

Sustainable Trade Index 2023

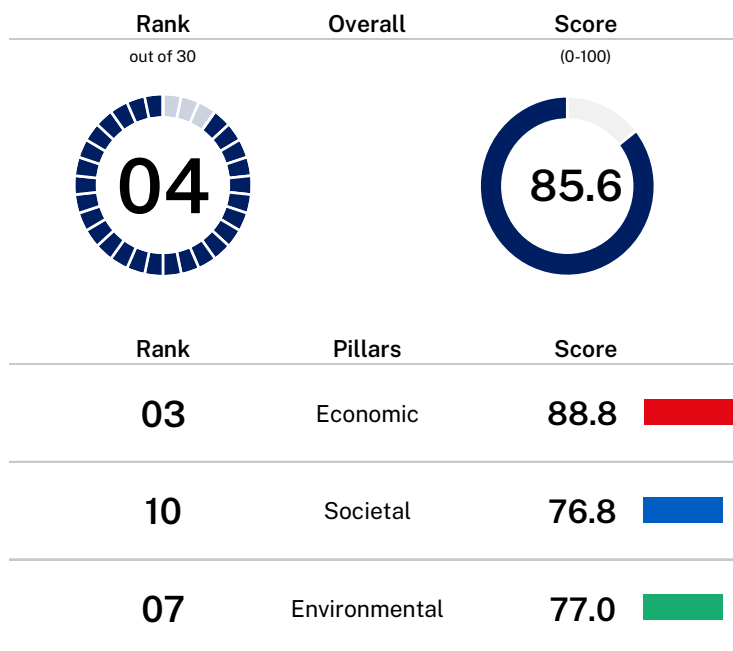
Hong Kong SAR



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	7.33 (2022)	Small
Income, GDP per Capita US\$	49,845 (2021)	High
Membership	APEC	

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	01	1.90	2021	100.0	
1.02	Real GDP Growth per capita, % GDP	29	-2.61	2021	41.4	
1.03	Growth in labor force, %	26	-0.44	2021	26.7	
1.04	Foreign direct investment, net inflows, % GDP	01	37.16	2020	100.0	
1.05	Gross fixed capital formation, % GDP	26	17.43	2020	15.5	
1.06	Tariff & non-tariff barriers	25	-	-	51.8	
1.06.01	Tariff barriers	01	-	-	100.0	
1.06.01.a	Tariff barriers in force	-	-	2021	-	
1.06.01.b	New tariff barriers 2022	01	0.00	2021	100.0	
1.06.01.c	Percentage of trade affected by tariff barrier (up to 2018)	-	-	-	-	
1.06.02	Non-tariff barriers	26	-	-	7.9	
1.06.02.a	Non-tariff barriers in force	-	-	2021	-	
1.06.02.b	New non-tariff barriers 2022	-	-	2021	-	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	23	69.64	2018	16.1	
1.07	Trade liberalization	12	-	-	67.0	
1.07.01	Regional Trade Agreements, number in force	23	8.00	2022	9.7	
1.07.02	Capital account liberalization, Index	01	2.31	2019	100.0	
1.07.03	Investment Freedom, Index	03	80.00	2020	92.3	
1.08	Exchange rate stability, parity change from national currency to SDR, 2022/2020	06	0.03	2021	93.3	
1.09	Domestic credit to private sector, % of GDP	01	259.28	2020	100.0	
1.10	Foreign trade and payments risk	02	-	-	83.6	
1.10.01	Country credit rating	07	53.00	2022	77.6	
1.10.02	Gross debt, % GDP	02	4.30	2021	99.2	
1.11	Trade costs	03	-	-	87.9	
1.11.01	Logistics performance, index	02	4.00	2018	84.2	
1.11.02	Corruption perceptions, index	03	76.00	2021	82.8	
1.11.03	Rule of law, index	06	90.38	2020	91.2	
1.12	Monetary policy intervention	20	-	-	46.2	
1.12.01	Current account balance, % GDP	26	10.70	2021	38.3	
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	02	-17.21	2021	21.6	
1.13	Export concentration	29	-	-	24.3	
1.13.01	Export market concentration, Top 5 as % total	26	73.57	2021	30.5	
1.13.02	Export product concentration, Top 5 as % total	26	78.33	2021	30.3	
1.14	Exports of goods and services	09	-	-	71.7	
1.14.01	Merchandise exports, US\$	05	609,925	2021	67.5	
1.14.02	Commercial services exports, US\$	09	83,516	2021	69.4	
1.15	Technological innovation	04	-	-	67.4	
1.15.01	R&D expenditure, % GDP	13	0.97	2020	18.0	
1.15.02	Researchers in R&D, per capita	08	4.55	2020	52.2	
1.15.03	Patent applications, per million inhabitants	11	440.56	2020	8.5	
1.15.04	High-technology exports, % of manufactured exports	01	70.54	2020	100.0	
1.15.05	Scientific articles, per million people	02	2,298.10	2020	96.9	
1.16	Technological infrastructure	01	-	-	100.0	
1.16.01	Fixed internet speed, Mbps	11	117.13	2021	59.6	
1.16.02	Internet users, % population	07	93.09	2020	93.5	
1.16.03	Fixed broadband subscriptions (per 100 people)	04	39.17	2021	88.4	
1.16.04	Mobile subscriptions (per 100 people)	01	319.43	2020	100.0	

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)	-	-	2016	-	
2.02	Educational attainment	07	-	-	63.26	
2.02.01	Mean years of schooling	10	12.23	2019	82.70	
2.02.02	University education Index	09	19.30	2021	15.99	
2.02.03	Tertiary enrollment	06	88.44	2020	74.75	
2.03	Labor standards	01	-	-	100.00	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	-	-	-	-	
2.04	Political stability and absence of violence	11	54.72	2020	53.81	
2.05	Goods produced by forced labor or child labor	09	-	-	91.69	
2.05.01	Goods produced by forced labor	09	-	-	91.69	
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	08	2.76	2018	86.34	
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	25	-	-	26.30	
2.06.01	Government response to human trafficking, Criminalization	21	4.00	2021	40.00	
2.06.02	Government response to human trafficking, Strategy	28	32.05	2018	17.65	
2.06.03	Government response to human trafficking, Action	21	3.00	2021	33.33	
2.07	Trade in goods at risk of modern slavery	18	-	-	50.81	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	29	70,287	2020	7.86	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	0	2020	100.00	
2.08	Social mobility, Index	-	-	-	-	
2.09	Life expectancy at birth	01	85.47	2021	100.00	
2.10	Uneven Economic Development	-	-	-	-	

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	15	17.77	2019	73.02	
3.02	Deforestation, Index	28	0.00	2020	5.84	
3.03	% of wastewater treated	07	91.12	2020	90.98	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	01	25.00	2019	100.00	
3.05	Ecological footprint	-	-	-	-	
3.06	Renewable energy, %	28	0.80	2020	1.06	
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	06	-13.45	2019	21.15	
3.09	Share of natural resources in trade, %	07	10.98	2020	88.12	
3.10	Carbon	24	-	-	39.89	
3.10.1	Carbon pricing	13	0	2022	0.00	
3.10.2	CO2 emissions per capita	16	4.37	2019	75.72	

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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IMD / World Competitiveness
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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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