

Sustainable Trade Index 2023

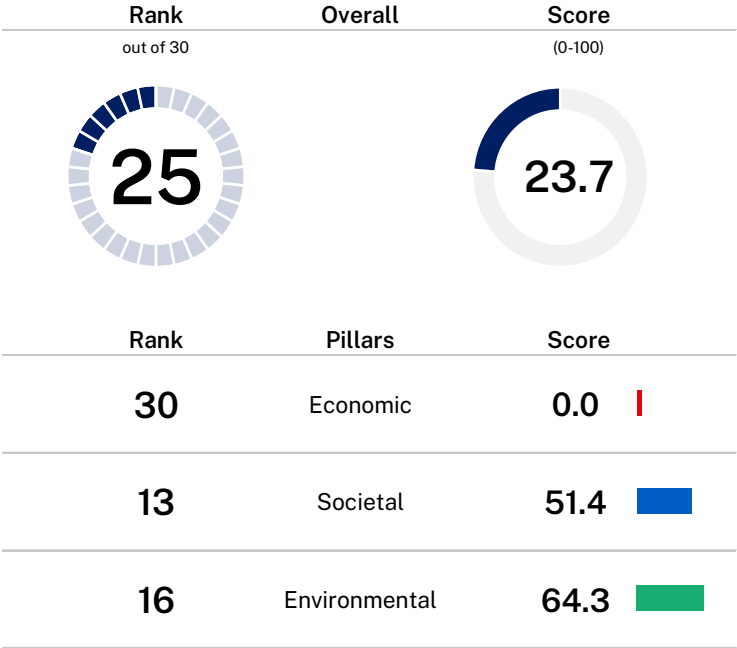
Sri Lanka



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	22.40 (2022)	Medium
Income, GDP per Capita US\$	3,894 (2020)	Medium
Membership	-	

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	30	46.40	2021	0.0	
1.02	Real GDP Growth per capita, % GDP	30	-9.64	2021	0.0	
1.03	Growth in labor force, %	29	-1.08	2021	17.8	
1.04	Foreign direct investment, net inflows, % GDP	24	0.67	2020	1.9	
1.05	Gross fixed capital formation, % GDP	09	26.17	2020	45.8	
1.06	Tariff & non-tariff barriers	19	-	-	62.5	
1.06.01	Tariff barriers	26	-	-	52.7	
1.06.01.a	Tariff barriers in force	17	288	2021	94.4	
1.06.01.b	New tariff barriers 2022	26	93.00	2021	35.0	
1.06.01.c	Percentage of trade affected by tariff barrier (up to 2018)	18	18.82	2018	63.7	
1.06.02	Non-tariff barriers	09	-	-	75.6	
1.06.02.a	Non-tariff barriers in force	11	334	2021	99.8	
1.06.02.b	New non-tariff barriers 2022	07	47	2021	72.9	
1.06.02.c	Percentage of trade affected by non-tariff barrier (up to 2018)	07	38.08	2018	60.5	
1.07	Trade liberalization	30	-	-	0.0	
1.07.01	Regional Trade Agreements, number in force	27	6.00	2022	3.2	
1.07.02	Capital account liberalization, Index	22	-1.23	2019	0.0	
1.07.03	Investment Freedom, Index	26	30.00	2022	15.4	
1.08	Exchange rate stability, parity change from national currency to SDR, 2022/2020	27	0.15	2021	67.9	
1.09	Domestic credit to private sector, % of GDP	19	49.82	2019	14.1	
1.10	Foreign trade and payments risk	29	-	-	0.8	
1.10.01	Country credit rating	27	4.00	2022	4.5	
1.10.02	Gross debt, % GDP	26	117.70	2021	55.4	
1.11	Trade costs	18	-	-	31.9	
1.11.01	Logistics performance, index	21	2.80	2018	21.1	
1.11.02	Corruption perceptions, index	17	36.00	2021	20.3	
1.11.03	Rule of law, index	15	54.33	2020	52.3	
1.12	Monetary policy intervention	14	-	-	51.4	
1.12.01	Current account balance, % GDP	13	-1.90	2021	58.9	
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	13	-3.11	2021	7.1	
1.13	Export concentration	12	-	-	57.4	
1.13.01	Export market concentration, Top 5 as % total	07	49.75	2021	75.7	
1.13.02	Export product concentration, Top 5 as % total	19	70.31	2021	43.3	
1.14	Exports of goods and services	25	-	-	21.8	
1.14.01	Merchandise exports, US\$	29	13,107	2021	5.2	
1.14.02	Commercial services exports, US\$	21	6,777	2021	37.4	
1.15	Technological innovation	27	-	-	1.0	
1.15.01	R&D expenditure, % GDP	25	0.13	2018	0.0	
1.15.02	Researchers in R&D, per capita	21	0.11	2018	1.0	
1.15.03	Patent applications, per million inhabitants	18	14.85	2020	0.3	
1.15.04	High-technology exports, % of manufactured exports	27	1.05	2020	0.0	
1.15.05	Scientific articles, per million people	23	81.18	2020	3.2	
1.16	Technological infrastructure	22	-	-	37.8	
1.16.01	Fixed internet speed, Mbps	26	17.09	2021	5.4	
1.16.02	Internet users, % population	21	66.68	2020	59.2	
1.16.03	Fixed broadband subscriptions (per 100 people)	20	10.99	2021	24.5	
1.16.04	Mobile subscriptions (per 100 people)	07	141.29	2020	50.2	

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)	10	37.70	2019	44.02	
2.02	Educational attainment	19	-	-	28.03	
2.02.01	Mean years of schooling	13	10.83	2019	67.66	
2.02.02	University education Index	19	2.20	2021	1.82	
2.02.03	Tertiary enrollment	25	21.61	2020	9.21	
2.03	Labor standards	23	-	-	54.08	
2.03.01	Gender non-discrimination in hiring	21	75.00	2022	66.67	
2.03.02	Freedom of association and assembly	18	0.50	2021	41.49	
2.04	Political stability and absence of violence	18	34.91	2020	32.49	
2.05	Goods produced by forced labor or child labor	16	-	-	72.69	
2.05.01	Goods produced by forced labor	16	-	-	72.69	
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	18	6.47	2018	55.12	
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	13	-	-	69.80	
2.06.01	Government response to human trafficking, Criminalization	04	6.00	2021	80.00	
2.06.02	Government response to human trafficking, Strategy	13	48.72	2018	55.88	
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	06	-	-	68.37	
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	08	1,305	2020	40.77	
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	0	2020	100.00	
2.08	Social mobility, Index	17	52.30	2020	39.59	
2.09	Life expectancy at birth	13	76.40	2021	54.91	
2.10	Uneven Economic Development	21	6.00	2023	38.60	

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	17	19.99	2019	67.71	
3.02	Deforestation, Index	22	0.00	2020	14.45	
3.03	% of wastewater treated	29	1.60	2020	0.00	
3.04	Energy intensity, energy consumed for each 1'000 US\$ of GDP in MTOE	11	103.00	2019	76.44	
3.05	Ecological footprint	06	1.51	2018	89.90	
3.06	Renewable energy, %	04	40.40	2020	53.44	
3.07	Environmental standards in trade, count	20	-	-	50.00	
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	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	12	-4.11	2019	19.79	
3.09	Share of natural resources in trade, %	03	6.48	2020	93.48	
3.10	Carbon	17	-	-	50.95	
3.10.1	Carbon pricing	13	0	2022	0.00	
3.10.2	CO2 emissions per capita	06	1.13	2019	96.72	

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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