

# SUSTAINABLE TRADE INDEX 2022



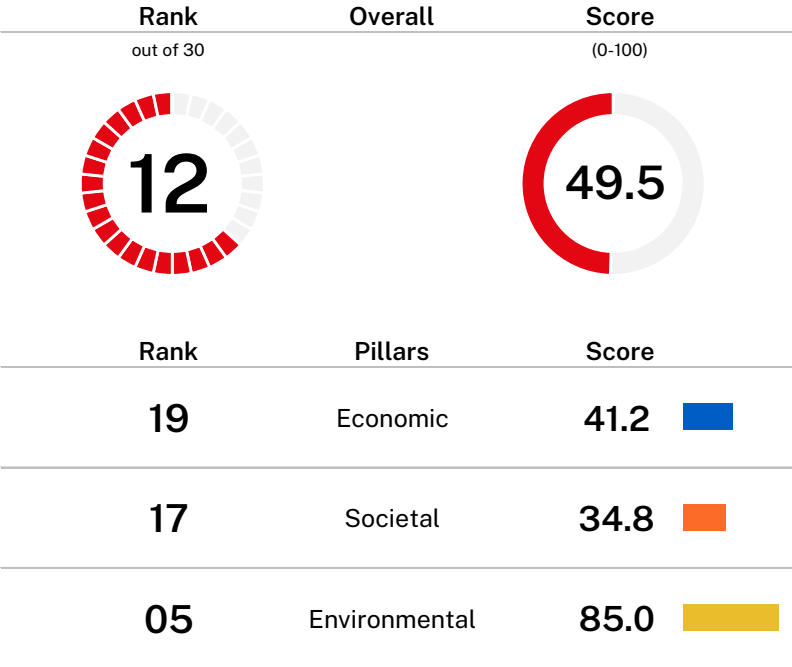
Philippines

# Philippines

## 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	110.20	Large
Income, GDP per Capita US\$	3,522	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	19	3.93	2021	54.3	
1.02	Real GDP Growth per capita, % GDP	13	4.23	2021	90.7	
1.03	Growth in labor force, %	04	4.43	2021	40.0	
1.04	Foreign direct investment, net inflows, % GDP	12	1.82	2020	14.9	
1.05	Gross fixed capital formation, % GDP	20	21.28	2020	49.6	
1.06	<b>Tariff &amp; non-tariff barriers</b>	<b>10</b>	-	-	<b>62.1</b>	
1.06.01	Tariff barriers	08	-	-	72.7	
1.06.01.a	Tariff barriers in force	15	319	2021	32.2	
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)	04	2.95	2018	94.5	
1.06.02	Non-tariff barriers	12	-	-	57.9	
1.06.02.a	Non-tariff barriers in force	08	113	2021	58.3	
1.06.02.b	New non-tariff barriers 2021	15	72	2021	51.0	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	05	35.25	2018	64.5	
1.07	<b>Trade liberalization</b>	<b>16</b>	-	-	<b>37.3</b>	
1.07.01	Regional Trade Agreements, number in force	19	11.00	2022	18.2	
1.07.02	Capital account liberalization, Index	16	-0.02	2019	44.8	
1.07.03	Investment Freedom, Index	13	60.00	2022	61.5	
1.08	Exchange rate stability, parity change from national currency to SDR, 2020/2018	04	0.02	2021	96.0	
1.09	Domestic credit to private sector, % of GDP	18	52.07	2020	14.5	
1.10	<b>Foreign trade and payments risk</b>	<b>17</b>	-	-	<b>57.1</b>	
1.10.01	Country credit rating	17	49.00	2022	57.6	
1.10.02	Gross debt, % GDP	14	57.53	2021	78.7	
1.11	<b>Trade costs</b>	<b>22</b>	-	-	<b>22.9</b>	
1.11.01	Logistics performance, index	18	2.90	2018	39.2	
1.11.02	Corruption perceptions, index	22	33.00	2021	15.4	
1.11.03	Rule of law, index	22	31.73	2020	23.9	
1.12	<b>Monetary policy intervention</b>	<b>06</b>	-	-	<b>46.2</b>	
1.12.01	Current account balance, % GDP	10	-1.76	2021	48.8	
1.12.02	Total reserves (includes gold)1 year change, % GDP	07	-2.80	2021	56.5	
1.13	<b>Export concentration</b>	<b>22</b>	-	-	<b>34.1</b>	
1.13.01	Export market concentration, Top 5 as % total	20	65.93	2021	45.7	
1.13.02	Export product concentration, Top 5 as % total	23	71.99	2021	39.0	
1.14	<b>Exports of goods and services</b>	<b>19</b>	-	-	<b>19.0</b>	
1.14.01	Merchandise exports, US\$	19	74,609	2021	31.2	
1.14.02	Commercial services exports, US\$	13	33,605	2021	4.5	
1.15	<b>Technological innovation</b>	<b>13</b>	-	-	<b>25.5</b>	
1.15.01	R&D expenditure, % GDP	18	0.32	2018	6.1	
1.15.02	Researchers in R&D, per capita	20	0.17	2018	1.6	
1.15.03	Patent applications, per million inhabitants	22	5.79	2020	0.1	
1.15.04	High-technology exports, % of manufactured exports	02	63.05	2020	90.4	
1.15.05	Scientific articles, per million people	19	156.92	2020	6.4	
1.16	<b>Technological infrastructure</b>	<b>21</b>	-	-	<b>30.2</b>	
1.16.01	Fixed internet speed, Mbps	21	29.84	2021	12.9	
1.16.02	Internet users, % population	22	49.80	2020	45.0	
1.16.03	Fixed broadband subscriptions	22	7.24	2020	16.2	
1.16.04	Mobile subscriptions (per 100 people)	10	136.50	2020	36.4	

# 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)	20	42.30	2018	23.04	
2.02	Educational attainment	20	-	-	28.26	
2.02.01	Mean years of schooling	16	9.39	2019	54.07	
2.02.02	University education Index	24	0.72	2021	0.56	
2.02.03	Tertiary enrollment	18	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	25	18.87	2020	14.80	
2.05	Goods produced by forced labor or child labor	24	-	-	45.69	
2.05.01	Goods produced by forced labor	19	-	-	68.21	
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	23	7.70	2018	55.14	
2.05.02	Goods produced by child labor, number of goods categories	25	13.00	2021	45.83	
2.06	Government response to human trafficking	10	-	-	62.82	
2.06.01	Government response to human trafficking, Criminalization	01	7.00	2021	100.00	
2.06.02	Government response to human trafficking, Strategy	07	55.83	2018	70.10	
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	06	-	-	66.24	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	10	1,567	2020	37.86	
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	24	69.30	2021	19.40	

# 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	12	18.79	2019	83.50	
3.02	Deforestation, Index	18	0.00	2020	21.05	
3.03	% of wastewater treated	15	42.95	2020	42.02	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	10	96.44	2019	74.04	
3.05	Ecological footprint	04	1.47	2018	90.52	
3.06	Renewable energy, %	07	34.01	2019	58.19	
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	09	-4.81	2019	23.32	
3.09	Share of natural resources in trade, %	10	5.76	2020	86.97	
3.10	Carbon	18	-	-	52.22	
3.10.1	Carbon pricing	11	0	2022	0.00	
3.10.2	CO2 emissions per capita	08	1.39	2019	94.53	

# 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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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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