

SUSTAINABLE TRADE INDEX 2022



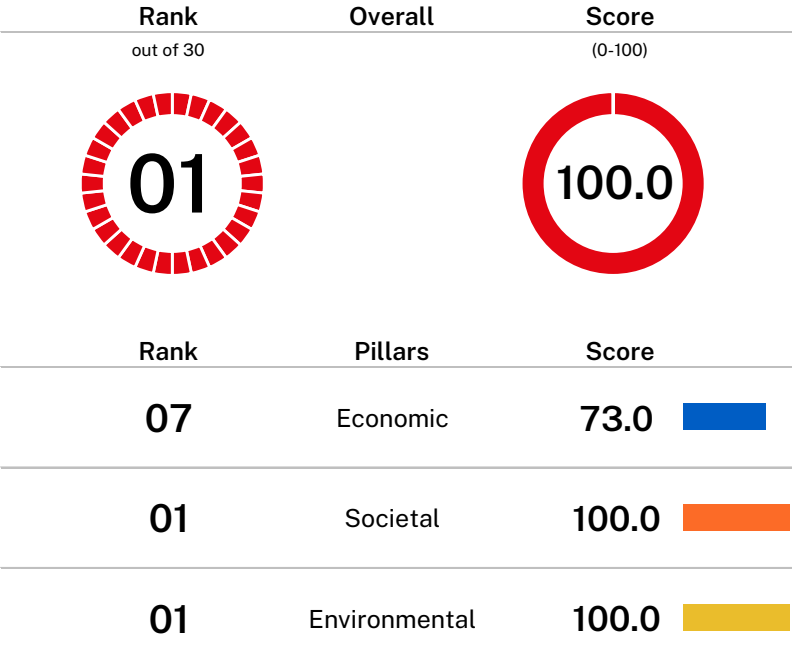
New Zealand

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Sustainable Trade Index

The Hinrich-IMD Sustainable Trade Index measures each economy’s 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	5.12	Small
Income, GDP per Capita US\$	48,001	High
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	20	3.94	2021	54.2	
1.02	Real GDP Growth per capita, % GDP	11	5.03	2021	91.7	
1.03	Growth in labor force, %	17	0.65	2021	17.6	
1.04	Foreign direct investment, net inflows, % GDP	11	1.93	2020	15.2	
1.05	Gross fixed capital formation, % GDP	15	22.78	2020	53.1	
1.06	Tariff & non-tariff barriers	11	-	-	57.9	
1.06.01	Tariff barriers	07	-	-	73.3	
1.06.01.a	Tariff barriers in force	11	271	2021	34.1	
1.06.01.b	New tariff barriers 2021	01	0.00	2021	100.0	
1.06.01.c	Percentage of trade affected by tariff barrier (up to 2018)	06	3.10	2018	94.2	
1.06.02	Non-tariff barriers	16	-	-	49.5	
1.06.02.a	Non-tariff barriers in force	10	147	2021	56.0	
1.06.02.b	New non-tariff barriers 2021	18	218	2021	38.4	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	08	42.67	2018	54.1	
1.07	Trade liberalization	11	-	-	66.0	
1.07.01	Regional Trade Agreements, number in force	16	13.00	2022	24.2	
1.07.02	Capital account liberalization, Index	01	2.32	2019	100.0	
1.07.03	Investment Freedom, Index	09	70.00	2022	76.9	
1.08	Exchange rate stability, parity change from national currency to SDR, 2020/2018	14	0.04	2021	85.2	
1.09	Domestic credit to private sector, % of GDP	06	161.28	2020	59.7	
1.10	Foreign trade and payments risk	04	-	-	90.0	
1.10.01	Country credit rating	03	76.00	2022	98.5	
1.10.02	Gross debt, % GDP	11	49.08	2021	81.9	
1.11	Trade costs	02	-	-	99.5	
1.11.01	Logistics performance, index	06	3.88	2018	91.9	
1.11.02	Corruption perceptions, index	01	88.00	2021	100.0	
1.11.03	Rule of law, index	01	99.04	2020	100.0	
1.12	Monetary policy intervention	10	-	-	40.8	
1.12.01	Current account balance, % GDP	03	-5.78	2021	57.1	
1.12.02	Total reserves (includes gold)1 year change, % GDP	18	-0.01	2021	40.6	
1.13	Export concentration	09	-	-	65.3	
1.13.01	Export market concentration, Top 5 as % total	18	62.31	2021	52.7	
1.13.02	Export product concentration, Top 5 as % total	07	48.42	2021	81.1	
1.14	Exports of goods and services	21	-	-	12.9	
1.14.01	Merchandise exports, US\$	21	44,867	2021	22.9	
1.14.02	Commercial services exports, US\$	18	9,699	2021	1.3	
1.15	Technological innovation	09	-	-	47.0	
1.15.01	R&D expenditure, % GDP	10	1.41	2019	28.8	
1.15.02	Researchers in R&D, per capita	04	5.85	2019	67.1	
1.15.03	Patent applications, per million inhabitants	09	467.36	2020	9.3	
1.15.04	High-technology exports, % of manufactured exports	18	10.14	2020	13.0	
1.15.05	Scientific articles, per million people	04	1,766.32	2020	74.4	
1.16	Technological infrastructure	06	-	-	76.5	
1.16.01	Fixed internet speed, Mbps	06	133.84	2021	68.9	
1.16.02	Internet users, % population	07	91.50	2020	93.6	
1.16.03	Fixed broadband subscriptions	06	36.60	2020	84.0	
1.16.04	Mobile subscriptions (per 100 people)	15	127.49	2020	32.7	

Societal pillar

The Societal pillar captures social factors that contribute to an economy's long-term capacity to conduct trade. Economies are measured against yardsticks for the development of human capital, such as education levels and labor standards.

This pillar also captures factors that support a population's tolerance for trade expansion given the costs and benefits of economic growth. These include inequality, political stability, and exploitative practices such as child labor, forced labor, and human trafficking used in an economy's imports and exports.

INDICATORS

		Rank	Value	Year	Score	
2.01	Inequality (Gini coefficient)	07	34.90	2015	61.78	
2.02	Educational attainment	06	-	-	65.27	
2.02.01	Mean years of schooling	05	12.78	2019	92.79	
2.02.02	University education Index	07	24.89	2021	19.42	
2.02.03	Tertiary enrollment	09	80.30	2019	66.77	
2.03	Labor standards	03	-	-	96.06	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	03	0.79	2021	92.13	
2.04	Political stability and absence of violence	01	97.64	2020	100.00	
2.05	Goods produced by forced labor or child labor	03	-	-	99.04	
2.05.01	Goods produced by forced labor	03	-	-	98.47	
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	04	0.64	2018	97.85	
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	06	-	-	83.78	
2.06.01	Government response to human trafficking, Criminalization	04	6.00	2021	80.00	
2.06.02	Government response to human trafficking, Strategy	06	57.56	2018	73.35	
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	07	-	-	64.95	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	11	2,074	2020	35.49	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	0	2020	100.00	
2.08	Social mobility, Index	06	74.30	2020	95.43	
2.09	Life expectancy at birth	07	82.50	2021	85.07	

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	01	6.05	2019	100.00	
3.02	Deforestation, Index	14	0.01	2020	29.01	
3.03	% of wastewater treated	09	85.14	2020	84.90	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	06	71.25	2019	82.87	
3.05	Ecological footprint	21	5.30	2018	38.39	
3.06	Renewable energy, %	05	40.39	2019	69.11	
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, export emissions % of total	18	-0.71	2019	22.62	
3.09	Share of natural resources in trade, %	05	3.68	2020	91.98	
3.10	Carbon	04	-	-	85.52	
3.10.1	Carbon pricing	01	2	2022	100.00	
3.10.2	CO2 emissions per capita	20	8.07	2019	54.79	

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 a unique 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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