

Sustainable Trade Index 2023

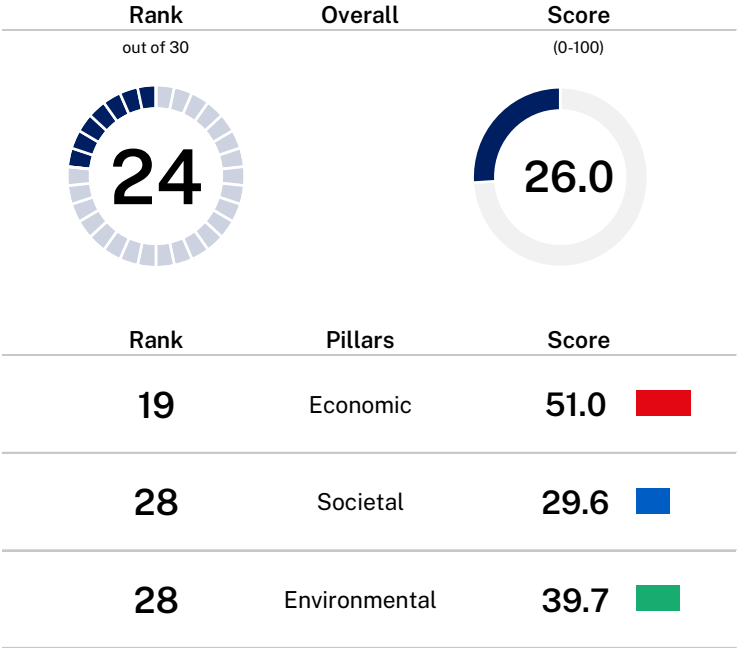
India



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	1423.33 (2022)	Large
Income, GDP per Capita US\$	2,379 (2022*)	Low
Membership	-	

*: Estimates

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	18	6.70	2021	70.4	
1.02	Real GDP Growth per capita, % GDP	05	5.83	2021	91.1	
1.03	Growth in labor force, %	03	3.18	2021	77.8	
1.04	Foreign direct investment, net inflows, % GDP	21	1.41	2020	3.9	
1.05	Gross fixed capital formation, % GDP	08	28.56	2020	54.0	
1.06	Tariff & non-tariff barriers	29	-	-	24.4	
1.06.01	Tariff barriers	30	-	-	0.0	
1.06.01.a	Tariff barriers in force	27	2,517	2021	50.6	
1.06.01.b	New tariff barriers 2022	27	300.00	2021	18.3	
1.06.01.c	Percentage of trade affected by tariff barrier (up to 2018)	22	49.23	2018	4.8	
1.06.02	Non-tariff barriers	18	-	-	55.6	
1.06.02.a	Non-tariff barriers in force	21	10,466	2021	94.2	
1.06.02.b	New non-tariff barriers 2022	21	1,442	2021	33.3	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	09	44.75	2018	51.1	
1.07	Trade liberalization	23	-	-	19.8	
1.07.01	Regional Trade Agreements, number in force	07	18.00	2022	41.9	
1.07.02	Capital account liberalization, Index	22	-1.23	2019	0.0	
1.07.03	Investment Freedom, Index	22	40.00	2022	30.8	
1.08	Exchange rate stability, parity change from national currency to SDR, 2022/2020	04	0.02	2021	96.0	
1.09	Domestic credit to private sector, % of GDP	17	50.00	2020	14.2	
1.10	Foreign trade and payments risk	22	-	-	40.9	
1.10.01	Country credit rating	19	33.00	2022	47.8	
1.10.02	Gross debt, % GDP	23	83.10	2021	68.8	
1.11	Trade costs	16	-	-	43.9	
1.11.01	Logistics performance, index	14	3.40	2018	52.6	
1.11.02	Corruption perceptions, index	16	40.00	2021	26.6	
1.11.03	Rule of law, index	17	51.92	2020	49.7	
1.12	Monetary policy intervention	12	-	-	52.7	
1.12.01	Current account balance, % GDP	12	-2.60	2021	60.1	
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	10	-3.52	2021	7.5	
1.13	Export concentration	01	-	-	100.0	
1.13.01	Export market concentration, Top 5 as % total	01	36.91	2021	100.0	
1.13.02	Export product concentration, Top 5 as % total	03	39.00	2021	93.6	
1.14	Exports of goods and services	06	-	-	77.9	
1.14.01	Merchandise exports, US\$	12	453,481	2021	62.1	
1.14.02	Commercial services exports, US\$	04	313,041	2021	86.4	
1.15	Technological innovation	21	-	-	7.8	
1.15.01	R&D expenditure, % GDP	15	0.66	2018	11.3	
1.15.02	Researchers in R&D, per capita	19	0.25	2018	2.7	
1.15.03	Patent applications, per million inhabitants	15	30.61	2020	0.6	
1.15.04	High-technology exports, % of manufactured exports	18	10.21	2020	13.2	
1.15.05	Scientific articles, per million people	21	108.23	2020	4.3	
1.16	Technological infrastructure	27	-	-	19.4	
1.16.01	Fixed internet speed, Mbps	19	45.13	2021	20.6	
1.16.02	Internet users, % population	26	46.31	2020	32.8	
1.16.03	Fixed broadband subscriptions (per 100 people)	27	1.96	2021	4.0	
1.16.04	Mobile subscriptions (per 100 people)	27	81.99	2020	22.2	

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)	06	35.70	2019	54.89	
2.02	Educational attainment	24	-	-	21.14	
2.02.01	Mean years of schooling	25	6.66	2019	22.79	
2.02.02	University education Index	08	22.50	2021	18.64	
2.02.03	Tertiary enrollment	23	31.30	2020	18.71	
2.03	Labor standards	16	-	-	70.75	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	18	0.50	2021	41.49	
2.04	Political stability and absence of violence	24	24.53	2020	21.32	
2.05	Goods produced by forced labor or child labor	27	-	-	31.01	
2.05.01	Goods produced by forced labor	27	-	-	31.01	
2.05.01.a	Goods produced by forced labor, number of goods categories	28	10.00	2021	44.44	
2.05.01.b	% population in forced labor	25	8.01	2018	42.18	
2.05.02	Goods produced by child labor, number of goods categories	30	25.00	2021	0.00	
2.06	Government response to human trafficking	15	-	-	59.71	
2.06.01	Government response to human trafficking, Criminalization	15	5.00	2021	60.00	
2.06.02	Government response to human trafficking, Strategy	18	46.15	2018	50.00	
2.06.03	Government response to human trafficking, Action	09	2.00	2021	66.67	
2.07	Trade in goods at risk of modern slavery	29	-	-	12.97	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	25	25,194	2020	16.33	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	28	37,960	2020	20.67	
2.08	Social mobility, Index	22	42.70	2020	15.23	
2.09	Life expectancy at birth	26	67.24	2021	9.39	
2.10	Uneven Economic Development	19	5.80	2023	42.11	

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	30	48.30	2019	0.00	
3.02	Deforestation, Index	20	0.00	2020	16.05	
3.03	% of wastewater treated	23	20.71	2020	19.43	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	25	233.00	2019	37.16	
3.05	Ecological footprint	03	1.21	2018	94.03	
3.06	Renewable energy, %	10	25.40	2020	33.60	
3.07	Environmental standards in trade, count	09	-	-	75.00	
3.07.01	Convention: Hazardous Wastes	01	2	2021	100.00	
3.07.02	Convention: Prevention of Marine Pollution	15	0	2021	0.00	
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	26	45.89	2019	13.86	
3.09	Share of natural resources in trade, %	21	34.98	2020	59.56	
3.10	Carbon	20	-	-	48.33	
3.10.1	Carbon pricing	13	0	2022	0.00	
3.10.2	CO2 emissions per capita	09	1.90	2019	91.75	

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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