

Sustainable Trade Index **2025**

# Papua New Guinea

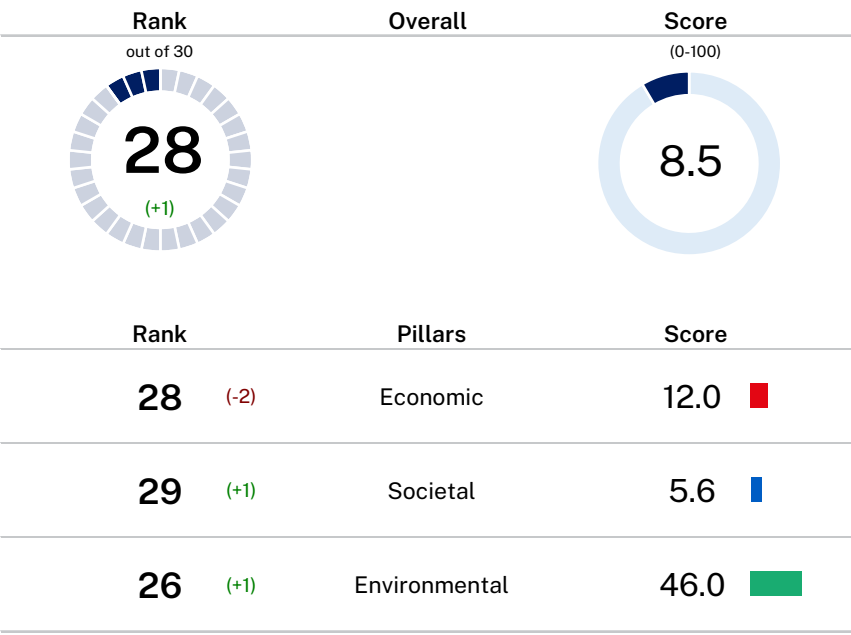


# Sustainable Trade Index

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

### Papua New Guinea



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

## Background information

|   |       |       |
|---|-------|-------|
| Population, millions<br>(2024)              | 12.54 | Small |
| Income level, GDP per Capita US\$<br>(2024) | 2,524 | Low   |
| Membership                                  | APEC  |       |

# 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 <sup>o</sup> ) |
|-------------------|---|------|----------|--------|------|--|
| 1.01              | Consumer price inflation  | 04   | (+3)     | 0.59   | 2024 | 94.19  |
| 1.02              | Real GDP Growth per capita, % GDP   | 21   | (-8)     | 1.61   | 2025 | 49.16  |
| 1.03              | Growth in labor force, %  | 02   | (+10)    | 2.39   | 2024 | 81.92  |
| 1.04              | Foreign direct investment, net inflows, % GDP                                   | 25   | (-2)     | 0.27   | 2023 | 3.19   |
| 1.05              | Gross fixed capital formation, % GDP  | -    | -        | -      | 2025 | -  |
| 1.06              | Tariff & non-tariff barriers  | 07   | (0)      | -      | -    | 89.27  |
| 1.06.01           | Tariff barriers   | 12   | (+3)     | -      | -    | 84.49  |
| 1.06.01.a         | Tariff barriers in force  | 03   | (0)      | 3      | 2024 | 99.95  |
| 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)                | 19   | (0)      | 0.00   | 2023 | 39.83  |
| 1.06.02           | Non-tariff barriers   | 05   | (0)      | -      | -    | 83.20  |
| 1.06.02.a         | Non-tariff barriers in force  | 01   | (0)      | 0      | 2024 | 100.00                                       |
| 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)            | 10   | (0)      | 0.00   | 2023 | 46.56  |
| 1.07              | Trade liberalization  | 28   | (0)      | -      | -    | 3.68   |
| 1.07.01           | Regional Trade Agreements, number in force                                      | 27   | (0)      | 6      | 2025 | 5.71   |
| 1.07.02           | Capital account liberalization, index   | 20   | (0)      | -0.67  | 2022 | 16.38  |
| 1.07.03           | Investment Freedom, index   | 28   | (0)      | 25     | 2025 | 7.14   |
| 1.08              | Exchange rate stability, parity change from national currency to SDR, 2024/2022 | -    | -        | -      | -    | -  |
| 1.09              | Domestic credit to private sector, % of GDP                                     | 25   | (+1)     | 16.51  | 2023 | 2.32   |
| 1.10              | Foreign trade and payments risk   | 24   | (0)      | -      | -    | 28.32  |
| 1.10.01           | Country credit rating   | 23   | (0)      | 16.5   | 2024 | 26.88  |
| 1.10.02           | Gross debt, % GDP   | 14   | (-1)     | 53.70  | 2024 | 78.06  |
| 1.11              | Trade costs   | 22   | (+3)     | -      | -    | 21.17  |
| 1.11.01           | Logistics performance, index  | 23   | (+2)     | 2.70   | 2023 | 15.79  |
| 1.11.02           | Corruption perceptions, index   | 22   | (+2)     | 31     | 2024 | 22.06  |
| 1.11.03           | Rule of law, index  | 23   | (0)      | 29.72  | 2023 | 25.65  |
| 1.12              | Monetary policy intervention  | 30   | (-3)     | -      | -    | 0.00   |
| 1.12.01           | Current account balance, % GDP  | 27   | (+1)     | 14.55  | 2024 | 12.71  |
| 1.12.02           | Change (1-year) in total reserves (includes gold), % GDP                        | 17   | (-1)     | 0.19   | 2022 | 42.72  |
| 1.13              | Export concentration  | 28   | (+1)     | -      | -    | 20.69  |
| 1.13.01           | Export market concentration, Top 5 as % total                                   | 25   | (+1)     | 73.10  | 2024 | 32.54  |
| 1.13.02           | Export product concentration, Top 5 as % total                                  | 27   | (-5)     | 81.70  | 2024 | 26.77  |
| 1.14              | Exports of goods and services   | 29   | (0)      | -      | -    | 0.01   |
| 1.14.01           | Merchandise exports, US\$ millions  | 27   | (0)      | 13,268 | 2024 | 0.11   |
| 1.14.02           | Commercial services exports, US\$ millions                                      | 30   | (0)      | 88     | 2024 | 0.00   |
| 1.15              | Technological innovation  | 14   | (+3)     | -      | -    | 23.79  |
| 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                                    | 29   | (-1)     | 0.33   | 2022 | 0.00   |
| 1.15.04           | High-technology exports, % of manufactured exports                              | 06   | (-4)     | 40.05  | 2022 | 54.74  |
| 1.15.05           | Scientific articles, per million people   | 29   | (0)      | 6.93   | 2022 | 0.16   |
| 1.16              | Technological infrastructure  | 30   | (0)      | -      | -    | 0.00   |
| 1.16.01           | Fixed internet speed, Mbps  | 28   | (0)      | 22.38  | 2025 | 3.13   |
| 1.16.02           | Internet users, % population  | 29   | (0)      | 24.10  | 2023 | 0.00   |
| 1.16.03           | Fixed broadband subscriptions (per 100 people)                                  | 30   | (0)      | 0.21   | 2022 | 0.00   |
| 1.16.04           | Mobile subscriptions (per 100 people)   | 30   | (0)      | 34.06  | 2023 | 0.00   |

# 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  |
|-------------------|--|------|----------|-------|------|---|
| 2.01              | Inequality (Gini coefficient)                              | -    | -        | -     | -    | -   |
| 2.02              | Educational attainment                                     | 30   | (0)      | -     | -    | 0.00  |
| 2.02.01           | Mean years of schooling                                    | 29   | (0)      | 4.96  | 2023 | 6.67  |
| 2.02.02           | University education index                                 | 24   | (-1)     | 0.00  | 2024 | 0.00  |
| 2.02.03           | Tertiary enrollment, % age group                           | -    | -        | -     | -    | -   |
| 2.03              | Labor standards  | 23   | (0)      | -     | -    | 51.29   |
| 2.03.01           | Gender non-discrimination in hiring, index                 | 24   | (0)      | 50    | 2024 | 33.33   |
| 2.03.02           | Freedom of association and assembly, index                 | 09   | (0)      | 0.68  | 2024 | 69.26   |
| 2.04              | Political stability and absence of violence                | 20   | (+3)     | 27.01 | 2023 | 24.10   |
| 2.05              | Goods produced by forced labor or child labor              | 15   | (0)      | -     | -    | 81.88   |
| 2.05.01           | Goods produced by forced labor                             | 16   | (+1)     | -     | -    | 63.75   |
| 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                               | 26   | (0)      | 1.04  | 2023 | 22.05   |
| 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                   | 30   | (0)      | -     | -    | 0.00  |
| 2.06.01           | Government response to human trafficking, Criminalization  | 28   | (-2)     | 3     | 2024 | 0.00  |
| 2.06.02           | Government response to human trafficking, Strategy         | 29   | (0)      | 30.77 | 2023 | 14.71   |
| 2.06.03           | Government response to human trafficking, Action           | 25   | (+1)     | 4     | 2024 | 0.00  |
| 2.07              | Trade in goods at risk of modern slavery                   | 02   | (0)      | -     | -    | 99.96   |
| 2.07.01           | Imports of goods at risk of modern slavery, US\$ millions  | 02   | (0)      | 100   | 2023 | 99.96   |
| 2.07.02           | Exports of goods at risk of modern slavery, US\$ millions  | 01   | (0)      | 0     | 2023 | 100.00  |
| 2.08              | Social mobility, index                                     | -    | -        | -     | -    | -   |
| 2.09              | Life expectancy at birth                                   | 29   | (0)      | 66.13 | 2023 | 0.00  |
| 2.10              | Uneven economic development                                | 28   | (0)      | 7.9   | 2024 | 0.00  |
| 2.11              | Universal Health Coverage Index                            | 28   | (0)      | 30.00 | 2021 | 0.00  |

# 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 <sup>o</sup> ) |
|------------------------|--|------|----------|-------|------|--|
| 3.01                   | Air pollution, PM2.5 micrograms per cubic metre                      | 11   | (+2)     | 14.53 | 2020 | 80.09  |
| 3.02                   | Deforestation, index   | 24   | (0)      | 0.00  | 2022 | 8.04   |
| 3.03                   | % of wastewater treated  | 25   | (+4)     | 7.29  | 2024 | 0.00   |
| 3.04                   | Energy intensity, energy consumed for each 1,000 US\$ of GDP in MTOE | -    | -        | -     | -    | -  |
| 3.05                   | Ecological footprint   | 06   | (0)      | 1.17  | 2024 | 94.80  |
| 3.06                   | Renewable energy, %  | 03   | -        | 54.6  | 2022 | 68.54  |
| 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                           | 01   | (0)      | 2     | 2024 | 100.00                                       |
| 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) | 27   | (0)      | 0     | 2024 | 0.00   |
| 3.08                   | Transfer emissions, million tonnes carbon                            | -    | -        | -     | -    | -  |
| 3.09                   | Share of natural resources in trade, %                               | 30   | (-4)     | 79.71 | 2024 | 0.00   |
| 3.10                   | Carbon   | 20   | (-2)     | -     | -    | 42.40  |
| 3.10.1                 | Carbon pricing   | 20   | (-1)     | 0     | 2025 | 0.00   |
| 3.10.2                 | CO2 emissions per capita, tonnes per person                          | 02   | (-1)     | 0.64  | 2023 | 99.76  |

# 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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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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