

Sustainable Trade Index 2023

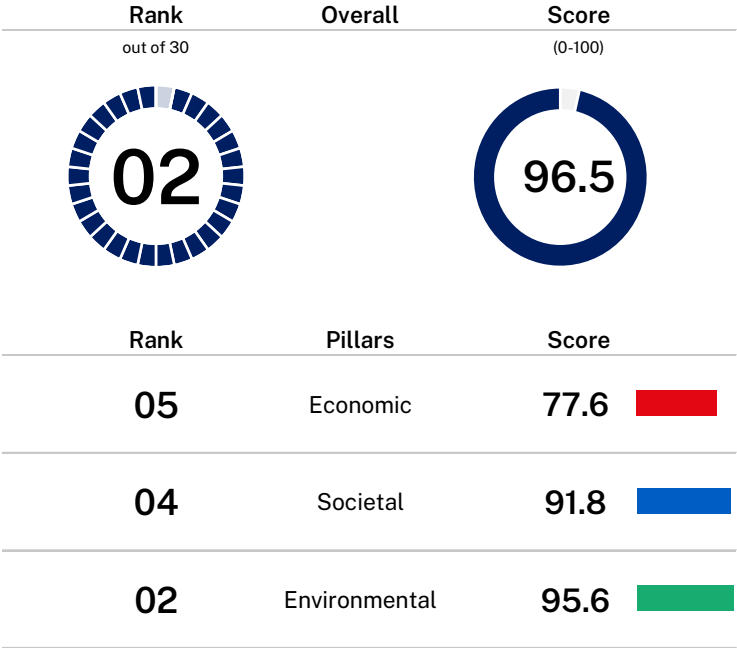
United Kingdom



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	67.79 (2022)	Large
Income, GDP per Capita US\$	40,347 (2020)	High
Membership	CPTPP	

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	24	9.10	2021	60.9	
1.02	Real GDP Growth per capita, % GDP	09	3.26	2021	76.0	
1.03	Growth in labor force, %	20	0.84	2021	44.8	
1.04	Foreign direct investment, net inflows, % GDP	29	0.19	2020	0.6	
1.05	Gross fixed capital formation, % GDP	27	17.38	2020	15.4	
1.06	Tariff & non-tariff barriers	24	-	-	54.1	
1.06.01	Tariff barriers	24	-	-	62.6	
1.06.01.a	Tariff barriers in force	25	1,321	2021	74.1	
1.06.01.b	New tariff barriers 2022	23	7.00	2021	70.2	
1.06.01.c	Percentage of trade affected by tariff barrier (up to 2018)	16	15.05	2018	71.0	
1.06.02	Non-tariff barriers	22	-	-	49.6	
1.06.02.a	Non-tariff barriers in force	22	10,762	2021	94.0	
1.06.02.b	New non-tariff barriers 2022	18	539	2021	44.8	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	16	64.42	2018	23.4	
1.07	Trade liberalization	01	-	-	100.0	
1.07.01	Regional Trade Agreements, number in force	01	36.00	2022	100.0	
1.07.02	Capital account liberalization, Index	01	2.31	2019	100.0	
1.07.03	Investment Freedom, Index	03	80.00	2022	92.3	
1.08	Exchange rate stability, parity change from national currency to SDR, 2022/2020	01	0.00	2021	100.0	
1.09	Domestic credit to private sector, % of GDP	10	138.91	2020	50.7	
1.10	Foreign trade and payments risk	13	-	-	55.7	
1.10.01	Country credit rating	09	52.00	2022	76.1	
1.10.02	Gross debt, % GDP	24	102.60	2021	61.2	
1.11	Trade costs	08	-	-	80.6	
1.11.01	Logistics performance, index	08	3.70	2018	68.4	
1.11.02	Corruption perceptions, index	06	73.00	2021	78.1	
1.11.03	Rule of law, index	07	89.42	2020	90.2	
1.12	Monetary policy intervention	10	-	-	54.8	
1.12.01	Current account balance, % GDP	05	-5.60	2021	65.0	
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	18	-0.47	2021	5.1	
1.13	Export concentration	02	-	-	89.8	
1.13.01	Export market concentration, Top 5 as % total	04	46.21	2021	82.4	
1.13.02	Export product concentration, Top 5 as % total	04	39.17	2021	93.4	
1.14	Exports of goods and services	03	-	-	82.4	
1.14.01	Merchandise exports, US\$	09	529,435	2021	65.0	
1.14.02	Commercial services exports, US\$	02	487,391	2021	92.1	
1.15	Technological innovation	08	-	-	49.4	
1.15.01	R&D expenditure, % GDP	08	1.71	2019	33.8	
1.15.02	Researchers in R&D, per capita	07	4.68	2019	53.7	
1.15.03	Patent applications, per million inhabitants	07	797.16	2020	15.4	
1.15.04	High-technology exports, % of manufactured exports	09	23.85	2020	32.8	
1.15.05	Scientific articles, per million people	06	1,573.69	2020	66.3	
1.16	Technological infrastructure	08	-	-	77.8	
1.16.01	Fixed internet speed, Mbps	13	76.38	2021	37.5	
1.16.02	Internet users, % population	04	96.68	2020	98.2	
1.16.03	Fixed broadband subscriptions (per 100 people)	03	41.23	2021	93.1	
1.16.04	Mobile subscriptions (per 100 people)	19	118.57	2020	40.7	

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)	03	32.60	2020	71.74	
2.02	Educational attainment	03	-	-	79.97	
2.02.01	Mean years of schooling	03	13.41	2019	95.39	
2.02.02	University education Index	02	80.69	2021	66.84	
2.02.03	Tertiary enrollment	12	69.48	2020	56.16	
2.03	Labor standards	09	-	-	90.94	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	10	0.73	2021	81.87	
2.04	Political stability and absence of violence	10	62.74	2020	62.44	
2.05	Goods produced by forced labor or child labor	05	-	-	96.60	
2.05.01	Goods produced by forced labor	05	-	-	96.60	
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	05	1.80	2018	94.42	
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	01	-	-	100.00	
2.06.01	Government response to human trafficking, Criminalization	04	6.00	2021	80.00	
2.06.02	Government response to human trafficking, Strategy	01	67.95	2018	100.00	
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	16	-	-	54.66	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	26	29,312	2020	15.08	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	0	2020	100.00	
2.08	Social mobility, Index	05	74.40	2020	95.69	
2.09	Life expectancy at birth	08	80.74	2021	76.49	
2.10	Uneven Economic Development	09	3.70	2023	78.95	

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	06	9.84	2019	91.99	
3.02	Deforestation, Index	12	0.01	2020	29.65	
3.03	% of wastewater treated	04	97.45	2020	97.41	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	02	39.00	2019	95.77	
3.05	Ecological footprint	17	4.18	2018	53.64	
3.06	Renewable energy, %	17	12.60	2019	16.67	
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	03	-37.77	2019	25.27	
3.09	Share of natural resources in trade, %	20	28.91	2020	66.78	
3.10	Carbon	04	-	-	90.57	
3.10.1	Carbon pricing	01	2	2022	100.00	
3.10.2	CO2 emissions per capita	18	4.95	2019	71.93	

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.

hinrichfoundation.com | [STI 2023](#)

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.

imd.org | imd.org/wcc