

Lao Cai

Provincial performance in implementing Free Trade Agreements

Average

BAND 5 OF 6

PERFORMANCE TIER

Average

Band 5 of 6 — **24th of 34** assessed provinces and cities.

OVERALL SCORE

17.83

/ 40

Below the national average of 21.66 by **3.83 points**.

WEAKEST PILLAR

26 / 34

Information access — the widest gap of the four pillars (**-1.29**).

FOUR PILLARS AT A GLANCE

A INFORMATION ACCESS

RANK 26 / 34

3.50

/ 10

-1.29 vs national average

B LEGAL IMPLEMENTATION

RANK 24 / 34

4.10

/ 10

-1.11 vs national average

C SUPPORT POLICIES

RANK 23 / 34

5.42

/ 10

-0.40 vs national average

D SUSTAINABLE DEVELOPMENT

RANK 24 / 34

4.78

/ 10

-1.19 vs national average

★ RELATIVE STRENGTHS

- #6 A3 — Channels through which enterprises access information on FTAs
- #11 C4 — FTA commitments utilised
- #13 C7 — Effectiveness of support policies and programmes implemented by local authorities
- #15 B3 — Quality of guidance on legal documents

MAIN GAPS

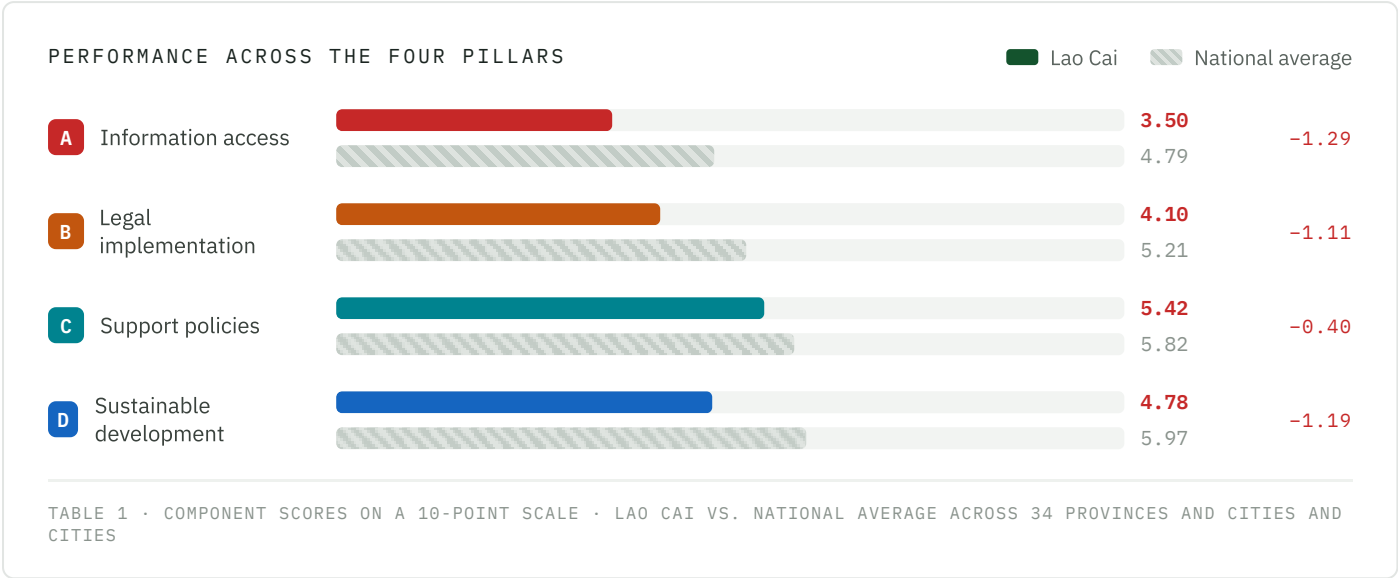
- #29 C3 — FTA utilisation activities
- #28 B6 — Frequency of enterprise feedback on legal documents related to FTA commitments
- #27 B1 — Understanding of legal documents
- #26 D3 — Readiness to comply with sustainable development commitments

SOURCE: FTA INDEX 2025, PREPARED BY FOREIGN TRADE UNIVERSITY FOR THE MINISTRY OF INDUSTRY AND TRADE; SURVEY OF 4,066 EXPORTING AND IMPORTING ENTERPRISES. COMPONENT SCORES ARE ON A 10-POINT SCALE AND THE OVERALL SCORE IS ON A 40-POINT SCALE. RANKINGS COVER 34 PROVINCES AND CITIES.

01 Overview of results

Lao Cai scored 17.83 out of 40, placing it in the “Average” tier and ranking **24th of 34** provinces and cities. As a major trade gateway to China, the province sits below the national average, though the four pillars are not far apart. Some foundational capability is in place: the range of channels through which enterprises access FTA information ranks **6th**, the FTA commitments utilised rank **11th** and the effectiveness of support policies and programmes ranks **13th**. The bottleneck lies in how far firms participate and how deeply they use FTAs. The information channels exist, but firms do not take part in support activity regularly and do not exploit FTAs across a wide range. The province's priority is

therefore to drive proactive business participation, moving from receiving basic information to applying the FTA commitments effectively in business.



02 Detailed analysis by component

A

COMPONENT 1

Information access

3.50 /10

RANK 26 / 34 · -1.29

OVERVIEW

Lao Cai's information system rests on a reasonably good base. The channels through which enterprises access information on FTAs (A3) ranks **6th**, FTA-related information provided by the authorities (A2) ranks **13th** and the quality of FTA-related events (A7) ranks **16th**. Business participation, however, is limited: frequency of participation in FTA-related events (A5) ranks only **27th**, sources of information on FTA-related events (A6) rank **29th** and knowledge of FTAs (A1) ranks **23rd**. The channels are working, but their coverage and their ability to turn information into substantive understanding remain limited.

HOW FIRMS HEAR OF EVENTS & COVERAGE

Local government notices are the main way firms hear of FTA events, but they reach only 38.1% of firms; social media plays a supporting role at 30.6%. Central agencies, business support organisations and international bodies each reach at most 10.4%. Medium-sized and large firms draw on a wider mix of channels, while small firms depend mainly on traditional routes such as press, television and web portals. Large, FDI and state-owned firms also rate information and event quality more positively, pointing to a substantial access gap between firm groups.

Lao Cai

3.50

National average

4.79

NATIONAL RANK BY INDICATOR

#6 Channels through which enterprises access information on FTAs

#13 Authorities providing FTA information

#16 Quality of FTA-related events

#23 Knowledge of FTAs

#27 Frequency of participation in FTA-related events

#29 Sources of information on FTA-related events



COMPONENT 2

Implementation of Legal Documents

4.10 /10

RANK 24 / 34 · -1.11

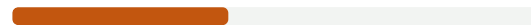
OVERVIEW

The quality of guidance on the legal documents (B3) and the complexity of complying with them (B4) both rank **15th**, reasonably close to the national norm. Understanding of those documents (B1), however, ranks only **27th**, participation in training (B5) ranks **25th** and enterprise feedback on FTA-related legal documents (B6) ranks **28th**. Guidance is therefore rated positively as far as it goes, but it is neither frequent nor deep enough to raise legal understanding or draw firms into the policy implementation process.

GRASP BY FIRM TYPE

Only about 12–21% of firms have a clear grasp of the main legal areas, while 60–69% know nothing or hold only a basic understanding. Small firms score lowest on the core market-access rules, while large and FDI firms understand rules of origin better. Local government guidance is not delivered regularly: 35% of FDI firms and 25% of large firms report receiving none. Meanwhile some 54–61% of firms find the rules complex, rising to 63–74% among small firms. Even large firms struggle with the intellectual property, SPS, TBT, labour and environmental commitments.

Lao Cai 4.10



National average 5.21



NATIONAL RANK BY INDICATOR

#15 Quality of guidance on legal documents

#15 Complexity of compliance with legal documents

#25 Frequency of participation in training on legal documents

#27 Understanding of legal documents

#28 Frequency of enterprise feedback on legal documents related to FTA commitments



COMPONENT 3

Policies Supporting Enterprises' FTA Utilisation

5.42 /10

RANK 23 / 34 · -0.40

OVERVIEW

This is the best-performing pillar and the smallest gap to the national average. The FTA commitments utilised (C4) ranks **11th**, while barriers to utilisation (C5) and the effectiveness of support policies and programmes implemented by local authorities (C7) both rank **13th**. FTA utilisation activities (C3), however, ranks only **29th** and access to competitiveness support policies (C6) ranks **24th**. Firms have therefore exploited some FTA commitments but across a narrow range, while support policy does not reach all firm groups evenly.

BARRIERS BY FIRM TYPE

The main obstacles for small firms are limited understanding of the FTA commitments, a lack of market information, and difficulty connecting with partners in member countries. Large and FDI firms point instead to the absence of reliable advisory sources. Trade promotion support draws the highest positive rating at 56.9%, while training and financial support reach only 36.2% and 33.3%. Medium-sized firms are the most satisfied overall, whereas large and FDI firms rate training, technology and financial support relatively poorly. Policy therefore needs designing more closely around each firm group's particular needs.

Lao Cai 5.42



National average 5.82



NATIONAL RANK BY INDICATOR

#11 FTA commitments utilised

#13 Barriers to FTA utilisation

#13 Effectiveness of support policies and programmes implemented by local authorities

#25 FTA utilisation

#29 FTA utilisation activities



OVERVIEW

Lao Cai comes reasonably close to the national average on helping firms meet sustainable development requirements. The forms of support available (D6) ranks **17th**, the effectiveness of support from local authorities (D4) ranks **20th** and understanding of the commitments (D1) ranks **22nd**. Perceived impact on business operations (D2), however, ranks only **25th**, while readiness to comply (D3) and the perceived importance of compliance with import-market sustainable development commitments (D5) both rank **26th**. The gap is therefore not the absence of public support but the ability to convert that support into awareness and concrete action by firms.

AWARENESS BY FIRM TYPE

About 41–44% of firms understand the labour and environmental commitments, but understanding of the remaining areas reaches only 27–36%. Large firms know more about forest management, EUDR, CSDDD and CBAM, while medium-sized firms remain weak on marine resources, public participation and the circular economy. Only around 17–34% of firms have drawn up at least one plan for meeting sustainability requirements. Large and FDI firms are generally better prepared, while medium-sized firms fall below 30% readiness in every area. Notably, understanding of sustainable forest management, CITES and green standards remains limited, even though these bear directly on the province's main export products.

Lao Cai 4.78

National average 5.97

NATIONAL RANK BY INDICATOR

#17 Forms of support for compliance with sustainable development commitments

#20 Effectiveness of support from local authorities

#22 Understanding of sustainable development commitments

#26 Readiness to comply with sustainable development commitments

#26 Perceived importance of compliance with import-market sustainable development commitments

03 Conclusions & implications

STRENGTHS TO BUILD ON

- **The information channels rest on a reasonably good base**, with the range of FTA information-access channels ranking **6th** and FTA-related information provided by the authorities ranking **13th**.
- **Firms have begun to build the capacity to exploit FTAs**, with the FTA commitments utilised ranking **11th**, and barriers and support policy effectiveness both ranking **13th**.
- **Legal guidance quality and complexity of compliance both rank 15th**, a base on which to keep building firms' implementation capacity.

INDICATORS THAT NEED TO IMPROVE

- **Business participation lacks depth**, with frequency of event attendance ranking **27th**, sources of event information ranking **29th** and FTA utilisation activities ranking **29th**.
- **Understanding of, and participation in, legal implementation remain low**, with understanding of the legal documents ranking **27th** and enterprise feedback on FTA-related legal documents ranking **28th**.
- **Readiness to meet sustainability requirements is limited**, with readiness and the perceived importance of compliance both ranking **26th**.

Priority agenda

deepen participation, turn access into utilisation

NOW • 0-12 MONTHS

NEXT • 1-3 YEARS

1 Strengthen business participation

Widen the sources of event information, raise attendance, and encourage firms to take part actively in FTA communication, training and dialogue.

Pillar A • 26 → improve rank

2 Strengthen legal advice and guidance

Expand training, situation-based advice and policy feedback channels so firms understand and apply the FTA rules effectively.

Pillar B • 24 → improve rank

3 Widen the scope of FTA utilisation

Help firms move beyond a few traditional commitments and formats towards broader, more diverse FTA use tied to market strategy.

Indicator C3 • 29 → improve rank

4 Raise sustainable development readiness

Help firms build plans and capacity to meet EVFTA, CPTPP and RCEP requirements, prioritising EUDR, CBAM, CSDDD, CITES and the green standards tied to the main export products.

Pillar D • 24 → improve rank

TARGET
★ Move from the “Average” tier to “Fair” – convert the existing base into deeper participation and broader FTA utilisation