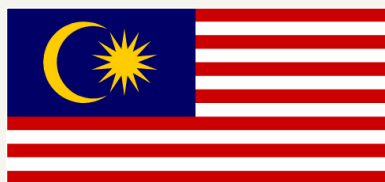


SUSTAINABLE TRADE INDEX 2022



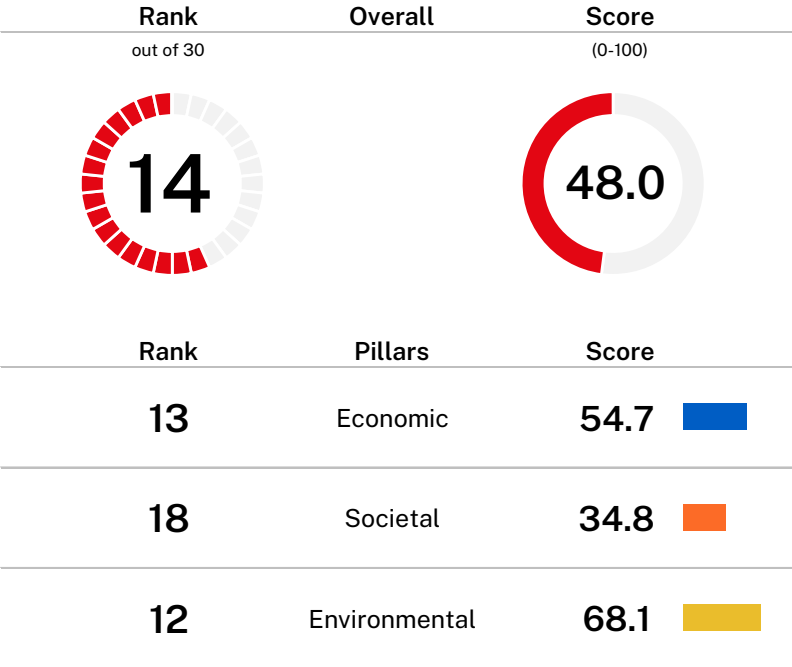
Malaysia

Malaysia

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	32.70	Medium
Income, GDP per Capita US\$	11,257	Medium
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	11	2.48	2021	70.2	
1.02	Real GDP Growth per capita, % GDP	22	2.77	2021	88.6	
1.03	Growth in labor force, %	14	1.19	2021	20.8	
1.04	Foreign direct investment, net inflows, % GDP	18	1.28	2020	13.5	
1.05	Gross fixed capital formation, % GDP	21	20.93	2020	48.8	
1.06	Tariff & non-tariff barriers	20	-	-	40.4	
1.06.01	Tariff barriers	20	-	-	54.9	
1.06.01.a	Tariff barriers in force	08	64	2021	50.9	
1.06.01.b	New tariff barriers 2021	19	19.00	2021	51.2	
1.06.01.c	Percentage of trade affected by tariff barrier (up to 2018)	12	12.09	2018	76.8	
1.06.02	Non-tariff barriers	19	-	-	35.9	
1.06.02.a	Non-tariff barriers in force	16	714	2021	42.1	
1.06.02.b	New non-tariff barriers 2021	17	109	2021	46.3	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	19	67.26	2018	19.4	
1.07	Trade liberalization	14	-	-	41.8	
1.07.01	Regional Trade Agreements, number in force	10	16.00	2022	33.3	
1.07.02	Capital account liberalization, Index	17	-0.15	2019	41.7	
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	09	0.03	2021	89.8	
1.09	Domestic credit to private sector, % of GDP	12	134.00	2020	48.4	
1.10	Foreign trade and payments risk	13	-	-	62.9	
1.10.01	Country credit rating	13	57.00	2022	69.7	
1.10.02	Gross debt, % GDP	20	68.97	2021	74.3	
1.11	Trade costs	12	-	-	54.2	
1.11.01	Logistics performance, index	14	3.22	2018	56.5	
1.11.02	Corruption perceptions, index	13	48.00	2021	38.5	
1.11.03	Rule of law, index	13	73.08	2020	70.7	
1.12	Monetary policy intervention	22	-	-	29.6	
1.12.01	Current account balance, % GDP	22	3.46	2021	38.1	
1.12.02	Total reserves (includes gold)1 year change, % GDP	13	-0.55	2021	43.7	
1.13	Export concentration	10	-	-	64.6	
1.13.01	Export market concentration, Top 5 as % total	12	55.00	2021	66.9	
1.13.02	Export product concentration, Top 5 as % total	09	56.95	2021	65.9	
1.14	Exports of goods and services	14	-	-	31.0	
1.14.01	Merchandise exports, US\$	15	299,028	2021	55.6	
1.14.02	Commercial services exports, US\$	16	20,793	2021	2.8	
1.15	Technological innovation	11	-	-	37.1	
1.15.01	R&D expenditure, % GDP	13	1.04	2018	21.1	
1.15.02	Researchers in R&D, per capita	11	2.18	2018	24.8	
1.15.03	Patent applications, per million inhabitants	13	59.02	2020	1.2	
1.15.04	High-technology exports, % of manufactured exports	04	53.82	2020	76.9	
1.15.05	Scientific articles, per million people	11	671.64	2020	28.2	
1.16	Technological infrastructure	15	-	-	53.6	
1.16.01	Fixed internet speed, Mbps	12	89.68	2021	45.1	
1.16.02	Internet users, % population	11	89.56	2020	91.4	
1.16.03	Fixed broadband subscriptions	19	10.38	2020	23.4	
1.16.04	Mobile subscriptions (per 100 people)	11	135.09	2020	35.8	

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)	17	41.10	2015	29.32	
2.02	Educational attainment	15	-	-	36.98	
2.02.01	Mean years of schooling	14	10.37	2019	65.26	
2.02.02	University education Index	15	8.19	2021	6.39	
2.02.03	Tertiary enrollment	16	42.57	2020	29.76	
2.03	Labor standards	26	-	-	37.49	
2.03.01	Gender non-discrimination in hiring	23	50.00	2022	33.33	
2.03.02	Freedom of association and assembly	17	0.50	2021	41.65	
2.04	Political stability and absence of violence	11	50.94	2020	49.49	
2.05	Goods produced by forced labor or child labor	19	-	-	68.88	
2.05.01	Goods produced by forced labor	23	-	-	54.92	
2.05.01.a	Goods produced by forced labor, number of goods categories	26	4.00	2021	76.47	
2.05.01.b	% population in forced labor	22	6.91	2018	59.91	
2.05.02	Goods produced by child labor, number of goods categories	16	1.00	2021	95.83	
2.06	Government response to human trafficking	14	-	-	50.04	
2.06.01	Government response to human trafficking, Criminalization	15	5.00	2021	60.00	
2.06.02	Government response to human trafficking, Strategy	16	38.39	2018	37.29	
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	24	-	-	24.21	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	15	4,328	2020	29.28	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	27	8,241	2020	31.22	
2.08	Social mobility, Index	10	62.00	2020	64.21	
2.09	Life expectancy at birth	15	74.90	2021	47.26	

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	11	16.55	2019	86.41	
3.02	Deforestation, Index	05	0.01	2020	66.00	
3.03	% of wastewater treated	07	87.82	2020	87.63	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	22	178.02	2019	45.42	
3.05	Ecological footprint	18	4.26	2018	52.55	
3.06	Renewable energy, %	23	3.50	2019	5.98	
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	23	3.43	2019	21.95	
3.09	Share of natural resources in trade, %	16	9.72	2020	77.45	
3.10	Carbon	25	-	-	31.59	
3.10.1	Carbon pricing	11	0	2022	0.00	
3.10.2	CO2 emissions per capita	19	7.67	2019	57.19	

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.

hinrichfoundation.com | [STI 2022](#)

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.

imd.org | imd.org/wcc