



THE WORLD BANK



2020 Vietnam Business Summit

Panel Discussion 2: Smart Logistics

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What is the Logistics Performance Index (LPI)?

LPI is a **benchmarking tool** prepared by the World Bank to measure logistics performance of 160 countries

LPI is the weighted average of the country scores (0-5) on the **six key dimensions** (i.e. sub-indicators):

1. **Custom** – efficiency of the clearance process at the borders
2. **Infrastructure** – quality of trade and transport related infrastructure such as ports, rail, etc.
3. **International shipment** – ease of arranging competitively priced shipments
4. **Logistics competence** – competence and quality of logistics services such as operators, brokers
5. **Tracking & tracing** – ability to track and trace consignments
6. **Timeliness** – timeliness of shipments in reaching destinations

LPI is **updated and published every 2 years** to allow comparisons with the world and with the region or income group on the 6 sub-indicators and the overall LPI score.

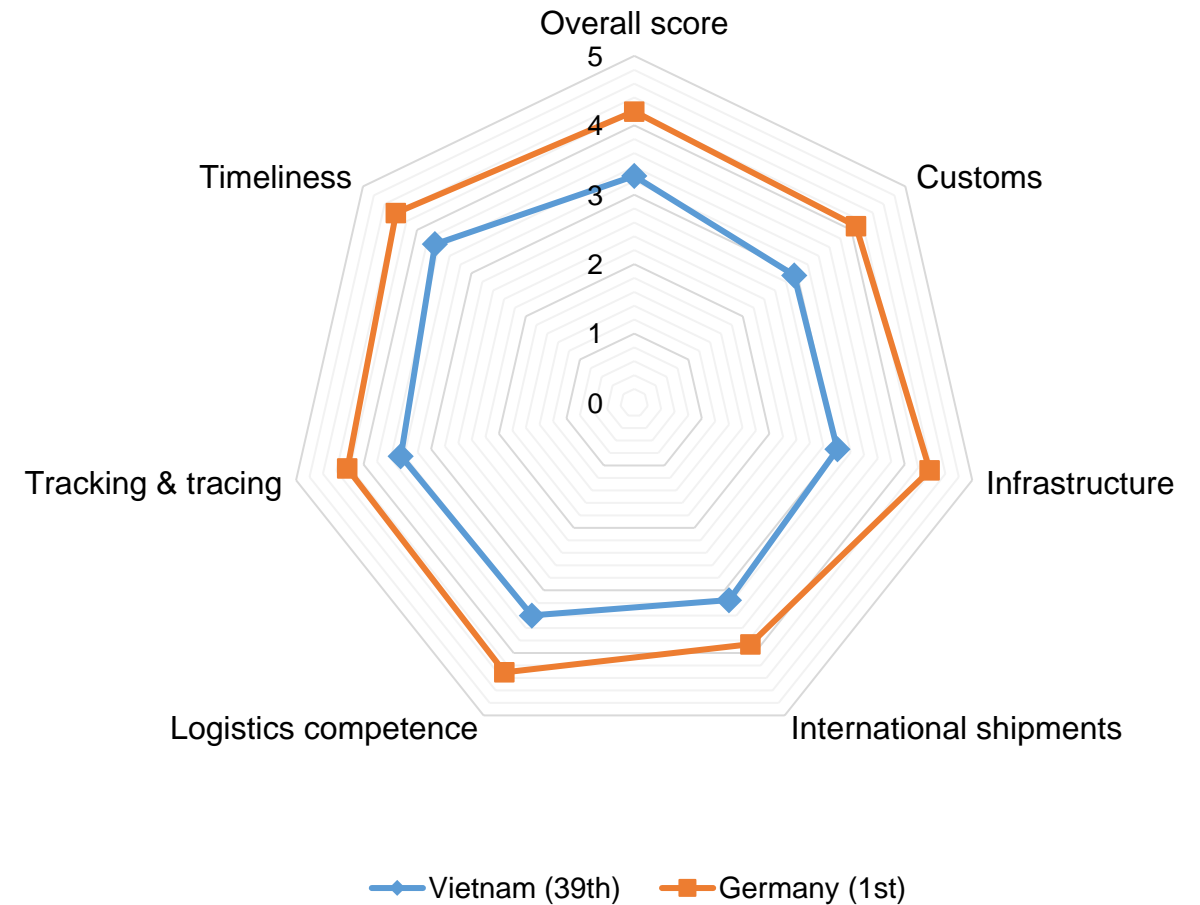
“At the International Transport Forum, we use the LPI as the most important starting point of dialogue with our member countries on the drivers of logistics performance”
- Secretary General of ITF at the OECD

Overview of Vietnam LPI 2018

Vietnam stands out as the top performer among the lower-middle-income economies in 2018...

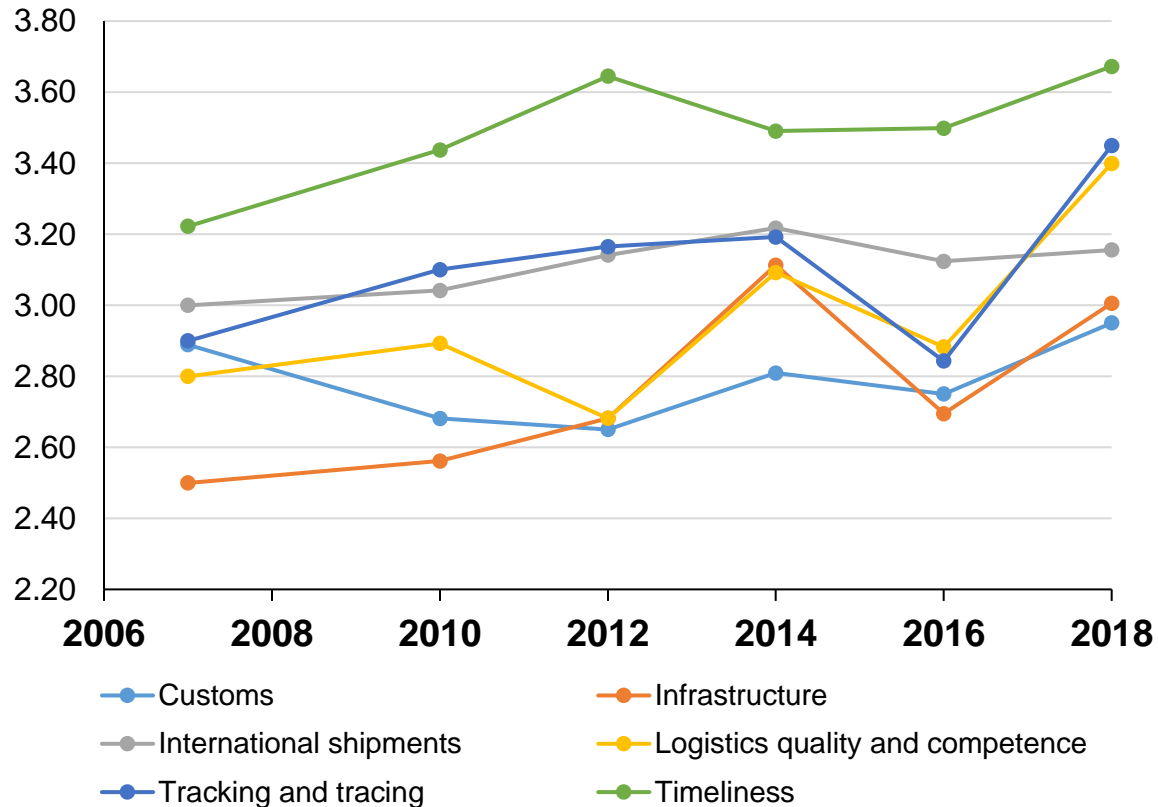
...but, the difference between Vietnam and the world's top performers such as Germany remains significant in all sub-indicators

Economy	2018	
	Rank	Overall score
Vietnam	39	3.27
India	44	3.18
Indonesia	46	3.15
Cote d'Ivoire	50	3.08
Philippines	60	2.90
Ukraine	66	2.83
Egypt	67	2.82
Kenya	68	2.81
Lao PDR	82	2.70
Jordan	84	2.69

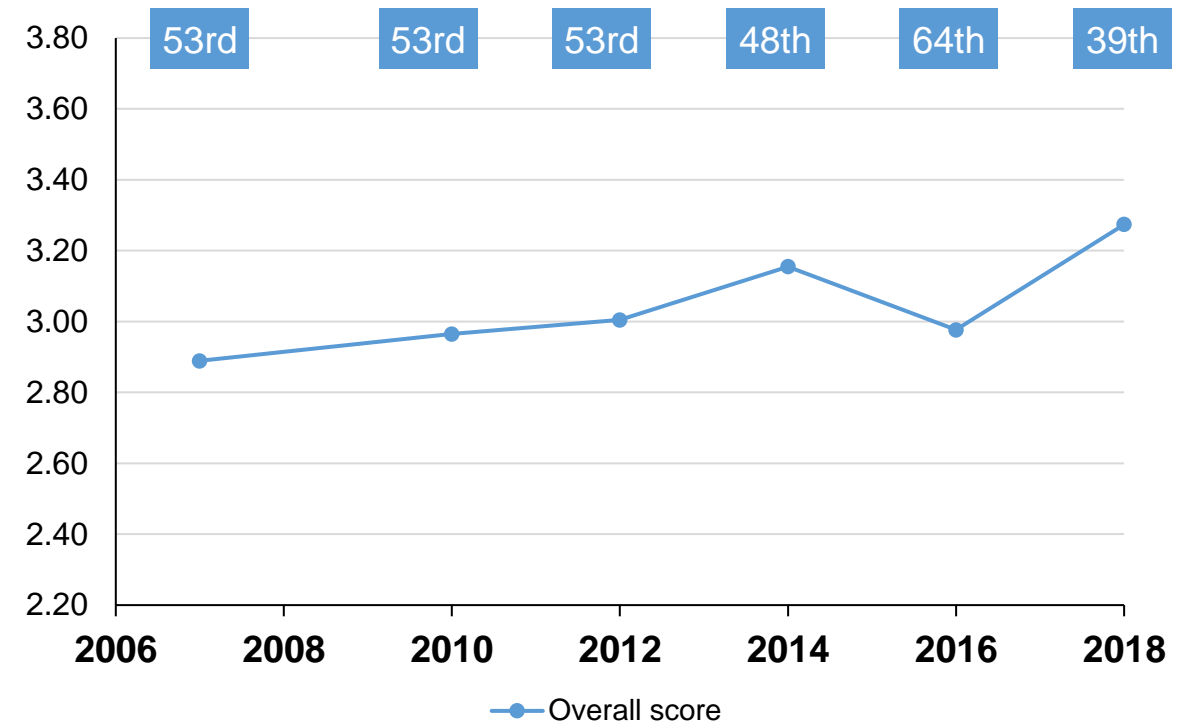


Vietnam's historical LPI

All sub-indicators of Vietnam logistics performance have generally improved for the past 10 years...

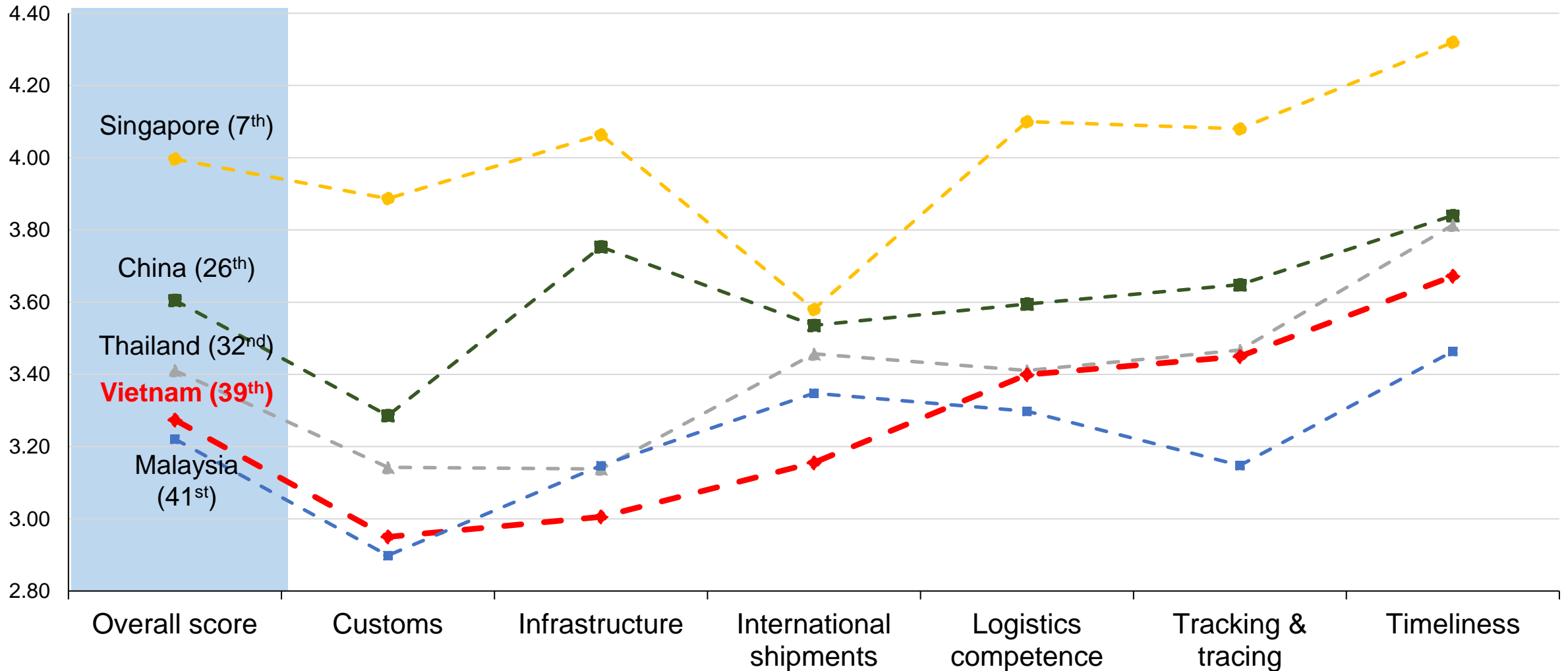


...which leads to an upward trend in Vietnam LPI's Overall Score, from 53rd in 2007 to 39th out of 160 countries in 2018.



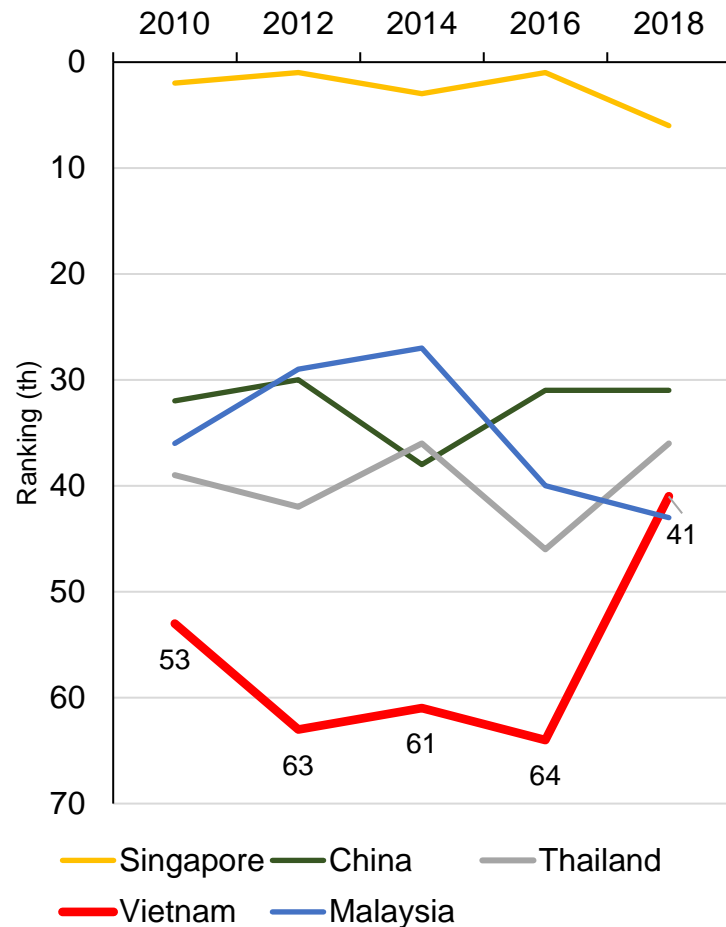
International Benchmarking of 2018 LPI and sub-indicators

Vietnam fared rather poorly against its peers on Customs, Infrastructure and International Shipments, while running in the middle of the pack on other sub-indicators.

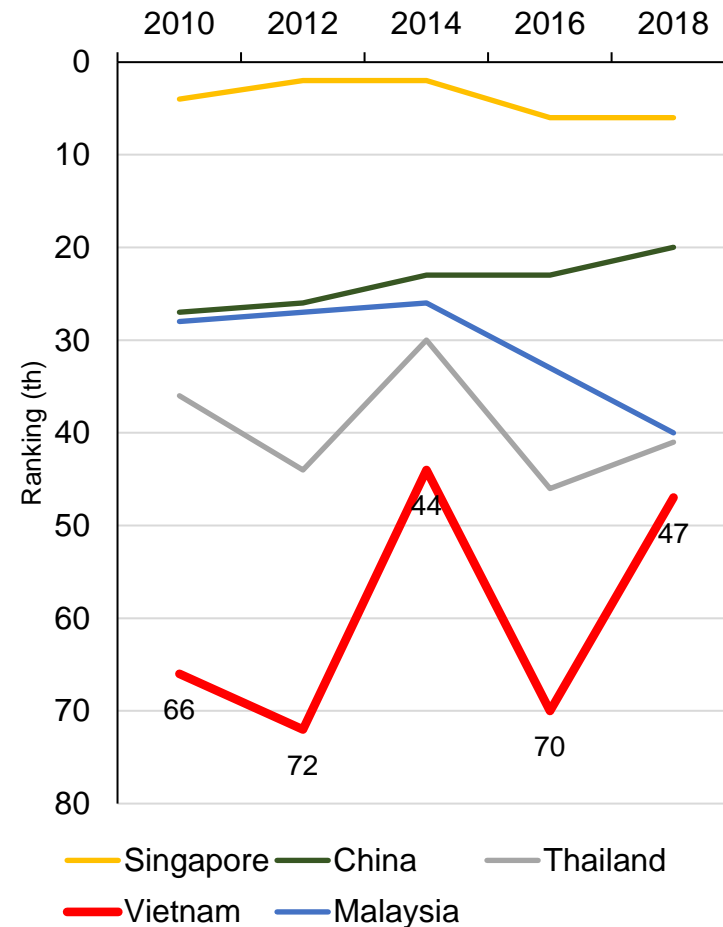


International Benchmarking of historical sub-indicators

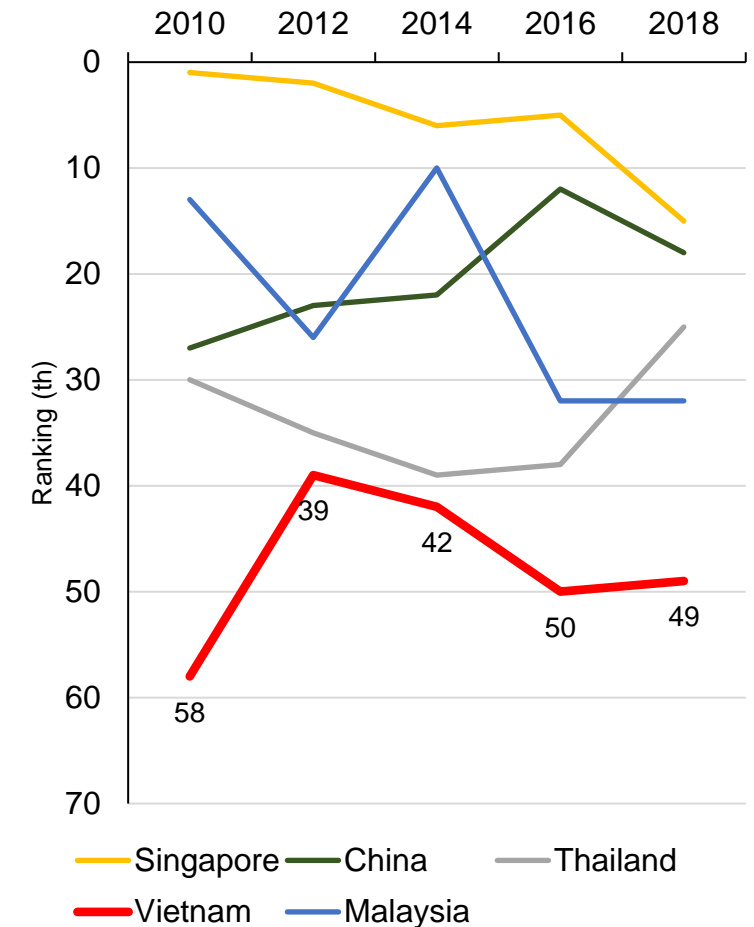
Custom



Infrastructure

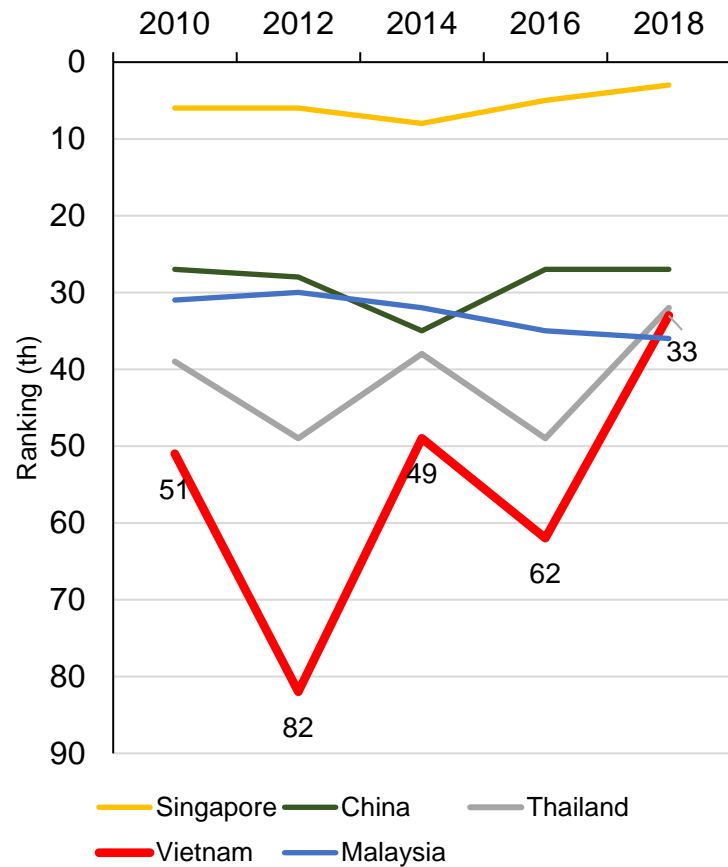


International shipment

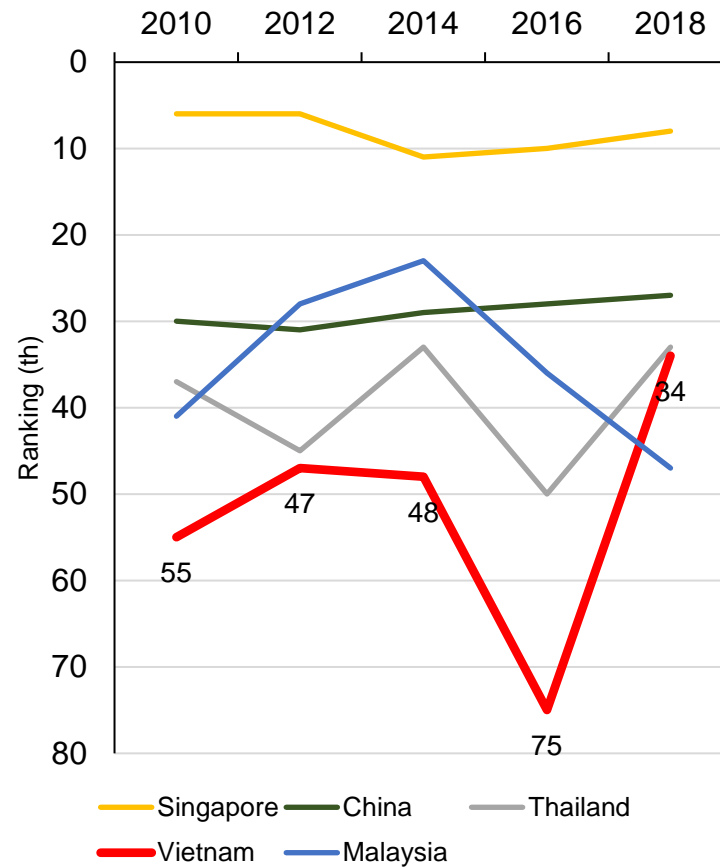


International Benchmarking of historical sub-indicators

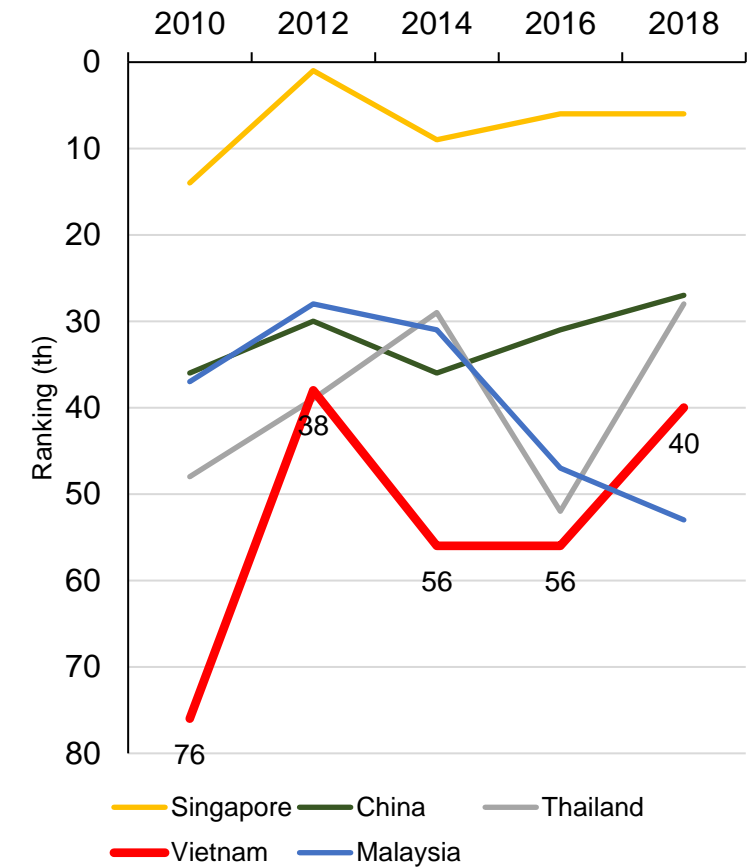
Logistics competence



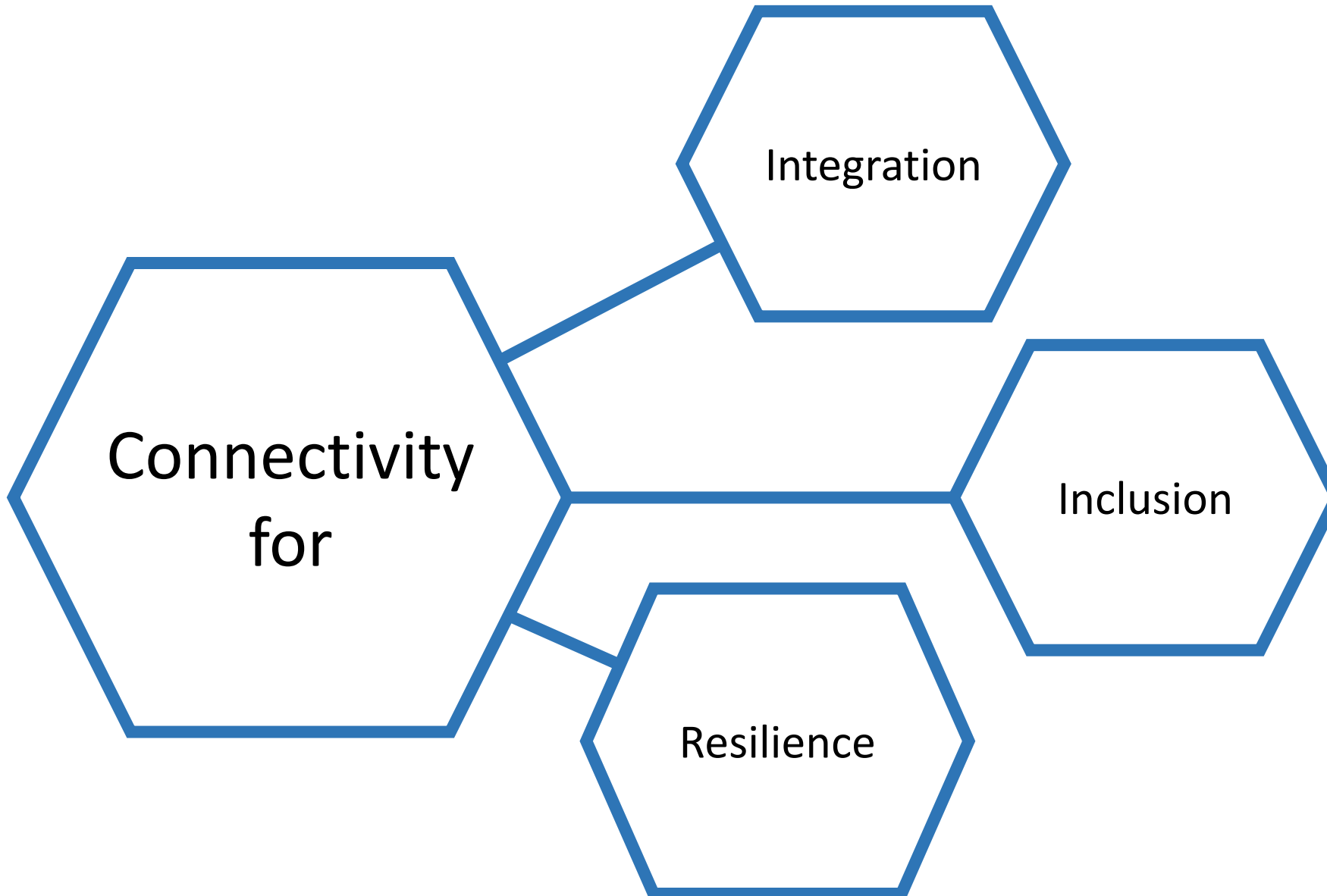
Tracking & tracing



Timeliness



Vietnam Development Report – Connecting Vietnam for Growth and Shared Prosperity



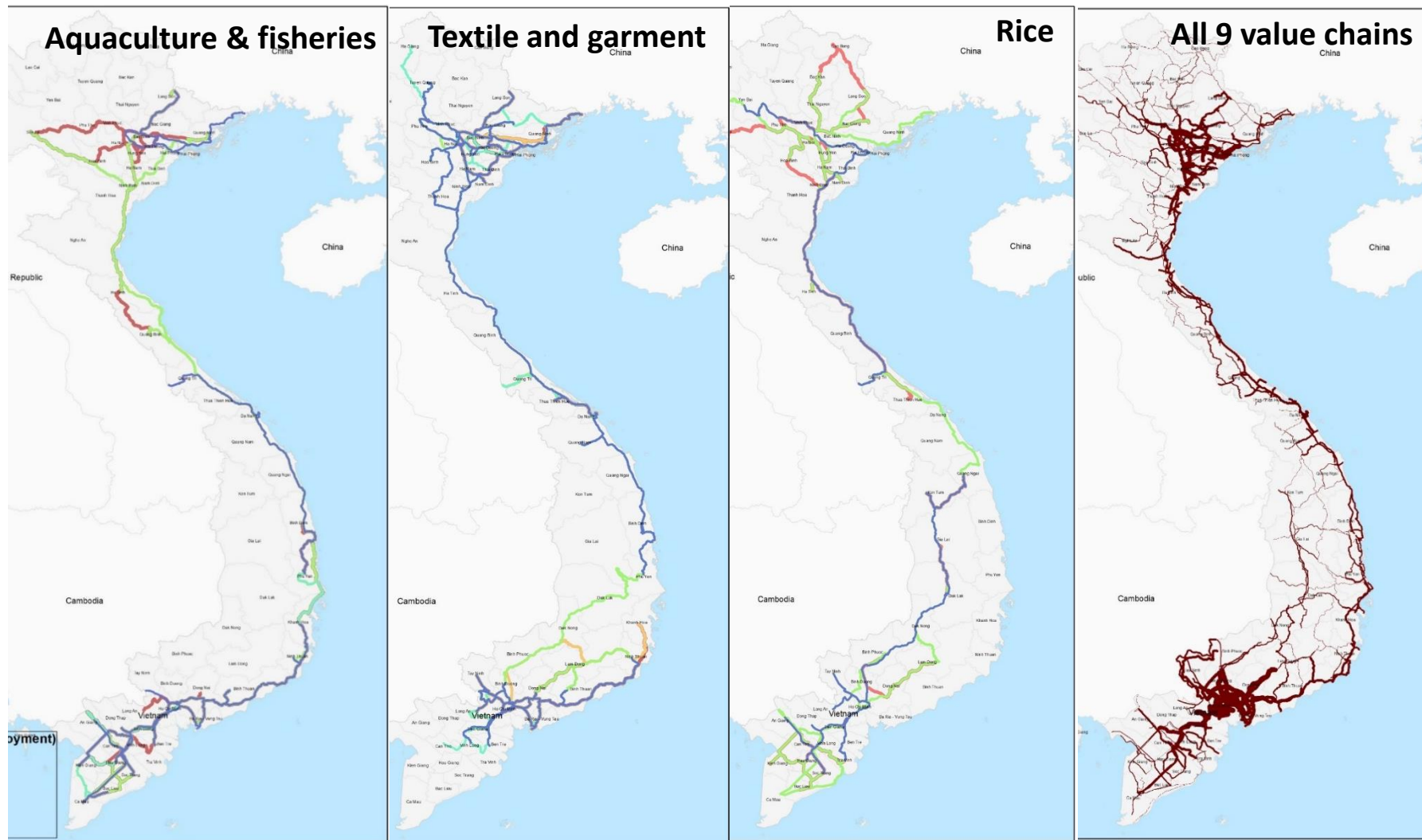
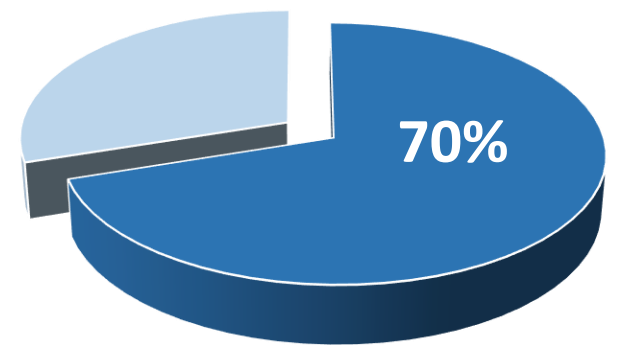
DOWNLOAD THE REPORT HERE:

<http://bit.ly/36S4gJj>

Vietnam Development Report – Integration with global market

Nine value chains were selected as critical, accounting for 70% of total export value in 2017, and the transport network serving these were identified.

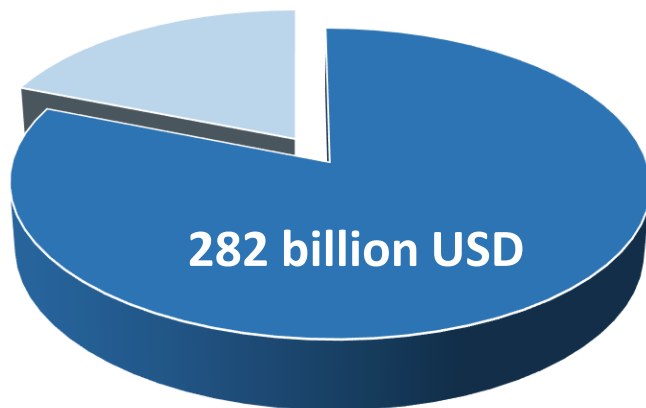
Export value (2017)



Vietnam Development Report – Integration with global market

Among the 48 border gates, trade concentrates in the six key international gateways, which have capacity issues inside and in their hinterland.

Trade Value (2016)



Handled by

6 main border gates:

HCMC Complex seaport

Noi Bai airport

Hai Phong Complex seaport

Tan Son Nhat airport

Huu Nghi, Lang Son

Vung Tau Complex seaport

Capacity

- Capacity expansion needed for seaports (esp. in the north) and airports (esp. in the south)

Hinterland

- Road and rail connection to Vung Tau and Lach Huyen
- Inland waterway connection to major seaports
- Address congestion around major gateways

Consolidation

- Needs to aspire to create direct shipping lines through cargo consolidation in major deep-water ports
- Promote domestic short-sea shipping through smaller ports