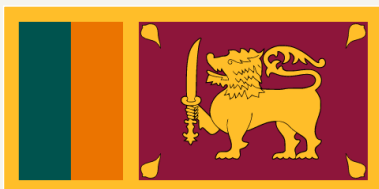


# SUSTAINABLE TRADE INDEX 2022



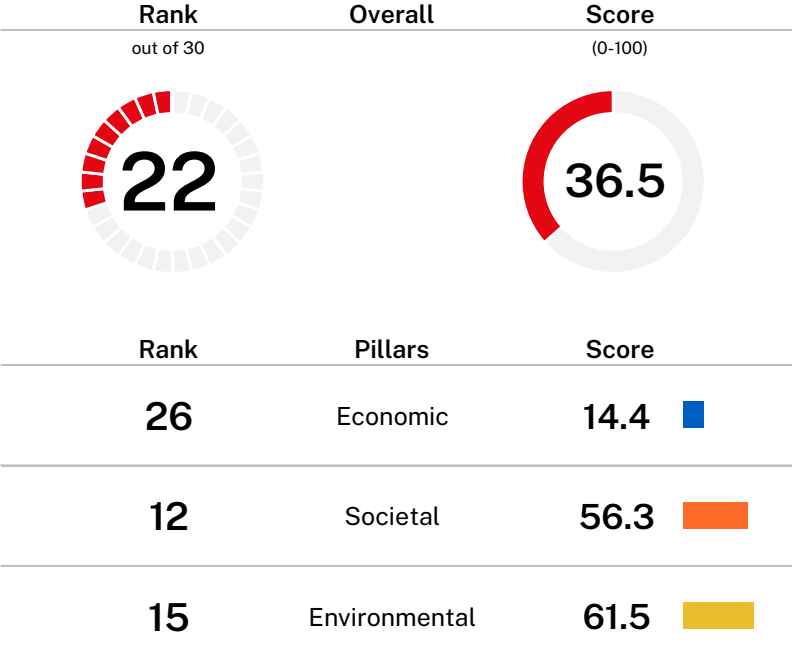
Sri Lanka

# Sri Lanka

## 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	22.04	Medium
Income, GDP per Capita US\$	3,723	Medium
Membership	-	

# 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	28	5.96	2021	32.1	
1.02	Real GDP Growth per capita, % GDP	19	3.03	2021	89.0	
1.03	Growth in labor force, %	15	1.03	2021	19.9	
1.04	Foreign direct investment, net inflows, % GDP	27	0.54	2020	11.5	
1.05	Gross fixed capital formation, % GDP	08	25.44	2020	59.3	
1.06	<b>Tariff &amp; non-tariff barriers</b>	12	-	-	57.3	
1.06.01	Tariff barriers	16	-	-	61.4	
1.06.01.a	Tariff barriers in force	14	306	2021	32.7	
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)	18	18.82	2018	63.7	
1.06.02	Non-tariff barriers	10	-	-	60.3	
1.06.02.a	Non-tariff barriers in force	11	232	2021	51.9	
1.06.02.b	New non-tariff barriers 2021	11	15	2021	68.3	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	07	38.08	2018	60.5	
1.07	<b>Trade liberalization</b>	27	-	-	9.6	
1.07.01	Regional Trade Agreements, number in force	27	6.00	2022	3.0	
1.07.02	Capital account liberalization, Index	22	-1.23	2019	16.4	
1.07.03	Investment Freedom, Index	22	40.00	2022	30.8	
1.08	Exchange rate stability, parity change from national currency to SDR, 2020/2018	28	0.12	2020	40.2	
1.09	Domestic credit to private sector, % of GDP	19	49.82	2019	13.5	
1.10	<b>Foreign trade and payments risk</b>	30	-	-	0.0	
1.10.01	Country credit rating	30	11.00	2022	0.0	
1.10.02	Gross debt, % GDP	26	107.16	2021	59.7	
1.11	<b>Trade costs</b>	19	-	-	28.1	
1.11.01	Logistics performance, index	24	2.60	2018	23.1	
1.11.02	Corruption perceptions, index	18	37.00	2021	21.5	
1.11.03	Rule of law, index	16	53.37	2020	48.4	
1.12	<b>Monetary policy intervention</b>	04	-	-	47.0	
1.12.01	Current account balance, % GDP	05	-4.28	2021	54.0	
1.12.02	Total reserves (includes gold)1 year change, % GDP	09	-2.09	2020	52.4	
1.13	<b>Export concentration</b>	12	-	-	55.5	
1.13.01	Export market concentration, Top 5 as % total	08	50.26	2021	76.1	
1.13.02	Export product concentration, Top 5 as % total	20	70.08	2021	42.4	
1.14	<b>Exports of goods and services</b>	27	-	-	2.9	
1.14.01	Merchandise exports, US\$	27	12,502	2021	5.1	
1.14.02	Commercial services exports, US\$	25	2,456	2021	0.3	
1.15	<b>Technological innovation</b>	26	-	-	1.5	
1.15.01	R&D expenditure, % GDP	25	0.13	2018	2.0	
1.15.02	Researchers in R&D, per capita	21	0.11	2018	0.8	
1.15.03	Patent applications, per million inhabitants	18	18.80	2020	0.4	
1.15.04	High-technology exports, % of manufactured exports	27	1.26	2020	0.0	
1.15.05	Scientific articles, per million people	23	81.18	2020	3.2	
1.16	<b>Technological infrastructure</b>	23	-	-	26.6	
1.16.01	Fixed internet speed, Mbps	20	30.94	2021	13.4	
1.16.02	Internet users, % population	25	35.00	2020	27.7	
1.16.03	Fixed broadband subscriptions	21	8.32	2020	18.7	
1.16.04	Mobile subscriptions (per 100 people)	08	138.84	2020	37.4	

# 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	18	-	-	28.85	
2.02.01	Mean years of schooling	12	10.63	2019	68.23	
2.02.02	University education Index	19	2.13	2021	1.66	
2.02.03	Tertiary enrollment	23	21.61	2020	9.21	
2.03	Labor standards	22	-	-	54.08	
2.03.01	Gender non-discrimination in hiring	20	75.00	2022	66.67	
2.03.02	Freedom of association and assembly	18	0.50	2021	41.49	
2.04	Political stability and absence of violence	15	45.28	2020	43.37	
2.05	Goods produced by forced labor or child labor	11	-	-	95.02	
2.05.01	Goods produced by forced labor	11	-	-	92.12	
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	11	2.12	2018	88.88	
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	11	-	-	62.51	
2.06.01	Government response to human trafficking, Criminalization	04	6.00	2021	80.00	
2.06.02	Government response to human trafficking, Strategy	19	37.38	2018	35.39	
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	04	-	-	71.13	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	08	539	2020	46.86	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	0	2020	100.00	
2.08	Social mobility, Index	17	52.30	2020	39.59	
2.09	Life expectancy at birth	14	76.40	2021	54.73	

# 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	16	19.96	2019	81.99	
3.02	Deforestation, Index	22	0.00	2020	14.45	
3.03	% of wastewater treated	30	1.60	2020	0.00	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	18	122.56	2019	64.87	
3.05	Ecological footprint	06	1.51	2018	89.90	
3.06	Renewable energy, %	04	43.11	2019	73.77	
3.07	Environmental standards in trade, count	23	-	-	25.00	
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	23	0	2021	0.00	
3.07.07	Convention: Prior Informed Consent - Hazardous Chemicals (Rotterdam)	01	2	2021	100.00	
3.08	Transfer emissions, export emissions % of total	11	-2.60	2019	22.94	
3.09	Share of natural resources in trade, %	03	3.39	2020	92.66	
3.10	Carbon	17	-	-	52.49	
3.10.1	Carbon pricing	11	0	2022	0.00	
3.10.2	CO2 emissions per capita	07	1.31	2019	95.02	

# 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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