

SUSTAINABLE TRADE INDEX 2022



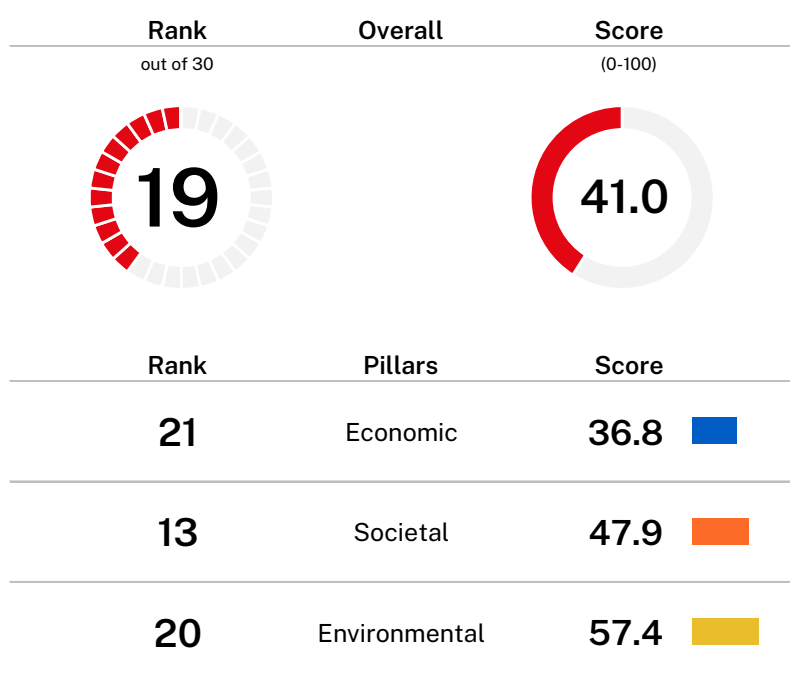
Ecuador

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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	17.76	Medium
Income, GDP per Capita US\$	5,896	Medium
Membership	CPTPP (applicant)	

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	02	0.13	2021	95.8	
1.02	Real GDP Growth per capita, % GDP	21	2.79	2021	88.7	
1.03	Growth in labor force, %	02	9.74	2021	71.3	
1.04	Foreign direct investment, net inflows, % GDP	20	1.16	2020	13.2	
1.05	Gross fixed capital formation, % GDP	12	23.53	2020	54.9	
1.06	Tariff & non-tariff barriers	16	-	-	47.8	
1.06.01	Tariff barriers	24	-	-	23.7	
1.06.01.a	Tariff barriers in force	17	355	2021	31.0	
1.06.01.b	New tariff barriers 2021	18	8.00	2021	64.2	
1.06.01.c	Percentage of trade affected by tariff barrier (up to 2018)	24	51.71	2018	0.0	
1.06.02	Non-tariff barriers	06	-	-	80.7	
1.06.02.a	Non-tariff barriers in force	12	269	2021	50.7	
1.06.02.b	New non-tariff barriers 2021	01	0	2021	100.0	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	02	16.12	2018	91.5	
1.07	Trade liberalization	21	-	-	29.0	
1.07.01	Regional Trade Agreements, number in force	23	8.00	2022	9.1	
1.07.02	Capital account liberalization, Index	12	1.05	2019	70.0	
1.07.03	Investment Freedom, Index	25	35.00	2022	23.1	
1.08	Exchange rate stability, parity change from national currency to SDR, 2020/2018	07	0.03	2021	89.9	
1.09	Domestic credit to private sector, % of GDP	20	47.59	2020	12.6	
1.10	Foreign trade and payments risk	26	-	-	26.4	
1.10.01	Country credit rating	26	23.00	2022	18.2	
1.10.02	Gross debt, % GDP	18	62.24	2021	76.9	
1.11	Trade costs	21	-	-	24.4	
1.11.01	Logistics performance, index	19	2.88	2018	38.2	
1.11.02	Corruption perceptions, index	19	36.00	2021	20.0	
1.11.03	Rule of law, index	21	32.21	2020	24.5	
1.12	Monetary policy intervention	23	-	-	27.5	
1.12.01	Current account balance, % GDP	20	2.51	2021	40.1	
1.12.02	Total reserves (includes gold)1 year change, % GDP	21	0.32	2021	38.7	
1.13	Export concentration	21	-	-	34.3	
1.13.01	Export market concentration, Top 5 as % total	16	60.53	2021	56.2	
1.13.02	Export product concentration, Top 5 as % total	28	77.70	2021	28.8	
1.14	Exports of goods and services	24	-	-	8.1	
1.14.01	Merchandise exports, US\$	24	26,699	2021	15.0	
1.14.02	Commercial services exports, US\$	26	1,965	2021	0.2	
1.15	Technological innovation	23	-	-	4.5	
1.15.01	R&D expenditure, % GDP	-	-	-	-	
1.15.02	Researchers in R&D, per capita	-	-	-	-	
1.15.03	Patent applications, per million inhabitants	24	2.74	2020	0.1	
1.15.04	High-technology exports, % of manufactured exports	22	4.28	2020	4.4	
1.15.05	Scientific articles, per million people	17	162.63	2020	6.6	
1.16	Technological infrastructure	20	-	-	33.4	
1.16.01	Fixed internet speed, Mbps	22	29.82	2021	12.8	
1.16.02	Internet users, % population	20	64.60	2020	62.3	
1.16.03	Fixed broadband subscriptions	18	13.44	2020	30.5	
1.16.04	Mobile subscriptions (per 100 people)	25	87.77	2020	16.5	

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)	22	45.70	2021	5.24	
2.02	Educational attainment	17	-	-	30.75	
2.02.01	Mean years of schooling	18	8.91	2019	48.52	
2.02.02	University education Index	22	0.99	2021	0.77	
2.02.03	Tertiary enrollment	14	47.95	2019	35.03	
2.03	Labor standards	11	-	-	82.45	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	13	0.63	2021	64.91	
2.04	Political stability and absence of violence	20	34.43	2020	31.63	
2.05	Goods produced by forced labor or child labor	13	-	-	83.66	
2.05.01	Goods produced by forced labor	12	-	-	90.81	
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	12	2.43	2018	87.03	
2.05.02	Goods produced by child labor, number of goods categories	18	4.00	2021	83.33	
2.06	Government response to human trafficking	07	-	-	73.91	
2.06.01	Government response to human trafficking, Criminalization	01	7.00	2021	100.00	
2.06.02	Government response to human trafficking, Strategy	13	46.43	2018	52.41	
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	03	-	-	71.50	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	07	498	2020	47.54	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	0	2020	100.00	
2.08	Social mobility, Index	15	53.90	2020	43.65	
2.09	Life expectancy at birth	17	73.70	2021	41.29	

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	19	20.61	2019	81.16	
3.02	Deforestation, Index	26	0.00	2020	10.91	
3.03	% of wastewater treated	16	31.11	2020	29.99	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	16	117.32	2019	66.71	
3.05	Ecological footprint	08	1.70	2018	87.33	
3.06	Renewable energy, %	14	17.52	2019	29.98	
3.07	Environmental standards in trade, count	08	-	-	75.00	
3.07.01	Convention: Hazardous Wastes	01	2	2021	100.00	
3.07.02	Convention: Prevention of Marine Pollution	15	0	2021	0.00	
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	14	-2.08	2019	22.85	
3.09	Share of natural resources in trade, %	24	23.20	2020	45.03	
3.10	Carbon	21	-	-	48.98	
3.10.1	Carbon pricing	11	0	2022	0.00	
3.10.2	CO2 emissions per capita	12	2.38	2019	88.66	

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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