Hinrich Foundation Sustainable Trade Index: Will Trade Become More Sustainable in the Post-COVID-19 World?
Defining Sustainable Trade

Sustainable trade
Engaging in international trade in a way that not only generates balanced economic growth, but also strengthens social capital and provides for environmental stewardship.

- Although trade is an indispensable ingredient in economic development, it cannot be sustainably pursued without responsible environmental stewardship and a commitment to fully developing social capital

- Based on UN Brundtland Commission
  - 3 pillars: economic, social & environment
Creating the STI

• Evaluates 19 Asian economies + USA across the 3 pillars

• Process
  • Produced by EIU, based on literature review, expert consultations & workshops

• Indicators structure
  • 15 indicators under economic pillar
  • 5 under social
  • 7 under environmental

• All pillars & indicators equally weighed
2020 STI Results

STI 2020 - Overall ranks & scores

- Japan: 75.1
- South Korea: 75.1
- Singapore: 70
- Hong Kong: 68.1
- Taiwan: 66.7
- United States: 66.1
- China: 56.1
- Philippines: 55.9
- Sri Lanka: 50.5
- Thailand: 50.5
- Malaysia: 49.8
- Bangladesh: 49.3
- Brunei: 48.5
- Cambodia: 48
- India: 47.1
- Vietnam: 46.7
- Indonesia: 46.4
- Laos: 46.2
- Pakistan: 43.9
- Myanmar: 40.1
STI 2020: Policy Implications in the Age of Covid

- Pandemic highlights importance of sustainable trade principles.
  - Economic pillar: Avoid over dependency in trade
  - Social pillar: Political stability helps ensure public buy-in for pandemic policies
  - Environmental pillar: stewardship helps head-off future zoonotic disease

- Key question: Will pandemic lead to more sustainable trade?
  - Reasons for both optimism and pessimism

- Economic distress raises temptation to cut labor/environmental protections, but...

- Business/investors now leading on sustainability and strong commitment to “build back better”.