VIETNAM CHAMBER OF COMMERCE AND INDUSTRY
International Trade Center
9 Dao Duy Anh St., Hanoi
Tel: 04. 3577 0632
Fax: 04. 3577 0632. Email: pci@vcci.com.vn

VIETNAM COMPETITIVENESS INITIATIVE
15th Floor, Prime Center
53 Quang Trung St., Hanoi
Tel: 04. 3943 8163
Fax: 04. 3943 8160. Email: pci@vnci.org

Survey Questionnaire
Provincial Competitiveness Index (PCI) 2009

..... *(City/Province)*
..... *(Date)*

All information provided in this questionnaire is to be solely **used for statistical and research purposes.**. It is assured that all information you provide us shall not be disclosed.

Background Information

1. Name of Firm.....
2. Address.....
3. TelephoneNumber.....
4. Fax Number.....
5. E-mail address.....
6. Name of Respondant.....
7. Position.....

A. Overview about the firm

1. In what year was the firm **established** or started operations? .....

2. In what year was the firm granted business registration certificate ? .....

3. If you have operations or frequently do business in any other province or city, please name those provinces and cities:

4. What is your company's current **legal form**? *(Tick one of the following)*

- ❑ Sole Proprietorship
- ❑ Partnership
- ❑ Limited Liability
- ❑ Joint-Stock
- ❑ Other.....

5. In which field does your firm mainly focus?

- ❑ Industry/Manufacturing/Capital construction
- ❑ Service/Commerce
- ❑ Agriculture/Forestry/Aquaculture
- ❑ Mining

6. Please list the firm's 3 main product lines or services? .....
.....
.....
.....

7. What was the total equity capital of your firm? *(Please check √ only one box per row)*

	1. Under 0.5 Billion VND	2. Between 0.5 and 1 Billion VND	3. Between 1 and 5 Billion VND	4. Between 5 and 10 Billion VND	5. Between 10 and 50 Billion VND	6. Between 50 and 200 Billion VND	7. Between 200 and 500 Billion VND	8. Above 500 Billion VND
At the time of establishment?								
In 2008?								
In June 2009?								

Thank you very much for your cooperation!

8. What was the employment size of your firm? (*Please check√ only one box per row)*

	1. Less than 5 people	2. Between 5 and 9 people	3. Between 10 and 49 people	4. Between 50 and 199 people	5. Between 200 and 299 people	6. Between 300 and 499 people	7. Between 500 and 1000 people	8. Above 1000 people
At the time of establishment?								
In 2008?								
In June 2009?								

8.1. Over the last 6 months, how has the employment size of your firm changed? (*Please check √ only one box per row)*

❑ Remain unchanged

❑ Increased, with … more employees

❑ Decreased, with … less employees

9. Which statement best characterizes your firm's overall performance in 2008? *Please check ✓ only one box per row.*

1. Large Losses	2. Small Losses	3. Break even	4. Small profits	5. Profits as expected

10. Which statement best characterizes your firm's investment plans in over the next 2 years?

❑Plan to increase the size of operations

❑Plan to considerably increase the size of operations

❑ Will continue operating at present size

❑ Plan to reduce the size of operations

❑ Plan to considerably reduce the size of operations

❑ Plan to close this business

11. What percentage of your establishment's sales in 2008 was:

(If your firm serves only one kind of customers, please fill 100%, but if serving many kinds of markets, customers, please estimate the percentage of each)

a. Sold domestically to a state owned enterprise ……%

b. Sold to state agencies (at central and local level) ……%

c. Sold domestically to private individuals or firms ……%

d. Sold to foreign individuals or firms located in Vietnam ……%

e. Exported directly ……%

f. Exported indirectly (through a distributor) ……%

12. If your firm exports directly, what is the average costs for shipping goods from your manufacturing premise to the nearest principal port? …. VND ……

13. What is your type of firm? *(Please check ✓ in appropriate box)*

❑ Equitized local state-owned enterprise

❑ Equitized central state-owned enterprise

❑ Firm with some equities owned by state agencies or SOEs

❑ Firm that was formerly household business

❑ Firm with shares listed on the Hanoi or HCMC Stock Exchange

14. Your firm owner:

❑ Graduated from university

❑ Graduated with a Master of Business Administration

❑ Was a leader of a State agency

❑ Was a military officer

❑ Was a manager of a state-owned enterprise

❑ Was an employee at a state-owned enterprise

B. Land Issues and Business Premises

1. Total area of land does your firm presently utilize? ….. m2

2. What type of the land on which your firm presently operates? *(Check one or more appropriate option)*

❑ Part of the household property of the owners or the owners' family
❑ Rented from the Government
❑ Purchased from another party
❑ Long-term rented/leased from another party with all payment made one time only
❑ Rented/Leased from another party with annual payment
❑ Other (*Please describe*)

3. Is there any part of your firm's business premises locating within industrial zone/concentration area?

❑ Yes
❑ No

4. Do you have a LURC for this plot of land?

❑ Yes (*Please answer questions 4.1-4.4*)
❑ No (*Please skip to question 4.3*)

4.1. What year did you receive the land use rights certificate? The year.....

4. 2. From the day you submitted your application, how long did it take to receive the LURC? .....Days

4.3. Please evaluate the stability of your business's premises (i.e. the risk/possibility that your land will be expropriated by the provincial or national government for other purposes):

❑ Very Low
❑ Low
❑ Moderately High
❑ High
❑ Very High

4.4. Based on your observations of other cases in your province, do you believe firms/individuals receive fair compensation for expropriated land?

❑ Never
❑ Seldom
❑ Sometimes
❑ Usually
❑ Always

Thank you very much for your cooperation!

5. Do you agree with the following statement: “Changes in land prices in my province are appropriate to those changes of market prices”?

- ❑ Strongly agree
- ❑ Agree
- ❑ Disagree
- ❑ Strongly disagree

6. Over the last 2 years, has your firm expanded the business premises?

- ❑ Yes
- ❑ No

7. Based on your observations, what are the largest obstacles in terms of business premises for enterprises in your province? (Check one or more if appropriate):

- ❑ Unreasonable land use planning
- ❑ Lack of clean land reserve
- ❑ High prices of land
- ❑ Slow land clearance
- ❑ Complicated land procedures
- ❑ Others (Please specify).....

C. Registration, Licenses and Permits

1. How many days did it take you to register your business at the Department of Planning and Investment (if registered after the Enterprise Law 1999) or at Provincial People’s Committee (if before the Enterprise Law 1999)? ..... Days

2. If you re-registered an existing business, how many days did it take you? .....Days

3. Did you register or re-register your business under the one-stop shop or inter-departmental one stop shop in the province?

- ❑ Yes
- ❑ No

4. Apart from business registration certificate how many other registrations, licenses (environmental, labor, natural resource exploitation, sanitation, fire and safety etc.), and permits does your firm presently need to operate? ..... types of permits

5. How long did it take you to get all required registration certificate, licenses, and stamps to be a fully legal business in your province?

- ❑ Same day
- ❑ Within one week
- ❑ Over one week to less than a month
- ❑ 1-3 months
- ❑ 3-6 months
- ❑ More than 6 months
- ❑ Other.....

6. From your estimate, how much was the actual costs incurred by your firm from the time of registration to the point when your firm officially went into operation? .....VND

Thank you very much for your cooperation!

D. Business operations expenses

1. How many times in total was your business inspected/examined in 2008? .....Times

2. From this list, please select the three agencies who completed most frequently inspections/examinations to your firm in 2008?

1. Fire and Safety
2. Traffic Police
3. Economic Police
4. Customs Authorities
5. DOLISA (Labor Regulators)
6. Market Regulator
7. DONRE (Natural Resources and Environment Inspectors)
8. Tax Authority
9. Food Safety and Sanitation
10. Construction
11. Other.....

Please fill in the cells with the respective number (from 1 to 11) of the agencies as given above

	Most Frequent	2nd Most Frequent	3rd Most Frequent
Agency's Number			

3. Please estimate how many times you were inspected/examined by the Tax Authority in 2008? (Please exclude the cases where tax officers come to your firm to provide guidance on tax procedures compliance) .....Times

4. On average, how long did the tax inspection last? .....Hours.

5. Was your firm inspected/examined by the Environment Authority in 2008?

❑ Yes
❑ No

6. What percentage of senior management's time per year is spent to contact with Government officers to get to understand and comply with administrative procedures ?

❑ Under 1%
❑ From 1% to 5%
❑ From over 5% to 10%
❑ From over 10% to 15%
❑ From over 15% to 50%
❑ From over 50%

Thank you very much for your cooperation!

7. From your experience in the province, please list 3 most troublesome administrative procedures to firms (Starting with the most troublesome administrative procedure)
(1).....
(2) .....
(3) .....

8. Do you know about the following programs and projects by the Government? (*Please check ✓only one box per row)*

Program/Project	**Yes**	**No**
The Public Administration Reform Master Programme		
Prime Minister's Project 30 in administrative procedure simplification		
Pilot project of abolishing People's Councils at district and commune level		

9. Over the last years, does your firm notice any changes when working with state agencies*? (Please check ✓ in appropriate box)*
   ❑ Government officials have become more friendly and effective in handling affairs
   ❑ Your firm does not need to travel many times to obtain required stamps and signaturesany more.
   ❑ Considerably less in paperwork and procedures
   ❑ Statutory fees for many procedures have been reduced
   ❑ Informal charges have been reduced
   ❑ I do not notice any changes

10. Do you agree with this statement?
"It is common for firms in my line of business to have to pay some irregular 'additional unofficial payments.'

❑ Strongly agree
❑ Agree
❑ Disagree
❑ Strongly disagree

11. On average, what percentage of income do firms in your line of business typically pay per annum in unofficial payments to public officials?
   ❑ 0% ❑ Less than 1%

Thank you very much for your cooperation!

❑ From 1% to less than 2%
❑ From 2% to less than 5%
❑ From 5% to less than 10%
❑ From 10% to less than 20%
❑ From 20% to less than 30%
❑ Over 30%

12. If a firm pays the required 'additional payment' how often is the service delivered as the firm expected?
    ❑ Always
    ❑ Usually
    ❑ Sometimes
    ❑ Seldom
    ❑ Never

13. When firms in your industry do business with government, do they generally pay "commissions"?
    ❑ Yes
    ❑ No

14. Do you agree with the following statements? *(Check ✓ only one box for each row)*

Statements	Strongly agree	Agree	Disagree	Strongly disagree
1. The attitude of the provincial government does not depend on contribution to local development (e.g. number of employees hired, amount of tax paid…)				
2. Using compliance to extract rent is quite common.				
3. Negotiations on payable taxes with provincial tax officers are a necessary part of doing business.				

E. Business environment

E1. Infrastructure

1. How do you rate the overall quality and efficiency of these services delivered by provincial public agencies? *Please check only one box per service*.

Services	**Very Bad**	**Bad**	**Slightly Bad**	**Slightly Good**	**Good**	**Very Good**
1. Road quality (including roads and bridges)						
2. Telephone						
3. Electricity						
4. Clean water						
5. Industrial zones and/or concentrations						
6. Internet						
7. Education						
8. Vocational training for labour						

2. According to your best estimate, how many days in a year are the roads from your firm to the province's center blocked by floods, landslides, etc.? ……Days

3. What loss was caused by your products being damaged from bad road quality last year? ……. VND

4. In the last month, how many hours of power outage did you undergo? …… Hours

5. What percentage out of the total times of power outage was firm informed in advance? ..... %

6. In the last month, how many hours was your telephone and other telecommunication services (e.g. fax and internet) out of service? ….. Hours

Thank you very much for your cooperation!

E2. Business support services for business operations

7. **In the last year**, did your firm **use** the following services in the province?
?

Service	**No**	**Yes** *(Mark the appropriate service provider)*			If the firm intend to use this service in the future, please mark
		Provided by provincial agencies	Provided by private sector	Don't know who provide	
1. Business information search					
2. Consulting on regulatory information					
3. Recruitment and employment placement services					
4. Business partner match-making					
5. Trade promotion and trade fairs/exhibitions					
6. Technology and technology-related services					

1.
8. In the last year, what percentage of total business costs did your firm spend in labor recruitment? .....
....%

9. In the last year, what percentage of business costs did your firm spend in labour

Thank you very much for your cooperation! 12

training? ..... %

10. From your experience in employment, please judge the quality of local labor:

❑ It satisfies all needs of firms
❑ It satisfies partly the needs of firms
❑ It generally cannot satisfy needs of firm
❑ Absolutely cannot satisfy needs of firms

E3. Finance and credit

11. Do you presently have **a bank loan** from state owned or joint stock commercial banks?

❑ Yes
❑ No (please skip to Section *F*)

If **Yes**, for the latest bank loan of your firm

11.1. It is from:

❑ State owned commercial banks
❑ Joint stock commercial banks
❑ Others (please specify): ....

11.2. The **term** is ..... Months

11.3. What is the **average annual interest rate** for bank loans?

❑ Below 7% per annum
❑ From 7 to below 9% per annum
❑ From 9 to below 11% per annum
❑ From 11 to below 13% per annum
❑ From 13 to below 15% per annum
❑ From 15 or more per annum

11.4. In year 2009,does your firm have access to the Government's preferential loan with interest rate subsidies (under the Government stimulus package)?

❑ Yes (please answer question 11.4.1)
❑ No

11.4.1 If yes, is that a preferential loan with an interest rate subsidy of 4% (under Decision 131/2009/QĐ-TTg by the Prime Minister)?

❑ Yes

❑ No

12. How do you judge the local loan policy? (*Please check only one box for each row)*

Judgments	**Strongly agree**	**Agree**	**Disagree**	**Strongly disagree**
1. Businesses cannot get loans without mortgage assets.				
2. Interest rates and other lending conditions applied to private businesses are always more difficult than those for SOEs.				
3. Loan procedures are very troublesome.				
4. The favor of “giving bribe” to bank staff is very common				

F. Transparency and Information Accessibility

1. Please rate your accessibility to these provincial documents and information .

(Please mark ✓ to select one answer for each type of information and document)

Document	**Very Easy**	**Easy**	**Possible**	**Possible, but Difficult**	**Impossible**
1. Provincial budget					
2. Provincial socio-economic development plans					
3. Central Laws, Ordinances, Decrees, Decisions					
4. Implementing documents of central ministries					

Thank you very much for your cooperation!

Document	Very Easy	Easy	Possible	Possible, but Difficult	Impossible
5. Legal documents at provincial level					
6. Plans for new infrastructure projects					
7. Central investment plans					
8. Land use allocation plans and maps					
9. Provincial investment incentive policies					
10. Administrative procedures forms					
11. Information on changes in tax regulations					
12. Business registered enterprise data					
13. Official Gazette (for legal documents)					

2. Do you think that it is necessary to have a relationship with provincial officials to access to these above documents /information?

- ❑ Yes (please answer question 2.1)
- ❑ No

2.1. If **Yes**, please state 3 documents that are the most difficult to access:

(1)

……

(2)

……

(3)

……

3. How often do representatives from the provincial People's Committee or provincial departments meet with you and other private domestic businesses to **solicit comments** on the promulgation or amendments of **provincial regulations**?

- ❑ Never
- ❑ Seldom
- ❑ Sometimes

Thank you very much for your cooperation!

❑ Usually
❑ Always

4. Have you ever given comments on the Government's regulations and policies?

❑ Yes (Please answer question 4.1)
❑ Never (please skip to question 5)

4.1. If yes, which channel in your opinion is the **most effective**? (Check only one option)

❑ Public – private dialogues
❑ Provincial delegations of the National Assembly
❑ Provincial website, online dialogue forums
❑ Business and professional associations
❑ Direct comments to relevant state agencies
❑ Others (please specify)
.....

5. Is your firm a member of any business associations or business clubs in your province?

❑ Yes. *Please name the organization(s)*.....
❑ No

5.1. From your observation, what role do local business associations play in developing and countering provincial regulations?

❑ Very important role
❑ Important role
❑ Little role
❑ No role

6. Have you ever visited the provincial People's Committee's website or provincial departments' websites?

❑ Usually
❑ Sometimes
❑ Never

7. How predictable are changes in laws at central level affecting your business?

❑ Never
❑ Seldom
❑ Sometimes
❑ Usually
❑ Always

Thank you very much for your cooperation!

8. How predictable is the implementation of these rules, laws, and regulations at the provincial level?

- ❑ Never
- ❑ Seldom
- ❑ Sometimes
- ❑ Usually
- ❑ Always

9. Does provincial environmental pollution cause any economic loss to your firm?

- ❑ Yes
- ❑ No

10. During the last year, do you know any cases where enterprises are punished for violating environmental regulations?

- ❑ Yes
- ❑ No

G – Dispute resolutions

1. Over the last 2 years, have you encountered any disputes with clients, providers, partners…?

- ❑ Yes (please answer question G2)
- ❑ No (please go to question G5)

2. If yes, did you appeal to the court for dispute resolution?

❑ Yes (please answer question 3)
❑ No (please go to question 4)
❑ Use trade arbitrator (please go to question 5)
❑ Considering whether to appeal to the court (please go to question 5)

3. If you have appealed to the court, for the latest dispute:

3.1. Which provincial court resolved your dispute? .....province
3.2. How long did it take for an effective judgment to be issued from the time of appeal application? .....months
3.3. According to your firm's estimation, what percentage does the costs (both formal and informal) for dispute resolution account for in the value of dispute? .....%
3.4. Was that court judgment enforced?

Thank you very much for your cooperation!

❑ Yes
❑ No

4. If you did not appeal to the court, what was the reason? (Please check ✓ where appropriate, more than one options can be selected)

❑ Other ways are more appropriate
❑ It takes long time for the dispute to be resolved
❑ Costly dispute resolution expenses
❑ Offering bribes to solicit favorable judgment is common
❑ Insufficient capacity of court officials

5. Do you agree with the following statement? “I believe that the court and enforcement system…. of the province will protect my contract and property rights in business disputes”

❑ Strongly agree
❑ Agree
❑ Disagree
❑ Strongly disagree

6. In your opinion, how often is the following statement true? “In the province, I can appeal to the competent person of higher level for resolution if a state cadre breaks the law (e.g. excessive inspection, asking for informal charges)

❑ Always
❑ Usually
❑ Occasionally
❑ Seldom
❑ Never

H. Provincial Proactivity and Dynamism toward the Private Sector

1. What do you think is the attitude of provincial government officials toward private business?

- ❑ Negative
- ❑ Somewhat Negative
- ❑ Neutral
- ❑ Somewhat Positive
- ❑ Positive

2. Do you agree with the following statements? (*Please check ✓ only one box per statement)*

Statement	**Strongly Agree**	**Agree**	**Disagree**	**Strongly Disagree**
1. There are good initiatives in the province but they are not effectively implemented by sectors and departments under the provinces				
2. My provincial People's Committee is very flexible at working within central laws to create a favorable business environment				
3. My provincial People's Committee is creative and clever about solving newly emerged business problems				
4. My provincial People's Committees is willing to risk punishment from the central government to pass decisions that may aid my business				
5. Favoritism toward equitized companies is an obstacle to my business				
6. The provincial authorities seem to prioritize FDI attraction to private sector development				
7. The provincial authorities prioritize settling of foreign enterprises' difficulties to domestic enterprises' ones.				

3. If you agree with the above statement: "The provincial authorities seem to prioritize FDI attraction to private sector development.what **privilege/favoritism** do the provincial authorities give to **foreign enterprises**?

Thank you very much for your cooperation!

(Please check ✓ where appropriate, more than one options can be selected)

- ❑ Favoritism in land access
- ❑ Simpler and less time consuming administrative procedures
- ❑ Support of local authority in land clearance
- ❑ Support of local authority in business operations
- ❑ Other privilege/favoritism……

4. Do you agree with the following statement "The provincial authorities give favoritism to state corporations, create difficulties for your firm's business operation".

❑ Strongly agree (Please answer question 4.1)
❑ Agree (Please answer question 4.1)
❑ Disagree (Please skip to question H5)
❑ Strong disagree (Please skip to question H5)

4.1. If you agree with the above statement, what privilege/favoritism do the provincial authorities give to corporations? *(Check the appropriate options, more than one options can be selected)*

- ❑ Favoritism in land access
- ❑ Favoritism in access to loans
- ❑ Simpler and less time-consuming administrative procedures
- ❑ Easy to get state agencies contracts
- ❑ Other privilege/favoritism ……

5. Do you agree with the following statement "Contracts, land and other business resources mostly fall into the hands of enterprises having close relationships with the provincial authorities"?

- ❑ Strongly agree
- ❑ Agree
- ❑ Disagree
- ❑ Strongly disagree

6. If your firm were planning to expand your business to another province or city, which province or city would you choose? (please name only one province or city)
……

I. Information technology

1. How many computers does your firm have?
…….computers

2. What is the proportion of the budget spent on information technology (for purchase of computers, internet access, professional application softwares) over the current business capital of your firm?

❑ Less than 1%
❑ From 1 – under 2%
❑ From 2 – under 5%
❑ From 5 – under 10%
❑ From 10 – under 20%
❑ From 20 – 30%
❑ Above 30%

3. Do you agree with the following statement: " It is common that enterprises in the province use unlicensed/cracked computer software"

❑ Strongly agree
❑ Agree
❑ Disagree
❑ Strongly disagree

4. If your firm needs a licensed software for your work, are you willing to pay the required amount of money to purchase that software?

❑ Yes
❑ No

J. Other issues (Optional)

Your answers to the questions under this section will provide information about difficulties that businesses are facing as well as useful policy recommendations for provinces to address these difficulties.

1. Please list 5 most difficult issues (by order of importance) relating to provincial business environment you have encountered.

1. _____
2. _____
3. _____
4. _____
5. _____

2. In your opinion, what are the 5 specific solutions (by order of priority) the provincial authorities should give priority to in coming time?

1. _____
2. _____
3. _____
4. _____
5. _____

3. Other issues you would like to raise relating to the provincial business environment.

Thank you very much for your cooperation!