

# SUSTAINABLE TRADE INDEX 2022



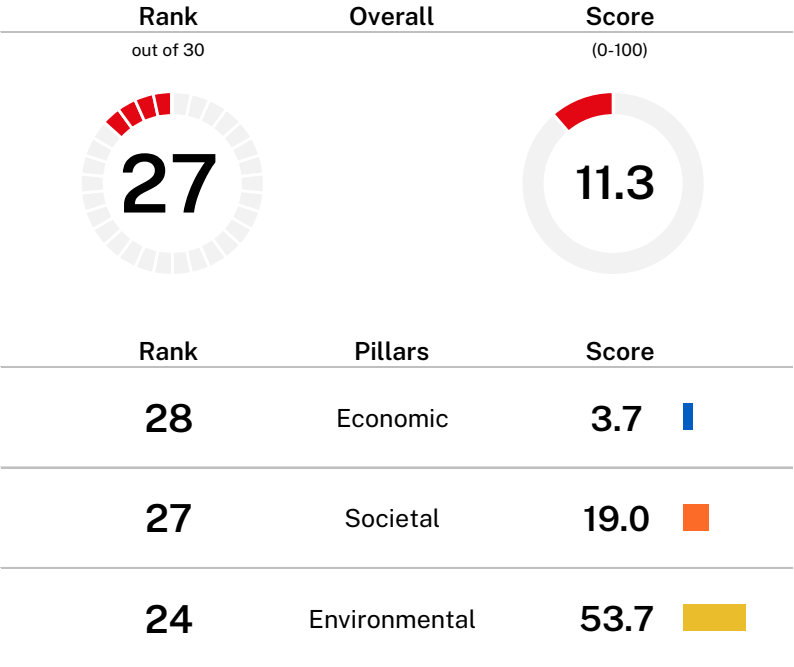
## Papua New Guinea

# Papua New Guinea

## 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	8.96	Small
Income, GDP per Capita US\$	2,944	Low
Membership	APEC	

# 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	22	4.49	2021	48.2	
1.02	Real GDP Growth per capita, % GDP	28	-0.33	2021	83.8	
1.03	Growth in labor force, %	08	2.31	2021	27.4	
1.04	Foreign direct investment, net inflows, % GDP	30	-3.79	2020	0.0	
1.05	Gross fixed capital formation, % GDP	28	0.00	2020	0.0	
1.06	<b>Tariff &amp; non-tariff barriers</b>	<b>02</b>	<b>-</b>	<b>-</b>	<b>97.5</b>	
1.06.01	Tariff barriers	02	-	-	95.4	
1.06.01.a	Tariff barriers in force	02	1	2021	91.9	
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)	-	-	-	-	
1.06.02	Non-tariff barriers	01	-	-	100.0	
1.06.02.a	Non-tariff barriers in force	01	0	2021	100.0	
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)	-	-	-	-	
1.07	<b>Trade liberalization</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>6.1</b>	
1.07.01	Regional Trade Agreements, number in force	27	6.00	2022	3.0	
1.07.02	Capital account liberalization, Index	21	-0.65	2019	30.0	
1.07.03	Investment Freedom, Index	29	25.00	2022	7.7	
1.08	Exchange rate stability, parity change from national currency to SDR, 2020/2018	23	0.07	2021	70.1	
1.09	Domestic credit to private sector, % of GDP	26	18.19	2020	0.4	
1.10	<b>Foreign trade and payments risk</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>35.7</b>	
1.10.01	Country credit rating	25	28.00	2022	25.8	
1.10.02	Gross debt, % GDP	12	49.30	2021	81.8	
1.11	<b>Trade costs</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>5.0</b>	
1.11.01	Logistics performance, index	29	2.17	2018	0.0	
1.11.02	Corruption perceptions, index	23	31.00	2021	12.3	
1.11.03	Rule of law, index	26	25.00	2020	16.3	
1.12	<b>Monetary policy intervention</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	
1.12.01	Current account balance, % GDP	30	22.04	2021	0.0	
1.12.02	Total reserves (includes gold)1 year change, % GDP	20	0.16	2019	39.6	
1.13	<b>Export concentration</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>37.3</b>	
1.13.01	Export market concentration, Top 5 as % total	26	73.50	2021	31.1	
1.13.02	Export product concentration, Top 5 as % total	14	61.01	2021	58.6	
1.14	<b>Exports of goods and services</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>2.0</b>	
1.14.01	Merchandise exports, US\$	29	10,969	2021	3.7	
1.14.02	Commercial services exports, US\$	28	352	2019	0.0	
1.15	<b>Technological innovation</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	
1.15.01	R&D expenditure, % GDP	26	0.03	2016	0.0	
1.15.02	Researchers in R&D, per capita	22	0.04	2016	0.0	
1.15.03	Patent applications, per million inhabitants	-	-	-	-	
1.15.04	High-technology exports, % of manufactured exports	-	-	-	-	
1.15.05	Scientific articles, per million people	29	6.79	2020	0.1	
1.16	<b>Technological infrastructure</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	
1.16.01	Fixed internet speed, Mbps	29	6.82	2021	0.5	
1.16.02	Internet users, % population	30	11.21	2017	0.0	
1.16.03	Fixed broadband subscriptions	30	0.23	2020	0.0	
1.16.04	Mobile subscriptions (per 100 people)	30	47.62	2017	0.0	

# 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	30	-	-	0.00	
2.02.01	Mean years of schooling	30	4.66	2019	0.00	
2.02.02	University education Index	27	0.00	2021	0.00	
2.02.03	Tertiary enrollment	-	-	-	-	
2.03	Labor standards	20	-	-	56.59	
2.03.01	Gender non-discrimination in hiring	23	50.00	2022	33.33	
2.03.02	Freedom of association and assembly	11	0.72	2021	79.85	
2.04	Political stability and absence of violence	24	20.28	2020	16.33	
2.05	Goods produced by forced labor or child labor	16	-	-	72.95	
2.05.01	Goods produced by forced labor	22	-	-	57.19	
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	26	10.28	2018	39.59	
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	27	-	-	9.45	
2.06.01	Government response to human trafficking, Criminalization	26	3.00	2021	20.00	
2.06.02	Government response to human trafficking, Strategy	29	18.93	2018	0.67	
2.06.03	Government response to human trafficking, Action	21	3.00	2021	33.33	
2.07	Trade in goods at risk of modern slavery	05	-	-	70.87	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	01	0	2020	100.00	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	19	1,127	2020	46.39	
2.08	Social mobility, Index	-	-	-	-	
2.09	Life expectancy at birth	30	65.40	2021	0.00	

# 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	09	16.05	2019	87.06	
3.02	Deforestation, Index	24	0.00	2020	12.01	
3.03	% of wastewater treated	27	10.80	2020	9.35	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	-	-	-	-	
3.05	Ecological footprint	10	1.72	2018	87.06	
3.06	Renewable energy, %	-	-	-	-	
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	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)	26	0	2021	0.00	
3.08	Transfer emissions, export emissions % of total	-	-	-	-	
3.09	Share of natural resources in trade, %	28	37.68	2020	10.22	
3.10	Carbon	11	-	-	55.25	
3.10.1	Carbon pricing	11	0	2022	0.00	
3.10.2	CO2 emissions per capita	01	0.47	2019	100.00	

# 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](https://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](https://imd.org) | [imd.org/wcc](https://imd.org/wcc)