

Sustainable Trade Index 2023

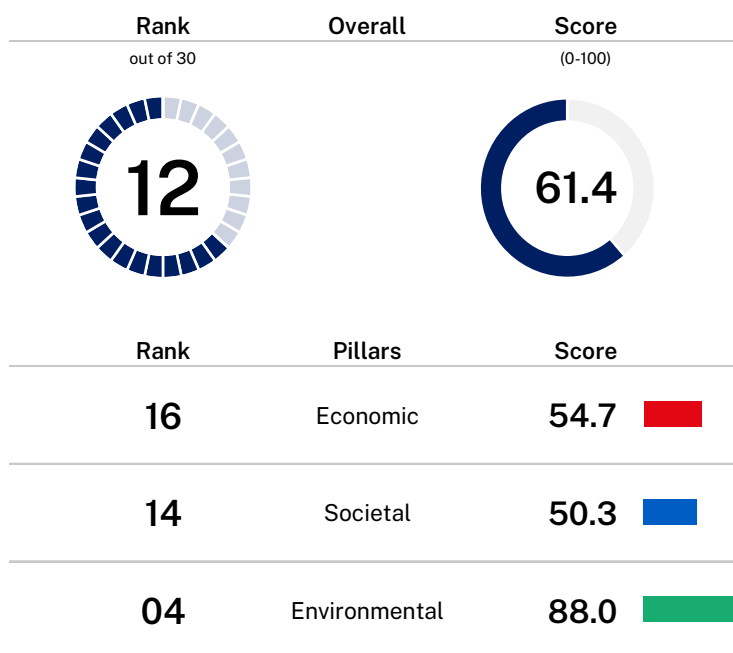
Philippines



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	111.57 (2022)	Large
Income, GDP per Capita US\$	3,623 (2022)	Medium
Membership	APEC, 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	12	5.80	2021	74.7	
1.02	Real GDP Growth per capita, % GDP	03	6.28	2021	93.8	
1.03	Growth in labor force, %	01	4.75	2021	100.0	
1.04	Foreign direct investment, net inflows, % GDP	11	3.04	2020	8.3	
1.05	Gross fixed capital formation, % GDP	20	22.29	2020	32.3	
1.06	Tariff & non-tariff barriers	09	-	-	85.1	
1.06.01	Tariff barriers	09	-	-	96.9	
1.06.01.a	Tariff barriers in force	09	76	2021	98.5	
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)	04	2.95	2018	94.5	
1.06.02	Non-tariff barriers	11	-	-	74.5	
1.06.02.a	Non-tariff barriers in force	08	280	2021	99.8	
1.06.02.b	New non-tariff barriers 2022	11	87	2021	66.0	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	05	35.25	2018	64.5	
1.07	Trade liberalization	17	-	-	35.1	
1.07.01	Regional Trade Agreements, number in force	19	11.00	2022	19.4	
1.07.02	Capital account liberalization, Index	15	-0.03	2019	33.9	
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	19	0.05	2021	88.0	
1.09	Domestic credit to private sector, % of GDP	18	49.94	2020	14.2	
1.10	Foreign trade and payments risk	18	-	-	52.1	
1.10.01	Country credit rating	16	37.00	2022	53.7	
1.10.02	Gross debt, % GDP	17	57.50	2021	78.6	
1.11	Trade costs	21	-	-	29.2	
1.11.01	Logistics performance, index	15	3.30	2018	47.4	
1.11.02	Corruption perceptions, index	22	33.00	2021	15.6	
1.11.03	Rule of law, index	25	26.92	2020	22.8	
1.12	Monetary policy intervention	07	-	-	55.4	
1.12.01	Current account balance, % GDP	08	-4.40	2021	63.1	
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	08	-3.84	2021	7.7	
1.13	Export concentration	17	-	-	42.6	
1.13.01	Export market concentration, Top 5 as % total	20	64.65	2021	47.4	
1.13.02	Export product concentration, Top 5 as % total	18	68.94	2021	45.5	
1.14	Exports of goods and services	18	-	-	47.5	
1.14.01	Merchandise exports, US\$	19	78,798	2021	31.3	
1.14.02	Commercial services exports, US\$	13	39,556	2021	59.8	
1.15	Technological innovation	13	-	-	25.2	
1.15.01	R&D expenditure, % GDP	18	0.32	2018	4.2	
1.15.02	Researchers in R&D, per capita	20	0.17	2018	1.8	
1.15.03	Patent applications, per million inhabitants	21	6.31	2020	0.1	
1.15.04	High-technology exports, % of manufactured exports	02	64.23	2020	90.9	
1.15.05	Scientific articles, per million people	19	156.92	2020	6.4	
1.16	Technological infrastructure	21	-	-	38.0	
1.16.01	Fixed internet speed, Mbps	15	61.09	2021	29.2	
1.16.02	Internet users, % population	25	52.68	2020	41.1	
1.16.03	Fixed broadband subscriptions (per 100 people)	22	8.45	2021	18.7	
1.16.04	Mobile subscriptions (per 100 people)	06	143.44	2020	51.1	

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)	16	40.70	2021	27.72	
2.02	Educational attainment	21	-	-	25.44	
2.02.01	Mean years of schooling	18	8.97	2019	47.67	
2.02.02	University education Index	21	1.44	2021	1.19	
2.02.03	Tertiary enrollment	20	35.52	2021	22.85	
2.03	Labor standards	12	-	-	78.97	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	14	0.59	2021	57.93	
2.04	Political stability and absence of violence	27	16.98	2020	13.20	
2.05	Goods produced by forced labor or child labor	19	-	-	65.66	
2.05.01	Goods produced by forced labor	19	-	-	65.66	
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	24	7.84	2018	43.56	
2.05.02	Goods produced by child labor, number of goods categories	24	13.00	2021	48.00	
2.06	Government response to human trafficking	02	-	-	99.77	
2.06.01	Government response to human trafficking, Criminalization	01	7.00	2021	100.00	
2.06.02	Government response to human trafficking, Strategy	05	58.97	2018	79.41	
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	07	-	-	64.90	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	09	2,872	2020	34.26	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	0	2020	100.00	
2.08	Social mobility, Index	18	51.70	2020	38.07	
2.09	Life expectancy at birth	23	69.27	2021	19.46	
2.10	Uneven Economic Development	13	4.70	2023	61.40	

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	18	20.15	2019	67.33	
3.02	Deforestation, Index	18	0.00	2020	21.05	
3.03	% of wastewater treated	12	66.59	2020	66.04	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	09	90.00	2019	80.36	
3.05	Ecological footprint	04	1.47	2018	90.52	
3.06	Renewable energy, %	07	35.80	2020	47.35	
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	09	-9.03	2019	20.49	
3.09	Share of natural resources in trade, %	09	11.48	2020	87.53	
3.10	Carbon	18	-	-	50.27	
3.10.1	Carbon pricing	13	0	2022	0.00	
3.10.2	CO2 emissions per capita	07	1.33	2019	95.42	

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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