

Sustainable Trade Index 2023

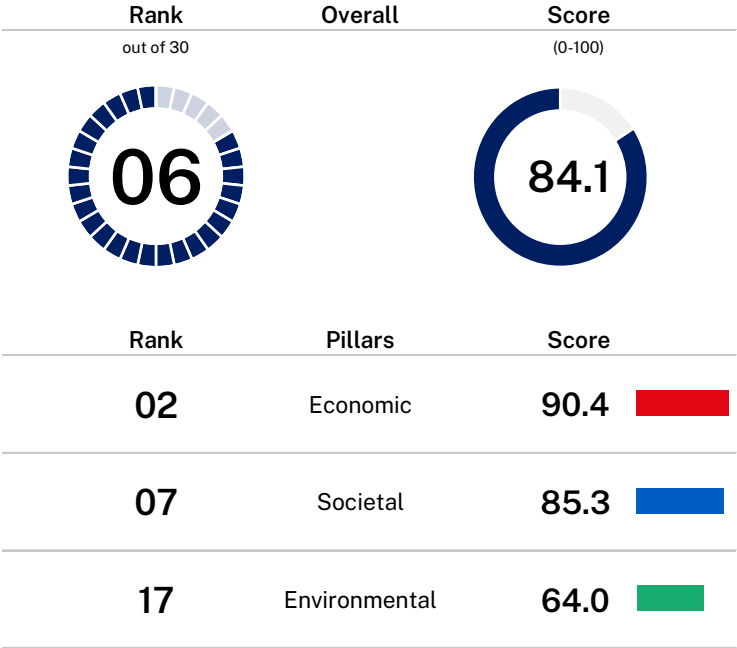
South Korea



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	51.64 (2022)	Large
Income, GDP per Capita US\$	34,998 (2021)	High
Membership	APEC, 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	10	5.10	2021	78.2	
1.02	Real GDP Growth per capita, % GDP	12	2.78	2021	73.2	
1.03	Growth in labor force, %	14	1.67	2021	56.4	
1.04	Foreign direct investment, net inflows, % GDP	22	1.22	2020	3.4	
1.05	Gross fixed capital formation, % GDP	03	31.57	2020	64.4	
1.06	Tariff & non-tariff barriers	16	-	-	70.9	
1.06.01	Tariff barriers	17	-	-	82.9	
1.06.01.a	Tariff barriers in force	18	301	2021	94.1	
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)	17	17.04	2018	67.2	
1.06.02	Non-tariff barriers	15	-	-	61.4	
1.06.02.a	Non-tariff barriers in force	17	1,818	2021	99.0	
1.06.02.b	New non-tariff barriers 2022	15	271	2021	52.9	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	12	50.79	2018	42.6	
1.07	Trade liberalization	08	-	-	69.9	
1.07.01	Regional Trade Agreements, number in force	06	20.00	2022	48.4	
1.07.02	Capital account liberalization, Index	01	2.31	2019	100.0	
1.07.03	Investment Freedom, Index	13	60.00	2022	61.5	
1.08	Exchange rate stability, parity change from national currency to SDR, 2022/2020	17	0.05	2021	88.7	
1.09	Domestic credit to private sector, % of GDP	05	171.53	2020	64.0	
1.10	Foreign trade and payments risk	06	-	-	69.9	
1.10.01	Country credit rating	07	53.00	2022	77.6	
1.10.02	Gross debt, % GDP	13	54.30	2021	79.9	
1.11	Trade costs	10	-	-	75.3	
1.11.01	Logistics performance, index	06	3.80	2018	73.7	
1.11.02	Corruption perceptions, index	11	63.00	2021	62.5	
1.11.03	Rule of law, index	10	84.62	2020	85.0	
1.12	Monetary policy intervention	23	-	-	44.4	
1.12.01	Current account balance, % GDP	20	1.80	2021	52.9	
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	23	-0.16	2021	4.9	
1.13	Export concentration	10	-	-	63.1	
1.13.01	Export market concentration, Top 5 as % total	14	59.49	2021	57.2	
1.13.02	Export product concentration, Top 5 as % total	08	52.69	2021	71.6	
1.14	Exports of goods and services	07	-	-	75.8	
1.14.01	Merchandise exports, US\$	04	683,585	2021	69.6	
1.14.02	Commercial services exports, US\$	07	129,476	2021	75.1	
1.15	Technological innovation	01	-	-	100.0	
1.15.01	R&D expenditure, % GDP	01	4.80	2020	100.0	
1.15.02	Researchers in R&D, per capita	01	8.71	2020	100.0	
1.15.03	Patent applications, per million inhabitants	01	5,170.10	2020	100.0	
1.15.04	High-technology exports, % of manufactured exports	06	35.71	2020	49.9	
1.15.05	Scientific articles, per million people	07	1,399.94	2020	59.0	
1.16	Technological infrastructure	02	-	-	91.4	
1.16.01	Fixed internet speed, Mbps	09	126.03	2021	64.4	
1.16.02	Internet users, % population	02	97.57	2020	99.3	
1.16.03	Fixed broadband subscriptions (per 100 people)	01	44.27	2021	100.0	
1.16.04	Mobile subscriptions (per 100 people)	09	140.57	2020	50.0	

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	05	-	-	68.73	
2.02.01	Mean years of schooling	08	12.51	2019	85.79	
2.02.02	University education Index	10	16.74	2021	13.86	
2.02.03	Tertiary enrollment	02	102.47	2020	88.50	
2.03	Labor standards	07	-	-	91.23	
2.03.01	Gender non-discrimination in hiring	01	100.00	2022	100.00	
2.03.02	Freedom of association and assembly	07	0.74	2021	82.46	
2.04	Political stability and absence of violence	09	67.45	2020	67.51	
2.05	Goods produced by forced labor or child labor	12	-	-	87.90	
2.05.01	Goods produced by forced labor	12	-	-	87.90	
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	3.50	2018	80.11	
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	22	-	-	37.23	
2.06.01	Government response to human trafficking, Criminalization	26	3.00	2021	20.00	
2.06.02	Government response to human trafficking, Strategy	25	38.46	2018	32.35	
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	14	-	-	55.94	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	23	21,940	2020	17.48	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	0	2020	100.00	
2.08	Social mobility, Index	07	71.40	2020	88.07	
2.09	Life expectancy at birth	04	83.70	2021	91.18	
2.10	Uneven Economic Development	04	2.80	2023	94.74	

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	23	25.85	2019	53.70	
3.02	Deforestation, Index	19	0.00	2020	17.41	
3.03	% of wastewater treated	02	99.05	2020	99.04	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	12	108.00	2019	74.92	
3.05	Ecological footprint	25	6.32	2018	24.56	
3.06	Renewable energy, %	25	2.10	2019	2.78	
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	21	0	2021	0.00	
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	05	-16.88	2019	21.68	
3.09	Share of natural resources in trade, %	14	18.16	2020	79.58	
3.10	Carbon	10	-	-	66.07	
3.10.1	Carbon pricing	01	2	2022	100.00	
3.10.2	CO2 emissions per capita	25	12.13	2019	25.41	

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.

hinrichfoundation.com | [STI 2023](#)

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.

imd.org | imd.org/wcc