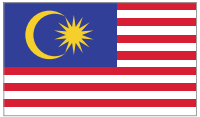


Sustainable Trade Index 2023

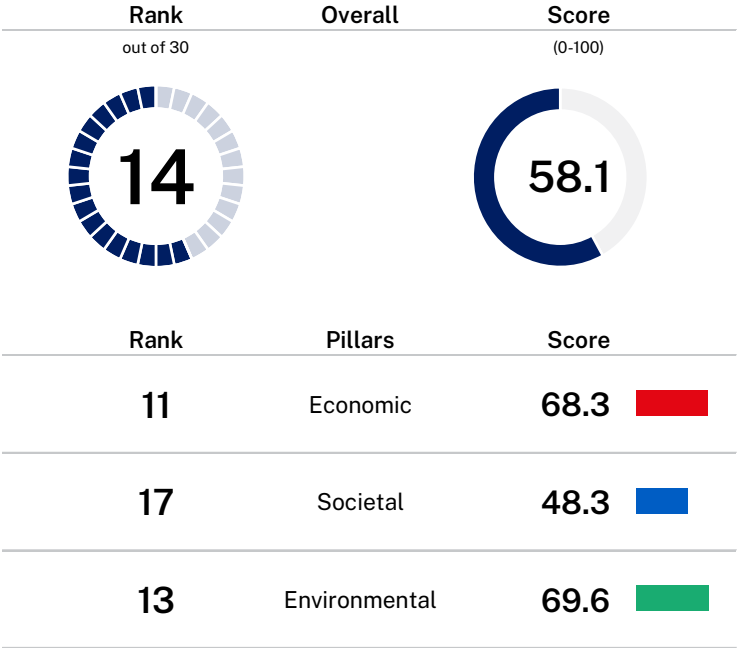
Malaysia



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	32.99 (2022)	Medium
Income, GDP per Capita US\$	11,450 (2021)	Medium
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	06	3.40	2021	88.4	
1.02	Real GDP Growth per capita, % GDP	01	7.33	2021	100.0	
1.03	Growth in labor force, %	09	2.33	2021	65.8	
1.04	Foreign direct investment, net inflows, % GDP	05	4.99	2020	13.5	
1.05	Gross fixed capital formation, % GDP	25	19.29	2020	22.0	
1.06	Tariff & non-tariff barriers	14	-	-	72.0	
1.06.01	Tariff barriers	12	-	-	89.0	
1.06.01.a	Tariff barriers in force	10	81	2021	98.4	
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)	12	12.09	2018	76.8	
1.06.02	Non-tariff barriers	17	-	-	57.5	
1.06.02.a	Non-tariff barriers in force	15	941	2021	99.5	
1.06.02.b	New non-tariff barriers 2022	13	96	2021	64.9	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	19	67.26	2018	19.4	
1.07	Trade liberalization	15	-	-	39.7	
1.07.01	Regional Trade Agreements, number in force	10	16.00	2022	35.5	
1.07.02	Capital account liberalization, Index	16	-0.16	2019	30.3	
1.07.03	Investment Freedom, Index	13	60.00	2022	61.5	
1.08	Exchange rate stability, parity change from national currency to SDR, 2022/2020	02	0.01	2021	99.0	
1.09	Domestic credit to private sector, % of GDP	12	127.54	2020	46.0	
1.10	Foreign trade and payments risk	15	-	-	54.0	
1.10.01	Country credit rating	13	41.00	2022	59.7	
1.10.02	Gross debt, % GDP	20	66.30	2021	75.2	
1.11	Trade costs	13	-	-	57.9	
1.11.01	Logistics performance, index	11	3.60	2018	63.2	
1.11.02	Corruption perceptions, index	13	47.00	2021	37.5	
1.11.03	Rule of law, index	13	70.19	2020	69.4	
1.12	Monetary policy intervention	21	-	-	45.3	
1.12.01	Current account balance, % GDP	24	2.60	2021	51.6	
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	11	-3.23	2021	7.2	
1.13	Export concentration	08	-	-	68.6	
1.13.01	Export market concentration, Top 5 as % total	12	53.22	2021	69.1	
1.13.02	Export product concentration, Top 5 as % total	10	54.02	2021	69.5	
1.14	Exports of goods and services	14	-	-	59.8	
1.14.01	Merchandise exports, US\$	15	352,501	2021	57.6	
1.14.02	Commercial services exports, US\$	16	31,294	2021	56.8	
1.15	Technological innovation	12	-	-	31.3	
1.15.01	R&D expenditure, % GDP	14	0.95	2020	17.6	
1.15.02	Researchers in R&D, per capita	14	0.74	2020	8.3	
1.15.03	Patent applications, per million inhabitants	13	57.18	2020	1.1	
1.15.04	High-technology exports, % of manufactured exports	04	51.68	2020	72.9	
1.15.05	Scientific articles, per million people	11	671.64	2020	28.2	
1.16	Technological infrastructure	15	-	-	60.1	
1.16.01	Fixed internet speed, Mbps	12	78.87	2021	38.9	
1.16.02	Internet users, % population	03	96.75	2020	98.3	
1.16.03	Fixed broadband subscriptions (per 100 people)	19	11.12	2021	24.8	
1.16.04	Mobile subscriptions (per 100 people)	08	140.59	2020	50.0	

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)	-	-	2015	-	
2.02	Educational attainment	15	-	-	37.38	
2.02.01	Mean years of schooling	14	10.65	2019	65.70	
2.02.02	University education Index	15	10.10	2021	8.36	
2.02.03	Tertiary enrollment	18	42.57	2020	29.76	
2.03	Labor standards	26	-	-	37.49	
2.03.01	Gender non-discrimination in hiring	24	50.00	2022	33.33	
2.03.02	Freedom of association and assembly	17	0.50	2021	41.65	
2.04	Political stability and absence of violence	12	50.94	2020	49.75	
2.05	Goods produced by forced labor or child labor	23	-	-	60.27	
2.05.01	Goods produced by forced labor	23	-	-	60.27	
2.05.01.a	Goods produced by forced labor, number of goods categories	26	4.00	2021	77.78	
2.05.01.b	% population in forced labor	17	6.26	2018	56.93	
2.05.02	Goods produced by child labor, number of goods categories	16	1.00	2021	96.00	
2.06	Government response to human trafficking	24	-	-	32.57	
2.06.01	Government response to human trafficking, Criminalization	15	5.00	2021	60.00	
2.06.02	Government response to human trafficking, Strategy	20	44.87	2018	47.06	
2.06.03	Government response to human trafficking, Action	24	4.00	2021	0.00	
2.07	Trade in goods at risk of modern slavery	26	-	-	19.66	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	15	8,587	2020	25.22	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	25	23,412	2020	24.31	
2.08	Social mobility, Index	10	62.00	2020	64.21	
2.09	Life expectancy at birth	14	74.88	2021	47.38	
2.10	Uneven Economic Development	07	3.50	2023	82.46	

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	12	16.29	2019	76.56	
3.02	Deforestation, Index	05	0.01	2020	66.00	
3.03	% of wastewater treated	08	89.32	2020	89.14	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	22	176.00	2019	54.38	
3.05	Ecological footprint	18	4.26	2018	52.55	
3.06	Renewable energy, %	23	3.90	2020	5.16	
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	22	4.48	2019	18.62	
3.09	Share of natural resources in trade, %	16	21.52	2020	75.57	
3.10	Carbon	26	-	-	29.01	
3.10.1	Carbon pricing	13	0	2022	0.00	
3.10.2	CO2 emissions per capita	20	7.56	2019	55.06	

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 is an independent academic institution with Swiss roots and global reach, founded over 75 years ago by business leaders for business leaders. Since its creation, IMD has been a pioneering force in developing leaders who transform organizations and contribute to society.

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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