

Sustainable Trade Index 2023

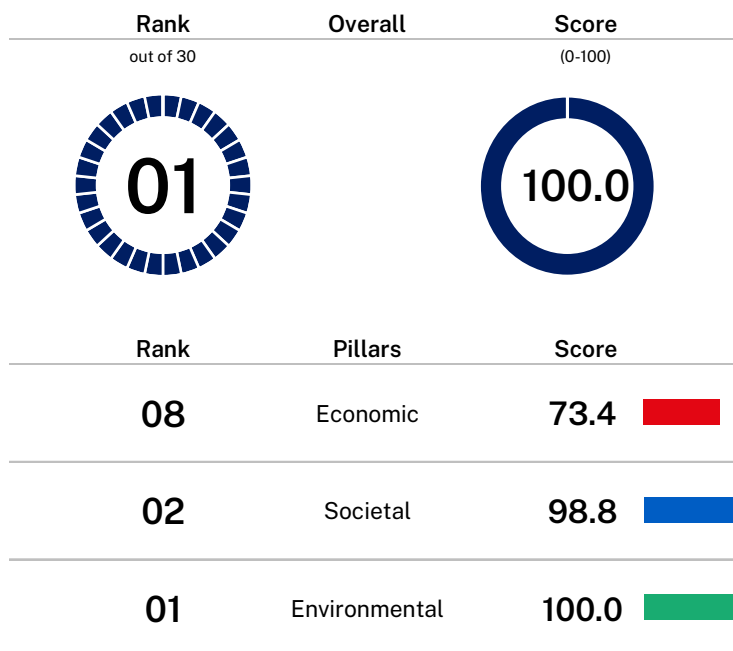
New Zealand



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	5.13 (2022)	Small
Income, GDP per Capita US\$	48,778 (2021)	High
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	20	7.20	2021	68.3	
1.02	Real GDP Growth per capita, % GDP	16	2.16	2021	69.5	
1.03	Growth in labor force, %	19	1.24	2021	50.4	
1.04	Foreign direct investment, net inflows, % GDP	17	1.82	2020	5.0	
1.05	Gross fixed capital formation, % GDP	14	23.89	2020	37.8	
1.06	Tariff & non-tariff barriers	15	-	-	71.1	
1.06.01	Tariff barriers	22	-	-	70.2	
1.06.01.a	Tariff barriers in force	19	376	2021	92.6	
1.06.01.b	New tariff barriers 2022	24	43.00	2021	45.8	
1.06.01.c	Percentage of trade affected by tariff barrier (up to 2018)	06	3.10	2018	94.2	
1.06.02	Non-tariff barriers	10	-	-	74.5	
1.06.02.a	Non-tariff barriers in force	06	167	2021	99.9	
1.06.02.b	New non-tariff barriers 2022	05	34	2021	76.4	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	08	42.67	2018	54.1	
1.07	Trade liberalization	11	-	-	67.3	
1.07.01	Regional Trade Agreements, number in force	16	13.00	2022	25.8	
1.07.02	Capital account liberalization, Index	01	2.31	2019	100.0	
1.07.03	Investment Freedom, Index	09	70.00	2022	76.9	
1.08	Exchange rate stability, parity change from national currency to SDR, 2022/2020	03	0.02	2021	96.2	
1.09	Domestic credit to private sector, % of GDP	08	160.49	2020	59.5	
1.10	Foreign trade and payments risk	05	-	-	74.5	
1.10.01	Country credit rating	05	57.00	2022	83.6	
1.10.02	Gross debt, % GDP	12	52.80	2021	80.4	
1.11	Trade costs	02	-	-	89.4	
1.11.01	Logistics performance, index	11	3.60	2018	63.2	
1.11.02	Corruption perceptions, index	01	87.00	2021	100.0	
1.11.03	Rule of law, index	02	98.08	2020	99.5	
1.12	Monetary policy intervention	04	-	-	59.4	
1.12.01	Current account balance, % GDP	03	-8.90	2021	70.4	
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	17	-0.51	2021	5.2	
1.13	Export concentration	15	-	-	49.3	
1.13.01	Export market concentration, Top 5 as % total	19	64.29	2021	48.1	
1.13.02	Export product concentration, Top 5 as % total	15	62.02	2021	56.6	
1.14	Exports of goods and services	20	-	-	33.6	
1.14.01	Merchandise exports, US\$	22	45,652	2021	22.5	
1.14.02	Commercial services exports, US\$	19	10,061	2021	42.4	
1.15	Technological innovation	09	-	-	49.1	
1.15.01	R&D expenditure, % GDP	10	1.41	2019	27.4	
1.15.02	Researchers in R&D, per capita	04	5.85	2019	67.1	
1.15.03	Patent applications, per million inhabitants	09	524.75	2020	10.1	
1.15.04	High-technology exports, % of manufactured exports	15	16.26	2020	21.9	
1.15.05	Scientific articles, per million people	04	1,766.32	2020	74.4	
1.16	Technological infrastructure	07	-	-	81.1	
1.16.01	Fixed internet speed, Mbps	08	127.65	2021	65.3	
1.16.02	Internet users, % population	06	95.91	2020	97.2	
1.16.03	Fixed broadband subscriptions (per 100 people)	09	35.11	2021	79.2	
1.16.04	Mobile subscriptions (per 100 people)	20	113.96	2020	38.6	

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)	-	-	2015	-	
2.02	Educational attainment	06	-	-	64.47	
2.02.01	Mean years of schooling	05	12.94	2019	90.43	
2.02.02	University education Index	07	24.00	2021	19.88	
2.02.03	Tertiary enrollment	09	79.91	2020	66.38	
2.03	Labor standards	03	-	-	96.06	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	03	0.79	2021	92.13	
2.04	Political stability and absence of violence	02	96.70	2020	98.98	
2.05	Goods produced by forced labor or child labor	04	-	-	97.59	
2.05.01	Goods produced by forced labor	04	-	-	97.59	
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	03	1.61	2018	96.03	
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	12	-	-	74.39	
2.06.01	Government response to human trafficking, Criminalization	04	6.00	2021	80.00	
2.06.02	Government response to human trafficking, Strategy	10	53.85	2018	67.65	
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	08	-	-	64.41	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	10	3,206	2020	33.35	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	0	2020	100.00	
2.08	Social mobility, Index	06	74.30	2020	95.43	
2.09	Life expectancy at birth	07	82.45	2021	84.98	
2.10	Uneven Economic Development	02	2.60	2023	98.25	

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	01	6.49	2019	100.00	
3.02	Deforestation, Index	14	0.01	2020	29.01	
3.03	% of wastewater treated	10	84.48	2020	84.22	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	06	68.00	2019	87.01	
3.05	Ecological footprint	21	5.30	2018	38.39	
3.06	Renewable energy, %	05	39.70	2019	52.51	
3.07	Environmental standards in trade, count	01	-	-	100.00	
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)	01	2	2021	100.00	
3.08	Transfer emissions, million tonnes carbon	17	-1.18	2019	19.38	
3.09	Share of natural resources in trade, %	02	6.11	2020	93.92	
3.10	Carbon	05	-	-	84.65	
3.10.1	Carbon pricing	01	2	2022	100.00	
3.10.2	CO2 emissions per capita	19	6.69	2019	60.69	

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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IMD / World Competitiveness
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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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