

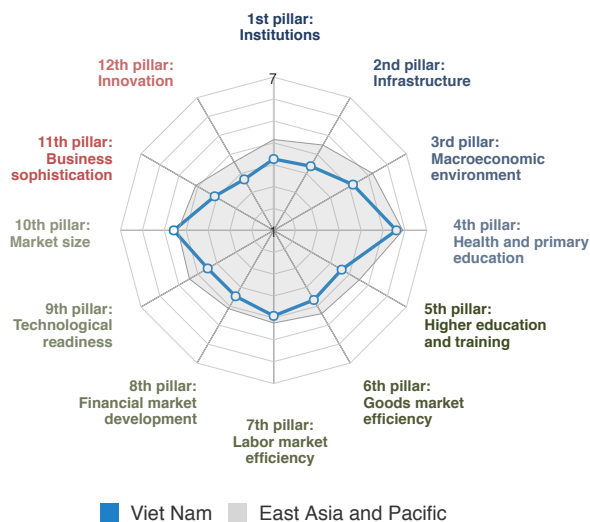
Key indicators, 2016

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									

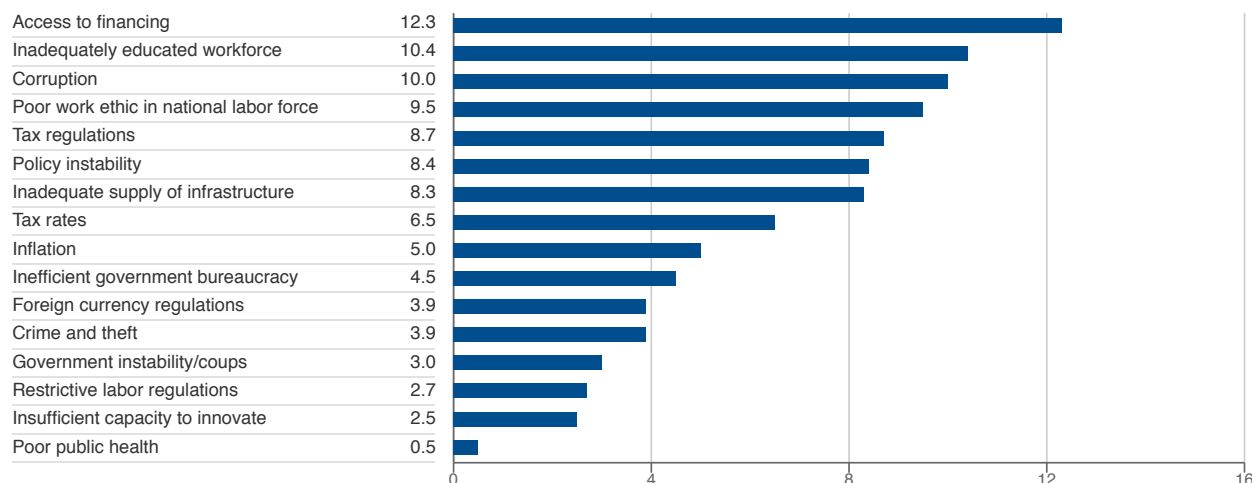


With a relatively modest increase in its overall score, Vietnam (55th) moves up five places to narrowly surpass the Philippines (56th). Vietnam's competitiveness is significantly driven by its market size (31st). Although the withdrawal of the United States from the Trans-Pacific Partnership (TPP) earlier 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
1st pillar: Institutions	79	3.8	
1.01 Property rights	90	4.0	
1.02 Intellectual property protection	99	3.6	
1.03 Diversion of public funds	61	3.7	
1.04 Public trust in politicians	46	3.6	
1.05 Irregular payments and bribes	109	3.1	
1.06 Judicial independence	84	3.6	
1.07 Favoritism in decisions of government officials	56	3.3	
1.08 Efficiency of government spending	69	3.3	
1.09 Burden of government regulation	76	3.3	
1.10 Efficiency of legal framework in settling disputes	82	3.4	
1.11 Efficiency of legal framework in challenging regulations	54	3.5	
1.12 Transparency of government policymaking	82	3.8	
1.13 Business costs of terrorism	60	5.3	
1.14 Business costs of crime and violence	68	4.7	
1.15 Organized crime	69	4.9	
1.16 Reliability of police services	74	4.3	
1.17 Ethical behavior of firms	81	3.7	
1.18 Strength of auditing and reporting standards	115	3.7	
1.19 Efficacy of corporate boards	130	3.9	
1.20 Protection of minority shareholders' interests	98	3.7	
1.21 Strength of investor protection 0-10 (best)	79	5.3	
2nd pillar: Infrastructure	79	3.9	
2.01 Quality of overall infrastructure	89	3.6	
2.02 Quality of roads	92	3.4	
2.03 Quality of railroad infrastructure	59	3.0	
2.04 Quality of port infrastructure	82	3.7	
2.05 Quality of air transport infrastructure	103	3.8	
2.06 Available airline seat kilometers millions/week	28	1,355.2	
2.07 Quality of electricity supply	90	4.3	
2.08 Mobile-cellular telephone subscriptions /100 pop.	44	128.0	
2.09 Fixed-telephone lines /100 pop.	96	5.9	
3rd pillar: Macroeconomic environment	77	4.6	
3.01 Government budget balance % GDP	117	-6.6	
3.02 Gross national savings % GDP	21	31.3	
3.03 Inflation annual % change	1	2.7	
3.04 Government debt % GDP	92	62.4	
3.05 Country credit rating 0-100 (best)	71	44.8	
4th pillar: Health and primary education	67	5.8	
4.01 Malaria incidence cases/100,000 pop.	28	13.7	
4.02 Business impact of malaria	29	4.9	
4.03 Tuberculosis incidence cases/100,000 pop.	98	137.0	
4.04 Business impact of tuberculosis	100	4.6	
4.05 HIV prevalence % adult pop.	73	0.4	
4.06 Business impact of HIV/AIDS	101	4.6	
4.07 Infant mortality deaths/1,000 live births	82	17.3	
4.08 Life expectancy years	56	75.8	
4.09 Quality of primary education	93	3.4	
4.10 Primary education enrollment rate net %	36	98.0	
5th pillar: Higher education and training	84	4.1	
5.01 Secondary education enrollment rate gross %	68	92.5	
5.02 Tertiary education enrollment rate gross %	84	28.8	
5.03 Quality of the education system	71	3.6	
5.04 Quality of math and science education	85	3.7	
5.05 Quality of management schools	120	3.3	
5.06 Internet access in schools	77	4.1	
5.07 Local availability of specialized training services	108	3.8	
5.08 Extent of staff training	71	3.9	

Index Component	Rank/137	Value	Trend
6th pillar: Goods market efficiency	91	4.1	
6.01 Intensity of local competition	108	4.7	
6.02 Extent of market dominance	78	3.6	
6.03 Effectiveness of anti-monopoly policy	94	3.4	
6.04 Effect of taxation on incentives to invest	64	3.7	
6.05 Total tax rate % profits	76	39.4	
6.06 No. of procedures to start a business	104	9	
6.07 Time to start a business days	104	24.0	
6.08 Agricultural policy costs	62	3.8	
6.09 Prevalence of non-tariff barriers	109	3.9	
6.10 Trade tariffs % duty	91	7.5	
6.11 Prevalence of foreign ownership	96	4.2	
6.12 Business impact of rules on FDI	105	4.0	
6.13 Burden of customs procedures	95	3.7	
6.14 Imports % GDP	7	95.6	
6.15 Degree of customer orientation	113	4.0	
6.16 Buyer sophistication	72	3.3	
7th pillar: Labor market efficiency	57	4.3	
7.01 Cooperation in labor-employer relations	85	4.2	
7.02 Flexibility of wage determination	81	4.7	
7.03 Hiring and firing practices	49	4.0	
7.04 Redundancy costs weeks of salary	103	24.6	
7.05 Effect of taxation on incentives to work	61	4.0	
7.06 Pay and productivity	66	4.0	
7.07 Reliance on professional management	108	3.6	
7.08 Country capacity to retain talent	60	3.5	
7.09 Country capacity to attract talent	60	3.4	
7.10 Female participation in the labor force ratio to men	24	0.92	
8th pillar: Financial market development	71	4.0	
8.01 Availability of financial services	78	4.1	
8.02 Affordability of financial services	60	3.9	
8.03 Financing through local equity market	53	3.9	
8.04 Ease of access to loans	69	3.9	
8.05 Venture capital availability	38	3.4	
8.06 Soundness of banks	112	3.9	
8.07 Regulation of securities exchanges	89	4.0	
8.08 Legal rights index 0-10 (best)	30	7	
9th pillar: Technological readiness	79	4.0	
9.01 Availability of latest technologies	112	4.0	
9.02 Firm-level technology absorption	93	4.2	
9.03 FDI and technology transfer	89	4.1	
9.04 Internet users % pop.	87	46.5	
9.05 Fixed-broadband Internet subscriptions /100 pop.	72	9.9	
9.06 Internet bandwidth kb/s/user	47	91.3	
9.07 Mobile-broadband subscriptions /100 pop.	88	46.6	
10th pillar: Market size	31	4.9	
10.01 Domestic market size index	35	4.6	
10.02 Foreign market size index	21	5.8	
10.03 GDP (PPP) PPP \$ billions	35	595.5	
10.04 Exports % GDP	11	93.9	
11th pillar: Business sophistication	100	3.7	
11.01 Local supplier quantity	105	4.1	
11.02 Local supplier quality	116	3.6	
11.03 State of cluster development	68	3.8	
11.04 Nature of competitive advantage	102	3.0	
11.05 Value chain breadth	106	3.3	
11.06 Control of international distribution	64	3.7	
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/>