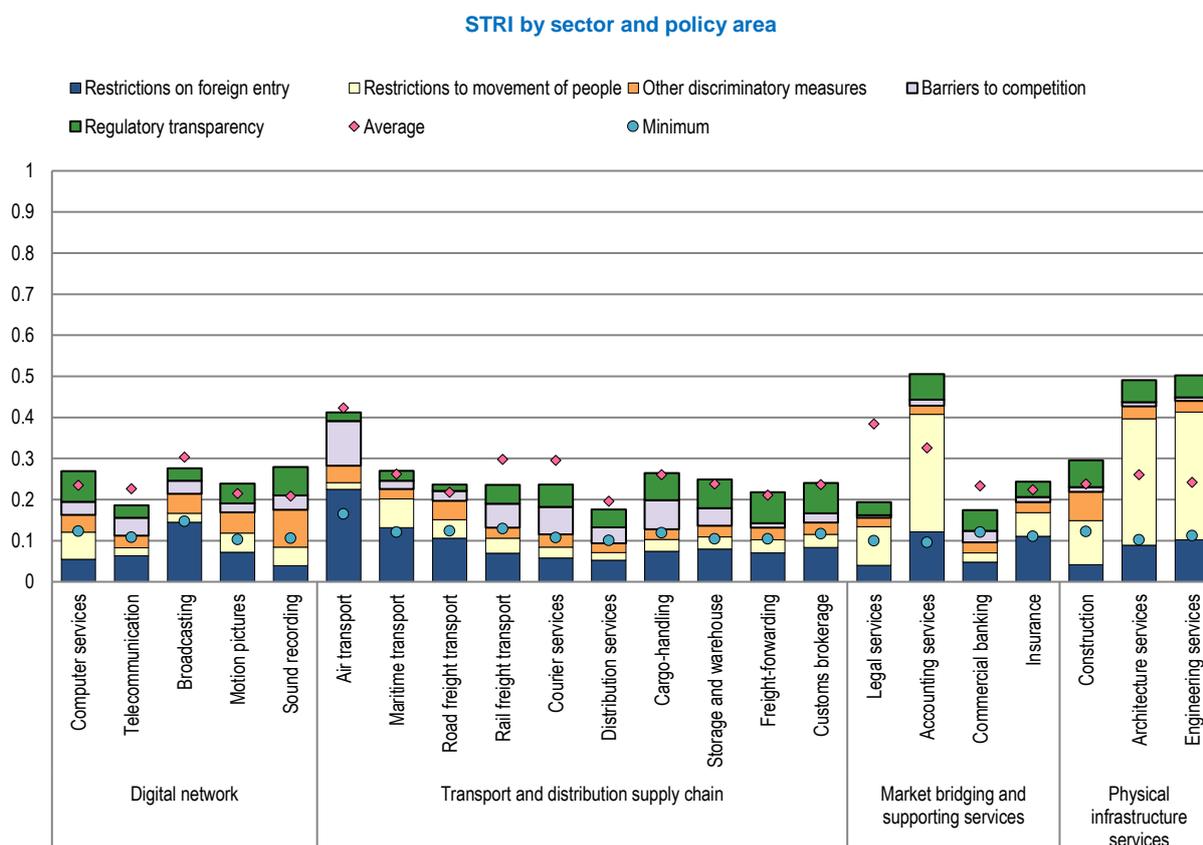


OECD Services Trade Restrictiveness Index (STRI): Italy

Italy exported services worth USD 110 billion and its services import value was USD 113 billion in 2017. Travel and other business services are the largest services exporting and importing sector. Italy's score on the STRI in the 22 sectors is shown below, along with the average and the lowest score among the 45 countries included in the STRI database for each sector.



Note: The STRI indices take values between zero and one, one being the most restrictive. They are calculated on the basis of the STRI regulatory database which contains information on regulation for the 36 OECD Members, Brazil, China, Colombia, Costa Rica India, Indonesia, Malaysia, Russia and South Africa. The STRI database records measures on a Most Favoured Nations basis. Preferential trade agreements are not taken into account. Air transport and road freight cover only commercial establishment (with accompanying movement of people).

Horizontal policy measures

Italy has a lower score on the STRI than the average in eight out of 22 sectors. Italy applies quotas and labour market tests for workers seeking to provide services in the country on a temporary basis as independent services suppliers. These may stay in the country for up to 24 months on their first entry permit. The standards for cross-border transfer of personal data are set at the EU level. Transfers to non-EEA economies can take place when these ensure substantially similar privacy protection law, or in the absence of this, appropriate private sector safeguards (e.g., binding corporate rules or standard data protection clauses) are in place. Italy grants access to land ownership and real estate by foreigners based on reciprocity. Rights under the Public Contract Law are limited to partners in regional trade agreements and members of the WTO's Government Procurement Agreement. There is at least one major state-owned enterprise in broadcasting, computer services, courier services, logistics cargo-handling at rail facilities, motion pictures, rail freight transport, and sound recording.

The sectors with the relatively lowest STRI scores

Legal services, commercial banking and rail freight transport are the three sectors with the lowest score relative to the average in Italy. As in most countries, a license is required to practice domestic law. Domicile, one year of local practice and an examination are required to obtain the license, and licensed professionals must own the majority of capital of law firms. In contrast, international law is unregulated in Italy. The regulatory framework for banking is relatively liberal. With respect to banking licenses, there are no specific restrictions on foreign banks. Unless reciprocity is granted by a foreign entity's domicile, acquisitions for which prior Bank of Italy authorisation is required, are subject to approval by the Ministry of Economy and Finance. In rail freight transport, the sector-specific regulatory framework largely follows best practice, although certain types of rail freight transportation agreements are exempt from competition law.

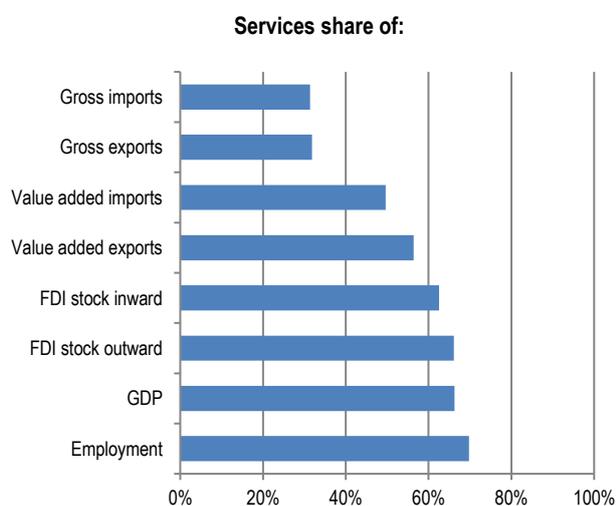
The sectors with the relatively highest STRI scores

Engineering services, architecture services and accounting services, are the three sectors with the highest score relative to the average in Italy. Accounting services cover also auditing. Restrictions of the movement of people contribute most to the relatively high scores in these sectors. In all three sectors, foreign professionals need to take a local examination and obtain a license to practice, and domicile and nationality requirements accompany this. Furthermore, individuals licensed in an EU Member State must hold the majority of capital or equity. In accounting services, they also need to represent the majority of members of the board of directors, while in engineering and architecture services, at least one manager has to be locally-licensed.

Recent policy changes

The new EU General Data Protection Regulation (Regulation 2016/679) entered into force on 25 May 2018 providing a comprehensive update on the EU data protection regime. In 2017, Italy has implemented Directive 2014/66/EU regarding intra-corporate transferees from non-EU countries. Accordingly, the maximum stay for intra-corporate transferees was reduced from 5 to 3 years.

Efficient services sectors matter



Services account for 31% of Italy's gross exports, and 56% in value added terms. This indicates that Italy's exports of goods rely intensively on services inputs. Services also account for 66% of GDP and almost 70% employment, which implies that earnings and aggregate demand depend significantly on productivity in services. The information and communication technology revolution opens new opportunities for inclusive growth in a services economy like Italy. Innovation and adoption of technology relies on access to knowledge and to the networks, people, goods and services that carry the knowledge around the world. In this context, Italy could benefit from more open markets for services trade through the temporary movement of natural persons.

More information

- » Access all of the country notes, sector notes and interactive STRI tools on the OECD website at <http://oe.cd/stri>
- » Read more about services trade policies and their impacts in this publication: [Services Trade Policies and the Global Economy](#)
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org