

Sustainable Trade Index **2025**

Sri Lanka

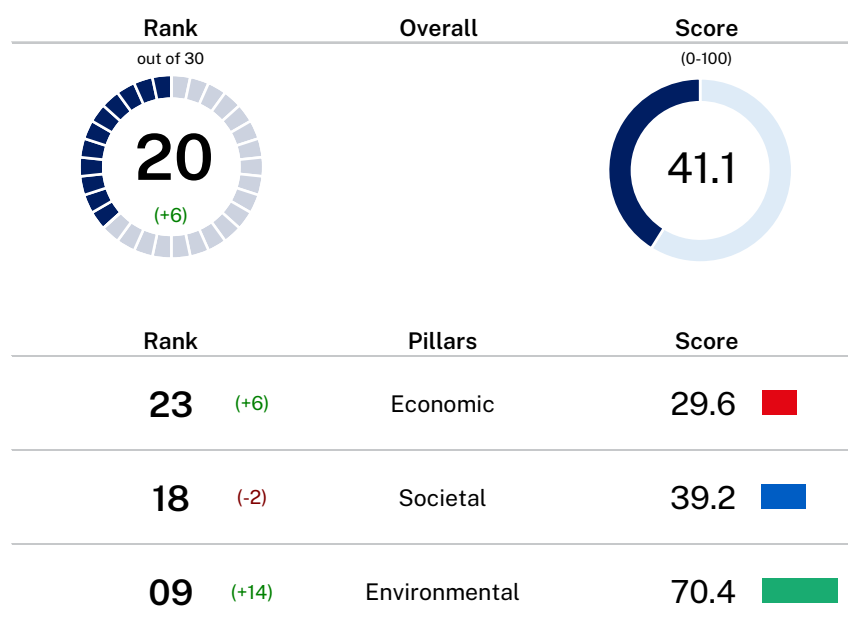


Sustainable Trade Index

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

Sri Lanka



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

Background information

Population, millions (2024)	22.88	Medium
Income level, GDP per Capita US\$ (2024)	4,325	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

1 Economic Pillar		Rank	Rank +/-	Value	Year	Score (and 30-country average ⁰)	
1.01	Consumer price inflation	06	(+24)	1.24	2024	90.28	
1.02	Real GDP Growth per capita, % GDP	09	(+21)	3.89	-	75.26	
1.03	Growth in labor force, %	18	(+11)	0.79	2024	45.31	
1.04	Foreign direct investment, net inflows, % GDP	20	(+1)	0.85	2023	6.08	
1.05	Gross fixed capital formation, % GDP	23	(+2)	18.79	2024	25.87	
1.06	Tariff & non-tariff barriers	01	(+13)	-	-	100.00	
1.06.01	Tariff barriers	03	(+19)	-	-	87.84	
1.06.01.a	Tariff barriers in force	18	(0)	245	2024	95.78	
1.06.01.b	New tariff barriers 2024	01	(+23)	0	2024	100.00	
1.06.01.c	Net percentage of imports affected by new tariff barriers (2023)	07	(0)	-0.11	2023	51.89	
1.06.02	Non-tariff barriers	01	(+1)	-	-	100.00	
1.06.02.a	Non-tariff barriers in force	13	(0)	331	2024	99.00	
1.06.02.b	New non-tariff barriers 2024	09	(+4)	1	2024	99.97	
1.06.02.c	Net percentage of imports affected by new non-tariff barriers (2023)	02	(0)	-0.29	2023	82.05	
1.07	Trade liberalization	30	(0)	-	-	0.00	
1.07.01	Regional Trade Agreements, number in force	27	(0)	6	2025	5.71	
1.07.02	Capital account liberalization, index	21	(0)	-1.25	2022	0.00	
1.07.03	Investment Freedom, index	24	(0)	30	2025	14.29	
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	29	(+1)	-	-	5.87	
1.10.01	Country credit rating	26	(+2)	10.4	2024	16.62	
1.10.02	Gross debt, % GDP	25	(+1)	99.43	2022	58.55	
1.11	Trade costs	20	(0)	-	-	30.76	
1.11.01	Logistics performance, index	22	(+2)	2.80	2023	21.05	
1.11.02	Corruption perceptions, index	20	(-2)	32	2024	23.53	
1.11.03	Rule of law, index	18	(-1)	50.00	2023	47.70	
1.12	Monetary policy intervention	19	(-15)	-	-	53.67	
1.12.01	Current account balance, % GDP	16	(-8)	1.76	2022	66.93	
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	23	(-18)	0.90	2022	35.40	
1.13	Export concentration	12	(+1)	-	-	59.41	
1.13.01	Export market concentration, Top 5 as % total	06	(+3)	47.29	2024	79.02	
1.13.02	Export product concentration, Top 5 as % total	19	(0)	70.80	2024	45.40	
1.14	Exports of goods and services	26	(0)	-	-	0.47	
1.14.01	Merchandise exports, US\$ millions	28	(0)	12,772	2024	0.09	
1.14.02	Commercial services exports, US\$ millions	22	(+2)	6,874	2024	0.73	
1.15	Technological innovation	28	(0)	-	-	1.09	
1.15.01	R&D expenditure, % GDP	22	(+2)	0.11	2022	1.73	
1.15.02	Researchers in R&D, per 1,000 inhabitants	20	(+1)	0.09	2022	0.52	
1.15.03	Patent applications, per million inhabitants	18	(0)	11.43	2022	0.25	
1.15.04	High-technology exports, % of manufactured exports	27	(0)	1.42	2023	0.56	
1.15.05	Scientific articles, per million people	22	(0)	110.86	2022	4.37	
1.16	Technological infrastructure	23	(0)	-	-	27.24	
1.16.01	Fixed internet speed, Mbps	27	(-1)	26.79	2025	4.71	
1.16.02	Internet users, % population	26	(0)	51.20	2023	36.18	
1.16.03	Fixed broadband subscriptions (per 100 people)	21	(-1)	8.77	2023	18.46	
1.16.04	Mobile subscriptions (per 100 people)	08	(0)	142.28	2023	37.42	

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	23	(-3)	-	-	26.60
2.02.01	Mean years of schooling	14	(-2)	10.77	2023	67.26
2.02.02	University education index	24	(-1)	0.00	2024	0.00
2.02.03	Tertiary enrollment, % age group	24	(-1)	22.96	2023	12.36
2.03	Labor standards	20	(+1)	-	-	58.97
2.03.01	Gender non-discrimination in hiring, index	20	(0)	75	2024	66.67
2.03.02	Freedom of association and assembly, index	15	(+1)	0.54	2024	51.27
2.04	Political stability and absence of violence	21	(+5)	25.59	2023	22.56
2.05	Goods produced by forced labor or child labor	27	(-13)	-	-	37.11
2.05.01	Goods produced by forced labor	26	(-12)	-	-	37.11
2.05.01.a	Goods produced by forced labor, number of goods categories	-	-	-	-	-
2.05.01.b	% population in forced labor	18	(0)	0.65	2023	54.92
2.05.02	Goods produced by child labor, number of goods categories	-	-	-	-	-
2.06	Government response to human trafficking	13	(+1)	-	-	70.81
2.06.01	Government response to human trafficking, Criminalization	04	(0)	7	2024	80.00
2.06.02	Government response to human trafficking, Strategy	13	(0)	48.72	2023	55.88
2.06.03	Government response to human trafficking, Action	10	(-1)	2	2024	66.67
2.07	Trade in goods at risk of modern slavery	04	(0)	-	-	99.79
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	04	(0)	221	2023	99.76
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	(0)	0	2023	100.00
2.08	Social mobility, index	17	(0)	52.3	2020	39.59
2.09	Life expectancy at birth	13	(+1)	77.48	2023	58.57
2.10	Uneven economic development	23	(-2)	6.1	2024	33.33
2.11	Universal Health Coverage Index	19	(0)	67.00	2021	60.66

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	17	(0)	19.54	2020	67.87
3.02	Deforestation, index	23	(0)	0.00	2022	10.32
3.03	% of wastewater treated	-	-	-	-	-
3.04	Energy intensity, energy consumed for each 1,000 US\$ of GDP in MTOE	18	(-5)	0.119	2022	64.87
3.05	Ecological footprint	07	-	1.20	2018	94.51
3.06	Renewable energy, %	04	(+1)	46.1	2022	57.82
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	12	(0)	-4.99	2021	44.78
3.09	Share of natural resources in trade, %	08	(-3)	7.40	2024	91.66
3.10	Carbon	22	(-1)	-	-	41.39
3.10.1	Carbon pricing	20	(-1)	0	2025	0.00
3.10.2	CO2 emissions per capita, tonnes per person	05	(-1)	0.97	2023	98.15

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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