

## Sustainable Trade Index 2023

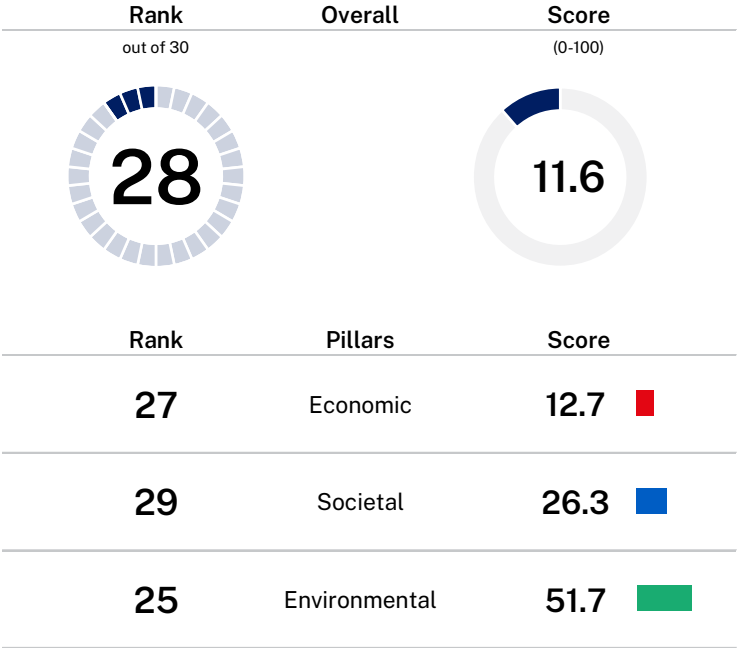
# Papua New Guinea



# 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	9.15 (2022)	Small
Income, GDP per Capita US\$	2,877 (2019)	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	16	6.60	2021	70.9	
1.02	Real GDP Growth per capita, % GDP	15	2.40	2021	70.9	
1.03	Growth in labor force, %	08	2.45	2021	67.5	
1.04	Foreign direct investment, net inflows, % GDP	30	-0.04	2020	0.0	
1.05	Gross fixed capital formation, % GDP	-	-	2020	-	
1.06	<b>Tariff &amp; non-tariff barriers</b>	<b>01</b>	<b>-</b>	<b>-</b>	<b>100.0</b>	
1.06.01	Tariff barriers	02	-	-	100.0	
1.06.01.a	Tariff barriers in force	02	3	2021	100.0	
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)	-	-	-	-	
1.06.02	Non-tariff barriers	-	-	-	-	
1.06.02.a	Non-tariff barriers in force	-	-	2021	-	
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)	-	-	-	-	
1.07	<b>Trade liberalization</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>3.1</b>	
1.07.01	Regional Trade Agreements, number in force	27	6.00	2022	3.2	
1.07.02	Capital account liberalization, Index	21	-0.66	2019	16.3	
1.07.03	Investment Freedom, Index	29	25.00	2022	7.7	
1.08	Exchange rate stability, parity change from national currency to SDR, 2022/2020	22	0.07	2021	85.0	
1.09	Domestic credit to private sector, % of GDP	26	17.09	2020	0.7	
1.10	<b>Foreign trade and payments risk</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>32.7</b>	
1.10.01	Country credit rating	23	16.50	2022	23.1	
1.10.02	Gross debt, % GDP	11	49.20	2021	81.8	
1.11	<b>Trade costs</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>16.0</b>	
1.11.01	Logistics performance, index	22	2.70	2018	15.8	
1.11.02	Corruption perceptions, index	25	30.00	2021	10.9	
1.11.03	Rule of law, index	26	24.52	2020	20.2	
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	34.00	2021	0.0	
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	25	0.16	2019	4.7	
1.13	<b>Export concentration</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>25.8</b>	
1.13.01	Export market concentration, Top 5 as % total	25	72.41	2021	32.7	
1.13.02	Export product concentration, Top 5 as % total	25	78.07	2021	30.8	
1.14	<b>Exports of goods and services</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>2.9</b>	
1.14.01	Merchandise exports, US\$	27	15,193	2021	7.0	
1.14.02	Commercial services exports, US\$	30	191	2021	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	-	-	2016	-	
1.15.02	Researchers in R&D, per capita	-	-	2016	-	
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	11.41	2021	2.3	
1.16.02	Internet users, % population	29	32.05	2017	14.3	
1.16.03	Fixed broadband subscriptions (per 100 people)	30	0.21	2021	0.0	
1.16.04	Mobile subscriptions (per 100 people)	30	48.42	2017	0.0	

# 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)	-	-	-	-	
2.02	Educational attainment	30	-	-	0.00	■
2.02.01	Mean years of schooling	29	4.74	2019	2.19	■
2.02.02	University education Index	25	0.00	2021	0.00	■
2.02.03	Tertiary enrollment	-	-	-	-	
2.03	Labor standards	21	-	-	56.59	■
2.03.01	Gender non-discrimination in hiring	24	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	23	26.89	2020	23.86	■
2.05	Goods produced by forced labor or child labor	25	-	-	52.83	■
2.05.01	Goods produced by forced labor	25	-	-	52.83	■
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	10.35	2018	22.48	■
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	29	-	-	17.35	■
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	30.77	2018	14.71	■
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	01	-	-	100.00	■
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	01	0	2020	100.00	■
2.08	Social mobility, Index	-	-	-	-	
2.09	Life expectancy at birth	29	65.35	2021	0.00	■
2.10	Uneven Economic Development	28	8.20	2023	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	13	17.00	2019	74.86	
3.02	Deforestation, Index	24	0.00	2020	12.01	
3.03	% of wastewater treated	28	5.06	2020	3.52	
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	09	-	-	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, million tonnes carbon	-	-	-	-	
3.09	Share of natural resources in trade, %	27	73.17	2020	14.10	
3.10	Carbon	14	-	-	52.29	
3.10.1	Carbon pricing	13	0	2022	0.00	
3.10.2	CO2 emissions per capita	03	0.74	2019	99.27	

# 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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Center

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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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