

Module on the Business Environment and appropriate regulation

Methodological note

The Opinion module on the Business Environment was carried out in the last quarter of 2013, as an additional module of the Business Confidence Indicators Survey. Therefore, the population, geographical area, data classification variable as well as the methodology are the typical of this survey.

This module includes the opinion of the establishment managers about different components of the business environment. The methodology, as well as the one for BCI, is based on the Japanese *TANKAN* index, that is, there is no weighting nor elevation according to establishment characteristics because the opinion of each informant counts the same.

The business environment is made up of the political, institutional and social environments in which the business makes its decisions. In this survey, the opinion of the following components has been requested:

Macroeconomic environment: Set of economic indicators and main macroeconomic indicators: Gross Domestic Product, aggregate demand, consumption, investment, public sector, foreign sector, asset market, inflation,...

Economic Regulation: Norms that influence the creation and commercial activity of companies. Appropriate economic regulation refers to the creation of efficient norms that achieve the same objective with the fewest restrictions possible.

Job Market Efficiency: Dynamism, possibility of retraining; flexible hiring and dismissal of employees in the company.

Taxation: Set of norms and procedures related to tax administration and compliance with tax obligations.

Default: Breach of an obligation incurred with a third party.

Infrastructures: Set of constructions, elements and services considered necessary for the development of transports. They are made up of the different roads, railway tracks, ports and airports as well as the logistical services associated with them so that persons, animals or vehicles can move on them.

Legal expenses: Expenses imposed by the court management to companies that need it.

Input Costs: The price paid for the inputs and services hired by the company.

Equipment: The set of necessary means and facilities for the development of an activity.

Suitability of human capital: Suitably qualified and trained employees for the development of the commercial activity of the company.

Product demand: Market size.

Financing Availability: Access to outside business financing, obtained through banking institutions (mainly banks and savings banks) in any of its ways (loans, lines of credit, promissory notes, etc.), and through non-banking entities such as capital markets, business angels, participation loans of public entities and others.

Other concepts:

Previous authorisation: any expressed or implied action of the competent authority which is previously required in order to access and carry out an economic activity through the ex ante control of the activity, such as: licences, permits or registrations.

Affidavit of liability: document submitted to the Administration in which the entrepreneur manifests under their responsibility that the requirements established in the regulation that is in force for the performance of the activity are met, the documents that prove it are at their disposal and they commit to maintaining its compliance during the necessary time. It is an ex-post control regime, in which control over the compliance of the requirements and regulation will be based on subsequent research at the beginning of the economic activity.