2%	- -	6 25.0%	- -	- -	- -	- -	- -	5 20.8%	- -	- -
Professional (Doctor, Layer, Engineer)	23	2 8.7%	- -	- -	8 34.8%	5 21.7%	- -	- -	- -	- -	4 17.4%	4 17.4%	- -
Gas station	18	- -	- -	- -	- -	- -	18 100%	- -	- -	- -	- -	- -	- -
Electricity and gas supply	9	6 66.7%	- -	- -	- -	- -	- -	- -	- -	- -	3 33.3%	- -	- -
Mining & quarrying	8	3 37.5%	- -	- -	4 50.0%	- -	- -	- -	- -	- -	1 12.5%	- -	- -
Administrative & support service activities	7	5 71.4%	- -	- -	2 28.6%	- -	- -	- -	- -	- -	- -	- -	- -
Water supply, sewerage, waste management & remediation activities	7	1 14.3%	- -	- -	2 28.6%	- -	- -	- -	- -	- -	4 57.1%	- -	- -
Financial & insurance activities	6	1 16.7%	- -	- -	- -	- -	- -	- -	- -	- -	5 83.3%	- -	- -
Education & training	5	1 20%	4 80%	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Scientific & technical activities	3	1 33.3%	- -	- -	2 66.7%	- -	- -	- -	- -	- -	- -	- -	- -
Arts, entertainment & recreation	1	- -	- -	- -	- -	- -	- -	- -	- -	- -	1 100%	- -	- -
Total	3812	977	229	12	1074	238	42	72	12	31	853	177	95

Segregated data of part time employees by business activity are shown in table (8.3 D). The main results were distributed as follow:

- Wholesale & retail trade, 160 employees forming (33%)
- Agriculture, forestry & fishing, 123 employees forming (25.4%)
- Technical Professional 45 employees forming (9.3%)

Table (8.3 D): Part Time Employees Distribution Based on Business Activities

Business Activities	Part Time Employees	
	No.	%
Wholesale & retail trade	160	33
Agriculture and Fishery	123	25.4
Technician (hairdresser, Technician...)	45	9.3
Food industry	43	8.9
Construction	36	7.4
Manufacturing of metal products	21	4.3
Transportation & storage	20	4.1
Electricity and gas supply	7	1.4
Repair of equipment and machinery	6	1.2
Artisanal works	5	1
Accommodation & food service activities	5	1
Human health & social work activities	4	0.8
Real estate activities	3	0.6
Electrical and electronic equipment & components	3	0.6
Repair of motor vehicles & motorcycles	2	0.4
Administrative & support service activities	1	0.2
Water supply, sewerage, waste management & remediation activities	1	0.2
Total	485	100

8.4 Type of Positions in Enterprises

The question pertaining to type of positions in enterprises was directed to Small and medium size enterprises with 4 to 29 employees forming 141 enterprises (127 small size enterprises and 14 medium size enterprises), and employing 836 employees. The data were distributed as shown in table (3.4 A). The main results were distributed as follow:

- Unskilled laborers 347 employees (41.5%)
- Management 221 employees (26.4%)

The least prevalent position was IT with only 9 employees forming (1.1%), within this context, "Human Resources" and "Accounting" were also among the least prevalent job positions, and their results were as follows:

- Human Resources 13 Employees (1.6%)
- Accounting 18 Employees (2.2%)

These results reflect the weak institutions' financial planning and management and their insufficient awareness of the importance of IT support to business. The prevailing perception is that they do not require technology in their work.

Table (8.4 A): Type of Positions Distribution Based on Enterprises Size

Positions	Total		Small Enterprises			Medium Enterprises		
	No.	%	No. of Enterprises	No. of Staff	%	No. of Enterprises	No. of Staff	%
Unskilled Laborers	347	41.5	74	259	39.5	7	88	48.9
Management	221	26.4	107	190	29.0	12	31	17.2
Sales	70	8.4	24	60	9.1	4	10	5.6
Skilled Laborers (For technical/ industrial sectors)	64	7.7	17	52	7.9	2	12	6.7
Specialized Staff (Designers, Machine Operators, Editors...)	42	5.0	14	31	4.7	0	11	6.1
Accounting	28	3.3	11	17	2.6	7	11	6.1
Marketing	24	2.9	11	22	3.4	2	2	1.1
Support Staff (Secretary, Driver, Office Boy...)	18	2.2	7	12	1.8	1	6	3.3
Human Resource	13	1.6	5	6	0.9	3	7	3.9
IT	9	1.1	5	7	1.1	2	2	1.1
Total	836	100	275	656	100	40	180	100

Segregated data of type of positions based on enterprises' business actives are shown in table (8.4 B). The main results were distributed as follow:

- **Unskilled laborers, 347 employees**
 - Agriculture, forestry & fishing, 135 employees (38.9%)
 - Wholesale & retail trade, 68 employees (19.6%)
 - Food industry, 52 employees (15%)
- **Management, 221 employees**
 - Agriculture, forestry & fishing, 61 employees (27.6%)
 - Wholesale & retail trade, 43 employees (19.5%)
 - Construction, 52 employees (15.4%)
- **Sales, 70 employees**
 - Wholesale & retail trade, 30 employees (42.9%)
 - Food industry, 14 employees (20%)
- **Skilled Laborers (For technical/ industrial sectors), 64 employees**
 - Wholesale & retail trade, 20 employees (31.3%)
 - Food industry, 14 employees (21.9%)
- **Accounting, 28 employees**
 - Wholesale & retail trade, 15 employees (53.6%)
 - Food industry, 3 employees (10.7%)
- **Human Resources, 13 employees**
 - Food industry, 3 employees (23.1%)
 - Wholesale & retail trade, 3 employees (23.1%)
- **IT, 9 employees**
 - Construction, 3 employees (33.3%)
 - Electrical and electronic equipment & components, 2 employees (22.2%)

Table (8.4 B): Type of Positions Distribution Based on Enterprises Business Sectors

Business Activity	Total		Unskilled Laborers		Management		Sales		Skilled Laborers (For technical/ industrial sectors)		Specialized Staff (Designers, Machine Operators, Editors...)		Accounting		Marketing		Support Staff (Secretary, Driver, Office Boy...)		Human Resources		IT	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture, forestry & fishing	249	29.8	135	38.9	61	27.6	10	14.3	14	21.9	20	47.6	1	3.6	2	8.3	6	33.3	-	-	-	-
Wholesale & retail trade	139	16.6	41	11.8	43	19.5	30	42.9	1	1.6	1	2.4	15	53.6	8	33.3	-	-	-	-	-	-
Construction	129	15.4	68	19.6	34	15.4	3	4.3	4	6.3	7	16.7	2	7.1	5	20.8	2	11.1	1	7.7	3	33.3
Food industry	113	13.5	52	15	33	14.9	14	20	7	10.9	-	-	3	10.7	1	4.2	-	-	3	23.1	-	-
Manufacturing of metal products	66	7.9	20	5.8	19	8.6	9	12.9	2	3.1	4	9.5	2	7.1	7	29.2	1	5.6	1	7.7	1	11.1
Manufacturing of metal products	39	4.7	6	1.7	7	3.2	-	-	20	31.3	5	11.9	-	-	-	-	-	-	1	7.7	-	-
Gas station	18	2.2	13	3.8	2	0.9	-	-	-	-	-	-	1	3.6	-	-	-	-	1	7.7	1	11.1
Transportation & storage	18	2.2	-	-	4	1.8	2	2.9	1	1.6	-	-	2	7.1	1	4.2	4	22.2	3	23.1	1	11.1
Technician (hairstresser, Technician...)	12	1.4	1	0.3	2	0.9	1	1.4	8	12.5	-	-	-	-	-	-	-	-	-	-	-	-
Repair of motor vehicles & motorcycles	10	1.2	6	1.7	1	0.45	-	-	3	4.7	-	-	-	-	-	-	-	-	-	-	-	-
Artisanal works	9	1.1	2	0.6	7	3.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional (Doctor, Layer, Engineer)	9	1.1	-	-	3	1.4	1	1.4	-	-	-	-	1	3.6	-	-	1	5.6	2	15.4	1	11.1
Repair of equipment, machinery and	9	1.1	1	0.3	3	1.4	-	-	4	6.3	-	-	-	-	-	-	1	5.6	-	-	-	-
Manufacturing of Electrical and electronic equipment & components	7	0.8	1	0.3	1	0.5	-	-	-	-	1	2.4	1	3.6	-	-	-	-	1	7.7	2	22.2
Human health & social work activities	5	0.6	1	0.3	-	-	-	-	-	-	4	9.5	-	-	-	-	-	-	-	-	-	-
Education & training	4	0.5	-	-	1	0.5	-	-	-	-	-	-	-	-	-	-	3	16.7	-	-	-	-
Total	836	100	347	100	221	100	70	100	64	100	42	100	28	100	24	100	18	100	13	100	9	100

8.5 Enterprises' Needed Positions and Sources of Employment

The question pertaining to needed positions in enterprises and sources of employment was directed to Small and medium size enterprises with 4 to 29 employees forming 141 enterprises (127 small size enterprises and 14 medium size enterprises), and employing 836 employees. The data were distributed as shown in table (8.5 A). The main results were distributed as follow:

A high proportion of the respondents (50.6%) stated that it is difficult to find “skilled laborers (for technical/ industrial sectors”. It should be noted that (22.8%) stated that “No position is Hard to Find”, this is due to the nature of most enterprise business activities that do not need high technologies and specializations to carry out their work.

Table (8.5 A): Needed Positions in Enterprises (Multiple Responses)

Needed Positions in Enterprise	Total		Small Enterprises		Medium Enterprises	
	No	%	No	%	No	%
Skilled Laborers (For technical/ industrial sectors)	80	50.6%	70	49.0%	10	66.7%
No position is Hard to Find	36	22.8%	34	23.8%	2	13.3%
Sales	12	7.6%	11	7.7%	1	6.7%
Marketing	7	4.4%	7	4.9%	-	-
Management	5	3.2%	5	3.5%	-	-
Accounting	5	3.2%	4	2.8%	1	6.7%
IT	4	2.5%	4	2.8%	-	-
Human Resources	4	2.5%	4	2.8%	-	-
Support Staff (Secretary, Driver, Office Boy...)	3	1.9%	3	2.1%	-	-
Specialized Staff (Designers, Machine Operators, Editors...)	2	1.3%	1	0.7%	1	6.7%
Total	158	100%	143	100%	15	100%

Segregated data on type of needed positions in enterprises bases on economic activities are shown in table (8.5 B). The main results were distributed as follow:

- **Skilled laborers (for technical/ industrial sectors) 80 responses at (50.6%)**
 - Agriculture, forestry & fishing, 23 responses
 - Construction, 16 responses
 - Food industry, 14 responses
- **No position is Hard to Find**
 - Agriculture, forestry & fishing, 13 responses

Table (8.5 B): Needed Positions in Enterprises Bases on Economic Activities (Multiple Responses)

Needed Positions in Enterprises	Total		Agriculture and Fishery	Wholesale & retail trade	Construction	Food industry	Accommodation & food service activities	Manufacturing of metal products	Transportation & storage	Professional (Doctor, Lawyer, Engineer)	Artisanal works	Technician (hairdresser, Technician...)	Repair of motor vehicles & motorcycles	Repair of equipment and machinery	Gas station	Electrical and electronic equipment & components	Human health & social work activities	Education & Training
	No.	%																
Skilled Laborers (For technical/ industrial sectors)	80	50.6	23	8	16	14	4	5	1	1	1	2	2	1	1	1		
No position is Hard to Find	36	22.8	13	4	8	4	4	1						1			1	
Sales	12	7.6	1	7		2	1				1							
Marketing	7	4.4		4		2		1										
Accounting	5	3.2		3					1	1								
Management	5	3.2	1	1			2				1							
IT	4	2.5		1	1					1		1						
Human Resources	4	2.5	2	1		1												
Specialized Staff (Designers, Machine Operators, Editors...)	2	1.3						1	1									
Support Staff (Secretary, Driver, Office Boy...)	3	1.9		1					1									1
Total	158	100	40	30	25	23	11	8	4	3	3	3	2	2	1	1	1	1

Recruitment Channels

The question pertaining to Recruitment Channels used by enterprises to find employees was directed to Small and medium size enterprises with 4 to 29 employees forming 141 enterprises (127 small size enterprises and 14 medium size enterprises). The data were distributed as shown in table (8.5 C). The main results were distributed as follow:

The data revealed that the majority of responses 113 responses forming (66.1%) preferred “Personal Acquaintances and Referrals”. The results based on the enterprises size were distributed as follows:

“Personal Acquaintances and Referrals” is an informal method of hiring, and does not have any cost on enterprises. It is a channel to get local people from the same industry who are ready to work for extended hours if required and useful in multitasking. Formal methods of hiring involve cost and time; which is an important constraint for enterprises.

“Employment agency” and “Recruiting from other enterprises” were the least chosen and the results were equal by 0.6% for each.

The results of the survey showed a weakness in the role of employment agencies and training centers in providing manpower.

Table (8.5 C): Sources of Employment by Enterprise Size (Multiple Responses)

Sources of Employment	Total		Small		Medium	
	No.	%	No	%	No	%
Personal acquaintances and referrals	113	66.1	104	68.9	9	45
Unsolicited applications	19	11.1	15	9.9	4	20
Does Not Need Any Employment Source	13	7.6	11	7.3	2	10
Social Media	12	7	10	6.6	2	10
Training institution	6	3.5	5	3.3	1	5
Advertisement (e.g. in newspapers)	3	1.8	3	2	-	-
Internet	3	1.8	2	1.3	1	5
Recruit from other enterprises	1	0.6	1	0.7	-	-
Employment agency	1	0.6	-	-	1	5
Total	171	100	151	100%	20	100

8.6 Staff Training

The question pertaining staff training was directed to medium size enterprises with 10 to 29 employees forming 14 enterprises. The data were distributed as shown in table (8.6 A). The main results were distributed as follow:

With regard to training areas needed to improve staff skills, the majority of responses stated that there is a need for:

- Practical professional skills, 8 responses (38.1%).
- Attitude (Behavioral Skills), with 6 responses (28.6%).

Enterprises need skilled labor to carry out their work. As such, the development of "Work Attitude (Behavioral Skills)" and "Practical Professional Skills" for workers in the field of their enterprise activity is important for the sustainability and continuity of work. In addition, developing "Work Attitude (Behavioral Skills)", especially in the field of customer service and sales, is very important for the success of the daily tasks of employees in enterprises.

Table (8.6 A): Staff's Needed Skills (Multiple Answers)

Needed Skills	Total	
	No.	%
Practical professional skills	8	38.1
Work attitude	6	28.6
Communication and social skills	2	9.5
Computer literacy, IT, and Social Media	2	9.5
Language and writing skills	2	9.5
Theoretical know-how	1	4.8
Total	21	100

Segregated data on training areas needed to improve staff skills based on business activities are shown in table (8.6 B). The main results were distributed as follow:

- **Practical Professional Skills, 8 responses forming (38.1%)**
 - Agriculture, forestry & fishing, 4 responses
 - Food industry, 2 responses
 - Metal products industry, 1 response
 - Accommodation, restaurant and hotel services activities, 1 response
- **Work Attitude (Behavioral Skills), 6 responses forming (28.6%)**
 - Agriculture, forestry & fishing, 2 responses
 - Whole sales, retails, 2 responses
 - Gas stations, 1 response
 - Metal products industry, 1 response

Table (8.6 B): Staff's Needed Skills Based on Business Activities (Multiple Answers)

Needed Skills	Total		Agriculture and Fishery	Food industry	Transportation & storage	Wholesale & retail trade	Gas station	Manufacturing of metal products	Accommodation & food service activities
	No.	%							
Practical professional skills	8	38.1%	4	2		2		1	1
Work attitude	6	28.6%	2				1	1	
Communication and social skills	2	9.5%			1		1		
Computer literacy, IT, and Social Media	2	9.5%		1	1				
Language and writing skills	2	9.5%	1		1				
Theoretical know-how	1	4.8%		1		2			
Total	21	100%	7	4	3	2	2	2	1

Training by Medium Size Enterprises

The question pertaining to provision of training was directed to medium size enterprises with 10 to 29 employees, forming 14 enterprises.

Training Program Provision

With regard to provision of training program, all enterprises stated that they do not provide any training. Despite understanding the need for training to develop and improve the enterprises staff's knowledge and skills, all medium size enterprises in the sample did not provide any training programs. Maybe, because enterprises are not able to afford the cost of training or the cost of training is not directly visible in terms of returns on immediate bases.

Awareness of Technical Vocational Education and Training System (TVET)

In relation to (TVET), the answers were distributed shown in table (8.6 C).

Table (8.6 C): Awareness of TVET

Awareness of Technical Vocational Education	No.	%
Never Heard of It	10	71.4
Know it well	2	14.3
Heard about it but do not know enough	2	14.3

8.7 Enterprises' Organization and Management

Organization Structure

The majority of enterprises (9 enterprises, forming (64.3%) stated that they do not have an organization chart for their enterprise. Only 5 respondents forming (35.7%) stated that they have one.

Human Resources Management Systems

10 respondents forming (71.4%) stated that they had job descriptions for their employees. Only 4 respondents forming (28.6%) did not have job descriptions for their employees.

9. Women Entrepreneurs and Women Owned Businesses

The total number of women in the survey was 269 (out of 2,016), distributed as;

- Micro enterprises 262
- Small enterprises 6
- Medium enterprises 1

Women led enterprises in KRI are a minority in MSME's compared to men and work mainly in the informal economy (formal 37 at (1.8%), informal 232 at (11.5%)), The results are shown in Table (9 A) below. This was evident in the survey of micro, small and medium enterprises in the governorates of Baghdad, Nineveh and Basra for the year 2020, which included 2017, where the percentage of enterprises owned by women in the sample was only about 5%. This is also apparent in the ILO – UNOPS 2011 survey of 4000 MSME's were only 3% where women owned enterprises, and in the ILO – UNOPS 2012 survey of 533 MSME's where only 5.6% were women owned enterprises.

Table (9 A): Distribution of Women MSMEs by Enterprises Formality

Distribution of MSMEs in the Survey Sample	Total				Registered				Not Registered			
	Registered		Not Registered		Male		Female		Male		Female	
Total	811	40.2%	1205	59.8%	774	38.4%	37	1.8%	973	48.3%	232	11.5%

The current 2022 survey shows that women are still a minority in MSME ownership constituting 13% of MSMEs surveyed (total of 269), table (9 B);

- 127 Erbil (47.2%).
- 110 Sulaymaniyah (40.9%).

Table (9 B): Distribution of women MSMEs by governorates

Distribution of enterprises lead by women	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
Total	269	100%	127	47.2%	110	40.9%	6	2.2%	26	9.7%

9.1 Characteristics of Women Owned Businesses

Level of Difficulty in Setting Up Business

53% of the respondents stated that the level of difficulty they face when establishing a new project is higher compared to the projects owned by males, and 31% stated that it is similar. There is no significant variation at the level of the governorates where there is high population i.e. Erbil and Sulaymaniyah. The results are shown in Table (9.1 A) below:

Table (9.1 A): Level of Difficulty faced by Women Entrepreneurs when Starting New Project by Governorate

Level of Difficulty	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
	Count	%	Count	%	Count	%	Count	%	Count	%
Difficult	143	53.2%	72	56.7%	59	53.6%	2	33.3%	10	38.5%
Similar	84	31.2%	39	30.7%	32	29.1%	3	50.0%	10	38.5%
Easier	42	15.6%	16	12.6%	19	17.3%	1	16.7%	6	23.1%
Total	269	100%	127	100%	110	100%	6	100%	26	100%

Most of the results were concentrated in the category of micro-enterprises, as shown in the (table 9.1 B):

Level of Difficulty for Micro-Enterprises

- Difficult, 138 respondents (52.7%).
- Similar, 84 respondents (32%).
- Easier, 40 responders (15%).

Table (9.1 B): Level of Difficulty faced by Women Entrepreneurs when starting a New Project

Level of Difficulty	Total		Micro		Small		Medium	
	Count	%	Count	%	Count	%	Count	%
Difficult	143	53.2%	138	52.7%	5	83.3%	-	-
Similar	84	31.2%	84	32.1%	-	-	-	-
Easier	42	15.6%	40	15.3%	1	16.7%	1	100%
Total	269	100%	262	100%	6	100%	1	100%

(Table 9.1 C) shows the level of difficulty faced by female entrepreneurs when starting any new project compared to men, according to business sector. The results are as follows:

Technical professional (hairdresser, technician...);

- Difficult, 78 respondents 29%
- Similar, 58 respondents, 21.6%
- Easier, 26 respondents 9.7%

Agriculture, forestry and fishing;

- Difficult, 27 responders 10%
- Similar, 8 respondents, 32.3%
- Easier, 3 respondents with 1.1%

Table (9.1 C): The Level of Difficulty Faced by Women Entrepreneurs when Starting a New Project By Business Sector

Business Sector	Total		Difficult		Similar		Easier	
	Count	%	Count	%	Count	%	Count	%
Technical Professional (hairdresser, Technician...)	162	60.2%	78	29%	58	21.6%	26	9.7%
Agriculture, forestry & fishing	38	14.1%	27	10%	8	3%	3	1.1%
Wholesale & retail trade	23	8.6%	18	6.7%	5	1.9%	-	-
Food industry	21	7.8%	12	4.5%	3	1.1%	6	2.2%
Arts, entertainment & recreation	19	7.1%	5	1.9%	8	3%	6	2.2%
Administrative & support service activities	1	0.4%	-	-	1	0.4%	-	-
Human health & social work activities	2	0.7%	2	0.7%	-	-	-	-
Manufacturing of metal products	1	0.4%	-	-	-	-	1	0.4%
Professional (Doctor, Lawyer, Engineer)	1	0.4%	-	-	1	0.4%	-	-
Scientific & technical activities	1	0.4%	1	0.4%	-	-	-	-
Total	269	100%	143	53.2%	84	31.2%	42	15.6%

9.2 Distribution of enterprises in Relation to Business Activities

The major percentage of business activities of women MSMEs in the research sample were distributed between technical professional, agriculture & fisheries, trade, and food industry (Table 9.2 A).

Table (9.2 A): Percentages of Distribution of Women's MSMEs by Business Sector & Governorate

Business Sector	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
Technical Professional (hairdresser, Technician...)	162	60.2%	101	75.4%	57	51.8%	-	-	4	20%
Agriculture, forestry & fishing	38	14.1%	9	6.7%	26	23.6%	2	40%	1	5%
Wholesale & retail trade	23	8.6%	12	9%	9	8.2%	1	20%	1	5%
Food industry	21	7.8%	4	3%	15	13.6%	2	40%	-	-
Arts, entertainment & recreation	19	7.1%	6	4.5%	-	-	-	-	13	65%
Administrative & support service activities	1	0.4%	1	0.7%	-	-	-	-	-	-
Human health & social work activities	2	0.7%	-	-	1	0.9%	-	-	1	5%
Manufacturing of metal products	1	0.4%	-	-	1	0.9%	-	-	-	-
Professional (Doctor, Lawyer, Engineer)	1	0.4%	-	-	1	0.9%	-	-	-	-
Scientific & technical activities	1	0.4%	1	0.7%	-	-	-	-	-	-
Total	269	100%	134	100%	110	100%	5	100%	20	100%

Women's MSMEs were distributed based on formality and governorate are shown in table (9.2 B). The largest sectors were;

- Technical professional (hairdresser, technician...) 143 respondents, at a rate of (53.1%).
- Agriculture, forestry and fishing, with 34 female respondents (12.6%).

Table (9.2 B): Women's MSMEs Distribution Based on Formality and Governorate

Business Sector	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
	R	NR	R	NR	R	NR	R	NR	R	NR
Technician (hairdresser, Technician...)	19	143	7	87	9	48		1	3	7
Agriculture, forestry & fishing	4	34		9		23	3	1	1	1
Wholesale & retail trade	7	16	2	10	4	5	1	-	-	1
Food industry	4	17	1	3	1	14	2	-	-	-
Artisanal works	-	19	-	6	-	-	-	-	-	13
Human health & social work activities	2	-	-	-	1	-	-	-	1	-
Administrative & support service activities	-	1	-	1	-	-	-	-	-	-
Manufacturing of metal products	1	-	-	-	1	-	-	-	-	-
Professional (Doctor, Layer, Engineer)	-	1	-	1	-	-	-	-	-	-
Scientific & technical activities	-	1	-	1	-	-	-	-	-	-
Total	37	232	10	118	16	90	6	2	5	22

*R: Registered **NR: Not Registered

9.3 Work preferred by women entrepreneurs

The preferred type of business sector that women selected was (Table 4.3 A):

- Technical professional (hairdresser, technician...) 149 respondents (33%).
- Education and training activities numbered 66 respondents (14.6%).
- Food industries, with 49 respondents (10.8%).
- Handicraft work, with 36 female respondents (8%).

At the governorate level, the distribution was concentrated as follows:

Erbil 216 respondents, majority of responses were;

- Technical professional (hairdresser, technician...) 94 respondents (43.5%).
- Education and training activities, 35 respondents, at a rate of (16.2%).
- Handicraft work, with 22 female respondents, at a rate of (10.2%).

Sulaymaniyah 180 respondents, majority of responses were;

- Food industries, with 28 respondents, at a rate of (15.6%).
- Education and training activities, numbered by 28 respondents, at a rate of (15.6%).
- Technical technician (hairdresser, technician...) with 35 respondents, at a rate of (19.4%).

Halabja 8 respondents, majority of responses were;

- Human health and social work activities, with 3 female respondents, at a rate of (37.5%).

Duhok 48 respondents, majority of responses were;

- Technical technician (hairdresser, technician...) with 20 respondents (41.7%).
- Handicraft work, with 10 female respondents, at a rate of (20.8%).

Table No. (9.3 A): Women Entrepreneurs Preferred business Sector by Governorate (Multiple Answers)

Business Sector	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
Technician (hairstresser, Technician...)	149	33%	94	43.5%	35	19.4%	-	-	20	41.7%
Education & training	66	14.6%	35	16.2%	28	15.6%	1	12.5%	2	4.2%
Food industry	49	10.8%	17	7.9%	28	15.6%	2	25.0%	2	4.2%
Artisanal work	36	8%	22	10.2%	4	2.2%	-	-	10	20.8%
Human health & social work activities	31	6.9%	8	3.7%	17	9.4%	3	37.5%	3	6.3%
Professional (Doctor, Lawyer, Engineer)	28	6.2%	14	6.5%	12	6.7%	-	-	2	4.2%
Agriculture, forestry & fishing	23	5.1%	10	4.6%	10	5.6%	2	25.0%	1	2.1%
Wholesale & retail trade	17	3.8%	3	1.4%	13	7.2%	-	-	1	2.1%
Administrative & support service activities	9	2%	4	1.9%	5	2.8%	-	-	-	-
Scientific & technical activities	5	1.1%	-	-	2	1.1%	-	-	3	6.3%
Accommodation & food service activities	4	0.9%	-	-	2	1.1%	-	-	2	4.2%
Arts, entertainment & recreation	4	0.9%	2	0.9%	1	0.6%	-	-	1	2.1%
Financial & insurance activities	2	0.4%	-	-	1	0.6%	-	-	1	2.1%
Water supply, sewerage, waste management & remediation activities	1	0.2%	-	-	1	0.6%	-	-	-	-
Transportation & storage	1	0.2%	-	-	1	0.6%	-	-	-	-
Information & communication	1	0.2%	-	-	1	0.6%	-	-	-	-
Other	26	5.8%	7	3.2%	19	10.6%	-	-	-	-
Total	452	100%	216	100%	180	100%	8	100%	48	100%

9.4 Access to Formal Financing (Banks and MFIs)

The majority of surveyed women entrepreneurs stated that access to formal financing (banks and MFIs) is more difficult for them than for men - 130 respondents (48%), and were concentrated in micro size enterprises - 127 respondents (48.5%).

However, 124 respondents (46%) stated access as equal to men and 15 respondents (5.6%) stated that it is easier than for men (Table 9.4 A).

Table (9.4 A): Women entrepreneurs obtaining Formal Financing

Difficulty level	Total		Micro		Small		Medium	
More difficult for women than men	130	48.3%	127	48.5%	3	50%	0	-
Equal	124	46.1%	120	45.8%	3	50%	1	100%
Easier for women than for men	15	5.6%	15	5.7%	-	-	0	-
Total	269	100%	262	100%	6	100%	1	100%

9.5 Ease/ Difficulty of Doing Business for Women over the Last Five Years

With relation to work environment, the majority stated that the situation easier than in previous years, 180 respondents (66.9%) (Table 9.5 A), these were concentrated in Micro size enterprises (174 respondents).

Table (9.5 A): Ease/difficulty of doing business for women during the past five years by enterprise size

Difficulty level	Total		Micro		Small		Medium	
	Easier	180	66.9%	174	66.4%	5	83.3%	1
Same	51	19%	51	19.5%	-	-	-	-
More difficult	38	14.1%	37	14.1%	1	16.7%	-	-
Total	269	100%	262	100%	6	100%	1	100%

9.6 Problems Faced by Woman Business Owners

Women entrepreneurs were asked to identify the problems they are facing. The results are shown in (Table 9.6 A):

a) Social problems (cultural / gender) 143 respondents, or 39.7%, and distributed as shown:

- At the level of enterprise size:
 - Small enterprises, with 139 respondents, or (39.6%).
- At the governorate level:
 - Erbil, with 69 respondents, (42.9%).
 - Sulaymaniyah, 56, with a percentage of (36.6%).
- At the business level:
 - Unregistered institutions, with 124 respondents, with a rate of (40.3%).

b) There are no problems (none) with 66 respondents and a rate of 18.3%

- At the level of enterprise size:
 - Small enterprises, with 63 respondents, (17.9%).
- At the county level:
 - Sulaymaniyah, with 28, or (18.3%).
 - Erbil, with 26 respondents, (16.1%).
- At the business level:
 - Unregistered institutions with 57 respondents, or (18.5%).

c) Financial problems with 50 respondents, (13.9%)

- At the level of enterprise size:
 - Small enterprises with 50 respondents, (14.2%).
- At the county level:
 - Sulaymaniyah, 19, or (12.4%).
 - Erbil, with 26 respondents, (16.1%).
- At the business level:
 - Unregistered institutions with 43 respondents, (14%).

Table (9.6 A): Problems Facing Women Entrepreneurs (Multiple Answers)

Problems Faced by Woman	Total	Size of Enterprises			Governorate				Business Status	
		Micro	Small	Medium	Erbil	Sulaymaniyah	Halabja	Duhok	Registered	Not Registered
Social (cultural / gender)	143 39.7%	139 39.6%	3 37.5%	1 100%	69 42.9%	56 36.6%	2 25%	16 42.1%	19 36.5%	124 40.3%
There is no problem	66 18.3%	63 17.9%	3 37.5%	- -	26 16.1%	28 18.3%	3 37.5%	9 23.7%	9 17.3%	57 18.5%
Financial	50 13.9%	50 14.2%	- -	- -	26 16.1%	19 12.4%	- -	5 13.2%	7 13.5%	43 14%
Dealing with customers	49 13.6%	48 13.7%	1 12.5%	- -	23 14.3%	23 15%	1 12.5%	2 5.3%	8 15.4%	41 13.3%
Marketing	25 6.9%	25 7.1%	- -	- -	9 5.6%	13 8.5%	1 12.5%	2 5.3%	4 7.7%	21 6.8%
Management issues	13 3.6%	13 3.7%	- -	- -	5 3.1%	8 5.2%	- -	- -	3 5.8%	10 3.2%
Dealing with Suppliers	11 3.1%	10 2.8%	1 12.5%	- -	2 1.2%	5 3.3%	1 12.5%	3 7.9%	2 3.8%	9 2.9%
Other	3 0.8%	3 0.9%	- -	- -	1 0.6%	1 0.7%	- -	1 2.6%	- -	3 1%
Total	360 100%	351 100%	8 100%	1 100%	161 100%	153 100	8 100%	38 100%	52 100%	308 100%

9.7 Initiatives Suggested by Women Business Owners

Initiatives suggested by women to reduce problems and mitigate challenges (Table 9.7 A). The result indicated that the majority (117 or 43.5%) favored community awareness and education as the main initiative to overcome challenges they are facing. The need for government support and financing provisions were also apparent at 13% and 11% of women MSMEs.

**Table (9.7 A): Initiatives Suggested by Women Business Owners to Facilitate Doing Business
for Women Entrepreneurs**

Suggested Initiatives	Total		Micro		Small		Medium	
Community awareness / community education	117	43.5%	115	43.9%	2	33.3%	-	-
Governmental support / government funding	36	13.4%	34	13%	1	16.7%	1	100.0%
Facilitate loans / provide financing / project financing	32	11.9%	32	12.2%	-	-	-	-
Provide job opportunities	14	5.2%	14	5.3%	-	-	-	-
Other	70	26%	67	25.6%				
Total	269	100%	262	100 %	6	100%	1	100%

It should be noted that the answer "other" includes 70 respondents who did not submit any initiative.

9.8 Organizational Policy to Promote Gender Diversification

With regard to the organization policy toward women in MSMEs, the question was asked at medium enterprises level, which only was one enterprise in the sample, out of 269 women MSMEs. The response was that they have a policy to promote women in work.

10. Innovation and Technology

The technology section attempts to give an indication of the technological channels and the frequency of use and dependency, via the following tabulations;

- Channel and Frequency of use.
- E-commerce.
- Technology Innovation.
- Technology Dependency.

10.1 Frequency of Digital Usage

The survey showed a weak use of technology by enterprises (Tables 10.1 A to 10.1 H) as follows:

- Approximately 96% of the total MSMEs surveyed did not use 'e-commerce or a website' for their business needs (Tables 10.1 G and 10.1 H).
- Approximately 70% did not use 'social media' for their business needs (Table 10.1 D and Table 10.1 E).
- The predominant reliance of any technology among the total surveyed was in 'mobile technology'. 61% of MSME's depended on mobile phone use for their daily business functions. This number expands to 87% when including 'time to time' use. The remaining 13% is 'rare to no usage'. (Tables 10.1 A and Table 10.1 B).

It is noted that the percentage of utilization for 'daily usage' rises for 'mobile phone' and 'social media' with the increase of the enterprises size (Tables 10.1 A and 10.1 D). By governorate the percentage of usage among 'daily usage' for mobile phones (Table 5.1 A) was highest in Sulaymaniyah 67%, followed by Duhok 63%, Halabja 60% and Erbil 55%. The percentage of usage from 'time to time' was closer with all governorates being within 22-28% usage.

Table (10.1 A): Frequency of Mobile Phone Usage by MSME

Frequency	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
on daily basis	1242	61.6	1128	60.2	102	80.3	12	85.7
from time to time	511	25.4	489	26.1	20	15.8	2	14.3
rarely	90	4.5	88	4.7	2	1.6	0	0
not at all	173	8.5	170	9.1	3	2.4	0	0
Total	2016	100	1875	100	127	100	14	100

Table (10.1 B): Frequency of Mobile Phone Usage by Governorate and Gender

	Total		Erbil		Sulaymaniyah		Halabja		Duhok		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
On daily basis	1242	61.6	378	55.3	495	66.9	24	60	345	62.5	1077	61.6	165	61.3
From time to time	511	25.3	194	28.4	183	24.7	11	27.5	123	22.3	439	25.1	72	26.8
rarely	90	4.5	29	4.2	28	3.8	3	7.5	30	5.4	77	4.4	13	4.8
not at all	173	8.5	83	12.1	34	4.6	2	5	54	9.8	154	8.8	19	7.1
Total	2016	100	684	100	740	100	40	100	552	100	1747	100	269	100

Table (10.1 C): Mobile Phone Usage by Business Sector

Business Sector	Daily Basis	Time to Time
Wholesale and Retail Trade	380	153
Transportation and Storage	185	88
Technician	161	54
Agriculture, Forestry and Fishing	136	116
Construction	94	28
Food Industry	77	28
Manufacturing of Metal Products	34	4
Repair of Motor, Vehicles and Motorcycles	29	9
Artisanal Works	27	6
Real Estate Activities	21	2
Repair of Equipment and Machinery	21	9
Accommodation and Food Service Activities	23	7
Human Health and Social Work Activities	13	3
Professional (Doctor, Lawyer, Engineer)	10	-
Electrical and Electronic Equipment and Components	9	1
Financial Insurance Activities	4	-
Administrative and Support Service Activities	3	-
Electricity and Gas Supply	3	-
Scientific and Technical Activities	3	-
Water Supply, Sewerage, Waste Management and Remediation Activities	3	1
Mining Quarrying	2	2
Education and Training	2	-
Arts, Entertainment and Recreation	1	-
Gas Station	1	-
Total	1242	511

Although 'Social Media' had a good amount of usage, the total amount of MSMEs that indicated 'daily usage' or 'time to time' was much less than mobile phones. The total MSMEs for 'social media' was 478 (264 'daily basis' and 214 'time to time') from the total sample, with no significant difference between governorates. Additionally, the top 5 business sectors in 'social media' were the same sectors as in the 'mobile phone' category (Table 10.1 F) these are Wholesale and Retail Trade, Technician, Transport, Construction, Agriculture and Fishing.

Table (10.1 D): Frequency of Social Media Usage by MSME size

Frequency	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
on daily basis	264	13.1	231	12.3	28	22.1	5	35.7
from time to time	214	10.6	201	10.7	11	8.7	2	14.3
rarely	109	5.4	98	5.2	10	7.9	1	7.1
not at all	1429	70.9	1345	71.7	78	61.4	6	42.9
Total	2016	100	1875	100	127	100	14	100

Table (10.1 E): Social Media by Governorate and Gender

	Total		Erbil		Sulaymaniyah		Halabja		Duhok		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
On daily basis	264	13.1	82	12.0	113	15.3	4	10.0	65	11.8	213	12.2	51	19.0
From time to time	214	10.6	70	10.2	73	9.9	3	7.5	68	12.3	179	10.2	35	13.0
rarely	109	5.4	26	3.8	37	5.0	1	2.5	45	8.2	97	5.6	12	4.5
not at all	1429	70.9	506	74.0	517	69.9	32	80.0	374	67.8	1258	72.0	171	63.6
Total	2016	100.0	684	100.0	740	100.0	40	100.0	552	100.0	1747	100.0	269	100.0

Table (10.1 F): Top 5 'Social Media' Usage by Business Sector

Business Sector	Daily Basis	Time to Time
Wholesale and Retail Trade	91	71
Technician	53	37
Transportation and Storage	28	26
Construction	14	16
Agriculture, Forestry and Fishing	12	15
Total	198	165

Table (10.1 G): Frequency of E-Commerce Usage by MSME size

Frequency	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
on daily basis	30	1.5	27	1.4	3	2.4	0	0
from time to time	25	1.2	20	1.1	5	3.9	0	0
rarely	26	1.3	24	1.3	1	0.8	1	7.1
not at all	1935	96	1804	96.2	118	92.9	13	92.9
Total	2016	100	1875	100	127	100	14	100

Table (10.1 H): Frequency of E-Website Usage by MSME Size

Frequency	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
on daily basis	18	0.9	14	0.8	4	3.2	0	0
from time to time	18	0.9	16	0.9	2	1.6	0	0
rarely	26	1.3	24	1.3	2	1.6	0	0
not at all	1954	96.9	1821	97.1	119	93.7	14	100
Total	2016	100	1875	100	127	100	14	100

It is clear that the general perception of enterprises is not fully mature in the use of technology. 94% of those that RESPONDED to the 'low frequency of usage of technology among MSMEs' question indicated that they did not need to use it for their business (Table 10.1 I).

Table (10.1 I): Reasons Given for Low Frequency Usage of Technology by MSME Size

Frequency	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
My business does not need it	150	94.3	148	94.3	2	100	0	0
Difficult to use	4	2.5	4	2.6	0	0	0	0
It's too expensive	3	1.9	3	1.9	0	0	0	0
Don't have the right technical equipment (smart phone, computer etc.)	1	0.6	1	0.6	0	0	0	0
Internet coverage is limited	1	0.6	1	0.6	0	0	0	0
Total	159	100	157	100	2	100	0	0

10.2 E-Commerce

The usage of e-commerce portals for business is extremely low (with only 16 enterprises from 2,016 using 'e-commerce portals').

Table (10.2 A): E-Commerce Users and Portals

Portal Type	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
My personal portal	11	68.8	11	78.6	0	0	0	0
Other portal	5	31.3	3	21.4	2	100	0	0
Total	16	100	14	100	2	100	0	0

Table (10.2 B): E-Commerce Users Revenue through portal

Percentage	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
75-100%	0	0	0	0	0	0	0	0
50-75%	2	12.5	2	14.3	0	0	0	0
25-50%	5	31.3	5	35.7	0	0	0	0
10-25%	4	25	3	21.4	1	50	0	0
less than 10%	3	18.8	2	14.3	1	50	0	0
None	2	12.5	2	14.3	0	0	0	0
Total	16	100	14	100	2	100	0	0

10.3 Level of Technology and Innovation

Tables (10.3 A) to (10.3 E) show the extent to which these 16 advanced users MSMEs rely on the use of digital technology, innovation, and R & D. The advanced users were located as follows; 10 in Sulaymaniyah, 5 in Erbil and 1 in Duhok.

Focusing on technologies and innovation we discover that usage remains lower still when imposed on the total sample (2,016), for example; with new innovations 10 MSMEs dependent on them 'very often' out of 16 (62.5% of sample) or 0.5% of the total 2,016 survey sample. Likewise with 'level of advanced technology use' 13 MSMEs are 'very advanced' or 'advanced a little' out of 16 (81% of sample) or 0.6% of total survey sample.

Table (10.3 A): Level of Advancement in Usage of Digital Technology Compared to Competition by MSME size

Level	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
very advanced	7	43.8	5	35.7	2	100	0	0
advanced a little	6	37.5	6	42.9	0	0	0	0
equal	3	18.8	3	21.4	0	0	0	0
a little behind	0	0	0	0	0	0	0	0
well behind	0	0	0	0	0	0	0	0
Total	16	100	14	100	2	100	0	0

Table (10.3 B): Dependency on Research and Data Analysis by MSME size

Dependency	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
do not depend at all	9	56.3	7	50	2	100	0	0
rarely depend	0	0	0	0	0	0	0	0
occasionally depend	3	18.8	3	21.4	0	0	0	0
depend very often	4	25	4	28.6	0	0	0	0
Total	16	100	14	100	2	100	0	0

Table (10.3 C): Dependency on Competitors Analysis by MSME size

Dependency	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
do not depend at all	5	31.3	4	28.6	1	50	0	0
rarely depend	4	25	4	28.6	0	0	0	0
occasionally depend	3	18.8	3	21.4	0	0	0	0
depend very often	4	25	3	21.4	1	50	0	0
Total	16	100	14	100	2	100	0	0

Table (10.3 D): Dependency on New Innovations by MSME size

Dependency	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
do not depend at all	1	6.3	1	7.1	0	0	0	0
rarely depend	1	6.3	1	7.1	0	0	0	0
occasionally depend	4	25	3	21.4	1	50	0	0
depend very often	10	62.5	9	64.3	1	50	0	0
Total	16	100	14	100	2	100	0	0

Table (10.3 E): Dependency on R & D by MSME size

Dependency	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
do not depend at all	6	37.5	5	35.7	1	50	0	0
rarely depend	2	12.5	1	7.1	1	50	0	0
occasionally depend	4	25	4	28.6	0	0	0	0
depend very often	4	25	4	28.6	0	0	0	0
Total	16	100	14	100	2	100	0	0

The level of awareness of MSMEs in the field of technology and innovation is currently limited except for the use of mobile phones. Therefore, this will be the starting point for empowering enterprises through smartphone applications, as this will be the fastest and most impactful way to connect with and empower the sector. Applications covering areas such as finance, sales and support for MSMEs will be the best basis to start, after which they can be developed through the use of technologies and other innovations.

11. MSMEs and Globalization

The MSMEs and globalization component aims to give an indication of the market placement of the MSME sector, in terms of sales activity, via the following tabulations;

- Sales percentages.
- Sales region.
- Exportation.

The need to create channels that allow MSMEs to connect and cultivate potential markets must be a strategic priority, since only with sustainable revenue and prospects of increased profits will the MSME sector be able to survive, evolve and formalize.

11.1 Sales Distribution and Regions

The following tables (11.1 A and 11.1 B) shows that 82% of MSMEs sales are in the local market, and 15% of sales in Iraq Federal. 96% of enterprises have no plans to export their products or services.

The MSME sector is highly dependent on the KRI market with 82% of sales being transacted locally. Additionally, MSME owners do not view the export market as a priority or a necessity (with 96% having no plans to export). This suggests that a high number of MSMEs depend on the immediate market in their area as their point of sale.

Table (11.1 A): Distribution of Sales between; the Local Market and Bordering Countries, Federal Iraq and Foreign Countries by Enterprise Size (%)

Distribution of Sales	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
% Locally	1653	82	1520	81.1	121	95.3	12	85.7
% With bordering/ neighboring countries	27	1.3	27	1.4	0	0	0	0
% With foreign (not bordering) countries	27	1.3	27	1.4	0	0	0	0
% Iraq Federal	309	15.3	301	16.1	6	4.7	2	14.3
Total	2016	100	1875	100	127	100	14	100

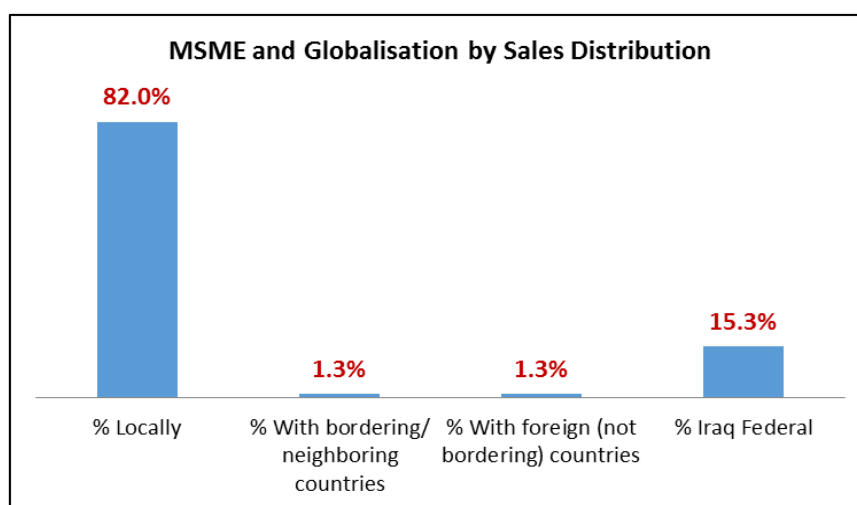


Figure (11.1 A): MSMEs and Distribution of Sales

Table (11.1 B): MSMEs Export Prioritization by Enterprise Size (%)

Export Priority	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Do not plan to export	1931	95.8	1804	96.2	117	92.1	10	71.4
I had plans to export but did not work	31	1.5	27	1.4	3	2.4	1	7.1
I have plans to export	54	2.7	44	2.3	7	5.5	3	21.4
Total	2016	100	1875	100	127	100	14	100

11.2 Exportation

The complete sample responded to the export activities questions. Both responses found that 98% of MSMEs by type and Governorate had no export activities (Tables 11.2 A and 11.2 B).

Table (11.2 A): Does Your Business Have Export Activities (by MSME Size)

Export Activities	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Yes	26	1.3	22	1.2	2	1.6	2	14.3
No	1990	98.7	1853	98.8	125	98.4	12	85.7
Total	2016	100	1875	100	127	100	14	100

Table (11.2 B): Does Your Business Have Export Activities (by Governorate)

Export Activities	Total		Erbil		Sulaymaniyah		Halabja		Duhok	
	No.	%	No.	%	No.	%	No.	%	No.	%
Yes	26	1.3	3	0.4	13	1.8	2	5	8	1.4
No	1990	98.7	681	99.6	727	98.2	38	95	544	98.6
Total	2016	100	684	100	740	100	40	100	552	100

Sulaymaniyah Governorate had the most MSMEs who export with 13 out of the 26. The majority of the 26 were micro enterprises (22). The following table indicates the 26 MSMEs that have export activities by business sector;

Box (11.2 A): Exporting MSMEs by Sector

Business Sector	Total No.
Agriculture	6
Trade	6
Manufacturing of Metal Products	4
Technician	3
Transport	3
Medical Doctor	2
Food	1
Health	1
Total	26

The following tables (11.2 C, 11.2 D, 11.2 E) show the reasons that inhibit enterprises from

exporting. The results were as follows:

- 66% of responses indicated that the 'local market was enough for their needs'.
- 27% of responses indicated that their product or services were not permitted for exportation.
- 4% said that there was a lack of government support in exportation.

Table (11.2 C): Reasons for not exporting by Enterprise Size (%) (Multiple answers)

Reason	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
The local market is enough for my work	1401	66	1302	66.1	90	66.7	9	56.3
The type of products and services is not permitted for exporting	578	27.2	544	27.6	32	23.7	2	12.5
Lack of government support	83	3.9	68	3.5	11	8.1	4	25
I do not know how	15	0.7	15	0.8	0	0	0	0
My language skills do not permit me	14	0.7	13	0.7	0	0	1	6.3
Others, specify	31	1.5	29	1.5	2	1.5	0	0
Total	2122	100	1971	100	135	100	16	100

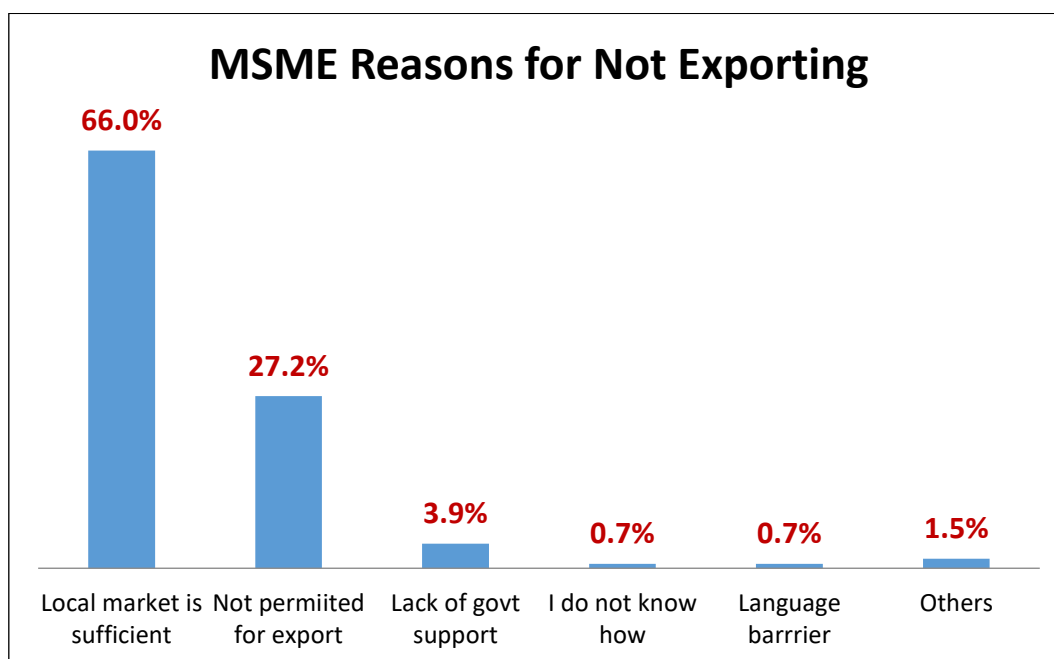


Figure (11.2 A): MSMEs Reasons for Not Exporting

Overwhelmingly, MSMEs depend highly on business relations within Kurdistan (98%) (Table 11.2 D and Table 11.2 E). With only 29 MSMEs engaged in business with non-KRI companies, and 42 engaging with non-Iraqi companies. Significantly, the majority of the MSMEs were male.

Table (11.2 D): Do You Have Any Direct Business Relation with Non-Iraqi Companies or Suppliers by MSME size

Reason	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Import of goods/services	22	1.1	15	0.8	5	3.9	2	14.3
Purchase of raw materials	12	0.6	6	0.3	4	3.1	2	14.3
Suppliers of Software, technology	0	0	0	0	0	0	0	0
Website hosting	8	0.4	8	0.4	0	0	0	0
No, I do not have	1974	97.9	1846	98.5	118	92.9	10	71.4
Total	2016	100	1875	100	127	100	14	100

Table (11.2 E): Do You Have Any Business Relation with Iraq Federal (Non-KRI) Companies or Suppliers by MSMe size

Reason	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Import of goods/services	17	0.8	12	0.6	5	3.9	0	0
Purchase of raw materials	9	0.4	5	0.3	3	2.4	1	7.1
Suppliers of Software/ technology	0	0	0	0	0	0	0	0
Website hosting	3	0.1	3	0.2	0	0	0	0
No, I do not have	1987	98.6	1855	98.9	119	93.7	13	92.9
Total	2016	100	1875	100	127	100	14	100

The relationship of MSMEs engaged with non-KRI (17 from 29) and non-Iraqi (22 from 42) companies are mostly in the activity of importing goods or services. The business sectors distribution of these two groups is indicated in table (11.2 F).

Table (11.2 F): MSMEs Engaged with Non-Iraqi and Non-KRI Companies by Business Sectors

Business Sector	Non-Iraq	Non-KRI
Trade	18	12
Transport	4	4
Manufacturing of Metal Products	2	2
Electronics	2	-
Technician	2	1
Professional	2	1
Health	2	2
Construction	2	1
Accommodation	2	1
Agriculture	2	3
Artisanal	2	-
Food	-	1
Oil and Gas	1	1
Water/ Sewage	1	-
Total	42	29

In conclusion, according to the publications of the Kurdistan Region Statistics Authority - Iraq (2018), the per capita GDP was estimated at 5,372 million Iraqi dinars (2018) - and the GDP by sector was as follows: Crude oil (33.6%), transportation, communications and storage (17.6%), wholesale and retail trade, hotels and the like (11.5%) social and personal development services (10.1%). The rest of the sectors are referred to in the national accounts link www.krso.gov.krd/ar/statistics.

In terms of Imports and Exports, the KRI's predominant export is crude oil at 84% of exports, the main imports were medicine, food and manufactured products. (<https://gov.krd/boi-en/why-kurdistan/region/facts-figures/region-kurdistan-economy/>).

12. Networking, Partnerships and Clusters

This section contains results related to professional networking, partnerships and local clusters that enhance access to market information, business development, technology development and innovation in various industries and services.

Although there is relatively low overall activity in this area, the data has shown some positive foundations that can be built on in future strategic plans.

Specific to these, the data that could be captured found 88 MSMEs have identified themselves as being engaged with 'service providers', 13 MSMEs are engaged with enterprises in the same domain, and 9 MSMEs have cooperation or collaboration with academic or research institutions.

The emergence of these 'clusters / networks' shows that there is a potentially positive business environment that can be strategically established through 'business development services' to benefit MSMEs. This is shown in the value that current MSMEs have identified from being part of these 'clusters / networks' (Table 12.2 A);

- a) Access to Finance.
- b) Marketing/ Promotion and Networking.
- c) Increased Know How.
- d) Logistical Facilities.

The sectors identified as benefiting were (Table 12.2 C);

- 1) Trade.
- 2) Transportation and storage.
- 3) Agriculture and fisheries.
- 4) Technicians.
- 5) Construction.

The emergence of KRI MSME 'cluster/ network' would benefit from planning a three part scale in future initiatives:

Level	Network	Cluster
<i>Emergence</i>	Exchange of goods / services in a small geographic area	Proximity of enterprise with common business interests
<i>Establishment</i>	Organized cooperation through an official entity	Organized exchange of information for mutual advantages / benefits
<i>Maturity</i>	Cooperation and exchange of knowledge for common needs of network	Collaboration and planning for clusters future requirements

12.1 Business Association Networking

MSMEs were asked to identify if their business was part of a network/ cluster; 87% stated that they were NOT connected to any networks and partnerships. The remaining 13% were as follows (Table 12.1 A and Table 12.1 B):

Table (12.1 A): Type of Business Networking by MSME Size

Type of Networking	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Local association of your sector of activity	255	92.1	223	92.5	27	93.1	5	71.4
Industrial district or economic zone	17	6.1	13	5.4	2	6.9	2	28.6
Geographical cluster	3	1.1	3	1.2	0	0	0	0
Networking portal	2	0.7	2	0.8	0	0	0	0
Total	277	100	241	100	29	100	7	100

Table (12.1 B): Type of Business Networking by Governorate and Gender

Type of Networking	Total		Erbil		Sulaymaniyah		Halabja		Duhok		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Local association of your sector of activity	255	92.1	74	93.7	97	91.5	5	71.4	79	92.9	242	91.7	13	100.0
Industrial district or economic zone	17	6.1	4	5.1	6	5.7	2	28.6	5	5.9	17	6.4	0	0.0
geographical cluster	3	1.1	0	0.0	2	1.9	0	0.0	1	1.2	3	1.1	0	0.0
Networking portal	2	0.7	1	1.3	1	0.9	0	0.0	0	0.0	2	0.8	0	0.0
Total	277	100	79	100	106	100	7	100	85	100	264	100	13	100

277 MSMEs make up the 92% that were connected to networks and partnerships. Of these MSMEs 221 were 'Registered' and 56 were 'Not Registered' (Table 12.1 C). The highest type was 'local associations' with 255 MSMEs, of which 203 were 'formal' (the highest concentration are in Sulaymaniyah).

The majority of MSMEs were found from the following sectors (Table 12.1 D);

- 1) Transportation and storage (82).
- 2) Trade (38).
- 3) Agriculture and fisheries (31).
- 4) Construction (20).
- 5) Technicians (19).

Table (12.1 C): Formality of Networking MSMEs by type of Registry

Type of Networking	Total		Registered		Not Registered	
	No.	%	No.	%	No.	%
Local association of your sector of activity	255	92.1	203	91.9	52	92.9
Networking portal	2	0.7	1	0.5	1	1.8
Geographical cluster	3	1.1	3	1.4	0	0.0
Industrial district or economic zone	17	6.1	14	6.3	3	5.4
Total	277	100	221	100	56	100

Table (12.1 D): Type of Networking by Business Sector

Business Sector	Local Associations	Networking Portal	Geographical Cluster	Industrial District / Economic Zone
Transportation and Storage	82			
Wholesale and Retail Trade	38	1	2	4
Agriculture, Forestry and Fishing	31			3
Construction	20			
Technician	19			
Human Health and Social Work Activities	11			
Food Industry	9			1
Professional (Doctor, Lawyer, Engineer)	9			
Accommodation and Food Service Activities	8	1	1	
Repair of Motor, Vehicles and Motorcycles	8			1
Manufacturing of Metal Products	6			6
Real Estate Activities	4			
Artisanal Works	3			
Repair of Equipment and Machinery	2			
Financial Insurance Activities	1			1
Electrical and Electronic Equipment and Components	1			
Administrative and Support Service Activities	1			
Electricity and Gas Supply	1			
Scientific and Technical Activities	1			
Gas Station				1
Total	255	2	3	17

12.2 Incentives for Business Association and Networking

315 MSMEs benefited from networks or associations, (Table 12.2 A) and (Table 12.2 B);

- Access to Finance – 59.7% of the total sample, 188 MSMEs (93 Erbil, 84 Sulaymaniyah, 10 Halabja, 1 Duhok).
- Marketing/ Promotion and Networking – 18.1% of the total sample, 57 MSMEs (24 Erbil, 31 Sulaymaniyah, 1 Halabja, 1 Duhok).
- Increased Know-How – 11.4% of the total sample, 36 MSMEs (13 Erbil, 19 Sulaymaniyah, 3 Halabja, 1 Duhok).
- Logistical Facilities – 10.8% of the total sample, 34 MSMEs (8 Erbil, 22 Sulaymaniyah, 2 Halabja, 2 Duhok).

Table (12.2 A): Incentives Benefited from by MSMEs through Business Association and Networking (multiple answers)

Incentives	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Access to finance	188	59.7	184	62.6	3	17.6	1	25.0
Marketing/ Promotion and Networking	57	18.1	49	16.7	7	41.2	1	25.0
Increased know-how	36	11.4	32	10.9	3	17.6	1	25.0
Logistical facilities	34	10.8	29	9.9	4	23.5	1	25.0
Total	315	100	294	100	17	100	4	100

- The sectors that benefit most from incentives are: Trade, transportation and storage, and Agriculture and fishery. (Table 12.2 C).
- The benefits being in access to finance, marketing/Promotion and increased knowledge (12.2 A).

Table (12.2 B): Incentives Benefited from Networks by Governorate and Gender (multiple answers)

Type of Networking	Total		Erbil		Sulaymaniyah		Halabja		Duhok		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Access to finance	188	59.7	93	67.4	84	53.8	10	62.5	1	20.0	165	62.3	23	46.0
Marketing/ Promotion and Networking	57	18.1	24	17.4	31	19.9	1	6.3	1	20.0	44	16.6	13	26.0
Increased know-how	36	11.4	13	9.4	19	12.2	3	18.8	1	20.0	25	9.4	11	22.0
Logistical facilities	34	10.8	8	5.8	22	14.1	2	12.5	2	40.0	31	11.7	3	6.0
Total	315	100.0	138	100.0	156	100.0	16	100.0	5	100.0	265	100.0	50	100.0

Table (12.2 C): Incentives benefited from by MSMEs through Business Association and Networking by Sector (multiple answers)

Business Sector	Access to Finance	Marketing/ Promotion and Networking	Increased Know How	Logistical Facilities
Wholesale and Retail Trade	65	17	7	9
Transportation and Storage	39	3	2	4
Agriculture, Forestry and Fishing	30	7		3
Technician	15	13	8	3
Construction	12	4	1	5
Manufacturing of Metal Products	8	3	1	
Artisanal Works	5	2	2	1
Food Industry	5	5	3	1
Repair of Motor, Vehicles and Motorcycles	3	1	1	1
Accommodation and Food Service Activities	3	2	2	3
Electrical and Electronic Equipment and Components			2	
Real Estate Activities	1		2	
Professional (Doctor, Lawyer, Engineer)	1			
Water Supply, Sewerage, Waste Management and Remediation Activities	1			
Repair of Equipment and Machinery			1	
Human Health and Social Work Activities			3	2
Scientific and Technical Activities			1	
Electricity and Gas Supply				1
Mining Quarrying				1
Total	188	57	36	34

12.3 Collaboration

When asking MSMEs about their cooperation and collaborations 113 MSMEs stated that they benefited from collaboration or cooperation, Halabja Governorate has zero collaboration or cooperation with any entities. No MSMEs had any cooperation with technology institutions. The 113 MSMEs that had collaborations were as follows (Table 12.3 A and 12.3 B);

- Service Providers - 88 MSMEs (4 Erbil, 6 Sulaymaniyah, 78 Duhok).
- Universities - 13 MSMEs (9 Erbil, 3 Sulaymaniyah, 1 Duhok).
- Similar Entities - 9 MSMEs (3 Erbil, 2 Sulaymaniyah, 4 Duhok).
- Research Centers - 3 MSMEs (1 Erbil, 2 Sulaymaniyah).

Table (12.3 A): MSMES cooperation and collaboration

Cooperation and Collaboration between MSMEs and Stakeholders	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Service providers	88	77.9	72	77.4	13	76.5	3	100
Universities	13	11.5	12	12.9	1	5.9	0	0.0
Other entities in your business domain	9	8.0	7	7.5	2	11.8	0	0.0
Research centers	3	2.7	2	2.2	1	5.9	0	0.0
Technology Institutions	0	0.0	0	0.0	0	0.0	0	0.0
Total	113	100	93	100	17	100	3	100

Table (12.3 B): Type of Cooperation and Collaboration by Governorate

Cooperation and Collaboration between MSMEs and Stakeholders	Total		Erbil		Sulaymaniyah		Halabja		Duhok		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Service providers	88	77.9	4	23.5	6	46.2	0	0	78	94.0	84	77.1	4	100
Universities	13	11.5	9	52.9	3	23.1	0	0	1	1.2	13	11.9	0	0.0
Other entities in your business domain	9	8.0	3	17.6	2	15.4	0	0	4	4.8	9	8.3	0	0.0
Research centers	3	2.7	1	5.9	2	15.4	0	0	0	0.0	3	2.8	0	0.0
Technology Institutions	0	0.0	0	0.0	0	0.0	0	0	0	0.0	0	0.0	0	0.0
Total	113	100	17	100	13	100	0	0	83	100	109	100	4	100

The table (12.3 C) shows the Cooperation and coordination between institutions and relevant authorities according to commercial activity.

- The most collaboration is found in the following sectors: Trade, Agriculture and Fishery, Transportation and Storage, and Construction.
- The type of collaboration is mostly with service providers.

Table (12.3 C): Cooperation and Collaboration by Business Sector

Business Sector	Service Providers	Universities	Other entities in your business domain	Research Centers
Wholesale and Retail Trade	27	1	2	
Agriculture, Forestry and Fishing	23		2	
Transportation and Storage	12	10	1	1
Construction	8		2	
Artisanal Works	5	1		
Manufacturing of Metal Products	3			
Technician	3			
Accommodation and Food Service Activities	2	1		
Food Industry	1		1	
Real Estate Activities	1			
Repair of Equipment and Machinery	1			
Human Health and Social Work Activities	1			
Electricity and Gas Supply	1			1
Professional (Doctor, Lawyer, Engineer)			1	1
Total	88	13	9	3

13. COVID 19

The Corona pandemic has had a profound impact on the Iraqi economy, as the Iraqi Economic Observatory indicated that Iraq's gross domestic product decreased by about 10% in 2020, and the budget deficit reached an unprecedented level of nearly 30% of GDP*.

The Corona pandemic also affected the revenues of most sectors. In particular the services of hotels, restaurants and cafes, transportation, tourism, education, wholesale and retail trade (Box 13.1).

Box (13.1 A): Impact of COVID-19 by sector between February- October 2020

The latest available data about COVID-19 Impact on turnover is referred to FAO/ IOM 2020 study (part 3 December 2020, page 7). Below is an extract in reply to the query:

"The MSMEs in the study faced a dramatic decrease in revenue especially two and four months after the pandemic started in late February. Economic activity was affected by movement restrictions and changes in buying behavior. MSMEs saw their monthly revenue cut in half by end of June. However, revenue began to recover between June and end of August.

The hospitality and medical service sector witnessed a slight recovery in revenues between February and August. However, the other nine sectors saw a decline in revenue during the same period, where services had the highest decrease (41%), followed by other business (38%), and manufacturing and textiles (32%)

The related table below shows the impact of COVID-19 by sector between "February - October 2020".

Source: PANEL study 3: Impact of COVID-19 on MSMEs (September 2020-FAO/IOM)

This part of the report sheds light on the impact of the Corona pandemic on a wide segment of institutions in the Kurdistan Region, and deals in particular with the impact of the pandemic on institutions, the workforce in institutions, wages, elements of flexibility that allow for continuity of work and the measures taken by the government to reduce the impact of the Corona pandemic.

13.1 Impact of COVID-19 on MSMEs Turnover, Employment and Salaries

The survey shows that the majority of the sample faced a decline in turnover (80.5%) at the beginning of the Corona pandemic in 2020 (Table 13.1 A), and this decline continued, but at a lower rate (73.2%) over 2020- 2021 period (Table 13.1 B).

The governorates of Erbil, Sulaymaniyah and Duhok had the highest decrease in turnover, with all three governorates averaging an over 70% decrease. Halabja was the exception with a decrease of below 50% (Table 13.1 C).

It was also revealed that the top five sectors most effected by the pandemic were; trade, transport, technical professionals, agriculture and construction (Table 13.1 D).

Table (13.1 A): The Impact of COVID -19 on Turnover

Impact on Turnover	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Decrease	1519	75.3	1512	80.6	6	4.7	1	7.1
No change	313	15.5	289	15.4	22	17.3	2	14.3
Increase	184	9.1	74	3.9	99	78	11	78.6
Total	2016	100	1875	100	127	100	14	100

* Source: World Bank, the Corona pandemic and the drop in oil prices are pushing millions of Iraqis into poverty.

Table (13.1 B): The Impact of COVID -19 on Turnover over the period 2020-2021

Estimated Impact on Turnover	The Impact of COVID -19 on Turnover over the period 2020-2021								Total	
	0	1% - 10%	11% - 20%	21% - 30%	31% - 40%	41% - 50%	> 50%	No.	%	
Increase in Turnover	0	4	9	13	15	39	82	162	8.04	
Decrease in Turnover	1	12	69	143	128	392	731	1476	73.21	
No change	-	-	-	-	-	-	-	378	18.75	
Total	1	16	78	156	143	431	813	2016	100	

Table (13.1 C): The Impact of COVID -19 on Turnover over the period 2020-2021 by Governorate

Impact on Turnover	Total		Erbil		Sulaymaniyah		Halabja		Duhok		Gender			
	No.	%	No.	%	No.	%	No.	%	No.	%	Male		Female	
											No.	%	No.	%
Decrease	1476	73.2	509	74.4	531	71.8	19	47.5	417	75.5	1294	74.1	182	67.7
No change	378	18.8	103	15.1	188	25.4	21	52.5	66	12.0	317	18.1	61	22.7
Increase	162	8.0	72	10.5	21	2.8	0	0.0	69	12.5	136	7.8	26	9.7
Total	2016	100	684	100	740	100	40	100	552	100	1747	100	269	100

Table (13.1 D): Impact of COVID 19 by Business Sector over the period 2020-2021

Business Sector	Impact Scale					
	Decrease in Turnover		No change		Increase in Turnover	
	No.	%	No.	%	No.	%
Trade	476	32.2	107	28.3	53	32.7
Transportation and Storage	261	17.7	28	7.4	25	15.4
Technical Professional (hairstylist, technician,...)	177	12.0	37	9.8	24	14.8
Agriculture and Fishery	154	10.4	139	36.8	14	8.6
Construction	108	7.3	6	1.6	15	9.3
Food Industry	90	6.1	27	7.1	5	3.1
Automotive Repair and Maintenance	31	2.1	6	1.6	4	2.5
Metal Products Industry	31	2.1	3	0.8	4	2.5
Accommodation, restaurant and hotel services activities	30	2.0	5	1.3	2	1.2
Craft work	27	1.8	5	1.3	4	2.5
Repair of equipment, machinery	25	1.7	5	1.3	1	0.6
real estate	20	1.4	2	0.5	1	0.6
Electrical and electronic equipment and components	9	0.6	1	0.3	0	0.0
Healthcare and Social Services	7	0.5	2	0.5	8	4.9
Specialized Professional (doctor, lawyer, engineer)	6	0.4	3	0.8	1	0.6
Administrative and support services activities	5	0.3	0	0.0	0	0.0
Mining and Quarrying	4	0.3	0	0.0	0	0.0
Water Supply and Sanitation	4	0.3	0	0.0	0	0.0
Financial and insurance activities	3	0.2	1	0.3	0	0.0
Scientific and artistic activities	2	0.1	0	0.0	1	0.6
Energy supply - generator owners	2	0.1	1	0.3	0	0.0
Education and training activities	2	0.1	0	0.0	0	0.0
Gas stations	1	0.1	0	0.0	0	0.0
Arts, entertainment and recreation activities	1	0.1	0	0.0	0	0.0
Total	1476	100	378	100	162	100

Impact of COVID-19 by sector between "February to October 2020" by Average Monthly Revenue

Sectors	AVERAGE MONTHLY REVENUE			CHANGE (%)	
	February (Pre-COVID-19)	August	October	February to August	August to October
Food and Agriculture	\$6,633	\$3,540	\$4,096	-1	39
Automotive	\$2,054	\$1,346	\$1,125	-19	26
Carpentry and Construction	\$6,552	\$3,772	\$3,630	-24	28
Chemical and Materials	\$3,945	\$1,986	\$2,394	-10	22
Education and Technology	\$10,450	\$3,557	\$8,071	-28	8
General Trade	\$9,134	\$3,636	\$4,185	-16	33
Hospitality	\$3,019	\$2,117	\$2,414	3	70
Manufacturing and Textile	\$10,024	\$4,749	\$5,650	-32	28
Medical Services	\$1,008	\$1,025	\$1,150	104	38
Services	\$2,954	\$1,099	\$1,279	-41	31
Other	\$3,533	\$2,258	\$2,804	-38	42
Average	\$6,084	\$3,004	\$3,398	-16	32

Source: PANEL study 3: Impact of COVID-19 on MSMEs (September 2020-FAO/IOM)

Impact of COVID-19 on Employment and Salary Payment

The majority of respondents, (96.7%) stated that the number of employees remained the same during the Corona pandemic between 2020 and 2021, and there is little disparity in this between enterprise size, governorate or gender, as shown in Table (8.1 E). The effects of other measures are shown in Tables (13.1 F), (13.1 G), (13.1 H) and (13.1 I):

- A large segment of respondents reported that the salaries of workers were affected and did not remain the same during the Corona pandemic (Table 8.1 F), with a rate of 67.2%, small enterprises were the most effected with a rate of 68%, followed by medium enterprises with 57.1%, and then small enterprises with 55.9%. There is a noticeable disparity in this regard between the governorates, as follows: 75.9% Erbil, 73.4% Sulaymaniyah, 62.5% Halabja, and 48.5% in Duhok.
- Most respondents - 86.5% reported that they did NOT put the workers on leave during the Corona pandemic (Table 8.1 G), and the highest percentage was for small enterprises (87.5%). At the governorate level, Erbil was the highest with 97.5%, followed by Sulaymaniyah with 90%.
- Reducing working hours with partial salaries, by 13.2%, without a noticeable discrepancy according to the size of the institutions. Duhok governorate was the highest effected, accounting for 25.7% of the establishments in which working hours were reduced with partial salaries.
- Salaries were reduced, but working hours were kept the same (Table 13.1 I) by 9.9% of MSME, with little difference between them according to the enterprises size. However, a disparity at the governorate level shows that Duhok was the most effected with 24.3% of MSMEs that reduced salaries.

Table (13.1 E): The Impact of COVID-19 on Number of Staff by Governorate and Gender

Number of Staff	Total		Erbil		Sulaymaniyah		Halabja		Duhok		Gender			
	No.	%	No.	%	No.	%	No.	%	No.	%	Male		Female	
											No.	%	No.	%
Decrease in staff	54	2.7	15	2.2	21	2.8	0	0.0	18	3.3	52	3.0	2	0.7
Increase in staff	13	0.6	2	0.3	10	1.4	0	0.0	1	0.2	11	0.6	2	0.7
No change in staff	1947	96.7	667	97.5	709	95.8	40	100	533	96.6	1684	96.4	265	98.5
Total	2016	100	684	100	740	100	40	100	552	100	1747	100	269	100

Table (13.1 F): Impact of COVID-19 on Salary Payments by MSME Size and Governorate

Salary Payments Remain the Same	Total	Size of Enterprise			Governorate			
		Micro	Small	Medium	Erbil	Sulaymaniyah	Halabja	Duhok
Yes	661	599	56	6	165	197	15	284
	32.8%	32.0%	44.1%	42.9%	24.1%	26.6%	37.5%	51.5%
No	1355	1276	71	8	519	543	25	268
	67.2%	68%	55.9%	57.1%	75.9%	73.4%	62.5%	48.5%
Total	2016	1875	127	14	684	740	40	552
	100%	100%	100%	100%	100%	100	100%	100%

Table (13.1 G): Impact of COVID-19 on Employee Vacation by MSME Size and Governorate

Employees have been Placed on Leave	Total	Size of enterprise			Governorate			
		Micro	Small	Medium	Erbil	Sulaymaniyah	Halabja	Duhok
Yes	271	234	32	5	17	74	5	175
	13.4%	12.5%	25.2%	35.7%	2.5%	10.0%	12.5%	31.7%
No	1745	1641	95	9	667	666	35	377
	86.5%	87.5%	74.8%	64.3%	97.5%	90.0%	87.5%	68.3%
Total	2016	1875	127	14	684	740	40	552
	100%	100%	100%	100%	100%	100	100%	100%

Table (13.1 H): The impact of the Corona pandemic on working hours and employee salaries, by MSME Size and Governorate

Working Hours have been Reduced with Partial Salaries	Total	Size of enterprise			Governorate			
		Micro	Small	Medium	Erbil	Sulaymaniyah	Halabja	Duhok
Yes	266	240	24	2	38	82	4	142
	13.2%	12.8%	18.9%	14.3%	5.6%	11.1%	10.0%	25.7%
No	1750	1635	103	12	646	658	36	410
	86.8%	87.2%	81.1%	85.7%	94.4%	88.9%	90.0%	74.3%
Total	2016	1875	127	14	684	740	40	552
	100%	100%	100%	100%	100%	100	100%	100%

Table (13.1 I): The impact of the Corona pandemic on employee salaries, by MSME Size and Governorate

Salaries have been reduced but working hours are kept the same	Total	Size of enterprise			Governorate			
		Micro	Small	Medium	Erbil	Sulaymaniyah	Halabja	Duhok
Yes	200	185	13	2	23	42	1	134
	%9.9	%10.0	%10.0	%14.0	%3.4	%5.7	%2.5	%24.3
No	1816	1690	114	12	661	698	39	418
	%90.1	%90.0	%90.0	%86.0	%96.6	%94.3	%97.5	%75.7
Total	2016	1875	127	14	684	740	40	552
	100%	100%	100%	100%	100%	100%	100%	100%

13.2 Government Actions

When asked whether the measures taken by the government were appropriate to reduce the impact of the Corona pandemic, two-thirds answered that they were 'suitable' (67.4%) (Table 13.2 A). By type of enterprise the level of 'satisfaction' was; 71.4% of Medium enterprises, 55.1% of small enterprises and 68.2% of micro enterprises.

In the governorates, 85% of Halabja governorate considered the government measures appropriate, Duhok 77%, Sulaymaniyah 66% and Erbil 61%. It is evident that the percentage of female satisfaction with government measures during the Corona pandemic is higher than that of males.

Table (13.2 A): COVID-19 Government Action Assessment, by MSME Size, Governorate and Gender (multiple answers)

Government Action Assessment	Total	Size of enterprise			Governorate				Gender	
		Micro	Small	Medium	Erbil	Sulaymaniyah	Halabja	Duhok	Male	Female
Suitable	1359	1279	70	10	415	486	34	424	1161	198
	%67.4	%68.2	%55.1	%71.4	%60.7	%65.7	%85	%76.8	%66.5	%73.6
Not suitable	657	596	57	4	269	254	6	128	586	71
	%32.6	%31.8	%44.9	%28.6	%39.3	%34.3	%15	%23.2	%33.5	%26.4
Total	2016	1875	127	14	684	740	40	552	1747	269
	100%	100%	100%	100%	%100	100	%100	%100	%100	%100

N.B: According to a IOM/ FAO / ITC survey (2020) the following areas of assistance was expressed by MSME to deal with COVID crisis; around half of MSME owners view support to self-employed persons and financial programs as the best public policy to reduce the impact of the COVID-19 pandemic, followed by rent subsidies (41%) and employment programs (34%). Other measures include programs such as reducing lockdowns for some sectors (24%), tax waivers or temporary tax breaks (21%), a reduction of tariffs on imported goods (15%), and cash transfers (7%).

13.3 Reasons for Respondents' Dissatisfaction with Government Actions

When asked the reasons for the dissatisfaction of respondents that replied negatively towards government actions (Table 13.3 A);

- 43.4% stated it led to a decrease in business returns and an increase in unemployment.
- 33.3% stated it led to a decrease in income and profits.
- 8.8% said it was ineffective.

At the governorate level, the highest percentage of decrease in business returns and increase in unemployment was in Duhok governorate (60.2%), and the highest percentage of decrease in income and profits was in Erbil governorate (43.3%), as shown in Table (13.3 B).

Table (13.3 A): Reasons for MSMEs Dissatisfaction with Government Measures

Reasons for Dissatisfaction	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Decreased business returns and increased unemployment	284	43.4	258	43.4	24	42.1	2	50
Decreased income and profits	218	33.3	204	34.3	14	24.6	0	0
Ineffective government measures	58	8.8	47	7.9	9	15.8	2	50
Other	95	14.5	85	14.4	10	17.5	0	0
Total	655	100	594	100	57	100	4	100

Table (13.3 B): Reasons for MSMEs Dissatisfaction with Government Measures, Governorate and Gender

Reasons For Dissatisfaction	Total		Erbil		Sulaymaniyah		Halabja		Duhok		Gender			
	No.	%	No.	%	No.	%	No.	%	No.	%	Male		Female	
											No.	%	No.	%
Decreased business returns and increased unemployment	284	43.4	123	45.6	81	32.2	3	50	77	60.2	257	44.1	27	37.5
Decreased income and profits	218	33.3	117	43.3	88	35.1	1	16.7	24	18.7	199	34.1	31	43.1
Ineffective government measures	58	8.8	10	3.7	21	8.3	0	0	11	8.6	36	6.2	6	8.3
Other	95	14.5	20	7.4	61	24.3	2	33.3	16	12.5	91	15.6	8	11.1
Total	655	100	270	100	251	100	6	100	128	100	583	100	72	100

14. MSME Finance

This section includes the survey findings on:

- Use of bank services.
- Financing to start a business.
- Financial history.
- Current financing needs.
- Difficulty in obtaining financing.
- Revenue range.
- Share of expenditure to total cost.
- Maintain proper accounting and bookkeeping.

14.1 Use of Banking Services

The survey showed that the vast majority of enterprises do not have bank accounts, with only 1.5% of MSMEs holding accounts. There is a significant variation as to the size of the enterprise, as this percentage increases from 1% for Micro to 3.2% for Small and up to 14% for Medium enterprises (Table 14.1 A). The location of the account holders is Sulaymaniyah 14, Erbil 9, Duhok 7 and Halabja 1.

Table (14.1 A): Usage of Bank Services – Business Bank Account

Use of Bank Services	Total		Registered	Micro		Small		Medium	
	No.	%		No.	%	No.	%	No.	%
Yes	31	1.5	23	25	1.3	4	3.2	2	14.3
No	1985	98.5	788	1850	98.7	123	96.8	12	85.7
Total	2016	100	811	1875	100	127	100	14	100

Table (14.1 B) shows the reasons why business owners do not have bank accounts.

Table (14.1 B): Reasons for not having a Bank Account

Reasons for not having a Bank Account	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
My work doesn't need it	1714	86.3	1607	86.9	99	80.5	8	66.7
Do Not Trust Banks	193	9.7	169	9.1	20	16.3	4	33.3
Too Expensive	38	1.9	36	1.9	2	1.6	0	0
Too Much Paperwork	18	0.9	17	0.9	1	0.8	0	0
There Is No Bank Branch in My Area	22	1.1	21	1.1	1	0.8	0	0
Total	1985	100	1850	100	123	100	12	100

It is noted that 86% of the respondents said they did not require opening an account, while a smaller percentage stated that it was too expensive to carry an account. Nearly 10% do not trust banks and 2% found them too expensive.

In addition, respondents were asked if they use a mobile payment service to facilitate business transactions, and it was clear that the vast majority (98%) do not use digital mobile payment methods for their business.

Table (14.1 C): Usage of Mobile Money Payment Services by MSME Size

Usage of Mobile Money Payment Services	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Yes	53	2	48	2.6	4	3.2	1	7.1
No	1963	98	1827	97.4	123	96.8	13	92.9
Total	2016	100	1875	100	127	100	14	100

14.2 Financing to Start the Business

Finance is the most important driver of enterprise development, as it provides the resources needed to establish, operate, and market business enterprises.

The results of the survey showed that 62% of respondents had access to financing, 5% "planned but did not obtain financing", compared to the averseness of 32% of enterprises to borrow as shown in (Table 14.2 A).

Erbil governorate had the highest success rate in financing at start of the enterprise. The average failure rate was very low in all governorates (below 5%) apart from Duhok which was at 14%. The gender difference was negligible with both genders averaging over 60% in acquiring finance (Table 14.2 B).

Table (14.2 A): Need for Financing at Start Up

Financing at Start Up	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
Yes, I got financing	992	62.4	927	62.8	60	58.3	5	38.5
I planned but did not get financing	83	5.2	79	5.4	3	2.9	1	7.7
No, I did not need financing	516	32.4	469	31.8	40	38.8	7	53.8
Total	1591	100	1475	100	103	100	13	100

Table (14.2 B) Need for Financing at Start up By Governorate and Gender

	Total		Governorate								Gender				
			Erbil		Sulaymaniyah		Halabja		Duhok		Male		Female		
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
Yes, got financing	992	62.4	452	79.6	318	58	13	56.5	20	46.2	850	61.4	14	2	68.6
I planned but did not get financing	83	5.2	5	0.9	13	2.4	1	4.3	64	14.2	80	5.8	3	1.4	
No, I did not want financing	516	32.4	111	19.5	217	39.6	9	39.1	17	39.6	454	32.8	62	30	
Total	1591	100	568	100	548	100	23	100	45	100	138	100	20	7	100

This indicates that there is a significant amount of funding on the supply side in terms of finance at the start up level. Also an inertia on the demand side in terms of the capability of MSMEs to 'plan for institutional financing'.

The following table (14.2 C) shows the type of financing according to MSME size. The following can be concluded from this data:

- The majority of the respondents (89%) stated that they obtained or planned to obtain financing either through loan from family and friends (49%), personal savings (40%).
- The percentage of MSMEs that have already obtained or planned to obtain credit financing from 3.1%; 1.0% from banks (16 MSMEs), 0.8% from micro loans (12 MSMEs), and 1.3% in grants (21 MSMEs).
- Table (14.2 D) shows that from total sample 97% got their funding locally (from KRI).
- Table (14.2 E) shows the amount of funds that was acquired by MSMEs at the start-up level. The majority being between below ID 5mn (52%), and the second highest bracket being ID 5mn-24mn (37%).

Table (14.2 C): Type of Financing Acquired or Planned

Type of Financing	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Loan from family/friends	790	49.7	744	50.4	44	42.7	2	15.4
Personal savings	647	40.7	589	39.9	49	47.6	9	69.2
Sold assets (property, car...)	71	4.5	68	4.6	2	1.9	1	7.7
Grants from institutions or individuals	21	1.3	18	1.2	3	2.9	0	0.0
Bank loan	16	1.0	15	1.0	1	1.0	0	0.0
Micro loan from NGOs or Micro Finance Organizations	12	0.8	12	0.8	0	0.0	0	0.0
Investment from partners	8	0.5	5	0.3	2	1.9	1	7.7
Investment from family/friends	7	0.4	6	0.4	1	1.0	0	0.0
Credit Cards	0	0.0	0	0.0	0	0.0	0	0.0
Other	19	1.2	18	1.2	1	1.0	0	0.0
Total	1591	100	1475	100	103	100	13	100

Table (14.2 D): Source of Financing: Local/Abroad

Source of Financing	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
All local	1548	97.3	1434	97.2	101	98.1	13	100.0
All from abroad	9	0.6	8	0.5	1	1.0	0	0.0
Mix of both	34	2.1	33	2.2	1	1.0	0	0.0
Total	1591	100	1475	100	103	100	13	100

Table (14.2 E): Size of Loan by Size of MSMEs and Gender

Size of Loan (ID)	No. of MSMEs	Total %	Type of Enterprise			Gender	
			Micro	Small	Medium	Male	Female
500.000.000+	2	0.1	1	0	1	2	0
5.000.000 - 24.000.000	8	0.5	5	3	0	8	0
24.000.001 - 120.000.000	18	1.1	12	5	1	18	0
120.000.001 - 240.000.000	136	8.5	112	18	6	136	0
240.000.001 - 500.000.000	602	37.8	558	41	3	581	21
Below 5.000.000 ID	825	51.9	787	36	2	639	186
Total	1591	100	1475	103	13	1384	207

14.3 Business Assets

The majority of MSMEs (66%) did not have any assets when they set up their business and this percentage varies inversely with the size of the enterprise, as shown in Table (14.3 A).

The survey showed that the larger the size of the institution, the more assets was available. With regard to the availability of ownership documents, this increases from about 89% for micro to 93% for small enterprises reaching 100% for medium enterprises, as shown in (Table 14.3 B).

The percentage of availability of assets for MSMEs by governorate was as follows: Erbil 30%, Sulaymaniyah 25%, Halabja 47%, Duhok 49%. This rate was 37% for males and 15% for females, 37% for registered MSMEs and 31% for not registered. Overall, 89% of MSMEs have official papers proving their ownership of the assets (Table 14.3 C).

Table (14.3 A): Availability of Assets to Start the Business by MSME Size

Availability of Assets	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Yes	684	33.9	631	33.7	46	36.2	7	50
No	1332	66.1	1244	66.3	81	63.8	7	50
Total	2016	100	1875	100	127	100	14	100

Table (14.3 B): Availability of Titles for Existing Assets by MSME Size

Availability of Titles of Assets	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Yes	612	89.5	562	89.1	43	93.5	7	100
No	72	10.5	69	10.9	3	6.5	0	0
Total	684	100	631	100	46	100	7	100

Table (14.3 C) Availability of Assets by Governorate and Gender

	Total		Governorate								Gender			
			Erbil		Sulaymaniyah		Halabja		Duhok		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Yes	684	33.9	210	30.7	184	24.9	19	47.5	271	49.1	644	36.9	40	14.9
No	1332	66.1	474	69.3	556	75.1	21	52.5	281	50.9	1103	63.1	229	85.1
Total	2016	100	684	100	740	100	40	100	552	100	1747	100	269	100

Financing acquired after starting a business

69% MSMEs reported that they did not plan to obtain financing after starting their business. The results of the survey showed that the highest percentage of enterprises was in the trade sector, followed by the transport sector. We conclude from this that industrial enterprises engaged in manufacturing do not have plans to obtain financing, and the reason for this may be due to competition with foreign goods and the dependence of the local market on imported goods, which shows that there is no appetite for industrialization, the focus being on trade, transport, agriculture, professional services and construction.

Tables (14.3 D) and (14.3 E) show financing acquired after commencing a business by MSME size and Governorate, and (Table 14.3 F) shows the amount of funds obtained. It is evident from these results that the average rate of obtaining financing was 25.5 %, which was distributed as follows: This percentage ranged from 25% for micro enterprises to 33.1% for small enterprises and 28.6% for medium enterprises.

The percentage of MSMEs that tried to obtain financing, but did not succeed, reached 4.9%. Erbil had the highest level of successful financing at 35%, and Duhok had the lowest rate at 12%.

Table (14.3 D): Financing Acquired after Starting the Business by MSME Size

Financing Acquired	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Yes, I got financing	514	25.5	468	25	42	33.1	4	28.6
I planned but did not get financing	98	4.9	91	4.9	5	3.9	2	14.3
No, I did not need financing	1404	69.6	1316	70.2	80	63	8	57.1
Total	2016	100	1875	100	127	100	14	100

Table (14.3 E): Financing Acquired after Starting the Business

	Total		Governorate								Gender			
			Erbil		Sulaymaniya h		Halabja		Duhok		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Yes, got financing	514	25.5	239	34.9	161	21.8	5	12.5	109	19.7	438	25.1	76	28.3
I planned but did not get financing	98	4.9	8	1.2	24	3.2	0	0	66	12	92	5.3	6	2.2
No, I did not want financing	1404	69.6	437	63.9	555	75	35	87.5	377	68.3	1217	69.7	187	69.5
Total	2016	100	684	100	740	100	40	100	552	100	1747	100	269	100

Out of the 1,519 positive responses, 514 got financing after starting their business, these were predominantly male 438, and 76 females (Table 14.3 F).

Table (14.3 F): Size of Loan by Size of MSMEs and Gender after Starting Business

Size of Loan (ID)	No. of MSMEs	Total %	Type of Enterprise			Gender	
			Micro	Small	Medium	Male	Female
120.000.001 to 500.000.000	8	0	3	4	1	8	0
24.000.001 to 120.,000.000	29	1	21	8	0	29	0
5.000.000 to 24.000.000	195	10	178	15	2	191	4
Below 5.000.000 ID	282	14	266	15	1	210	72
Did not want or did not get financing	1502	75	1407	85	10	1309	193
Total	2016	100	1875	127	14	1747	269

Reasons and sources of funding

Tables (14.3 G) and (14.3 H) show the reasons and sources of funding. The most important funding purposes reported by 362 MSMEs (18% of the sample) were for business expansion and equipment modernization. As for sources of funding, the majority were from loans from family/friends or personal savings.

Table (14.3 G): Reason of Planned Financing

Purpose of Planned Financing	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
To expand the business	362	18	329	17.5	31	24.4	2	14.3
To update and upgrade equipment	33	1.6	31	1.7	2	1.6	0	0
To improve marketing	30	1.5	30	1.6	0	0	0	0
To increase inventory	27	1.3	24	1.3	2	1.6	1	7.1
To improve your business's cash flow	24	1.2	21	1.1	2	1.6	1	7.1
To introduce new products / service	22	1.1	19	1	3	2.4	0	0
To overcome unpaid invoices / expenses	8	0.4	6	0.3	2	1.6	0	0
To recruit and hire new employees	5	0.2	5	0.3	0	0	0	0
To move business to a new location	2	0.1	2	0.1	0	0	0	0
To go digital (ecommerce, technological development, ...)	0	0	0	0	0	0	0	0
Other specify	1	0	1	0.1	0	0	0	0
Did not want or did not get financing	1502	74.5	1407	75	85	66.9	10	71.4
Total	2016	100	1875	100	127	100	14	100

Out of the 514 MSMEs that got financing after they started their business 355 got their financing from family/ friends, 116 got their financing from personal savings. 19 MSMEs got their funds from the following: banks (5) or loans (8) and small grants (6).

Table (14.3 H): Type of Financing Acquired

Type of Financing	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Loan from family/friends	355	69.1	329	17.5	25	19.7	1	7.1
Personal savings	116	22.6	101	5.4	14	11	1	7.1
Sold assets (property, car...)	10	1.9	9	0.5	0	0	1	7.1
Micro loan from NGOs or Micro Finance Organizations	8	1.6	8	0.4	0	0	0	0
Grants from institutions or individuals	6	1.2	6	0.3	0	0	0	0
Bank loan	5	1	3	0.2	2	1.6	0	0
Investment from family/friends	3	0.6	3	0.2	0	0	0	0
Investment from partners	1	0.2	0	0	0	0	1	7.1
Other	10	1.9	9	0.5	1	0.8	0	0
Total	514	100	1875	100	127	100	14	100

The distribution of the finance acquired after starting a business by governorates and sectors was as follows:

Box (14.3 A): Distribution of Finance after Starting a Business by Governorate

Governorate	No. of MSMEs	%
Erbil	239	46
Sulyamaniyah	161	31
Duhok	109	21
Halabja	5	1
Total	514	100

The top 6 business sectors accounted for 87% of the financing acquired, these were distributed as follows;

Box (14.3 B): Distribution of Finance after Starting a Business by Sectors

Top 6 Business Sectors	No. of MSMEs	% from total that got financing after starting
Trade	192	37
Agriculture and Fishery	79	15
Transport and Storage	69	13
Technician	63	12
Food Industry	32	6
Construction	22	4

The percentage of MSMEs that succeeded in obtaining financing reached 25% after establishing their businesses. This indicates that MSMEs have either been able to survive without the need for additional financing, or that the attractiveness of enterprises towards loans decreases over time, making them less preferred as investments.

Paradoxically, another reason for the low success rates in obtaining loans is that; after they have started a business, owners estimate that they need less money than they did when the business was established. For example, The majority of start-ups successfully secured less than 5 million ID (41%, 825 MSMEs) at the inception of their business (Table 14.2 E). After starting their business 514 (25% of MSMEs) responded that they acquired funds; 282 MSMEs below 5 million ID, 195 between 5 to 24 million, 7 acquired 120-140 million ID and 1 acquired 240-500 million ID (Table 14.3 F). This can either be attributed to successful expansion and/or estimation of business needs.

The policy or program dealing with micro, small and medium enterprises can be enhanced further by transferring commercial knowledge and financial understanding to the market, to build a knowledge relationship between MSMEs and the financial sector.

14.4 Financing Needs and Future Requirements

66% of the respondents stated that they either 'currently need funding' (Table 14.4 A) or will need it in the future, and the need for funding by governorate was highest in Duhok (71%), with the other governorates averaging in the 60% range. The gender percentage was relatively the same with males 66% and females 64% (Table 14.4 B).

Table (14.4 C) shows the purpose of needed financing, where the majority of respondents reported the need to expand their business, increase inventory, hire new staff, renew or upgrade equipment, or introduce new products or services.

Table (14.4 A): Need for Current and Planned Financing Requirements by MSME Size

Need for Financing	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Yes	970	66	906	67	57	63	7	64
No	490	34	452	33	34	37	4	36
Total	1460	100	1358	100	91	100	11	100

Table (14.4 B): Financing Need by Governorate and Gender (%)

Need for Financing	Total		Governorate								Gender			
			Erbil		Sulaymaniyah		Halabja		Duhok		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Yes	970	66.4	314	64.9	336	64	16	61.5	304	71.5	844	66.8	126	64.3
No	490	33.6	170	35.1	189	36	10	38.5	121	28.5	420	33.2	70	35.7
Total	1460	100	484	100	525	100	26	100	425	100	1264	100	196	100

Table (14.4 C): Purpose of Planned Financing Needs by Size of Enterprise

Purpose of Planned Financing	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
To expand the business	747	77	693	76.5	50	87.7	4	57.1
To increase inventory	54	5.6	51	5.6	2	3.5	1	14.3
To recruit and hire new employees	37	3.8	36	4	1	1.8	0	0
To update and upgrade equipment	30	3.1	27	3	3	5.3	0	0
To go digital (ecommerce, technological development, ...)	27	2.8	27	3	0	0	0	0
To introduce new products / service	25	2.6	24	2.6	0	0	1	14.3
To move business to a new location	24	2.5	23	2.5	0	0	1	14.3
To overcome unpaid invoices / expenses	1	0.1	1	0.1	0	0	0	0
Other	10	1	9	1	1	1.8	0	0
Total	970	100	906	100	57	100	7	100

The amounts ‘forecasted for future financial requirements’ to meet business needs produced a higher number of responses (1,460) as shown in the (Table 14.4 D) and (Figure 14.4 A) below.

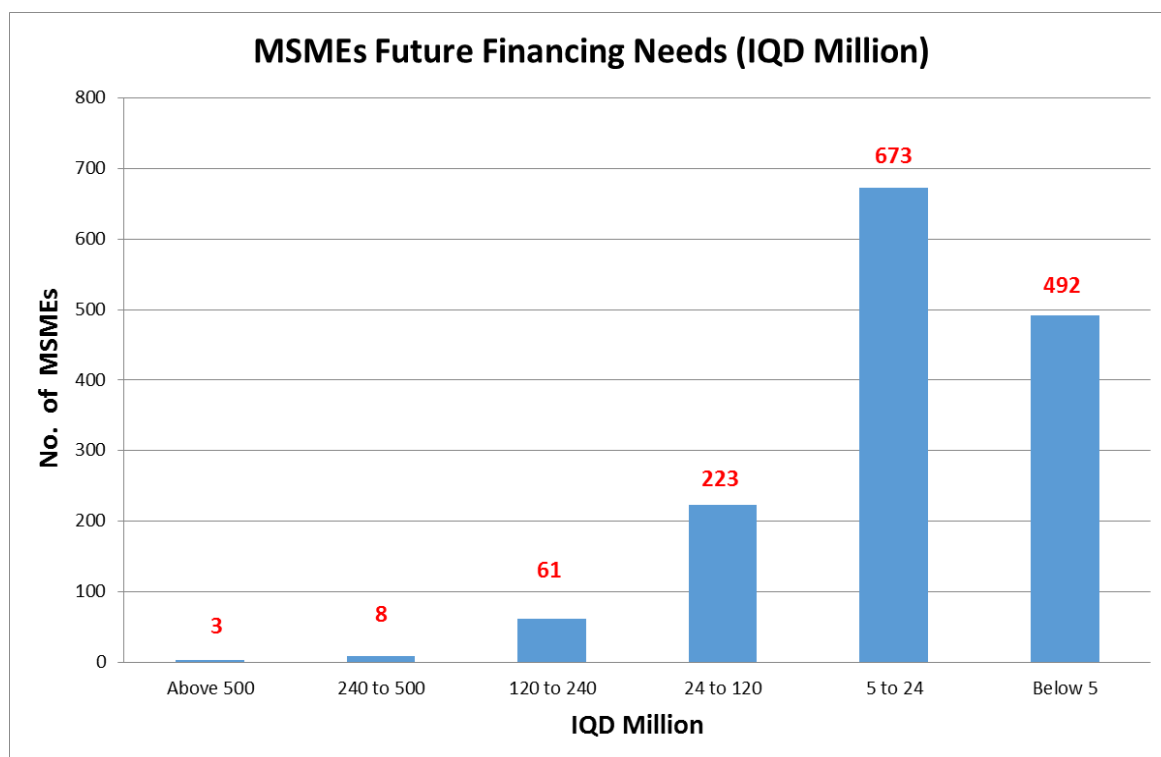


Figure (14.4 A): Amount Forecast for Financing Future Requirements by no. of MSMEs (ID million)

‘Forecasted for future financial requirements’ by governorate are shown in Table (14.4 D).

Table (14.4 D): Amount of Future Financing Needed if Available by Size of Enterprise

Size of Loan (ID)	No. of MSMEs	Total %	Type of Enterprise			Gender	
			Micro	Small	Medium	Male	Female
500.000.000+	3	0.2	0	2	1	3	0
5.000.000 - 24.000.000	8	0.5	6	2	0	8	0
24.000.001 - 120.000.000	61	4.2	48	9	4	60	1
120.000.001 - 240.000.000	223	15.3	195	25	3	215	8
240.000.001 - 500.000.000	673	46.1	633	39	1	605	68
Below 5,000,000 ID	492	33.7	476	14	2	373	119
Total	1460	100	1358	91	11	1264	196

When asked about the source of finance if needed ‘Today’; MSMEs showed a predominance towards family and friends (55%) and Personal savings (19%) (Table 14.4 E);

Table (14.4 E): Source of Available Finance if Needed 'Today' by Size of Enterprise

Type of Financing	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Loan from family/friends	1103	54.7	1041	55.5	58	45.7	4	28.6
Personal savings	390	19.3	356	19	32	25.2	2	14.3
Bank loan	131	6.5	121	6.5	9	7.1	1	7.1
Micro loan from NGOs or Micro Finance Organizations	122	6.1	113	6	9	7.1	0	0
Sold assets (property, car...)	81	4	74	3.9	4	3.1	3	21.4
Grants from institutions or individuals	71	3.5	63	3.4	6	4.7	2	14.3
Investment from family/friends	12	0.6	10	0.5	2	1.6	0	0
Investment from partners	5	0.2	4	0.2	0	0	1	7.1
Other	101	5	93	5	7	5.5	1	7.1
Total	2016	100	1875	100	127	100	14	100

14.5 Difficulty in Obtaining Financing

MSMEs were asked to rate the difficulty level of access to finance. The majority (72%) stated it was very difficult, 24% said it was 'somewhat difficult' and 4% said they had 'no difficulty' (Table 14.5 A).

At the governorate level, it was noted that there was no noticeable disparity in obtaining loans, and women believed that they face more difficulty than men in obtaining loans. The results also showed that there was no relationship between age and borrowing.

The reasons for the difficulty in obtaining financing are shown in (Table 14.5 B) and (Figure 14.5 A) were as follows:

- Income too low 56%
- No collateral 24%
- Risk avoidance by the financier 10%
- No guarantor 3%
- Interest rates too high 1.9%

Characteristics of three main reasons by governorate and gender:

Reasons	Governorate	Gender
Income too low	Highest in Erbil	Highest among Males
Lack of collateral	Highest in Duhok	Highest among Males
Financier avoiding risk of loans default	Highest in Erbil	Highest among Males

All governorates found that obtaining finance was 'difficult', Sulaymaniyah found it the hardest at 80% difficulty, and Duhok the lowest at 50%. Both genders estimated the difficulty level at above 70% (Table 14.5 C).

Table (14.5 A): Perception of Business Owners of the Level of Difficulty to Access to Financing by Size of Enterprise

Level of Difficulty	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
Very Difficult	1447	72	1349	72	91	72	7	50
Somewhat Difficult	480	24	452	24	26	20	2	14
Not Difficult	89	4	74	4	10	8	5	36
Total	2016	100	1875	100	127	100	14	100

Table (14.5 B): Reasons for Difficulty in Obtaining Finance by Size of Enterprise

Reasons for Difficulty of Access to Financing	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
Income too low	1136	56.3	1068	57	64	50.4	4	28.6
Lack of collateral	484	24	456	24.3	25	19.7	3	21.4
Financer avoiding risk of loans default	214	10.6	198	10.6	15	11.8	1	7.1
Lack of guarantor	64	3.2	58	3.1	5	3.9	1	7.1
High interest rates	38	1.9	32	1.7	6	4.7	0	0
Procedures too complicated	30	1.5	25	1.3	3	2.4	2	14.3
Not eligible	17	0.8	15	0.8	1	0.8	1	7.1
Weak track record of enterprise	6	0.3	6	0.3	0	0	0	0
Lack of necessary documents	2	0.1	0	0	2	1.6	0	0
Other	25	1.2	17	0.9	6	4.7	2	14.3
Total	2016	100	1875	100	127	100	14	100

Table (14.5 C): Level of Difficulty in Obtaining Finance by Governorate

	Total		Governorate								Gender			
			Erbil		Sulaymaniyah		Halabja		Duhok		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Very Difficult	1447	71.8	541	79.1	599	80.9	27	67.5	280	50.7	1241	71	206	76.6
Somewhat Difficult	480	23.8	117	17.1	113	15.3	11	27.5	239	43.3	431	24.7	49	18.2
Not Difficult	89	4.4	26	3.8	28	3.8	2	5	33	6	75	4.3	14	5.2
Total	2016	100	684	100	740	100	40	100	552	100	1747	100	269	100

The following are the types of government initiatives owners of enterprises would like to see implemented (this is further elaborated in section 10; Future business Outlook - Table 15.2 B).

- 23% financial loans.
- 19% infrastructure development.
- 11% provision of raw materials.
- 11% national product protection.
- 9% better security.
- 8% ease of government procedures.
- 3% allocation of special business locations.
- 2% organizing job exhibitions and workshops.

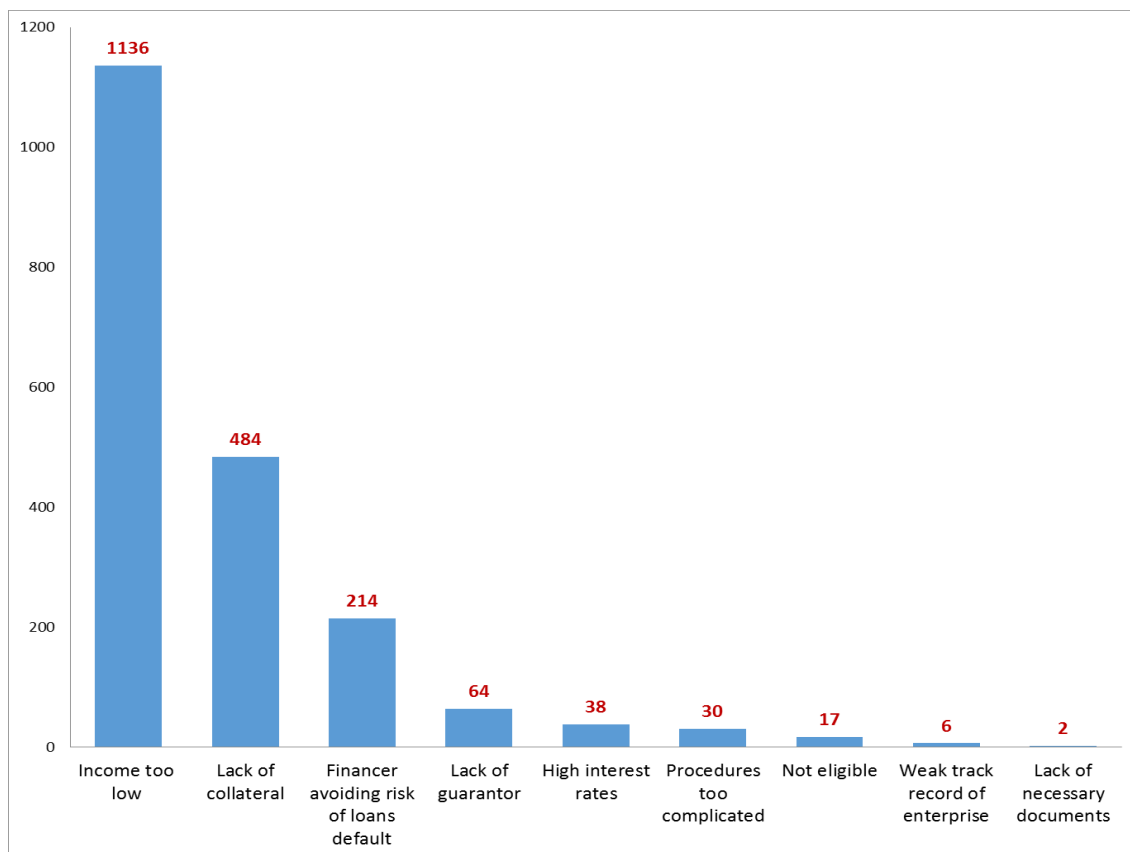


Figure (14.5 A): Reasons for Difficulty in Obtaining Finance

14.6 MSME Revenue Range

Tables 14.6 A, 14.6 B, 14.6 C, 14.6 D provide details of the revenues of enterprises by size, gender of owner.

Table (14.6 A): Revenue Ranges by Size of MSMEs and Gender, 2018

Revenue Range (ID)	Total No.	Micro	Small	Medium	Male	Female
		No.	No.	No.	No.	No.
Newly Established Enterprises	373	359	14	0	317	56
1 - 6.000.000	527	509	17	1	398	129
6.000.000 - 21.000.000	681	652	27	2	621	60
21.000.001 - 36.000.000	231	196	32	3	215	16
36.000.001 - 51.000.000	94	80	14	0	91	3
51.000.001 - 66.000.000	37	32	4	1	35	2
66.000.001 - 81.000.000	16	10	5	1	15	1
81.000.001 - 96.000.000	14	10	3	1	13	1
+96.000.000	43	27	11	5	42	1
Total	2016	1875	127	14	1747	269

Table (14.6 B): Revenue Ranges by Size of MSMEs and Gender, 2019

Revenue Range (ID)	Total No.	Micro	Small	Medium	Male	Female
		No.	No.	No.	No.	No.
Newly Established Enterprises	279	269	9	1	237	42
1 - 6.000.000 ID	677	655	22	0	536	141
6.000.000 - 21.000.000	645	614	29	2	580	65
21.000.001 - 36.000.000	223	185	35	3	208	15
36.000.001 - 51.000.000	84	76	8	0	81	3
51.000.001 - 66.000.000	35	28	6	1	35	0
66.000.001 - 81.000.000	16	10	4	2	15	1
81.000.001 - 96.000.000	14	9	4	1	13	1
+96.000.000 ID	43	29	10	4	42	1
Total	2016	1875	127	14	1747	269

Table (14.6 C): Revenue Ranges by Size of MSMEs and Gender, 2020

Revenue Range (ID)	Total No.	Micro	Small	Medium	Male	Female
		No.	No.	No.	No.	No.
Newly Established Enterprises	256	249	6	1	219	37
1 - 6.000.000 ID	1100	1053	46	1	900	200
6.000.000 - 21.000.000	441	400	36	5	414	27
21.000.001 - 36.000.000	103	88	15	0	101	2
36.000.001 - 51.000.000	34	29	5	0	34	0
51.000.001 - 66.000.000	22	15	6	1	21	1
66.000.001 - 81.000.000	16	14	1	1	16	0
81.000.001 - 96.000.000	25	14	8	3	23	2
+96.000.000 ID	19	13	4	2	19	0
Total	2016	1875	127	14	1747	269

Table (14.6 D): Revenue Ranges by Size of MSMEs and Gender, 2021

Revenue Range (ID)	Total No.	Micro	Small	Medium	Male	Female
		No.	No.	No.	No.	No.
Newly Established Enterprises	40	35	4	1	35	5
1 - 6.000.000 ID	1057	1026	30	1	846	211
6.000.000 - 21.000.000	604	565	36	3	560	44
21.000.001 - 36.000.000	166	139	26	1	161	5
36.000.001 - 51.000.000	53	43	10	0	52	1
51.000.001 - 66.000.000	25	20	3	2	25	0
66.000.001 - 81.000.000	17	12	4	1	16	1
81.000.001 - 96.000.000	15	11	4	0	14	1
+96.000.000 ID	39	24	10	5	38	1
Total	2016	1875	127	14	1747	269

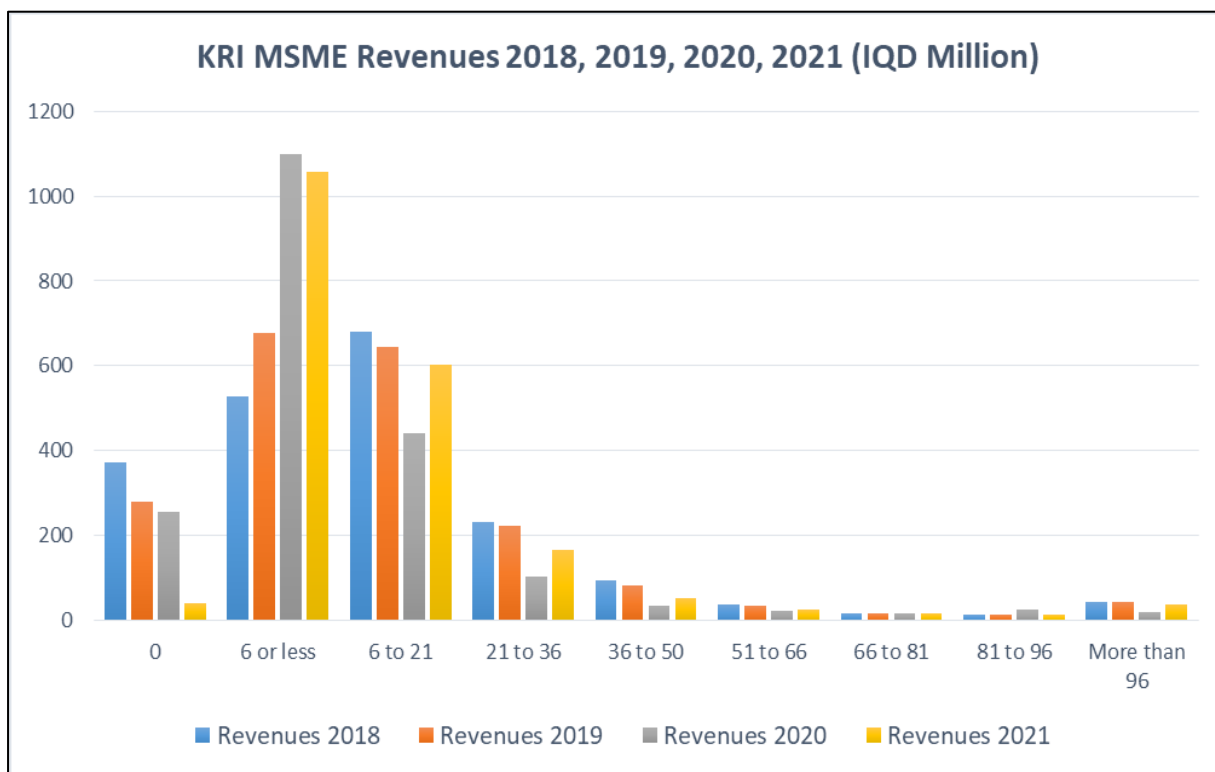


Figure (14.6 A): KRI MSME Revenues 2018-2021

It is seen that the majority of enterprises have limited revenues, not exceeding ID 6 million in the indicated years. These modest revenues of enterprises explain part of the difficulty in obtaining loans, and indicate the need for collateral and adequate cash flows that ensure settling of loans and their interest.

This adds additional burden on the financial policies/ programs that need to be developed for MSMEs, not only as to the needed financial incentives, but also for business and financial planning and understating the lending system.

14.7 Share of Expenditure in Total Cost

Figure (14.7 A) shows the percentage of expenditure items from the operating cost of the MSMEs.

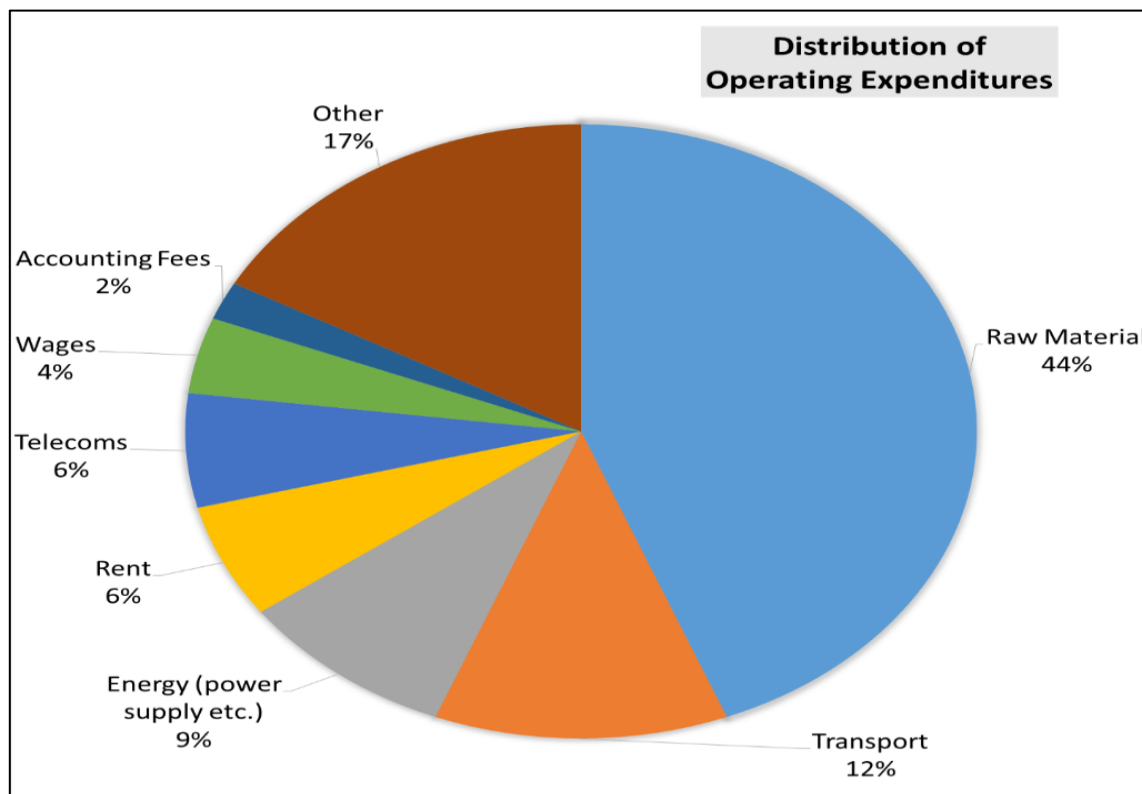


Figure (14.7 A): Distribution of MSME operating expenditures

Figure (14.7 A) shows that the largest proportion of operating cost (61%) belongs to raw material (44%), followed by transport (12%) and power supply (9%).

14.8 Maintaining Proper Accounting and Book Keeping

The majority of MSMEs 92% do not maintain accounts.

Table (14.8 A): Maintaining Proper Accounting and Bookkeeping

Availability of Proper Accounting	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
No	1865	92.5	1743	93	113	89	9	64.3
Yes	151	7.5	132	7	14	11	5	35.7
Total	2016	100	1875	100	127	100	14	100

15. Future Business Outlook

This section was addressed to gauge the expectations of the survey respondents in assessing the outlook of MSMEs for the near future via the following tabulations;

- Opinion of MSMEs for the next business year.
- Challenges confronting MSMEs in the coming year.
- Opportunities that may have a positive impact.

15.1 Expectations Next Year

Business owners have provided their perceptions for the coming year on the level of change in the business environment in their sector and how the economy, security situation and their business will change compared to other businesses, as shown in Tables (15.1 A, 15.1 C, 15.1 E and 15.1 G).

- Opinion was split on the outlook for the economy and business environment for the year ahead; 55% thought the business environment would get worse, 66.3% said the economy in general would decline, although 40% expected the security situation to improve (Table 15.1 A).
- However, when asked specifically about their own business outlook compared to other businesses the responses were closer; 16.4% thought their business would improve, 23.5% thought it would decline and 33.9% expected no change (Table 15.1 G).
- At the governorate level, the survey showed that Erbil governorate was the most optimistic about the improvement of the “economy”, “business environment”, “security situation” and “business expectations compared the other governorates. Sulaymaniyah governorate was the most pessimistic among the four governorates (Tables 15.1 B, 15.1 D, 15.1 F and 15.1 H).
- One of the main points of difference between genders showed that females are more optimistic than males when it comes to future expectations.

Table (15.1 A): Perception of MSME Owners on how will the overall Business Environment in their Sector become in the Next Year by Governorate by MSME Size

The level of the general business environment within your sector								
Perception	Total No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
Decline	1124	55.8	1,049	55.9	68	53.6	7	50.0
Stay the same	381	18.9	360	19.2	20	15.7	1	7.1
Improve	299	14.8	272	14.5	23	18.1	4	28.6
Don't know	212	10.5	194	10.3	16	12.6	2	14.3
Total	2016	100	1875	100	127	100	14	100

Table (15.1 B): Perception of MSME Owners on how will the overall Business Environment in their Sector become in the Next Year by Governorate and Gender

The level of the general business environment within a business sector												
Perception	Governorate								Gender			
	Erbil		Sulaymaniyah		Halabja		Duhok		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Decline	342	50.0	498	67.3	18	45.0	266	48.2	996	57.0	128	47.6
Stay the same	167	24.4	101	13.6	10	25.0	103	18.7	340	19.5	41	15.2
Improve	137	20.0	82	11.1	6	15.0	74	13.4	225	12.9	74	27.5
Don't know	38	5.6	59	8.0	6	15.0	109	19.7	186	10.6	26	9.7
Total	684	100	740	100	40	100	552	100	1747	100	269	100

Table (15.1 C): Perception of MSME Owners on how the Economy will develop in the next Year by MSME Size
economy in general

Perception	No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
Decline	1,336	66.3	1244	66.3	84	66.2	8	57.1
Stay the same	315	15.6	294	15.7	20	15.7	1	7.1
Improve	215	10.7	193	10.3	18	14.2	4	28.6
Don't know	150	7.4	144	7.7	5	3.9	1	7.1
Total	2016	100	1875	100	127	100	14	100

Table (15.1 D): Perception of MSME Owners on how the Economy will develop in the next Year by Governorate and Gender
economy in general

Perception	Governorate								Gender			
	Erbil		Sulaymaniyah		Halabja		Duhok		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Decline	424	62.0	553	74.7	29	72.5	330	59.8	1180	67.5	156	58.0
Stay the same	132	19.3	88	11.9	4	10.0	91	16.5	268	15.3	47	17.5
Improve	105	15.4	51	6.9	5	12.5	54	9.8	170	9.7	45	16.7
Don't know	23	3.4	48	6.5	2	5.0	77	13.9	129	7.4	21	7.8
Total	684	100.0	740	100	40	100	552	100	1747	100	269	100

Table (15.1 E): Expectations of business owners about the Security Situation in the coming Year by MSME Size
Security situation

Perception	No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
Decline	388	19.2	352	18.8	34	26.8	2	14.3
Stay the same	807	40.0	763	40.7	40	31.5	4	28.6
Improve	606	30.1	560	29.9	41	32.2	5	35.7
Don't know	215	10.7	200	10.7	12	9.5	3	21.4
Total	2016	100	1875	100	127	100	14	100

**Table (15.1 F): Expectations of business owners about the Security Situation in the coming Year
by Governorate and Gender**

Security situation												
Perception	Governorate								Gender			
	Erbil		Sulaymaniyah		Halabja		Duhok		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Decline	95	13.9	212	28.6	2	5.0	79	14.3	335	19.2	53	19.7
Stay the same	312	45.6	284	38.4	24	60.0	187	33.9	707	40.5	100	37.2
Improve	241	35.2	153	20.7	14	35.0	198	35.9	524	30.0	82	30.5
Don't know	36	5.3	91	12.3	0	0.0	88	15.9	181	10.4	34	12.6
Total	684	100	740	100	40	100	552	100	1747	100	269	100

**Table (15.1 G): Perceptions of Business Owners when Comparing their Businesses To Competitors
by MSME Size**

Your business compared to competitors								
Perception	No.	%	Micro		Small		Medium	
			No.	%	No.	%	No.	%
Decline	473	23.5	455	24.3	17	13.4	1	7.1
Stay the same	683	33.9	644	34.3	35	27.6	4	28.6
Improve	330	16.4	285	15.2	38	29.9	7	50.0
Don't know	530	26.3	491	26.2	37	29.1	2	14.3
Total	2016	100	1875	100	127	100	14	100%

**Table (15.1 H): Perceptions of Business Owners when Comparing their Businesses To Competitors
by Governorate and Gender**

Your business compared to competitors												
Perception	Governorate								Gender			
	Erbil		Sulaymaniyah		Halabja		Duhok		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Decline	110	16.1	255	34.5	12	30.0	96	17.4	413	23.6	60	22.3
Stay the same	267	39.0	238	32.2	14	35.0	164	29.7	595	34.1	88	32.7
Improve	129	18.9	108	14.6	6	15.0	87	15.8	267	15.3	63	23.4
Don't know	178	26.0	139	18.8	8	20.0	205	37.1	472	27.0	58	21.6
Total	684	100	740	100	40	100	552	100	1747	100	269	100

15.2 Challenges and Opportunities

Tables (15.2 A) and (15.2 B) show the views of institutions regarding challenges, opportunities, and the type of support required for the MSME development.

90.9% of MSMEs by governorates agreed that the difficult economic situation was of one the most important challenges that they face in the coming year.

When inquiring about the opinion of business owners about the type of government support required to improve business, the answers centered on the following (Table 15.2 B and 15.2 C);

- 23.2% Provision of financial loans.
- 19.1% infrastructure development (electricity, water, sanitation).
- 11.0% Provision for raw materials for production and services.

It was apparent that in responses to this section that there was no significant disparity between the governorates or genders.

Table (15.2 A): Opinion of MSMEs on the Challenges that they will face in the Next Year

Challenges	Total No.	%	Erbil		Sulaymaniyah		Halabja		Duhok	
			No.	%	No.	%	No.	%	No.	%
Economic situation*	1832	90.9	633	92.5	717	96.9	40	100	442	80
The security situation	87	4.3	35	5.1	9	1.2	0	0	43	8
No challenges	57	2.8	3	0.5	0	0	0	0	54	10
Do not know	40	2.0	13	1.9	14	1.9	0	0	13	2
Total	2016	100	684	100	740	100	40	100	552	100

*The 'economic situation' includes the following elements; high prices, increased tax fees, higher fuel prices, rent, dollar value, cost of raw materials, in addition to standard 'economic crisis' impact factors.

Table (15.2 B): Opinion of MSMEs on the Type of Government Support Needed to Improve Businesses (multiple answers)

Type of Support	Total No.		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Financial assistance (different types of support i.e. grants, aid etc. banking and non-banking)	1056	23.2	990	23.5	59	20.1	7	18.4
Infrastructure (electricity, water, sewage, paving)	870	19.1	809	19.2	53	18.0	8	21.1
Raw materials for production and services	501	11.0	454	10.8	41	13.9	6	15.8
National Product Protection	478	10.6	434	10.3	39	13.3	5	13.2
Security	428	9.4	403	9.5	22	7.5	3	7.9
Support the ration card	405	8.9	373	8.8	29	9.9	3	7.9
To ease the official procedures (routine)	347	7.6	309	7.3	35	11.9	3	7.9
Fixed locations to practice business	245	5.4	236	5.6	7	2.4	2	5.3
Provide job opportunities/appointments	70	1.5	67	1.6	2	0.7	1	2.6
Other	150	3.3	143	3.4	7	2.4	0	0.0
Total	4550	100	4218	100	294	100	38	100

Table (15.2 C): Opinion of MSMEs on the Type of Government Support Needed to Improve Businesses by governorate and Gender (multiple answers)

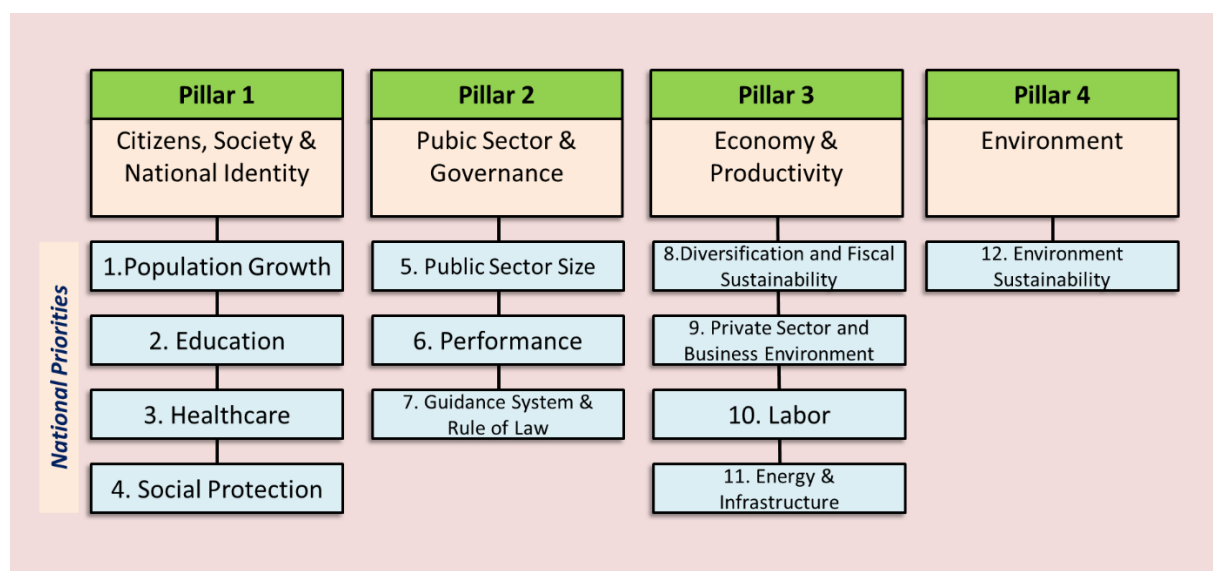
Type of Support	Governorate								Gender			
	Erbil		Sulaymaniyah		Halabja		Duhok		Male		Female	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Financial assistance (different types of support i.e. grants, aid etc. banking and non-banking)	366	26	383	20.4	20	16.7	287	25	913	23.1	143	24.2
Infrastructure (electricity, water, sewage, paving)	272	19.3	380	20.3	19	15.8	199	17.4	751	19	119	20.1
Raw materials for production and services	127	9	233	12.4	20	16.7	121	10.6	443	11.2	58	9.8
National Product Protection	111	7.9	215	11.5	22	18.3	130	11.3	419	10.6	59	10
Security	121	8.6	152	8.1	4	3.3	151	13.2	386	9.8	42	7.1
Support the ration card	152	10.8	181	9.7	11	9.2	61	5.3	367	9.3	38	6.4
To ease the official procedures (routine)	123	8.7	142	7.6	10	8.3	72	6.3	328	8.3	19	3.2
Fixed locations to practice business	84	6	125	6.7	5	4.1	31	2.7	173	4.4	72	12.2
Provide job opportunities/appointments	19	1.4	34	1.8	5	4.2	12	1.1	46	1.2	24	4.1
Other	34	2.4	30	1.6	4	3.3	82	7.2	133	3.4	17	2.9
Total	1409	100	1875	100	120	100	1146	100	3959	100	591	100

Part C - KRI MSME 2022 Survey Recommendations

16. MSME Operating Environment

Vision 2030, Ministry of Planning

A key priority of Vision 2030 is to develop a dynamic private sector that activates the role of MSMEs in leading the economy and creating sustainable jobs, empowered by a competitive business environment that attracts investments. Specific to this is Pillar 3 –‘Economy and Productivity’ of the KRIs Vision 2030 (illustrated below) which specifies National Priorities 8 through 11. The KRI survey findings, challenges and recommendations are essential to this process in regards the development of MSME policy and programs.



Source: KRI Vision 2030- MoP

Pillars of Vision KRI 2030 and National Priorities

This vision focuses on establishing a robust economic recovery through sustainable development, emphasizing the role of the private sector as a key contributor to developing a sustainable economic base, and the government plans to develop and implement the needed reforms to do so. Building on the ambitions stated by the MoP in Vision 2020 which aimed to achieve;

“A diversified and entrepreneurial private sector that is open to the world”

It is envisioned that an entrepreneurial and productivity-focused private sector could contribute and would benefit from combined initiatives to enable an enterprise society.

The areas that are in need of improvement to facilitate these ambitions have been designated by both Vision 2020 and continue through Vision 2030 by the MoP are as follows;

Creating an Economically Prosperous Region - Enabling the Private Sector for Growth

Key Strategic Areas	Policy Priorities
<ul style="list-style-type: none"> a) Local financing b) Access to land c) Procedures for opening, running, and closing a business d) Utilities and infrastructure e) Availability of local and trained labor 	<ul style="list-style-type: none"> a) Improving the legal and regulatory environment for the private sector b) Advancing greater openness to the international economy c) Improving the banking and financial system d) Improving land registration and land use e) Creating special economic development zones f) Opening opportunities for MSMEs enterprises g) Expanding business opportunities for women h) Promoting Regional tourism i) Increasing availability of data and information

Source: KRI 2020 'A Vision for the Future' – MoP pg.29-37

Key Considerations

The findings of KRI MSME 2022 Survey provide an evidence base that informs and supports the strategic thrusts of Pillar 3 of KRI Vision 2030. These central considerations are;

- Improving the legal, regulatory and administrative requirements of starting a business and enhancing regional trade and investment.
- Improvements in the functioning of ministries and public agencies that regulate the economy and service provision for the private sector and the citizens-at-large.
- Improving the access to finance, with financial and business development services.
- Skills development and other productivity enhancements at the firm level.
- Strengthening representation of the business sector through business membership organizations and networking.
- Improving cross border and international trade to streamline supply chains, reduce costs and facilitate export.
- Quality improvements in products and services by encouraging internal competition in order to attain export-level quality requirements.
- Improving investment policies by focusing on the economic sectors that have the highest impact on economic growth and job creation.
- Make public administration responsive to MSME needs. Adapt public policy tools to MSME needs and facilitate MSME participation in public procurement.
- The operating environment remains the key barrier to MSME development, MSMEs should be enabled to overcome challenges and to generate new opportunities.
- Encourage and support MSMEs to benefit from market growth.
- Provide support for the creation and growth of networks and clusters that can introduce MSMEs to new technologies, products and processes, and provide access to advanced services and technical laboratories.
- The majority of MSMEs in KRI are informal (60%) and they consider that the types of their activities do not require registration. This requires awareness of the role and potential of MSMEs, in terms of innovation and development of new products and services.

- There is a need to reduce business informality because it deprives MSMEs from growth and development. Formality is essential for private sector entities to support MSMEs in access to financing, business development, and globalization. Government intervention is needed to increase the rate of formality.
- The MSME survey confirmed the problem of skills deficiencies which required the development of comprehensive action plans for enhancing of technical skills, business skills and entrepreneurial skills of MSMEs.

MSME Recommendations

The sections below present for each research area of the survey a summary of the key findings, the associated challenges and the key recommendations.

17. Employment and Human Resources - Challenges and Recommendations

MSMEs are a major driver for promoting economic growth in the KRI, due to their contribution to income generation, job creation, and contribution to the GDP. This section on employment and human resources presents the most important results related to the workforce, the distribution of the workforce according to economic activities, sources and channels of employment and employee education and training.

The collected data showed that unregistered enterprises dominate the MSME sector, and indicated a significant imbalance between the number of male employees and the number of female employees, weak recruitment process, financial and human resources management system, and limited training plans.

Findings

Based on the survey results in the employment and HR section, the findings covered the following elements, which should be taken into consideration for any future recommendations, policies or programs;

- a) Enterprise classification and recruitment process.
- b) Type of staff.
- c) Education level of employee.
- d) Employees Age.
- e) Job position.
- f) Recruitment Sources.
- g) Staff Training.

a) Enterprises Classification and Staffing

- Informal enterprises (not registered at any entity) form the majority of the sample with 1205 enterprises 59.8%, whereas formal enterprises (registered in at least one entity) form 811 enterprises 40.2%.
- The total number of employees in the surveyed MSMEs were 3812 employees, Males were 3313 employees (86.9%) and females were 499 employees (13.1%).
- The total number of full-time employees in the surveyed MSMEs were 3327 employees, Males were 2906 employees (76.2%) and females were 421 employees (11%). The total number of part time employees were 485 employees, Males 407 employees (10.7%), and females were 78 employees (2%).

b) MSMEs' Staff Education

- (49.9%) of the enterprises stated that their staff have secondary/ intermediate education. (32.2%) of the enterprises stated that their staff have no formal education; whereas, (9.8%) of the enterprises stated that their staff have University Degrees. Only (0.8%) stated that their staff have Training Center Certificates.

c) Employees Age

The age profile of employees given various age groups are distributed as follows:

- 816 Respondents (21.4%) are from 25 to 34 years old.
- 1087 Respondents (28.5%) are from 35 to 44 years old.
- 987 Respondents (25.8%) are from 45 to 54 years old.

d) Job Position

- Information Technology (IT) staff were the least available positions in the surveyed sample only 9 employees (1.1%); whereas, unskilled laborers prevailed with 347 employees (41.5%).
- The survey revealed that the needed positions for enterprises are Skilled Laborers (For technical/ industrial sectors) (50.6%).

e) Recruitment Sources

The survey revealed that the majority, 113 responses (66.1%) preferred personal acquaintances and referrals as a source of employment recruitment.

Personal acquaintances and referral are an informal method of hiring, and does not have any cost on enterprises. It is a channel to get local people from the same industry who are ready to work for extended hours if required and useful in multitasking. Formal methods of hiring involve cost and time; which is an important constraint mainly for micro and small enterprises.

f) Staff training

- The majority of responses stated that there is a need for practical professional skills (38.1%).
- All enterprises in the survey sample stated that they do not provide any training for their staff.

Despite identifying and understanding the need for training to develop and improve the enterprises staff's knowledge and skills, all enterprises in the sample did not provide any training programs; maybe, because they are not able to afford the cost of training.

Challenges and Recommendations

The survey identified the main challenges facing employment and the workforce and the recommendations aim to provide solutions in order to create a work environment that can lead to expanding the employment in the private sector.

Challenges

Weak support for MSMEs

- Weak role of business incubators in KRI, and consequently the weakness of the support provided to MSMEs, which are considered one of the most important economic pillars for creating job opportunities.
- Weak support of government stakeholders for employment in the private sector.

Informal Workforce Market

- MSME owners tend to resort to freelance contracts, under-reporting of employees, or other means to lower their fixed costs. The lack of MSMEs-specific incentives (tax incentives, customs exemptions, training programs) for formal job creation has led to a sustained informal labor market.

Weak usage of IT in businesses operations and Poor finance and Human Resources Management Systems

- The majority of enterprises have insufficient awareness of importance of IT support to business. Within this context, "Human Resources" and "Accounting" were also among the least prevalent job positions, these results reflect the weakness of enterprises in financial planning and management.
- MSMEs pay less attention to human resource management (HRM) focusing more on daily business operations.

Scarcity of Highly Skilled Labor at Affordable Cost

- One of MSMEs biggest challenges comes with identifying the right candidate for the right job with the right skill. The core problems are:
 - Highly skilled laborers add cash crunch on MSMEs. Obtaining financial support from banks, financial institutions or governments is difficult. Micro and small enterprises tend to lose quality candidates due to good salary packages coming from bigger firms as a result of limited capital and the absence of adequate and timely banking finance.
 - MSMEs function with no or poor hiring process that includes rushed interview processes, low-quality job descriptions, and the inability of using modern methods of recruitment.

Capacity Building (Training and Skills Development)

- MSMEs do not have adequate funds for training their employees successfully; thus, failing to maximize the potential of their employees which eventually leads to failed cases of retention.
- The outcomes of the technical and vocational education and training system do not meet the needs of the labor market.

Recommendations

The lack of government incentives offered for MSMEs, insufficient awareness of importance of IT support to businesses, absence or poor finance and human resources management system and capacity building, remain major constraints for MSMEs businesses operations. These must be addressed to enable MSMEs sustainability and growth. The main immediate recommendations are:

Create a suitable environment for enterprises to formalize

Government agencies should provide incentives to reduce costs for MSMEs to become formal, and facilitate their transition from the parallel economy to the formal economy by:

- Developing an environment and legal framework favorable to the work of MSMEs, providing tax incentives, and developing infrastructure to facilitate the activities of enterprises and reduce their operational costs.
- Providing tax and incentives for registration with official authorities. Adopting simplified tax procedures to encourage institutions to register their employees with Social Security.
- Supporting business incubators in the KRI to assist MSMEs in developing their businesses.
- Development of an electronic platform by the Ministry of Labor and Social Affairs in the KRI for MSMEs.

Incentives for MSMEs to register for the purpose of gaining appropriate support in:

- Marketing products and services of registered enterprises and linking them to the local and international markets.
- Providing technical training courses programs that fit with the work of enterprises to develop the capabilities of their employees.
- Linking enterprises with each other in order to exchange ideas and information on technical matters, technology and innovation, as well as to transfer knowledge and continuing education.

A study of the labor market and national standards for skills in KRI by MoLSA with the aim of:

- Identifying and evaluating market trends in KRI employment.
- Assessment of educational and training needs according to market trends.
- Anticipate skills needs for future economy.
- Design and deliver competency-based training programs that meet the needs of the market.
- Within sectorial methodologies.
- Supporting apprenticeships, on-the-job learning programs, and national apprenticeship frameworks.
- Develop Public Employment Services.
- Develop the skills of people with disabilities.

Recruitment

- Establish an electronic platform by the Ministry of Labor and Social Affairs in KRI aligning jobs between higher education institutions / technical and vocational education, training centers and MSMEs to facilitate the process of employing graduates.
- Enhancing the suitability of the technical and vocational education and training system to meet the needs of the labor market, by encouraging universities, technical and vocational education training centers to harmonize their programs and outputs with the needs of the market (for example, modern farming methods and techniques, electronic commerce, the basics of marketing and sales, ...), as well as encouraging development of curricula to serve the knowledge economy.

Capacity Building

- Launching a program to search for jobs that match demand with supply: coordinating with educational institutions to provide educational curricula in line with the economic trends, and providing matching services for individuals looking for work and MSMEs looking for employees.
- Coordination between the Ministry of Labor and Social Affairs and between universities and technical training institutes to support on-the-job training programs.

Encouraging the use of technology and changing the perception of financial and human resources in enterprises

MSMEs need to use technology to develop their business and to turn to external institutions to help manage financial resources, legal affairs, employment, human resources, compliance, and other services. As the size of organizations grow, investing in technology and managing financial and human resources becomes critical because current practices and processes cannot support them in the long term. Within this framework, there is a need to develop the skills of the owners and employees of MSMEs to use technology in business (for example, relying on modern technologies in agriculture and irrigation, and the use of the internet for marketing and sales).

18. Women Entrepreneurs - Challenges and Recommendations

Businesses owned by women entrepreneurs play an important role in expanding the human resource base and reducing poverty, contributing significantly to the economy of KRI. Data for women entrepreneurs in the context of research helps identify and bridge the gender gap, and assess their needs for development. The data collected in the survey showed that women face more problems than men in setting up their businesses and in accessing formal finance (banks, microfinance institutions).

Findings

The findings covered the following elements:

- Ease of Setting up Women Owned Businesses.
- Access to Formal Financing (Banks and MFIs).
- Change in Ease of Doing Business for Women Over the Last Five Years.
- Problems Faced by Woman Business Owners.
- Initiatives Suggested by Women Business Owners.

Difficulty setting up a business

53.2% of the enterprises owned by women reported that the level of difficulty they face when establishing a new enterprise is higher compared to enterprises owned by males.

Obtaining official credit financing (banks and financial institutions)

The majority of women/entrepreneurs surveyed stated that obtaining financing from banks and financial institutions is more difficult for them compared to men (48.3%).

Ease/difficulty of doing business for women during the past five years

Regarding the work environment, 66.9% of the respondents reported that it is easier than before.

Problems Entrepreneurs Face

A significant segment of female respondents (39.7%) reported that the main problems they face are social (cultural/gender) problems, and about (13.9%) of them stated that financial matters are the main problem.

Suggested initiatives by women entrepreneurs to reduce these problems

43.5% of the respondents stated that raising awareness/educating the community would be one of the reliable solutions to mitigate their challenges.

Challenges and Recommendations

Challenges

Unfavorable business environment for women in general

Most women entrepreneurs find themselves in a male-dominated industry or in a workplace where business owners do not want to recognize their leadership role. Or within a society that does not accept women's work.

Social difficulties (gender in society)

- Society, culture and social norms are based on the stereotypical traditional role of women and men. It is critical to ensure that gender bias does not impede the economic development of women-led MSMEs. Women represent about half of the potential workforce, so any such bias would limit the contributions of a large portion of the population.
- Discriminatory practices that hinder women's work and employment.

Women's access to finance from official credit financing (banks and financial institutions)

The difficulty of women entrepreneurs obtaining official funding can be attributed to several reasons, the most important of which are:

- No guarantees/ collateral.
- Lack of financial knowledge and women's inexperience in financial matters to conduct effective discussions to obtain the required funding.
- Lack of confidence in banks in the sustainability of the work of MSMEs, especially those owned by women. Financial and banking service providers often feel reluctant to provide women entrepreneurs with the financial support they require. They view MSMEs as less attractive clients due to the small amount of loans required.
- Weakness and scarcity of banking services and modern financing regulations for female entrepreneurs.

Recommendations

Prevailing social and cultural norms in society that are biased against women's work, difficulty in accessing required financing, and weak government laws and incentives for women remain major constraints for women entrepreneurs. The following are relevant recommendations that can mitigate these obstacles;

Create a conducive work environment for women

- Provide incentives for women-owned enterprises that have the potential to move their businesses into the formal economy, such as tax breaks, access to export markets, and access to public procurement.
- Cooperation between women entrepreneurs and relevant stakeholders .i.e. industrial associations and microfinance institutions to produce information and identify initiatives and programs to support women entrepreneurs.

- Encouraging the introduction of a quota system for women in private and/ or public organizations.

A legal and regulatory system that supports women's economic empowerment

- Develop and implement a series of seminars in various governorates to raise women's awareness of business financial and management.
- Providing targeted training to empower women.

Financing

- Provide support to banks and financial institutions to provide financing products and services specifically designed for women (including credit, savings, leasing and insurance).
- Regulate the minimum and maximum interest fees charged by microfinance institutions to MSMEs (with a focus on women-owned businesses).

Capacity building

- Develop and publish a specialized training curriculum to provide financial, administrative and technical support to female entrepreneurs.
- Determining business programs that target sectors in which women are more likely to participate than men (especially in the field of modern agricultural methods, e-commerce, marketing and sales).

19. Innovation and Technology - Challenges and Recommendations

Innovation and technological competitiveness of MSMEs aims to transform and create new business models and enterprises through access to innovative technologies which are affordable, cost-effective, and accessible to all MSMEs. In KRI the present 'utilization rate' across technologies varies significantly. The channels investigated in the survey (internet, websites, e-commerce, e-payment) were all 'under-utilized'. The heaviest reliance for business was on mobile telephony (61%).

Only 16 MSMEs engaged in E-commerce and advanced innovation.

Findings

a) Digital channel usage

- Approximately 96% of MSMEs did not use 'E-Commerce' or a 'Website'.
- 70% did not use 'social media' for their business needs.
- 61% of MSME's depended on mobile phone use for their 'daily' business, this number expands to 87% when including 'from time to time use'.

The main reasons given for the low frequency of usage of digital channels outside of mobile telephones was;

- 94.3% Did not need digital channels for marketing or promoting their business.
- 2.5% Too difficult to use.
- 1.9% Regarded these channels too expensive.

b) E-commerce

16 MSMEs out of total sample of 2,016 used E-commerce for their business, 11 had a dedicated portal, whereas 5 used an alternative system.

c) Innovation

16 MSMEs responded to advanced questions on the level of digital technology and innovation, and degree of dependence on new technology. Out of these 16;

- 10 depended on new innovation within their industry sector.
- 7 Depended on technology for a competitive advantage.
- 4 Depended on advances in R&D.

Challenges and Recommendations

Challenges

The weak utilization in innovation and technology indicates lack of awareness of the benefits of technology and this component needs a determined focus to enable MSMEs in connecting with potential clients and markets. The challenges are numerous, among which are;

- Low utilization of websites and e-commerce via the web.
- Low dependency on multiple technologies.
- Poor innovative capacities.
- Poor level of exposure to 'knowledge' transfer at any level of MSME growth cycle.
- No innovation facilities.

Recommendations

- Create awareness of the benefits of technology in business, illustrated with local and regional success stories. Awareness of the benefits to connect with suppliers, clients, other businesses to gain exposure and be able to improve sales and potentially open new markets.
- Establish facilities that MSMEs can share (computer centers, business development centers, and municipal MSME bureaus).
- Provide financing programs for equipment, machinery, hardware and software.
- Promote commercialization of technology and build capabilities to foster digital exposure.
- Enhance e-commerce infrastructure in KRI.

20. MSMEs and Globalization - Challenges and Recommendations

The MSME sector is highly dependent on the KRI market with 82% of sales being transacted locally. The need to create channels that allow MSMEs to connect and cultivate potential markets must be a strategic priority, since with sustainable revenue and prospects of increased profits the MSME sector will be able to evolve and formalize.

The KRI remains a narrow market in terms of demand and business opportunities, and MSMEs are dependent on the local market. MSMEs need to be able to access wider horizons locally, including the rest of Iraq and develop international markets. This will allow them to expand output and achieve economies of scale.

More efforts must be devoted to facilitating local market potential and improving the export-readiness of MSMEs. Policy support is essential to operate in foreign markets. Trade development services are vital to build capacity in export operations and strategies. Due to various constraints, MSMEs and particularly start-ups do not have strong internal competencies to devise and implement a market plan. In addition, they cannot engage in wide scale and extended sale actions.

Findings

a) Sales/ market structure

82% of MSME sales are transacted in the local market, and 15% in Federal Iraq, showing a massive dependency on local economic conditions, furthermore 96% of MSMEs lack any plans for any form of export undertaking.

b) Export

1.4% of MSMEs had attempted to export but were unsuccessful. Another 2.3% stated they had plans to export.

Specific to exportation; 27% of MSMEs said that their product was not permitted for export, 98.6% stated they had no direct engagement with non-KRI enterprises.

98% of MSMEs by type and Governorate had no export activities. Of the 26 MSMEs that did engage in export, 50% were in Sulaymaniyah Governorate.

Challenges and Recommendations

The survey has highlighted an insular market that limits the potential reach and exposure of MSMEs. Below is summarized the main challenges captured, together with the recommendations in specific areas that need to be incorporated into a versatile plan that will enhance market access, regional and global reach of MSMEs.

Challenges

- Limited to domestic market.
- Poor marketing capabilities.
- Weak export-oriented base.
- No exposure to international enterprises.
- Lack of awareness of any relevant trade opportunities.

Recommendations

MSMEs always start at a low investment level due to this limitation they do not possess enough of a budget for their marketing efforts, because these efforts can be costly, although there are low cost tools nowadays i.e. internet, smart phones and social media. These tools require a certain knowledge that needs to be converged with market profiles and logistics.

Due to the limited marketing awareness and exposure, MSMEs cannot gain sufficient attention of target markets. Additionally, Research and Development is another absent factor that is needed to identify new customers and new products.

The over dependency on the local market combined with the absence of regional engagement and global exposure, results in a knowledge and skills gap which creates many problems in growth and expansion for MSME.

Some of the main initiatives that need to be examined are;

Digital Portal

- A central information database and online portal to be developed for MSMEs, where all data can be accessed in a 'user friendly' program (especially on mobile technology). The portal can include a website and e-commerce arrangements to enable MSMEs to link with exporters and buyers and strengthen their marketing network.
- Market information and opportunities for domestic, regional and global access for each sector.
- Provision of relevant commodity information on the MSME information portal.
- A research and information hub to facilitate the collation of all MSME information requirements.
- Availability of overseas market information for MSMEs to access international markets.

Trade Fairs

- Annual Trade Expo to be conducted in major towns and market centers.
- Support to MSMEs to participate in trade fairs and exhibitions. Including, technical support for exporters through subsidization of their participation in exhibitions and trade fairs.
- Government facilitation of promotional missions to give exposure to MSMEs to market their products and seek new business ideas and secure business partnerships.
- Government led international investment program aimed at most attractive sectors for global companies to invest in. This initiative can be a specific FDI action that matches sector actors with opportunities in KRI for investment, or the potential facilitation for new or emerging sectors to be explored through creation of incentives and favorable international programs.

Marketing Locations

- Marketing outlets in high population locations to help MSMEs to market their products.
- Open markets with relevant infrastructure to facilitate products to market and consumer access.

Incentives

- Support product development, quality improvement, packaging, branding and market networking of MSMEs to compete locally and internationally.
- Linking of wholesale or bulk buying facilities where viable for MSMEs to expedite market penetration.
- Explore and create MSME incentives to encourage and promote exports for MSMEs who are able to engage in regional or international trade. For example, by creating linkages with local and international firms in the same sectors that may benefit from synergy with MSMEs in their supply chains (this could start locally and evolve to regional levels).

21. Networking, Partnerships and Clusters - Challenges and Recommendations

Findings

Business Association Networking

MSMEs have weak networking structures and business clustering. The majority of respondents (87%) reporting having none. 12.6% (255 MSMEs) were part of a local association for their business sector, 0.8% (17 MSMEs) were part of industrial district or economic zone, 1.1% (3 MSMEs) geographical clusters and 0.7% (2 MSMEs) Networking portals.

Incentives for Business Association and Networking

The main business benefits for enterprises for having a membership, has been perceived by respondents as one of the following:

- Access to finance: 59.7%
- Marketing / Promotion: 18.1%
- Increased know-how: 11.4%
- Logistical facilities: 10.8%

Collaboration

When asking MSMEs (full sample 2,016) about their collaboration, the main answers were as follows:

- Collaboration with service providers: 4.4% (88 MSMEs).
- Universities: 0.6% (13 MSMEs).
- Other entities in same domain: 0.4% (3 MSMEs).
- Research centers 0.1% (9 MSMEs).
- There is no collaboration: 94.4%

Business Sectors

The following table shows the benefits acquired by MSMEs based on the top 5 business sectors. This indicates that there is multiple benefits that MSMEs are able to achieve when connected to networks or associations;

Benefits acquired by MSMEs based on the top 5 business sectors through Business Association and Networking

Business Sector	Access to Finance	Marketing/ Promotion and Networking	Increased Know How	Logistical Facilities
Wholesale and Retail Trade	65	17	7	9
Transportation and Storage	39	3	2	4
Agriculture, Forestry and Fishing	30	7	0	3
Technician	15	13	8	3
Construction	12	4	1	5
Total	161	44	18	24

Challenges and Recommendations

Challenges

- Lack of connectivity channels, perhaps due to lack of awareness of the benefits of networking and partnerships.
- No collective programs for exposure to other areas or sectors.
- Reliance on local area market only.
- Limited knowledge of other areas and markets.

Recommendations

The main recommendations are:

- The KRI local associations can benefit from more support to provide broader services to MSMEs. As results have shown they are achieving added value for MSMEs that are active in them. This support should also extend to economic zones, with a local focus on clusters to attract more MSMEs in the shortest time frame.
- Foster wider MSME clustering to achieve economies of scale via networks such as co-ops, hubs, incubator centers and other MSME collective mechanisms.
- Promote programs for market exposure and awareness that are sector based to foster industry clustering locally and connecting clusters regionally.
- Promote, where applicable, opportunities for multiple MSMEs to tap the opportunities in local economic development programs, infrastructure development, trade deals, etc.
- Implement government assisted/ chamber of commerce international platforms that promote collaboration between MSMEs from different countries.
- Bridge MSMEs to large enterprises and multinationals
- Strengthen relationships with new top trading partners

22. COVID-19 - Challenges and Recommendations

The survey obtained information on the impact of COVID -19 pandemic and lockdown measures on entrepreneurs and their decision making. That majority of the MSMEs have faced a decrease in turnover, which in turn has effected employee pay and job security. The survey also investigated what MSMEs opinions were of the government's handling of the crisis, and what measures they deemed important for the sector to be able to get through the sporadic lockdowns and pandemics negative influence on operating a business.

Findings

Impact of COVID-19 on MSMEs Turnover, Employment and Salaries

- 96% of MSMEs stated that the number of staff remained the same. Only 2.7% saw a decrease in staff and 0.6% saw an increase of staff.
- 86% did not put staff on leave during the pandemic.
- 80% of MSMEs faced a critical decrease in the turnover due to COVID-19 pandemic for 2020. There was a very small improvement over the 2020-2021 period, of approximately 7%, although the decrease was still around 73% over 2021 for all firms.
- 67% of MSMEs stated that salaries decreased.
- 32% of MSMEs have reported to have kept their staff at the same salary.
- 13.4% of MSMEs have reported to put staff on leave due to the pandemic.
- 13.2% of MSMEs have reported to put staff on partial working hours with partial salaries.

Impact on Governorate and Sectors

All governorates turnover was impacted by COVID; MSMEs in the Governorates of Erbil, Sulaymaniyah and Duhok averaged a decrease in turnover over 70%. Halabja was the exception at just below 50%.

Salary payments were effected across the governorates with 67% of MSMEs being impacted (the highest number being in Sulyamaniyah).

There was disparity between the governorates when it came to impact of COVID on changes in salaries and employment, the only exception being Duhok which had the highest level of salary reductions (67% of respondents), the highest level of staff on leave (64.5% of respondents) and partial salaries/ reduction working hours (53% of respondents). The lowest impacted was Halabja followed by Erbil.

The main sectors impacted were; Trade, Transport, Technical Professions, Agriculture and Construction.

Assessment of Government Actions

Two-thirds of MSMEs were satisfied with the government's handling of the pandemic. Female satisfaction with the government actions was higher than males.

The dissatisfied respondents said their reasons for this was that it led to a decrease in business (income and profits) and rise in unemployment.

Challenges and Recommendations

Challenges

- Decrease of business activities.
- Decrease in the market demand.
- Loss of income.
- Partial loss of jobs.

Recommendations

The main recommendations are:

- Provide financial assistance: Provide small loans, grants or other forms of financial assistance would help MSMEs become more stable.
- Provide assistance/ aid for business service: such as, utilities, wage and logistic support.
- Establish platform for training around transforming business models, digitalization, online marketing and e-commerce, and other capacity building activities to increase resilience of MSMEs against volatility in their operating environment.

23. MSME and Finance - Challenges and Recommendations

The data collected in the survey showed that there is a low reliance on funding from formal institutions. There was no significant difference between registered and not registered enterprises in this regard. The gender distribution was characterized by a predominance of male MSME (1,747 male and 269 female).

Based on the structure of the financial findings the following challenges and constraints are apparent, and were taken into consideration for the recommendations and future policy or programs toward assisting MSME in this area of entrepreneurship.

Findings

a) Banking usage

1.5% of MSMEs had any type of formal business bank account (29 male, 2 female). The remaining relying on cash transactions and personal financial management (96% of which responded as follows);

- 86.3% the type of business does not need an account.
- 9.7% do not trust banks.

b) Credit Financing distribution

3.1% MSMEs did acquire credit financing, 32% did not plan on getting any financing.

Out of the MSMEs that responded to the type of financing acquired, the main sources were distributed as such;

- 89% Personal sources - family and friends 49%, personal savings 40%.
- 3.5% Sold Assets
- 3.1% Financial Institutions (credit financing) – 1.0 % bank loan, 0.8% Micro loans and 1.3% grants.

Financing after starting a business: The main financing sources were 25% personal sources (of which 69% was family/ friends, and 22% personal savings), 2.6% financial institutions, 1% bank loan and 1.6% micro-loans.

A majority of MSMEs (66%) did not have any assets when they established their business. Also, 69% did not plan on acquiring financing after starting their business. 5% had attempted to acquire financing but failed. The 25% that did raise finance after starting their business stated five main reasons;

- i. To expand business.
- ii. To update and upgrade equipment.
- iii. To improve marketing.
- iv. To increase inventory.
- v. To improve cash flow.

c) Obstacles to financial access

72% of all MSMEs stated it was very difficult to obtain financing, 24% said it was 'somewhat difficult' and 4% said they had 'no difficulty'. The main reasons for these 'difficulties' were given as such;

- Income too low 56%.
- Lack of collateral 24%.
- Financier avoiding risk of loan default 10%.
- Lack of guarantor 3%.
- High interest rates 2%.

Challenges and Recommendations

The survey has captured the main obstacles of financial access to be the following elements. The recommendations to follow aim at providing various solutions in order to create a business environment that can lead to a functional financial mechanism;

Challenges

- Lack of a Banking culture within the MSME environment / enterprise sector.
- Difficulties in raising finance.
- Reliance on personal and family funding.
- Reliance on personal savings.
- Weak government financing schemes.
- Collateral lending which MSME cannot provide.
- Absence of government-led MSME financing.
- Lack of business and financial planning capabilities.
- Weak accounting and auditing skills.

Access to financing remains a key enabler of MSME development and growth. The current environment makes it the main inhibitor of the development of the sector. The majority of businesses either failed to acquire financing or, knowing the difficulties, did not attempt it.

Financing Gap

Out of the sample of 2,016 the number of MSMEs that have actually received financing after starting their business was 514. On the other hand a much larger subset of 1,460 enterprises reported their financing needs if financing was available. The results of the sample were as follows:

Estimating the Financing Gap		
Measure	Number of enterprises in subsample	Average amount (ID Million)
Loans Granted	514	14
Reported Future Financing Needs	1460	30

This shows a high indicative financing gap in MSME population

Recommendations

The lack of accessible and affordable financing and appropriate financial mechanisms remain a major constraint for MSME development. This must be addressed to enable MSMEs to acquire the investment funding or financing necessary for the development, operation, upgrade and expansion of their enterprises. The main immediate recommendations are;

- Develop, promote and expand alternative financial instruments (sector related loans, revolving small loans, soft loans with incentives for renewal on early payback etc.) to better

serve MSMEs' financing requirements. These instruments may include soft loans, grant facilities, preferential interest rates and loan guarantee programs.

- Explore a program for introducing Digital Financial Services (DFS), or the provision and usage of responsible and affordable financial products and services through digital channels.
- Build capacities of financial institutions and cooperatives to provide business development assistance for MSMEs.
- Provide financial literacy trainings for MSMEs.
- Institute policies and programs for innovative financing.
- Streamline and simplify loan requirements and processes for MSMEs.

Policy initiatives should be approached with a focus to meet certain criteria in enabling a financing system for MSMEs, the credibility and viability of this will depend heavily on the inclusion and commitment of all key stakeholders and actors (in both the public and private sectors). Among which are;

- Ensure a dedicated pool of funding is available for lending to MSMEs.
- Implement appropriate credit guarantee scheme to facilitate access to finance by MSMEs.
- Encourage the development of the privately-owned microfinance industry that enables the availability of additional funding to MSMEs while ensuring speedy, inexpensive and enforceable recourse mechanisms for both borrowers and creditors.
- Create a suitable institutional and regulatory environment for donors and financial service providers to introduce innovative financial products and services which will lead to greater financial inclusion among 'unbanked' and 'under-banked' MSMEs.
- Build capacity in MFIs to adequately service MSME needs.
- Provide critical support through capacity building, training and technical support to prepare MSMEs to access finance.
- Establish clear criteria for suitable applications including an appropriate feedback mechanism for unsuccessful applications.
- Build public awareness of financing options available to MSMEs.
- Publicize interest rates for business loans in order to promote competition and transparency in the financial community.
- Provide a regulatory regime to incentivize MSMEs within a tier system; this can be approached in various ways specific to the category of MSME and/ or its type of activity. Each tier being given specific incentives in the form of grants, exemptions or business service assistance.
- Encourage national, regional and international private sector and NGO partnerships to provide a source of financing to MSMEs.
- Facilitate the creation of a mechanism to offer development financing solutions.

Part D – International Best Practice for KRI MSME 2022

D.1 INTRODUCTION

This section is constructed in two parts. The first part focuses directly on the MSME environment and its policy needs, it introduces the critical success factors within the MSME ecosystem, and outlines the OECD proven MSME policy index criteria that is used for evaluating and creating MSME programs, policies and laws. Part 1:

- a) MSMEs Business Success Factors and the Entrepreneur Environment.
- b) OECD MSME Policy Index

The second part of this section elaborates on five best practices frameworks from different experience and outlines the strategies they follow. Part 2:

- a) MENA-OECD Egypt Initiative (partnered by the EU). BUSINESS CLIMATE DEVELOPMENT STRATEGY (BCDS) - MSME Policy and Promotion.
- b) ASEAN - The Association of Southeast Asian Nations; Strategic Action Plan Structure for MSME Development 2016-2025.
- c) GIZ (German Development Cooperation), MSME Umbrella Programme (India)- Best Practice Mechanisms and Recommendations for MSME Development.
- d) EU and ILO best practice technical advisory for MSME policy development. Ministry of Commerce, Trade and Finance - Republic of Zambia.
- e) USAID / WB: MSME Growth and Jobs Creation in Lebanon.

D.1.1 Private Sector Development: MSMEs Context

Governments, development agencies and research organizations assume different orientations to Private Sector Development (PSD) depending on their vantage point.

The departure point for formulating PSD strategies at the country level include assessments that provide a clear understanding of the operating environment for the conduct of businesses, and of where local policies and conditions hamper sound growth and development of financial markets and private enterprises (OECD 1995). Subsequently, donors will take up the challenge of developing frameworks and strategies to guide their respective PSD efforts in recipient countries, as well as devising instruments to assess the PSD environment at local level.

References to the investment climate and the business environment are paramount in discussions of private sector understanding for reform (as necessary for pillar 3 of KRI Vision 2030 – “Economy and Productivity”). The investment climate is defined as the set of location-specific factors shaping the opportunities and incentives for firms to invest productively,

create jobs and expand the business environment. A subset of this is the consistency of policy, legal and regulatory conditions that govern business activities.

PSD has a close link with the development of MSMEs and entrepreneurship. World Bank studies find a positive and significant correlation between new business entry rates, the size of the private sector and GDP per capita, and a clear correlation between MSMEs density and income levels of countries.

According to the OECD the transformation caused by radical shifts towards economic liberalization, privatization of public enterprises and growth-led exports (reflecting changes in the investment climate and business environment) opens up new opportunities for the creation of MSMEs and expands the number of entrepreneurs. The MENA region needs more MSMEs to create jobs and reduce unemployment, improve growth and productivity rates and fight poverty, but points to inadequate regulatory environments and support infrastructures and to deficiencies in the research knowledge base on MSMEs and their prospects.

The ultimate aim of PSD is to facilitate a growing private sector in order to produce enhanced economic and social development and performance of a country. These outcomes are measured by gains in employment, trade, foreign direct investment (FDI), productivity and GDP, and reductions in poverty and inequality. The major components of PSD are captured in the illustrated framework below in Figure (D.1).

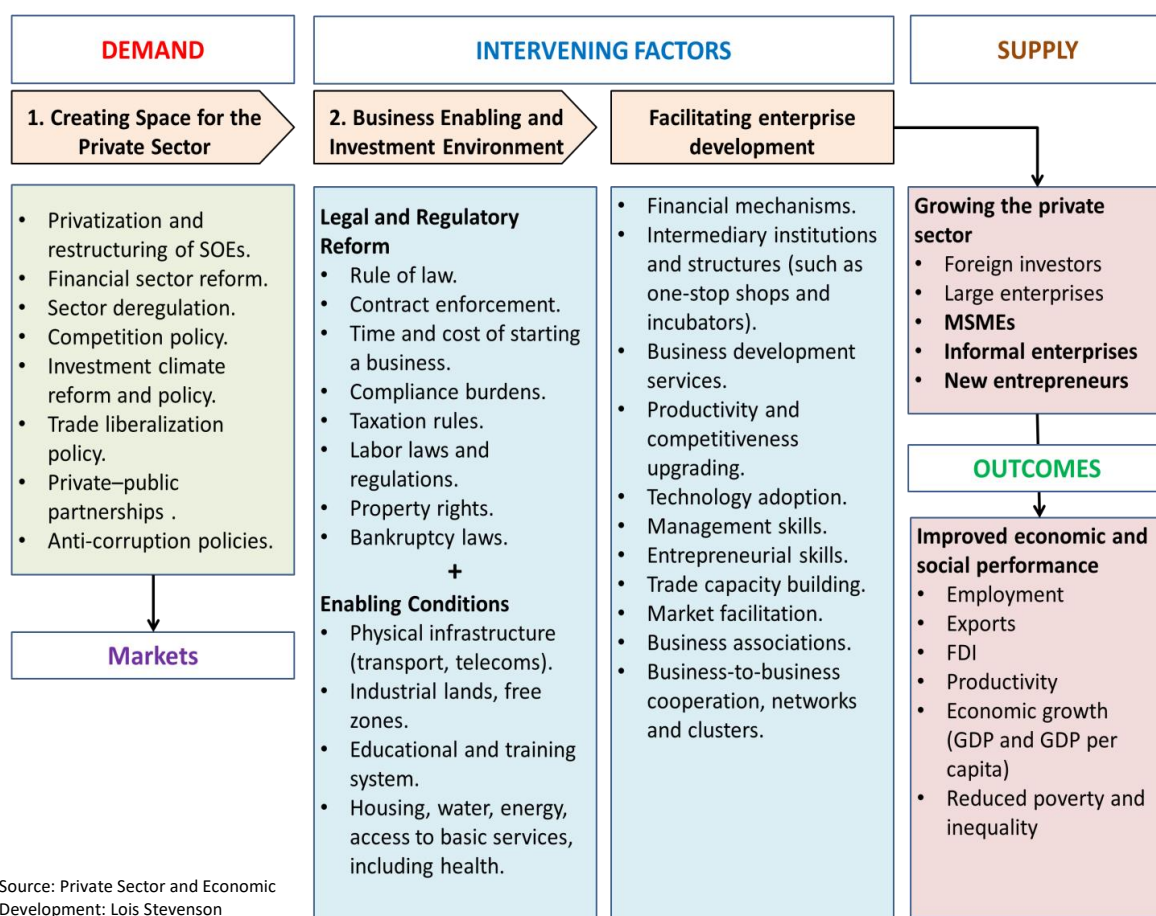


Figure (D.1): Framework of Private Sector Development (PSD) Variables

The first set of framework variables relates to creating market space for the private sector, which has a lot to do with deregulation and improving the investment climate. Increases in

the scale and scope of private sector contribution to economic growth outcomes will occur if the government reduces its role in the economy and/or if the private sector increases its role.

In the context of developing and transition countries, where the government often assumes a more active role in economic activity, actions are needed to create a larger market space for private activity. This can be achieved through the privatization of SOEs, encouragement of public–private partnerships (PPPs), reduction of restrictions for private sector entry into key sectors of the economy previously controlled by the state.

The supply side of PSD considers the stock of existing enterprises (both foreign and domestic-owned), MSMEs, registered enterprises and new and potential entrepreneurs. Different countries use differing policies and strategies to stimulate development of each of these groups. In the intervening space between demand and supply factors, policies and interventions will be needed to create a ‘business enabling and investment environment’ and to ‘facilitate enterprise development’. It also includes creating the physical infrastructure and industrial lands and free zones; education and training systems that will produce a supply of appropriately skilled labor.

A comprehensive PSD strategy would address the variables of this framework, as they are interrelated and interdependent. Weaknesses in one area of the framework will create bottlenecks or adverse reactions in another area.

PART 1

a) MSMEs Business Success Factors and the Entrepreneur Environment

The following best international practice has been adapted and developed for the purpose of defining the key success factors needed for the successful development and sustainability of the KRI MSMEs business environment. (The main references used are; International Journal of Business and Management; Vol. 11, No. 1; 2016 published by Canadian Center of Science and Education. Understanding the Small Business Sector. London (Storey D. Rotuledge). Factors Affecting Business Success among MSMEs, Small and Medium Enterprises Development Center Indonesia (SMEDC)- Nuru Indarti, and Marja Langenberg Delft University of Technology, The Netherlands).

The following section frames the MSME environment and the main characteristics that delivery clear MSME policy and success. The figure (D.2) below identifies boxes ‘a, b and c’, as the main characteristics that need to be identified, quantified and enabled to manage and sustain a viable MSME environment.

The role of the Government and its initiatives and policy options are listed in box ‘d’ and described by category in detail.

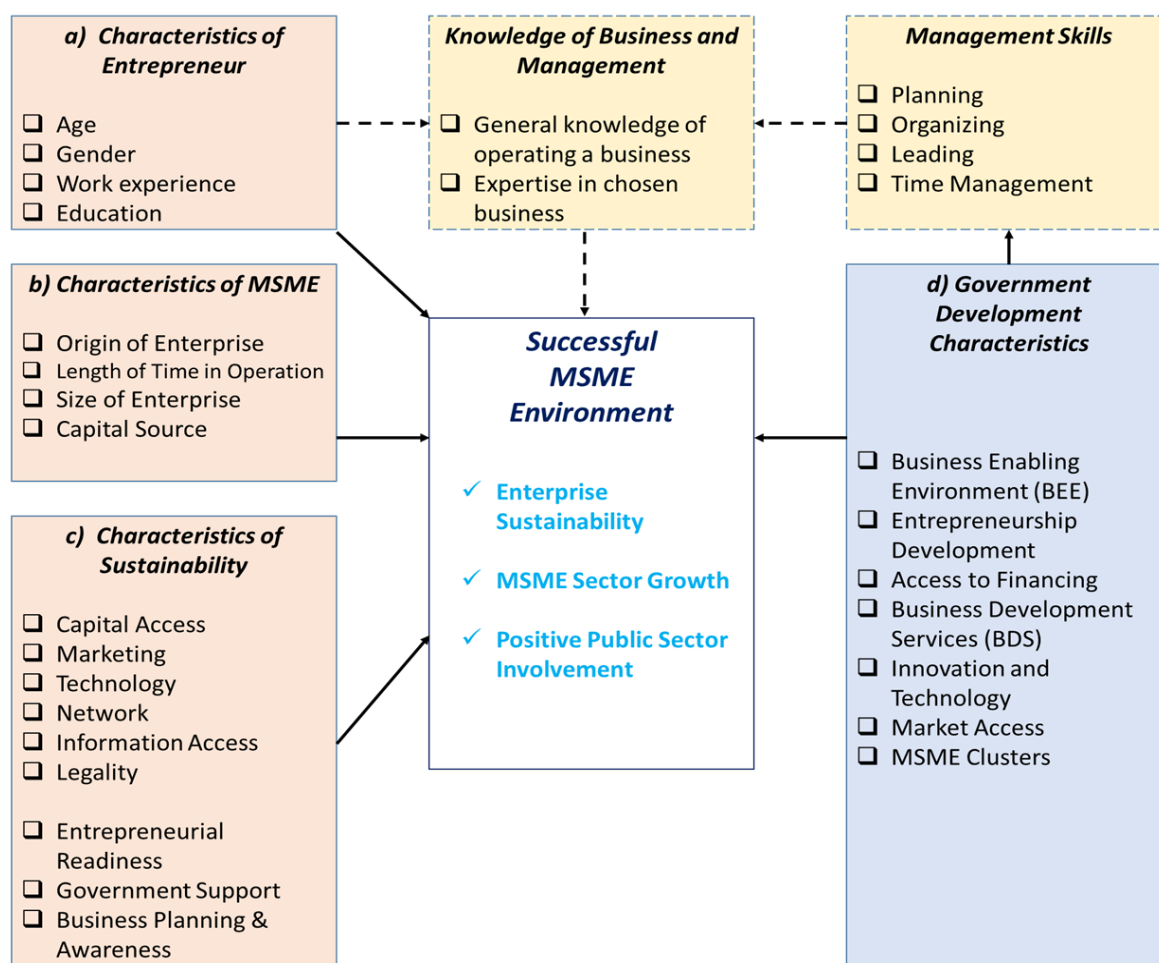


Figure (D.2): Characteristics of a ‘Successful MSME Environment’

a) Characteristics of the Entrepreneur

Demographic characteristics help in analyzing trends specific to countries (as we have observed in this KRI study). They may also give awareness to certain patterns i.e. certain studies in some countries have shown that when it comes to;

- **Age** - Individuals aged 25-44 years are generally the most entrepreneurially active.
- **Gender** - Females were generally less likely to be founders of new businesses than males.
- **Work experience** - Individuals with prior entrepreneurial experience had significantly higher entrepreneurial intentions than those without such experience.
- **Education** - Entrepreneurship related education increases the formation of new enterprises, and entrepreneurs who have a technical qualifications or experience, are in better position to analyze make decisions intuitively, which plays a critical role in business effectiveness.

b) Characteristics of the MSMEs

The characteristics that make up the MSMEs establishment and its resources play an important part in its sustainability i.e;

- **Origin of Enterprise** – MSME ownership and management can be limited to one or a few individuals, which means decision making is also based on personal and family factors as much as by commercial factors. This could have positive and negative impact depending on the decision being made.
- **Length of Time in Operation** – The length time in operation is significantly linked to business success. The time span of an MSMEs business life cycle is associated with experience, the more experienced the enterprise the more it is able to make clearer decisions.
- **Size of Enterprise** – Enterprise size is significantly linked to better business performance. Generally, the bigger the enterprise the higher level of success. This can also be in correlation to the MSME business life cycle which may show a pattern of adaptation and survival, based on shifts in the business environment. Bigger MSMEs can absorb and adapt more than smaller ones, therefore surviving sudden changes (i.e. impact of COVID or an increase in competition /costs).
- **Capital Source** – Greater dependence upon external finance is associated with better business growth. Financial flexibility of MSMEs is significantly correlated to business success. Therefore, MSMEs that take advantage of third-party investment experience a higher level of success. The limits of personally financing a business may effect decision making and places pressure on resources.

c) Characteristics of Sustainability

These variables makes the core basis for business success, as such MSME survey questionnaires predominantly use them (or similar titles) in order to collect market data on the MSME sector, thereby, capturing the most accurate information for analysis.

- **Capital Access** - Access to capital is one of the typical obstacles to starting a new business, not least in developing economies with weak credit and capital institutions. As such, in developing countries informal sources of credit constitute very substantial contributions to business start-ups, where the capital to labour ratio is normally low and small amounts of capital may be sufficient for a business start-up. Ultimately it is clear that among the internal limitations that hinder MSMEs to succeed is capital shortage, and once again capital flexibility is a distinct factor in determining business success.
- **Marketing** - Market development is crucial for preserving high growth in business. Since the vast majority of High Growth MSMEs identify and respond to new market opportunities.
- **Technology** - Technology has a close relationship with improvement of production process and equipment. As a result technological change and adaptation has a significant connection with market growth and on Return on Investment (ROI).
- **Network** – Studies of entrepreneurship has increasingly reflected the general agreement that entrepreneurs and new companies must engage in networks to survive. Networks represent a means for entrepreneurs to reduce risks and transaction costs and also to improve access to business ideas, knowledge and capital.
- **Information Access** – Access to new information is necessary for survival and growth of enterprises. Business information is of relevant to markets and sources of inputs, technological solutions, design, and government rules and regulations. The dependency on information is found to be reliant on the level of education, telecommunication systems, and on social networks.
- **Legality** - Entrepreneurs need to understand the operating decision they are making are legal. This helps ensure future business success and avoids obstacles and unexpected costs.
- **Entrepreneurial Readiness** - the MSME environment and entrepreneur need to have a certain level of enablement and readiness to succeed. This is based upon ability, education, experience, planning and financial awareness and support services.
- **Government support** - Governments have been paying more attention to MSME sector development in order to strengthen the private sector and national economy. More countries are realizing that government support is a necessary part of fostering MSME development.
- **Business plan** - Insufficient awareness of the need for a business planning has been identified as one of the main problems at the start-up phase among MSMEs. In this

context, business planning can be regarded as 'development orientation' for business owners, which is linked to better business growth.

d) Government Development Characteristics

Governments are attempting to find better efficient ways to fund and enable MSMEs via public policies and programs. The characteristics of these development policies are;

Business Enabling Environment (BEE) - The overarching theme of the business enabling environment (BEE) is that appropriate procedures and incentives with reasonable costs should be offered to business owners. Policies take the following forms;

- Establish an MSME development agency to develop and enforce a fair and transparent legal regulations for the MSME sector, by assessing the costs and benefits of specific laws/regulations and eradicating negative ones.
- Establish an MSME development fund to enhance MSMEs' access to financing, in collaboration with financial institutions.
- Establish "single-window" MSME service centers. These centers should handle business registrations, licensing and permits, while help in providing legal, financial, technical and market information. These can include business incubators for the local business communities, providing financing and tax related services and comprehensive technical assistance to both new and established MSMEs.
- Develop an MSME business support portal site under the supervision of the MSME Development Centre in cooperation with other MSME service providers.
- Streamline and simplify the procedures of business registrations, licensing, permits and tax collection. This should be done in cooperation with the ministries concerned in order to provide relative ease of entry of small firms and to reduce administrative transaction costs for MSMEs.
- Develop the bankruptcy code for MSMEs.
- Provide support to chambers of commerce and industry and other business associations to establish mutual relief funds for the prevention of bankruptcies. Subsidies would be considered when needed.
- Establish regular consultation mechanisms with MSMEs at both national and sub-national levels.
- Design and develop MSME business parks for various industrial sectors.
- Conduct MSME surveys every three years.
- Draft and publish a contract policy for public procurement with MSMEs
- Provide support to chambers of commerce and industry, and other associations in order to develop institutional capacities for MSMEs.
- Improve rural road links between production areas, processing centers and market locations.
- Study measures to further improve tax schemes for MSMEs in order to secure balanced taxation.
- Simplify MSME import-export procedures in cooperation with ministries and chamber of commerce and industry.

Entrepreneurship Development - The following initiatives are proposed to policy makers to help entrepreneurs:

- a) Conduct a mapping exercise with research and training institutes, and provide information on available training courses on managing a business.
- b) Establish MSME curriculums and upgrade existing training curriculums.
- c) Establish business incubation units.
- d) Conduct training on business planning using technology platforms/tools in cooperation with chambers of commerce and industry.
- e) Subsidize startup costs through startup loan programs.
- f) Assist financial institutions in developing loan programs to support women, youth and elder entrepreneurs.

Access to Financing - Policy instruments include:

- a) Provide guidance and training to enhance MSMEs' understanding of accounting and money management.
- b) Provide a reduced tax rate for MSMEs.
- c) Establish one or two state-subsidized loans for MSMEs: MSME development loans (i.e. as long-term loans) and SME safety net loans (i.e. as short-term loans).
- d) Develop a lending system, free of collateral that is assured by the Government (i.e. Credit Guarantee Schemes - CGS).
- e) Combine training in business management training with commercial loans, to add knowledge in how to manage business accounts.

Business Development Services (BDS)

BDS represents a major opportunity for public-private partnerships (PPP), since MSMEs may not know where to find the help they require; likewise, BDS providers do not know which businesses need assistance. By linking the two (BDS and MSMEs) policymakers can act as a bridge between the two. Plans for such an initiative can include;

- a) Establishment of BDS centers in strategic locations.
- b) Conduct a mapping study on where BDS services are best needed.
- c) Link BDS with chambers of commerce and industry, municipal service office, business associations, financial institutions, training institutes to develop a diversified and high quality network.
- d) Encourage financial institutions and BDS centers in developing MSME financial mechanisms.
- e) Encourage independent BDS providers to establish specialized associations.
- f) Develop a quality standard for BDS centers for certified quality assurance.

Innovation and Technology - MSMEs find it more difficult than large enterprises to secure sufficient knowledge, human resources and funds to develop technologically. The following are policy actions can be considered:

- a) Design and implement a simplified framework for the development of science and technology at both the national and the sub-national levels.
- b) Develop national and sub-national innovation systems through coordination, capacity-building and infrastructure development (e.g. science and technology parks).
- c) Establish business and technology incubators, and develop tools for technology-based MSME development.
- d) Subsidize patent, design and trademark applications made by MSMEs.
- e) Organize information sessions and training courses on technology and innovation.
- f) Organize training courses on ICT applications for business management.
- g) Provide a regulatory framework to reduce the cost of telecommunications for MSMEs.

Market Access - Efforts to improve the business environment, including trade development and access to markets. Key policies for MSMEs market access include:

- a) Providing marketing support through the MSME service centers, in the forms of market information, marketing research, public procurement, trade fairs, and training and information sessions.
- b) Distribution of information on government trade promotion activities through MSME service centers.
- c) Facilitate cross border trade.
- d) Provide business matching services.
- e) Develop export infrastructures and institutions—for example, border-area industrial zones, export industrial estates, export processing zones and an export promotion agency.

MSME Cluster Development

Effective business development and support services need to be established and promoted to address the requirements of enterprises in potential economic zones and technology/ industrial parks. These measures include:

- a) Developing a national strategic plan for the SEZs and business parks, including necessary infrastructure, such as roads and telecommunications, and border-area industrial estates, based on cooperation of/consultation with stakeholders.

- b) Enhance the institutional and managerial capacities of SEZs through implementing a transparent regulatory framework and supporting technical training programs.
- c) Conduct national cluster mapping exercises to identify key locations, capacity development needs and the most realistic institutional framework.

b) OECD MSME Policy Index

The MSME Policy Index is a benchmarking tool designed for developing economies to assess MSME programs and monitor progress in implementation.

The Index has been developed around ten dimensions by the OECD in partnership with the European Commission (EC), the European Bank for Reconstruction and Development (EBRD), and the European Training Foundation (ETF). It provides a guide to design and implement MSME policies based on best practices promoted by the EU and the OECD. The Index identifies strengths and weaknesses in policy design, implementation and monitoring.

It aims to support governments in setting targets for MSME development and to identify strategic priorities to further improve the business environment. It also helps to assist governments in planning for MSME developments through a structured dialogue with all stakeholders.

The example below has been adapted from OECD Index manuals 2009-2020 to fit the KRIs present needs in assessing and preparing a supporting environment for MSMEs through the 2022 survey results and recommendations.

The ten dimensions have been grouped into 3 categories to help guide the policy structure relevant to the KRIs future MSME development agenda.

The SME Policy Index covers ten policy dimensions:

Category	MSME Policy Index
Human Capital Development	1. Education and training for entrepreneurship.
	2. Availability of skills.
Operational Environment	3. Cost effective start-Up and registration
	4. Better legislation and regulation.
	5. Better market access.
	6. Financial access and taxation.
	7. Developing more effective representation of MSMEs.
Innovation and Competitiveness	8. Improving online access.
	9. Strengthening the technological capacity of MSMEs.
	10. Successful e-business models and business support.

Human Capital Development – Dimensions 1 and 2

Dimension 1: Education and Training for Entrepreneurs

This dimension/ element is constructed of 6 sub-dimensions. The matrix below indicates the sub-dimension and its content;

Sub-Dimension		Content
1.1	Policy framework for entrepreneurial learning (EL)	Public policy framework with a set of guidelines and recommendations for strategic development of entrepreneurial learning. Initiatives and partnerships to promote an entrepreneurial society require inputs from all levels of education and training (both formal and non-formal); and partnerships that ensure coherence with relevant national strategies (e.g. education, MSME, employment, research and development).
1.2	(EL) Policy Support Resources	Focuses on financial support for lifelong entrepreneurial learning.
1.3	Policy Elaboration Process	Include the formal education system, through related policy instruments for primary, secondary and higher education, and linked to the wider economic policy framework.
1.4	Monitoring and Evaluation	Systemic monitoring and evaluation of entrepreneurial policy and implementation.
1.5	Non-Formal Learning	Agreements established between public authorities, service providers, community groups and philanthropic organizations to develop entrepreneurial skills.
1.6	Good Practice	Entrepreneurial learning practices and transfer of knowledge.

Dimension 2: Availability of Skills

This dimension/ element is constructed of 5 sub-dimensions. The matrix below indicates the sub-dimension and its content;

Sub-Dimension		Content
2.1	Training needs analysis (TNA) policy	<ul style="list-style-type: none"> ▪ A policy that captures a percentage of MSMEs (i.e. 40% per year) training needs through direct or on-line surveys. ▪ Or 20% through ongoing learning initiatives (i.e. dimension 1 EL programs) and 20% from direct or on-line surveys.
2.2.	Quality assurance	<ul style="list-style-type: none"> ▪ A quality assurance system between government, and service providers to determine the standard of training for MSMEs (i.e. curriculum levels, certification standards).
2.3	Start-ups	<ul style="list-style-type: none"> ▪ Percentage of start-ups or new MSMEs benefiting from any type of business training or training relevant to their profession.
2.4	Enterprise growth	<ul style="list-style-type: none"> ▪ Percentage of established or growing MSMEs benefiting from any type of business training or training relevant to their profession.
2.5	Access to training	<ul style="list-style-type: none"> ▪ On-line access to training providers. ▪ Regional / national availability of training providers. ▪ Government support measures for training providers for small businesses.

Operational Environment – Dimensions 3, 4, 5, 6, 7

Dimension 3: Cost Effective Start-Up and Registration

This dimension/ element is constructed of 5 sub-dimensions. The matrix below indicates the sub-dimension and its content;

Sub-Dimension		Content
3.1	Issuing of company registration certificate	<ul style="list-style-type: none"> - Number of days to obtain company registration certificate. - Number of steps to obtain company registration certificate. - Official cost of obtaining company registration certificate. - Is there a unique identification number used in dealing with all standard functions of public administration. - Is there a minimum capital requirement. - Is there a One Stop Shop service.
3.2	Increase on-line registration	<ul style="list-style-type: none"> - Is there an on-line registration system in place? - How long does it take to receive a company registration certificate / authentication number?
3.3	Registration / 'Formal' entities	<p>What constitutes a formal enterprise?</p> <p>Some examples, are;</p> <ul style="list-style-type: none"> ▪ General Commission for Taxes (GCT). ▪ Department of Retirement and Social Security for Workers. ▪ Municipal Departments. ▪ General Authority for Industrial Development. ▪ Companies Registration Department. ▪ General Union of Agricultural Associations. ▪ Department of Retirement and Social Security for Workers. ▪ Union of Chambers of Commerce.
3.4	Non-Formal Learning	Agreements established between public authorities, service providers, community groups and philanthropic organizations to develop entrepreneurial skills.
3.5	Good Practice	EL practices and transfer of knowledge.

Dimension 4: Better Legislation and Regulation

This dimension/ element is constructed of 2 sub-dimensions. The matrix below indicates the sub-dimension and its content;

Sub-Dimension		Content
4.1	Simplification of MSME legislation and regulation	Strategy for legislative and administrative simplification
4.2	Institutional framework	<ul style="list-style-type: none"> - Intergovernmental co-ordination - MSME policy agency - MSME Development Strategy

Dimension 5: Better Market Access

This dimension/ element is constructed of 3 sub-dimensions. The matrix below indicates the sub-dimension and its content

Sub-Dimension		Content
5.1	Export promotion programs	Export promotion programs.
5.2	Enhancing MSME competitiveness	<ul style="list-style-type: none"> - Cluster development. - Linkages with universities. - Supply chain training.
5.3	National Promotion	National MSME promotion events.

Dimension 6: Financial Access and Taxation

This dimension/ element is constructed of 2 sub-dimensions. The matrix below indicates the sub-dimension and its content

Sub-Dimension		Content
6.1	Access to finance	<ul style="list-style-type: none"> - Flexible collateral requirements. - Number of credit guarantee schemes (CGS). - Credit information services. - Types of facilities; banks loans, MFI's, enterprise grant schemes. - Swift bankruptcy laws and procedures. - Cadaster. - Registration of moveable assets (can used as collateral).
6.2	Adapt tax system to favor MSMEs	<p>Analysis of tax burden to MSMEs. Analysis of tax constraints to MSME investment. Analysis of tax obstacles to MSME finance. Assessment to reduce constraints and burden of tax on MSMEs.</p>

Dimension 7: Developing more Effective Representation of MSMEs

This dimension/ element is constructed of 2 sub-dimensions. The matrix below indicates the sub-dimension and its content

Sub-Dimension		Content
7.1	MSME Network	<p>Strong networks (public/ private sector) representing MSMEs on local and national level. Chamber of Commerce: Advocacy role in representing MSMEs. Guidance services for MSMEs (physical and online). Assistance in registration of enterprise.</p>
7.2	Public Private Consultation (PPCs)	<p>Forum for consultation between sectors: Frequency of meetings (i.e. monthly). Informative dialogue to meet best requirements in enabling the enterprise sector.</p>

Innovation and Competiveness – Dimensions 8, 9, 10

Dimension 8: Improving Online Access

This dimension/ element is constructed of 2 sub-dimensions. The matrix below indicates the sub-dimension and its content

Sub-Dimension		Content
8.1	Interaction with government services	Online credit and debit services i.e. tax, social security, and pension. Other online credit and debit services for MSME business sector.
8.2	Content: type of information and portal services	Online information services for MSMEs. Quality of on-line portal.

Dimension 9: Strengthening the Technological Capacity of MSMEs

This dimension/ element is constructed of 3 sub-dimensions. The matrix below indicates the sub-dimension and its content

Sub-Dimension		Content
9.1	Promote technology dissemination towards MSMEs	Support training on technology.
9.2	Technology programs focused on commercial applications	Innovation and technology centers. Cooperation between technical colleges and MSMEs.
9.3	Develop clusters and networks	Government and private sector technical/ technology clusters and networks covering different sectors.

Dimension 10: Successful e-Business Model and Business Support

This dimension/ element is constructed of 2 sub-dimensions. The matrix below indicates the sub-dimension and its content

Sub-Dimension		Content
10.1	MSME Support facilities and services	Business incubator program. Business services (covering different sectors and different regions). Quality of business services.
10.2	Information for MSMEs	Available and accessible information for MSMEs on different types of service provider (national and international) i.e. chamber of commerce portal. Business information centers, on national frameworks and initiatives relevant to MSMEs (also available as online web portal).

Evaluation and Indicators

Once the program has been constructed and an action plan is accepted and authorized by all responsible stakeholders, a Key Performance Indicator (KPI) scale is adopted to evaluate each area and its progress. This is based on a 5 level assessment scenario that has been created for the index by the OECD (the range is described in the box below). The range of ratings assumes that Level 1 is the weakest standard and Level 5 the strongest;

Level 1	Level 2	Level 3	Level 4	Level 5
There is no program, mechanism, legislation, or (information) service in place to cover the area concerned.	<ul style="list-style-type: none"> - There is a 'basic' or 'draft' program, mechanism, legislation, and (information) service in place. - There are some signs of government activity to address the area concerned. 	<ul style="list-style-type: none"> - There is a 'clear' program, mechanism, legislation, and (information) service in place. - A functional framework is in place for this specific policy area. 	<ul style="list-style-type: none"> - There is effective policy implementation, mechanism, legislation, and (information) service in place. - A functional institutional framework is in place for more than one policy area. 	<ul style="list-style-type: none"> - A significant history of effective policy implementation of programs, policies and legislation is in place. - A sustainable institutional framework is in place.

PART 2: FIVE INSTITUTIONAL FRAMEWORKS FOR MSME DEVELOPMENT IN REFORMING ENVIRONMENTS

These are detailed text and illustrations of five-implemented world class models for MSME development. Each example facilitates the understanding of MSME reform via different approaches.

The table (D.3) below explains each approach chosen for the five selected countries by the institutions that partnered with them in their PDS and MSMEs strategic planning and initiatives for the MSME sector.

**Table (D.3): Institutional Methodologies Utilized in the Strategic Planning of
Private Sector MSME Development**

	Content	Partner Institution
a	MENA-OECD Egypt Initiative (partnered by the EU). BUSINESS CLIMATE DEVELOPMENT STRATEGY (BCDS) - MSME Policy and Promotion.	OECD / EU
b	ASEAN - The Association of Southeast Asian Nations; Strategic Action Plan Structure for MSME Development 2016-2025.	ASEAN (JAIF – Japan)
c	GIZ (German Development Cooperation), MSME Umbrella Programme (India)- Best Practice Mechanisms and Recommendations for MSME Development.	GIZ
d	EU and ILO best practice technical advisory for MSME policy development. Ministry of Commerce, Trade and Finance - Republic of Zambia.	ILO / EU
e	USAID / WB: MSME Growth and Jobs Creation in Lebanon.	USAID / World Bank

a) MENA-OECD Egypt Initiative (partnered by the EU). BUSINESS CLIMATE DEVELOPMENT STRATEGY (BCDS) - MSME Policy and Promotion.

The model utilized in Egypt allows for a framework that is divided between an ‘institutional framework’ and ‘policy tools’ (figure D.4). This approach allows for the management of the institutional environment under defined main elements, while allowing the focus of MSME policy to be detached and focused on the linkages, enhancement, innovation and operational support for MSMEs.

Ultimately both these critical elements are linked by the ‘MSMEs policy and promotion’ dimension. This approach allows for the easier management of sub-dimensions, yet allows them to be linked as a whole framework. This approach is best used in large locations such as Egypt, whereby different and numerous locations will have differing emphasis on MSMEs development services and their needs. Additionally, the distance and efficiency of services to aid MSMEs over a wide area makes this approach more practical for service delivery and customization of requirements.

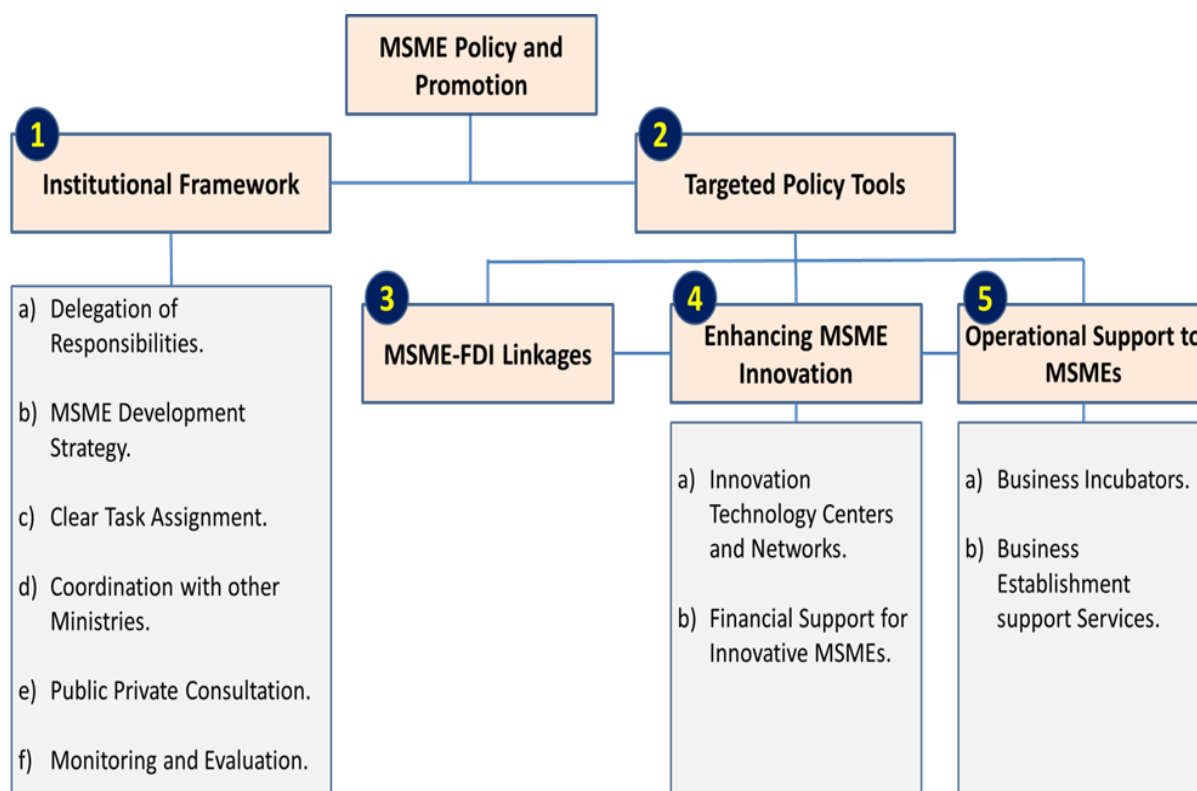


Figure (D.3): OECD Egypt – MSME Policy and Promotion Assessment Framework

b) ASEAN - The Association of Southeast Asian Nations; Strategic Action Plan Structure for MSMEs Development 2016-2025

The ASEAN approach is based on a development structure for South-East Asian nations to focus on Strategic Action Plans (SAP) as shown in figure (D.5), which connect to the desired outcomes of a structured implementation roadmap.

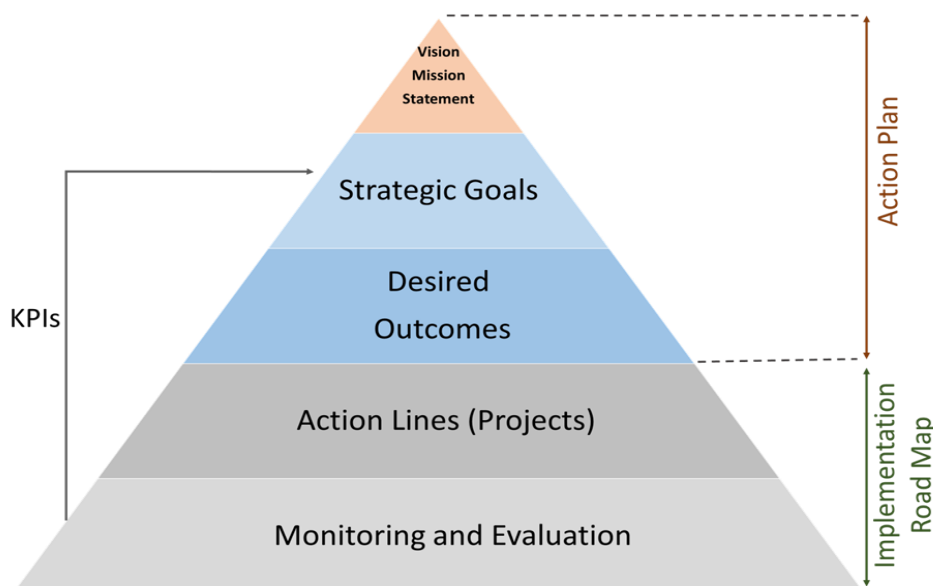


Figure (D.4): Structure of ASEAN MSME Strategic Action Plan (SAP)

The purpose is to align action lines (i.e. projects) to the strategic path of the implementation roadmap (figure D.6). This is intended to keep action plans balanced and engage PPP in project design. The importance of post implementation is also emphasized by setting KPIs and allowing for robust Monitoring & Evaluation.

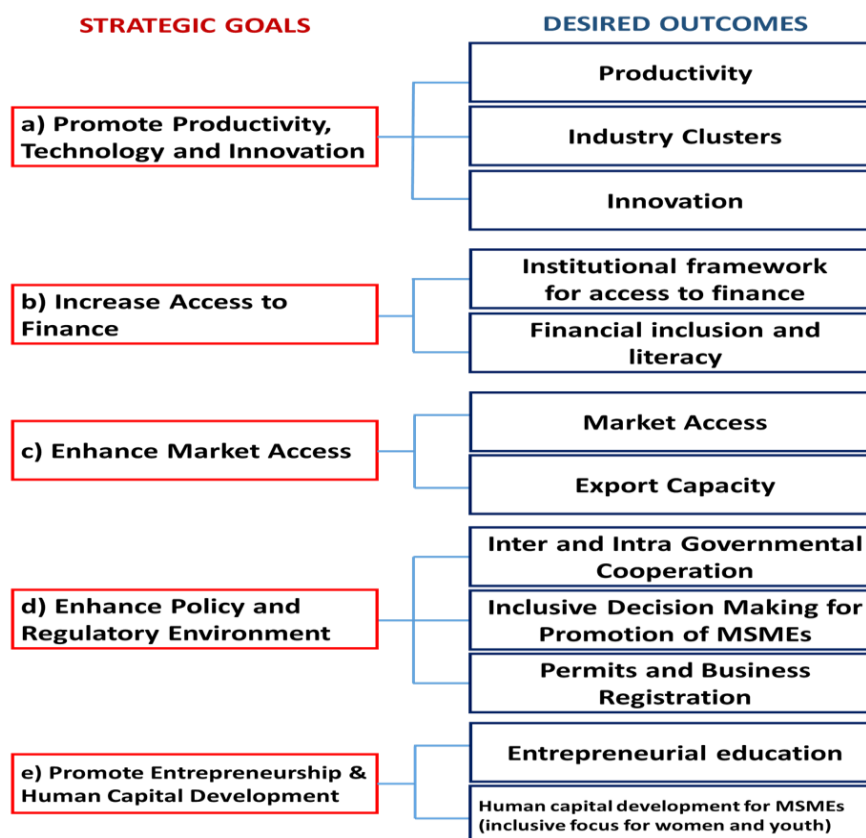


Figure (D.5): Implementation Road Map

c) GIZ (German Development Cooperation), MSMEs Umbrella Programme (India)- Best Practice Mechanisms and Recommendations for MSMEs Development

The GIZ approach is based on their wide global experience. The approach chosen for India is based on 5 themes, and their functionalities;

- 1) Planning mechanism.
- 2) Implementation.
- 3) Central coordinating agency.
- 4) Technologies.
- 5) One-stop service points.

Their role and outcome are summarized briefly, as such;

1) Planning mechanism.

Allocation of resources to clearly defined strategic plans and goals, outputs and outcome indicators.

2) Implementation.

Implementation is measured against outputs and outcomes contained in the strategic plans, not just against inputs or procedures.

3) Central coordinating agency.

This agency has the power to coordinate services by multiple ministries, agencies and departments.

4) Technologies.

The Use of ICT to ease access to services for MSMEs to government services.

5) One-stop service points.

A physical network of service points continuously supported with infrastructure and personnel.

Building on these themes are best practices recommendations for a coordinated and comprehensive institutional framework to maximize results of government or agency initiatives. These framework recommendations are split into three levels:

- 1) Overall promotional framework.
- 2) Cross-cutting recommendations.
- 3) Service-specific recommendations with actual examples in finance credit delivery, market and skill development gathered as best practice examples from various nations.

d) EU and ILO best practice technical advisory for MSME policy development. Ministry of Commerce, Trade and Finance - Republic of Zambia

Zambia's MSMEs policy development endeavor is an extensive approach with detailed description of the policy methodology, split into two sections (briefly described below).

Section One: Policy Development Framework.

Section Two: Mechanism for Policy Framework Implementation.

Section One: The Zambia policy development framework has been created along four attributes:

- a) Rationale.
- b) Policy goals.
- c) Guiding principles.
- d) Policy objectives.

Section Two: Defining Pillars of the Mechanism categorized into three development pillars of;

Pillar one - Capacity

- Entrepreneurship development capacity.
- Innovation and technological capacity of MSMEs.

Pillar two - Access

- MSMEs access to market opportunities.
- MSMEs access to business development services.
- MSMEs access to appropriate business finance.
- Access to appropriate operating premises and business Infrastructure.

Pillar three - Operating environment

- Local Economic Development.
- Representation of MSMEs interests.
- Gender.

Each pillar's sub-topic is then broken up into the practical application relevant to the subject under four headings:

- 1) Context.
- 2) Policy Statement.
- 3) Objective.
- 4) Policy Strategies.

This creates a practical and harmonized guide for each pillar to be understood and implemented upon the same action lines. It also allows for easier calculation and measurement of KPI's and facilitates swift Monitoring & Evaluation efforts.

e) USAID / WB: MSME Growth and Jobs Creation in Lebanon

Recognizing the potential of Lebanon's MSMEs to become critical drivers of job creation and economic development, the Ministry of Economy and Trade (MoET) developed a series of strategic thrusts and proposed initiatives to address the constraints to MSMEs growth. The six thrusts are:

1. Evolving Business Leaders.
2. Facilitating the "Right" Funding.
3. Improving Access to Markets.
4. Enhancing Capabilities and Innovation Capacity.
5. Developing a Conducive Business Environment.
6. Ensuring Coherence and Effective Coordination.

Recognizing the opportunity to support and build new MSME strategy, the MoET with the help of USAID conducted an assessment of the prospects for enterprise growth and job creation in Lebanon. The assessment examined enterprise development needs across five technical areas. The five areas are;

- 1) Advocacy for an improved business enabling environment.
- 2) Demand-driven business development services (BDS).
- 3) Increased trade and export linkages.
- 4) Enhanced workforce development.
- 5) Opportunities for growth in special economic zones.

The strategic thrusts took into consideration these areas and their relevant stakeholders and rationale identified (Figure D.6);

Strategic Thrusts	Stakeholders	Rationale
1. Evolving Business Leaders	NGO's, Universities, and Chambers	Develop business leaders capable of both carrying SME's to their next wave of growth adapting to a changing business environment
2. Facilitating the "Right" Funding	Banks & Financial Institutions	Ensure availability of adequate and diverse source of funding and raise awareness of SME on alternatives and suitability
3. Improving Access to Markets	Ministries and Investment Development Authority	Ensure fair competition on local market and enhance access to foreign markets
4. Enhancing Capabilities and Innovation Capacity	Business Development Centers	Foster provision of effective capability building effort and enhance innovation standards and research
5. Developing a Conducive Business Environment and National Environment	Cabinet/ Ministries	Improve business environment through appropriate legislation and improve infrastructure on order to provide and enabling environment for SME's needs
6. Ensuring Coherence and Effective Coordination.	SME Secretariat Statistics Team under Strategy Performance Unit	

Figure (D.6): SME Strategy 2020: Six Strategic Thrusts, Stakeholders and Rationale

Appendix: Comparison of MSME Survey KRI 2022 and Iraq MSME Survey 2020

Introduction

The following section describes the findings of both the KRI 2022 survey and Iraq 2020 survey in comparison of the following MSME research areas:

- 1) MSME Profile
- 2) Employment and Human Resources
- 3) Women Entrepreneurs and Women Owned Businesses
- 4) Innovation and Technology
- 5) Globalization
- 6) Networking, Partnerships and Clusters
- 7) COVID 19
- 8) Finance

1. PROFILE – COMPARISON KRI 2022 & IRAQ 2020

Most of the MSMEs in both locations are predominantly sole ownerships. KRI has more micro enterprises and Iraq has more small and medium enterprises. The gender gap is evident in both locations, although KRI has twice the amount of female MSMEs to Iraq (269 v. 102). In terms of formality; KRI had 40% of the full sample as registered enterprises (811 MSMEs), were as Iraq had 17% (338 MSMEs). The below tables indicate these attributes;

Comparison Table (1.1) MSME ownership by Type and Gender

Gender of the MSME interviewee	Full Sample		Micro		Small		Medium	
	KRI	IRAQ	KRI	IRAQ	KRI	IRAQ	KRI	IRAQ
Male	1747	1915	1613	1733	121	150	13	32
Female	269	102	262	98	6	4	1	0
Total MSMEs	2016	2017	1875	1831	127	154	14	32

Comparison Table (1.2) Registered and Unregistered MSMEs

Formality	KRI 2022		Iraq 2020	
Registered	811	40%	338	17%
Unregistered	1205	60%	1679	83%
Total	2016	100%	2017	100%

Comparison Table (1.2 A) Registered and Unregistered MSMEs (by size of enterprise)

Enterprise size	Enterprises					
	Total		Registered Enterprise		Not Registered Enterprise	
	KRI	IRAQ	KRI	IRAQ	KRI	IRAQ
Micro	1875	1831	739	277	1136	1554
Small	127	154	65	46	62	108
Medium	14	32	7	15	7	17
Total	2016	2017	811	338	1205	1679

Distribution of MSMEs

Most of the MSMEs in both surveys are micro-enterprises, with 1,875 out of 2016 in the KRI and 1,831 out of 2017 in Iraq.

Comparison Table (1.3) Distribution of institutions by governorates for KRI

Governorates	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Erbil	684	33.9	634	33.8	49	38.6	1	7.1
Sulaymaniyah	740	36.7	693	37.0	44	34.6	3	21.4
Halabja	40	2.0	36	1.9	2	1.6	2	14.3
Duhok	552	27.4	512	27.3	32	25.2	8	57.1
Total	2016	100	1875	100	127	100	14	100

Comparison Table (1.3 A) Distribution of institutions by governorates for Iraq

Governorates	Total		Micro		Small		Medium	
	No.	%	No.	%	No.	%	No.	%
Baghdad	1099	54.5	1014	55.4	73	44.8	12	52.2
Basra	401	19.9	368	20.1	25	15.3	8	34.8
Nineveh	517	25.6	449	24.5	65	39.9	3	13.0
Total	2017	100	1831	100	163	100	23	100

2. EMPLOYMENT AND HUMAN RESOURCES

Distribution of enterprises according to gender

Comparing KRI 2022 and Iraq 2020 the results a difference in the number of women's enterprises by twofold. The data was distributed as follows;

Comparison Table (2.1): Comparison of the KRI MSME Survey (2021-2022) and the Iraq MSME Survey in Baghdad, Basra and Nineveh (2020 - 2021)

Enterprises Employment by Gender					
Survey	Total	Male		Female	
		No.	%	No.	%
KRI MSMEs Survey (Erbil, Sulaymaniyah, Duhok and Halabja) (2021-2022)	2016	1747	86.7%	269	13.3%
MSMEs Survey (Baghdad, Nineveh, Basra) (2020-2021)	2017	1915	94.9%	102	5.1%

Distribution of employees

The results showed a slight higher number of employees in Iraq compared to the KRI. Additionally, the number of medium-sized enterprises in Iraq where nearly double of KRI.

The survey showed significantly more employed women in the KRI (499) compared to Iraq (148) employed women. The data was distributed as follows;

Comparison Table (2.2) Comparison between the number of employees in KRI (2021-2022) and Iraq (2020-2021) by Enterprise Size

Enterprise Size	No. of Enterprises		Total No. of Employees			
	KRI	Iraq	KRI		Iraq	
Micro	1875	1831	2976	78.1%	2637	67.9%
Small	127	154	656	17.2%	804	20.7%
Medium	14	32	180	4.7%	445	11.5%
Total	2016	2017	3812	100%	3886	100%

Comparison Table (2.3): Comparison between the number of employees in KRI (2021-2022) and Iraq (2020-2021) by Gender

Enterprise Size	Male				Female			
	KRI		Iraq		KRI		Iraq	
Micro	2603	78.6%	2506	67.0%	373	74.7%	131	88.5%
Small	576	17.4%	787	21.1%	80	16.0%	17	11.5%
Medium	134	4.0%	445	11.9%	46	9.2%	-	-
Total	3313	100%	3738	100%	499	100%	148	100%

Comparison Table (2.4): Comparison of the number of MSME employees in KRI (2021-2022) and Iraq (2020-2021)

Location	Sample Size	No. Employed	The average number of workers in the sample
KRI	2016	3812	1.89
Iraq	2017	3886	1.92

Note: The average number of employees in the sample is the sum of the number of employees divided by the total sample.

Distribution of employees (from 2017, 2018 , 2019, 2020, 2021)

The survey showed that the number of manpower in KRI is less than in Iraq, due to the high population density in the governorates of Baghdad, Nineveh and Basra, compared to the governorates of Erbil, Sulaymaniyah, Halabja and Dohuk. The results showed that the Corona pandemic (Covid-19) had a more severe effect on the Iraq labor market than KRI. As shown below;

Comparison Table (2.5): Comparison between the number of employees in the years (2017, 2018, 2019, 2020, 2021) in KRI and Iraq

Location	2017	2018	2019	2020	2021
	No. of Employees	No. of Employees	No. of Employees	No. of Employees	No. of Employees
KRI	3403	3254	3413	3533	3812
Iraq	3819	4465	5024	3886	n/a

The percentage change in the number of employed people in the years between KRI and Iraq (2017, 2018, 2019, 2020)

Location	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021
KRI	-4%	5%	4%	8%
Iraq	17%	12.5%	-22.6%	n/a

Recruitment sources and channels

"Knowledge and Personal Relations" recorded the highest choice among the sources of employment used by MSMEs.

"Employment centers", "employment from other institutions" and "training institutes" were the least chosen among the institutions. It can be concluded from the survey results that there is an imbalance and weakness in the role of employment centers and training institutes in providing manpower. The data was distributed as follows;

Comparison Table (2.6): Comparison of the MSMEs Recruitment Sources and Channels for KRI and Iraq

Recruitment sources and channels	KRI		Iraq	
	Total	%	Total	%
Personal acquaintances and referrals	113	66.1	625	77.5%
Unsolicited applications	19	11.1	56	6.9%
Does Not Need Any Employment Source	13	7.6	-	-
Social Media	12	7	-	-
Training institution	6	3.5	2	0.2%
Advertisement (e.g. in newspapers)	3	1.8	39	4.8%
Internet	3	1.8	-	-
Recruit from other enterprises	1	0.6	8	1.0%
Employment agency	1	0.6	7	0.9%
From the neighborhood/same area	-	-	34	4.2%
My job does not require employees	-	-	24	3.0%
Other	-	-	11	1.3%

3. WOMEN ENTREPRENEURS

The results showed that the percentage of women-owned enterprises in KRI is about double that of Iraq;

Comparison Table (3.1): Comparison of the number of Women owned MSME Enterprises between KRI and Iraq

Location	Micro	Small	Medium	Total	% of Full Survey Sample
KRI	262	6	1	269	13.3%
Iraq	98	4	-	102	5.6%

The results of the level of difficulty of starting an enterprise for women was above 50% in both locations. 53.2% of women owned enterprises in the KRI reported that it is more difficult than men to establish a business, while the figure in Iraq was 59.8%.

Comparison Table (3.2): Contrast in the Level of Difficulty for Women Establishing Businesses compared to Men in KRI and Iraq

Level of Difficulty	KRI		Iraq	
More Difficult	143	53.2%	61	59.8%
Same	84	31.2%	23	22.5%
Easier	42	15.6%	18	17.6%
Total	269	100%	102	100%

Obtaining financing from official bodies (banks and small financial institutions)

The majority of women/entrepreneurs in both the KRI and Iraq stated that it is more difficult for women to obtain financing than for men. The results showed that only 5.6% of women in the KRI considered it easier than men to obtain financing, while 18.6% of women in Iraq considered it easier.

Comparison Table (3.3): Contrast in the Level of Difficulty for Women Acquiring Finance compared to Men in KRI and Iraq

Level of Difficulty	KRI		Iraq	
More Difficult	130	48.3%	51	50%
Same	124	46.1%	32	31.4%
Easier	15	5.6%	19	18.6%
Total	269	100%	102	100%

Problems Entrepreneurs Face

Both women in the KRI and Iraq agreed that they faced gender challenges, among which are;

Comparison Table (3.4): Challenges faced by women entrepreneurs in KRI and Iraq

Type of Challenge	KRI		Iraq	
Social (Cultural / Gender)	143	39.7%	34	33.3%
There are no problems	66	18.3%	-	-
Financial issues	50	13.9%	40	39.2%
Dealing with clients or customers	49	13.6%	16	15.7%
marketing	25	6.9%	6	5.9%
administrative matters	13	3.6%	-	-
Dealing with merchants and producers	11	3.1%	6	5.9%
Other	3	0.8%	32	31.4%

Initiatives suggested by women entrepreneurs to reduce the problems they face

Women entrepreneurs in KRI focused primarily on cultural awareness of the community and then government support and facilitate access to loans, while women entrepreneurs in Iraq focused on facilitating the process of obtaining loans and then on cultural awareness of the community and government support / government initiatives.

Comparison Table (3.5): Areas that need initiatives by women entrepreneurs in KRI and Iraq

Areas that need initiatives	KRI		Iraq	
	Count	Percentage	Count	Percentage
Awareness/Education of the community	117	43.5%	17	16.7%
Government support/government initiatives	36	13.4%	13	12.7%
Facilitate the process of obtaining loans/ financing projects	32	11.9%	31	30.4%
Securing job opportunities	14	5.2%	9	8.8%
Security and protection insurance	-	-	7	6.9%
There are no problems	-	-	5	4.9%
Other	70	26%	27	26.5%

4. Innovation AND TECHNOLOGY – COMPARISON KRI 2022 & IRAQ 2020**a) Digital channel usage**

The most distinct results was the dependency of both locations on mobile telephony. With KRI having a higher percentile of MSMEs depending on their smart phones for 'daily' use;

Comparison Table (4.1) : MSME Mobile Phone Usage

Mobile Phone Usage	KRI 2022	Iraq 2020
Daily Basis	61.6%	40%
From Time to Time	25.4%	28.2%
Total	87%	68.2%

An extremely high percentage of MSMEs in both locations did not use 'E-Commerce' or a 'Website' or 'Social Media'. This shows that there is a need for a national effort to make technology more accessible and to make training in these platforms available to MSMEs, as an essential part of their exposure to internal and external markets, producers and potential growth opportunities;

Comparison Table (4.2): Internet Channels 'Not' Utilized by MSMEs

Internet Channels that are 'NOT USED' by MSMEs	KRI 2022	Iraq 2020
'E-Commerce'	96%	94.2%
'Website'	96.9%	94.6%
'Social Media'	70.9%	71.5%

The main reasons given for the lack of use is digital channels;

Comparison Table (4.3): Reasons given by MSMEs for lack of Internet Usage

Reasons for Lack of Usage	KRI 2022	Iraq 2020
Did not need digital channels for marketing or promoting their business	94.3%	63.2%
Too difficult to use	2.5%	10.6%
Regarded these channels too expensive	1.9%	7%
Total	98.7%	80.8%

b) E-commerce

The KRI had 16 MSMEs who used E-commerce for their business (11 had a dedicated portal, whereas 5 used an alternative system). In Iraq the figure was higher, but still a small percentage of the total sample, with 77 MSMEs using E-commerce for their business, 40 had a dedicated portal, whereas 37 used an alternative system.

5. MSME AND GLOBALIZATION – COMPARISON KRI 2022 & IRAQ 2020

a) Sales / Market Structure

Both surveys showed that MSMEs are heavily dependent on their local markets;

- In KRI 97% of MSMEs transacted their business in KRI (82%) or Federal Iraq (15%).
- In Iraq 99% of MSMEs transacted their business in the local market.

b) Exports

- In KRI 1.4% of MSMEs had attempted to export but were unsuccessful.
- In Iraq 3% of MSMEs had attempted to export but were unsuccessful.

c) Willingness to Export

- In KRI 98.7% of MSMEs have no export activities, and no plans to do so.
- In Iraq 95% of MSMEs have no export activities, and no plans to do so.

d) Export Restrictions

- In KRI 27% of MSMEs stated that their product was not permitted for export.
- In Iraq 43% of MSMEs stated that their product was not permitted for export.

e) Global links

- In KRI 98.6% of MSMEs stated they had no direct link to non-KRI enterprises.
- In Iraq 97% of MSMEs stated they had no direct link to non-Iraq enterprises.

6. NETWORKING, PARTNERSHIPS AND CLUSTERS – COMPARISON KRI 2022 & IRAQ 2020

a) Business Association Networking

MSMEs have weak networking structures in both locations. The majority of respondents in KRI (87%) reporting having none. In Iraq, the majority of respondents (86%) reporting having none also.

Out of the MSMEs that had positive answers the following responses for ‘type of association/ network’ are comparable;

Comparison Table (6.1): No. of MSMEs and Type of Network Utilized

Type of Networking	Total	
	KRI	Iraq
Local association of your sector of activity	255	66
Industrial district or economic zone	17	72
Geographical cluster	3	99
Networking portal	2	41
Total	277	278

b) Incentives for Business Association and Networking

The similar benefits identified in both locations was;

Comparison Table (6.2): Benefits Gained from Network Engagement

Type of Networking	Total	
	KRI	Iraq
Logistical facilities	27%	2.8%
Access to finance	9.3%	6%
Marketing / Promotion	2.8%	25%
Increased know-how	1.8%	15.1%

7. MSME AND FINANCE – COMPARISON KRI 2022 & IRAQ 2020

a) Banking usage

Both surveys indicated very low bank usages;

Comparison Table (7.1): Bank Account Holders

	KRI 2022	Iraq 2020
Bank Account holders	31	25
Percentage of Total Survey Sample	1.5 %	1 %

The banking sector is severely under-utilized by MSMEs, the main reasons given by both surveys for this condition was;

Comparison Table (7.2): Reasons Given for Lack of Bank Account Holders

	KRI 2022	Iraq 2020
The type of business does not need an account	86.3%	31%
MSMEs do not have enough money to open a bank account	-	27%
MSMEs found it too expensive to maintain an account	1.9%	25%
Do not trust banks	9.7%	5%
Too much paperwork	0.9%	2%
Total	98.8%	90%

b) Credit Financing Distribution

The majority of MSMEs relied heavily on family, friends and personal savings. Although funding from financial institutions was more utilized in Iraq than KRI;

Comparison Table (7.3): Main Sources of MSME Financing

Sources of Financing	KRI 2022	Iraq 2020
Family and friends	49%	34%
Personal savings	40%	12%
Financial institutions (banks, MFIs etc.)	3.1%	30.7%
Sold Assets	3.5%	4.9%
Total	95.6%	81.6%

There was also a reticence towards acquiring credit financing in both locations;

Comparison Table (7.4): Percentage of MSMEs Not Planning in Credit Finance

	KRI 2022	Iraq 2020
Did not plan on getting credit financing	32%	55%

c) Financing after Starting a Business

After starting their businesses over 60% of MSMEs in both locations did not calculate they needed more financing;

Comparison Table (7.5): Funding Needs after Establishment

Need for funds after starting business	KRI 2022	Iraq 2020
No, I did not want financing	69.6%	62%
I planned but did not get financing	4.9%	29.5%
Yes, I got financing	25.5%	8.5%
Total	100%	100%

However, there was a distinct difference in the percentage of MSMEs that did get financing after starting their business, the KRI had threefold the number of Iraq (541 KRI - 172 Iraq). Although, the sources of the majority of the financing was the same (family, friends and personal savings). Another distinct difference was that Iraq MSMEs did have a higher number of MSMEs gaining funds from financial institutions compared to KRI;

Comparison Table (7.6): Sources of Financing after Establishment

Sources of Financing	KRI 2022	Iraq 2020
Family and friends	69%	57%
Personal savings	25%	14%
Financial institutions (banks, MFIs etc.)	2.6%	19%
Total	96.6%	90%

d) Assets

Two-thirds of MSMEs in both locations did not have assets at the establishment of their business.

Comparison Table (7.7): MSME Asset Holdings at Establishment

	KRI 2022	Iraq 2020
Did not have any Assets at start of business	66%	77%

e) Reasons for Acquiring Finance after Starting a Business

Approximately 70% or more of respondents who acquired financing in both locations (KRI 76.8%, Iraq 69.4%) attributed the reason for needing funds was either; (a) to expand the business or (b) to upgrade/ update equipment;

Comparison Table (7.8): Reasons for Financing after Establishment

Reason for financing after starting business	KRI 2022	Iraq 2020
To expand the business	70.4%	47.7%
To update and upgrade equipment	6.4%	21.7%
To improve marketing	5.8%	2.5%
To increase inventory	5.3%	6.1%
To improve your business's cash flow	4.7%	3.8%
To introduce new products / service	4.3%	7%
To overcome unpaid invoices / expenses	1.6%	6.7%
To recruit and hire new employees	1.0%	1.7%
To move business to a new location	0.4%	2.5%
Total	99.9%	99.7%

f) Financing Gap

There is a high indicative financing gap in MSMEs in both populations. The consultant attempted at estimating the 'financing gap' based on loans that have been 'acquired after starting the business' and the estimation of the 'future financing needs' the MSMEs indicated in the survey;

Comparison Table (7.9): Financing Gap between KRI and Iraq

	KRI 2022	Iraq 2020
Sample Size	2,016	2,017
No. Of MSMEs That Got Loans After Starting Business	514	172
MSMEs Reporting Future Financing Needs (no. of respondents)	1,460	1,495
Average Amount Acquired After Starting Business (ID Millions)	14	11
Average Amount Needed For Future Financing Needs (ID Millions)	30	22.4

8. COVID IMPACT – COMPARISON KRI 2022 & IRAQ 2020

In analyzing the COVID pandemic data we must take into account that the Iraq survey was done before the KRI survey and at a more severe moment of the Corona global crisis.

a) Impact of COVID-19 on MSMEs Turnover, Employment and Salaries

Comparison Table (8.1): COVID Impact on Staff and Salaries

	KRI 2022	Iraq 2020
Decrease in the turnover due to COVID-19 pandemic	80% for 2020 and 73% for 2021	98%
Kept their staff at the same salary	32%	19%
Put staff on leave due to the pandemic	13.4%	44%
put staff on partial working hours with partial salaries	13.2%	20%

b) Assessment of Government Actions

In KRI 67.4% of MSMEs were satisfied with the government's handling of the pandemic. Female satisfaction with the government actions was higher than males. In Iraq 55% of MSMEs were satisfied with the government's handling of the pandemic. With no significant difference between the genders (N.B. In Iraq, 23% of MSMEs suggested that the government should provide salary compensations/ distribute grants or financial aid and 12% of MSMEs suggested enforcement of prevention standards (masks, social distancing etc.).

MSME Survey Questionnaire

SURVEY QUESTIONNAIRE	الاستبيان الخاص بمسح المؤسسات الصغرى والصغيرة والمتوسطة
<p>An interview is successful when an enumerator completes the questionnaire with an MSME owner.</p> <p>The enumerator will follow the steps below in identifying an MSME owner:</p> <ol style="list-style-type: none"> 1. Once the enumerator has introduced himself to the respondent, he/ she will ask if the respondent is an MSME owner, or employed in an MSME. 2. If the respondent is an MSME owner, then the enumerator will request a full interview to complete the questionnaire. 3. If the respondent or any of the household members is not an MSME owner, then the enumerator will ask whether the person is employed in an MSME. If the person is employed in an MSME the enumerator will ask for the contact details of the MSME owner, in order to request an interview. Additionally the enumerator will ask the employee for the number of members of their household. 4. If the respondent or any of the household members is neither an MSME owner or employee, the enumerator will not carry out an interview, but will ask the respondent for the number of members of the household, and what sector they are working in if they are employed. 5. If the respondent and the household members are unemployed, the enumerator will only ask for the number of members of the household. 	<p>تكون المقابلة ناجحة فقط عندما يستكمل الباحث الاستبيان مع مالك مؤسسة صغرى أو صغيرة أو متوسطة.</p> <p>يجب على الباحث اتباع الخطوات التالية أثناء تنفيذ المسح الميداني:</p> <ul style="list-style-type: none"> ▪ بعد تعريف الباحث عن نفسه وعن أهداف الدراسة للمستجيب، يجب أن يسأله عما إذا كان مالكاً لمؤسسة صغرى أو صغيرة أو متوسطة، أو موظفاً في مؤسسة صغرى أو صغيرة أو متوسطة. ▪ إذا كان المستجيب مالكاً لمؤسسة صغرى أو صغيرة أو متوسطة، يطلب الباحث من المستجيب إعداد مقابلة كاملة معه لاستكمال الاستبيان. ▪ إذا لم يكن المستجيب أو أي فرد من أفراد أسرته مالكاً لمؤسسة صغرى أو صغيرة أو متوسطة، يسأل الباحث عما إذا كان هو أو أي فرد من أفراد أسرته يعمل لدى تلك المؤسسات المشمولة بالمسح. وفي حال كان أو أي فرد من أفراد أسرته يعمل لدى تلك المؤسسات، يطلب الباحث بيانات الاتصال بمالك المؤسسة من أجل طلب إجراء مقابلة. بالإضافة لذلك، يسأل المستجيب عن عدد أفراد أسرته والقطاع الاقتصادي الذي يعمل به. ▪ إذا لم يكن المستجيب أو أي فرد من أفراد أسرته مالكاً أو موظفاً في مؤسسة صغرى أو صغيرة أو متوسطة لا يقوم الباحث بإجراء مقابلة، ولكن يسأله عن عدد أفراد أسرته، والقطاع الاقتصادي الذي يعمل/ يعملون فيه (في حال كان لديهم عمل). ▪ إذا كان المستجيب وأفراد أسرته عاطلين عن العمل، يسأل الباحث فقط عن عدد أفراد أسرته.

Demographic Information	<p>المعلومات الديموغرافية</p> <p>يسأل الباحث الشخص الذي يجري معه المقابلة هل انت موظف بقطاع حكومي او خاص او تعمل بمؤسسة كبيرة افرادها اكثر من 29 فرد يجاب فقط قسم المعلومات الديموغرافية واذ كان المستجيب لا يعمل نهائيا</p> <p>سيجاب فقط المعلومات الديموغرافية الى سؤال 13 ويتخطى السؤال 14 وينهي الباحث المقابلة وتعتبر هذه المقابلات غير مكتملة (غير ناجحة) اما اذا كان الشخص صاحب المؤسسة فسيكمل المقابلة ويستمر باسئلة الاستثمار وحسب الاقسام A-J</p>
	1. رقم العنقود (Cluster)
	2. رقم الاسرة بالمحلة القريه
Governorate?	3. المحافظة
<ul style="list-style-type: none"> ▪ Erbil ▪ Sulaymaniyah ▪ Halabja ▪ Duhok 	<ul style="list-style-type: none"> ▪ أربيل ▪ سلیمانیه ▪ حلبجة ▪ دهوك
District	4. القضاء
Province	5. الناحية
Environment	6. البيئة
<ul style="list-style-type: none"> ▪ Urban ▪ Rural 	<ul style="list-style-type: none"> ▪ حضر ▪ ريف
Enumerator Number	7. رقم الباحث
Neighborhood/ village	8. المحلة القريه
Address	9. العنوان (اقرن نقطه داله)
Number of Family Members in the Household	10. عدد افراد الاسرة
Interviewee Name	11. اسم رب الاسرة
Interviewee Gender	12. جنس رب الاسرة
<ul style="list-style-type: none"> ▪ Male ▪ Female 	<ul style="list-style-type: none"> ▪ ذكر ▪ انثى

<p>Does the family own an MSME? Does the family have an individual who works in a MSME, or who has an economic activity?</p>	<p>13. هل تملك العائلة منشأة اقتصادية خاصة بها؟ هل للعائلة فرد لديه نشاط اقتصادي أو يعمل في منشأة اقتصادية؟</p>
<ul style="list-style-type: none"> ▪ Yes ▪ No 	<ul style="list-style-type: none"> ▪ نعم (إذا الجواب نعم وبالأخص الشخص الذي تجرى معه المقابلة هو صاحب المؤسسه تخطى السؤال 14 واذهب للقسم التالي) ▪ لا (يرجى اختيار قطاع الأعمال)

Business Sector	14. قطاع الأعمال
<p>List of Economic Activities</p> <ul style="list-style-type: none"> ▪ Employee in the government sector ▪ Does not work and has income such as (Retirement salary, martyr's salary, disabled salary, income <p>For Employee private sector choice</p> <ul style="list-style-type: none"> ▪ Mining & quarrying ▪ Food industry ▪ Manufacturing of metal products ▪ Electrical and electronic equipment & components ▪ Repair of equipment, machinery and ▪ Repair of motor vehicles & motorcycles ▪ Agriculture, forestry & fishing ▪ Electricity and gas supply ▪ Water supply, sewerage, waste management & remediation activities ▪ Construction ▪ Wholesale & retail trade ▪ Transportation & storage ▪ Accommodation & food service activities ▪ Financial & insurance activities ▪ Real estate activities ▪ Scientific & technical activities ▪ Administrative & support service activities ▪ Education & training ▪ Human health & social work activities ▪ Arts, entertainment & recreation ▪ Artisanal works ▪ Technician (hairdresser, Technician...) ▪ Professional (Doctor, Layer, Engineer) ▪ Information & communication ▪ Gas station ▪ Private security industry ▪ Large enterprise more than 29 Employee ▪ Other, specify 	<p>لائحة النشاطات الاقتصادية</p> <ul style="list-style-type: none"> ▪ موظف بالقطاع الحكومي ▪ لا يعمل ولديه ايراد مثل (راتب تقاعدي، راتب شهيد، راتب معوقين، ايراد من مصادر اخرى) تكتب بالملاحظات فقط للموظف بالقطاع الخاص اختر من القائمة لائحة النشاطات ▪ التعدين واستغلال المحاجر والمقالع ▪ صناعات غذائية ▪ صناعة المنتجات المعدنية ▪ صناعة المعدات والمكونات الكهربائية والإلكترونية ▪ تصليح المعدات والآلات والأجهزة ▪ تصليح وصيانة السيارات والدراجات النارية ▪ الزراعة والغابات وصيد الأسماك ▪ تزويد ▪ الطاقة – أصحاب المولدات الكهربائية ▪ إمدادات المياه والصرف الصحي وإدارة النفايات ونشاطات المعالجة ▪ أعمال البناء والتشييد ▪ تجارة الجملة والمفرد ▪ نشاطات النقل والتخزين ▪ نشاطات خدمات الإقامة والمطاعم والفنادق ▪ نشاطات مالية وتأمينية ▪ نشاطات عقارية ▪ نشاطات علمية وفنية ▪ نشاطات الخدمات الإدارية والدعم ▪ نشاطات التعليم والتدريب ▪ نشاطات صحة الإنسان والعمل الاجتماعي ▪ نشاطات الفنون والترفيه والاستجمام ▪ العمل الحرفي ▪ فني تقني (مصنف شعر ، فني ، ..) ▪ محترف (طبيب، محام، مهندس) ▪ تكنولوجيا المعلومات والاتصالات ▪ محطات الوقود ▪ قطاع الامن الخاص ▪ صاحب منشأة كبيرة اكثر من 29 موظف ▪ أخرى ، حدد

Section A: Profile	البيانات والإحصاءات المتعلقة بالمؤسسات الصغرى والصغيرة والمتوسطة
Family hierarchy in the cluster	1. تسلسل الأسرة بالعنقود
Are you originally from this governorate?	2. هل انت من سكان المحافظة الأصليين أو من محافظة أخرى؟
Yes, No If No, <ul style="list-style-type: none"> ▪ Erbil ▪ Sulaymaniyah ▪ Halabja ▪ Duhok ▪ Other Iraqi Governorate ▪ Foreigner 	نعم، لا في حال كانت الإجابة بـ لا، يرجى تحديد المحافظة <ul style="list-style-type: none"> ▪ أربيل ▪ السليمانية ▪ حلبجة ▪ دهوك ▪ محافظات أخرى في العراق ▪ أجنبي
Interviewee Name	3. اسم صاحب العمل
Gender of Interviewee	4. الجنس لصاحب العمل
<ul style="list-style-type: none"> ▪ Male ▪ Female 	<ul style="list-style-type: none"> ▪ ذكر (في حال كان الجواب "ذكر"، تغطي الجزء الخاص برائدات الاعمال من النساء والمؤسسات المملوكة من النساء، الجزء (D)) ▪ أنثى
Age of Interviewee	5. عمر الشخص لصاحب العمل
<ul style="list-style-type: none"> ▪ From 15 - 17 ▪ From 18 - 24 ▪ From 25 - 34 ▪ From 35 - 44 ▪ From 45 - 54 ▪ From 55 - 64 ▪ From 65 and above 	<ul style="list-style-type: none"> ▪ من 15 - 17 ▪ من 18 - 24 ▪ من 25 - 34 ▪ من 35 - 44 ▪ من 45 - 54 ▪ من 55 - 64 ▪ من 65 فما فوق
Business Sector	6. قطاع الأعمال
List of Economic Activities	لائحة النشاطات الاقتصادية
<ul style="list-style-type: none"> ▪ Mining & quarrying ▪ Food industry ▪ Manufacturing of metal products ▪ Electrical and electronic equipment & components ▪ Repair of equipment, machinery and ▪ Repair of motor vehicles & motorcycles ▪ Agriculture, forestry & fishing ▪ Electricity and gas supply ▪ Water supply, sewerage, waste management & remediation activities ▪ Construction ▪ Wholesale & retail trade ▪ Transportation & storage ▪ Accommodation & food service activities ▪ Financial & insurance activities ▪ Real estate activities 	<ul style="list-style-type: none"> ▪ التعدين واستغلال المحاجر والمقالع ▪ صناعات غذائية ▪ صناعة المنتجات المعدنية ▪ صناعة المعدات والمكونات الكهربائية والإلكترونية ▪ تصليح المعدات والآلات والأجهزة ▪ تصليح وصيانة السيارات والدراجات النارية ▪ الزراعة والغابات وصيد الأسماك ▪ تزويد ▪ الطاقة – أصحاب المولدات الكهربائية ▪ إمدادات المياه والصرف الصحي وإدارة النفايات ونشاطات المعالجة ▪ أعمال البناء والتشييد ▪ تجارة الجملة والمفرد ▪ نشاطات النقل والتخزين ▪ نشاطات خدمات الإقامة والمطاعم والفنادق ▪ نشاطات مالية وتأمينية ▪ نشاطات عقارية ▪ نشاطات علمية وفنية

<ul style="list-style-type: none"> ▪ Scientific & technical activities ▪ Administrative & support service activities ▪ Education & training ▪ Human health & social work activities ▪ Arts, entertainment & recreation ▪ Artisanal works ▪ Technician (hairstylist, Technician...) ▪ Professional (Doctor, Lawyer, Engineer) ▪ Information & communication ▪ Gas station ▪ Private security industry ▪ Large enterprise more than 29 Employee ▪ Other, specify 	<ul style="list-style-type: none"> ▪ نشاطات الخدمات الإدارية والدعم ▪ نشاطات التعليم والتدريب ▪ نشاطات صحة الإنسان والعمل الاجتماعي ▪ نشاطات الفنون والترفيه والاستجمام ▪ العمل الحرفي ▪ فني تقني (مصفف شعر ، فني ، ..) ▪ محترف (طبيب، محام، مهندس) ▪ تكنولوجيا المعلومات والاتصالات ▪ محطات الوقود ▪ قطاع الامن الخاص ▪ صاحب منشأة كبيرة أكثر من 29 موظف ▪ أخرى ، حدد
<p>Do you have an official location for your business?</p> <ul style="list-style-type: none"> ▪ Yes, (Provide address) ▪ Work from home, (Provide address) (Make sure this is under normal circumstances and not due to COVID-19) ▪ No, my business does not require a dedicated locale 	<p>7. هل لديك مكان خاص لعملك؟</p> <ul style="list-style-type: none"> ▪ نعم، ▪ مكان العمل هو المنزل، (توفير العنوان) (تأكد من أن العمل من المنزل هو في ظل الظروف العادية وليس بسبب COVID-19) ▪ لا، عملي لا يتطلب موقعاً مخصصاً اذهب للسؤال 11
<p>MSME Address</p>	<p>8. عنوان المؤسسة (العمل)</p>
<p>Phone number</p>	<p>9. رقم الهاتف</p>
<p>E-Mail Address</p>	<p>10. عنوان البريد الإلكتروني (إذا وجد)</p>
<p>Is your business registered?</p> <ul style="list-style-type: none"> ▪ Yes ▪ No 	<p>11. هل عملك مسجل؟</p> <ul style="list-style-type: none"> ▪ نعم (في حال كان الجواب "نعم" تخطى السؤال رقم (16)) ▪ لا (في حال كان الجواب "لا" تخطى السؤال رقم (15))
<p>If yes, where did you register your business?</p> <ul style="list-style-type: none"> ▪ Governorate company registration ▪ Chamber of commerce ▪ Directorate of Industrial Development ▪ Tax Authority ▪ Social Security Fund ▪ Local Municipality ▪ Company Registrar ▪ Labor Directorates in the Governorates ▪ Ministry of Labor and Social Affairs ▪ Ministry of health ▪ Ministry of culture ▪ Investment authority ▪ Municipalities ▪ Syndicates ▪ Deputy governor ▪ Other 	<p>12. في حال نعم، من أي جهة رسمية أخذت الترخيص؟</p> <ul style="list-style-type: none"> ▪ السجل التجاري ▪ غرفة التجارة ▪ مديرية التنمية الصناعية ▪ مصلحة الضرائب ▪ صندوق الضمان الاجتماعي ▪ البلدية المحلية ▪ السجل التجاري ▪ مديرية العمل في المحافظات ▪ وزارة العمل والشؤون الاجتماعية ▪ وزارة الصحة ▪ وزارة الثقافة ▪ هيئة الاستثمار ▪ البلديات ▪ النقابات ▪ القائم مقام ▪ أخرى

<p>If not registered, Why you did not register your business?</p>	<p>13. لماذا لم تسجل عملك؟</p>
<ul style="list-style-type: none"> ▪ Difficulty of understanding the available information and the registration process ▪ Lengthy and complicated procedures ▪ The reporting requirements that would result from registration ▪ The legal status of the business as a result of registration ▪ Others, specify 	<ul style="list-style-type: none"> ▪ صعوبة فهم المعلومات وفهم عملية التسجيل ▪ روتين طويل وإجراءات معقدة ▪ متطلبات الإبلاغ التي قد تنجم عن التسجيل ▪ الوضع القانوني للنشاط التجاري نتيجة التسجيل ▪ عملي لا يحتاج اليه. ▪ أخرى، حدد
<p>How many people are employed in the enterprise (including the owner)?</p>	<p>14. ما هو عدد العاملين في المؤسسة (بما في ذلك المالك)؟</p>
<ul style="list-style-type: none"> ▪ 1-3 ▪ 4-9 ▪ 10-29 	<ul style="list-style-type: none"> ▪ 1-3 ▪ 4-9 ▪ 10-29

Section B: General Environment	بيئة الأعمال المتعلقة بالمؤسسات الصغرى والصغيرة والمتوسطة
How difficult was it to setup your company? <ul style="list-style-type: none"> ▪ Difficult ▪ Easy 	1. إلى أي مدى كان تأسيس المؤسسة/ العمل صعباً؟ <ul style="list-style-type: none"> ▪ صعب ▪ سهل (في حال كان الجواب "سهل" تخطى السؤال رقم (2))
If difficult, it was due to <ul style="list-style-type: none"> ▪ Access to finance ▪ Access to land ▪ Licensing ▪ Strong Competition ▪ Lack of resources (i.e. equipment, transport, staff) ▪ Other, Specify 	2. سبب صعوبة تأسيس المؤسسة <ul style="list-style-type: none"> ▪ الحصول على تمويل ▪ الحصول على أرض ▪ الترخيص ▪ منافسة قوية ▪ نقص الموارد (مثل المعدات، والنقل، والموظفين) ▪ أخرى، حدد
What is your company name?	3. ما هو اسم مؤسستك؟
When did you establish your company? <ul style="list-style-type: none"> ▪ Before 2003 ▪ 2003 - 2008 ▪ 2009 - 2014 ▪ 2015 - 2020 ▪ N/A 	4. ما هو تاريخ تأسيس المؤسسة؟ <ul style="list-style-type: none"> ▪ قبل سنة 2003 ▪ 2003 - 2008 ▪ 2009 - 2014 ▪ 2015 - 2022 ▪ لا أعرف
What is the education level (company owner)? <ul style="list-style-type: none"> ▪ University degrees ▪ Technical school certificates ▪ Training center certificates ▪ Only School education (Secondary/intermediate) ▪ No formal education 	5. ما هو المستوى التعليمي (صاحب المؤسسة)؟ <ul style="list-style-type: none"> ▪ شهادات جامعية ▪ شهادات المعاهد الفنية ▪ شهادات المراكز التدريبية ▪ التعليم المدرسي (متوسط/ ثانوي) في حال كان الجواب "التعليم المدرسي" تخطى السؤال رقم (6) ▪ لا تعليم رسمي (في حال كان الجواب "لا تعليم رسمي" تخطى السؤال رقم (6))
If university degree, technical or training certificates, specify area of specialization	6. في حال وجود شهادات جامعية أو فنية أو تدريبية، يرجى تحديد مجال التخصص
Do you have any of these types of insurance for you enterprise? <ul style="list-style-type: none"> ▪ Property insurance ▪ Workers' compensation insurance ▪ Vehicle insurance ▪ Medical insurance for staff ▪ Do not have any insurance 	7. ما أنواع التأمين التي لديك لعملك؟ <ul style="list-style-type: none"> ▪ تأمين الممتلكات ▪ تأمين تعويض العمال ▪ تأمين المركبات ▪ تأمين طبي للموظفين ▪ ليس لديك أي تأمين
What is the ownership structure of the company? <ul style="list-style-type: none"> ▪ Sole ownership ▪ Partnership ▪ Shareholders 	8. ما هو هيكل ملكية الشركة؟ <ul style="list-style-type: none"> ▪ ملكية منفردة ▪ شراكة ▪ مساهمين

Prior to this work what were you doing?	9. ما هو عملك السابق قبل تأسيس المؤسسة؟
<ul style="list-style-type: none"> ▪ Unemployed ▪ Employed in public sector ▪ Employed in private sector ▪ Independently working in same sector ▪ Independently working in different sector ▪ Student ▪ Other, specify 	<ul style="list-style-type: none"> ▪ عاطل عن العمل (في حال كان الجواب "عاطل عن العمل" تخطى الاسئلة رقم (10، 11، 12) وتابع من القسم اللاحق ▪ العمل في القطاع العام ▪ العمل في القطاع الخاص ▪ العمل بشكل مستقل في نفس القطاع اذهب الى القسم اللاحق ▪ العمل بشكل مستقل في قطاع مختلف ▪ تلميذ (في حال كان الجواب "تلميذ" تخطى الاسئلة رقم (10، 11، 12) اذهب الى القسم اللاحق ▪ أخرى ، حدد

Business Sector	10. قطاع الأعمال
<p>List of Economic Activities</p> <ul style="list-style-type: none"> ▪ Mining & quarrying ▪ Food industry ▪ Manufacturing of metal products ▪ Electrical and electronic equipment & components ▪ Repair of equipment, machinery and ▪ Repair of motor vehicles & motorcycles ▪ Agriculture, forestry & fishing ▪ Electricity and gas supply ▪ Water supply, sewerage, waste management & remediation activities ▪ Construction ▪ Wholesale & retail trade ▪ Transportation & storage ▪ Accommodation & food service activities ▪ Financial & insurance activities ▪ Real estate activities ▪ Scientific & technical activities ▪ Administrative & support service activities ▪ Education & training ▪ Human health & social work activities ▪ Arts, entertainment & recreation ▪ Artisanal works ▪ Technician (hairstylist, Technician...) ▪ Professional (Doctor, Lawyer, Engineer) ▪ Information & communication ▪ Gas station ▪ Private security industry ▪ Large enterprise more than 29 Employee ▪ Other, specify 	<p>لائحة النشاطات الاقتصادية</p> <ul style="list-style-type: none"> ▪ التعدين واستغلال المحاجر والمقالع ▪ صناعات غذائية ▪ صناعة المنتجات المعدنية ▪ صناعة المعدات والمكونات الكهربائية والإلكترونية ▪ تصليح المعدات والآلات والأجهزة ▪ تصليح وصيانة السيارات والدراجات النارية ▪ الزراعة والغابات وصيد الأسماك ▪ تزويد ▪ الطاقة – أصحاب المولدات الكهربائية ▪ إمدادات المياه والصرف الصحي وإدارة النفايات ونشاطات المعالجة ▪ أعمال البناء والتشييد ▪ تجارة الجملة والمفرد ▪ نشاطات النقل والتخزين ▪ نشاطات خدمات الإقامة والمطاعم والفنادق ▪ نشاطات مالية وتأمينية ▪ نشاطات عقارية ▪ نشاطات علمية وفنية ▪ نشاطات الخدمات الإدارية والدعم ▪ نشاطات التعليم والتدريب ▪ نشاطات صحة الإنسان والعمل الاجتماعي ▪ نشاطات الفنون والترفيه والاستجمام ▪ العمل الحرفي ▪ فني تقني (مصفف شعر ، فني ، ..) ▪ محترف (طبيب، محام، مهندس) ▪ تكنولوجيا المعلومات والاتصالات ▪ محطات الوقود ▪ قطاع الامن الخاص ▪ صاحب منشأة كبيرة أكثر من 29موظف ▪ أخرى ، حدد

Was the business you were working in before closed, or was your contract terminated?	11. هل تم إغلاق العمل التجاري الذي كنت تعمل به، أو هل تم إنهاء خدماتك؟
<ul style="list-style-type: none"> ▪ Closed ▪ Did not close ▪ Employment was terminated 	<ul style="list-style-type: none"> ▪ مغلق ▪ لم يغلق اذهب الى القسم اللاحق ▪ تم إنهاء الخدمات اذهب الى القسم اللاحق

12. في حال تم إغلاق العمل التجاري، لماذا؟	If the business was closed, why?
<ul style="list-style-type: none"> ▪ أزمة مالية ▪ إفلاس ▪ مشاكل أمنية ▪ جائحة كوفيد - 19 ▪ هجرة داخلية ▪ منافسة قوية ▪ طلب سوق منخفض ▪ أخرى، حدد 	<ul style="list-style-type: none"> ▪ Financial constraints ▪ Bankruptcy ▪ Security problems ▪ Covid-19 ▪ Internal displacement ▪ Strong competition ▪ Low market demand ▪ Other, specify

التوظيف والموارد البشرية	Section C: Employment and HR
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1. على مدى السنوات الخمسة الماضية، هل يمكن أن تخبرني كيف اختلف عدد الموظفين؟ (سجل العدد الإجمالي للموظفين لكل عام (إذا كان المالك هو الوحيد الذي يعمل في المؤسسة، سجل (1).	Over the past five years, can you tell me how the number of staff varied? (Register the total number of staff for each year)
<ul style="list-style-type: none"> ▪ 2021 (عدد الموظفين الإجمالي) ▪ 2020 (عدد الموظفين الإجمالي) ▪ 2019 (عدد الموظفين الإجمالي) ▪ 2018 (عدد الموظفين الإجمالي) ▪ 2017 (عدد الموظفين الإجمالي) 	<ul style="list-style-type: none"> ▪ 2021: (Total number of staff) ▪ 2020: (Total number of staff) ▪ 2019: (Total number of staff) ▪ 2018: (Total number of staff) ▪ 2017: (Total number of staff)

2. كم عدد الموظفين الذين غادروا أو تم فصلهم من العمل خلال سنة 2020 وسنة 2021؟	How many employees left or you made them leave in 2020 and 2021?
<ul style="list-style-type: none"> ▪ عدد الموظفين الذين تم غادروا ▪ عدد الموظفين الذين تم فصلهم 	<ul style="list-style-type: none"> ▪ Number of staff who left ▪ Number of staff released

3. إن وجد، كم عدد الموظفين الذين وظفتهم في سنة 2020 وسنة 2021؟	How many did you recruit in 2020, and 2021 if any?
<ul style="list-style-type: none"> ▪ عدد الموظفين المعيّنين 	<ul style="list-style-type: none"> ▪ Number of staff recruited

4. يرجى تحديد عدد الموظفين الحاليين لسنة 2021 بدوام كامل، والموظفين بدوام جزئي وجنسهم (ذكور، إناث). (سجل العدد الإجمالي للموظفين بما في ذلك المالك. إذا كان المالك الوحيد الذي يعمل في الشركة، سجل 1)	Please specify the number of current full time and part time employees and their gender. (register the total number of employees including the owner, if only the owner works in the company, register 1)
<ul style="list-style-type: none"> ▪ موظفين بدوام كامل (ذكور، إناث) ▪ موظفين بدوام جزئي (ذكور، إناث) 	<ul style="list-style-type: none"> ▪ Full time employees (Male, Female) ▪ Part time employees (Male, Female)

5. يرجى تحديد المناصب الوظيفية الموجودة في مؤسستك وعدد الموظفين في كل منها وحالتهم الوظيفية (موظفين بدوام كامل أو بدوام جزئي) وجنسهم (السؤال مخصص فقط للمؤسسات الصغيرة والمتوسطة Small and Medium من (4 إلى 9) و من (10 إلى 29)	Please specify the type of positions you have in your company, the number of staff in each and their employment status (full time or part time employees) and gender
<p>قائمة المناصب</p> <ul style="list-style-type: none"> ▪ إدارة ▪ تكنولوجيا المعلومات ▪ محاسبة ▪ الموارد البشرية ▪ مبيعات ▪ تسويق ▪ طاقم متخصص (المصممون، مشغلو الآلات، المحررون ...) ▪ موظفو الدعم (سكرتير، سائق، موظف مكتب ...) ▪ العمال المهرة (القطاعات الفنية / الصناعية) ▪ العمال غير المهرة ▪ أخرى (حدد) 	<ul style="list-style-type: none"> ▪ List of positions ▪ Management ▪ IT ▪ Accounting ▪ Human Resource ▪ Sales ▪ Marketing ▪ Specialized Staff (Designers, Machine Operators, Editors...) ▪ Support Staff (Secretary, Driver, Office Boy...) ▪ Skilled Laborers (For technical/ industrial sectors) ▪ Unskilled Laborers ▪ Other, specify

<p>How many of your staff have?</p>	<p>6. ما هو عدد الموظفين الذي لديهم؟ (السؤال مخصص فقط للمؤسسات الصغيرة والمتوسطة Small and Medium من (4 إلى 9) ومن (10 إلى 29)</p>
<ul style="list-style-type: none"> ▪ University degrees ▪ Technical school certificates ▪ Training center certificates ▪ Only School education (Secondary/ intermediate) ▪ No formal education 	<ul style="list-style-type: none"> ▪ شهادات جامعية ▪ شهادات المعاهد الفنية ▪ شهادات المراكز التدريبية ▪ التعليم المدرسي (متوسط/ ثانوي) ▪ لا تعليم رسمي
<p>Currently, are there any vacancies? And how many? (If no vacancies available, put 0)</p>	<p>7. هل توجد وظائف شاغرة حالياً؟ وكم؟ (إذا لم تكن هناك وظائف شاغرة، ضع صفراً) (السؤال مخصص فقط للمؤسسات الصغيرة والمتوسطة Small and Medium من (4 إلى 9) ومن (10 إلى 29)</p>
<ul style="list-style-type: none"> ▪ Number of vacant positions 	<ul style="list-style-type: none"> ▪ عدد الوظائف الشاغرة
<p>What are the positions that are difficult to find qualified staff for?</p>	<p>8. ما هي الوظائف التي يصعب إيجاد موظفين مؤهلين لها؟(السؤال مخصص فقط للمؤسسات الصغيرة والمتوسطة Small and Medium من (4 إلى 9) ومن (10 إلى 29)</p>
<p>List of positions</p>	<p>قائمة المناصب</p>
<p>When recruiting, what are the different sources you use to find your staff?</p>	<p>9. عند التوظيف، ما هي المصادر المختلفة التي تستخدمها لتجد احتياجاتك؟ (السؤال مخصص فقط للمؤسسات الصغيرة والمتوسطة Small and Medium من (4 إلى 9) ومن (10 إلى 29)</p>
<ul style="list-style-type: none"> ▪ Employment agency ▪ Training institution ▪ Recruit from other enterprises ▪ Advertisement (e.g. in newspapers) ▪ internet ▪ Social Media ▪ Personal acquaintances and referrals ▪ Unsolicited applications ▪ Other, specify 	<ul style="list-style-type: none"> ▪ وكالة توظيف ▪ معاهد تدريب ▪ التوظيف من مؤسسات أخرى ▪ الإعلان (على سبيل المثال في الصحف) ▪ الانترنت ▪ وسائل التواصل الاجتماعي ▪ المعارف والإحالات الشخصية ▪ حضور طالبي العمل ▪ أخرى، حدد
<p>Which areas do you feel your staff is in most need for training and improvements?</p>	<p>10. ما هي المجالات التي تشعر أن موظفيك في أمس الحاجة للتدريب عليها؟ (السؤال مخصص فقط للمؤسسات المتوسطة Medium من (10 إلى 29)</p>
<ul style="list-style-type: none"> ▪ Theoretical know-how ▪ Practical professional skills ▪ Work attitude ▪ Communication and social skills ▪ Computer literacy, IT, and Social Media ▪ Language and writing skills 	<ul style="list-style-type: none"> ▪ المعرفة النظرية ▪ المهارات المهنية العملية ▪ أصول التعامل في العمل ▪ مهارات التواصل والتعاوي الاجتماعي ▪ تعلم الحاسوبي وتكنولوجيا المعلومات ووسائل التواصل الاجتماعي ▪ إتقان اللغات والكتابة
<p>Does the company provide any training programs?</p>	<p>11. هل تقدم المؤسسة أية برامج تدريبية؟ (السؤال مخصص فقط للمؤسسات المتوسطة Medium من (10 إلى 29)</p>
<ul style="list-style-type: none"> ▪ Yes ▪ No 	<ul style="list-style-type: none"> ▪ نعم ▪ لا
<p>How familiar are you with the technical vocational education and training (TVET) system?</p>	<p>12. ما مدى معرفتك بالتعليم الفني والمهني ونظام التدريب (TVET)؟ (السؤال مخصص فقط للمؤسسات المتوسطة Medium من (10 إلى 29)</p>
<ul style="list-style-type: none"> ▪ Yes, I know it well ▪ Know about it but not fully ▪ Never heard of it 	<ul style="list-style-type: none"> ▪ معرفة جيدة ▪ معرفة جزئية (ليس بشكل كامل) ▪ لا توجد معرفة عنها

<p>Is there an organization chart in your enterprise?</p>	<p>13. هل يوجد مخطط هيكل لمؤسستك؟ (السؤال مخصص فقط للمؤسسات المتوسطة Medium من (10 إلى 29)</p>
<ul style="list-style-type: none"> ▪ Yes ▪ No 	<ul style="list-style-type: none"> ▪ نعم ▪ لا
<p>Is there any job description for the employees?</p>	<p>14. هل يوجد توصيف وظيفي؟ (السؤال مخصص فقط للمؤسسات المتوسطة Medium من (10 إلى 29)</p>
<ul style="list-style-type: none"> ▪ Yes ▪ No 	<ul style="list-style-type: none"> ▪ نعم ▪ لا
<p>Section D – Women entrepreneurs</p>	
<p>رائدات الأعمال من النساء والمؤسسات المملوكة من النساء</p>	
<p>Is opening a new business for women easier, similar or more difficult than when a man does?</p>	<p>1. هل فتح مشروع جديد للمرأة أسهل أم مشابه أم أصعب مما هو لدى الرجل؟</p>
<ul style="list-style-type: none"> ▪ Easier ▪ Similar ▪ More difficult 	<ul style="list-style-type: none"> ▪ أسهل ▪ مماثل ▪ أكثر صعوبة
<p>Which business sectors are more likely for women to succeed than other?</p>	<p>2. ما هي قطاعات الأعمال الأكثر ملائمة للنساء أن تنجح بها؟</p>
<p>List of Economic Activities</p>	<p>لائحة النشاطات الاقتصادية</p>
<p>Based on your personal experience, is formal financing (i.e. Banks and MFIs) easier or more difficult for women compared to men?</p>	<p>3. بناء على تجربتك الشخصية، هل الحصول على تمويل من جهات رسمية (المصارف والمؤسسات المالية الصغيرة) أسهل أو أصعب لرائدات الأعمال مقارنة برواد الأعمال الرجال؟</p>
<ul style="list-style-type: none"> ▪ More difficult for women than men ▪ Equal ▪ Easier for women than men 	<ul style="list-style-type: none"> ▪ أكثر صعوبة للنساء من الرجال ▪ متساوي ▪ أسهل للنساء من الرجال
<p>Compared to 5 years ago, do you think today's working environment is easier for women to have their own business or is it more difficult?</p>	<p>4. خلال السنوات الخمس الماضية، هل تعتقد أن بيئة العمل اليوم أصبحت أسهل أم أصعب على النساء أن يكون لديهن عملهن الخاص بهن؟</p>
<ul style="list-style-type: none"> ▪ Easier ▪ Same ▪ More Difficult 	<ul style="list-style-type: none"> ▪ أسهل ▪ لم يتغير - متساوي ▪ أكثر صعوبة
<p>What type of problems do woman business owners face?</p>	<p>5. ما نوع المشاكل التي تواجهها صاحبات الأعمال؟</p>
<ul style="list-style-type: none"> ▪ Social (cultural / gender) ▪ Financial ▪ Managerial ▪ Marketing ▪ Dealing with Suppliers ▪ Dealing with customers ▪ None ▪ Other, specify 	<ul style="list-style-type: none"> ▪ الاجتماعية (الثقافية / الجنس) ▪ الأمور المالية ▪ إدارية ▪ تسويق ▪ التعامل مع الموردين ▪ التعامل مع العملاء ▪ لا شيء ▪ أخرى، حدد
<p>What initiatives would you suggest to reduce these problems?</p>	<p>6. ما هي المبادرات التي تقترحها للحد من هذه المشاكل؟</p>
<p>Does your company have an equal employment opportunity policy or a diversity and inclusion policy?</p>	<p>7. هل لدى مؤسستك سياسة تكافؤ فرص العمل بين النساء والرجال أم تحاول تنويع جنس الموظفين؟ (السؤال مخصص فقط للمؤسسات المتوسطة Medium من (10 إلى 29)</p>
<ul style="list-style-type: none"> ▪ Equal Employment 	<ul style="list-style-type: none"> ▪ لا تفضيل لأي من الجنسين

<ul style="list-style-type: none"> ▪ Encourage Women Employment ▪ Prefer Not To Hire Women 	<ul style="list-style-type: none"> ▪ لديها سياسة لتشجيع توظيف النساء ▪ يفضل عدم توظيف النساء
<p>Does your company have initiatives on gender diversity and equality that promote women in work?</p>	<p>8. هل لمؤسستك مبادرات تعزز التنوع والمساواة بين الجنسين وتعزز دور المرأة في العمل؟ (السؤال مخصص فقط للمؤسسات المتوسطة Medium من 10 إلى 29)</p>
<ul style="list-style-type: none"> ▪ Yes ▪ No 	<ul style="list-style-type: none"> ▪ نعم ▪ لا

Section E – Innovation and technology

الابتكار والتكنولوجيا

<p>Please specify how frequently is each of the below channels being used by you for your own business</p> <ul style="list-style-type: none"> ▪ Social media ▪ Mobile phones ▪ E-commerce ▪ Website ✓ on daily basis ✓ from time to time ✓ rarely ✓ not at all 	<p>1. يرجى تحديد وتيرة استخدامك لكل من الوسائط التالية لنشاطك التجاري</p> <ul style="list-style-type: none"> ▪ وسائل التواصل الاجتماعي ▪ الهواتف المحمولة-موبايل ▪ التجارة الإلكترونية ▪ موقع الكتروني ✓ على أساس يومي (في حال كان الجواب "على أساس يومي" تخطى السؤال رقم (2) ✓ من وقت لآخر (في حال كان الجواب "من وقت لآخر" تخطى السؤال رقم (2) ✓ نادراً (في حال كان الجواب "نادراً" تخطى السؤال رقم (2) ✓ لا أستخدمة على الإطلاق (أجب على السؤال رقم (2) ثم الانتقال للقسم التالي)
<p>If you do not use digital channels for your business, what is the reason?</p> <ul style="list-style-type: none"> ▪ My business does not need it ▪ I tried to but it didn't make a difference ▪ Difficult to use ▪ Don't have the right technical equipment (smart phone, computer etc.) ▪ Internet coverage is limited ▪ It's too expensive 	<p>2. لماذا لم تفكر في استخدام القنوات الرقمية للتوسع عملك؟</p> <ul style="list-style-type: none"> ▪ عملي لا يحتاجها ▪ حاولت لكن ذلك لم يحدث فرقا ▪ صعوبة الاستخدام ▪ ليس لدي الوسائل التقنية المناسبة (هاتف ذكي، كمبيوتر وما إلى ذلك) ▪ تغطية الإنترنت ضعيفة/ محدودة ▪ تكلفة عالية جدا
<p>If you use e-commerce is the portal yours?</p> <ul style="list-style-type: none"> ▪ Yes, it's my portal ▪ No its not 	<p>3. هل التجارة الإلكترونية موجودة على منصة خاصة بك أو على منصة مستقلة؟</p> <ul style="list-style-type: none"> ▪ خاصة بي ▪ منصة مستقلة
<p>How much of your business revenue is from e-commerce?</p> <ul style="list-style-type: none"> ▪ 75% - 100% ▪ 50% - 74% ▪ 25% - 49% ▪ 10% - 24% ▪ Less than 10% ▪ None 	<p>4. ما مقدار عائدات عملك من التجارة الإلكترونية؟</p> <ul style="list-style-type: none"> ▪ 75% - 100% ▪ 50% - 74% ▪ 49% - 25% ▪ 10% - 24% ▪ أقل من 10% ▪ لا شيء
<p>Compared to your competitors how advanced are you in using digital technology for your business?</p> <ul style="list-style-type: none"> ▪ Very advanced ▪ Advanced a little ▪ Equal 	<p>5. مقارنة بمنافسك، ما هو مدى تقدمك في استخدام التكنولوجيا الرقمية في عملك؟</p> <ul style="list-style-type: none"> ▪ متقدم جدا ▪ متقدم قليلاً ▪ متساوي

<ul style="list-style-type: none"> ▪ A little behind ▪ Well behind ▪ Don't know 	<ul style="list-style-type: none"> ▪ متأخر قليلاً ▪ متأخراً كثيراً
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How often do you depend on the following in your business?	6. ما مدى اتكالك على التالي في عملك
<ul style="list-style-type: none"> ▪ New technology ▪ Research and data analysis ▪ Competitors analysis ▪ New innovations ▪ Research and development ✓ Do not depend at all ✓ Rarely depend ✓ Occasionally depend ✓ Depend very often 	<ul style="list-style-type: none"> ▪ تكنولوجيا جديدة ▪ البحث وتحليل البيانات ▪ تحليل المنافسين ▪ ابتكارات جديدة ▪ البحث والتطوير ✓ لا تعتمد على الإطلاق ✓ نادراً ما تعتمد ✓ تعتمد أحياناً ✓ تعتمد في كثير من الأحيان

Section F – Globalization	العولمة في إطار المؤسسات الصغرى والصغيرة والمتوسطة
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Does your business has export activities?	1. هل يتضمن عملك نشاط "التصدير"؟
<ul style="list-style-type: none"> ▪ Yes ▪ No 	<ul style="list-style-type: none"> ▪ نعم (استمر) ▪ لا (استمر وجاوب على الاسئلة (2 و3 و4)) وتخطى السؤالين رقم (5 و6)) ثم استمر لنهاية القسم

What percentage of your sales is made locally, with neighboring countries, and with foreign countries?	2. كيف تتوزع نسبة مبيعاتك محلياً مقارنة مع مبيعاتك للدول المجاورة وللدول الأجنبية؟ سيتم وضع صفر للأشخاص الذين ليس لديهم نشاط المبيعات
<ul style="list-style-type: none"> ▪ % Locally ▪ % With bordering/neighboring countries ▪ % With foreign (not bordering) countries ▪ % Iraq Federal 	<ul style="list-style-type: none"> ▪ % محلياً ▪ % مع الدول المجاورة ▪ مع الدول الأجنبية (الغير المجاورة) ▪ % من محافظات العراق عدا كردستان

Do you or did you have plans to export your products or services outside KRI?	3. هل لديك أو كان لديك خطط لتصدير منتجاتك أو خدماتك لخارج إقليم كردستان؟
<ul style="list-style-type: none"> ▪ I have plans ▪ I had plans but THEY did not work ▪ I do not plan to export 	<ul style="list-style-type: none"> ▪ لدي خطط ▪ كان لدي خطط لكن لم تعمل ▪ لا تخطط للتصدير (للمؤسسات التي ليس لديها منتجات للتصدير)

What are the reasons that prevent you from exporting?	4. ماهي الاسباب التي تمنعك من التصدير؟
<ul style="list-style-type: none"> ▪ The type of products and services is not permitted for exporting ▪ Lack of government support ▪ I do not know how ▪ My language skills do not permit me ▪ The local market is enough for my work ▪ Others, specify 	<ul style="list-style-type: none"> ▪ نوع المنتجات والخدمات، أو لا يسمح بالتصدير، ولاينطبق مع عملي (للمؤسسات التي ليس لديها منتجات للتصدير) ▪ ضعف التسهيلات الحكومية(ضرائب عالية وروتينيات) ▪ لا اعرف كيف ▪ مهاراتي اللغوية لا تسمح لي ▪ السوق المحلي يكفي لعملي ▪ أخرى، حدد

Since when did you start exporting?	5. منذ متى بدأت التصدير؟
<ul style="list-style-type: none"> ▪ From the start of my business ▪ After become an established business ▪ Only recently 	<ul style="list-style-type: none"> ▪ منذ البداية ▪ بعد سنوات قليلة من التأسيس ▪ مؤخراً

Do you directly handle your non-local business?	6. هل تتعامل مباشرة مع عملائك من خارج العراق أو من خلال وسيط؟
<ul style="list-style-type: none"> ▪ Directly ▪ Through a local agent ▪ Through foreign representatives 	<ul style="list-style-type: none"> ▪ مباشرة ▪ من خلال وكيل محلي ▪ من خلال ممثلين أجانب

Do you have any direct business relation with Iraq Federal (non-KRI) companies or suppliers for the following activities?	7. بخلاف التصدير، هل لديك أي علاقة تجارية مباشرة مع شركات أو موردين في العراق الفدرالي؟
<ul style="list-style-type: none"> ▪ Import of goods/services ▪ Purchase of raw materials ▪ Suppliers of Software, technology ▪ Website hosting ▪ No, I do not have 	<ul style="list-style-type: none"> ▪ استيراد السلع / الخدمات ▪ شراء المواد الخام ▪ البرمجيات والتكنولوجيا ▪ استضافة مواقع الويب وما شابه ذلك ▪ لا ليس لدي

Do you have any direct business relation with non-Iraqi companies or suppliers for the following activities?	8. بخلاف التصدير، هل لديك أي علاقة تجارية مباشرة مع شركات أو موردين غير عراقيين؟
<ul style="list-style-type: none"> ▪ Import of goods/services ▪ Purchase of raw materials ▪ Suppliers of Software, technology ▪ Website hosting ▪ No, I do not have 	<ul style="list-style-type: none"> ▪ استيراد السلع / الخدمات ▪ شراء المواد الخام ▪ البرمجيات والتكنولوجيا ▪ استضافة مواقع الويب وما شابه ذلك ▪ لا ليس لدي

Section G – Networking, Partnerships and Local Clusters	الشبكات والشراكات والتكتلات المحلية
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Is your Business part of?	1. هل عملك جزء من ...؟
<ul style="list-style-type: none"> ▪ Local association of your sector of activity ▪ International association ▪ Networking portal ▪ Geographical cluster ▪ Industrial district or economic zone ▪ None 	<ul style="list-style-type: none"> ▪ جمعية أو نقابة في قطاع عملك ▪ جمعية دولية ▪ منصة علاقات وتشبيك ▪ مجتمعات منطوقية ▪ منطقة صناعية أو منطقة اقتصادية ▪ لا شيء

What services/ privileges does your business benefit from being a member of an association /cluster / zone, etc.?	2. ما هي الخدمات / الامتيازات التي يستفيد منها عملك من كونك عضوًا في التالي (شبكات وشراكات وتكتلات محلية)؟
<ul style="list-style-type: none"> ▪ Marketing/ Promotion+ Networking ▪ Increased know-how ▪ Access to finance ▪ Logistical facilities ▪ None 	<ul style="list-style-type: none"> ▪ تسويق / ترويج وشبكات ▪ زيادة مستوى المعرفة ▪ الوصول إلى التمويل ▪ تسهيلات لوجستية ▪ لا شيء

Do you collaborate with?	3. هل تتعاون مع؟
<ul style="list-style-type: none"> ▪ Other entities in your business domain ▪ Universities ▪ Research centers ▪ Technology institutions ▪ Service providers ▪ None 	<ul style="list-style-type: none"> ▪ الشركات المنافسة ▪ جامعة ▪ مراكز بحوث ▪ مؤسسات تطوير التكنولوجيا ▪ مقدمي الخدمة ▪ لا شيئ

Section H – COVID-19	تداعيات جائحة فيروس كورونا وأثرها على قطاع الأعمال
How did the COVID-19 pandemic affect your turnover in percentage in 2020 and 2021?	1. كيف أثرت جائحة COVID-19 على مردود عملك؟ خلال سنة 2020 وسنة 2021؟
<ul style="list-style-type: none"> ▪ Increased: % ▪ No change ▪ Decreased: % 	<ul style="list-style-type: none"> ▪ زيادة: بنسبة % ▪ لم تتأثر ▪ انخفضت : بنسبة %
By how many? For the years 2020 and 2021	2. بالنسبة لسنة 2020 و 2021 كم عدد الموظفين لحالي الزيادة والنقصان
<ul style="list-style-type: none"> ▪ Staff increased Yes No ▪ Staff decreased Yes No 	<ul style="list-style-type: none"> ▪ هل ارتفع عدد الموظفين ماهو عدد الزيادة للموظفين نعم كلا ▪ هل انخفض عدد الموظفين ماهو عدد الانخفاض للموظفين نعم كلا
Can you explain how did it affect your staff or salary payments in 2020 and 2021?	3. هل يمكنك شرح كيف أثر ذلك على موظفيك أو مدفوعات الرواتب خلال سنة 2020 وسنة 2021؟
<ul style="list-style-type: none"> ▪ Staff increased ▪ Staff Decreased ▪ Staff remained the same as well as salaries ▪ Put staff on leave ▪ Put staff on partial working hours with partial salaries ▪ Decreased salaries but kept working hours 	<ul style="list-style-type: none"> ▪ هل بقي عدد الموظفين على حالهم وكذلك الرواتب نعم كلا ▪ هل تم وضع الموظفين في إجازة نعم كلا ▪ هل تم تخفيض ساعات العمل مع رواتب جزئية نعم كلا ▪ هل تم تخفيض الرواتب ولكن مع الاحتفاظ بساعات العمل نعم كلا
Do you think government actions were appropriate for the COVID-10 situation?	4. هل تعتقد أن الإجراءات الحكومية المتخذة اتجاه المؤسسات ونشاطات الأعمال مناسبة لمواجهة تأثير جائحة كوفيد 19؟
<ul style="list-style-type: none"> ▪ Yes ▪ No 	<ul style="list-style-type: none"> ▪ نعم (في حال كان الجواب "نعم" تخطى السؤال رقم (5)) ▪ لا
If no, please state why?	5. في حال لا، أذكر لماذا؟
What was the effect on business in 2020 when COVID began?	6. ما هو التأثير على الأعمال في عام 2020 عندما بدء جائحة كوفيد 19؟
<ul style="list-style-type: none"> ▪ Increase in business, ▪ No change, ▪ Decrease in business 	<ul style="list-style-type: none"> ▪ زيادة في الأعمال ▪ لا تغيير ▪ انخفاض في الأعمال
Compare to 2020, what has been the effect of COVID on Business in 2021?	7. مقارنة بعام 2020، ما هو تأثير كوفيد 19 على الأعمال في عام 2021؟
<ul style="list-style-type: none"> ▪ Increase in business, ▪ No change, ▪ Decrease in business 	<ul style="list-style-type: none"> ▪ زيادة في الأعمال ▪ لا تغيير ▪ انخفاض في الأعمال

Section I – Finance	التمويل
Does your business have a bank account?	1. هل تستخدم حساب مصرفي باسم شركتك – (عملك -تجارتك) للقيام بأعمالك؟
<ul style="list-style-type: none"> ▪ Yes ▪ No 	<ul style="list-style-type: none"> ▪ نعم ▪ لا
If no, Why not?	2. في حال لا، لماذا؟
<ul style="list-style-type: none"> ▪ Too expensive ▪ Do not trust banks ▪ Too much paperwork ▪ There isn't a bank branch in my area ▪ Others, specify 	<ul style="list-style-type: none"> ▪ مكافئة للغاية ▪ لا اتق بالمصارف ▪ الكثير من الأعمال الورقية (روتينيات) ▪ لا يوجد فرع مصرف في منطقتي ▪ أخرى، حدد
Do you use mobile money payment services?	3. هل تستخدم خدمات الدفع النقدي عبر الهاتف المحمول؟
<ul style="list-style-type: none"> ▪ Yes ▪ No 	<ul style="list-style-type: none"> ▪ نعم ▪ لا
Let's think back when you created your company, did you acquire any sort of financing?	4. عندما أنشأت مؤسستك او عملك، هل حصلت على أي نوع من التمويل أو خططت للحصول عليه؟
<ul style="list-style-type: none"> ▪ I got financing ▪ I planned but did not get financing ▪ No I did not need financing 	<ul style="list-style-type: none"> ▪ نعم حصلت على التمويل ▪ خططت ولكن لم أحصل على تمويل ▪ لا لم أحتاج لتمويل ▪ عملي لا يحتاج للتمويل تخطى الاسئلة 5,6,7
What type of financing did you acquire?	5. ما هو مصدر التمويل عند انشاء المؤسسة؟
<ul style="list-style-type: none"> ▪ Personal savings ▪ Sold assets (property, car...) ▪ Credit Cards ▪ Loan from family/friends ▪ Bank loan ▪ Micro loan from NGOs or Micro Finance Organizations ▪ Investment from family/friends ▪ Investment from partners ▪ Grants from institutions or individuals ▪ If other specify 	<ul style="list-style-type: none"> ▪ مدخرات شخصية ▪ بيع الأصول (الممتلكات، السيارة...) ▪ بطاقات الائتمان ▪ قرض من العائلة/ الأصدقاء ▪ قرض مصرفي ▪ قرض صغير من المنظمات غير الحكومية أو مؤسسات التمويل للقروض الصغيرة ▪ الاستثمار من الأسرة/ الأصدقاء ▪ الاستثمار من الشركاء ▪ منح من الأشخاص أو المؤسسات ▪ أخرى حدد
What was the total amount of funds you needed to establish your business?	6. ما هو المبلغ الإجمالي للتمويل الذي احتجته لتأسيس مؤسستك؟
<ul style="list-style-type: none"> ▪ Below ID 5,000,000 ▪ 5,000,000 - 24,000,000 ▪ 24,000,001 - 120,000,000 ▪ 120,000,001 - 240,000,000 ▪ 240,000,001 - 500,000,000 ▪ Above 500,000,000 	<ul style="list-style-type: none"> ▪ أقل من 5,000,000 دينار عراقي ▪ من 5,000,000 - 24,000,000 ▪ 24,000,001 - 120,000,000 ▪ 120,000,001 - 240,000,000 ▪ 240,000,001 - 500,000,000 ▪ أكثر من 500,000,000
Was any of the financing sourced from abroad?	7. هل تم الحصول على أي تمويل من الخارج؟
<ul style="list-style-type: none"> ▪ All from abroad ▪ All local ▪ Mix of local and from abroad 	<ul style="list-style-type: none"> ▪ كلها من الخارج ▪ كلها محلية ▪ مزيج محلي ومن الخارج

<p>8. Did you already have assets, like vehicles, machinery, equipment or other necessary tools that you use for your business?</p>	<p>هل كان لديك بعض الأصول مثل سيارة، معدات أو غيرها من الأدوات الضرورية التي استخدمتها لعملك؟</p>
<ul style="list-style-type: none"> ▪ Yes ▪ No 	<ul style="list-style-type: none"> ▪ نعم كان لدي بعض الأصول ▪ لا (في حال كان الجواب "لا" تخطى السؤال رقم (9))
<p>9. Do you have title deeds for these assets?</p>	<p>هل لديك أوراق ثبوتية لتلك الأصول؟</p>
<ul style="list-style-type: none"> ▪ Yes ▪ No 	<ul style="list-style-type: none"> ▪ نعم ▪ لا
<p>10. What about after you started your business, did you acquire any sort of financing?</p>	<p>10. بعد أن بدأت عمك، هل حصلت أو خططت للحصول على أي نوع من التمويل؟</p>
<ul style="list-style-type: none"> ▪ Yes I got financing ▪ I planned but did not get financing ▪ No I did not need financing 	<ul style="list-style-type: none"> ▪ نعم حصلت على التمويل (في حال كان الجواب "نعم" تخطى السؤال رقم (11)) ▪ خططت ولكن لم أحصل على تمويل (في حال كان الجواب "خططت ولكن لم أحصل على تمويل" تخطى السؤال رقم (12) و(13) و(14)) ▪ لا لم أحتاج لتمويل (في حال كان الجواب "لا لم أحتاج لتمويل" تخطى السؤال رقم (11) و(12) و(13) و(14))
<p>11. If you planned but did not get financing, Why didn't you get financing? (specify)</p>	<p>11. في حالة خططت للحصول على تمويل ولكن لم تحصل عليه، أذكر أسباب ذلك</p>
<p>12. If you got financing, Where did you receive the financing from?</p>	<p>12. في حال حصلت على تمويل، ما هو مصدر التمويل؟</p>
<ul style="list-style-type: none"> ▪ Personal savings ▪ Sold assets (property, car...) ▪ Credit Cards ▪ Loan from family/friends ▪ Bank loan ▪ Micro loan from NGOs or Micro Finance Organizations ▪ Investment from family/friends ▪ Investment from partners ▪ Grants from institutions or individuals ▪ If other specify 	<ul style="list-style-type: none"> ▪ مدخرات شخصية ▪ بيع الأصول (الممتلكات ، السيارة ...) ▪ بطاقات الائتمان ▪ قرض من العائلة / الأصدقاء ▪ قرض مصرفي ▪ قرض صغير من المنظمات غير الحكومية أو مؤسسات التمويل للقروض الصغيرة ▪ الاستثمار من الأسرة / الأصدقاء ▪ الاستثمار من الشركاء ▪ منح من الأشخاص أو المؤسسات ▪ أخرى حدد
<p>13. For what purpose?</p>	<p>13. لأي سبب؟</p>
<ul style="list-style-type: none"> ▪ To expand the business ▪ To increase inventory ▪ To recruit and hire new employees ▪ To improve your business's cash flow ▪ To move business to a new location ▪ To introduce new products / service ▪ To go digital (ecommerce, technological development, ...) ▪ To improve marketing ▪ To overcome unpaid invoices / expenses ▪ To update and upgrade equipment ▪ Other specify 	<ul style="list-style-type: none"> ▪ لتوسيع الأعمال التجارية ▪ لزيادة المخزون ▪ لتعيين وتوظيف موظفين جدد ▪ لتحسين التدفق النقدي لأعمالك ▪ لنقل الأعمال إلى موقع جديد ▪ لتقديم منتجات / خدمة جديدة ▪ للانتقال إلى العالم الرقمي (التجارة الإلكترونية ، التطور التكنولوجي ، ...) ▪ للقيام / تحسين التسويق ▪ لتسديد الفواتير / النفقات غير المسددة ▪ لتحديث وتطوير المعدات ▪ أخرى حدد

What was the total amount of financing you got after starting you business?	14. ما هو المبلغ الإجمالي للتمويل الذي حصلت عليه بعد أن بدأت عملك؟
<ul style="list-style-type: none"> ▪ Below ID 5,000,000 ▪ 5,000,000 - 24,000,000 ▪ 24,000,001 - 120,000,000 ▪ 120,000,001 - 240,000,000 ▪ 240,000,001 - 500,000,000 ▪ Above 500,000,000 	<ul style="list-style-type: none"> ▪ أقل من 5,000,000 دينار عراقي ▪ من 5,000,000 - 24,000,000 ▪ 24,000,001 - 120,000,000 ▪ 120,000,001 - 240,000,000 ▪ 240,000,001 - 500,000,000 ▪ أكثر من 500,000,000

Do you currently require financing or plan on getting financing in the future?	15. هل تحتاج حاليًا إلى تمويل أو تخطط للحصول على تمويل في المستقبل؟
<ul style="list-style-type: none"> ▪ Yes ▪ No 	<ul style="list-style-type: none"> ▪ نعم ▪ لا (في حال كان الجواب "نعم" تخطى السؤال رقم (16)) ▪ عملي لا يحتاج للتمويل تخطى الاسئلة رقم (16، 17، 18)

For what purpose?	16. لأي سبب؟
<ul style="list-style-type: none"> ▪ To expand the business ▪ To increase inventory ▪ To recruit and hire new employees ▪ To improve your business's cash flow ▪ To move business to a new location ▪ To introduce new products / service ▪ To go digital (ecommerce, technological development, ...) ▪ To improve marketing ▪ To overcome unpaid invoices/ expenses ▪ To update and upgrade equipment ▪ Other specify 	<ul style="list-style-type: none"> ▪ لتوسيع الأعمال التجارية ▪ لزيادة المخزون ▪ لتعيين وتوظيف موظفين جدد ▪ لتحسين التدفق النقدي لأعمالك ▪ لنقل الأعمال إلى موقع جديد ▪ لتقديم منتجات / خدمة جديدة ▪ للانتقال إلى العالم الرقمي (التجارة الإلكترونية، التطور التكنولوجي ، ...) ▪ للقيام / تحسين التسويق ▪ لتسديد الفواتير / النفقات غير المسددة ▪ لتحديث وتطوير المعدات ▪ أخرى حدد

If financing is available, what is the amount that you would require?	17. إذا كان التمويل متاحًا، فما هو المبلغ الذي ستحتاجه؟
<ul style="list-style-type: none"> ▪ Below ID 5,000,000 ▪ 5,000,000 - 24,000,000 ▪ 24,000,001 - 120,000,000 ▪ 120,000,001 - 240,000,000 ▪ 240,000,001 - 500,000,000 ▪ Above 500,000,000 	<ul style="list-style-type: none"> ▪ أقل من 5,000,000 دينار عراقي ▪ من 5,000,000 - 24,000,000 ▪ 24,000,001 - 120,000,000 ▪ 120,000,001 - 240,000,000 ▪ 240,000,001 - 500,000,000 ▪ أكثر من 500,000,000

Where do you plan on getting the financing from?	18. من أين تخطط للحصول على التمويل؟
<ul style="list-style-type: none"> ▪ Personal savings ▪ Sold assets (property, car...) ▪ Credit Cards ▪ Loan from family/friends ▪ Bank loan ▪ Micro loan from NGOs or Micro Finance Organizations ▪ Investment from family/friends ▪ Investment from partners ▪ Grants from institutions or individuals ▪ If other specify 	<ul style="list-style-type: none"> ▪ مدخرات شخصية ▪ بيع الأصول (الممتلكات ، السيارة ...) ▪ بطاقات الائتمان ▪ قرض من العائلة / الأصدقاء ▪ قرض مصرفي ▪ قرض صغير من المنظمات غير الحكومية أو مؤسسات التمويل للقروض الصغيرة ▪ الاستثمار من الأسرة / الأصدقاء ▪ الاستثمار من الشركاء ▪ منح من الأشخاص أو المؤسسات ▪ أخرى حدد

<p>Do you think that access to financing for your business is?</p>	<p>19. هل تعتقد أن الحصول على تمويل لقطاع عملك هو؟</p>
<ul style="list-style-type: none"> ▪ Very Difficult ▪ Somewhat Difficult ▪ Not Difficult 	<ul style="list-style-type: none"> ▪ صعب جداً ▪ صعب نوعاً ما ▪ ليس صعباً
<p>In your opinion what is rendering access to financing difficult?</p>	<p>20. في رأيك ما الذي يجعل الحصول على تمويل صعباً؟</p>
<ul style="list-style-type: none"> ▪ Lack of collateral ▪ Financer avoiding risk of loans default ▪ Weak track record of enterprise ▪ High interest rates ▪ Lack of necessary documents ▪ Lack of guarantor ▪ Income too low ▪ Not eligible ▪ Procedures too complicated ▪ If other specify 	<ul style="list-style-type: none"> ▪ نقص الضمانات ▪ تجنب المخاطر من قبل الممول ▪ سجل ضعيف للأعمال ▪ أسعار الفائدة المرتفعة / العائد المطلوب ▪ عدم وجود المستندات المطلوبة ▪ عدم وجود كفيل ▪ انخفاض دخل الأسرة ▪ عدم استيفاء الشروط ▪ الإجراءات معقدة للغاية (روتين) ▪ أخرى حدد
<p>Let's suppose that you want financing for your business today. What are the sources of financing that you know of and are available? Who else?</p>	<p>21. لنفترض أنك تريد تمويل عملك اليوم. ما هي مصادر التمويل التي تعرفها والمتوفرة؟</p>
<ul style="list-style-type: none"> ▪ Personal savings ▪ Sold assets (property, car...) ▪ Credit Cards ▪ Loan from family/friends ▪ Bank loan ▪ Micro loan from NGOs or Micro Finance Organizations ▪ Investment from family/friends ▪ Investment from partners ▪ Grants from institutions or individuals ▪ If other specify 	<ul style="list-style-type: none"> ▪ مدخرات شخصية ▪ بيع الأصول (الممتلكات ، السيارة ...) ▪ بطاقات الائتمان ▪ قرض من العائلة / الأصدقاء ▪ قرض مصرفي ▪ قرض صغير من المنظمات غير الحكومية أو مؤسسات التمويل للقروض الصغيرة ▪ الاستثمار من الأسرة / الأصدقاء ▪ الاستثمار من الشركاء ▪ منح من الأشخاص أو المؤسسات ▪ أخرى حدد
<p>What was your total revenue in (Read Year)?</p>	<p>22. ما هو إجمالي إيراداتك في سنة؟</p>
<ul style="list-style-type: none"> ▪ 2021 ▪ 2020 ▪ 2019 ▪ 2018 ✓ 0 IQR, Don't have previous revenue (New Enterprises) ✓ 1-6,000,000ID ✓ 6,000,000 - 21,000,000 ✓ 21,000,001 - 36,000,000 ✓ 36,000,001 - 51,000,000 ✓ 51,000,001 - 66,000,000 ✓ 66,000,001 - 81,000,000 ✓ 81,000,001 - 96,000,000 ✓ More than ID 96,000,000 	<ul style="list-style-type: none"> ▪ 2021 ▪ 2020 ▪ 2019 ▪ 2018 ✓ 0 دينار، لا يوجد إيراد سابق (الموسسة جديدة) ✓ من 1 - 6,000,000 دينار عراقي ✓ 6,000,000 - 21,000,000 ✓ 21,000,000 - 36,000,000 ✓ 36,000,000 - 51,000,000 ✓ 51,000,000 - 66,000,000 ✓ 66,000,000 - 81,000,000 ✓ 81,000,000 - 96,000,000 ✓ 96,000,000 - 81,000,001 ✓ أكثر من 96,000,000 دينار عراق

What was the share of the following costs from your total costs in 2021?	23. ما هي حصة التكاليف التالية من التكلفة الإجمالية في عام 2021؟
<ul style="list-style-type: none"> ▪ Telecom % ▪ Energy (electricity, heating, cooling,.) % ▪ Transportation % ▪ Raw material % ▪ Rent % ▪ Accounting fees % ▪ Salaries % ▪ Others % 	<ul style="list-style-type: none"> ▪ الاتصالات٪ ▪ الطاقة (كهرباء ، تدفئة ، تبريد ، ..) ٪ ▪ وسائل النقل ٪ ▪ مواد خام ٪ ▪ تأجير ٪ ▪ رسوم ٪ ▪ الرواتب ٪ ▪ أخرى ٪

Do you maintain proper accounting and bookkeeping?	24. هل تقوم بالمحاسبة الدورية وتحفظ بالدفاتر الحسابية؟
<ul style="list-style-type: none"> ▪ Yes ▪ No 	<ul style="list-style-type: none"> ▪ نعم ▪ لا

Section J – Outlook	نظرة مستقبلية للأعمال التجارية
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In your opinion, how will the following change in the next year?	1. كيف تتوقع أن تتغير العناصر التالية في العام القادم؟
<ul style="list-style-type: none"> ▪ The overall business environment in your sector ▪ The economy in general ▪ The security situation ▪ Your business compared to other businesses ✓ Decline ✓ Stay the same ✓ Improve ✓ I don't know 	<ul style="list-style-type: none"> ▪ مستوى بيئة الأعمال العامة ضمن قطاع عملك ▪ الاقتصاد بشكل عام ▪ الوضع الأمني ▪ عملك مقارنة بالشركات المنافسة ✓ انخفاض ✓ كما هو ✓ تحسن ✓ لا أعلم

What are the most important challenges that you think your business may be confronting in the coming year?	2. ما هي أهم التحديات التي تعتقد أن عملك قد يواجهها في العام المقبل؟

What in your opinion is the type of governmental support you consider important to improve your business?	3. ما هو في رأيك نوع الدعم الحكومي الذي تعتبره مهمًا لتحسين عملك؟
<ul style="list-style-type: none"> ▪ Protection for local products and manufacturing ▪ Providing tax incentives ▪ Organizing exhibitions and workshops ▪ Infrastructure (electricity, water, sewage, paving) ▪ Financial loans ▪ Fixed and proper places to practice business ▪ Raw materials for production and services ▪ To ease the official procedures (routine) ▪ Security ▪ Other, specify 	<ul style="list-style-type: none"> ▪ حماية المنتج الوطني ▪ تقديم حوافز ضريبية ▪ تنظيم معارض وورش عمل ▪ البنية التحتية (كهرباء، مياه، صرف صحي، طرق وأرصفت) ▪ قروض مالية ▪ أماكن ثابتة ومناسبة لممارسة الأعمال ▪ مواد أولية للإنتاج والخدمات ▪ لتسهيل الإجراءات الرسمية (الروتينية) ▪ الأمان ▪ أخرى، حدد



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