



PRESS RELEASE | TUESDAY 13 OCTOBER 2026

Strong institutions, not trade agreements alone, drive trade resilience

Hinrich-IMD Sustainable Trade Index (STI) 2026 finds the United Kingdom the only economy performing strongly across all three pillars

The United Kingdom (UK) held first place for a second consecutive year among 30 global economies in the 2026 Hinrich-IMD STI, themed "**Pathways to Resilience: Lessons from CPTPP, RCEP, APEC, and DEPA.**"

The Index, a joint project between the [Hinrich Foundation](#) and the [IMD World Competitiveness Center](#) (WCC), assesses the sustainable trade performance of global trading economies each year. Sustainable trade can be understood as reaping the societal, environmental, and economic benefits of international trade while minimizing potential downsides.

The STI evaluates 79 data points across three pillars: economic, societal, and environmental. It measures 30 economies that are members and applicants of major trade alliances including the Asia-Pacific Economic Cooperation (APEC), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership (RCEP), and the Digital Economy Partnership Agreement (DEPA).

The UK is the only economy in the Index that ranks near the top of all three pillars: fourth on the economic and societal pillars, and second on the environmental. Such consistency led it to the top overall spot. New Zealand led the Index from 2022 to 2024 before the UK overtook it in 2025. This year, however, New Zealand scored above the UK on both the environmental and societal pillars but setbacks on the economic pillar sent it to third place.

Beyond the headline ranking, five editions of data now allow the Index to be read across the years rather than a single column. Among APEC's 21 economies, all of whom are represented in the Index, the average STI score rose from 55.9 in 2022 to 62.7 in 2026, with 17 economies improving over the period. Southeast Asia recorded the largest gains, led by Vietnam at 20.9 points, Malaysia at 18.8, and Indonesia at 16.4.

Singapore, finishing first on the economic pillar, ranked second overall, buoyed by gaining nine places on the environmental ranking. New Zealand, which led the table on environmental performance, placed third, followed by Hong Kong SAR and Australia.

While there is no single path to sustainable trade, the strongest performers exhibit common foundations: openness and domestic institutions that support long-term stability.

The UK, Singapore, New Zealand, Hong Kong SAR, and Australia have stayed at the top of the table since the Hinrich-IMD Index was launched in 2022. None of them arrived there through a strategy document, the authors of the Index's accompanying report say, but through decades of low-profile work on courts, ports, schools, and policy regulation.

"Membership in a trade grouping opens a door. It does not walk a country through it," said Arturo Bris, WCC Director. "Seven economies sit inside CPTPP, RCEP, and APEC at once, and most of them cluster in the upper half of the table. One of them, Brunei, sits near the bottom with exactly the same memberships. Agreements shape the rules that firms meet at the border. What happens behind the border is domestic work, and no treaty does that part for a country."

Kathryn Dioth, Chief Executive Officer of the Hinrich Foundation, says: "Progress that institutions do not protect does not last, however good the score looks. Incomes rose and schooling improved across APEC this year. In several of the same economies, protection for workers went the other way. Those two things cannot keep moving in opposite directions."

The STI 2026 is the eighth edition in the series, with Hinrich-IMD partnering for the last five annual releases.

Strength in one pillar, weakness in another

Almost every economy in the Index is strong in one dimension and weak in another, often by a wide margin. The United States, ranked 10th overall, sits second on the economic pillar and 27th on the environmental. China, 19th overall, ranks seventh on the economic pillar, 23rd on the societal, and 26th on the environmental.

The researchers present this as the Index's central finding. They argue that an economy's headline score should start the discussion and not end it.

"An economy's overall rank tells you where it stands. It does not tell you what it is standing on," says Jose Caballero, Chief Economist of the IMD World Competitiveness Center. "Two economies can reach the same score from opposite directions. One grows fast and pays for it in emissions; the other scores well on the environment mainly because it has not industrialized. Same number, different problem, different fix."

The overall rankings moved little this year compared with 2025: the largest change in the overall ranking was just four places. Rankings were more stable than in earlier editions, suggesting that sustainable trade performance is increasingly shaped by long-term capacity rather than temporary shocks.

Shifts within the individual pillars were larger. India was the biggest climber on the economic dimension, rising from 18th to 13th. Cambodia rose from 17th to third on the environmental pillar.

The economic pillar stops leading

Between 2022 and 2025, the economic pillar accounted for most of the improvement. By 2026, that had changed. Societal performance recorded the largest gain of the three pillars, rising 11.3 points on the Index's scoring over the five years. Environmental performance rose steadily to become APEC's strongest and most consistent dimension. Economic performance posted the smallest net improvement, at 2.7 points, as the global trade environment became less open. As trade becomes more costly, economies are being asked to become more resilient.

The economic pillar's traditional predictors are also changing. Where tariffs and foreign investment once mattered most, this year's leaders gained on research and development spending, high-technology exports, and patents. A new indicator introduced this year into the STI covers e-commerce regulation.

Among some economies, gaps have widened between economic and societal pillars. China had the largest divergence in APEC with an economic score of 78.4 against a societal score of 40.7.

The environmental pillar moved most. Cambodia rose to third by building its energy system around renewables which now supply 52.4% of its energy needs. Carbon pricing has expanded across the region and now operates in Australia, Taiwan, Indonesia, and Vietnam, with Malaysia and Thailand to follow.

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Profiles

About the Hinrich Foundation

The Hinrich Foundation is an independent Asia-based philanthropic organization dedicated to advancing mutually beneficial and sustainable global trade. We believe that mutually beneficial and sustainable global trade is a powerful force for shared prosperity, technological progress, sustainability and peaceful international cooperation. Our work is grounded in rigorous fact-based research and the development of innovative trade education programs.

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RESULTS TABLE

2026 Hinrich-IMD Sustainable Trade Index Results

	Overall	Economic Pillar	Societal Pillar	Environmental Pillar
United Kingdom	1	4	4	2
Singapore	2	1	9	6
New Zealand	3	10	3	1
Hong Kong, SAR	4	3	8	4
Australia	5	9	1	11
Taiwan	6	6	5	15
South Korea	7	5	6	17
Japan	8	12	7	7
Canada	9	11	2	21
United States	10	2	11	27
Malaysia	11	8	13	13
Chile	12	16	10	18
Thailand	13	14	12	14
Vietnam	14	15	21	8
Cambodia	15	17	26	3
Philippines	16	20	19	9
Indonesia	17	19	20	10
Mexico	18	21	18	5
China	19	7	23	26
Peru	20	18	15	20
India	21	13	27	22
Sri Lanka	22	24	17	12
Ecuador	23	23	16	25
Laos	24	29	24	19
Bangladesh	25	25	25	24
Pakistan	26	27	28	23
Brunei	27	22	14	30
Myanmar	28	30	30	16
Russia	29	26	22	29
Papua New Guinea	30	28	29	28

Hinrich-IMD Sustainable Trade Index Results Overall

	2026	2025	2024
United Kingdom	1	1	2
Singapore	2	4	4
New Zealand	3	2	1
Hong Kong, SAR	4	6	7
Australia	5	3	3
Taiwan	6	10	9
South Korea	7	5	6
Japan	8	7	5
Canada	9	8	8
United States	10	9	10
Malaysia	11	12	15
Chile	12	11	11
Thailand	13	15	12
Vietnam	14	14	14
Cambodia	15	19	19
Philippines	16	13	13
Indonesia	17	17	18
Mexico	18	18	17
China	19	16	16
Peru	20	21	20
India	21	23	23
Sri Lanka	22	20	26
Ecuador	23	22	21
Laos	24	25	22
Bangladesh	25	26	25
Pakistan	26	27	28
Brunei	27	24	24
Myanmar	28	30	27
Russia	29	29	30
Papua New Guinea	30	28	29