



ARTNeT Greater Mekong Sub-region (GMS) initiative

*Capacity Building Workshop on  
Primary Data Collection  
and Competitiveness Analysis*

organized by ARTNeT in collaboration with  
Ministry of Planning and Investment of Viet Nam

18 September 2009  
Hanoi, Viet Nam

**Asia-Pacific Research and Training Network on Trade**

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## *Session 1 - Introduction*

*When do we need primary  
data for competitiveness  
analysis?*

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# *What is Competitiveness? (1)*

The meaning depends on the level of competitiveness you are dealing with.

- Company level
- Industry level
- National level

# *What is Competitiveness? (2)*

- **Company level:**
  - the ability to provide products and services more effectively and efficiently than *the relevant competitors*.
- **Industry level:**
  - the ability of the nation's firms to achieve sustained success against *foreign competitors without protection or subsidies*.
- **National level:**
  - the ability of the nation's citizens to achieve a *high and rising standard of living*.

# What is the use of competitiveness analysis?

- If we know what makes a firm, industry, or nation competitive, then we can take steps **to improve performance** of firms and industries
  - This will also improve the national economy
- Competitiveness analysis focuses on *changes* in competitiveness:
  - *Is it improving or worsening?*
  - *By how much* (magnitude or size of change)?
  - *What are the factors causing the changes in competitiveness?*

# Indicators of competitiveness at the national level

- *The level and growth of the nation's standard of living*
  - For example, real GDP per capita, etc.
- *The level and growth of aggregate productivity*
  - For example, total factor productivity, labor productivity, etc.
- *The ability to increase penetration of world markets through exports or FDI.*
  - For example, market shares, rate of growth of exports, exports as a share of GDP.

# Indicators of competitiveness at an industry/firm level

- Performance in the international marketplace
- The ability to match or beat the world's best firms in cost and quality.
  - Comparing domestic firms with their relevant competitors in:
    - Productivity
    - Quality and price (relative to competitors)
    - Market Shares
    - Cost
    - Profitability
    - Growth

# How is a domestic industry performing relative to international competitors?

- Are our costs increasing faster than international competitors' costs? If so, why?
  - Productivity? Wages? Other costs of inputs?
- Are we getting similar prices for our product? If not, why?
  - Quality?
- Is our exchange rate not in line with inflation?
  - Inflation in our country increases our costs; inflation in competitors' countries increases their costs
  - If our currency gets stronger ('appreciates'), our goods become less internationally competitive
    - Why?
- What data do we need to analyse this?



# *What are the factors causing changes in competitiveness?*

- Productivity issues
  - Resource endowment
  - Technology superiority
- Firm's ability issues
  - Innovation ability
  - Process efficiency
  - Economies of scale
- Effects of external factors
  - Exchange rates
  - Tariffs and trade barriers
  - Infrastructure

Some of these variables are partially unobservable; in such cases 'proxy' variables are required.

# Primary data and Secondary data

- Primary data is *new data* gathered by the researcher.
- Secondary data is *already available data* – published data, data gathered by some statistical agency etc. (sometimes not published but may be available)

# Before deciding to collect primary data:

- *Think hard and write down* : what is the data that is really needed and why is that data needed?
- *Check very carefully* : is the required data already available somewhere?
  - Usually the cost of gathering secondary data is much lower than the cost of obtaining primary data.
  - Some of your questions can possibly have been already answered by other investigators or authors. Why “reinvent the wheel”?
  - It also helps to plan the collection of primary data, in case it becomes necessary.

# Summary: When do we need primary data?

- Often we have to collect *some* primary data when we do firm-level or even industry level competitiveness analysis
- For industry or national level studies, most – sometimes even all – required data is available (where?):
  - exchange rates
  - inflation rates
  - world output price index
  - domestic output price index
  - export values
  - tariffs and other trade barriers by sectors/industries, etc.

## Exercise 1:

List some indicators that you may use for evaluating the competitiveness of the garment industry in the following aspects. What data will you need? Is it available (where) ?

### Competitiveness

### Indicators

### Data and Sources

- Productivity
- Profitability
- Growth
- International Competitiveness