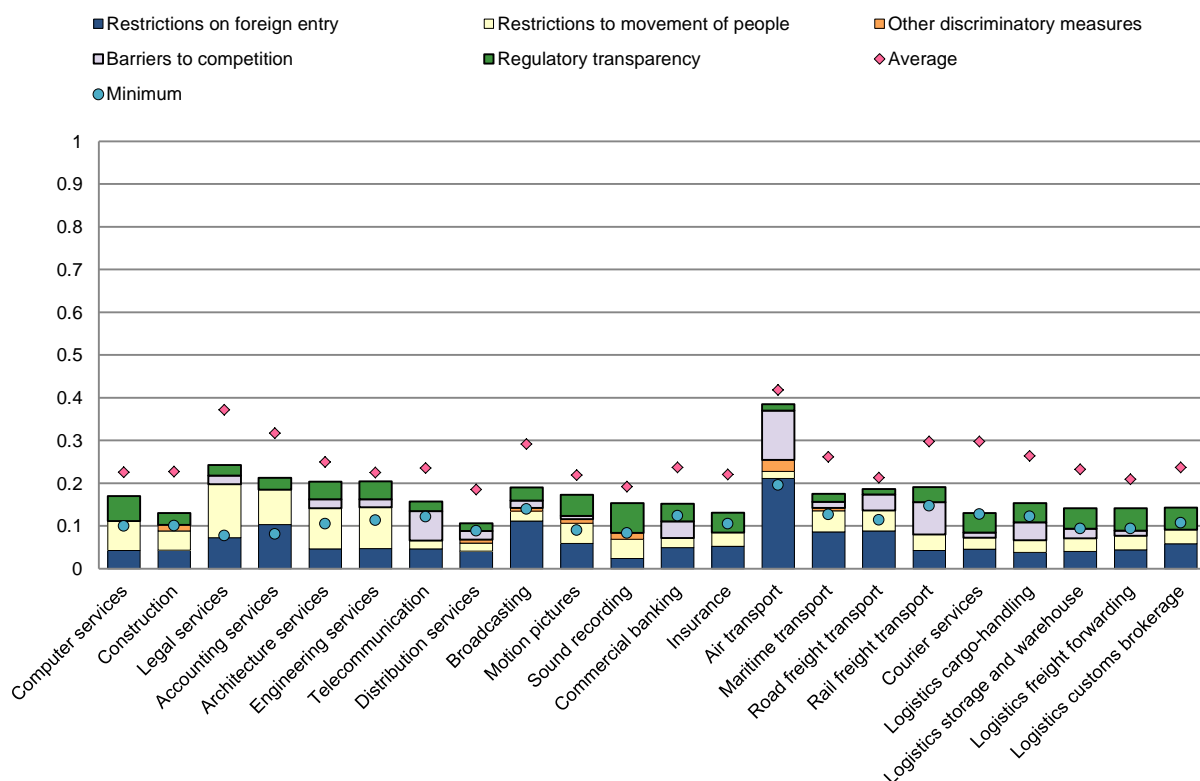


OECD Services Trade Restrictiveness Index (STRI): Germany

Germany exported services worth USD 265 billion and its services import value was USD 298 billion in 2015. Travel and other business are Germany's largest services exports and the largest service imports categories are transport and professional and management consulting services. Germany's score on the STRI index in the 22 sectors is shown below, along with the average and the lowest score among the 44 countries included in the STRI database for each sector.

STRI by sector and policy area



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 35 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Lithuania, 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

Germany has a lower score than average on the STRI in all 22 sectors. Germany applies labour market tests for workers seeking to provide services in the country on a temporary basis as contractual services suppliers or independent services suppliers. Contractual services suppliers may stay in the country for up to three months on their first entry permit while independent services suppliers and intra-corporate transferees can obtain visas for 36 months. The standards for cross-border transfer of personal data are set at the EU level. Transfers to non-EEA economies can only take place when these ensure an adequate level of protection that is substantially similar to that required in the EU or when private data processors, both senders and receivers, establish various safeguards approved by the data protection authorities. Moreover, it is relatively burdensome to register a company in Germany, measured by the number of working days and the number of mandatory procedures required. A large number of documents are needed to obtain a business visa. Finally, it is noted that the state

retains a prominent role in the economy with at least one major state-owned enterprise in banking, broadcasting, motion pictures, maritime transport, rail freight transport, road freight transport and freight forwarding.

The sectors with the relatively lowest STRI scores

Courier, legal services and logistics cargo-handling are the three sectors with the lowest STRI scores, relative to the average STRI across all countries. The government can give instructions to the regulator in the courier services sector. In legal services, there is no process established by law to recognise foreign qualifications, fees are regulated and advertising is restricted. Besides the horizontal measures, major firms in the air and maritime segments are fully state-owned.

The sectors with the relatively highest STRI scores

The sectors with the highest STRI scores relative to the average across all countries are road freight, air transport (both cover establishment only) and engineering. Road freight transport is subject to EU regulation that requires EU residence for the manager of a road transport operator and partly exempts road carrier agreements from anti-trust regulation.

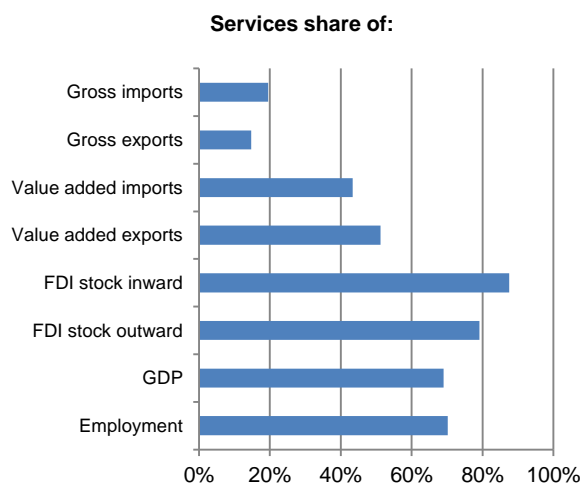
In the air transport services sector, Germany employs foreign equity restrictions as a result of common European Union (EU) regulation on air services. Pursuant to this regulation, non-EU nationals cannot own more than 49% in Germany's airlines. The EU-wide exemption of certain airline arrangements from competition law and regulations on airport slot allocation and slot trading further contribute to the score in this sector.

The manager of a company in the engineering sector must be a licensed professional in Germany. However, there is no established process for the recognition of qualifications obtained abroad and there is no temporary licensing system in place in this sector. Moreover, fees for engineering services are regulated.

Recent reforms

There are no policy changes that affect the score on the STRI during the period 2015-2016.

Efficient services sectors matter



Services account for 15% of Germany's gross export, but 51% of value-added exports, indicating that Germany's exports of goods rely intensively on services inputs. Cost effective state of the art services are therefore of utmost importance for the competitiveness of the German industrial sector. Germany has a largely open economy to trade in services, and this is supported by the fact that the services share of inward investment is relatively high. Services account for 70% of employment, which implies that earnings and aggregate demand depends crucially on productivity in the services sector. Germany could further improve the efficiency of its economy by prioritising reforms that enhance competition in services markets, particularly by focusing on the remaining horizontal measures that affect all types of services.

More information

- » Access all of the country notes, sector notes and interactive STRI tools on the OECD website at <http://oe.cd/stri>
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org