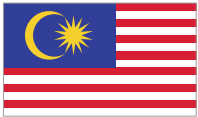


Sustainable Trade Index **2026**

Malaysia

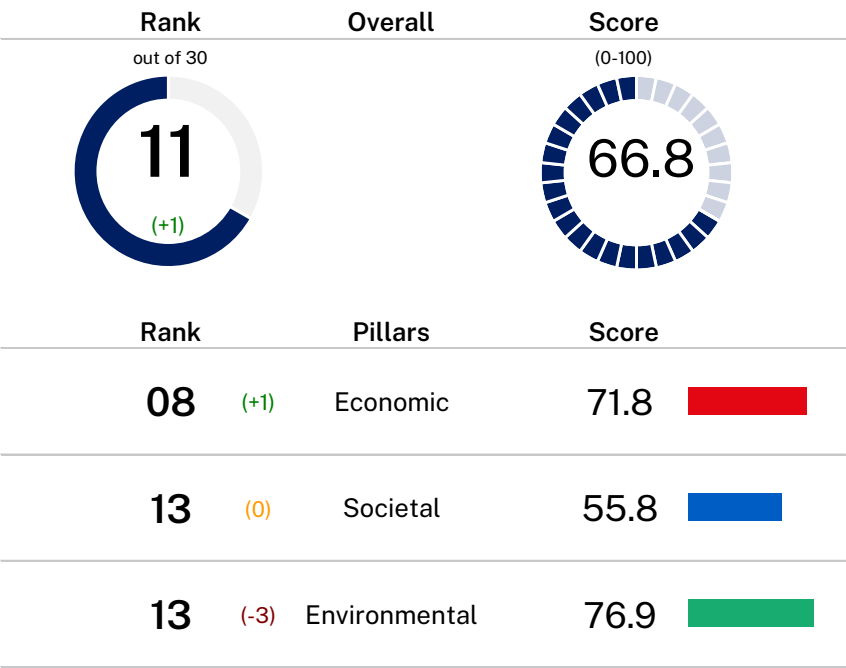


Sustainable Trade Index

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 (2025)	33.85	Medium
Income level, GDP per Capita US\$ (2025)	13,949	Medium
Membership	APEC, RCEP, CPTPP	

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
1.01	Consumer price inflation	07	(+2)	1.40	2025	90.36
1.02	Real GDP Growth per capita, % GDP	08	(+2)	3.95	2025	55.76
1.03	Growth in labor force, %	04	(+2)	1.82	2025	82.72
1.04	Foreign direct investment, net inflows, % GDP	07	(0)	3.69	2025	22.67
1.05	Gross fixed capital formation, % GDP	21	(+1)	21.33	2025	32.35
1.06	Tariff & non-tariff barriers	11	(+5)	-	-	83.26
1.06.01	Tariff barriers	08	(+10)	-	-	98.68
1.06.01.a	Tariff barriers in force	09	(+3)	116	2025	98.26
1.06.01.b	New tariff barriers 2025	01	(+22)	0	2025	100.00
1.06.01.c	Net percentage of imports affected by new tariff barriers (2025)	02	(+9)	0.000	2025	94.27
1.06.02	Non-tariff barriers	14	(+5)	-	-	73.98
1.06.02.a	Non-tariff barriers in force	17	(+2)	1,441	2025	87.34
1.06.02.b	New non-tariff barriers 2025	13	(+4)	62	2025	91.31
1.06.02.c	Net percentage of imports affected by new non-tariff barriers (2025)	16	(+8)	0.35	2025	43.80
1.07	Trade liberalization	14	(+1)	-	-	46.18
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	2023	41.81
1.07.03	Investment Freedom, Index	10	(-1)	60.00	2026	57.14
1.08	Exchange rate stability, parity change from national currency to SDR, 2025/2023	15	(-9)	0.05	2025	91.53
1.09	Domestic credit to private sector, % of GDP	11	(+1)	117.94	2025	50.59
1.10	Foreign trade and payments risk	14	(+1)	-	-	48.98
1.10.01	Country credit rating	13	(0)	41.00	2025	66.67
1.10.02	Gross debt, % GDP	20	(+1)	70.70	2025	66.24
1.11	Trade costs	11	(+1)	-	-	74.34
1.11.01	Logistics performance indicators	12	(-1)	-	-	80.50
1.11.01.a	Aviation import dwell time (days)	05	(NEW)	0.90	2024	97.16
1.11.01.b	Number of aviation partner economies	12	(NEW)	116.5	2024	73.12
1.11.01.c	Container import dwell time (days)	18	(NEW)	5.50	2024	63.64
1.11.01.d	Number of maritime partner economies	06	(NEW)	74.0	2024	93.33
1.11.01.e	Business-to-business postal delivery time (days)	15	(NEW)	4.70	2024	85.20
1.11.01.f	Number of business-to-business postal partner economies	10	(NEW)	110.5	2024	87.01
1.11.02	Corruption perceptions, index	13	(-1)	52	2025	52.94
1.11.03	Rule of law, index	13	(0)	62.90	2024	61.99
1.12	Monetary policy intervention	12	(0)	-	-	61.79
1.12.01	Current account balance, % GDP	16	(-1)	1.60	2025	74.88
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	04	(+4)	-0.001	2025	39.13
1.13	Export concentration	08	(-1)	-	-	65.77
1.13.01	Export market concentration, Top 5 as % total	09	(+1)	53.27	2025	74.31
1.13.02	Export product concentration, Top 5 as % total	13	(-1)	59.72	2025	63.36
1.14	Exports of goods and services	14	(+1)	-	-	19.53
1.14.01	Merchandise exports, US\$ millions	14	(+1)	376,041	2025	27.76
1.14.02	Commercial services exports, US\$ millions	13	(+1)	64,211	2025	6.41
1.15	Technological innovation	12	(+1)	-	-	33.56
1.15.01	R&D expenditure, % GDP	12	(+1)	1.01	2022	20.12
1.15.02	Researchers in R&D, per 1,000 inhabitants	12	(+1)	1.22	2022	12.60
1.15.03	Patent applications, per million inhabitants	14	(-1)	50.16	2024	1.15
1.15.04	High-technology exports, % of manufactured exports	05	(-2)	58.63	2024	77.26
1.15.05	Scientific articles, per million people	12	(0)	709.31	2023	22.58
1.16	Technological infrastructure	16	(-1)	-	-	59.65
1.16.01	Fixed internet speed, Mbps	15	(-2)	137.00	2025	39.95
1.16.02	Internet users, % population	01	(+1)	98.02	2024	100.00
1.16.03	Fixed broadband subscriptions (per 100 people)	19	(0)	13.55	2024	27.99
1.16.04	Mobile subscriptions (per 100 people)	07	(0)	139.66	2024	44.20
1.17	Digital readiness (e-commerce legislations)	06	(NEW)	86.0	2025	88

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)	20	(-5)	40.70	2021	25.49
2.02	Educational attainment	14	(+1)	-	-	37.62
2.02.01	Mean years of schooling	13	(0)	11.09	2023	70.60
2.02.02	University education Index	12	(+2)	15.33	2026	9.23
2.02.03	Tertiary enrollment	19	(+1)	38.50	2024	25.31
2.03	Labor standards	26	(-1)	-	-	43.18
2.03.01	Gender non-discrimination in hiring	24	(0)	50	2024	33.33
2.03.02	Freedom of association and assembly	16	(+1)	0.52	2025	53.02
2.04	Political stability and absence of violence	11	(+1)	72.47	2024	74.50
2.05	Goods produced by forced labor or child labor	14	(0)	-	-	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	(0)	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	(0)	1	2024	96.15
2.06	Government response to human trafficking	19	(-4)	-	-	59.94
2.06.01	Government response to human trafficking, Criminalization	15	(-11)	6	2025	60.00
2.06.02	Government response to human trafficking, Strategy	20	(0)	44.87	2023	47.06
2.06.03	Government response to human trafficking, Action	10	(0)	2	2025	66.67
2.07	Trade in goods at risk of modern slavery	27	(-2)	-	-	48.96
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	22	(-2)	11,924	2025	85.65
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	27	(-2)	26889.7	2025	54.04
2.08	Legatum prosperity index	12	(NEW)	66.84	2023	62.97
2.09	Life expectancy at birth	16	(-1)	76.66	2023	54.31
2.10	Uneven economic development	08	(0)	3.80	2024	75.93
2.11	Universal Health Coverage Index	14	(+1)	80	2023	80.00
2.12	Equal distribution of resources index	08	(NEW)	0.86	2025	86.44

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
3.01	Air pollution, PM2.5 micrograms per cubic metre	11	(+1)	15.90	2025	84.91
3.02	Deforestation, Index	06	(-1)	0.0094	2024	49.83
3.03	% of wastewater treated	08	(0)	90.61	2024	89.87
3.04	Energy intensity (Energy use (kg of oil equivalent) per \$1,000 GDP)	22	(-1)	91.57	2023	39.25
3.05	Ecological footprint	18	(+1)	4.11	2025	46.47
3.06	Renewable energy, %	24	(0)	7.50	2021	11.92
3.07	Environmental standards in trade, count	01	(+9)	-	-	100.00
3.07.01	Convention: Hazardous Wastes	01	(0)	2	2025	100.00
3.07.02	Convention: Prevention of Marine Pollution	01	(+14)	2	2025	100.00
3.07.03	Convention: Protection of the Ozone Layer (Vienna)	01	(0)	2	2025	100.00
3.07.04	Convention on Climate Change (Kyoto)	01	(0)	2	2025	100.00
3.07.05	The International Timber Agreement	01	(0)	2	2025	100.00
3.07.06	Convention: International Trade in Endangered Species	01	(0)	2	2025	100.00
3.07.07	Convention: Prior Informed Consent - Hazardous Chemicals (Rotterdam)	01	(0)	2	2025	100.00
3.08	Transfer emissions, million tonnes carbon	17	(+5)	-2.79	2023	51.01
3.09	Share of natural resources in trade, %	16	(0)	19.55	2025	76.30
3.10	Carbon	16	(+2)	-	-	56.97
3.10.1	Carbon pricing	15	(-2)	1	2025	50.00
3.10.2	CO2 emissions per capita	21	(0)	8.57	2024	59.19

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 job creation. Yet its benefits are not self-sustaining. Without responsible stewardship, trade can widen income inequalities, disrupt labor markets, and impose significant environmental costs. Sustainable trade means striking a durable balance by expanding the economic opportunities that open markets generate while ensuring those gains are broadly shared and maintained. This requires sound public policy, responsible business leadership, and evidence-based frameworks to guide decision-making.

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 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.

hinrichfoundation.com | STI 2026

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.

imd.org/wcc | STI 2026