

promoting sustainable global trade

hinrich foundation

Asia Pacific FDI Network

Attracting sustainable FDI in strategic sectors

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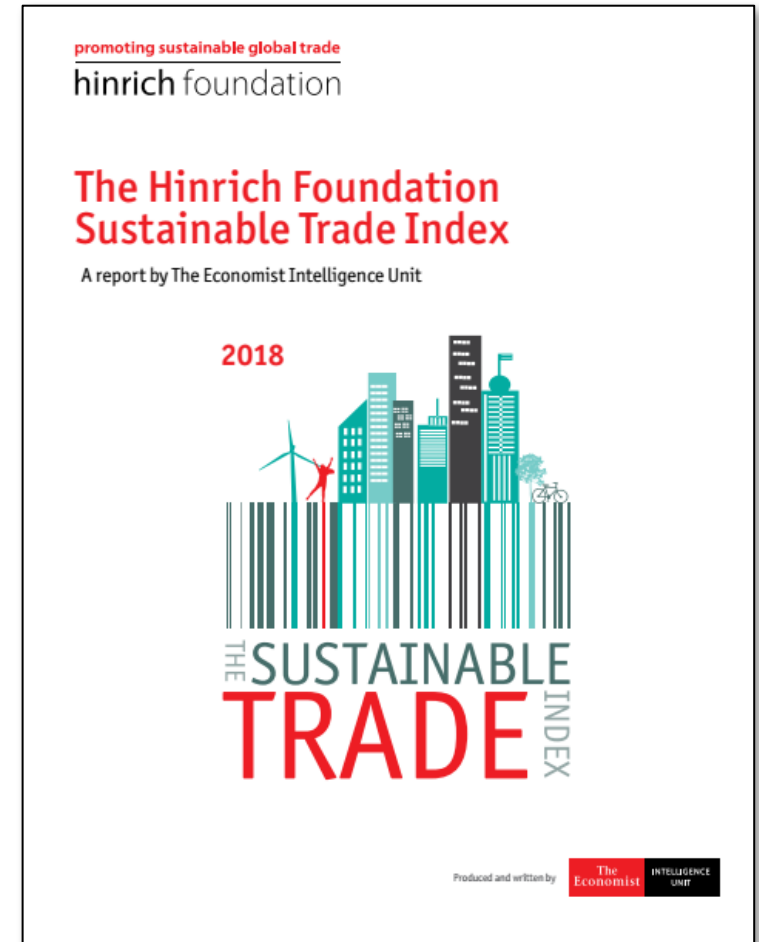
our focus

Trade Career Development • Export Trade Assistance • International Trade Research

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Three Main Points

- What is the Sustainable Trade Index?
- Results from the 2018 STI
- Key take-aways for sustainable FDI



Defining Sustainable Trade

Sustainable trade

Engaging in international trade in a way that not only generates balanced economic growth, but also strengthens social capital and provides for environmental stewardship.

- Although trade is an indispensable ingredient in economic development, it cannot be sustainably pursued without responsible environmental stewardship and a commitment to fully developing social capital
- Based on UN Brundtland Commission
 - 3 pillars: economic, social & environment

Creating the STI

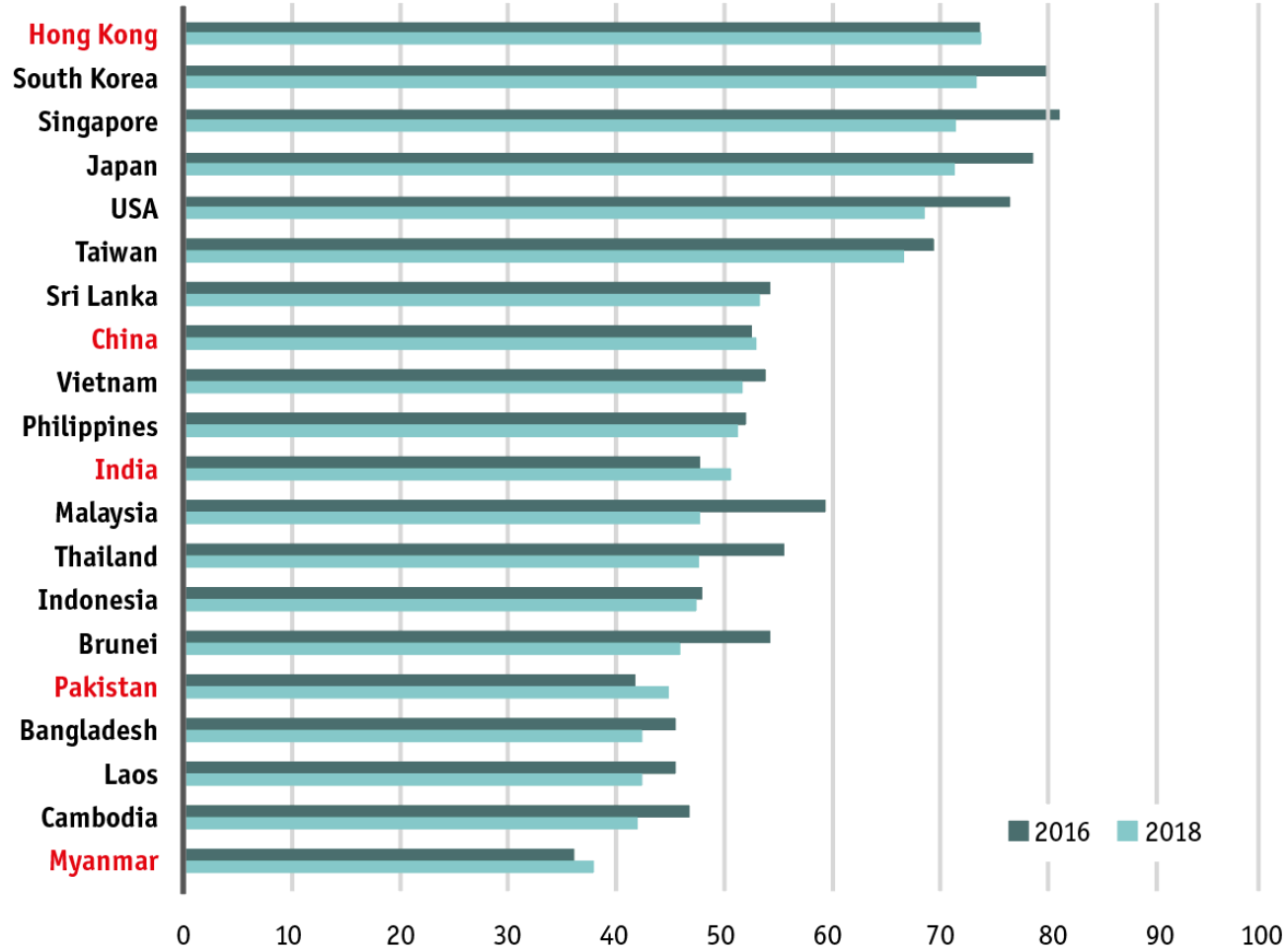
- Evaluates 19 Asian economies + USA across the 3 pillars
- Process
 - Produced by EIU, based on literature review, expert consultations & workshops
- Indicators structure
 - 14 indicators under economic pillar
 - 4 under social
 - 6 under environmental
- All pillars & indicators equally weighed

Hong Kong	India
South Korea	Malaysia
Singapore	Thailand
Japan	Indonesia
USA	Brunei
Taiwan	Pakistan
Sri Lanka	Bangladesh
China	Laos
Vietnam	Cambodia
Philippines	Myanmar

2018 Overall results

- Broad regression in sustainable trade
 - Most notable among richer economies
- Improvements in economic pillar offset by backsliding on social & environmental
- Top performer Hong Kong was a bright spot
 - Technological infrastructure and labor force
 - Steady increases in educational attainment, political stability

Overall results



Key take-aways for Sustainable FDI

- Sustainability crucial for FDI
- Companies are taking the lead, government not always keeping up
- Trade sustainability is NOT just a luxury for wealthy countries
 - Low and middle income countries embracing sustainability

Over-performers & under-performers

OVER AND UNDER PERFORMERS COMPARED TO GDP PER HEAD		
COUNTRY	INCOME RANK - INDEX RANK	GDP PER HEAD RANK
Vietnam	+6	15
India	+5	16
Sri Lanka	+4	11
South Korea	+3	5
Philippines	+3	13
Hong Kong	+2	3
Taiwan	+1	7
China	+1	9
Pakistan	+1	17
Bangladesh	+1	18
Japan	0	4
Cambodia	0	19
Myanmar	0	20
Singapore	-1	2
Indonesia	-2	12
Thailand	-3	10
Laos	-3	14
USA	-4	1
Malaysia	-4	8
Brunei	-9	6

- Over / under-perform an alternative measure
 - 10 economies over-perform
 - 6 underperform
 - USA underperforms by 4 places