

# Entry and Exit of formal firms in Vietnam 2000-2015\*

Nghiem Q. Huynh<sup>†</sup>

03 January, 2022

## Abstract

Using annual firm survey, I follow Dunne, Roberts, and Samuelson (1988) to compute summary statistics of formal firms in Vietnam from 2000 to 2015.

## 1 Single plant share

## 2 Entry and exit of all firms

Table 1: Entry and Exit all firms

	2000-2005	2005-2010	2010-2015
<b>Entry</b>			
Entry Rate (ER)	2.225	2.005	1.011
Entrant Market Share (ESH)	0.545	0.495	0.330
Entrant Relative Size (ERS)	0.238	0.260	0.282
<b>Exit</b>			
Exit Rate (XR)	0.557	0.467	0.423
Exiter Market Share (XRH)	0.421	0.278	0.201
Exiter Relative Size (XRS)	0.577	0.439	0.342

### 2.1 Discussion

1. Entry rate is about 4 times that of the US.
2. The other rates are comparable

\*I would like to thank Sam Kortum and Costas Arkolakis for comments on this note

<sup>†</sup>Yale University, [ngkiem.huynh@yale.edu](mailto:ngkiem.huynh@yale.edu)

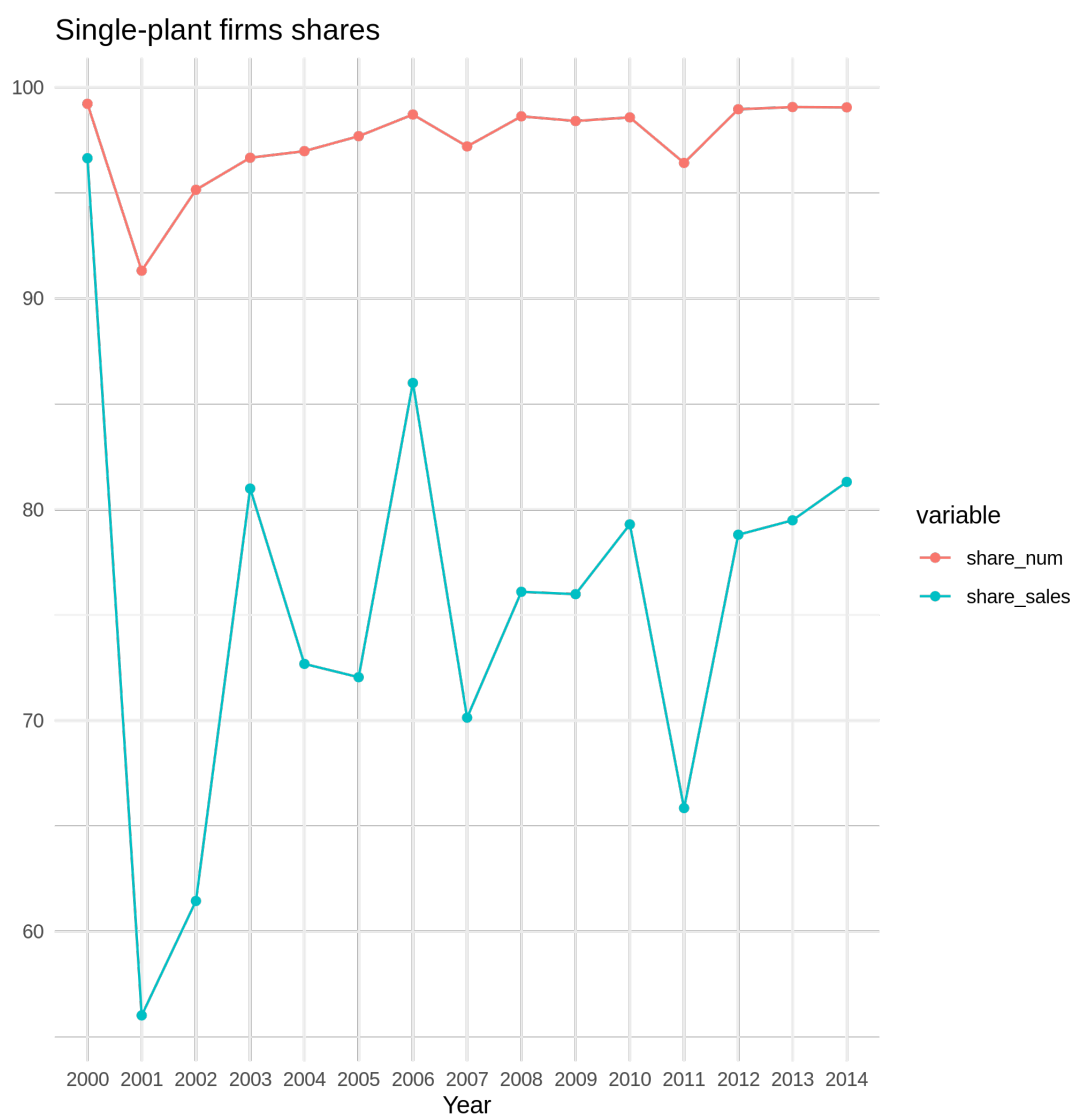


Figure 1: Single plant share

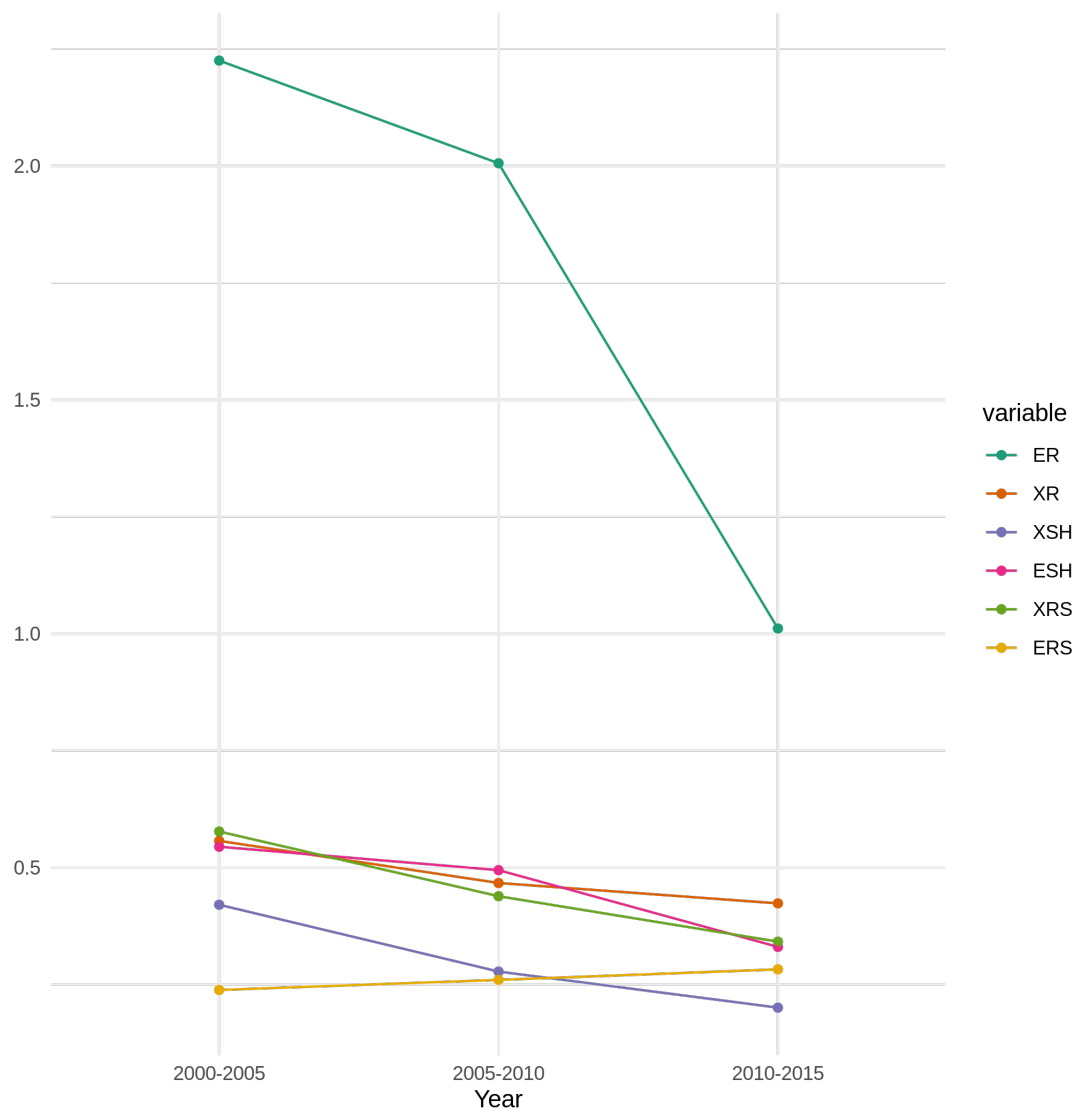


Figure 2: Entry-Exit

Why entry rate is so high?

1. The annualized rate seems comparable to McCaig and Pavcnik (2021) who reports the entry rate of firms 2000-2017 at 27% annually. Thus, the data seem trustworthy.
2. The rate is high even compared to developing countries as documented in McCaig and Pavcnik (2021) and much higher than developed countries. McCaig and Pavcnik (2021) observe that this number is comparable to other countries that transition out of centrally planned economies.

## Manufacturing

Dunne, Timothy, Mark J Roberts, and Larry Samuelson. 1988. “Patterns of Firm Entry and Exit in U.S. Manufacturing Industries.” *The RAND Journal of Economics* 19 (4): 495. <https://doi.org/10.2307/2555454>.

McCaig, Brian, and Nina Pavcnik. 2021. “Entry and Exit of Informal Firms and Development.” *IMF Economic Review* 69 (3): 540–75. <https://doi.org/10.1057/s41308-021-00142-8>.