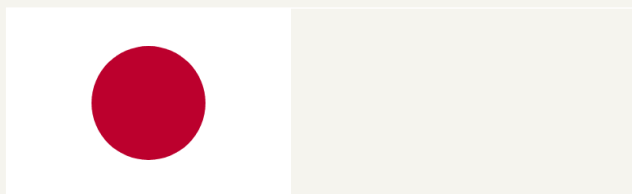


SUSTAINABLE TRADE INDEX 2022



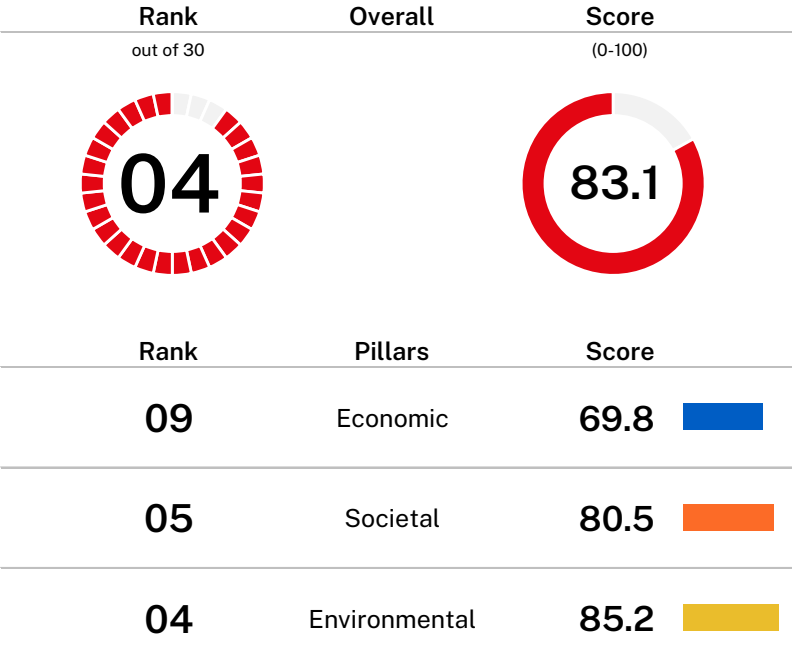
Japan

Japan

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	125.51	Large
Income, GDP per Capita US\$	39,445	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	01	-0.26	2021	100.0	
1.02	Real GDP Growth per capita, % GDP	23	1.90	2021	87.4	
1.03	Growth in labor force, %	26	-0.43	2021	11.3	
1.04	Foreign direct investment, net inflows, % GDP	19	1.24	2020	13.4	
1.05	Gross fixed capital formation, % GDP	09	25.30	2020	59.0	
1.06	Tariff & non-tariff barriers	17	-	-	43.1	
1.06.01	Tariff barriers	12	-	-	65.6	
1.06.01.a	Tariff barriers in force	25	1,597	2021	13.3	
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)	05	3.04	2018	94.3	
1.06.02	Non-tariff barriers	21	-	-	30.1	
1.06.02.a	Non-tariff barriers in force	22	4,948	2021	25.0	
1.06.02.b	New non-tariff barriers 2021	22	511	2021	28.7	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	13	55.08	2018	36.6	
1.07	Trade liberalization	12	-	-	65.9	
1.07.01	Regional Trade Agreements, number in force	07	18.00	2022	39.4	
1.07.02	Capital account liberalization, Index	01	2.32	2019	100.0	
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	12	0.04	2021	86.1	
1.09	Domestic credit to private sector, % of GDP	03	192.10	2020	72.5	
1.10	Foreign trade and payments risk	29	-	-	7.5	
1.10.01	Country credit rating	13	57.00	2022	69.7	
1.10.02	Gross debt, % GDP	30	263.14	2021	0.0	
1.11	Trade costs	04	-	-	90.8	
1.11.01	Logistics performance, index	01	4.03	2018	100.0	
1.11.02	Corruption perceptions, index	06	73.00	2021	76.9	
1.11.03	Rule of law, index	06	90.87	2020	90.8	
1.12	Monetary policy intervention	25	-	-	24.8	
1.12.01	Current account balance, % GDP	21	2.87	2021	39.3	
1.12.02	Total reserves (includes gold)1 year change, % GDP	26	0.88	2021	35.6	
1.13	Export concentration	11	-	-	57.1	
1.13.01	Export market concentration, Top 5 as % total	14	59.46	2021	58.2	
1.13.02	Export product concentration, Top 5 as % total	12	58.73	2021	62.7	
1.14	Exports of goods and services	04	-	-	50.2	
1.14.01	Merchandise exports, US\$	03	756,032	2021	72.5	
1.14.02	Commercial services exports, US\$	06	163,877	2021	21.9	
1.15	Technological innovation	05	-	-	62.5	
1.15.01	R&D expenditure, % GDP	04	3.26	2020	67.6	
1.15.02	Researchers in R&D, per capita	05	5.45	2020	62.5	
1.15.03	Patent applications, per million inhabitants	02	3,363.27	2020	66.8	
1.15.04	High-technology exports, % of manufactured exports	14	18.60	2020	25.4	
1.15.05	Scientific articles, per million people	10	802.66	2020	33.7	
1.16	Technological infrastructure	04	-	-	77.2	
1.16.01	Fixed internet speed, Mbps	08	128.93	2021	66.2	
1.16.02	Internet users, % population	09	90.22	2020	92.1	
1.16.03	Fixed broadband subscriptions	08	34.79	2020	79.8	
1.16.04	Mobile subscriptions (per 100 people)	04	154.22	2020	43.7	

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)	-	-	-	-	
2.02	Educational attainment	11	-	-	59.42	
2.02.01	Mean years of schooling	04	12.85	2019	93.56	
2.02.02	University education Index	10	19.30	2021	15.06	
2.02.03	Tertiary enrollment	-	-	-	-	
2.03	Labor standards	16	-	-	64.56	
2.03.01	Gender non-discrimination in hiring	23	50.00	2022	33.33	
2.03.02	Freedom of association and assembly	02	0.81	2021	95.79	
2.04	Political stability and absence of violence	05	87.26	2020	88.78	
2.05	Goods produced by forced labor or child labor	01	-	-	100.00	
2.05.01	Goods produced by forced labor	01	-	-	100.00	
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	01	0.29	2018	100.00	
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	18	-	-	39.28	
2.06.01	Government response to human trafficking, Criminalization	21	4.00	2021	40.00	
2.06.02	Government response to human trafficking, Strategy	20	36.61	2018	33.93	
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	27	-	-	21.12	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	28	49,848	2020	8.65	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	20	1,160	2020	46.17	
2.08	Social mobility, Index	01	76.10	2020	100.00	
2.09	Life expectancy at birth	02	84.80	2021	96.52	

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	08	13.65	2019	90.17	
3.02	Deforestation, Index	27	0.00	2020	8.27	
3.03	% of wastewater treated	04	97.82	2020	97.78	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	04	54.48	2019	88.76	
3.05	Ecological footprint	20	4.61	2018	47.81	
3.06	Renewable energy, %	22	6.27	2019	10.73	
3.07	Environmental standards in trade, count	07	-	-	87.50	
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	22	1	2021	50.00	
3.07.07	Convention: Prior Informed Consent - Hazardous Chemicals (Rotterdam)	01	2	2021	100.00	
3.08	Transfer emissions, export emissions % of total	02	-49.71	2019	33.76	
3.09	Share of natural resources in trade, %	11	6.18	2020	85.95	
3.10	Carbon	07	-	-	82.14	
3.10.1	Carbon pricing	01	2	2022	100.00	
3.10.2	CO2 emissions per capita	23	9.09	2019	48.69	

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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