Vietnam Competitiveness Initiative and Vietnam Chamber of Commerce and Industry

Provincial Competitiveness Index
Firm-Level Survey Questionnaire

Background information[1]

1. Name of firm…….
2. Address…….
3. Phone number…….
4. Fax…….
5. E-mail…….
6. Name of interviewee…….
7. Position…….

A. Basic business information

1. What year was the firm originally founded? ……..…….
   What year was the firm registered as a legal private company at the Department of Planning and Investment (DPI)? …….
   If the registration at DPI was a re-registration, what year did you originally register the firm? ……

2. Where are your principal operating facilities located? …….

3. What is this company's current legal form?

- o Private
- o Limited liability
- o Shareholding company
- o Other

4. What is the ownership history of this enterprise?

- o 100% privately-owned and independent since start-up
- o 100% private now, but previously fully/partly owned by or legally connected to public sector/government
- o 100% private now, but previously owned or legally connected to a larger private company at start-up
- o 100% private now, but has joint venture with government agency or SOE.
- o Currently majority-private, but some shares held by government agency or SOE.
- o Other

5. What is the principal sector in which your firm operates?

- o Industry/Manufacturing
- o Construction
- o Service
- o Trade
- o Agriculture/Forestry/Aquaculture

[1] All the information provided in this questionnaire is to be solely used for empirical study. We are committed to keep all the information that you provide us private and confidential.

Thank you very much for your cooperation!

6. What are the firm's main product lines or service activities?
   ……..

7. What was the registered capital of your firm:
- At the time of establishment ……
- In 2002 …….
- In 2003 …….

8. What was the actual owner's equity capital of your firm:
- At the time of establishment ……
- In 2002 …….
- In 2003 …….

9. What were the liabilities (borrowings and accounts payable) of your firm:
- At the time of establishment ……
- In 2002 …….
- In 2003 …….

10. What was the total number of employees of your firm?
- At the time of establishment ……
- In 2002 …….
- In 2003 …….

11. What were the gross revenue of your firm:
- At the time of establishment ……
- In 2002 …….
- In 2003 …….

12. What percentage of your sales results from exports? ……%

13. What were the profits of your firm:
- At the time of establishment ……
- In 2002 …….
- In 2003 …….

14. What was the value of fixed assets of your firm:
- At the time of establishment ……
- In 2002 …….
- In 2003 …….

15. By your best estimates, what percentage of your sales was reinvested in 2003:
- Less than 5%
- 5-10%
- 10-15%
- 15-20%
- 20-25%
- Greater than 25%

Thank you very much for your cooperation!

16. Who are your main customers?
- o Foreign individuals
- o Foreign companies (including representative offices and branches)
- o Vietnamese individuals
- o Private Vietnamese firms
- o Vietnamese cooperatives
- o Vietnamese SOEs
- o Central Vietnamese government agencies
- o Local/Provincial authorities
- o Other……

17. From whom do you purchase your inputs?
- o Foreign individuals
- o Foreign companies (including representative offices and branches)
- o Vietnamese individuals
- o Private Vietnamese firms
- o Vietnamese cooperatives
- o Vietnamese SOEs
- o Central Vietnamese government agencies
- o Local/Provincial authorities
- o Other……

18. What percentage of your inputs do you import from abroad? ……%

B. Basic Implementation of the Enterprise Law

B1. Land Issues

1. Where is the location of your main facilities or office?
- o Business property
- o Part of my household property
- o Inside the compound of a state-owned enterprise
- o Household property of a business partner, friend, or relative.
- o In an industrial estate (industrial zone or industrial concentration)
- o Other

2. How did you obtain the land that your business sits on?
- o I purchased the land (Go to question 2.1).
- o I inherited the land (Go to question 2.2).
- o I am renting the land (Go to question 2.3).
- o I have an informal arrangement to use the land of another party (Go to question 3).
- o Other (Please describe)…….. (Go to question 3).

2.1. <u>If you purchased the land:</u>

2.1.1. What year did you purchase the land? .....

2.1.2. From whom did you purchase the land?

Thank you very much for your cooperation!

- o Vietnamese individuals
- o Private Vietnamese firms
- o Vietnamese cooperatives
- o Vietnamese SOEs
- o Local/Provincial authorities
- o Other……..

2.1.3. Does the land that your firm currently sits on have any legal documentation?

- o Red book or official certificate of land use rights (CLUR)
- o Presently applying for a red book
- o No official CLUR, but not applying for red book
- o Other.....

2.1.4. From the time of application to the receipt of the CLUR, how many days did you have to wait or how long have you waited thus far? ……..

(Please go to question 3)

2.2. <u>If you inherited the land:</u>

2.2.1. Did the land have a formal land use right certificate when you inherited it?

- o Yes
- o No

2.2.2. If you did not have a formal land use rights certificate after inheriting it, how long did it take provincial officials to grant you a CLUR?.....days. What year did you received the formal CLUR? .....

(Please go to question 3)

2.3. <u>If you are leasing the land:</u>

2.3.1. From whom are you leasing?

- o Vietnamese individuals
- o Private Vietnamese firms
- o Vietnamese cooperatives
- o Vietnamese SOEs
- o Local/Provincial authorities
- o Other.....

(Please go to question 3)

3. How would your business change if land was easier to obtain?

- o We would expand plan size
- o We would diversify into new activities requiring more land
- o Our dependence on SOEs would be reduced
- o Other, please explain…….

Thank you very much for your cooperation!

B2. Licenses and Permits

4. Currently, how many registrations, licenses (environmental, labor, natural resource exploitation, etc.), and permits does your firm have (Please count all the licenses, permits, etc, issued by different agencies, even if they deal with the same type of activity)?.....

5. What are the three most important licenses, registration, and permits for your business? How long did it take you to receive them?

License/Permit	Days to receive
1.	
2.	
3.	

6. If you registered before the Enterprise Law of 2000, how long did it take you to register your business? ……. (days)?

7. If you registered after the Enterprise Law of 2000, how long did it take you to register your business at the Department of Planning and Investment (DPI)……(days)?

8. How long did it take you to get all the relevant documents necessary to be a fully legal business in your province?

- Same day
- Within one week
- Less than a month
- 1-3 months
- 3-6 months
- More than 6 months
- Other……

9. Did you have trouble obtaining licenses and permits that you have?

- Yes
- Somewhat
- No

10. If so, with which documents and what kinds of problems did you encounter……

B3. Inspections and examination visits

11. How many total times was your business inspected/examined in 2003? …… (times).

12. How did the number of inspections/examination compare to the period prior to the 2000 Enterprise Law?

- Decreased
- No Change
- Increased

Thank you very much for your cooperation!

13. On average, how many hours did the inspection last, and what were the costs of it?

Agency	No. of visits per year	Avg. hour per visit	Cost of fines or seized goods (VND)	Informal costs (VND)
Tax Inspectors				
Customs Agency				
Fire and Safety				
Sanitation				
Local Police				
Construction				
Market Regulator				
Traffic Police				
Other				

14. How many times tax inspections were voluntary visits of the tax authority to assist your preparation rather than inspections of problems or investigations? .....

C. Planning and Policies

1. Could you please rate the overall quality and efficiency of services delivered by the following central public agencies as they apply to your business? *Please check only one box per agency.*

Agency	Very good	Good	Slightly good	Slightly bad	Bad	Very Bad
1. National Assembly						
2. Prime Minister's Office						
3. Ministry of Planning and Investment						
4. Ministry of Industry						
5. Ministry of Finance						
6. Ministry of Natural Resources and Environment (National Land Authority)						

2. Could you please rate the overall quality and efficiency of services delivered by the following local public agencies as they apply to your business? *Please check only one box per agency.*

Agency	Very good	Good	Slightly good	Slightly bad	Bad	Very Bad
1. Provincial People's Committee						
2. Department of Planning and Investment						
3. Department of Finance						
4. Department of Industry						
5. Department of Natural Resources and Environment (Land Authority)						
6. Tax Authority						
7. Provincial People's Court						
8. Provincial Union of Cooperatives						
9. District People's Court						
10. Branches of the State Bank of Vietnam in						

Thank you very much for your cooperation!

your province						

3. Could you please rate the overall quality and efficiency of these services delivered by provincial public agencies as they apply to your business? *Please check only one box per agency*.

Regulation	**Very good**	**Good**	**Slightly good**	**Slightly bad**	**Bad**	**Very Bad**
1. Roads quality	.					
2. Port quality						
3. Telephone						
4. Electricity						
5. Water						
6. Public health care						
7. Education						
8. Business information						
9. Business consulting						
10. Labor training						

4. Could you please rate the overall quality and efficiency of these services delivered by provincial public agencies as they apply to your business? *Please check only one box per agency*.

Plan	**Very good**	**Good**	**Slightly good**	**Slightly bad**	**Poor**	**Very Poor**
1. Infrastructure development						
2. Industrial concentrations for SMEs						
3. Conversion of agricultural land for business development						
4. Equitization of local SOEs						
5. Business partner match-making						
6. Attraction of FDI						
7. Development Assistance Fund						
8. Improving access to capital						
9. Labor capacity training						
10. Export promotion						

5. According to your best estimate, how much progress has been made in implementing the above provincial plans?

- o Positive improvement in all areas
- o Generally positive, but with slow growth in some areas
- o Mixed results.
- o Generally negative, but with some highlights.
- o No improvement in all areas.

Thank you very much for your cooperation!

D. Transparency and Accountability

1. Could you have access to these provincial documents?

Plan	Very easy	Easy	Possible	Possible, but difficult	Impossible
Provincial budget					
Ten-year master plan					
Five-year master plan					
Yearly planning documents					
Private sector action plans					
Central government decisions and decrees					
People's committee decisions and circulars					
Plans for new infrastructure projects					
Central investment plans					
Land use allocation plans and maps					
Applications for business registration and land use.					
Information on changes in tax laws					

2. How important is having a relationship in government for receiving access to these documents?

- o Very important
- o Often
- o Sometimes
- o Seldom
- o Never

3. How often do representatives from the provincial People's Committee or provincial departments meet with you and other private domestic businesses to discuss changes in laws or polices?

- o Very often
- o Often
- o Sometimes
- o Seldom
- o Never

4. How predictable are changes in the central government's rules, laws, and regulations about economics and finance which materially affect your business?

- o Always
- o Usually
- o Sometimes
- o Seldom
- o Never

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

- o Usually
- o Frequently
- o Sometimes

Thank you very much for your cooperation!

- o Seldom
- o Never

6. Do you agree with the following statements? *Please check only one box per statement.*

Statement	**Strongly Agree**	**Agree**	**Disagree**	**Strongly Disagree**
1. The attitude of the provincial government does not depend on contribution to local development (i.e. labor or revenue)				
2. Provincial government officials use compliance with local regulations to extract rents				
3. I have noticed that it becomes more difficult to interact with provincial government officials when important party/government events (such as Party Congresses) are approaching.				
4. Negotiations with provincial tax authorities are a necessary part of doing business.				

7. How important are your family and friends in dealing with the following:

Problem	**Very Important**	**Important**	**Somewhat Important**	**Not at all**
1. Infrastructure problems				
2. Bargaining with government officials				
3. Source of capital				
4. Dealing with company's internal problems				
5. Bargaining with banks				
6. Sales				
7. Business service provision				

E. Transaction costs

1. How many days per year does the firm's senior management spend dealing with requirements imposed by government regulations (For example: taxes, customs fees, labor regulations, licensing and registration)? ……. (days).

2. Since the enactment of the Enterprise Law in 2000, the amount of time that senior management deals with government regulations has:

- o Increased
- o Stayed the same
- o Decreased
- o Not applicable to my business

3. What percentage of senior management's time per year is spent meeting with government officials in order to correctly interpret and better apply laws and regulations?

- o Up to 1%
- o 1 to 5%
- o 6 to 10%
- o 11 to 15 %

Thank you very much for your cooperation!

- o 15 to 50%
- o More than 50%

4. If you import, what was the longest number of days in 2003 that it took import to from the time your goods arrived at the port of entry (e.g. port, airport) until the time you could claim them from customs? …….(days).

5. If you export, what was the longest number of days in 2003 that it took to export from the time your goods arrived at the port of exit (e.g. port, airport) until the time they cleared customs? …….(days).

6. Would you pay additional taxes to raise the salaries of local officials and thereby eliminate incentives for corruption, crime, and excessive regulations?

- o Yes
- o No

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

- o Strongly agree
- o Agree
- o Disagree
- o Strongly disagree

8. What is the most likely reason for such payments?

- o To speed up the services needed
- o To avoid bottlenecks in administrative procedures.
- o It was requested by an official
- o Other (Please specify)……..

9. On average, what percent of revenues do firms in your line of business typically pay per annum in unofficial payments to public officials?

- o 0%
- o Less than 1%
- o 1-1.99%
- o 2-9.99%
- o 10-12%
- o 13-25%
- o Over 25%

10. Firms in my line of business, usually know in advance how much this 'additional payment' is?

- o Yes
- o No

11. Once other government agencies have heard that a firm has paid such an additional fee, are they more likely to ask for 'additional payments' themselves?

- o Yes
- o No

Thank you very much for your cooperation!

12. If a firm pays the required 'additional payment' how often is the service is usually also delivered as the firm expected?

- o Always
- o Usually
- o Sometimes
- o Seldom
- o Never

13. In your opinion, bribes to public officials to avoid taxes and regulations are a….

- o Major obstacle
- o Moderate obstacle
- o Minor obstacle
- o No obstacle

14. When firms in your industry do business with government, do they generally pay commissions?

- o Yes
- o No

15. How often is the following statement true? "If a government agent acts against the rules I can usually go to another official or to his superior and get the correct treatment with recourse to unofficial payments."

- o Always
- o Usually
- o Sometimes
- o Seldom
- o Never

16. When a new law, rule, regulation or decree is being discussed that could have a substantial impact on your business, how much influence does your firm typically have at the provincial level of government to try to inform (advise) the implementation or content of the legal document?

- o None
- o Very little
- o Some
- o Influential
- o Very influential

17. What channel do you most often use to comment on the implementation or content of legal documents?

- o Speak directly with the People's Committee office
- o Speak directly with officials of the relevant provincial department
- o Participation at business forums hosted by the provincial government
- o Speak to a representative of my business association who related my comments to government officials
- o Other……

Thank you very much for your cooperation!

F. Provincial proactivity and dynamism toward the private sector

1. What do you think is the attitude of provincial government officials toward private business?
   - o Negative
   - o Somewhat negative
   - o Neutral
   - o Somewhat positive
   - o Positive

2. What do you think is the attitude of the central government toward private business?
   - o Negative
   - o Somewhat negative
   - o Neutral
   - o Somewhat positive
   - o Positive

3. From your point of view, the attitude of the provincial government toward private business is……
   - o Improving
   - o No major change
   - o Deteriorating

4. From your point of view, the attitude of the central government toward private business is……
   - o Improving
   - o No major change
   - o Deteriorating

5. If there is a lack of clarity on certain central regulations, the provincial People's Committee tends to:
   - o Interpret it in our favor
   - o Postpone decision and consult the relevant central authority
   - o Interpret it against us

6. If there is a lack of clarity on certain central regulations, the provincial departments tend to:
   - o Interpret it in our favor
   - o Postpone decision and consult the relevant central authority
   - o Interpret it against us

7. How helpful is the provincial government toward a business of your type and scale?
   - o Very unhelpful
   - o Mildly unhelpful
   - o Neutral
   - o Mildly helpful
   - o Very helpful

Thank you very much for your cooperation!

8. Do you agree with the following statements? *Please check only one box per statement.*

Statement	**Strongly Agree**	**Agree**	**Disagree**	**Strongly Disagree**
1. Policies are applied consistently by the different government agencies at all levels				
2. Coordination between the central government and my province's People's Committee is good.				
3. My provincial People's Committee is very good at working within central laws to create a profitable private business environment				
4. My provincial People's Committee is creative and clever about solving new business problems.				
5. My provincial People's Committees is willing to risk punishment from the central government to pass decisions that may aid my business.				
6. There are good initiatives at the provincial level, but central laws and regulations frustrate their impact.				
7. There are good policies at the central level, but provincial officials frustrate implementation				
8. There are good initiatives at the provincial level, but implementation by departments of line ministries in the province is problematic.				
9. There are not initiatives at the provincial level, all policies come from the center				
10. I am confident that the provincial legal system will uphold my contract and property rights in business disputes				
11. Disputes with customer and suppliers within my province are easier to resolve than disputes outside my province.				

9. Do you agree with the following statements? *Please check only one box per statement.*

Statement	**Strongly Agree**	**Agree**	**Disagree**	**Strongly Disagree**
1. Favoritism toward the state sector is an obstacle to my business				
2. Favoritism toward foreign investors is an obstacle to my business				
3. Favoritism toward equitized companies is an obstacle to my business				

Thank you very much for your cooperation!