

# SUSTAINABLE TRADE INDEX 2022



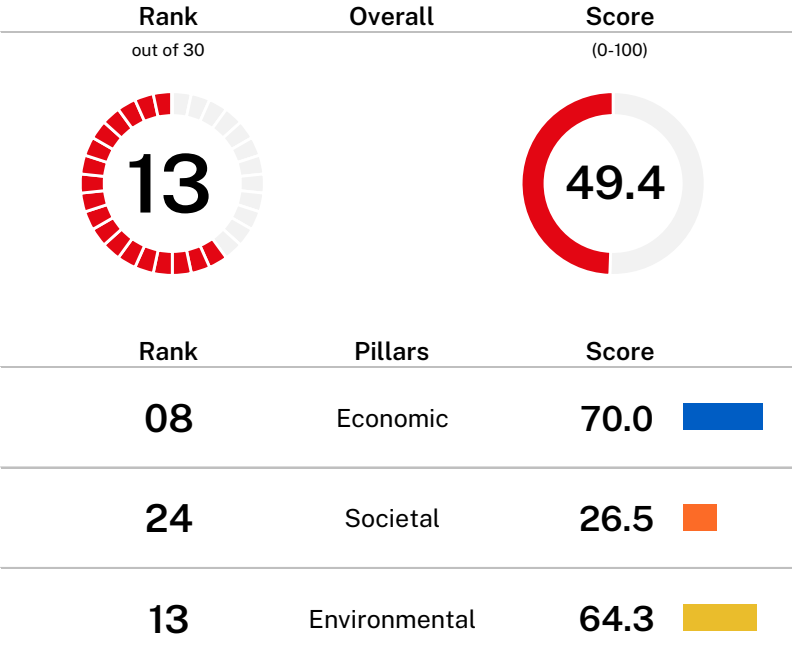
China

# China

## 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	1,412.60	Large
Income, GDP per Capita US\$	12,359	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	03	0.85	2021	87.9	
1.02	Real GDP Growth per capita, % GDP	04	8.04	2021	95.5	
1.03	Growth in labor force, %	21	0.17	2021	14.8	
1.04	Foreign direct investment, net inflows, % GDP	17	1.44	2020	13.9	
1.05	Gross fixed capital formation, % GDP	01	42.88	2020	100.0	
1.06	<b>Tariff &amp; non-tariff barriers</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>15.4</b>	
1.06.01	Tariff barriers	25	-	-	18.7	
1.06.01.a	Tariff barriers in force	22	777	2021	21.8	
1.06.01.b	New tariff barriers 2021	26	113.00	2021	22.8	
1.06.01.c	Percentage of trade affected by tariff barrier (up to 2018)	21	32.44	2018	37.3	
1.06.02	Non-tariff barriers	25	-	-	26.2	
1.06.02.a	Non-tariff barriers in force	26	10,235	2021	18.6	
1.06.02.b	New non-tariff barriers 2021	24	779	2021	23.9	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	14	55.46	2018	36.1	
1.07	<b>Trade liberalization</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>9.4</b>	
1.07.01	Regional Trade Agreements, number in force	10	16.00	2022	33.3	
1.07.02	Capital account liberalization, Index	22	-1.23	2019	16.4	
1.07.03	Investment Freedom, Index	30	20.00	2022	0.0	
1.08	Exchange rate stability, parity change from national currency to SDR, 2020/2018	11	0.04	2021	86.4	
1.09	Domestic credit to private sector, % of GDP	04	182.43	2020	68.5	
1.10	<b>Foreign trade and payments risk</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>66.2</b>	
1.10.01	Country credit rating	11	61.00	2022	75.8	
1.10.02	Gross debt, % GDP	21	73.25	2021	72.7	
1.11	<b>Trade costs</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>51.8</b>	
1.11.01	Logistics performance, index	09	3.61	2018	77.4	
1.11.02	Corruption perceptions, index	14	45.00	2021	33.8	
1.11.03	Rule of law, index	17	52.88	2020	47.8	
1.12	<b>Monetary policy intervention</b>	<b>08</b>	<b>-</b>	<b>-</b>	<b>41.6</b>	
1.12.01	Current account balance, % GDP	19	1.82	2021	41.5	
1.12.02	Total reserves (includes gold)1 year change, % GDP	06	-2.95	2021	57.4	
1.13	<b>Export concentration</b>	<b>06</b>	<b>-</b>	<b>-</b>	<b>79.2</b>	
1.13.01	Export market concentration, Top 5 as % total	03	42.24	2021	91.6	
1.13.02	Export product concentration, Top 5 as % total	10	57.89	2021	64.2	
1.14	<b>Exports of goods and services</b>	<b>02</b>	<b>-</b>	<b>-</b>	<b>81.1</b>	
1.14.01	Merchandise exports, US\$	01	3,363,959	2021	100.0	
1.14.02	Commercial services exports, US\$	03	392,688	2021	52.5	
1.15	<b>Technological innovation</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>37.0</b>	
1.15.01	R&D expenditure, % GDP	05	2.40	2020	49.5	
1.15.02	Researchers in R&D, per capita	13	1.58	2020	17.9	
1.15.03	Patent applications, per million inhabitants	06	1,020.51	2020	20.3	
1.15.04	High-technology exports, % of manufactured exports	07	31.28	2020	43.9	
1.15.05	Scientific articles, per million people	14	474.28	2020	19.8	
1.16	<b>Technological infrastructure</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>61.0</b>	
1.16.01	Fixed internet speed, Mbps	11	93.85	2021	47.3	
1.16.02	Internet users, % population	17	70.40	2020	69.0	
1.16.03	Fixed broadband subscriptions	09	33.60	2020	77.0	
1.16.04	Mobile subscriptions (per 100 people)	18	119.39	2020	29.4	

# 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)	13	38.20	2021	44.50	
2.02	Educational attainment	13	-	-	43.92	
2.02.01	Mean years of schooling	22	8.06	2019	38.84	
2.02.02	University education Index	04	46.50	2021	36.28	
2.02.03	Tertiary enrollment	13	58.42	2020	45.31	
2.03	Labor standards	23	-	-	50.00	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	28	0.25	2021	0.00	
2.04	Political stability and absence of violence	19	37.74	2020	35.20	
2.05	Goods produced by forced labor or child labor	26	-	-	32.71	
2.05.01	Goods produced by forced labor	28	-	-	18.50	
2.05.01.a	Goods produced by forced labor, number of goods categories	30	17.00	2021	0.00	
2.05.01.b	% population in forced labor	15	2.77	2018	85.00	
2.05.02	Goods produced by child labor, number of goods categories	21	6.00	2021	75.00	
2.06	Government response to human trafficking	25	-	-	15.56	
2.06.01	Government response to human trafficking, Criminalization	21	4.00	2021	40.00	
2.06.02	Government response to human trafficking, Strategy	25	27.38	2018	16.57	
2.06.03	Government response to human trafficking, Action	24	4.00	2021	0.00	
2.07	Trade in goods at risk of modern slavery	30	-	-	0.00	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	26	21,031	2020	15.94	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	30	493,475	2020	0.00	
2.08	Social mobility, Index	11	61.50	2020	62.94	
2.09	Life expectancy at birth	12	78.20	2021	63.68	

# 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	27	47.73	2019	46.05	
3.02	Deforestation, Index	21	0.00	2020	15.56	
3.03	% of wastewater treated	12	64.78	2020	64.21	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	20	145.95	2019	56.67	
3.05	Ecological footprint	16	3.80	2018	58.84	
3.06	Renewable energy, %	18	9.67	2019	16.55	
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	28	285.80	2019	0.00	
3.09	Share of natural resources in trade, %	06	5.15	2020	88.44	
3.10	Carbon	05	-	-	85.34	
3.10.1	Carbon pricing	01	2	2022	100.00	
3.10.2	CO2 emissions per capita	21	8.12	2019	54.47	

# 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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