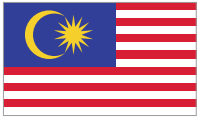


Sustainable Trade Index **2025**

Malaysia

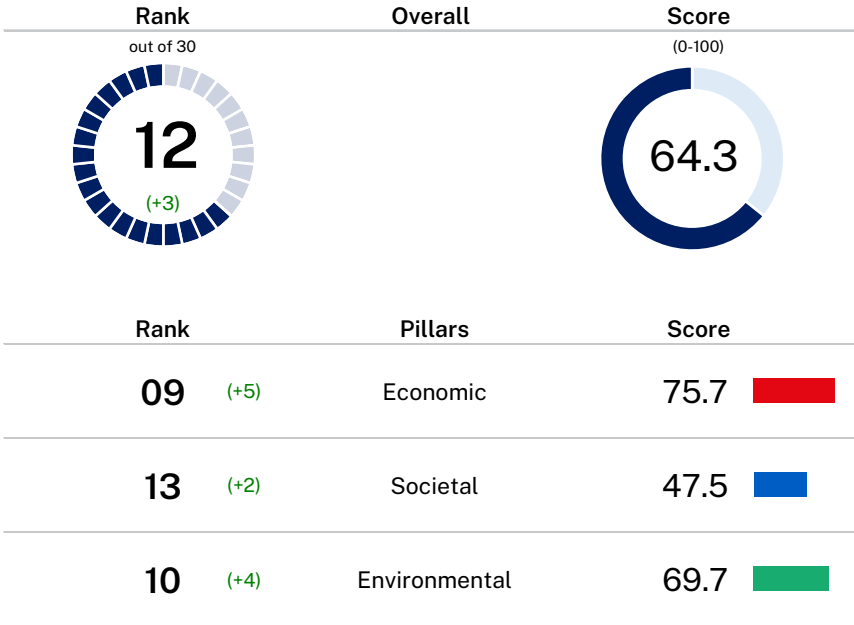


Sustainable Trade Index

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

Malaysia



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

Background information

Population, millions (2024)	33.46	Medium
Income level, GDP per Capita US\$ (2024)	12,541	Medium
Membership	APEC, CPTPP, 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	09	(-1)	1.83	2024	86.76
1.02	Real GDP Growth per capita, % GDP	10	(-1)	3.85	2025	74.89
1.03	Growth in labor force, %	06	(+15)	1.90	2024	70.71
1.04	Foreign direct investment, net inflows, % GDP	07	(+2)	3.70	2024	20.19
1.05	Gross fixed capital formation, % GDP	22	(+1)	20.56	2024	31.93
1.06	Tariff & non-tariff barriers	16	(+1)	-	-	83.97
1.06.01	Tariff barriers	18	(-11)	-	-	80.41
1.06.01.a	Tariff barriers in force	12	(-2)	101	2024	98.26
1.06.01.b	New tariff barriers 2024	23	(-22)	19	2024	84.88
1.06.01.c	Net percentage of imports affected by new tariff barriers (2023)	11	(0)	-0.06	2023	47.08
1.06.02	Non-tariff barriers	19	(+2)	-	-	77.32
1.06.02.a	Non-tariff barriers in force	19	(0)	1,237	2024	96.26
1.06.02.b	New non-tariff barriers 2024	17	(+1)	41	2024	98.90
1.06.02.c	Net percentage of imports affected by new non-tariff barriers (2023)	24	(0)	0.06	2023	39.33
1.07	Trade liberalization	15	(0)	-	-	41.68
1.07.01	Regional Trade Agreements, number in force	11	(0)	17	2025	37.14
1.07.02	Capital account liberalization, index	16	(0)	-0.17	2022	30.51
1.07.03	Investment Freedom, index	09	(+3)	60	2025	57.14
1.08	Exchange rate stability, parity change from national currency to SDR, 2024/2022	06	(-1)	0.03	2024	88.33
1.09	Domestic credit to private sector, % of GDP	12	(+1)	116.17	2024	47.73
1.10	Foreign trade and payments risk	15	(0)	-	-	54.00
1.10.01	Country credit rating	13	(0)	41.0	2024	68.06
1.10.02	Gross debt, % GDP	21	(-1)	70.39	2024	70.94
1.11	Trade costs	12	(-1)	-	-	59.94
1.11.01	Logistics performance, index	11	(0)	3.60	2023	63.16
1.11.02	Corruption perceptions, index	12	(+1)	50	2024	50.00
1.11.03	Rule of law, index	13	(0)	67.45	2023	66.67
1.12	Monetary policy intervention	12	(+4)	-	-	72.81
1.12.01	Current account balance, % GDP	15	(+1)	1.70	2024	67.21
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	08	(+1)	-0.69	2024	51.84
1.13	Export concentration	07	(+3)	-	-	66.73
1.13.01	Export market concentration, Top 5 as % total	10	(0)	52.32	2024	69.97
1.13.02	Export product concentration, Top 5 as % total	12	(-1)	58.31	2024	66.75
1.14	Exports of goods and services	15	(0)	-	-	9.35
1.14.01	Merchandise exports, US\$ millions	15	(0)	330,426	2024	9.13
1.14.02	Commercial services exports, US\$ millions	14	(+1)	53,326	2024	5.76
1.15	Technological innovation	13	(0)	-	-	36.62
1.15.01	R&D expenditure, % GDP	13	(-1)	0.95	2020	17.92
1.15.02	Researchers in R&D, per 1,000 inhabitants	13	(0)	0.71	2020	5.30
1.15.03	Patent applications, per million inhabitants	13	(0)	49.31	2023	1.11
1.15.04	High-technology exports, % of manufactured exports	03	(+2)	59.42	2023	81.91
1.15.05	Scientific articles, per million people	12	(0)	811.78	2022	32.80
1.16	Technological infrastructure	15	(0)	-	-	59.71
1.16.01	Fixed internet speed, Mbps	13	(0)	138.69	2025	44.93
1.16.02	Internet users, % population	02	(0)	97.70	2023	98.26
1.16.03	Fixed broadband subscriptions (per 100 people)	19	(0)	13.03	2023	27.65
1.16.04	Mobile subscriptions (per 100 people)	07	(+2)	142.73	2023	37.58

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)	15	(+3)	40.70	2021	20.42
2.02	Educational attainment	15	(-1)	-	-	39.05
2.02.01	Mean years of schooling	13	(+1)	11.09	2023	70.59
2.02.02	University education index	14	(+1)	11.40	2024	10.00
2.02.03	Tertiary enrollment, % age group	20	(-1)	41.26	2024	31.62
2.03	Labor standards	25	(0)	-	-	40.52
2.03.01	Gender non-discrimination in hiring, index	24	(0)	50	2024	33.33
2.03.02	Freedom of association and assembly, index	17	(0)	0.51	2024	47.71
2.04	Political stability and absence of violence	12	(0)	50.71	2023	49.74
2.05	Goods produced by forced labor or child labor	14	(+2)	-	-	82.76
2.05.01	Goods produced by forced labor	15	(0)	-	-	69.36
2.05.01.a	Goods produced by forced labor, number of goods categories	25	(+2)	4	2024	80.93
2.05.01.b	% population in forced labor	17	(0)	0.62	2023	57.03
2.05.02	Goods produced by child labor, number of goods categories	15	(+2)	1	2024	96.15
2.06	Government response to human trafficking	15	(+6)	-	-	67.48
2.06.01	Government response to human trafficking, Criminalization	04	(+11)	7	2024	80.00
2.06.02	Government response to human trafficking, Strategy	20	(0)	44.87	2023	47.05
2.06.03	Government response to human trafficking, Action	10	(+13)	2	2024	66.67
2.07	Trade in goods at risk of modern slavery	25	(+1)	-	-	49.19
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	20	(0)	9,250	2023	84.92
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	25	(+3)	19,553	2023	56.37
2.08	Social mobility, index	10	(0)	62.0	2020	64.21
2.09	Life expectancy at birth	15	(0)	76.66	2023	54.31
2.10	Uneven economic development	08	(-1)	3.8	2024	75.93
2.11	Universal Health Coverage Index	15	(0)	76.00	2021	75.41

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	12	(0)	15.88	2020	76.78
3.02	Deforestation, index	05	(+1)	0.01	2022	48.76
3.03	% of wastewater treated	08	(0)	90.61	2024	89.87
3.04	Energy intensity, energy consumed for each 1,000 US\$ of GDP in MTOE	21	(0)	0.146	2022	55.55
3.05	Ecological footprint	19	(0)	4.23	2024	62.18
3.06	Renewable energy, %	24	(-1)	4.1	2022	5.15
3.07	Environmental standards in trade, count	10	(0)	-	-	75.00
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	01	(0)	2	2024	100.00
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	22	(0)	5.09	2021	39.54
3.09	Share of natural resources in trade, %	16	(+3)	20.68	2024	74.83
3.10	Carbon	18	(-1)	-	-	50.40
3.10.1	Carbon pricing	13	(-1)	1	2025	50.00
3.10.2	CO2 emissions per capita, tonnes per person	21	(-1)	8.30	2023	62.45

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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