

Sustainable Trade Index 2025

Laos

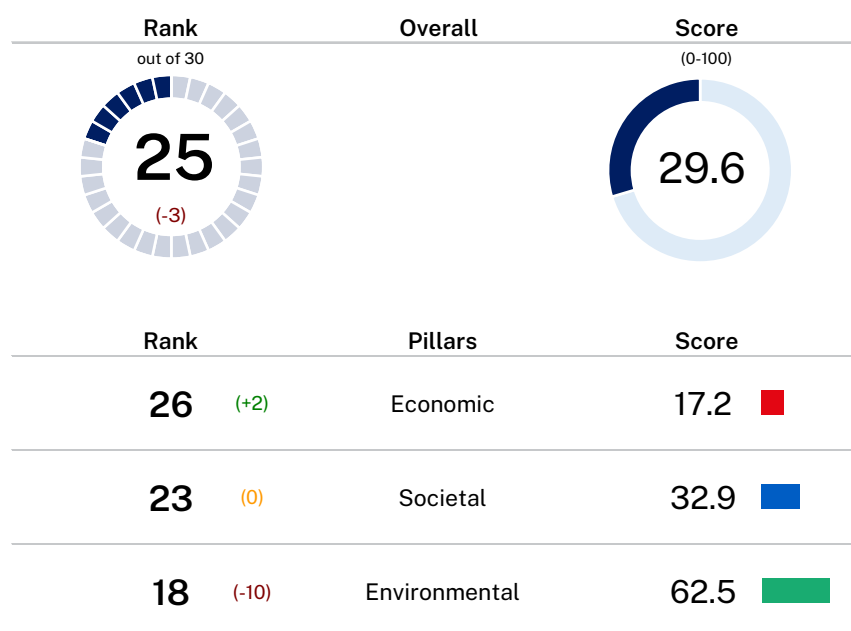


Sustainable Trade Index

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

Laos



The values in (parentheses) indicate the one year ranking change

Background information

Population, millions (2024)	7.69	Small
Income level, GDP per Capita US\$ (2024)	2,066	Low
Membership	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

1 Economic Pillar		Rank	Rank +/-	Value	Year	Score (and 30-country average ⁰)
1.01	Consumer price inflation	28	(0)	23.13	2024	3.89
1.02	Real GDP Growth per capita, % GDP	13	(-5)	2.89	2025	63.88
1.03	Growth in labor force, %	04	(+6)	2.08	2024	74.83
1.04	Foreign direct investment, net inflows, % GDP	03	(+5)	11.24	2023	57.62
1.05	Gross fixed capital formation, % GDP	-	-	-	-	-
1.06	Tariff & non-tariff barriers	11	(-2)	-	-	88.27
1.06.01	Tariff barriers	14	(+2)	-	-	83.74
1.06.01.a	Tariff barriers in force	04	(0)	5	2024	99.91
1.06.01.b	New tariff barriers 2024	01	(0)	0	2024	100.00
1.06.01.c	Net percentage of imports affected by new tariff barriers (2023)	21	(0)	0.02	2023	38.11
1.06.02	Non-tariff barriers	14	(-8)	-	-	82.07
1.06.02.a	Non-tariff barriers in force	02	(0)	5	2024	99.98
1.06.02.b	New non-tariff barriers 2024	01	(0)	0	2024	100.00
1.06.02.c	Net percentage of imports affected by new non-tariff barriers (2023)	20	(0)	0.02	2023	44.25
1.07	Trade liberalization	26	(0)	-	-	7.39
1.07.01	Regional Trade Agreements, number in force	21	(-1)	10	2025	17.14
1.07.02	Capital account liberalization, index	21	(0)	-1.25	2022	0.00
1.07.03	Investment Freedom, index	23	-	35	2025	21.43
1.08	Exchange rate stability, parity change from national currency to SDR, 2024/2022	-	-	-	-	-
1.09	Domestic credit to private sector, % of GDP	-	-	-	-	-
1.10	Foreign trade and payments risk	30	(-1)	-	-	0.00
1.10.01	Country credit rating	27	(-1)	5.0	2024	7.56
1.10.02	Gross debt, % GDP	24	(+4)	96.45	2024	59.83
1.11	Trade costs	27	(0)	-	-	14.32
1.11.01	Logistics performance, index	26	(+3)	2.40	2023	0.00
1.11.02	Corruption perceptions, index	18	(+8)	33	2024	25.00
1.11.03	Rule of law, index	26	(0)	22.64	2023	17.95
1.12	Monetary policy intervention	24	(-4)	-	-	42.11
1.12.01	Current account balance, % GDP	21	(-8)	3.35	2024	60.22
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	24	(0)	1.22	2023	32.01
1.13	Export concentration	21	(+2)	-	-	38.96
1.13.01	Export market concentration, Top 5 as % total	28	(0)	86.18	2024	8.99
1.13.02	Export product concentration, Top 5 as % total	08	(+5)	49.94	2024	81.05
1.14	Exports of goods and services	28	(0)	-	-	0.06
1.14.01	Merchandise exports, US\$ millions	30	(0)	9,438	2024	0.00
1.14.02	Commercial services exports, US\$ millions	28	(0)	1,731	2024	0.18
1.15	Technological innovation	26	(-3)	-	-	3.19
1.15.01	R&D expenditure, % GDP	-	-	-	-	-
1.15.02	Researchers in R&D, per 1,000 inhabitants	-	-	-	-	-
1.15.03	Patent applications, per million inhabitants	27	-	0.53	2023	0.00
1.15.04	High-technology exports, % of manufactured exports	22	(-2)	7.29	2021	8.79
1.15.05	Scientific articles, per million people	28	(0)	11.23	2022	0.33
1.16	Technological infrastructure	28	(-1)	-	-	21.86
1.16.01	Fixed internet speed, Mbps	25	(0)	40.18	2025	9.52
1.16.02	Internet users, % population	22	(0)	63.60	2023	52.74
1.16.03	Fixed broadband subscriptions (per 100 people)	28	(0)	2.72	2023	5.41
1.16.04	Mobile subscriptions (per 100 people)	29	(0)	64.76	2023	10.62

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

2 Societal Pillar		Rank	Rank +/-	Value	Year	Score (and 30-country average ⁰)
2.01	Inequality (Gini coefficient)	-	-	-	-	-
2.02	Educational attainment	27	(0)	-	-	4.59
2.02.01	Mean years of schooling	27	(0)	6.06	2023	18.14
2.02.02	University education index	24	(-1)	0.00	2024	0.00
2.02.03	Tertiary enrollment, % age group	26	(+1)	14.90	2024	3.87
2.03	Labor standards	27	(0)	-	-	33.53
2.03.01	Gender non-discrimination in hiring, index	20	(0)	75	2024	66.67
2.03.02	Freedom of association and assembly, index	27	(+1)	0.15	2024	0.38
2.04	Political stability and absence of violence	07	(-1)	75.36	2023	76.41
2.05	Goods produced by forced labor or child labor	13	(0)	-	-	92.00
2.05.01	Goods produced by forced labor	13	(0)	-	-	84.01
2.05.01.a	Goods produced by forced labor, number of goods categories	01	(0)	0	2024	100.00
2.05.01.b	% population in forced labor	15	(0)	0.52	2023	65.61
2.05.02	Goods produced by child labor, number of goods categories	01	(0)	0	2024	100.00
2.06	Government response to human trafficking	23	(-7)	-	-	40.94
2.06.01	Government response to human trafficking, Criminalization	22	(-7)	5	2024	40.00
2.06.02	Government response to human trafficking, Strategy	18	(0)	46.15	2023	49.99
2.06.03	Government response to human trafficking, Action	23	(-14)	3	2024	33.33
2.07	Trade in goods at risk of modern slavery	03	(0)	-	-	99.94
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	03	(0)	113	2023	99.93
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	(0)	0	2023	100.00
2.08	Social mobility, index	21	(0)	43.8	2020	18.02
2.09	Life expectancy at birth	26	(-2)	68.96	2023	14.60
2.10	Uneven economic development	17	(0)	5.2	2024	50.00
2.11	Universal Health Coverage Index	24	(+1)	52.00	2021	36.07

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

3 Environmental Pillar		Rank	Rank +/-	Value	Year	Score (and 30-country average ^o)
3.01	Air pollution, PM2.5 micrograms per cubic metre	20	(0)	21.19	2020	63.86
3.02	Deforestation, index	02	(0)	0.02	2022	78.08
3.03	% of wastewater treated	24	(+4)	10.30	2024	3.25
3.04	Energy intensity, energy consumed for each 1,000 US\$ of GDP in MTOE	27	(-5)	0.234	2022	24.74
3.05	Ecological footprint	05	(+4)	1.12	2024	95.30
3.06	Renewable energy, %	01	(0)	79.7	2022	100.00
3.07	Environmental standards in trade, count	22	(0)	-	-	50.00
3.07.01	Convention: Hazardous Wastes	01	(0)	2	2024	100.00
3.07.02	Convention: Prevention of Marine Pollution	15	(0)	0	-	0.00
3.07.03	Convention: Protection of the Ozone Layer (Vienna)	01	(0)	2	2024	100.00
3.07.04	Convention on Climate Change (Kyoto)	01	(0)	2	2024	100.00
3.07.05	The International Timber Agreement	23	(0)	0	2024	0.00
3.07.06	Convention: International Trade in Endangered Species	01	(0)	2	2024	100.00
3.07.07	Convention: Prior Informed Consent - Hazardous Chemicals (Rotterdam)	01	(0)	2	2024	100.00
3.08	Transfer emissions, million tonnes carbon	20	(0)	-0.35	2021	42.37
3.09	Share of natural resources in trade, %	24	(-10)	39.33	2024	51.19
3.10	Carbon	26	(-1)	-	-	33.65
3.10.1	Carbon pricing	20	(-1)	0	2025	0.00
3.10.2	CO2 emissions per capita, tonnes per person	12	(0)	3.49	2023	85.87

About us

Global trade has helped lift hundreds of millions of people around the world out of poverty. It is a powerful driver of economic growth and a key source of job opportunities. However, downsides may include labor disruptions, negative environmental impacts, and income inequalities. Therefore, sound public policy and responsible business leadership are essential for properly harnessing the full benefits of global trade.

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 dedicated to advancing mutually beneficial and sustainable global trade.

We believe that global trade – when mutually beneficial and sustainable – is a powerful force for shared prosperity, technological progress, sustainability and peaceful international cooperation. Our work is grounded in independent, fact-based research and the development of innovative trade education programs.

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IMD / World Competitiveness
Center

IMD is an independent academic institution with close ties to business and a strong focus on impact. Challenging what is and inspiring what could be, it develops leaders who transform organizations for a more prosperous, sustainable, and inclusive world. Through its Executive Education, MBA, Executive MBA, and advisory work IMD helps leaders and policymakers navigate complexity and change.

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 data. The Center has pioneered research on how nations and enterprises compete to lay the foundations for future prosperity.

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