



**USAID**  
TỪ NHÂN DÂN MỸ



# ***THE 2014 PROVINCIAL COMPETITIVENESS INDEX***

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***Vietnam Chamber of Commerce  
and Industry***

**Hà Nội, 16/04/ 2015**



# ORGANIZATION

- *A Brief Overview of PCI*
- *Performance of Domestic Private Enterprises*
- *The 2014 PCI Results*
- *Infrastructure Index*

# Overview of PCI

- **What does PCI measure?**

Actual provincial economic governance or Governance quality.

Best governance practices already found in localities.

## 10 Sub-indices

**1. Entry Cost**

**2. Land Access**

**3. Transparency**

**4. Time costs**

**5. Informal charges**

**6. Policy Bias**

**7. Proactivity**

**8. Business Support Services**

**9. Labor Training**

**10. Legal institutions**

# Size of 2014 PCI Survey

**9,859** *domestic private enterprises*

among which:

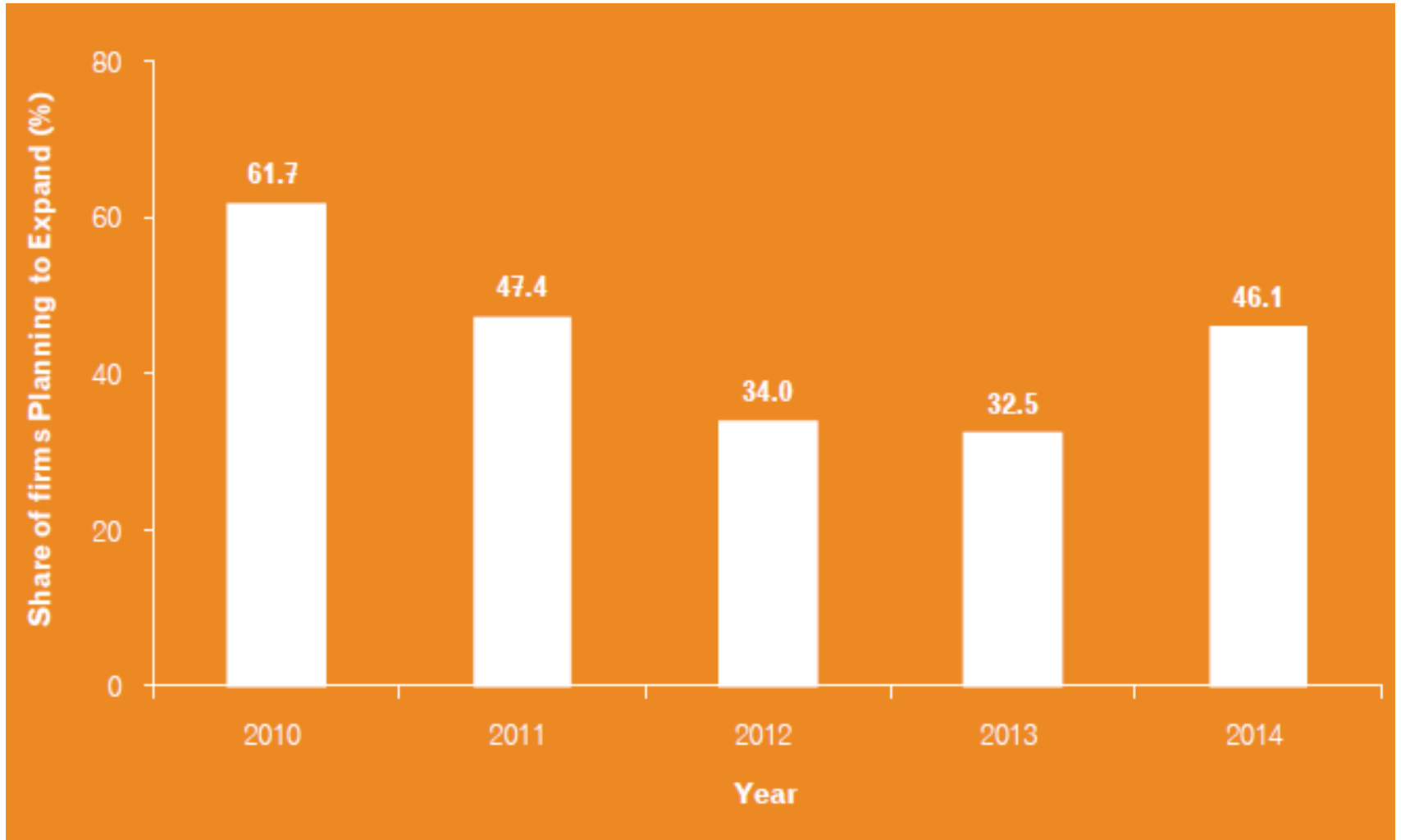
**1,768** *newly registered enterprises*

# Performance of Domestic Private Enterprises over Time

Year	Firms Increasing Investment	Average Investment Size ( Billion VND)	Firm Adding Employees	Average Size (No. of employees)
2006	27.6%	7.25	22.0%	31.61
2007	27.1%	8.10	20.9%	33.16
2008	29.3%	10.20	21.6%	40.57
2009	15.4%	12.02	12.3%	45.91
2010	22.1%	12.72	17.1%	47.63
2011	14.1%	12.16	11.2%	45.44
2012	6.4%	11.11	6.0%	26.33
2013	6.4%	14.86	6.2%	28.95
2014	10.8%	15.09	11.5%	26.83

Year	Firms Reporting Profits	Firms Reporting Losses
2006	77.5%	10.8%
2007	81.1%	9.3%
2008	82.3%	8.7%
2009	69.2%	19.9%
2010	74.9%	16.0%
2011	72.9%	14.4%
2012	58.9%	21.9%
2013	64.3%	20.8%
2014	60.3%	26.4%

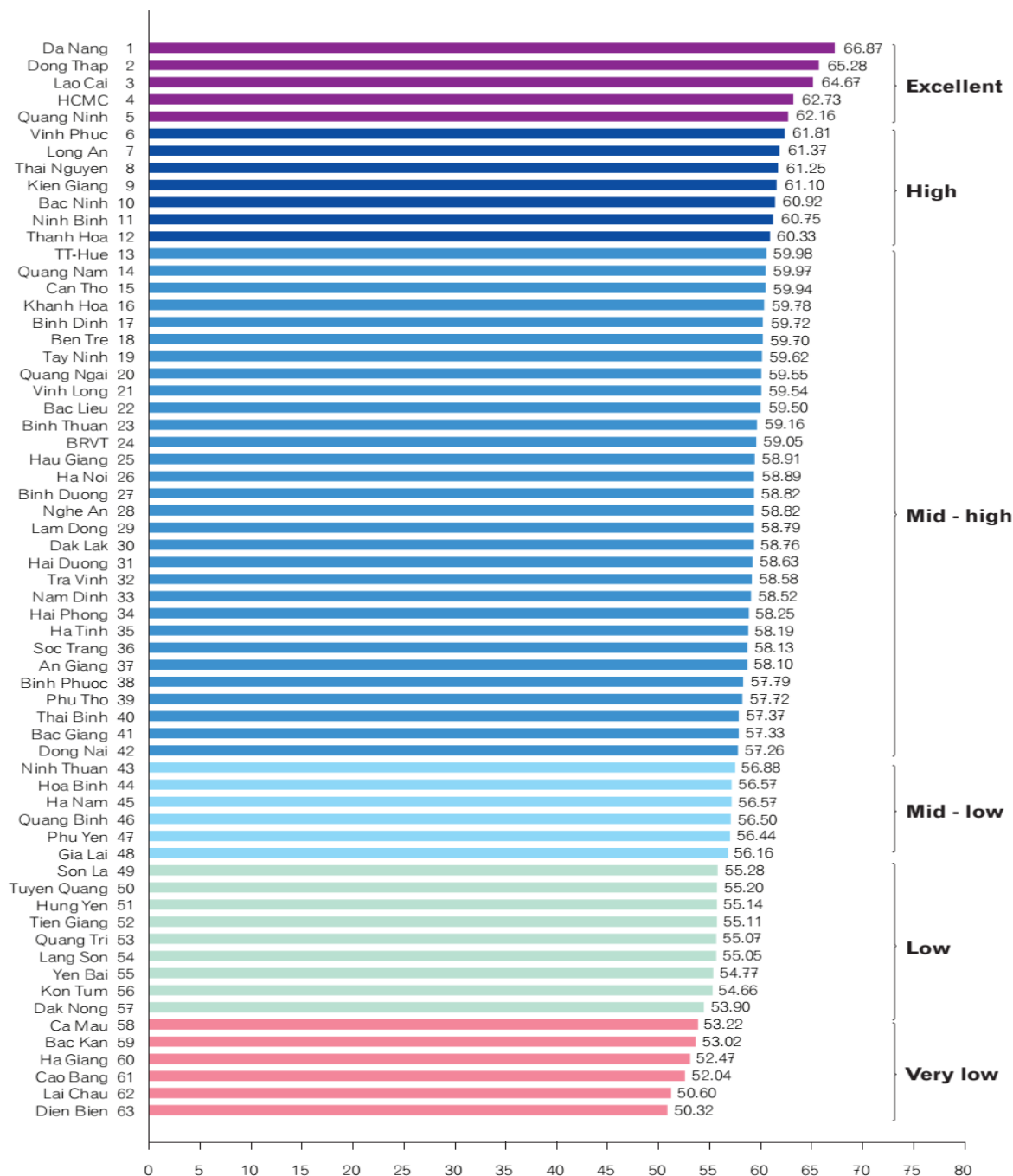
# Business Thermometer over Time



# THE 2014 PCI RESULTS

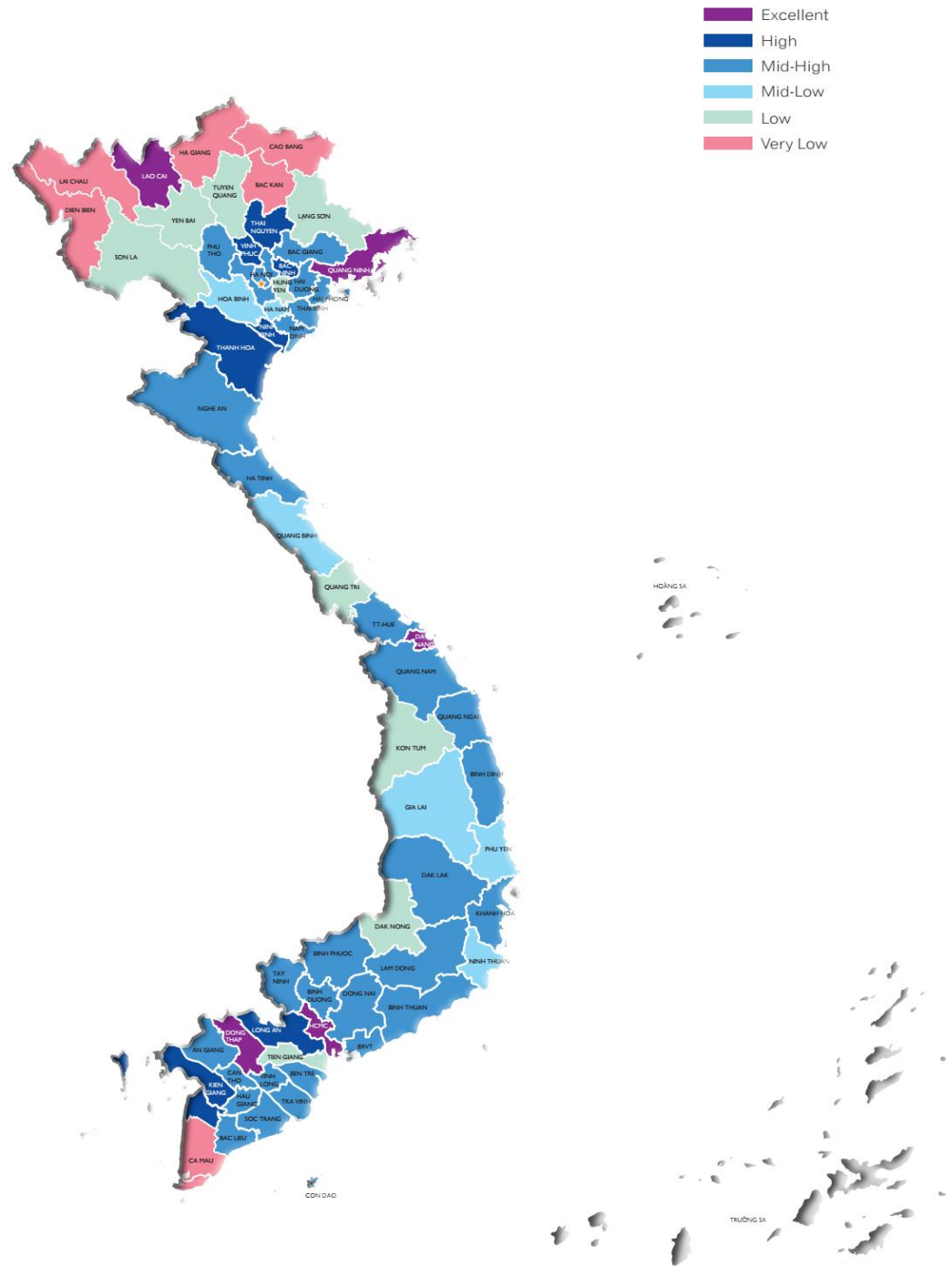


# PCI 2014

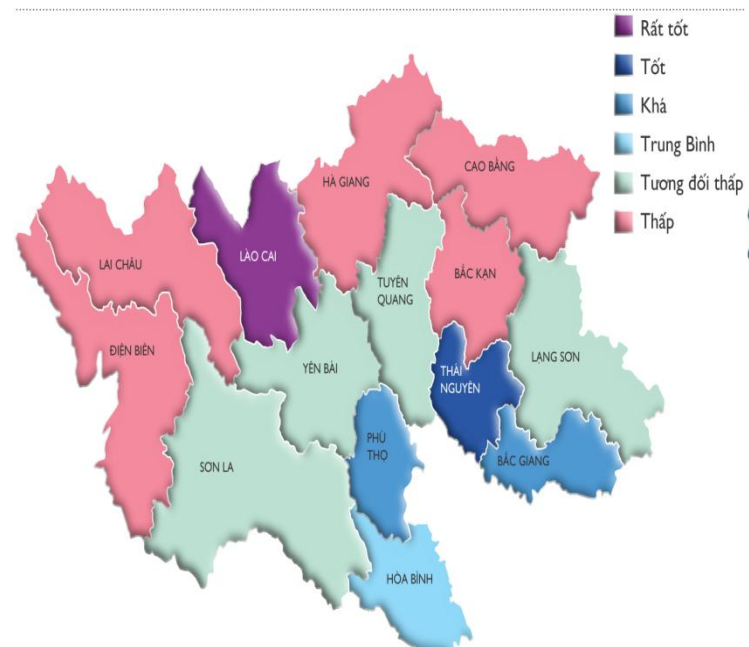




# The 2014 PCI Map



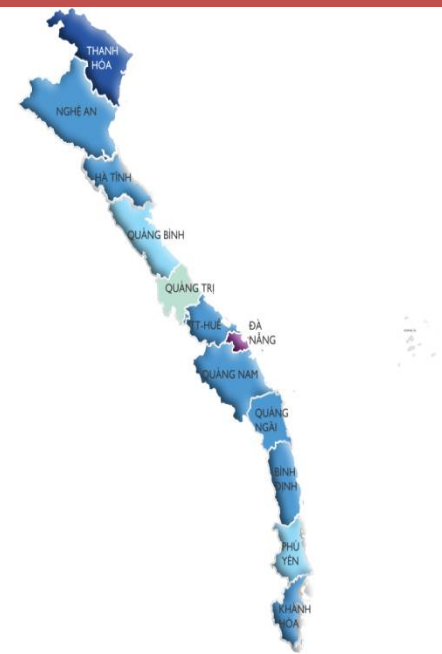
## Northwest Mountains



# Red River Delta



## North Central Coast



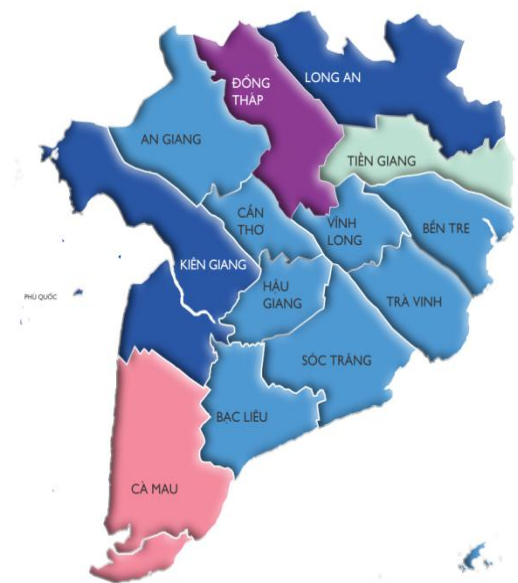
## South Central Coast



## North Southeast



# Mekong Delta

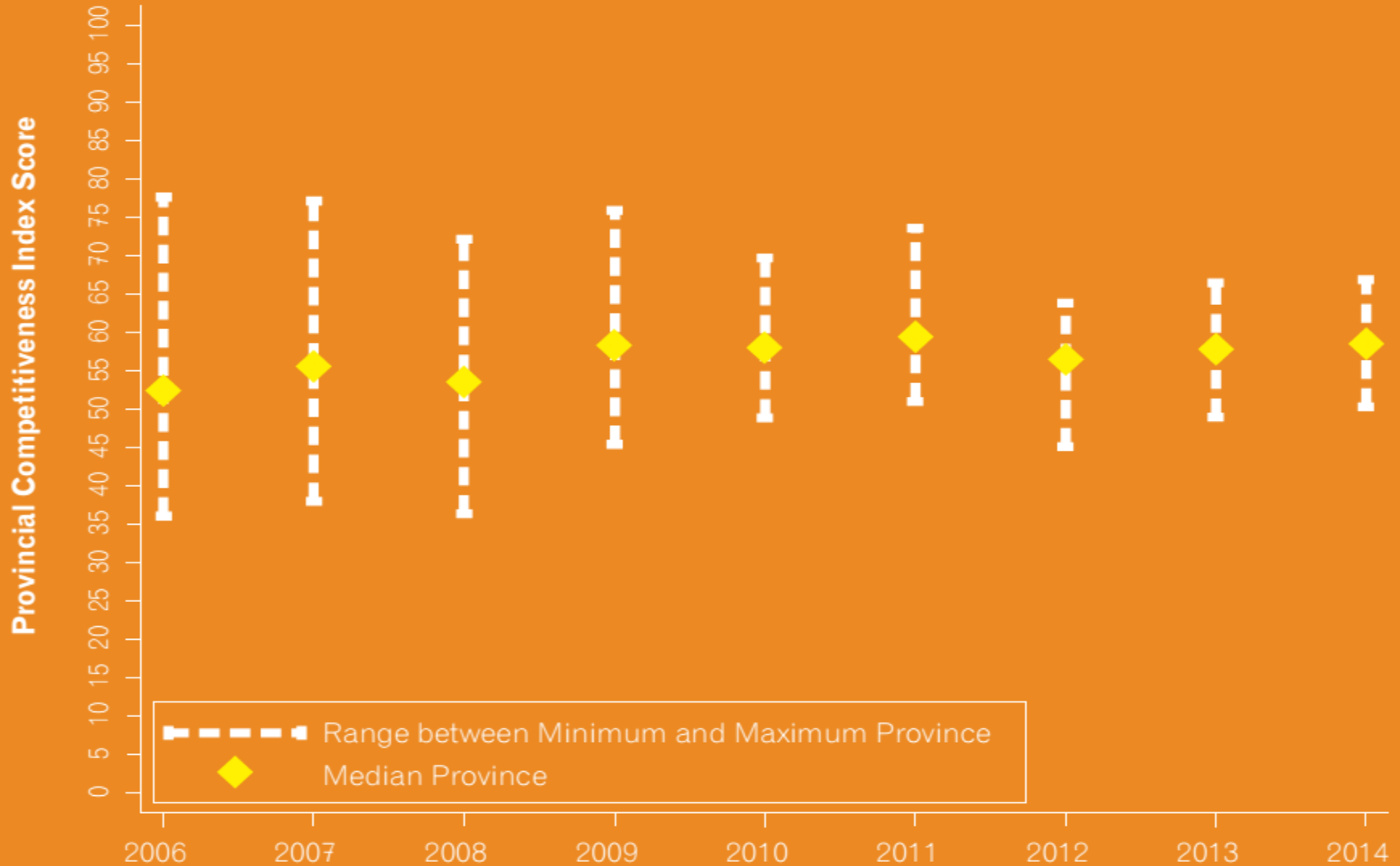


# Top & Bottom-Ranked Provinces in Each Sub-Index of 2014 PCI

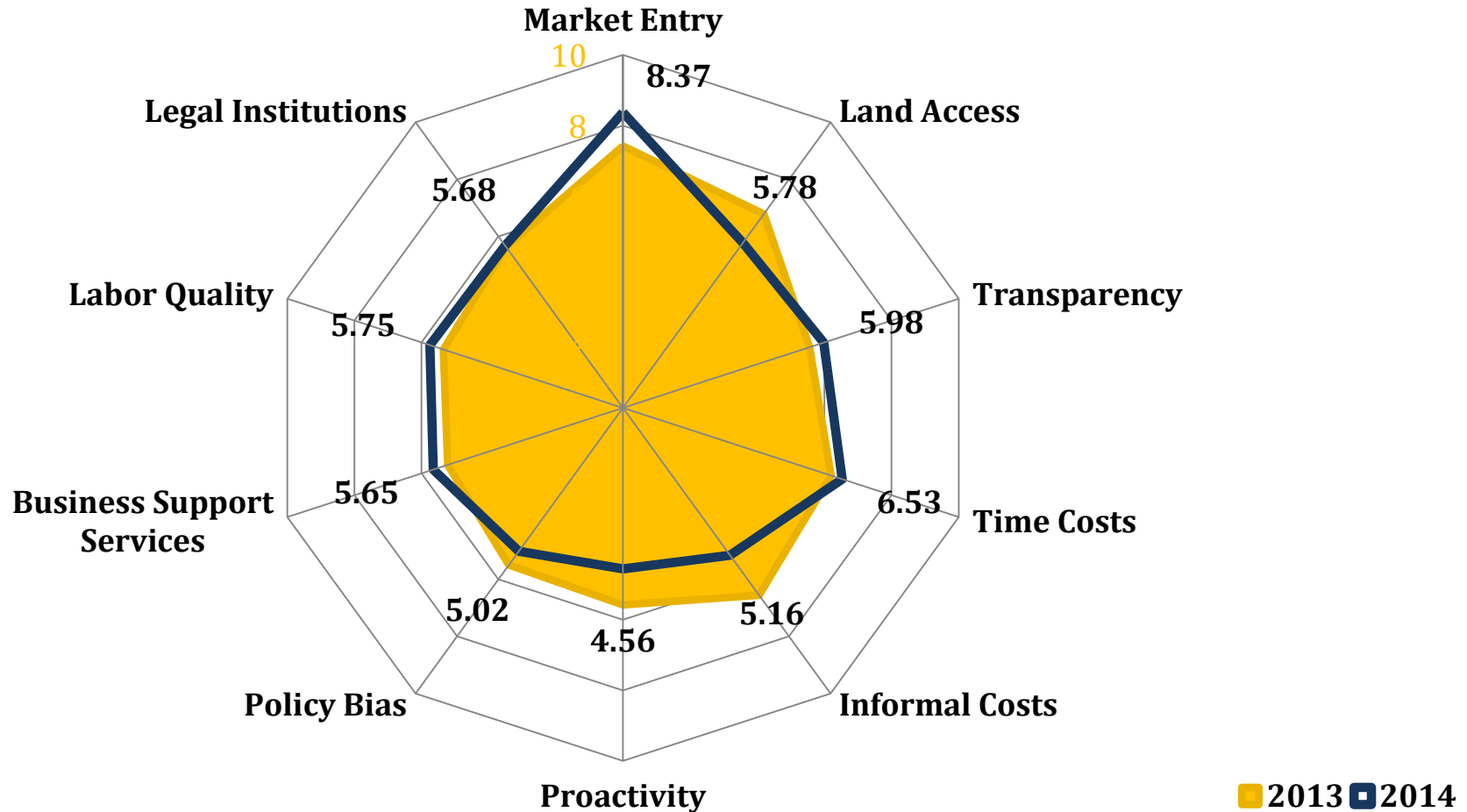
Sub-index	Top	Score	Bottom	Score
<b>Market Entry Costs</b>	Đồng Tháp	<b>9.37</b>	Hòa Bình	<b>7.17</b>
<b>Land Access</b>	Trà Vinh	<b>7.30</b>	Cao Bằng	<b>4.39</b>
<b>Transparency</b>	Lào Cai	<b>7.14</b>	Cà Mau	<b>5.08</b>
<b>Time Costs</b>	Đồng Tháp	<b>8.45</b>	Điện Biên	<b>4.85</b>
<b>Informal Charges</b>	Kiên Giang	<b>7.02</b>	Điện Biên	<b>2.81</b>
<b>Policy Bias</b>	Lào Cai	<b>7.79</b>	Hà Tĩnh	<b>3.50</b>
<b>Proactivity</b>	Đồng Tháp	<b>6.62</b>	Hà Nội	<b>3.08</b>
<b>Business Support Services</b>	Tp.HCM	<b>7.14</b>	Bắc Kạn	<b>3.90</b>
<b>Labor Training</b>	Đà Nẵng	<b>7.53</b>	Cà Mau	<b>4.10</b>
<b>Legal Institutions</b>	Đồng Tháp	<b>7.91</b>	Điện Biên	<b>4.10</b>



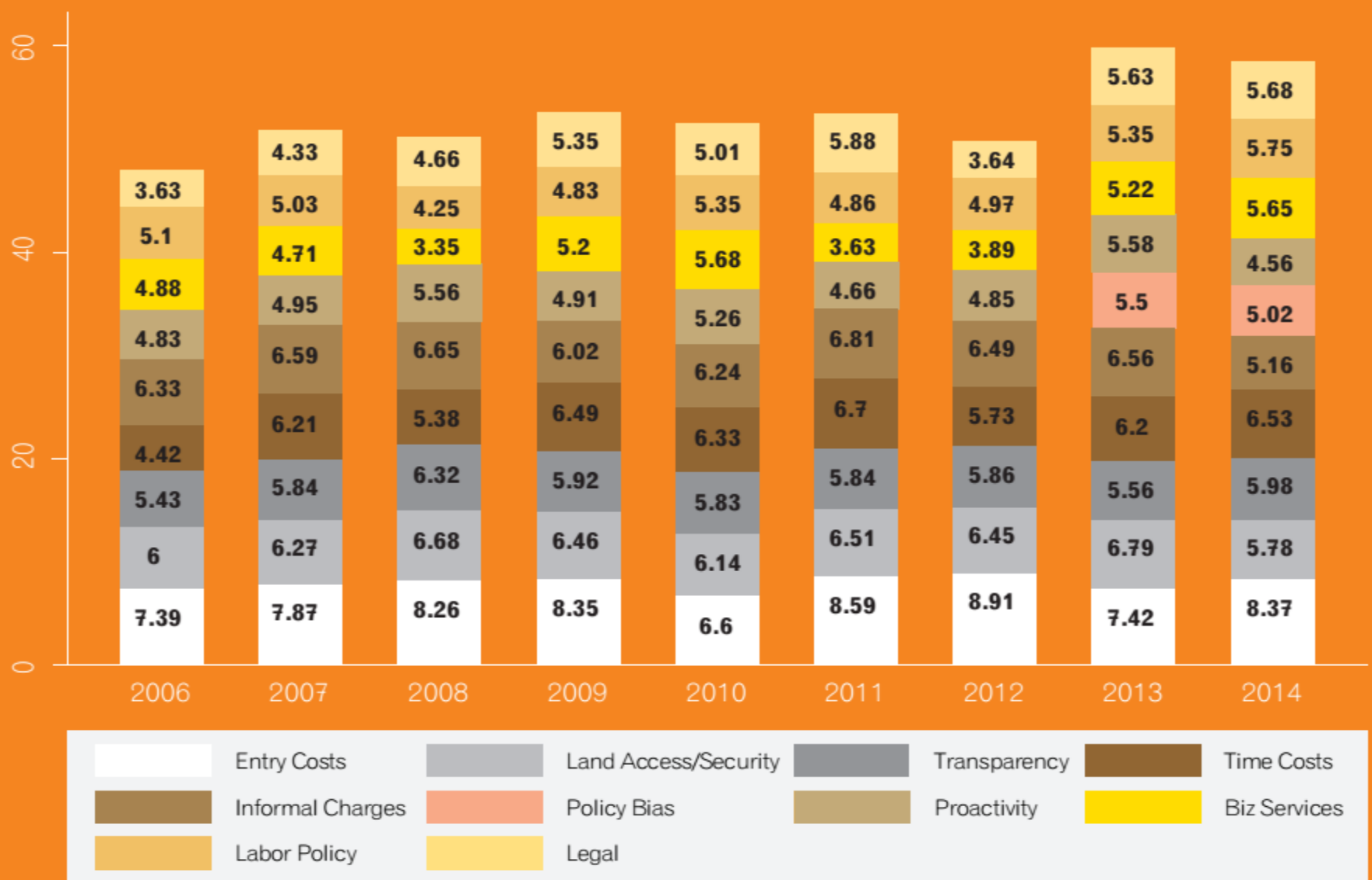
# Minimum, Median, & Maximum PCI Scores over Time



# PCI 2013 & 2014

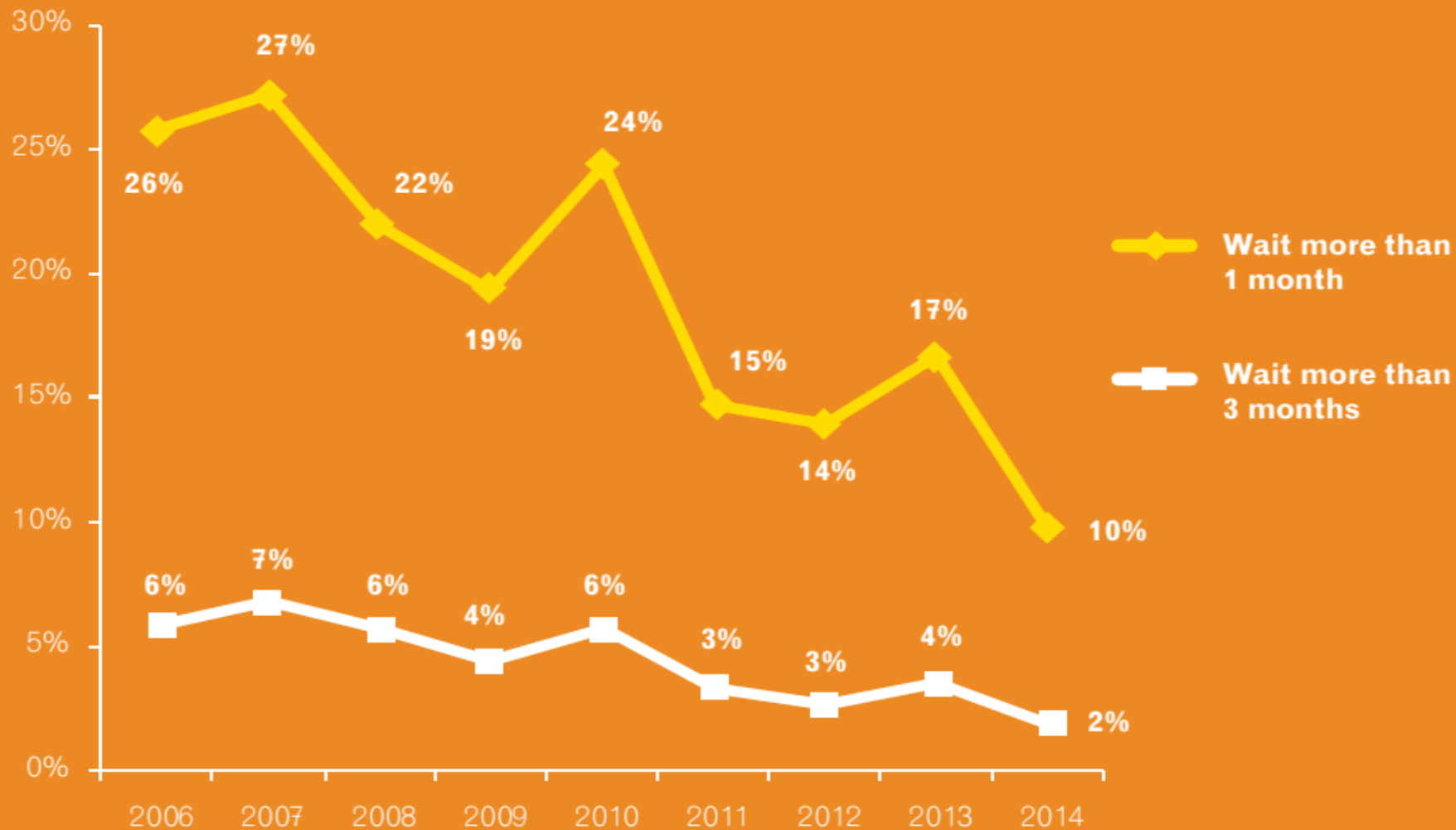


# Changes in Scores of Sub-indices





# Indicators of Entry Costs (Wait to be Fully Legal)







# Procedures are Improving

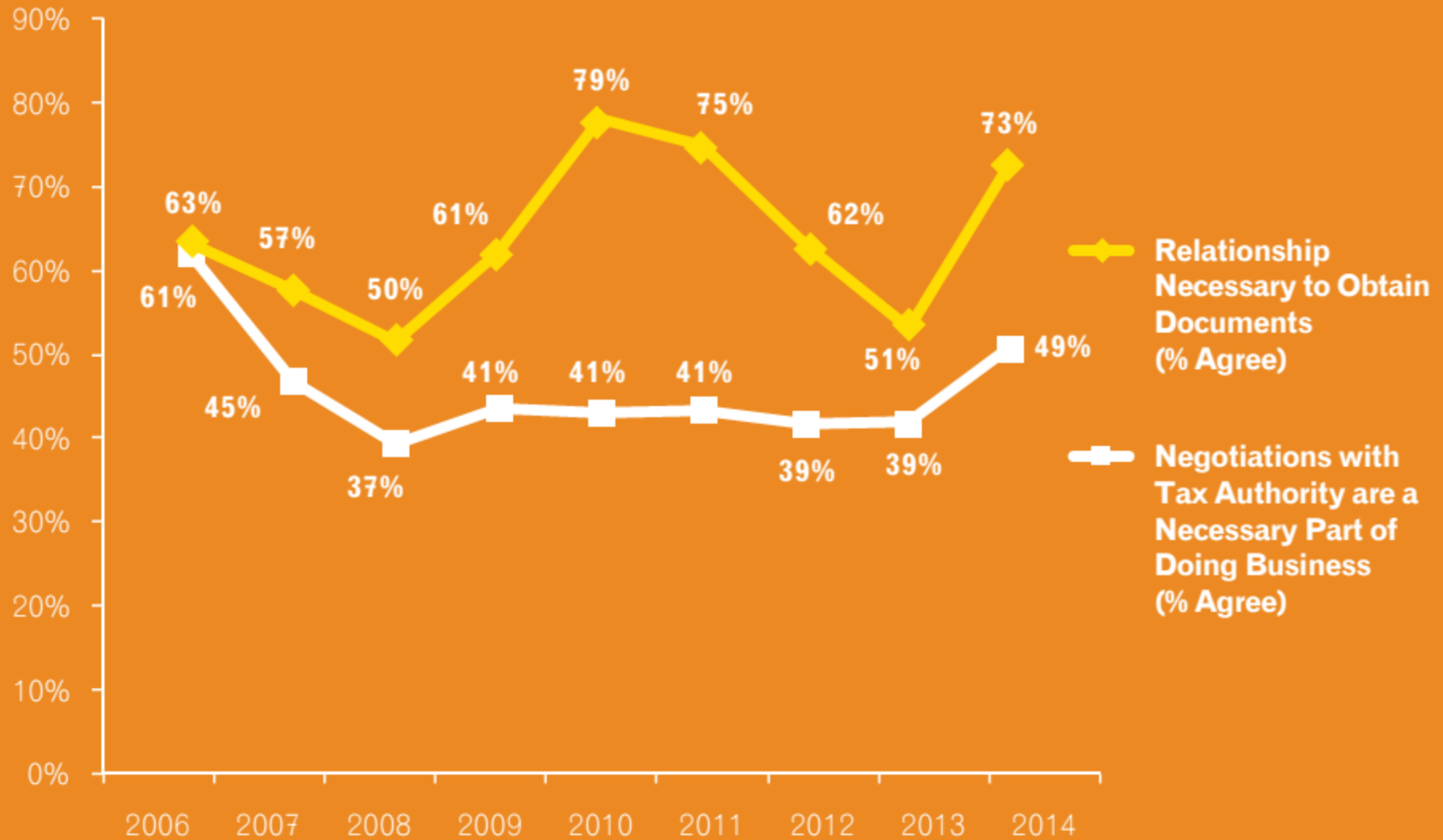
	2013	2014
Publicly listed procedures	39%	61%
Clear guidance	41%	75%
Knowledgeable officials	26%	43%
Friendly officials	25%	43%
Useful IT Systems	16%	29%



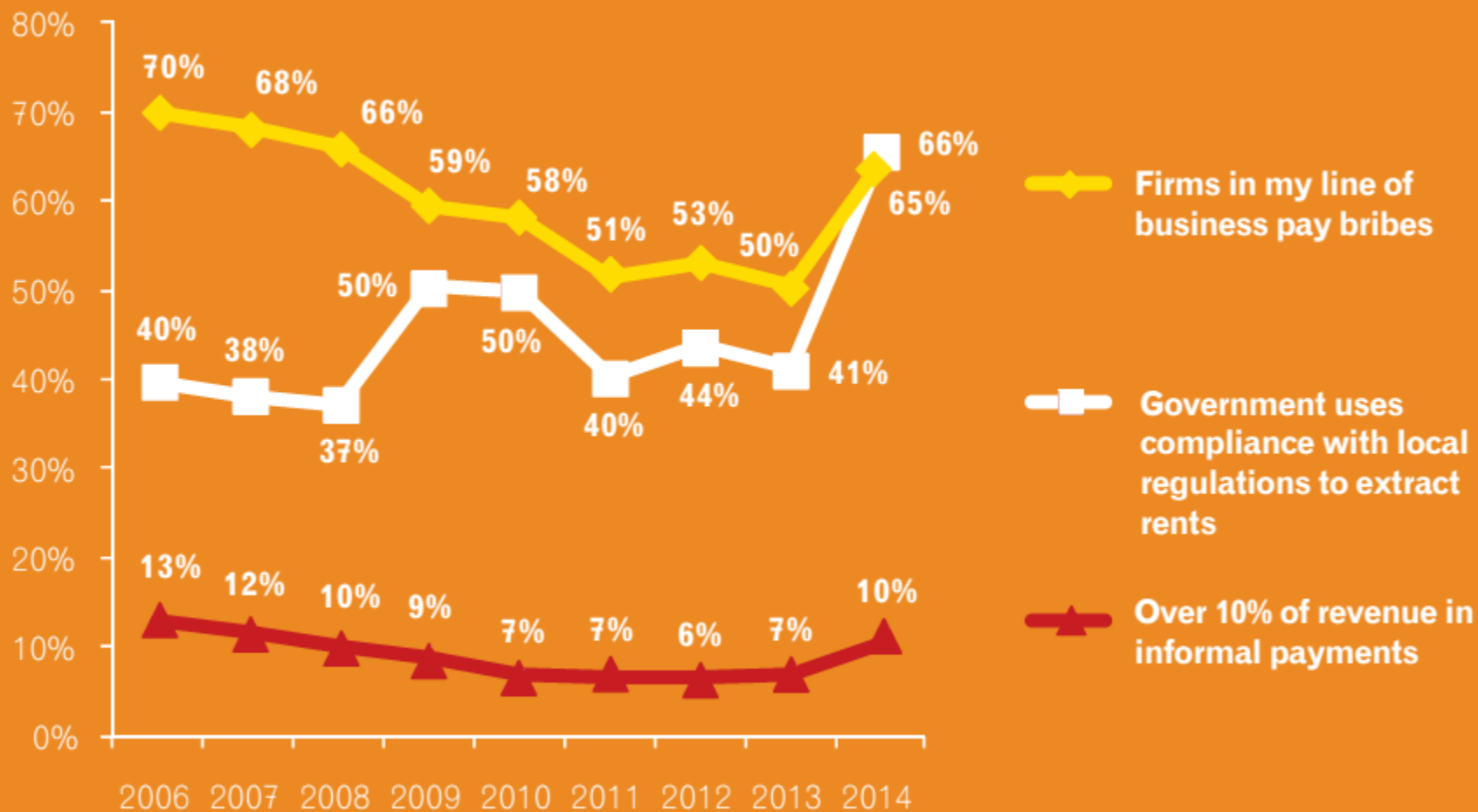
# Key Indicators of Transparency

	2013	2014
<b>Important Role of business association</b>	30%	43%
<b>Firm participation in policy-making process</b>	20%	22%
<b>Website score</b>	25.5/50	29/50
<b>Provincial website access</b>	51%	64%

# ↓ Key Indicators of Transparency



# Key Indicators of Informal Charges (2006 to 2014) Show Worsening Performance



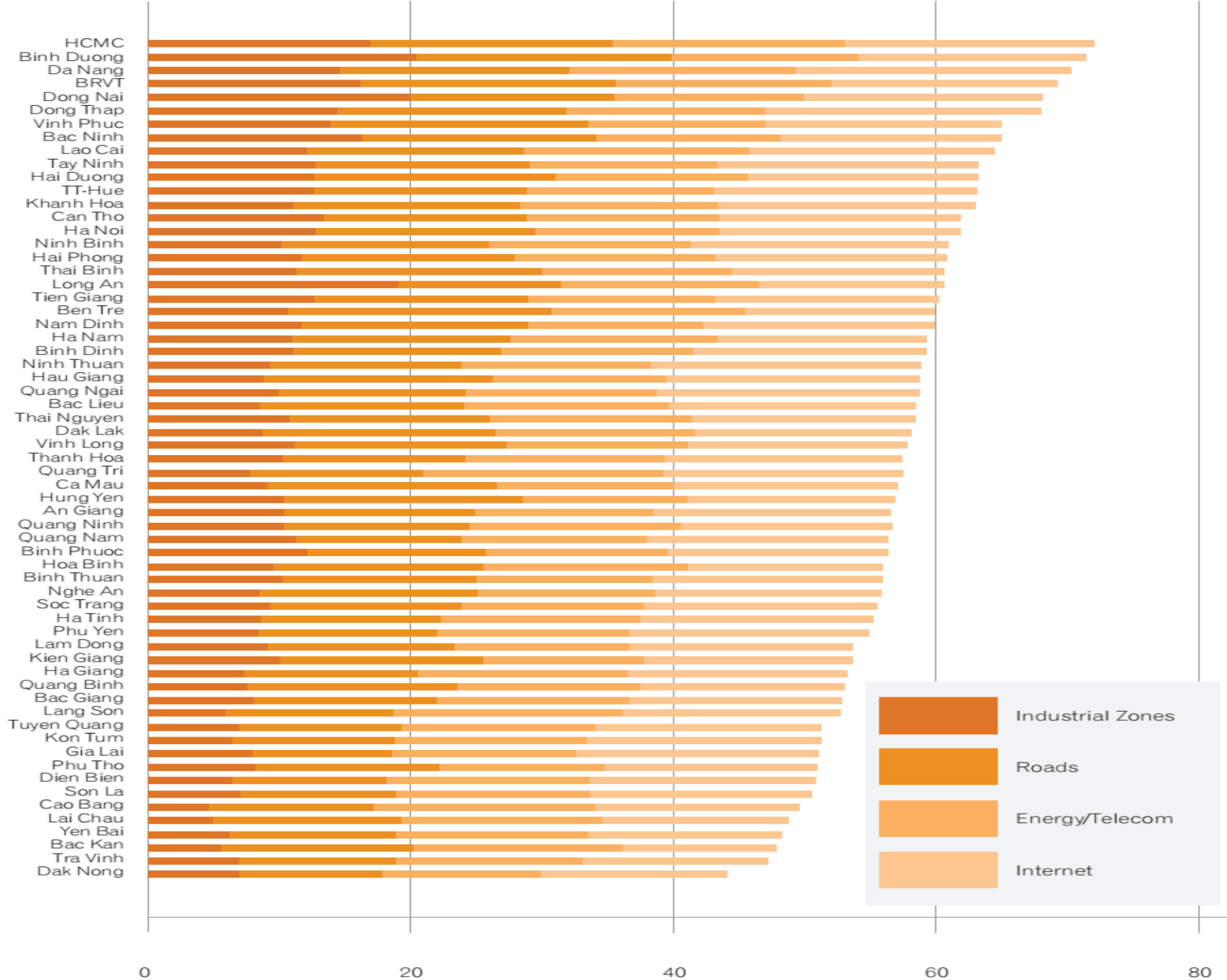


## Key Indicators of Proactivity

	2013	2014
<b>Province is proactive and creative</b>	52%	53%
<b>Improper implementation by departments</b>	57%	77%
<b>Improper implementation at district level</b>	43%	58%

# THE 2014 PCI INFRASTRUCTURE INDEX



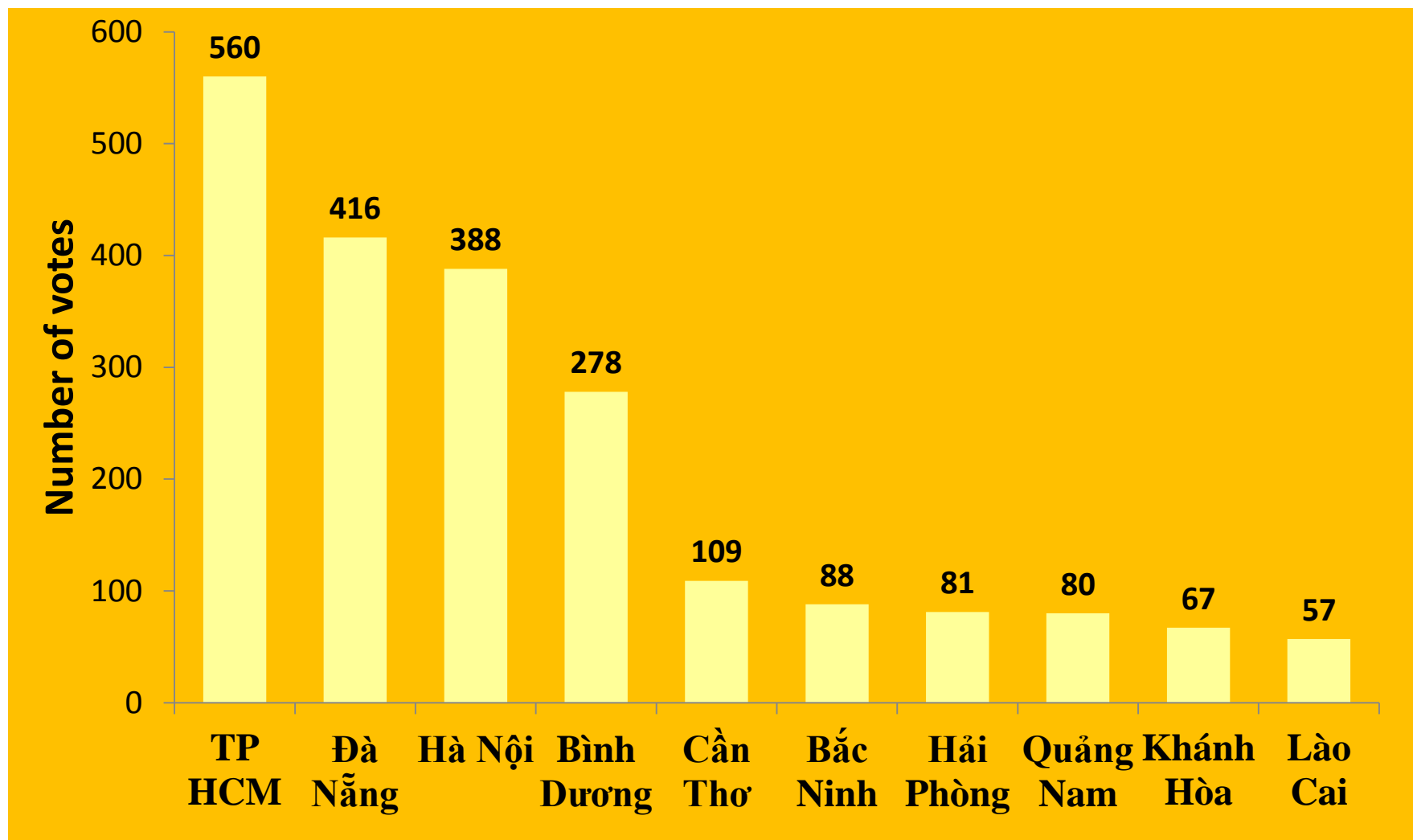


## between PCI & Infrastructure

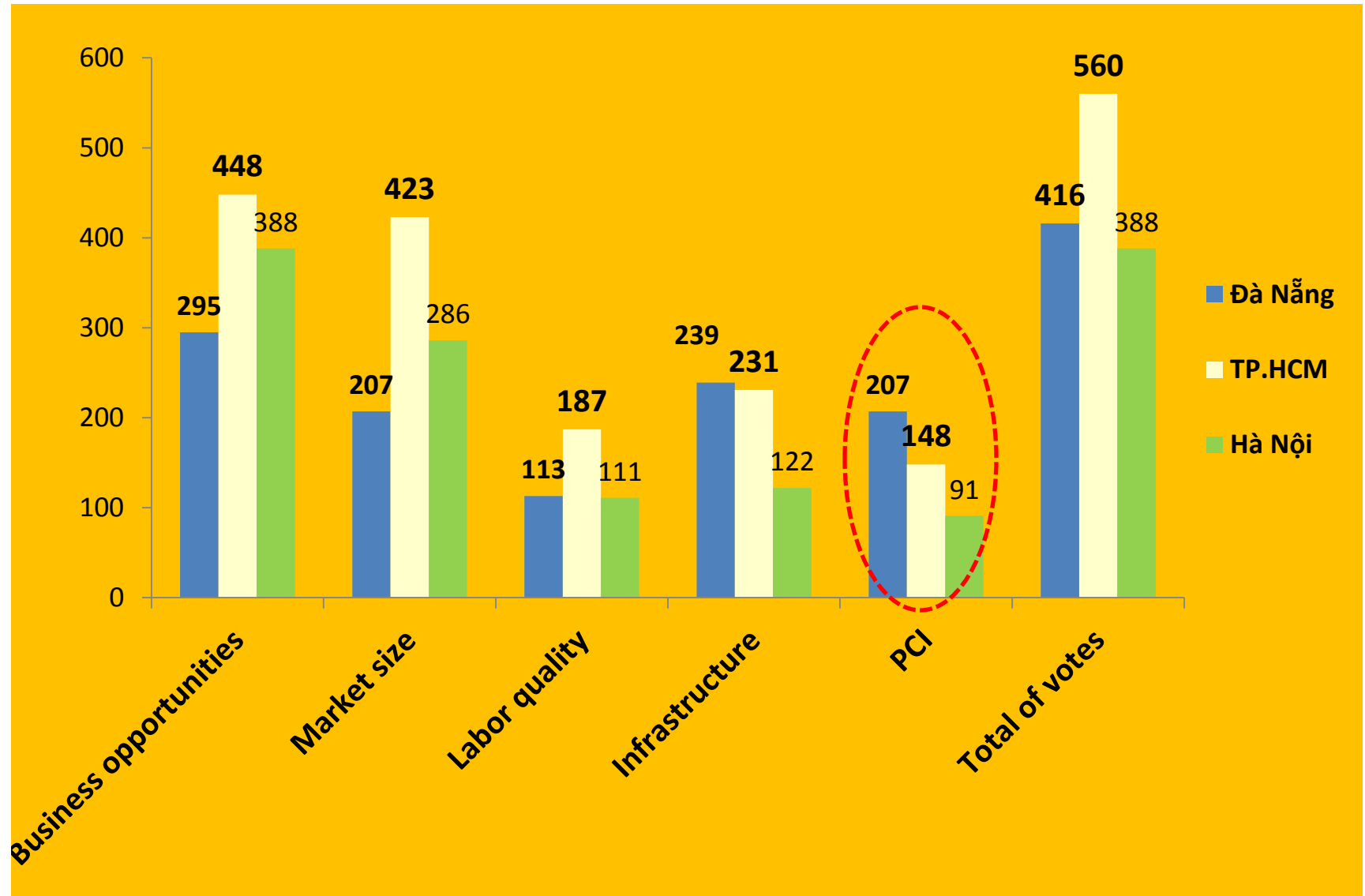




# Top Ten Provinces Considered the Most Attractive Investment Locations



# Reasons for Selection Investment Location



# THANK YOU!

