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### Improving Competitiveness Index: Research at Vinh Phuc Province, Vietnam

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#### Abstract

Enhancing the Provincial Competitiveness Index (PCI) lays the groundwork for sectors at all levels to develop and implement specific plans and solutions in their respective areas of state management. This is aimed at improving the quality of economic and social governance in the province, especially unifying the perception and actions across all sectors and levels, while also boosting the role and responsibility of leaders in agencies and units. The goal is to

overcome bottlenecks, leverage strengths, and strive to position Vinh Phuc as a top 10 investment-friendly locale in Vietnam, an attractive destination for both domestic and international investors. By monitoring the 2016–2020 period, evaluating and analyzing the PCI through various indicators, assessment methods, and survey questions from VCCI addressed to businesses, we can propose solutions to enhance Vinh Phuc's provincial competitiveness in Vietnam.

**Keywords:** PCI, Provincial Competitiveness Capacity, Economic Growth

#### 1. Introduction

The Provincial Competitiveness Index (PCI) for Vietnam's business environment is the result of collaborative research between the Vietnam Competitiveness Initiative (PCI) for Vietnam's business environment (PCI) is the result of collaborative research between the Vietnam Competitiveness Initiative (PCI) for Vietnam's business environment (PCI). VNCI) and the Vietnam Chamber of Commerce and Industry (VCCI). The PCI is designed to evaluate the business environment, the quality of economic governance, and the administrative reform efforts of local governments, thereby fostering the development of the domestic private economic sector. And the Vietnam Chamber of Commerce and Industry (VCCI). The PCI index was built to evaluate the business environment, quality of economic management, and administrative reform efforts of local governments, thereby promoting the development of the domestic private economic sector.

Over the years, Vinh Phuc province has consistently focused on improving the investment and business environment, enhancing the efficiency of administrative management at all levels to facilitate the most favorable conditions for businesses to operate smoothly and effectively within the law, contributing to economic growth. However, during the 2016–2020 period, the provincial competitiveness index has shown a declining trend in recent years and has not achieved the goal of consistently ranking in the top 10 localities with the best governance quality. This reflects the reality that despite efforts to improve the business investment climate, solutions proposed and their implementation by departments, committees, district and city People's Committees, and related units have been limited and lacked significant improvement or breakthroughs. Therefore, Vinh Phuc province needs to take specific actions to gradually improve its investment environment and competitive capacity.

Enhancing the provincial competitiveness index (PCI) lays the groundwork for sectors and levels to build and implement specific plans and solutions in each area of state management. This aims to improve the quality of socio-economic governance in the province, particularly by unifying understanding and action across all sectors and levels while also boosting the role and accountability of leaders in agencies and units. The ultimate goal is to overcome bottlenecks, leverage strengths, and strive to position Vinh Phuc as a top 10 investment-friendly destination in the country, making it an attractive spot for both domestic and international investors.

#### 2. Overview of the Provincial Competitiveness Index (PCI)

The Provincial Competitiveness Index, simply known as PCI, is crafted to evaluate the business environment, economic governance quality, and administrative reform efforts of provincial governments in Vietnam. It doesn't just analyze businesses' perceptions of economic management quality; the annual PCI research also surveys foreign-invested enterprises (FDI) operating in Vietnam, assessing their confidence in business prospects, ranking the quality of local infrastructure, and delving

into specialized studies on trends or significant policies that greatly impact the business activities of companies nationwide.

The PCI is the outcome of a collaborative research effort between the Vietnam Chamber of Commerce and Industry (VCCI) and the United States Agency for International Development (USAID) since 2005. The PCI is determined through a system of component indices, each with its own weight and comprising various sub-indicators that reflect different areas and aspects directly influencing businesses' production and commercial activities at all levels of government.

The PCI index measures the quality of economic governance by provincial authorities across 10 critical sectors vital for the growth of private sector businesses. A locality is considered to have good governance when it offers: 1) Low market entry costs; 2) Easy access to land and stable land use; 3) A transparent business environment with publicly available information; 4) Low informal costs; 5) Quick inspections, regulatory compliance, and administrative procedures; 6) A level playing field for competition; 7) Proactive and innovative provincial authorities in problem-solving for businesses; 8) High-quality business support services; 9) Effective labor training policies; and 10) Fair, efficient dispute resolution processes with maintained law and order.

**Market Entry Costs (5% weight):** This component index evaluates the differences in market entry costs for newly established businesses across provinces, measuring the time required for a company to register, acquire land (number of days), and obtain all necessary permits. It also assesses the completion of all required procedures to commence business operations. Additionally, the index evaluates the efficiency of the One-Stop Shop department in facilitating business registration. Criteria such as friendly and enthusiastic staff, professional expertise, and clear guidance on procedures at the One-Stop Shop are taken into account. The evaluation includes how clearly the One-Stop Shop department outlines the necessary steps.

**The Land Access and Stability of Land Use Index (weighted at 5%)** assesses two aspects: (i) It recognizes the challenges in finding suitable business production sites, which not only cause companies to miss out on investment opportunities but also limit their access to credit due to the lack of collateral at banks. Businesses lose investment opportunities and face restricted access to credit resources because they don't have collateral for the banks. Consequently, this index is calculated based on whether a business has a Land Use Right Certificate or not and if they have enough space to meet their needs. Whether or not they possess a Land Use Right Certificate and have sufficient premises to fulfill their requirements. Whether to expand the premises or not, the actual prices in various localities are... The correlation between local demand, land fund availability, and quality... Completing administrative land procedures through the criterion of the proportion of businesses... Carrying out administrative procedures without facing any difficulties whatsoever. (ii) Evaluating... Assessing whether policies related to land create "stability in usage," wondering if businesses feel secure about their... long-term land use rights, do they feel confident about the stability of their entitlements? When businesses are confident about the stability of their long-term land use rights, they can operate with peace of mind. With a stable production base, they will

confidently invest long-term in that space. Accordingly, this index assesses the risk of land repossession and the compensation price level. Deemed fair in the case of repossession.

**(3) Transparency and Information Access Index (weight 20%):** Transparency is one of the most crucial factors in distinguishing business environments that facilitate private sector growth. Assessing transparency must encompass the following five attributes: availability of information (or the ability for businesses to access information), fairness, stability, and predictability. The implementation of policies and regulations is being assessed for its openness through the evaluation of the province's information portal's popularity. Accordingly, the criteria used in this index include the ease or difficulty of accessing planning documents and legal materials. Whether businesses need to rely on connections to access these documents. And during their operations, they must negotiate with tax officials. It also considers the role of associations in critiquing and advising on policy. As well as the openness of various electronic information portals.

**(4) Time costs to comply with state regulations (weight 5%):** measures the time businesses must spend on administrative procedures as well as the frequency and duration of business interruptions for provincial government agencies to conduct inspections and audits, for example, the percentage of businesses that allocate more than 10% of their time budget throughout the year to understand and implement state-mandated procedures; number of annual inspections and audits; average duration of tax inspections and audits; and criteria for assessing the effectiveness of public servants in general.

**(5) Informal Cost Index (weighted 10%):** measures the level of informal costs that businesses must pay and the obstacles these costs create for their operations. It evaluates whether paying these informal fees results in expected outcomes or "services" and whether government officials exploit legal regulations for personal gain.

**(6) Equal Competition Index:** This component index assesses the competitive environment for private enterprises in light of the preferential treatment given to state-owned enterprises (SOEs) and businesses with foreign investment. Foreign direct investment (FDI) companies and businesses familiar with local government officials at the provincial level, manifest in the form of specific privileges and advantages when accessing resources for development such as land, credit, etc., and are given priority treatment in administrative procedures and policies.

**The Provincial Government's Dynamism and Pioneering Index (weighted at 5%):** This index measures the creativity and insight of the provincial government in implementing central policies, initiating unique strategies to develop the private economic sector, and evaluating their ability to support and adopt sometimes ambiguous central policies in a way that benefits businesses, as well as the effectiveness of their enforcement. In a manner that favors enterprises as well as the effectiveness of policy implementation...by different departments, sectors, and district-level authorities in alignment with the directives of the provincial leadership.

**(8) The Business Support Services Index (weight 20%):** This component index evaluates the business support services—those crucial for a company's success in its operations. It assesses these services across three main aspects: The prevalence of the service, whether businesses

use the service in the province, the level of engagement from private providers, as well as the caliber of the service (as determined by whether customers plan to use it again soon). I will use the service again in the future. 6 service groups include: And business support services. Assistance in finding business partners; trade promotion services; services related to technology; training in accounting and finance; and training in business management.

(9) Labor Training Index (weight 20%): This component index reflects the level and quality of vocational training and skill development activities deployed by the province to support local production and business sectors, as well as to facilitate local employment opportunities.

(10) The Legal Institutions and Security Order Index (weight 5%): This component index reflects the private sector's trust in local legal institutions, whether businesses view these local institutions as effective tools for dispute resolution or as places where they can lodge complaints about public officials' harassment, and the stability of the security and public order maintained.

### 3. Current status of the PCI Index in Vinh Phuc province for the period 2016-2021:

#### General assessment:

Between 2016 and 2021, Vinh Phúc province experienced a

noticeable drop in its ranking, sliding from 9th out of 63 provinces in 2016 to 29th in 2020. Several component indices saw significant declines, such as the Land Access Index plummeting from 36th to 61st, the Informal Costs Index from 23rd to 43rd, the Business Support Index from 28th to 59th, and the Legal Institutions and Public Order Index from 17th to 42nd. The Equal Competition Index fell from 37th to 42nd, and the Transparency Index took a dip from the top 5 down to 11th.

During this phase, three key indicators have shown improvement: the market entry index climbed from rank 37 to 14 (notably ranking first nationwide in 2019), the time costs index rose from rank 52 to 17, and the labor training index improved from rank 18 to 14. Specifically, in 2021, Vinh Phuc's PCI saw a significant leap, securing the 5th spot out of 63 provinces, with several indices experiencing enhancements, such as the Land Access index at rank 7, and both the Time Costs and Informal Charges indices at rank 3. So, the survey results from the Vietnam Chamber of Commerce and Industry over the years indicate that Vinh Phuc province needs to further improve its business investment environment and maintain its high ranking to meet the expectations and needs of domestic and foreign businesses and investors.

No.	Component index	2016		2017		2018		2019		2020		2021	
		Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
1	Market entry	8,48	37	7,10	58	6,67	56	8,65	1	8,33	14	7,02	28
2	Access to land	5,72	36	5,77	53	5,14	60	6,38	49	5,8	61	7,56	7
3	Transparency	6,90	5	6,59	12	6,85	4	6,73	26	6,34	11	5,63	43
4	Time costs	6,01	52	7,27	14	5,90	55	7,21	20	8,34	17	8,46	3
5	Unofficial costs	5,50	23	6,05	16	6,02	33	6,61	16	6,25	43	8,05	3
6	Dynamic feature	5,46	10	5,97	19	6,01	17	6,39	30	6,59	21	7,2	15
7	Business support	5,64	28	6,81	19	6,35	37	6,1	36	5,03	59	7,24	24
8	Labor training	6,36	18	6,68	20	7,18	8	6,87	21	6,94	14	6,81	7
9	Legal institutions	5,84	17	6,28	18	5,82	53	6,52	34	6,49	42	7,78	8
10	Fair competition	4,92	37	5,00	35	5,33	41	6,33	35	6,37	42	7,07	7
11	PCI score	61,52		64,90		64,55		66,75		63,84		69,69	
12	Overall rating	<b>9</b>		<b>12</b>		<b>13</b>		<b>17</b>		<b>29</b>		<b>5</b>	
13	Ranking group	<b>Tốt</b>		<b>Khá</b>		<b>Khá</b>		<b>Khá</b>		<b>Khá</b>		<b>Tốt</b>	

#### Specific results of 10 component indices.

The Market Entry Index (with a 5% weight) ranked 28th out of 63 provinces in 2021, scoring 7.02 points—a drop of 14 places and 1.31 points compared to 2020, yet still higher than the national average of 6.77 points. During the period from 2016–2020, the highest rank achieved by this index was 1st out of 63 in 2019, and the lowest was 58th in 2017. These results indicate a need for ongoing improvements in various aspects of the Market Entry Index, including the attitude and guidance provided for registration procedures, the ability to apply information by business registration departments, and the time taken to complete necessary permits for business operations through online public services and integrated one-stop shops. (Details are in Supplementary Table No. 3).

The Land Access Index (with a 5% weight) ranked 7th out of 63 provinces in 2021, scoring 7.56/10, an increase of 1.76 points and a leap of 54 places compared to 2020, though still below the national average of 7.06 points. Between 2016 and 2020, the highest rank for this index was 36th in 2016, and the lowest was 61st in 2020. It was the lowest-ranked among Vinh Phúc province's ten indices and hadn't seen much improvement. However, in 2021, there was a

remarkable jump of 54 spots to the 7th position out of 63 provinces and cities. This indicates that the decisive measures taken to address the issues and obstacles to land access for businesses in the province have been effective and encouraging. (Details in Supplementary Table No. 4).

The Transparency Index (with a 20% weight) ranked 43 out of 63 provinces and cities in 2021, scoring 5.63, a decrease of 0.71 points, and 32 ranks compared to 2020, falling below the national average of 6.02 points. From 2016 to 2020, the highest rank achieved by the Transparency Index was 4th out of 63 in 2018, and the lowest was 26th in 2019.

This index, with a weight of 20%, has consistently held high rankings. Enhancing it could be straightforward if departments provide complete planning information as mandated on the province's electronic portal and if district People's Committees make it easy for businesses to access information by promptly supplying documents upon business requests to facilitate investment and business processes. Therefore, this is a solution to maintain a high ranking for this index. (Details in Annex No. 5).

The Time Cost Index (with a 5% weight) for Vinh Phuc province in 2021 ranked 3rd out of 63 provinces with a score of 8.46, an increase of 0.12 points and 14 ranks

compared to 2020, surpassing the national average of 7.46 points. During the period from 2016–2020, the highest rank for this index was 14/63 in 2017, and the lowest was 55/63 in 2018. This index has been gradually improving over the past few years. This is a positive sign that shows the government's efforts to reduce time costs for businesses are effective and recognized. (See details in Annex No. 6).

The Informal Cost Index (weighted at 10%): In 2021, it ranked 3rd out of 63 provinces with a score of 8.05, an increase of 1.8 points and 40 places compared to 2020, and below the national average of 7.06 points. During the period from 2016 to 2020, the highest rank for this index was 16/63 in both 2017 and 2019, with the lowest being 43/63 in 2020. This index has been gradually improving over recent years, reflecting the determined solutions to address the issues and obstacles caused by these costs to business operations. (See details in Annex No. 7).

The Dynamicity Index (weighted at 5%): In 2021, it ranked 15th out of 63 provinces and cities with a score of 7.2, climbing 0.61 points and 6 places from 2020, surpassing the national average of 6.82 points. During the period from 2016–2020, the highest rank for this index was 10th out of 63 in 2016, and the lowest was 30th in 2019. This indicates an improvement in the index. Moving forward, it's crucial to focus on fulfilling the commitments made by leaders of agencies and units to the Provincial Party Committee and People's Committee for the term of 2021–2025. (See details in Annex No. 8).

The Business Support Services Index (with a 20% weight) ranked 24th out of 63 provinces in 2021, scoring 7.24 points, an increase of 2.21 points and 35 places from 2020; this is above the national average of 6.87 points. During the period from 2016 to 2020, the highest rank achieved by this index was 19th in 2017, and the lowest was 59th in 2020. This is one of the two lowest-ranking indices for Vinh Phuc province but carries a significant weight, therefore greatly affecting the PCI score and ranking. Moving forward, there needs to be a focus on improving this particular index. (Details in Annex No. 9).

The Labor Training Index (with a 20% weight) ranked 7th out of 63 provinces in 2021 with a score of 6.81, a slight decrease of 0.13 points but a jump of 7 ranks compared to 2020, surpassing the national average of 5.81 points. Between 2016 and 2020, the highest rank it achieved was 8th in 2018, and the lowest was 21st in 2019. This index is one of several that have shown both an increase in score and ranking over the years. This indicates that the quality of labor in Vinh Phuc province has been improving recently. Intensifying efforts to enhance this index are essential for the future, given its high significance. (Details in Supplementary Table No. 10).

The Legal Institutions and Public Security Index (with a 5% weight) saw Vinh Phuc province ranking 8th out of 63 provinces and cities in 2021, scoring 7.78 points, which is an increase of 1.29 points and 34 places compared to 2020, and above the national average of 7.19 points. In the years 2016 to 2020, this index's highest rank was 17th, and its lowest was 53rd. This index is one of the indicators for Vinh Phuc province that showed significant improvement in both score and rank in 2021. Therefore, it's essential to continue enhancing this index in the future. (Details are in Annex Table No. 11).

The Gender Equality Competitiveness Index (with a 5% weight) for 2021 ranked 7th out of 63 provinces and cities,

scoring 7.07 points, an increase of 0.7 points and 35 ranks compared to 2020, surpassing the national average of 5.99 points. During the period of 2016–2020, the highest rank achieved for this index was 35/63 in both 2019 and 2017, with the lowest being 42/63 in 2020. This is one of the indices for Vinh Phuc province that saw a significant increase in both score and rank in 2021. Therefore, it's essential to continue and maintain improvements in this index moving forward. (Details in Annex No. 12).

#### **4. Swot analysis of Vinh Phuc's provincial competitiveness index**

##### **Strengths**

The proactive dynamism of government bodies at all levels, as well as various departments and sectors, has seen significant improvement, especially in administrative procedures and addressing new issues arising in production and business activities; the provincial government of Vinh Phuc consistently champions a spirit of dynamism, creativity, and the courage to think, act, and take responsibility.

Vinh Phuc province consistently leads the way in addressing emerging issues for businesses. The province's policies and strategies for facilitating business operations are stable and coherent. Concerns, suggestions, and challenges faced by small to medium-sized enterprises, especially micro-enterprises during the COVID-19 outbreak, are addressed with the same level of attention as those of large corporations, foreign-invested firms, and state-owned enterprises. Fundamental issues are promptly resolved through direct dialogue and business engagements within the province.

The Provincial Party Committee and its agencies have directed the development of numerous policies and support measures to help businesses within the province adapt, recover swiftly, and grow sustainably. Looking ahead, the province will roll out a plan to assist small and medium-sized enterprises in Vinh Phuc through 2025, which includes establishing an Innovation Center and fostering an entrepreneurial movement to create a more level playing field for businesses.

Transparency in accessing information and handling administrative procedures for businesses (through Public Administrative Service Centers at all levels) is increasingly prioritized. The significant positive change in the land access index, which reached an all-time high in 2021, is evidence that state management of bidding is receiving more attention and that businesses are experiencing improved access to land and mineral resources. Businesses have equal opportunities when it comes to accessing information.

The government's stance on fostering private economic development and improving the business investment climate is crystal clear and resolute. Attracting investment is regarded as a vital resource and driving force for socio-economic growth.

The effective implementation of land use planning and strategies has created a land reserve for various sectors to flourish. Proactively setting aside land for the development of industries and fields meets the demand for building infrastructure, industrial parks, tourist areas, and residential communities, contributing to economic growth and social stability.

Clearly, land acquisition is critical and a necessary condition that's absolutely essential to ensuring clean sites for

deploying defense and security projects, as well as economic and social development projects for the national and public interest. Over the past years, the Vinh Phúc provincial authorities have paid great attention to developing compensation policies, support, and resettlement according to the levels specified in current legal documents. The mechanisms and policies for land clearance compensation have been a focus, with decisive direction from the provincial to local levels, and are regularly adjusted to align with market conditions. This ensures the rights of those whose land is requisitioned are protected, and social security factors are also given due consideration.

Regular audits and reviews of delayed projects are carried out, proposing recovery plans that comply with regulations to encourage capable and genuinely interested investors.

Vinh Phúc province boasts a strategic location with favorable natural conditions, situated near the Noi Bai International Airport and adjacent to the capital Hanoi. It has a well-developed transport network of roads, railways, and waterways connecting to the seaports of Hai Phong and Quang Ninh, as well as the potential-rich northwest region. The climate is temperate, the geological structure is solid, free from floods and earthquakes, and it's rich in tourism potential with numerous scenic spots and a wealth of cultural history.

Vinh Phúc province benefits from a plentiful workforce, characterized by a young population demographic. This gives it an edge in attracting labor from neighboring provinces such as Phu Tho, Tuyen Quang, Yen Bai, Ha Giang, and Lao Cai.

Vinh Phúc province has invested in a cohesive and progressively modern socio-economic infrastructure, placing it among the top 10 localities with the best infrastructure in the country; it's a hub for automobile and motorcycle production and assembly, giving it an edge in attracting the auto and motorcycle ancillary industry.

### **The weak points**

The quality of advisory and proposed solutions for resolving the difficulties faced by businesses is not timely and remains inadequately addressed; the processing time for administrative procedures through the Provincial and District Public Administration Service Centers, as well as the one-stop-shop sections of some agencies, still experiences delays; Businesses continue to incur unofficial costs when carrying out administrative procedures. The provision of information and documents after receiving requests from businesses is still prone to delays.

Efforts to promote and disseminate laws and related content to improve the investment environment have been rolled out, but the effectiveness remains low and has yet to see active collaboration from businesses.

The public and businesses still face certain limitations in accessing information technology, which means that the implementation of online administrative procedures has not been highly effective.

According to a VCCI survey, businesses still have to negotiate with tax officials during their operations; the rate of enterprises being audited or inspected more than three times a year remains high; and companies in the province feel that dispute resolution through courts has not met their expectations, with court decisions not being enforced swiftly.

Even though businesses acknowledge an improvement in the

quality of the local workforce, it still falls short of meeting the majority of their employment needs.

The coordination between various departments and sectors is not tight-knit, often superficial, and lacking in decisiveness and effectiveness.

Private enterprises still perceive a bias in the province favoring large companies, including both state-owned and private ones. A significant proportion of small and medium-sized businesses remain concerned that the province prefers larger enterprises when it comes to land access and economic resources, which tend to be monopolized by these big players with close government ties. This situation is higher than the national average. As a result, the competitive edge and networking capabilities of smaller businesses are limited, making it tough for them to kick-start their operations, engage in investment projects, or tap into various resources.

Support policies for small and medium-sized enterprises, while receiving attention, are not yet highly effective and remain scattered with limited resources.

Micro and small businesses have not really paid attention to legal regulations due to staff limitations, making it difficult for them to access and implement state-related procedures, leading to numerous challenges.

The creation of clean land funds is becoming an urgent need to accelerate the deployment of infrastructure construction projects, address resettlement issues, and shorten the time required for site clearance, thereby attracting investment. However, currently, the resources to carry out these tasks are limited.

Compensation, support, and resettlement efforts for those affected by land acquisition are still lacking.

The land database is in the early stages of development and completion, yet there's a significant shortage of human resources, machinery, and equipment to meet the urgent demands of handling land-related administrative procedures.

### **Opportunities**

The Industrial Revolution 4.0 is unfolding vigorously across the globe, steering towards a digital technology era that helps Vietnam close the development gap with advanced countries and achieve its goal of becoming a modern industrial nation. Additionally, the US-China trade war is also contributing to shifting the investment wave towards Southeast Asian countries, including Vietnam, creating new opportunities for investment attraction and technology transfer.

Legal policies are increasingly equitable among different types of enterprises, and the province is paying more attention to the development of the business community without discriminating based on size or type of business.

Deep integration brings opportunities for small and micro enterprises if they know how to seize and make the most of these chances.

The government and Vinh Phuc province pay special attention to the development of small and medium-sized enterprises, with dynamic and creative provincial leaders supporting the business community.

Businesses investing in Vinh Phuc benefit from its strategic geographic location, transportation links, and economic development potential.

Attracting foreign investment and large-scale projects from major corporations to the province also creates opportunities for small and medium-sized enterprises to join production

and business chains.

The government and provincial authorities prioritize improving the investment and business environment, tackling challenges and bottlenecks as a central task; they assign leaders of agencies and units to be accountable for this area, thereby driving profound changes from the leadership to civil servants at all levels, from provincial to district and commune.

### The Challenges

The system of legal documents governing investment, construction, planning, land, environment, taxation, inspections, and audits still has some inconsistent regulations, leading to difficulties in application and resolution. This also results in additional time and costs for businesses in their investment activities.

The strong rise of neighboring provinces in the region and across the country in improving the investment environment has created fierce competition. This impacts the potential and advantages of our province in attracting investments.

The heavy impact of the COVID-19 pandemic on production and business operations has made companies more sensitive to changes in the investment environment as well as to government and local policies.

Limited competitiveness and resources are among the reasons why businesses struggle to compete with large enterprises, FDI companies, and state-owned enterprises.

Deep integration offers opportunities but also presents challenges for businesses.

The tendency to prioritize resolving issues for large enterprises and those that contribute significantly to socio-economic development remains a challenge for other businesses.

The issue of prioritizing large and familiar businesses in processing procedures, accessing information, and resources by public authorities is still not thoroughly resolved.

Addressing the difficulties and obstacles faced by businesses is a concern, yet the time taken and outcomes achieved still fall short of business expectations.

Inspections and audits have revealed that the application and resolution of difficulties in deploying investment projects by businesses lead to persistent issues, limitations, and violations. These have impacted morale and somewhat curtailed decisiveness, boldness in thinking and acting, as well as the willingness to take responsibility among a majority of officials and civil servants in their current duties.

The district and commune authorities have been slow to implement many tasks and have not followed the provincial directives regarding the resolution of difficulties and obstacles for businesses.

There's still a noticeable delay in handling work, and the advisory and proposal efforts of some agencies and civil servants are limited and not meeting the required standards.

### 5. Solutions

Maintain the operation of a hotline to receive daily business inquiries and urgent suggestions.

Assign unit leaders to direct, supervise, monitor, and track various targets and indicators within their respective fields.

Focus on resolving difficulties for businesses, especially issues related to land, labor, taxes, and administrative procedures under the responsibility of state management agencies.

Develop a promotional plan and provide guidance on the components and essence of the provincial competitiveness index to businesses.

Enhance the role and responsibility of leaders at agencies and units, local departments, committees, and sectors. Civil servants and public employees should demonstrate a high spirit and responsibility in carrying out their duties, improving the quality of policy advice and proposals.

Let's keep up the good work and effectively implement the Public Administrative Service Centers at the provincial and local levels, embracing electronic signatures for multi-level, multi-sector administrative procedures. We should amp up our IT game and roll out online public services at levels 3–4 for certain administrative tasks. By doing this through user-friendly software, businesses can keep an eye on how the government handles their paperwork. Let's also look into cutting down the time it takes to get through red tape, seeing it as a key move to ensure transparency, slash time and under-the-table costs, and clear out any shady dealings to create an inviting investment climate.

Ensure the transparent disclosure of urban planning information and state legal regulations, particularly those of interest to businesses.

Increase your efforts to spread information, promote it, and use information technology to quickly and transparently provide the pertinent information that businesses and investors are seeking.

Implement related policies effectively and promptly to improve the investment environment, business operations, and enterprise development.

### 6. Conclusion

Through monitoring the period 2016-2020, most units and officers assigned to be in charge do not really understand deeply and clearly about PCI, indicators, evaluation method criteria, and question system. VCCI's survey of businesses, so the solutions given are still general, not specific, not close or difficult to identify specific tasks that need to be done to improve scores and rankings of indices and targets. Therefore, it is recommended that relevant agencies disseminate the above information at VCCI's website <https://www.pcivietnam.vn/>, which has a manual on how to use survey results, survey forms and evaluate results. PCI every year for all officials, civil servants, public employees and businesses to research and better understand PCI.

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