

SUSTAINABLE TRADE INDEX 2022



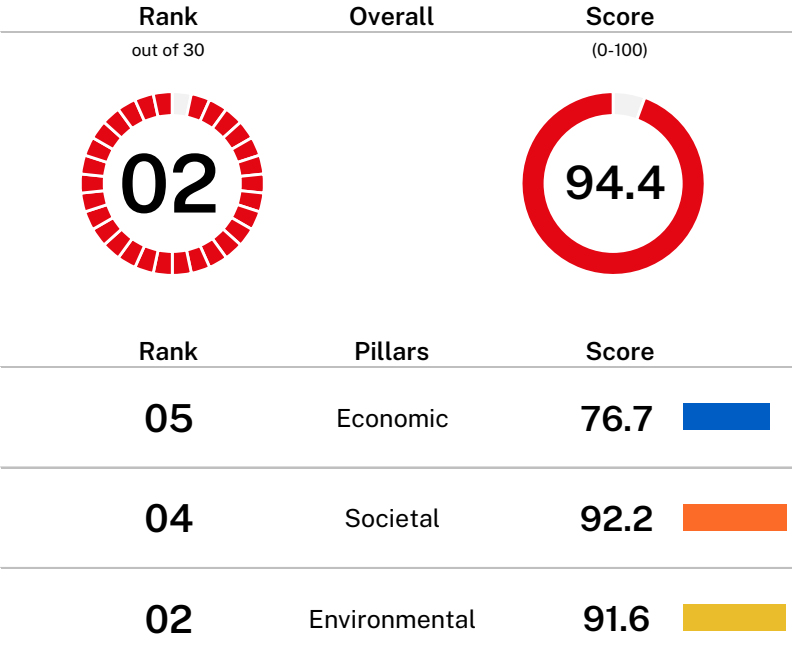
United Kingdom

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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	67.53	Large
Income, GDP per Capita US\$	46,985	High
Membership	CPTPP (applicant)	

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	13	2.59	2021	68.9	
1.02	Real GDP Growth per capita, % GDP	08	6.73	2021	93.9	
1.03	Growth in labor force, %	23	-0.02	2021	13.7	
1.04	Foreign direct investment, net inflows, % GDP	21	1.13	2020	13.1	
1.05	Gross fixed capital formation, % GDP	26	17.11	2020	39.9	
1.06	Tariff & non-tariff barriers	24	-	-	23.5	
1.06.01	Tariff barriers	22	-	-	36.9	
1.06.01.a	Tariff barriers in force	24	1,118	2021	17.5	
1.06.01.b	New tariff barriers 2021	23	34.00	2021	42.1	
1.06.01.c	Percentage of trade affected by tariff barrier (up to 2018)	16	15.05	2018	71.0	
1.06.02	Non-tariff barriers	26	-	-	23.0	
1.06.02.a	Non-tariff barriers in force	24	8,348	2021	20.4	
1.06.02.b	New non-tariff barriers 2021	23	705	2021	25.1	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	16	64.42	2018	23.4	
1.07	Trade liberalization	01	-	-	100.0	
1.07.01	Regional Trade Agreements, number in force	01	38.00	2022	100.0	
1.07.02	Capital account liberalization, Index	01	2.32	2019	100.0	
1.07.03	Investment Freedom, Index	03	80.00	2022	92.3	
1.08	Exchange rate stability, parity change from national currency to SDR, 2020/2018	17	0.04	2021	83.3	
1.09	Domestic credit to private sector, % of GDP	09	143.68	2020	52.4	
1.10	Foreign trade and payments risk	10	-	-	66.6	
1.10.01	Country credit rating	10	67.00	2022	84.8	
1.10.02	Gross debt, % GDP	25	95.35	2021	64.2	
1.11	Trade costs	03	-	-	92.4	
1.11.01	Logistics performance, index	03	3.99	2018	97.8	
1.11.02	Corruption perceptions, index	03	78.00	2021	84.6	
1.11.03	Rule of law, index	07	89.90	2020	89.7	
1.12	Monetary policy intervention	13	-	-	37.9	
1.12.01	Current account balance, % GDP	08	-2.59	2021	50.5	
1.12.02	Total reserves (includes gold)1 year change, % GDP	15	-0.43	2021	43.0	
1.13	Export concentration	02	-	-	91.5	
1.13.01	Export market concentration, Top 5 as % total	04	44.84	2021	86.5	
1.13.02	Export product concentration, Top 5 as % total	05	44.22	2021	88.6	
1.14	Exports of goods and services	03	-	-	63.4	
1.14.01	Merchandise exports, US\$	09	468,055	2021	63.7	
1.14.02	Commercial services exports, US\$	02	414,877	2021	55.5	
1.15	Technological innovation	08	-	-	49.4	
1.15.01	R&D expenditure, % GDP	08	1.71	2019	35.0	
1.15.02	Researchers in R&D, per capita	07	4.68	2019	53.6	
1.15.03	Patent applications, per million inhabitants	07	791.27	2020	15.7	
1.15.04	High-technology exports, % of manufactured exports	09	23.00	2020	31.8	
1.15.05	Scientific articles, per million people	06	1,573.69	2020	66.3	
1.16	Technological infrastructure	08	-	-	70.3	
1.16.01	Fixed internet speed, Mbps	13	77.36	2021	38.4	
1.16.02	Internet users, % population	04	94.82	2020	97.5	
1.16.03	Fixed broadband subscriptions	03	40.26	2020	92.4	
1.16.04	Mobile subscriptions (per 100 people)	19	116.38	2020	28.2	

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)	09	35.10	2017	60.73	
2.02	Educational attainment	03	-	-	78.26	
2.02.01	Mean years of schooling	03	13.24	2019	98.05	
2.02.02	University education Index	02	82.06	2021	64.03	
2.02.03	Tertiary enrollment	12	65.77	2019	52.52	
2.03	Labor standards	09	-	-	90.94	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	10	0.73	2021	81.87	
2.04	Political stability and absence of violence	10	61.32	2020	60.71	
2.05	Goods produced by forced labor or child labor	10	-	-	95.15	
2.05.01	Goods produced by forced labor	10	-	-	92.32	
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	10	2.08	2018	89.16	
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	02	-	-	98.47	
2.06.01	Government response to human trafficking, Criminalization	04	6.00	2021	80.00	
2.06.02	Government response to human trafficking, Strategy	02	71.50	2018	99.57	
2.06.03	Government response to human trafficking, Action	01	1.00	2021	100.00	
2.07	Trade in goods at risk of modern slavery	14	-	-	53.83	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	27	23,427	2020	15.02	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	0	2020	100.00	
2.08	Social mobility, Index	05	74.40	2020	95.69	
2.09	Life expectancy at birth	09	80.70	2021	76.12	

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	06	10.02	2019	94.86	
3.02	Deforestation, Index	12	0.01	2020	29.65	
3.03	% of wastewater treated	03	98.80	2020	98.78	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	02	44.20	2019	92.36	
3.05	Ecological footprint	17	4.18	2018	53.64	
3.06	Renewable energy, %	17	12.22	2019	20.91	
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	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	03	-41.40	2019	31.28	
3.09	Share of natural resources in trade, %	18	11.45	2020	73.28	
3.10	Carbon	03	-	-	94.13	
3.10.1	Carbon pricing	01	2	2022	100.00	
3.10.2	CO2 emissions per capita	17	5.45	2019	70.38	

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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