

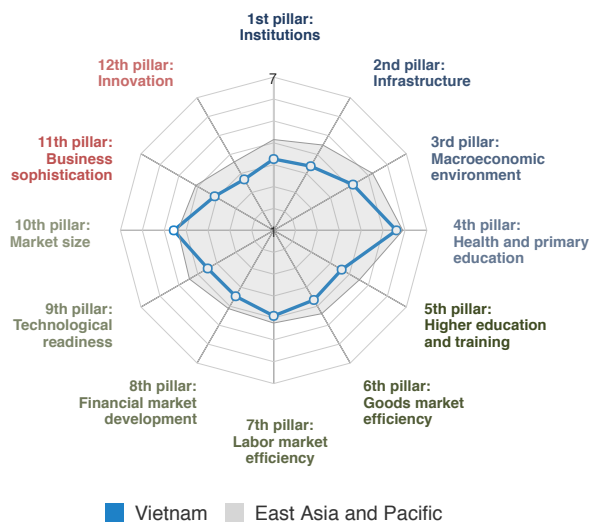
Key indicators, 2016

Source: International Monetary Fund; World Economic Outlook Database (April 2017)

Population millions	92.6	GDP per capita US\$	2,173.3
GDP US\$ billions	201.3	GDP (PPP) % world GDP	0.50

Performance overview

Index Component	Rank/137	Score (1-7)	Trend	Distance from best	Edition	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Global Competitiveness Index	55	4.4			Rank	75 / 144	70 / 148	68 / 144	56 / 140	60 / 138	55 / 137
Subindex A: Basic requirements	75	4.5			Score	4.1	4.2	4.2	4.3	4.3	4.4
1st pillar: Institutions	79	3.8									
2nd pillar: Infrastructure	79	3.9									
3rd pillar: Macroeconomic environment	77	4.6									
4th pillar: Health and primary education	67	5.8									
Subindex B: Efficiency enhancers	62	4.2									
5th pillar: Higher education and training	84	4.1									
6th pillar: Goods market efficiency	91	4.1									
7th pillar: Labor market efficiency	57	4.3									
8th pillar: Financial market development	71	4.0									
9th pillar: Technological readiness	79	4.0									
10th pillar: Market size	31	4.9									
Subindex C: Innovation and sophistication factors	84	3.5									
11th pillar: Business sophistication	100	3.7									
12th pillar: Innovation	71	3.3									

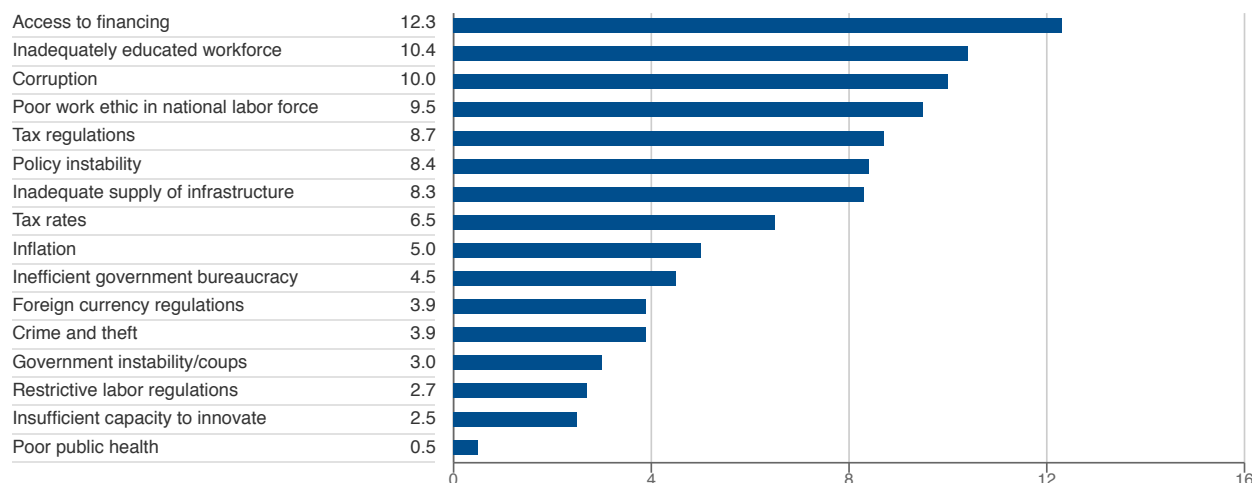


With a relatively modest increase in its overall score, Vietnam (55th) moves up five places to narrowly surpass the Philippines (56th). Vietnam's competitiveness is significantly driven by its market size (31st). Although the withdrawal of the United States from the Trans-Pacific Partnership (TPP) earlier in 2017 eliminated significant trade opportunities, the country's growth is nonetheless projected to remain robust from strong exports.⁸ Significant improvements are necessary across all pillars, notably among the basic requirement factors (75th)

and higher education (84th), as firms perceive that the lack of an educated workforce constitute a significant hurdle for doing business. Vietnam could also boost its competitiveness by closing gaps in innovation and sophistication factors with countries at a similar stage of development, such as the Philippines (see Box 2 for a description of how the latter is working with the GCI to advance its competitiveness agenda).

Most problematic factors for doing business

Source: World Economic Forum, Executive Opinion Survey 2017



Note: From the list of factors, respondents to the World Economic Forum's Executive Opinion Survey were asked to select the five most problematic factors for doing business in their country and to rank them between 1 (most problematic) and 5. The score corresponds to the responses weighted according to their rankings.

Index Component	Rank/137	Value	Trend	Index Component	Rank/137	Value	Trend
1st pillar: Institutions	79	3.8		6th pillar: Goods market efficiency	91	4.1	
1.01 Property rights	90	4.0		6.01 Intensity of local competition	108	4.7	
1.02 Intellectual property protection	99	3.6		6.02 Extent of market dominance	78	3.6	
1.03 Diversion of public funds	61	3.7		6.03 Effectiveness of anti-monopoly policy	94	3.4	
1.04 Public trust in politicians	46	3.6		6.04 Effect of taxation on incentives to invest	64	3.7	
1.05 Irregular payments and bribes	109	3.1		6.05 Total tax rate % profits	76	39.4	
1.06 Judicial independence	84	3.6		6.06 No. of procedures to start a business	105	9	
1.07 Favoritism in decisions of government officials	56	3.3		6.07 Time to start a business days	105	24.0	
1.08 Efficiency of government spending	69	3.3		6.08 Agricultural policy costs	62	3.8	
1.09 Burden of government regulation	76	3.3		6.09 Prevalence of non-tariff barriers	109	3.9	
1.10 Efficiency of legal framework in settling disputes	82	3.4		6.10 Trade tariffs % duty	92	7.5	
1.11 Efficiency of legal framework in challenging regulations	54	3.5		6.11 Prevalence of foreign ownership	96	4.2	
1.12 Transparency of government policymaking	82	3.8		6.12 Business impact of rules on FDI	105	4.0	
1.13 Business costs of terrorism	60	5.3		6.13 Burden of customs procedures	95	3.7	
1.14 Business costs of crime and violence	68	4.7		6.14 Imports % GDP	7	95.6	
1.15 Organized crime	69	4.9		6.15 Degree of customer orientation	113	4.0	
1.16 Reliability of police services	74	4.3		6.16 Buyer sophistication	72	3.3	
1.17 Ethical behavior of firms	81	3.7		7th pillar: Labor market efficiency	57	4.3	
1.18 Strength of auditing and reporting standards	115	3.7		7.01 Cooperation in labor-employer relations	85	4.2	
1.19 Efficacy of corporate boards	130	3.9		7.02 Flexibility of wage determination	81	4.7	
1.20 Protection of minority shareholders' interests	98	3.7		7.03 Hiring and firing practices	49	4.0	
1.21 Strength of investor protection 0-10 (best)	79	5.3		7.04 Redundancy costs weeks of salary	103	24.6	
2nd pillar: Infrastructure	79	3.9		7.05 Effect of taxation on incentives to work	61	4.0	
2.01 Quality of overall infrastructure	89	3.6		7.06 Pay and productivity	66	4.0	
2.02 Quality of roads	92	3.4		7.07 Reliance on professional management	108	3.6	
2.03 Quality of railroad infrastructure	59	3.0		7.08 Country capacity to retain talent	60	3.5	
2.04 Quality of port infrastructure	82	3.7		7.09 Country capacity to attract talent	60	3.4	
2.05 Quality of air transport infrastructure	103	3.8		7.10 Female participation in the labor force ratio to men	24	0.92	
2.06 Available airline seat kilometers millions/week	28	1,355.2		8th pillar: Financial market development	71	4.0	
2.07 Quality of electricity supply	90	4.3		8.01 Availability of financial services	78	4.1	
2.08 Mobile-cellular telephone subscriptions /100 pop.	44	128.0		8.02 Affordability of financial services	60	3.9	
2.09 Fixed-telephone lines /100 pop.	97	5.9		8.03 Financing through local equity market	53	3.9	
3rd pillar: Macroeconomic environment	77	4.6		8.04 Ease of access to loans	69	3.9	
3.01 Government budget balance % GDP	118	-6.6		8.05 Venture capital availability	38	3.4	
3.02 Gross national savings % GDP	21	31.3		8.06 Soundness of banks	112	3.9	
3.03 Inflation annual % change	1	2.7		8.07 Regulation of securities exchanges	89	4.0	
3.04 Government debt % GDP	93	62.4		8.08 Legal rights index 0-10 (best)	31	7	
3.05 Country credit rating 0-100 (best)	71	44.8		9th pillar: Technological readiness	79	4.0	
4th pillar: Health and primary education	67	5.8		9.01 Availability of latest technologies	112	4.0	
4.01 Malaria incidence cases/100,000 pop.	28	13.7		9.02 Firm-level technology absorption	93	4.2	
4.02 Business impact of malaria	29	4.9		9.03 FDI and technology transfer	89	4.1	
4.03 Tuberculosis incidence cases/100,000 pop.	99	137.0		9.04 Internet users % pop.	88	46.5	
4.04 Business impact of tuberculosis	100	4.6		9.05 Fixed-broadband Internet subscriptions /100 pop.	73	9.9	
4.05 HIV prevalence % adult pop.	73	0.4		9.06 Internet bandwidth kb/s/user	48	91.3	
4.06 Business impact of HIV/AIDS	101	4.6		9.07 Mobile-broadband subscriptions /100 pop.	89	46.6	
4.07 Infant mortality deaths/1,000 live births	83	17.3		10th pillar: Market size	31	4.9	
4.08 Life expectancy years	57	75.8		10.01 Domestic market size index	35	4.6	
4.09 Quality of primary education	93	3.4		10.02 Foreign market size index	21	5.8	
4.10 Primary education enrollment rate net %	36	98.0		10.03 GDP (PPP) PPP \$ billions	35	595.5	
5th pillar: Higher education and training	84	4.1		10.04 Exports % GDP	11	93.9	
5.01 Secondary education enrollment rate gross %	68	92.5		11th pillar: Business sophistication	100	3.7	
5.02 Tertiary education enrollment rate gross %	85	28.8		11.01 Local supplier quantity	105	4.1	
5.03 Quality of the education system	71	3.6		11.02 Local supplier quality	116	3.6	
5.04 Quality of math and science education	85	3.7		11.03 State of cluster development	68	3.8	
5.05 Quality of management schools	120	3.3		11.04 Nature of competitive advantage	102	3.0	
5.06 Internet access in schools	77	4.1		11.05 Value chain breadth	106	3.3	
5.07 Local availability of specialized training services	108	3.8		11.06 Control of international distribution	64	3.7	
5.08 Extent of staff training	71	3.9		11.07 Production process sophistication	87	3.5	
				11.08 Extent of marketing	105	4.0	
				11.09 Willingness to delegate authority	96	4.0	
				12th pillar: Innovation	71	3.3	
				12.01 Capacity for innovation	79	4.0	
				12.02 Quality of scientific research institutions	90	3.5	
				12.03 Company spending on R&D	46	3.6	
				12.04 University-industry collaboration in R&D	62	3.5	
				12.05 Gov't procurement of advanced technology products	40	3.6	
				12.06 Availability of scientists and engineers	78	3.8	
				12.07 PCT patents applications/million pop.	91	0.2	

Note: Values are on a 1-to-7 scale unless indicated otherwise. Trend lines depict evolution in values since the 2012-2013 edition (or earliest edition available). For detailed definitions, sources, and periods, consult the interactive Economy Profiles and Rankings at <http://gcr.weforum.org/>