



Liberalizing Services Trade: the Services Trade Restrictiveness Index in CAREC Countries

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Outline

- The STRI
- Main findings for 2021 and focus on CAREC countries
- Impact and next steps

The STRI



The Services Trade Restrictiveness Index (STRI)

- **What it is:** a regulatory database to identify and catalogue barriers to international trade in services + indices.
- **Purpose:** Provide up to date evidence on services trade policies and inform policy discussions and trade negotiations.
- **Coverage:** 50 countries and 22 sectors (Digital STRI) + partial coverage.
- **Recent publication:** [OECD Services Trade Restrictiveness Index: Policy Trends up to 2022](#)



The STRI framework

1. Restrictions on foreign entry

- Foreign equity restrictions
- Legal form
- Board of directors and managers
- Screening
- Restrictions to the acquisition and use of land
- Performance requirements
- Commercial and local presence
- Cross-border data flows

2. Restrictions to the movement of people

- Quotas and labour market tests
- Limitation of duration of stay
- Recognition of qualifications gained abroad
- License requirements

3. Other discriminatory measures

- Discrimination regarding taxes and subsidies
- Public procurement

4. Barriers to competition

- Regulatory body
- Redress when business practices restrict competition
- State owned enterprises
- Regulation of prices or fees
- Restrictions on advertising
- Minimum capital requirements

5. Regulatory transparency

- Communication of regulations to the public and public comment procedures
- Visas (range of visa processing time, cost to obtain a business visa, number of documents needed to obtain a visa...)



The Digital STRI framework

1. Infrastructure and connectivity

Interconnection is regulated

Vertical separation is required

Non-discriminatory Internet traffic management

Restrictions on the use of communication services

Cross-border data flows

2. Electronic transactions

Discriminatory conditions for e-commerce licenses

Online tax registration and declaration

National contract rule deviate from international rules

Protection of confidential information

E-signatures

Dispute settlement mechanism

3. Payment systems

Discriminatory access to payment settlement methods

National payment security standards deviate from international standards

Restrictions on internet banking or insurance

4. Intellectual property rights

Discrimination to foreign firms regarding trademark protection

Discrimination to foreign firms regarding copyright or related rights

Exceptions to copyright protection

Enforcement of intellectual property rights

5. Other barriers affecting trade in digitally enabled services

Performance requirements

Limitations on downloading and streaming

Restrictions on online advertising

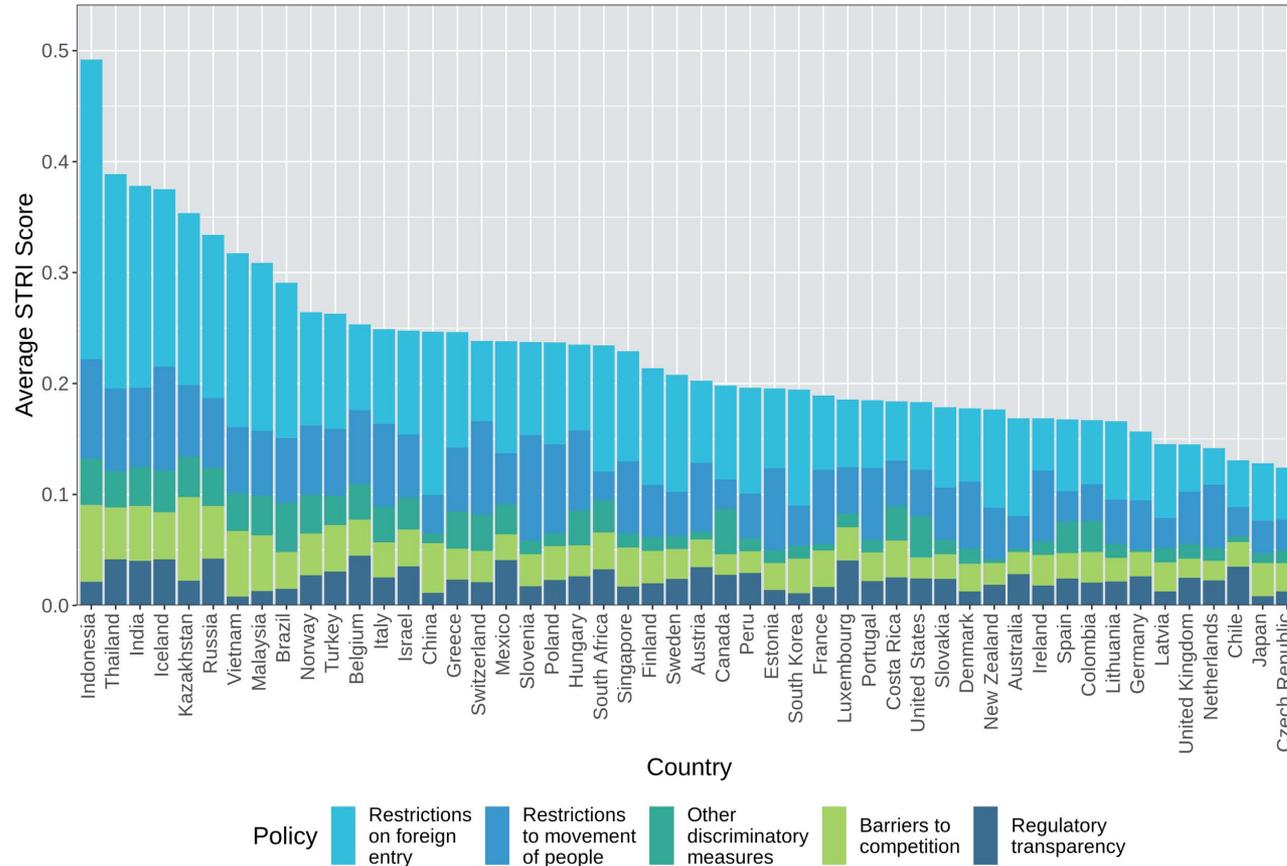
Commercial or local presence requirements

Competition

Main findings for 2021



2021 STRI results

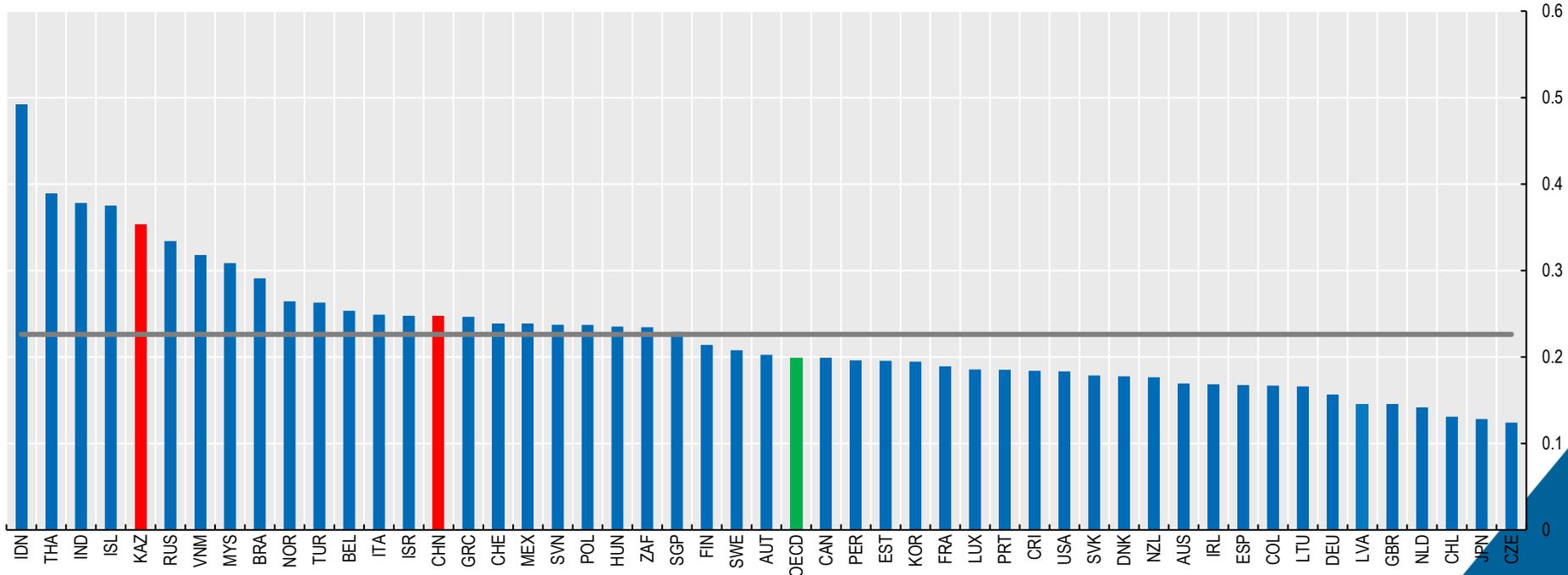




STRI results for CAREC countries in the STRI database

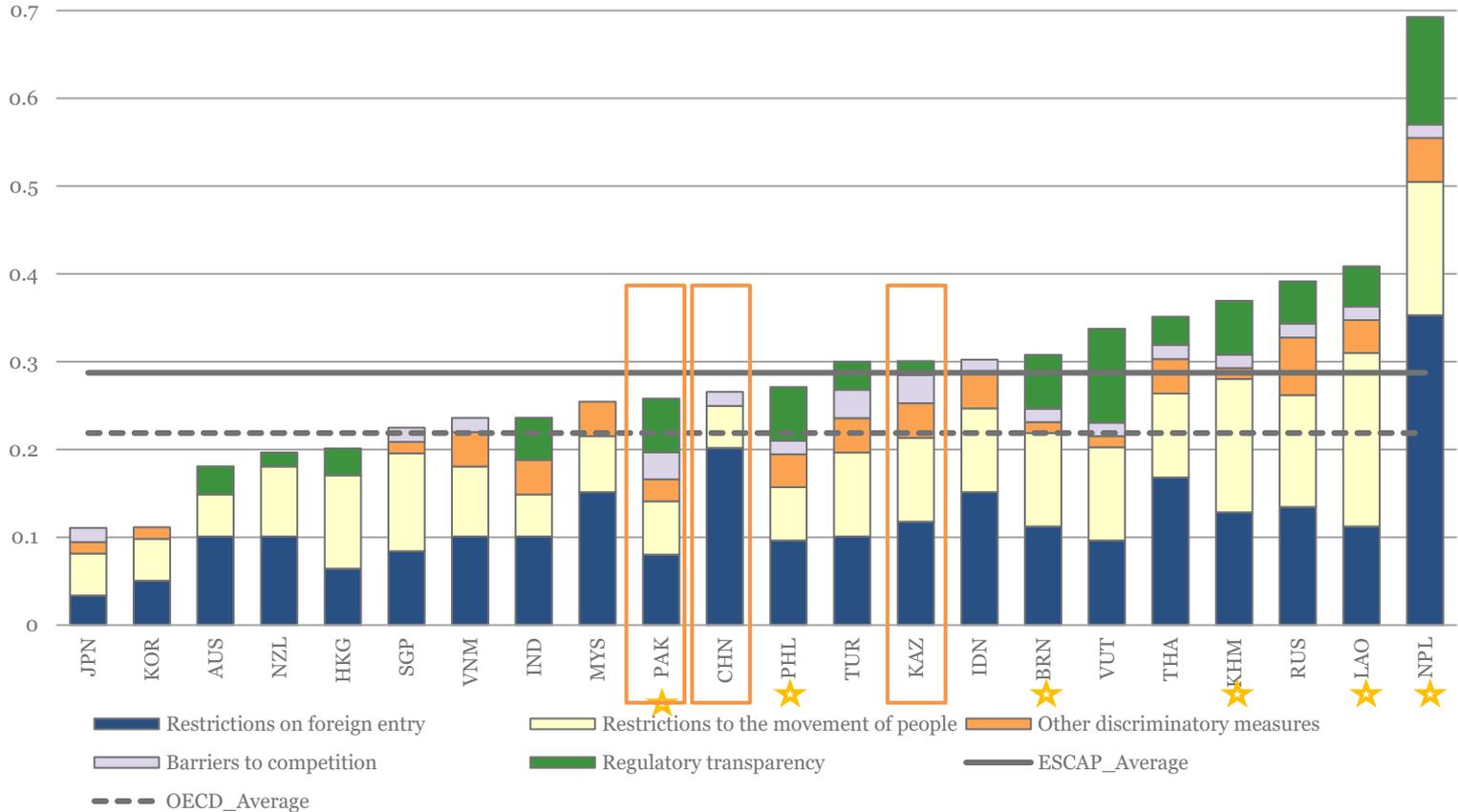
■ STRI

— Average



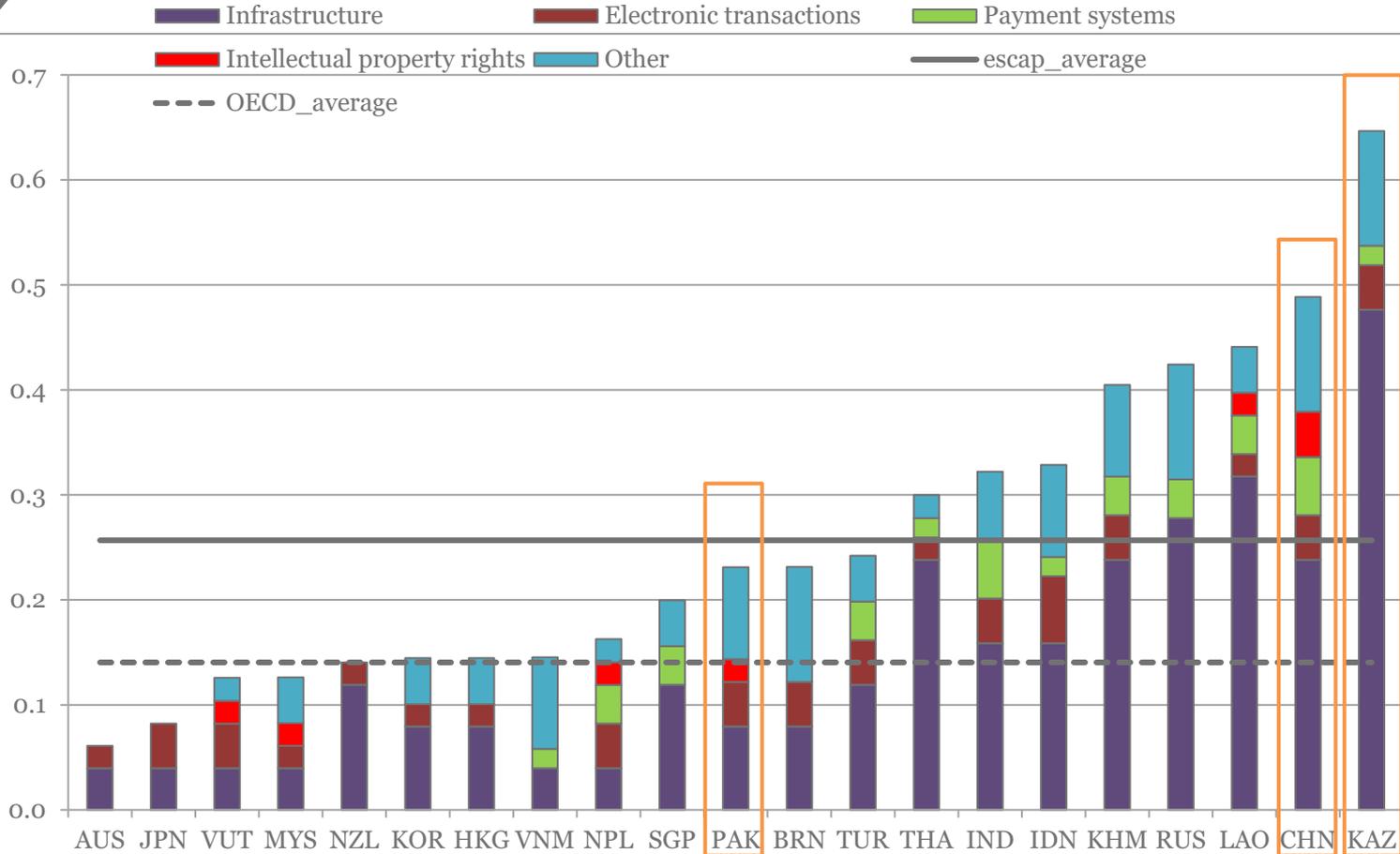


STRI Computer services (Asia Pacific region)



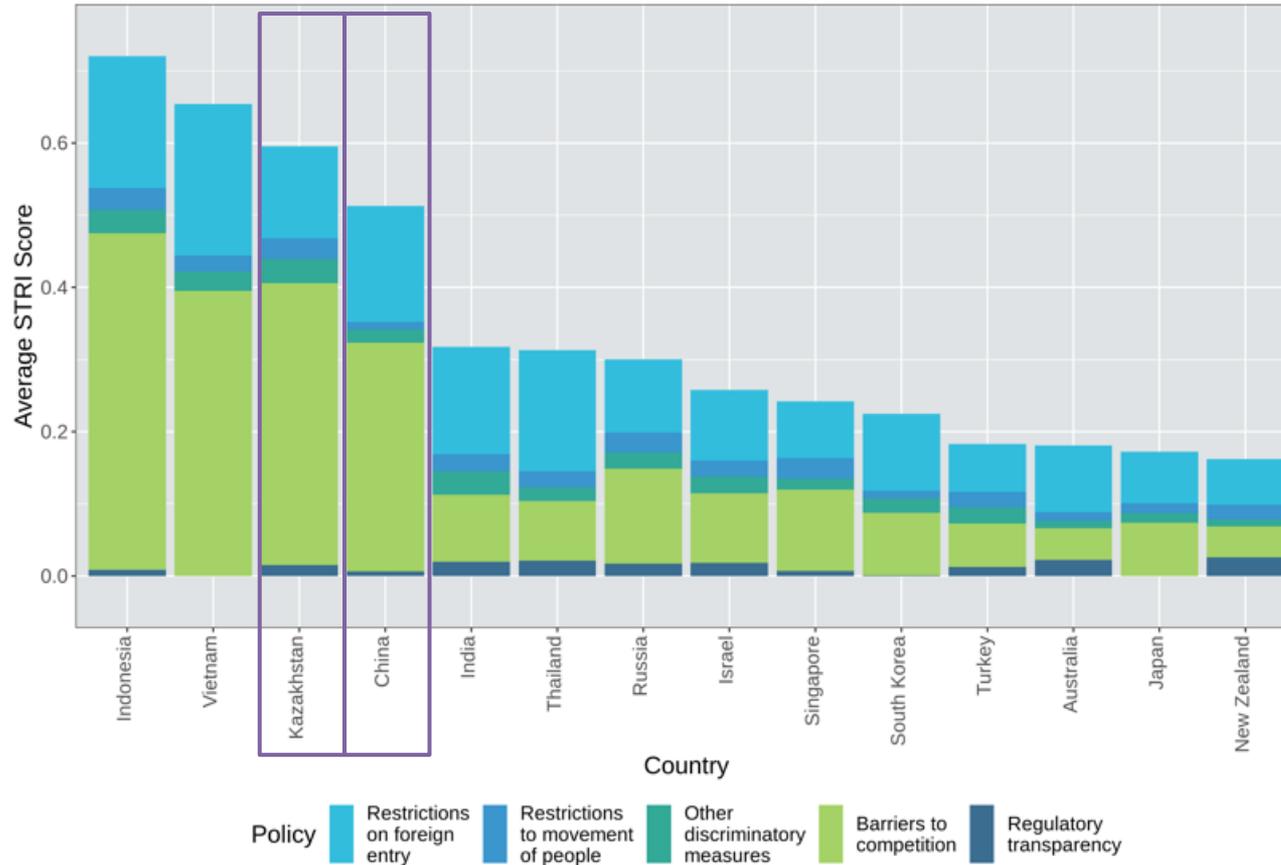


Digital STRI (Asia Pacific region)



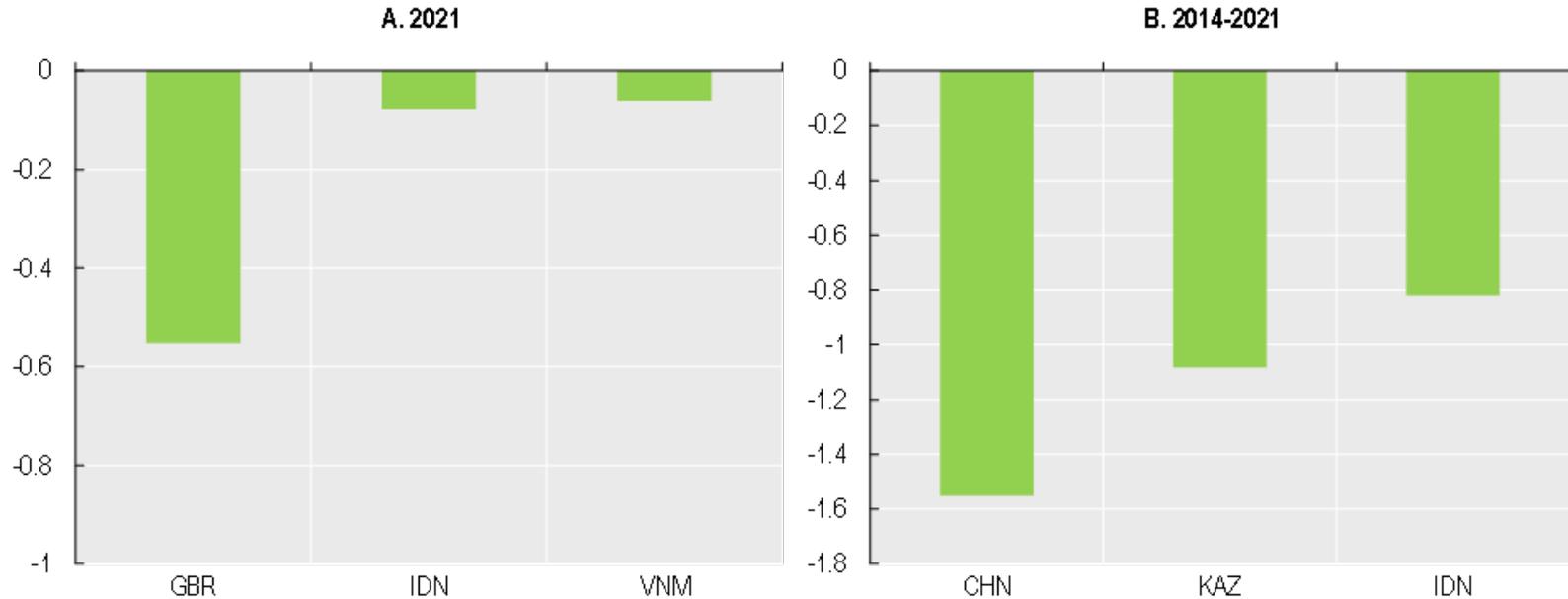


STRI telecommunications services (Asia Pacific region)





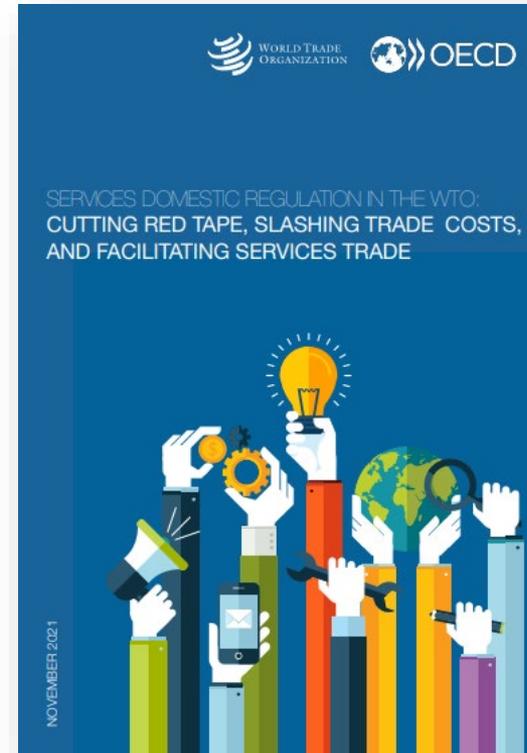
Top reformers in 2021 and overall (all countries)



Impact and next steps

Global application of the STRI

- Joint publication with the WTO on the benefits of easing services domestic regulations (Nov 2021)
- Monitoring the implementation of the Reference paper on services domestic regulation.



» Reform scenarios to quantify benefits of open markets

- On average across sectors, **services trade costs could decline by 6% to 16% in the medium term** if countries closed by half their regulatory gaps with best performers in the STRI.
- OECD analysis demonstrates that **full implementation of the new WTO disciplines can unlock annual services trade cost savings in the range of USD 150 billion annually**, with substantial benefits in financial services, business services, communications and transport services.



Going forward

- Continued **update and expansion** of the STRI
 - Work underway on sectoral expansion (e.g., on environmental services)
 - Country expansion – including regional engagements (ASEAN, APEC)
- Ensure **continued relevance** of the measures covered in the STRI
- **Expand the available tools** to facilitate broader usage
- **Expand analytical application** of the STRI



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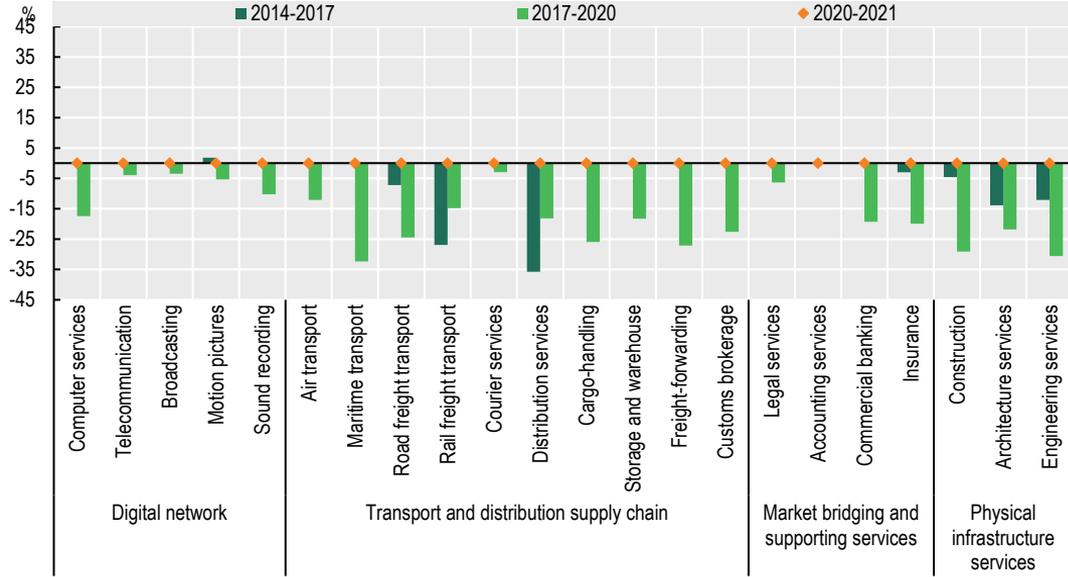
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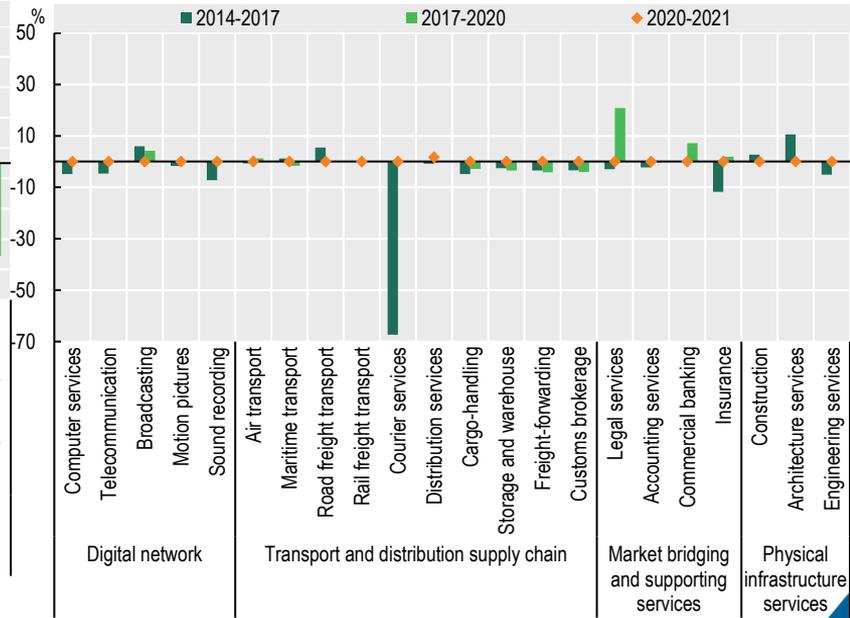


Evolution of STRI indices for China and Kazakhstan

China



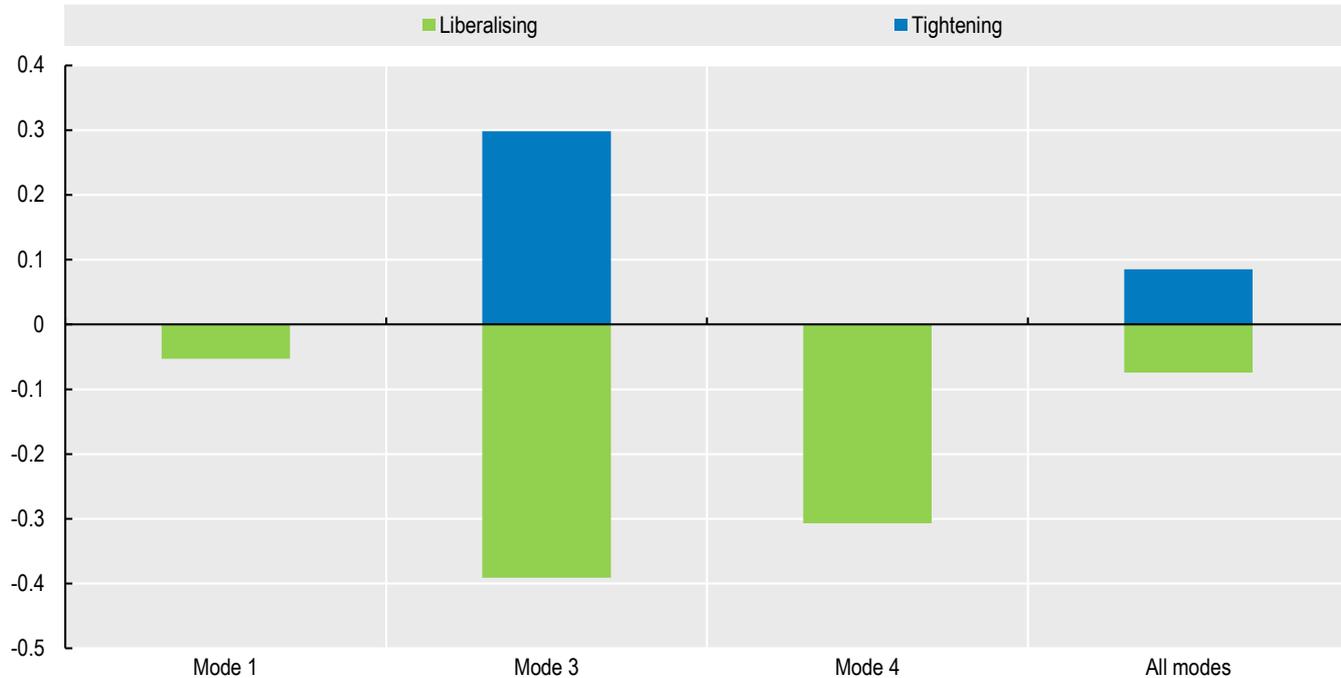
Kazakhstan





Impact on commercial presence, movement of persons

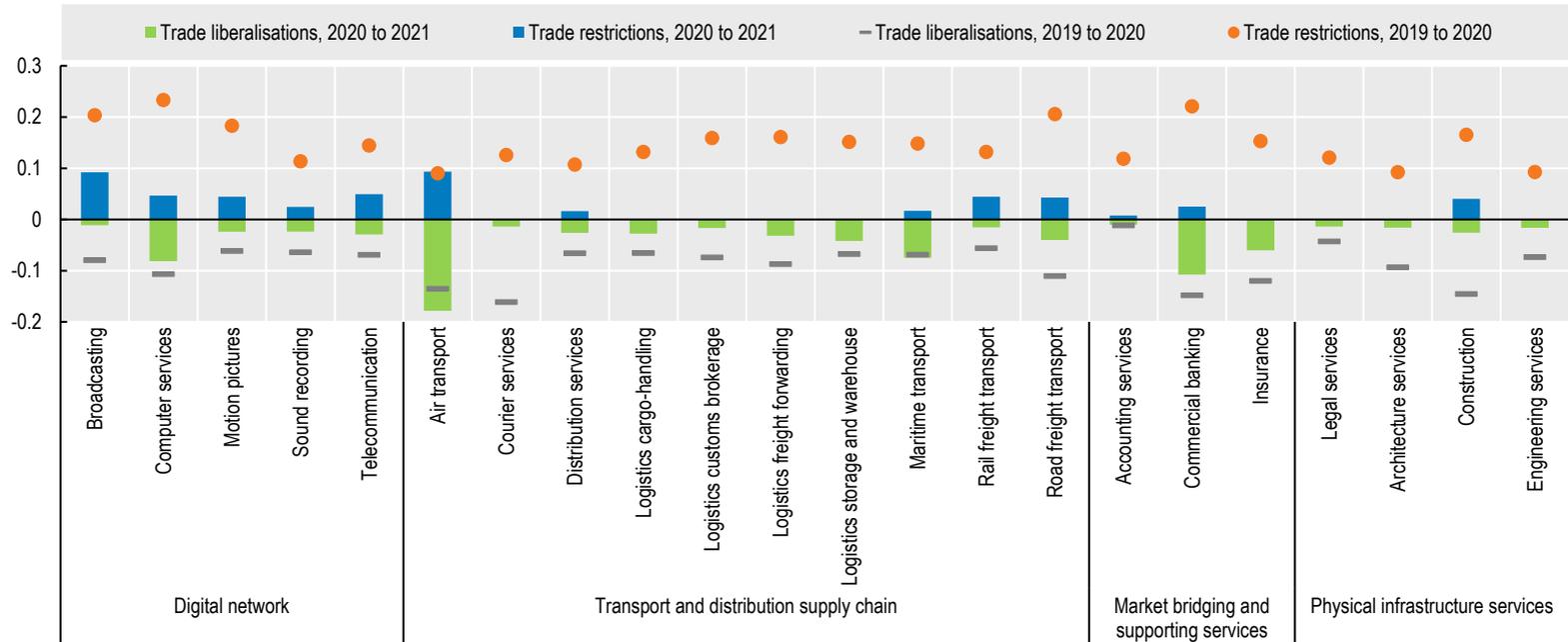
Policy changes by modes of supply, 2020-2021





Services trade liberalised in 2021 (all countries)

Changes in the STRIs per sector, 2020-2021



Note: Sum of all the positive (restrictions) and negatives changes (liberalisation) across all the measures over the period considered.