

SUSTAINABLE TRADE INDEX 2022



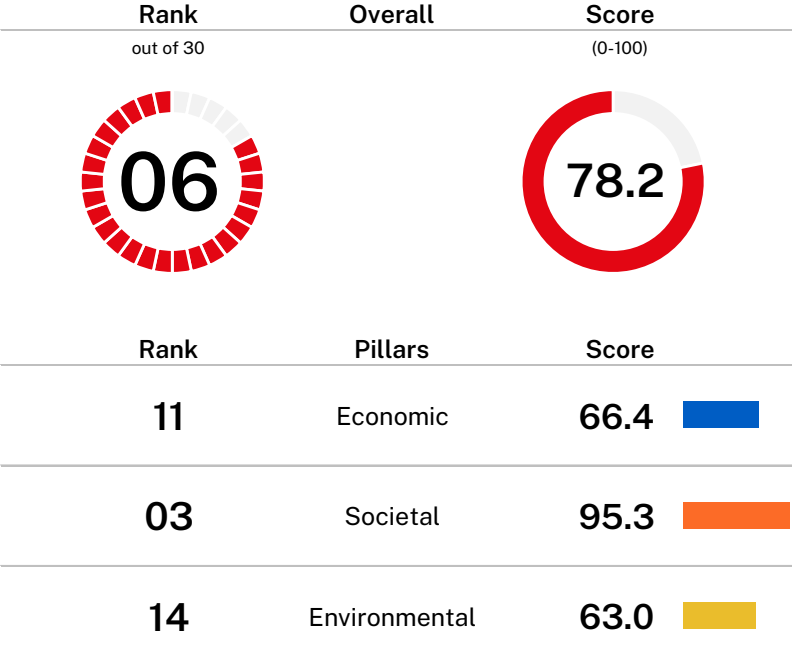
Australia

Australia

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	25.71	Medium
Income, GDP per Capita US\$	63,025	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	14	2.82	2021	66.4	
1.02	Real GDP Growth per capita, % GDP	12	4.59	2021	91.2	
1.03	Growth in labor force, %	09	2.17	2021	26.6	
1.04	Foreign direct investment, net inflows, % GDP	15	1.48	2020	14.0	
1.05	Gross fixed capital formation, % GDP	16	22.65	2020	52.8	
1.06	Tariff & non-tariff barriers	19	-	-	42.4	
1.06.01	Tariff barriers	09	-	-	67.4	
1.06.01.a	Tariff barriers in force	21	644	2021	24.0	
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)	09	6.06	2018	88.5	
1.06.02	Non-tariff barriers	24	-	-	27.1	
1.06.02.a	Non-tariff barriers in force	20	3,127	2021	29.1	
1.06.02.b	New non-tariff barriers 2021	21	447	2021	30.3	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	17	65.40	2018	22.0	
1.07	Trade liberalization	04	-	-	76.2	
1.07.01	Regional Trade Agreements, number in force	08	17.00	2022	36.4	
1.07.02	Capital account liberalization, Index	01	2.32	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, 2020/2018	18	0.05	2021	81.9	
1.09	Domestic credit to private sector, % of GDP	10	142.29	2020	51.9	
1.10	Foreign trade and payments risk	05	-	-	88.1	
1.10.01	Country credit rating	01	77.00	2022	100.0	
1.10.02	Gross debt, % GDP	17	59.81	2021	77.8	
1.11	Trade costs	07	-	-	86.0	
1.11.01	Logistics performance, index	07	3.75	2018	84.9	
1.11.02	Corruption perceptions, index	06	73.00	2021	76.9	
1.11.03	Rule of law, index	04	92.31	2020	92.4	
1.12	Monetary policy intervention	24	-	-	25.7	
1.12.01	Current account balance, % GDP	23	3.54	2021	38.0	
1.12.02	Total reserves (includes gold)1 year change, % GDP	23	0.41	2021	38.2	
1.13	Export concentration	24	-	-	30.4	
1.13.01	Export market concentration, Top 5 as % total	22	69.48	2021	38.8	
1.13.02	Export product concentration, Top 5 as % total	22	71.41	2021	40.0	
1.14	Exports of goods and services	13	-	-	34.1	
1.14.01	Merchandise exports, US\$	13	343,594	2021	58.1	
1.14.02	Commercial services exports, US\$	12	44,572	2021	5.9	
1.15	Technological innovation	07	-	-	53.8	
1.15.01	R&D expenditure, % GDP	07	1.83	2019	37.6	
1.15.02	Researchers in R&D, per capita	-	-	-	-	
1.15.03	Patent applications, per million inhabitants	10	463.60	2020	9.2	
1.15.04	High-technology exports, % of manufactured exports	11	21.49	2020	29.6	
1.15.05	Scientific articles, per million people	01	2,370.77	2020	100.0	
1.16	Technological infrastructure	11	-	-	61.8	
1.16.01	Fixed internet speed, Mbps	15	57.72	2021	27.9	
1.16.02	Internet users, % population	10	89.60	2020	91.4	
1.16.03	Fixed broadband subscriptions	07	35.68	2020	81.8	
1.16.04	Mobile subscriptions (per 100 people)	21	107.66	2020	24.6	

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)	06	34.30	2018	64.92	
2.02	Educational attainment	02	-	-	83.42	
2.02.01	Mean years of schooling	06	12.72	2019	92.13	
2.02.02	University education Index	03	46.94	2021	36.62	
2.02.03	Tertiary enrollment	01	114.19	2020	100.00	
2.03	Labor standards	08	-	-	91.09	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	09	0.73	2021	82.18	
2.04	Political stability and absence of violence	06	73.11	2020	73.47	
2.05	Goods produced by forced labor or child labor	04	-	-	99.02	
2.05.01	Goods produced by forced labor	04	-	-	98.45	
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	0.65	2018	97.81	
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	03	-	-	90.30	
2.06.01	Government response to human trafficking, Criminalization	04	6.00	2021	80.00	
2.06.02	Government response to human trafficking, Strategy	03	63.75	2018	84.99	
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	12	-	-	56.16	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	23	14,098	2020	19.31	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	0	2020	100.00	
2.08	Social mobility, Index	03	75.10	2020	97.46	
2.09	Life expectancy at birth	03	84.50	2021	95.02	

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	02	6.75	2019	99.10	
3.02	Deforestation, Index	01	0.02	2020	100.00	
3.03	% of wastewater treated	11	76.17	2020	75.78	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	05	59.38	2019	87.04	
3.05	Ecological footprint	26	7.09	2018	14.10	
3.06	Renewable energy, %	21	7.31	2019	12.51	
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	25	10.66	2019	20.83	
3.09	Share of natural resources in trade, %	26	35.27	2020	16.00	
3.10	Carbon	30	-	-	0.00	
3.10.1	Carbon pricing	11	0	2022	0.00	
3.10.2	CO2 emissions per capita	30	17.27	2019	0.00	

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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