

Sustainable Trade Index **2026**

Sri Lanka

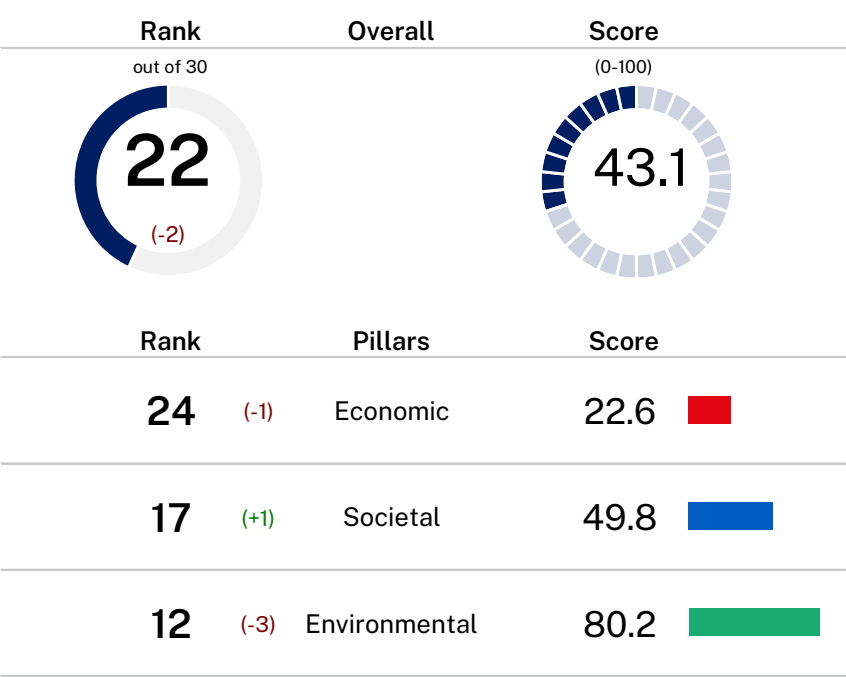


Sustainable Trade Index

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)	21.92	Medium
Income level, GDP per Capita US\$ (2024)	4,516	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
1.01	Consumer price inflation	06	(0)	1.20	2024	91.49
1.02	Real GDP Growth per capita, % GDP	04	(+5)	5.59	2024	69.68
1.03	Growth in labor force, %	17	(+1)	0.76	2025	55.46
1.04	Foreign direct investment, net inflows, % GDP	25	(-5)	0.76	2025	7.36
1.05	Gross fixed capital formation, % GDP	22	(+1)	20.77	2025	30.28
1.06	Tariff & non-tariff barriers	08	(-7)	-	-	86.58
1.06.01	Tariff barriers	14	(-11)	-	-	93.94
1.06.01.a	Tariff barriers in force	18	(0)	764	2025	88.55
1.06.01.b	New tariff barriers 2025	01	(0)	0	2025	100.00
1.06.01.c	Net percentage of imports affected by new tariff barriers (2025)	20	(-13)	0.008	2025	89.92
1.06.02	Non-tariff barriers	08	(-7)	-	-	84.14
1.06.02.a	Non-tariff barriers in force	12	(+1)	643	2025	90.83
1.06.02.b	New non-tariff barriers 2025	01	(+8)	0	2025	100.00
1.06.02.c	Net percentage of imports affected by new non-tariff barriers (2025)	11	(-9)	0.25	2025	60.14
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	28	(-7)	-1.94	2023	0.00
1.07.03	Investment Freedom, Index	24	(0)	30.00	2026	14.29
1.08	Exchange rate stability, parity change from national currency to SDR, 2025/2023	-	-	-	-	-
1.09	Domestic credit to private sector, % of GDP	-	-	-	-	-
1.10	Foreign trade and payments risk	30	(-1)	-	-	0.00
1.10.01	Country credit rating	26	(0)	12.66	2025	16.95
1.10.02	Gross debt, % GDP	25	(0)	100.80	2024	51.56
1.11	Trade costs	17	(+3)	-	-	58.80
1.11.01	Logistics performance indicators	19	(+3)	-	-	67.61
1.11.01.a	Aviation import dwell time (days)	24	(NEW)	2.80	2024	75.74
1.11.01.b	Number of aviation partner economies	21	(NEW)	92.0	2024	57.95
1.11.01.c	Container import dwell time (days)	13	(NEW)	4.60	2024	71.47
1.11.01.d	Number of maritime partner economies	08	(NEW)	63.0	2024	89.24
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	20	(NEW)	63.0	2024	72.71
1.11.02	Corruption perceptions, index	17	(+3)	35	2025	27.94
1.11.03	Rule of law, index	17	(+1)	52.53	2024	44.66
1.12	Monetary policy intervention	17	(+2)	-	-	57.36
1.12.01	Current account balance, % GDP	15	(+1)	1.20	2024	76.78
1.12.02	Change (1-year) in total reserves (includes gold), % GDP	15	(+8)	0.001	2024	30.17
1.13	Export concentration	09	(+3)	-	-	64.74
1.13.01	Export market concentration, Top 5 as % total	05	(+1)	46.75	2025	87.06
1.13.02	Export product concentration, Top 5 as % total	19	(0)	68.28	2025	48.98
1.14	Exports of goods and services	26	(0)	-	-	0.82
1.14.01	Merchandise exports, US\$ millions	28	(0)	13,581	2025	0.77
1.14.02	Commercial services exports, US\$ millions	23	(-1)	7,053	2025	0.70
1.15	Technological innovation	29	(-1)	-	-	0.79
1.15.01	R&D expenditure, % GDP	23	(-1)	0.11	2022	1.83
1.15.02	Researchers in R&D, per 1,000 inhabitants	22	(-2)	0.09	2022	0.70
1.15.03	Patent applications, per million inhabitants	18	(0)	13.98	2024	0.31
1.15.04	High-technology exports, % of manufactured exports	28	(-1)	1.54	2024	0.64
1.15.05	Scientific articles, per million people	23	(-1)	101.08	2023	3.09
1.16	Technological infrastructure	24	(-1)	-	-	30.42
1.16.01	Fixed internet speed, Mbps	27	(0)	29.30	2025	4.77
1.16.02	Internet users, % population	27	(-1)	54.59	2024	45.17
1.16.03	Fixed broadband subscriptions (per 100 people)	21	(0)	8.47	2024	17.31
1.16.04	Mobile subscriptions (per 100 people)	09	(-1)	132.55	2024	41.08
1.17	Digital readiness (e-commerce legislations)	25	(NEW)	56.0	2025	28

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	21	(+2)	-	-	26.21
2.02.01	Mean years of schooling	14	(0)	10.77	2023	67.27
2.02.02	University education Index	23	(+1)	0.00	2026	0.00
2.02.03	Tertiary enrollment	25	(-1)	20.74	2023	9.05
2.03	Labor standards	18	(+2)	-	-	67.11
2.03.01	Gender non-discrimination in hiring	20	(0)	75	2024	66.67
2.03.02	Freedom of association and assembly	11	(+4)	0.62	2025	67.55
2.04	Political stability and absence of violence	18	(+3)	59.91	2024	52.38
2.05	Goods produced by forced labor or child labor	27	(0)	-	-	37.11
2.05.01	Goods produced by forced labor	26	(0)	-	-	37.11
2.05.01.a	Goods produced by forced labor, number of goods categories	-	-	-	2024	-
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	-	-	-	2024	-
2.06	Government response to human trafficking	13	(0)	-	-	70.81
2.06.01	Government response to human trafficking, Criminalization	04	(0)	7	2025	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	(0)	2	2025	66.67
2.07	Trade in goods at risk of modern slavery	05	(-1)	-	-	99.05
2.07.01	Imports of goods at risk of modern slavery, US\$ millions	05	(-1)	1,003	2025	98.87
2.07.02	Exports of goods at risk of modern slavery, US\$ millions	01	(0)	0.0	2025	100.00
2.08	Legatum prosperity index	22	(NEW)	56.34	2023	34.45
2.09	Life expectancy at birth	14	(-1)	77.48	2023	58.57
2.10	Uneven economic development	23	(0)	6.10	2024	33.33
2.11	Universal Health Coverage Index	17	(+2)	72	2023	66.67
2.12	Equal distribution of resources index	11	(NEW)	0.79	2025	78.91

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	19	(-2)	22.70	2025	74.10
3.02	Deforestation, Index	23	(0)	0.0029	2024	14.70
3.03	% of wastewater treated	-	-	-	-	-
3.04	Energy intensity (Energy use (kg of oil equivalent) per \$1,000 GDP)	03	(+15)	35.83	2023	89.04
3.05	Ecological footprint	06	(+1)	1.27	2025	91.31
3.06	Renewable energy, %	05	(-1)	48.80	2021	77.58
3.07	Environmental standards in trade, count	26	(-4)	-	-	20.00
3.07.01	Convention: Hazardous Wastes	01	(0)	2	2025	100.00
3.07.02	Convention: Prevention of Marine Pollution	01	(+14)	2	-	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	23	(0)	0	2025	0.00
3.07.06	Convention: International Trade in Endangered Species	30	(-29)	1	2025	0.00
3.07.07	Convention: Prior Informed Consent - Hazardous Chemicals (Rotterdam)	01	(0)	2	2025	100.00
3.08	Transfer emissions, million tonnes carbon	13	(-1)	-7.44	2023	52.67
3.09	Share of natural resources in trade, %	05	(+3)	9.17	2025	89.53
3.10	Carbon	21	(+1)	-	-	50.74
3.10.1	Carbon pricing	17	(+3)	0	2025	0.00
3.10.2	CO2 emissions per capita	05	(0)	1.10	2024	97.24

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.

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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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