

SUSTAINABLE TRADE INDEX 2022



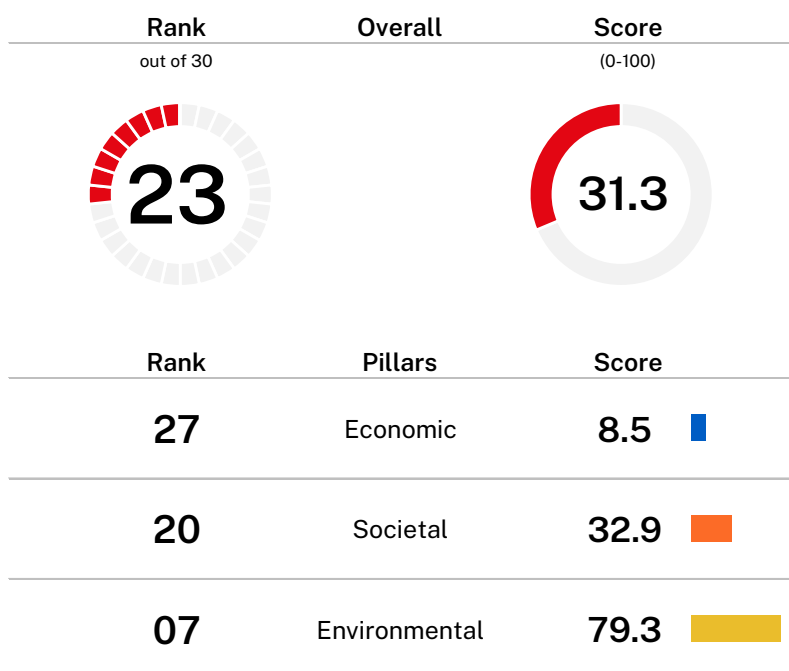
Laos

Laos

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	7.38	Small
Income, GDP per Capita US\$	2,480	Low
Membership	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	18	3.75	2021	56.2	
1.02	Real GDP Growth per capita, % GDP	27	0.63	2021	85.4	
1.03	Growth in labor force, %	13	1.84	2021	24.6	
1.04	Foreign direct investment, net inflows, % GDP	05	5.06	2020	23.5	
1.05	Gross fixed capital formation, % GDP	28	0.00	2020	0.0	
1.06	Tariff & non-tariff barriers	-	-	-	-	
1.06.01	Tariff barriers	-	-	-	-	
1.06.01.a	Tariff barriers in force	-	-	-	-	
1.06.01.b	New tariff barriers 2021	-	-	-	-	
1.06.01.c	Percentage of trade affected by tariff barrier (up to 2018)	-	-	-	-	
1.06.02	Non-tariff barriers	-	-	-	-	
1.06.02.a	Non-tariff barriers in force	-	-	-	-	
1.06.02.b	New non-tariff barriers 2021	-	-	-	-	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	-	-	-	-	
1.07	Trade liberalization	26	-	-	10.1	
1.07.01	Regional Trade Agreements, number in force	22	9.00	2022	12.1	
1.07.02	Capital account liberalization, Index	22	-1.23	2019	16.4	
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	20	0.06	2020	74.0	
1.09	Domestic credit to private sector, % of GDP	-	-	-	-	
1.10	Foreign trade and payments risk	28	-	-	13.6	
1.10.01	Country credit rating	28	20.00	2022	13.6	
1.10.02	Gross debt, % GDP	24	95.24	2021	64.2	
1.11	Trade costs	25	-	-	12.9	
1.11.01	Logistics performance, index	22	2.70	2018	28.5	
1.11.02	Corruption perceptions, index	25	30.00	2021	10.8	
1.11.03	Rule of law, index	28	20.67	2020	11.4	
1.12	Monetary policy intervention	14	-	-	37.8	
1.12.01	Current account balance, % GDP	04	-4.97	2021	55.4	
1.12.02	Total reserves (includes gold)1 year change, % GDP	24	0.44	2021	38.1	
1.13	Export concentration	23	-	-	32.4	
1.13.01	Export market concentration, Top 5 as % total	29	87.17	2021	4.6	
1.13.02	Export product concentration, Top 5 as % total	08	50.51	2021	77.4	
1.14	Exports of goods and services	30	-	-	0.0	
1.14.01	Merchandise exports, US\$	30	7,620	2021	0.0	
1.14.02	Commercial services exports, US\$	30	98	2021	0.0	
1.15	Technological innovation	18	-	-	11.5	
1.15.01	R&D expenditure, % GDP	-	-	-	-	
1.15.02	Researchers in R&D, per capita	-	-	-	-	
1.15.03	Patent applications, per million inhabitants	26	1.10	2020	0.0	
1.15.04	High-technology exports, % of manufactured exports	12	20.61	2019	28.3	
1.15.05	Scientific articles, per million people	30	5.53	2020	0.0	
1.16	Technological infrastructure	28	-	-	11.5	
1.16.01	Fixed internet speed, Mbps	24	22.59	2021	9.0	
1.16.02	Internet users, % population	26	33.80	2020	26.3	
1.16.03	Fixed broadband subscriptions	25	1.76	2020	3.5	
1.16.04	Mobile subscriptions (per 100 people)	29	56.35	2020	3.6	

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)	14	38.80	2018	41.36	
2.02	Educational attainment	28	-	-	3.07	
2.02.01	Mean years of schooling	26	5.29	2019	7.17	
2.02.02	University education Index	27	0.00	2021	0.00	
2.02.03	Tertiary enrollment	26	13.48	2020	1.24	
2.03	Labor standards	21	-	-	54.73	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	26	0.31	2021	9.46	
2.04	Political stability and absence of violence	08	69.34	2020	69.39	
2.05	Goods produced by forced labor or child labor	14	-	-	75.42	
2.05.01	Goods produced by forced labor	21	-	-	61.10	
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	25	9.36	2018	45.11	
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	15	-	-	47.79	
2.06.01	Government response to human trafficking, Criminalization	15	5.00	2021	60.00	
2.06.02	Government response to human trafficking, Strategy	21	34.05	2018	29.12	
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	09	-	-	60.27	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	03	14	2020	77.01	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	17	713	2020	49.87	
2.08	Social mobility, Index	21	43.80	2020	18.02	
2.09	Life expectancy at birth	25	68.10	2021	13.43	

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	20	20.77	2019	80.95	
3.02	Deforestation, Index	02	0.02	2020	82.48	
3.03	% of wastewater treated	28	10.10	2020	8.63	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	21	158.58	2019	52.24	
3.05	Ecological footprint	11	1.84	2018	85.46	
3.06	Renewable energy, %	01	58.44	2019	100.00	
3.07	Environmental standards in trade, count	17	-	-	50.00	
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	20	0	2021	0.00	
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	21	1.08	2019	22.33	
3.09	Share of natural resources in trade, %	19	13.57	2020	68.19	
3.10	Carbon	14	-	-	53.65	
3.10.1	Carbon pricing	11	0	2022	0.00	
3.10.2	CO2 emissions per capita	04	0.96	2019	97.11	

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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