

Sustainable Trade Index 2023

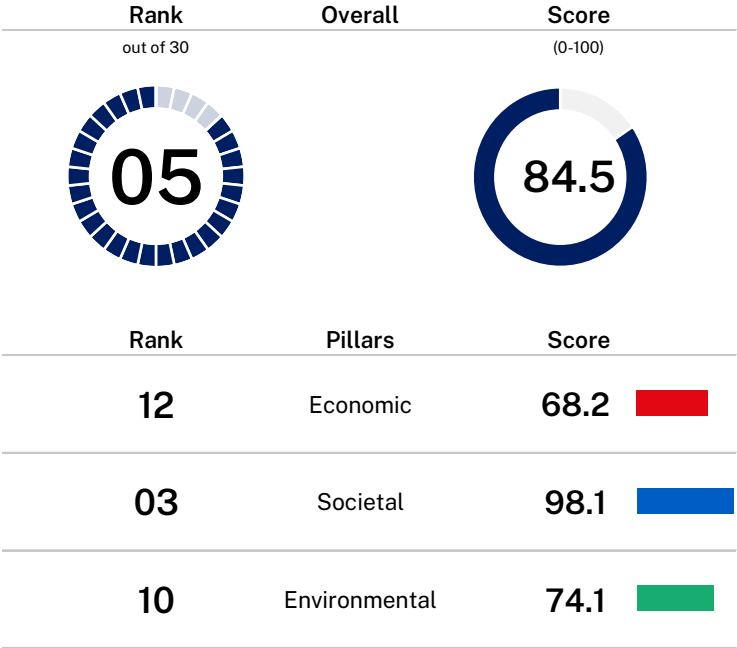
Australia



Sustainable Trade Index

The Hinrich-IMD Sustainable Trade Index measures 30 economies' readiness and capacity to participate in the global trading system in a manner that supports the long-term goals of economic growth, environmental protection, and societal development.

Overall and pillars



Background information

Population, millions	25.97 (2022)	Medium
Income, GDP per Capita US\$	63,896 (2021)	High
Membership	APEC, CPTPP, RCEP	

Economic pillar

The Economic pillar measures an economy's ability to ensure and promote economic growth through international trade. In this category, economies receive scores for indicators that demonstrate a link between the trading system and economic growth.

Some indicators capture the quality of trade infrastructure, while others measure the ease of conducting international trade. We measure export diversification by evaluating an economy's bilateral trade destinations and how heavily its exports are concentrated by sector. Furthermore, we consider the technological infrastructure and innovation capabilities of an economy by assessing its emphasis on research and development investments and digital technologies.

Indicators

		Rank	Value	Year	Score	
1.01	Consumer price inflation	16	6.60	2021	70.9	
1.02	Real GDP Growth per capita, % GDP	11	2.84	2021	73.5	
1.03	Growth in labor force, %	11	2.06	2021	61.9	
1.04	Foreign direct investment, net inflows, % GDP	19	1.60	2020	4.4	
1.05	Gross fixed capital formation, % GDP	19	22.45	2020	32.9	
1.06	Tariff & non-tariff barriers	27	-	-	39.1	
1.06.01	Tariff barriers	27	-	-	33.0	
1.06.01.a	Tariff barriers in force	26	2,039	2021	60.0	
1.06.01.b	New tariff barriers 2022	29	1,080.00	2021	0.0	
1.06.01.c	Percentage of trade affected by tariff barrier (up to 2018)	09	6.06	2018	88.5	
1.06.02	Non-tariff barriers	21	-	-	50.5	
1.06.02.a	Non-tariff barriers in force	18	4,005	2021	97.8	
1.06.02.b	New non-tariff barriers 2022	17	537	2021	44.9	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	17	65.40	2018	22.0	
1.07	Trade liberalization	04	-	-	77.6	
1.07.01	Regional Trade Agreements, number in force	09	17.00	2022	38.7	
1.07.02	Capital account liberalization, Index	01	2.31	2019	100.0	
1.07.03	Investment Freedom, Index	03	80.00	2022	92.3	
1.08	Exchange rate stability, parity change from national currency to SDR, 2022/2020	15	0.05	2021	89.6	
1.09	Domestic credit to private sector, % of GDP	09	139.04	2020	50.7	
1.10	Foreign trade and payments risk	04	-	-	76.9	
1.10.01	Country credit rating	01	60.00	2022	88.1	
1.10.02	Gross debt, % GDP	14	55.70	2021	79.3	
1.11	Trade costs	06	-	-	82.9	
1.11.01	Logistics performance, index	08	3.70	2018	68.4	
1.11.02	Corruption perceptions, index	04	75.00	2021	81.3	
1.11.03	Rule of law, index	03	92.79	2020	93.8	
1.12	Monetary policy intervention	22	-	-	45.3	
1.12.01	Current account balance, % GDP	19	1.20	2021	53.9	
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	21	-0.18	2021	4.9	
1.13	Export concentration	23	-	-	31.1	
1.13.01	Export market concentration, Top 5 as % total	23	69.85	2021	37.6	
1.13.02	Export product concentration, Top 5 as % total	23	75.38	2021	35.1	
1.14	Exports of goods and services	13	-	-	64.6	
1.14.01	Merchandise exports, US\$	13	412,184	2021	60.4	
1.14.02	Commercial services exports, US\$	12	50,457	2021	63.0	
1.15	Technological innovation	07	-	-	54.0	
1.15.01	R&D expenditure, % GDP	07	1.83	2019	36.4	
1.15.02	Researchers in R&D, per capita	-	-	-	-	
1.15.03	Patent applications, per million inhabitants	10	497.73	2020	9.6	
1.15.04	High-technology exports, % of manufactured exports	11	22.39	2020	30.7	
1.15.05	Scientific articles, per million people	01	2,370.77	2020	100.0	
1.16	Technological infrastructure	13	-	-	67.8	
1.16.01	Fixed internet speed, Mbps	17	53.59	2021	25.2	
1.16.02	Internet users, % population	05	96.24	2020	97.6	
1.16.03	Fixed broadband subscriptions (per 100 people)	08	35.28	2021	79.6	
1.16.04	Mobile subscriptions (per 100 people)	23	105.26	2020	34.5	

Societal pillar

Social factors matter in an economy's capacity to trade internationally over the long term. Economies are measured on the environment that encourages and supports the development of human capital, such as the extent of education and labor standards.

This pillar also captures factors that influence public support for trade expansion. These include income inequality, political stability, goods produced by forced and child labor, and the government response to human trafficking.

Indicators

		Rank	Value	Year	Score	
2.01	Inequality (Gini coefficient)	04	34.30	2018	62.50	
2.02	Educational attainment	02	-	-	82.71	
2.02.01	Mean years of schooling	07	12.73	2019	88.09	
2.02.02	University education Index	03	45.47	2021	37.67	
2.02.03	Tertiary enrollment	01	114.19	2020	100.00	
2.03	Labor standards	08	-	-	91.09	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	09	0.73	2021	82.18	
2.04	Political stability and absence of violence	06	74.06	2020	74.62	
2.05	Goods produced by forced labor or child labor	03	-	-	97.60	
2.05.01	Goods produced by forced labor	03	-	-	97.60	
2.05.01.a	Goods produced by forced labor, number of goods categories	01	0.00	2021	100.00	
2.05.01.b	% population in forced labor	02	1.61	2018	96.05	
2.05.02	Goods produced by child labor, number of goods categories	01	0.00	2021	100.00	
2.06	Government response to human trafficking	03	-	-	98.85	
2.06.01	Government response to human trafficking, Criminalization	04	6.00	2021	80.00	
2.06.02	Government response to human trafficking, Strategy	02	66.67	2018	97.06	
2.06.03	Government response to human trafficking, Action	01	1.00	2021	100.00	
2.07	Trade in goods at risk of modern slavery	13	-	-	56.54	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	21	19,132	2020	18.61	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	0	2020	100.00	
2.08	Social mobility, Index	03	75.10	2020	97.46	
2.09	Life expectancy at birth	03	84.53	2021	95.29	
2.10	Uneven Economic Development	02	2.60	2023	98.25	

Environmental pillar

The Environmental pillar measures the extent to which an economy’s trade supports sustainable resources. The factors include measurements of non-renewable natural resources in trade and the management of externalities that arise from economic growth and participation in the global trading system.

While an economy’s capacity to participate in the global trading system is dependent on economic development, achieving sustainable trade requires prudent stewardship of natural resources and limiting externalities in an economy’s economic calculus to promote its overall environmental capital. The indicators chosen in this section measure an economy’s environmental capital and include indicators for air and water pollution. In terms of future impact, we measure national environmental standards, carbon emissions, and share of natural resources in exports.

Indicators

		Rank	Value	Year	Score	
3.01	Air pollution, PM2.5 micrograms per cubic metre	05	8.25	2019	95.79	
3.02	Deforestation, Index	01	0.02	2020	100.00	
3.03	% of wastewater treated	05	95.82	2020	95.75	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	05	61.00	2019	89.12	
3.05	Ecological footprint	26	7.09	2018	14.10	
3.06	Renewable energy, %	20	8.40	2019	11.11	
3.07	Environmental standards in trade, count	01	-	-	100.00	
3.07.01	Convention: Hazardous Wastes	01	2	2021	100.00	
3.07.02	Convention: Prevention of Marine Pollution	01	2	2021	100.00	
3.07.03	Convention: Protection of the Ozone Layer (Vienna)	01	2	2021	100.00	
3.07.04	Convention on Climate Change (Kyoto)	01	2	2021	100.00	
3.07.05	The International Timber Agreement	01	2	2021	100.00	
3.07.06	Convention: International Trade in Endangered Species	01	2	2021	100.00	
3.07.07	Convention: Prior Informed Consent - Hazardous Chemicals (Rotterdam)	01	2	2021	100.00	
3.08	Transfer emissions, million tonnes carbon	24	12.39	2019	17.61	
3.09	Share of natural resources in trade, %	29	78.41	2020	7.86	
3.10	Carbon	25	-	-	32.27	
3.10.1	Carbon pricing	11	1	2022	50.00	
3.10.2	CO2 emissions per capita	28	14.31	2019	11.26	

About us

Global trade has helped lift hundreds of millions of people around the world out of poverty, but the benefits of trade do not come without their risks. If an economy is unprepared for the consequences of trade growth, it may result in labor disruption, environmental degradation, and worsening inequality. Proactive and responsible government policy and farsighted corporate decision-making can harness the benefits of trade and mitigate its excesses.

The Hinrich Foundation and the IMD World Competitiveness Center have combined their expertise to build the Hinrich-IMD Sustainable Trade Index, a framework for policy makers, business executives, and civil society leaders to understand and advance sustainable global trade.

hinrich foundation
advancing sustainable global trade

The Hinrich Foundation is an Asia based philanthropic organization that works to advance mutually beneficial and sustainable global trade.

We believe sustainable global trade strengthens relationships between nations and improves people's lives. We support original research and education programs that build understanding and leadership in global trade. Our approach is independent, fact-based and objective. We are an authoritative source of knowledge, sharp analysis and fresh thinking for policymakers, business, media and scholars engaged in global trade.

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The IMD World Competitiveness Center is dedicated to the advancement of knowledge on world competitiveness and offers benchmarking services for countries and companies using the latest and most relevant data on the subject. The Center has pioneered research on how nations and enterprises compete to lay the foundations for future prosperity.

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