

## Sustainable Trade Index 2023

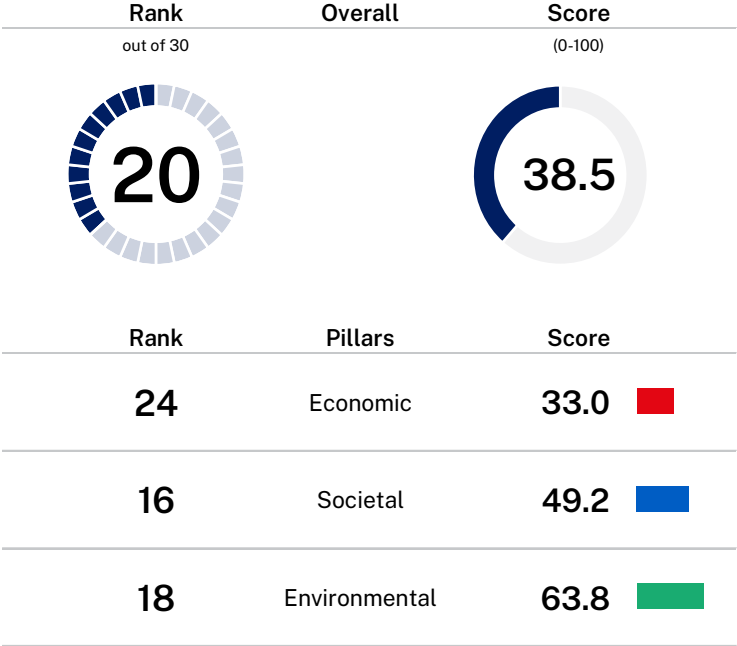
# Ecuador



# Sustainable Trade Index

The Hinrich-IMD Sustainable Trade Index measures 30 economies' 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	18.01 (2022)	Medium
Income, GDP per Capita US\$	5,979 (2021)	Medium
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	07	3.50	2021	87.8	
1.02	Real GDP Growth per capita, % GDP	21	1.61	2021	66.3	
1.03	Growth in labor force, %	06	2.62	2021	69.9	
1.04	Foreign direct investment, net inflows, % GDP	26	0.61	2020	1.7	
1.05	Gross fixed capital formation, % GDP	21	21.20	2020	28.5	
1.06	Tariff & non-tariff barriers	13	-	-	73.4	
1.06.01	Tariff barriers	25	-	-	54.0	
1.06.01.a	Tariff barriers in force	16	215	2021	95.8	
1.06.01.b	New tariff barriers 2022	01	0.00	2021	100.0	
1.06.01.c	Percentage of trade affected by tariff barrier (up to 2018)	24	51.71	2018	0.0	
1.06.02	Non-tariff barriers	03	-	-	95.2	
1.06.02.a	Non-tariff barriers in force	09	291	2021	99.8	
1.06.02.b	New non-tariff barriers 2022	-	-	2021	-	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	02	16.12	2018	91.5	
1.07	Trade liberalization	20	-	-	28.6	
1.07.01	Regional Trade Agreements, number in force	23	8.00	2022	9.7	
1.07.02	Capital account liberalization, Index	12	1.04	2019	64.2	
1.07.03	Investment Freedom, Index	24	35.00	2022	23.1	
1.08	Exchange rate stability, parity change from national currency to SDR, 2022/2020	11	0.04	2021	91.3	
1.09	Domestic credit to private sector, % of GDP	16	50.23	2020	14.3	
1.10	Foreign trade and payments risk	25	-	-	25.8	
1.10.01	Country credit rating	24	12.00	2022	16.4	
1.10.02	Gross debt, % GDP	16	57.30	2021	78.7	
1.11	Trade costs	20	-	-	30.0	
1.11.01	Logistics performance, index	-	-	2018	-	
1.11.02	Corruption perceptions, index	17	36.00	2021	20.3	
1.11.03	Rule of law, index	20	41.35	2020	38.3	
1.12	Monetary policy intervention	25	-	-	43.9	
1.12.01	Current account balance, % GDP	22	2.20	2021	52.2	
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	22	-0.18	2021	4.9	
1.13	Export concentration	24	-	-	31.0	
1.13.01	Export market concentration, Top 5 as % total	15	62.14	2021	52.2	
1.13.02	Export product concentration, Top 5 as % total	28	84.48	2021	20.5	
1.14	Exports of goods and services	24	-	-	22.5	
1.14.01	Merchandise exports, US\$	23	32,658	2021	17.4	
1.14.02	Commercial services exports, US\$	25	2,818	2021	26.6	
1.15	Technological innovation	23	-	-	4.9	
1.15.01	R&D expenditure, % GDP	-	-	-	-	
1.15.02	Researchers in R&D, per capita	-	-	-	-	
1.15.03	Patent applications, per million inhabitants	24	2.87	2020	0.1	
1.15.04	High-technology exports, % of manufactured exports	22	4.84	2020	5.5	
1.15.05	Scientific articles, per million people	17	162.63	2020	6.6	
1.16	Technological infrastructure	20	-	-	39.6	
1.16.01	Fixed internet speed, Mbps	21	33.32	2021	14.2	
1.16.02	Internet users, % population	16	76.20	2020	71.6	
1.16.03	Fixed broadband subscriptions (per 100 people)	18	13.71	2020	30.6	
1.16.04	Mobile subscriptions (per 100 people)	25	94.34	2020	28.9	

# Societal pillar

Social factors matter in an economy's capacity to trade internationally over the long term. Economies are measured on the environment that encourages and supports the development of human capital, such as the extent of education and labor standards.

This pillar also captures factors that influence public support for trade expansion. These include income inequality, political stability, goods produced by forced and child labor, and the government response to human trafficking.

## Indicators

		Rank	Value	Year	Score	
2.01	Inequality (Gini coefficient)	19	45.80	2021	0.00	
2.02	Educational attainment	17	-	-	30.61	
2.02.01	Mean years of schooling	19	8.82	2019	46.04	
2.02.02	University education Index	25	0.00	2021	0.00	
2.02.03	Tertiary enrollment	15	52.59	2020	39.59	
2.03	Labor standards	11	-	-	82.45	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	13	0.63	2021	64.91	
2.04	Political stability and absence of violence	17	37.26	2020	35.03	
2.05	Goods produced by forced labor or child labor	17	-	-	66.72	
2.05.01	Goods produced by forced labor	17	-	-	66.72	
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	23	7.63	2018	45.32	
2.05.02	Goods produced by child labor, number of goods categories	22	8.00	2021	68.00	
2.06	Government response to human trafficking	08	-	-	79.89	
2.06.01	Government response to human trafficking, Criminalization	01	7.00	2021	100.00	
2.06.02	Government response to human trafficking, Strategy	11	51.28	2018	61.76	
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	05	-	-	71.50	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	06	642	2020	46.62	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	0	2020	100.00	
2.08	Social mobility, Index	15	53.90	2020	43.65	
2.09	Life expectancy at birth	16	73.67	2021	41.34	
2.10	Uneven Economic Development	23	6.20	2023	35.09	

# 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	14	17.22	2019	74.34	
3.02	Deforestation, Index	26	0.00	2020	10.91	
3.03	% of wastewater treated	-	-	2020	-	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	17	118.00	2019	71.90	
3.05	Ecological footprint	08	1.70	2018	87.33	
3.06	Renewable energy, %	12	19.60	2020	25.93	
3.07	Environmental standards in trade, count	09	-	-	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, million tonnes carbon	16	-1.73	2019	19.46	
3.09	Share of natural resources in trade, %	24	42.31	2020	50.83	
3.10	Carbon	21	-	-	46.81	
3.10.1	Carbon pricing	13	0	2022	0.00	
3.10.2	CO2 emissions per capita	11	2.34	2019	88.86	

# 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 an 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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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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