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### PCI Index in Hanoi Capital in Vietnam

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#### Abstract

Improving the Provincial Competitiveness Index (PCI) is the basis for sectors and levels to build and implement specific plans and solutions in each field of State management to improve the quality of governance. socio-economic development of the province, especially the unification from awareness to action of branches and levels and enhancing the roles and responsibilities of heads of agencies and units towards the goal of overcoming overcome bottlenecks, promote strengths, strive to make Hanoi City become a

locality with a good business and investment environment, a leading locality in the Northern region of Vietnam and an attractive destination for investors. Domestic and foreign investment. Through monitoring the period 2006-2022, evaluating and analyzing PCI, through indicators, evaluation method criteria, VCCI's system of questions to survey businesses, provide solutions to improve the provincial competitiveness of Hanoi City, Vietnam.

**Keywords:** Provincial Competitiveness, PCI, Sustainable Development

#### 1. Introduction

The Provincial Competitiveness Index on Vietnam's business environment (PCI) is the result of research cooperation between the Vietnam Competitiveness Improvement Project (VNCI) 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.

In recent years, the Red River Delta provinces have always focused on improving the investment and business environment, improving the efficiency of management and administrative apparatus at all levels to create the most favorable conditions for businesses. Production and business are convenient, effective, and legal, contributing to economic growth. However, in the period 2016-2020, the provincial competitiveness index in recent years has tended to decrease and has not reached the goal of being stable in the top 10 localities with the best governance quality. This reflects the reality of the Red River Delta provinces, although there have been efforts to improve the business investment environment, the solutions proposed and the implementation organization of departments, branches, districts, The city and relevant agencies and units still have many limitations and have yet to see improvements and breakthroughs. Therefore, the Red River Delta provinces need to take specific actions to gradually improve the investment environment and competitiveness of the Red River Delta provinces.

Improving the Provincial Competitiveness Index (PCI) is the basis for sectors and levels to build and implement specific plans and solutions in each field of State management to improve the quality of governance. socio-economic development of the province, especially the unification from awareness to action of branches and levels and enhancing the roles and responsibilities of heads of agencies and units towards the goal of overcoming overcome bottlenecks, promote strengths, strive to make Vinh Phuc become a locality with a business investment environment in the top 10 leading localities in the country and an attractive destination for domestic and foreign investors. Water.

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

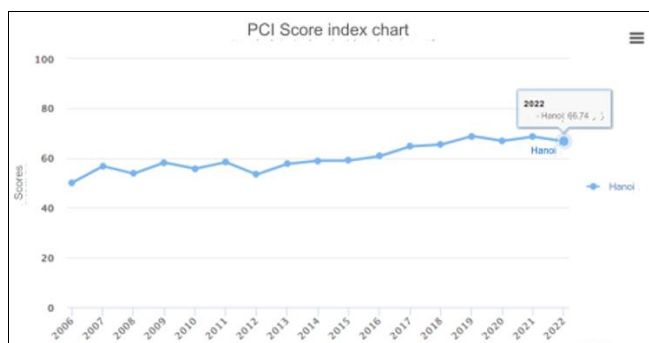
The Provincial Competitiveness Index (PCI) for short was built to evaluate the business environment, quality of economic management and administrative reform efforts of the governments of provinces and cities of the country. Vietnam. Not only focusing on analyzing businesses' perceptions about the quality of economic governance, the annual PCI study also conducts surveys on foreign-invested (FDI) businesses operating in Vietnam, assess business confidence about business prospects, rate the quality of local infrastructure, and conduct thematic research on a prominent trend or policy that has a major impact on production and business activities. Businesses across the country.

PCI is the result of research cooperation between the Vietnam Chamber of Commerce and Industry (VCCI) and the United States Agency for International Development since 2005. PCI is determined through a system of component indices. Each component index has a weight and includes a number of constituent indicators, reflecting different fields and aspects of government at all levels that directly affect the production and business activities of the enterprise.

### 3. Comparison of PCI Index and Components of PCI Index Over Years of NGHE AN Province

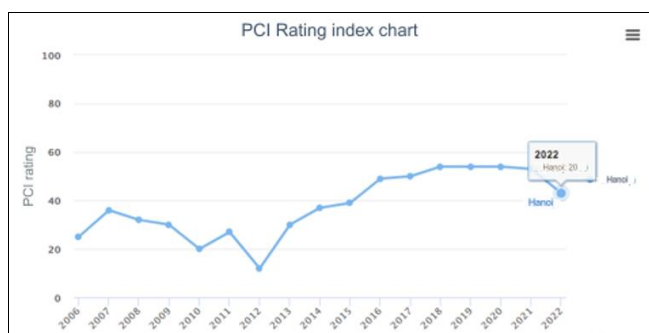
#### 3.1 PCI score

2022 PCI index of Hanoi city ranked 20/63 provinces and cities with 66.74 points, down 10 places and 1.86 points compared to 2021 (table 1 and chart 2). Compared with the group of 11 provinces and cities in the Red River Delta region, Hanoi City ranked 6th in terms of PCI score, the highest in the region is Quang Ninh Province with 72.95 points, this is also a locality. Ranked 1/63 provinces and cities nationwide for 6 consecutive years. Hanoi city's results accurately demonstrate the city government's efforts in 2022 in improving the provincial competitiveness index.



Source: VCCI (2023)

Fig 1: Hanoi City's PCI score



Source: VCCI (2023)

Fig 2: PCI ranking of Hanoi City

#### 3.2 Market Entry Index

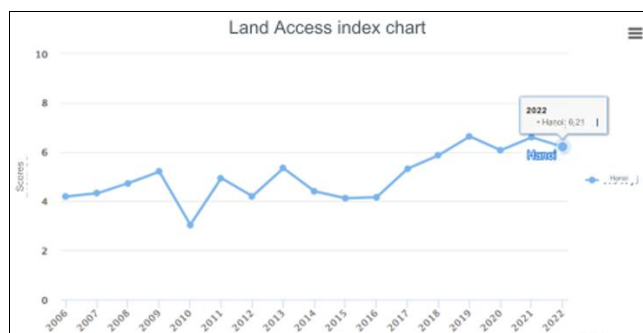
Market Entry Index 2022 of Hanoi City ranked 59/63 provinces and cities with 6.47 points, down 14 places and 0.22 points compared to 2021 (Table 3). Compared with the group of 11 provinces and cities in the Red River Delta region, Hanoi City ranked 11th in terms of the Market Entry Index score.



Source: VCCI (2023)

Fig 3: Market entry index of Hanoi City

#### 3.3 Land access index

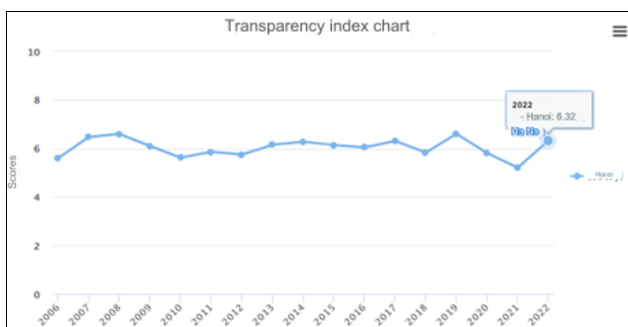


Source: VCCI (2023)

Fig 4: Land access index of Hanoi City

Land Access Index of Hanoi City in 2022 ranked 45/63 provinces and cities with 6.21 /10 points, down 0, 25 points and 7 places compared to 2021 (Table 4) Compared with the group of 11 provinces and cities in the Red River Delta region, Hanoi City ranked 8th in terms of the Land Access Index score.

#### 3.4 Transparency Index



Source: VCCI (2023)

Fig 5: Transparency of Hanoi City

Transparency Index of Hanoi City In 2022, it ranked 27/63 provinces and cities, with 6.32 points, an increase of 0,01 point and 2 places compared to 2021. Compared with the group of 11 provinces and cities in the Red River Delta region, Hanoi City ranked 7th in the score of the Transparency Index.

### 3.5 Time cost index



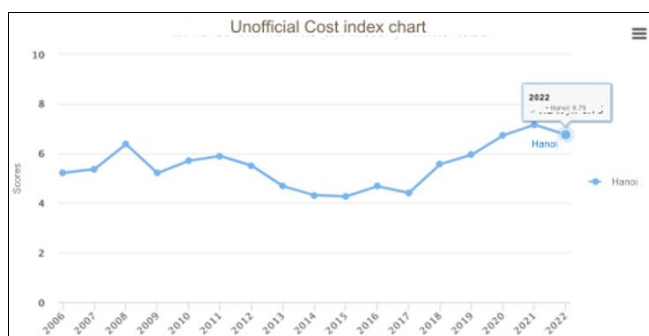
Source: VCCI (2023)

Fig 6: Time costs of Hanoi City

Hanoi City Time Cost Index year 2022 Ranked 42/63 provinces and cities with 7.82 points, down 0.49 points and 12 places compared to 2021.

Compared with the group of 11 provinces and cities in the Red River Delta region, Hanoi City ranked 8th in terms of the Time Cost Index score.

### 3.6 Informal Cost Index



Source: VCCI (2023)

Fig 7: Unofficial costs of Hanoi City

Unofficial Cost Index of Hanoi City year 2022 ranked 33rd / 63 provinces and cities with 6.75 points, an increase of 0.47 points and 18 places compared to 2021.

Compared with the group of 11 provinces and cities in the Red River Delta region, Hanoi City ranked 8th in the score of the Informal Cost Index.

### 3.7 Equal competition index



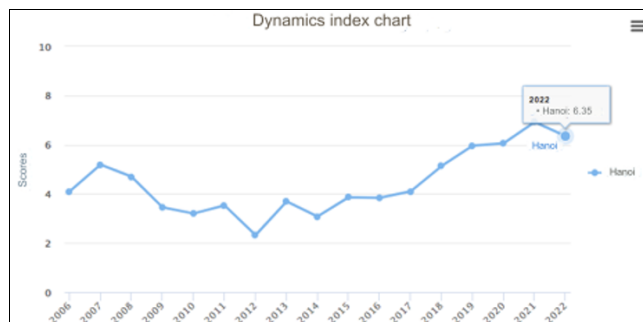
Source: VCCI (2023)

Fig 8: Equal competitiveness index of Hanoi City

Hanoi City 's equal competitiveness index year 2022 Ranked 11/63 provinces and cities with 6.49 points, an increase of 2.54 points and 51 places compared to 2021, this is an index with breakthrough progress and high ranking across the country.

Compared with the group of 11 provinces and cities in the Red River Delta region, Hanoi City ranked 4th in terms of the score of the Equal Competition Index.

### 3.8 Dynamic index



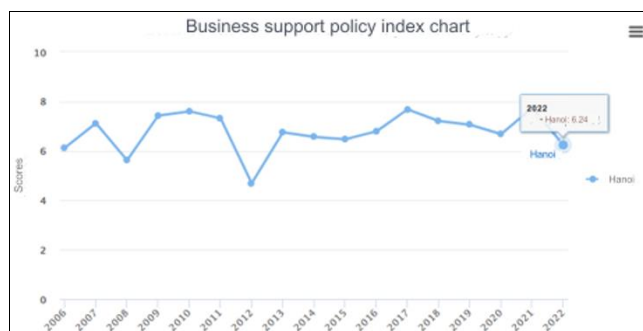
Source: VCCI (2023)

Fig 9: Dynamic index of Hanoi City

Dynamic index of Hanoi City In 2022, it ranked 2nd / 63 provinces and cities with 6.35, an increase of 0.55 points and 33 places compared to 2021. This is also an index that has increased steadily in the past 10 years (from 2011 to 2022 will increase).

Compared with the group of 11 provinces and cities in the Red River Delta region, Hanoi City ranked 5th in terms of the score of the Dynamics Index.

### 3.9 Business Support Policy Index



Source: VCCI (2023)

Fig 10: Business support policy index of Hanoi City

Business Support Policy Index of Hanoi City year 2022 Ranked 03/63 provinces and cities with 6.24 points, down 0.93 points and up 6 places compared to 2021.

Compared with the group of 11 provinces and cities in the Red River Delta region, Hanoi City ranked 2nd in terms of business support policy scores.

### 3.10 Labor Training Index



Source: VCCI (2023)

Fig 11: Labor training index of Hanoi City

Labor Training Index of Hanoi City year 2022 Ranked 48/63 provinces and cities with 7.51 points, down 0.77 points and down 15 places compared to 2021.

Compared with the group of 11 provinces and cities in the Red River Delta region, Hanoi City ranked 13th in terms of the score of the Labor Training Index.

### 3.11 Legal Institutions Index



Source: VCCI (2023)

Fig 12: Legal Institution Index of Hanoi City

Legal Institution Index of Hanoi City year 2022 Ranked 33/63 provinces and cities with 7.23 points, an increase of 0.91 points and 16 places compared to 2021.

Compared with the group of 11 provinces and cities in the Red River Delta region, Hanoi City ranked 10th in the score of the Legal Institutions Index.

## 4. Lessons Learned from Provinces and Cities in Improvement of the PCI Index

- Promote propaganda work on mass media so that businesses understand the ways and benefits of carrying out online business registration procedures;
- Continue to promote administrative procedure reform with the goal of 3 reductions: Reduce time, procedures and costs;
- Improve the sense of responsibility and service attitude of the staff and civil servants in the receiving and guiding department when carrying out administrative procedures;
- Strengthen propaganda and promote the content of commitments and benefits of FTAs that Vietnam has signed to the business community. Improve the quality of information provided on industry websites about support procedures;
- There needs to be mechanisms and policies to support businesses that are close to reality, achieve the highest efficiency, and in accordance with legal regulations;

- It is necessary to strengthen the organization of trade promotion activities, creating opportunities for businesses to access information, mechanisms and State policies;
- Departments, committees and branches need to be more proactive in coordination to improve the PCI index; Further promote information and propaganda of guidelines, policies, and procedures to support businesses to production facilities and businesses in the province;
- Implement stable and consistent land policies, especially in compensation and site clearance.

## 5. References

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