hinrich foundation
advancing sustainable global trade

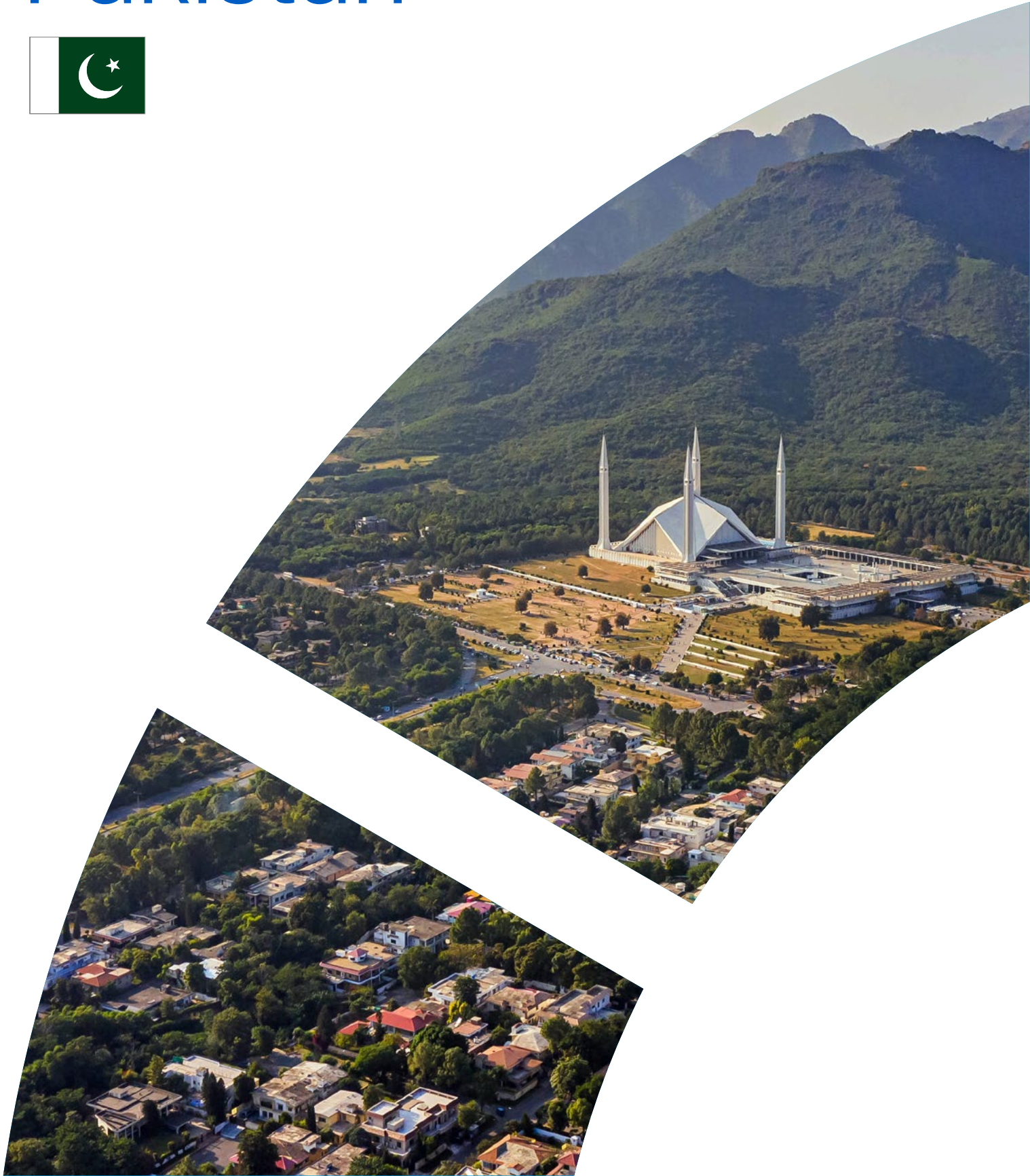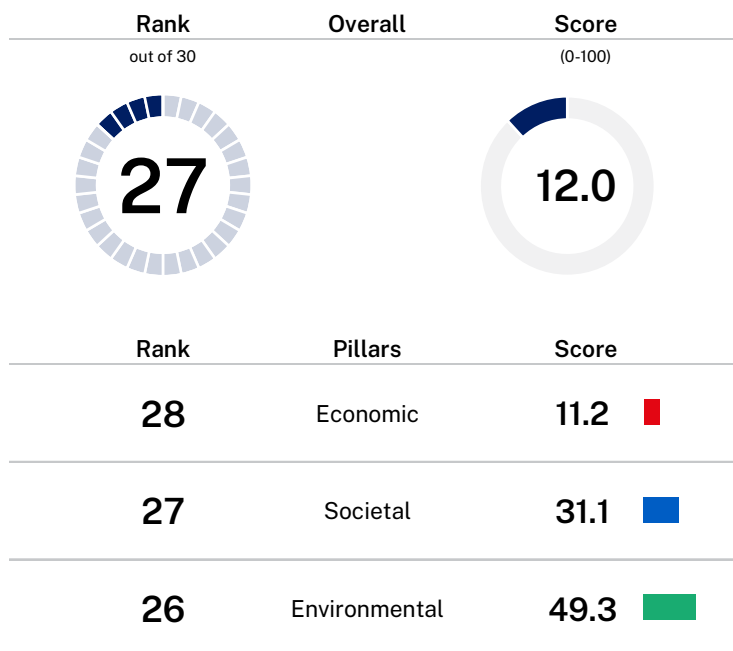IMD / World Competitiveness Center

Sustainable Trade Index 2023
Pakistan

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

Rank	Overall	Score
out of 30		(0-100)
27		**12.0**

Rank	Pillars	Score	
28	Economic	**11.2**	🟥
27	Societal	**31.1**	🟦
26	Environmental	**49.3**	🟩

Background information

Population, millions	227.03 (2022)	Large
Income, GDP per Capita US$	1,564 (2021)	Low
Membership	-	

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	26	12.10	2021	51.3	
1.02	Real GDP Growth per capita, % GDP	08	3.90	2021	79.7	
1.03	Growth in labor force, %	07	2.55	2021	69.0	
1.04	Foreign direct investment, net inflows, % GDP	27	0.60	2020	1.7	
1.05	Gross fixed capital formation, % GDP	28	12.93	2020	0.0	
1.06	Tariff & non-tariff barriers	26	-	-	47.4	
1.06.01	Tariff barriers	28	-	-	22.2	
1.06.01.a	Tariff barriers in force	23	773	2021	84.8	
1.06.01.b	New tariff barriers 2022	25	81.00	2021	36.9	
1.06.01.c	Percentage of trade affected by tariff barrier (up to 2018)	23	50.54	2018	2.3	
1.06.02	Non-tariff barriers	07	-	-	77.1	
1.06.02.a	Non-tariff barriers in force	16	1,787	2021	99.0	
1.06.02.b	New non-tariff barriers 2022	14	267	2021	53.0	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	03	20.44	2018	85.4	
1.07	Trade liberalization	22	-	-	21.6	
1.07.01	Regional Trade Agreements, number in force	20	10.00	2022	16.1	
1.07.02	Capital account liberalization, Index	22	-1.23	2019	0.0	
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	29	0.22	2021	53.4	
1.09	Domestic credit to private sector, % of GDP	27	15.35	2020	0.0	
1.10	Foreign trade and payments risk	27	-	-	16.5	
1.10.01	Country credit rating	25	8.00	2022	10.4	
1.10.02	Gross debt, % GDP	21	75.80	2021	71.6	
1.11	Trade costs	25	-	-	15.4	
1.11.01	Logistics performance, index	-	-	2018	-	
1.11.02	Corruption perceptions, index	27	27.00	2021	6.3	
1.11.03	Rule of law, index	23	27.88	2020	23.8	
1.12	Monetary policy intervention	06	-	-	55.7	
1.12.01	Current account balance, % GDP	06	-4.60	2021	63.4	
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	07	-3.91	2021	7.8	
1.13	Export concentration	14	-	-	53.1	
1.13.01	Export market concentration, Top 5 as % total	06	49.23	2021	76.6	
1.13.02	Export product concentration, Top 5 as % total	24	75.62	2021	34.7	
1.14	Exports of goods and services	23	-	-	27.0	
1.14.01	Merchandise exports, US$	24	30,936	2021	16.6	
1.14.02	Commercial services exports, US$	22	6,043	2021	36.0	
1.15	Technological innovation	25	-	-	2.2	
1.15.01	R&D expenditure, % GDP	23	0.16	2019	0.8	
1.15.02	Researchers in R&D, per capita	16	0.42	2019	4.6	
1.15.03	Patent applications, per million inhabitants	25	2.21	2020	0.0	
1.15.04	High-technology exports, % of manufactured exports	25	1.49	2020	0.6	
1.15.05	Scientific articles, per million people	25	78.07	2020	3.1	
1.16	Technological infrastructure	29	-	-	2.4	
1.16.01	Fixed internet speed, Mbps	30	7.13	2021	0.0	
1.16.02	Internet users, % population	30	21.04	2020	0.0	
1.16.03	Fixed broadband subscriptions (per 100 people)	29	1.27	2021	2.4	
1.16.04	Mobile subscriptions (per 100 people)	28	81.55	2020	21.9	

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)	02	29.60	2018	88.04	
2.02	Educational attainment	27	-	-	2.72	
2.02.01	Mean years of schooling	30	4.54	2019	0.00	
2.02.02	University education Index	12	12.79	2021	10.60	
2.02.03	Tertiary enrollment	29	12.22	2019	0.00	
2.03	Labor standards	14	-	-	76.96	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	16	0.57	2021	53.92	
2.04	Political stability and absence of violence	29	6.60	2020	2.03	
2.05	Goods produced by forced labor or child labor	26	-	-	31.08	
2.05.01	Goods produced by forced labor	26	-	-	31.08	
2.05.01.a	Goods produced by forced labor, number of goods categories	27	6.00	2021	66.67	
2.05.01.b	% population in forced labor	27	10.63	2018	20.06	
2.05.02	Goods produced by child labor, number of goods categories	26	14.00	2021	44.00	
2.06	Government response to human trafficking	20	-	-	43.88	
2.06.01	Government response to human trafficking, Criminalization	21	4.00	2021	40.00	
2.06.02	Government response to human trafficking, Strategy	26	37.18	2018	29.41	
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	20	-	-	42.91	
2.07.01	Imports of goods at risk of modern slavery, US$ millions	13	7,040	2020	26.86	
2.07.02	Exports of goods at risk of modern slavery, US$ millions	19	88	2020	66.22	
2.08	Social mobility, Index	24	36.70	2020	0.00	
2.09	Life expectancy at birth	27	66.10	2021	3.71	
2.10	Uneven Economic Development	14	4.90	2023	57.89	

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	29	44.31	2019	9.54	
3.02	Deforestation, Index	30	0.00	2020	0.00	
3.03	% of wastewater treated	19	38.11	2020	37.10	
3.04	Energy intensity, energy consumed for each 1'000 US$ of GDP in MTOE	26	248.00	2019	32.63	
3.05	Ecological footprint	01	0.77	2018	100.00	
3.06	Renewable energy, %	06	37.90	2020	50.13	
3.07	Environmental standards in trade, count	20	-	-	50.00	
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	21	0	2021	0.00	
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	11	-4.94	2019	19.91	
3.09	Share of natural resources in trade, %	04	7.00	2020	92.85	
3.10	Carbon	16	-	-	51.27	
3.10.1	Carbon pricing	13	0	2022	0.00	
3.10.2	CO2 emissions per capita	05	1.04	2019	97.32	

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.

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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 Center

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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