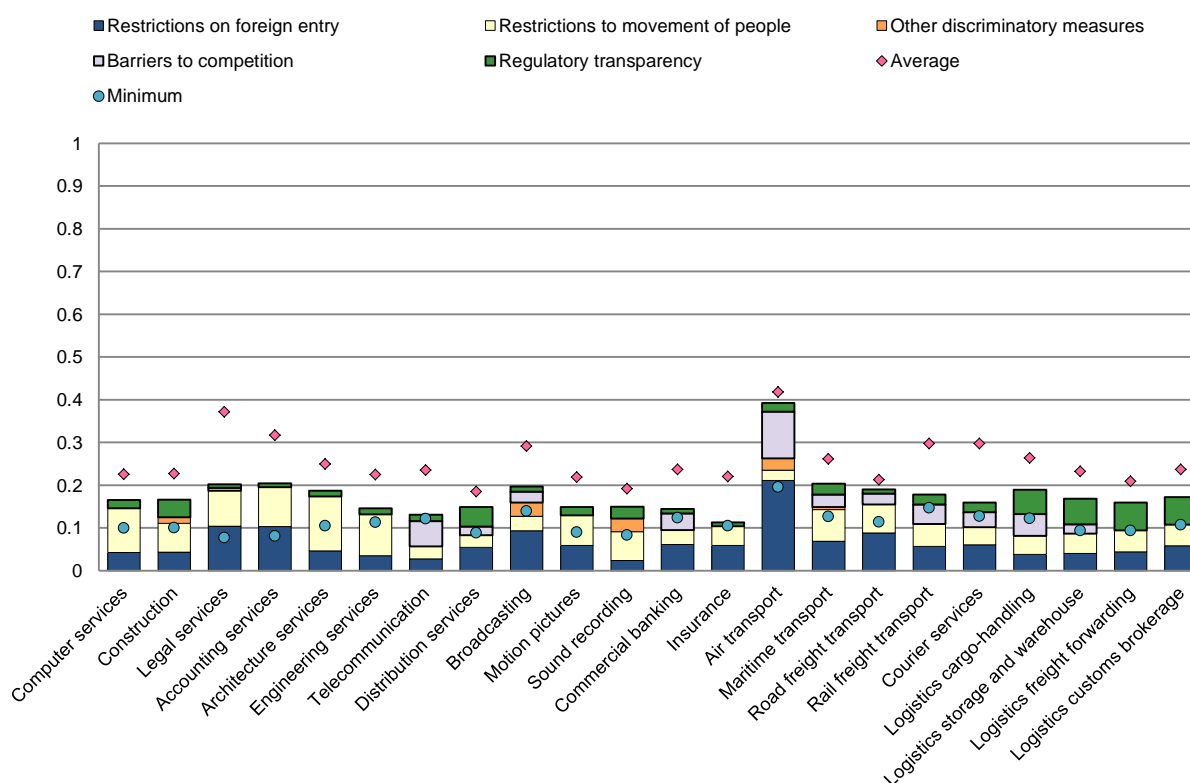


OECD Services Trade Restrictiveness Index (STRI): Ireland

Ireland exported services worth USD 128 billion and its services import value was USD 151 billion in 2015. Technical, trade-related and other business services are Ireland’s largest services export and also the largest service import category.

Ireland’s score on the STRI index in the 22 sectors is presented 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

Ireland has a lower score on the STRI than the average in all 22 sectors. A general regulation that contributes to the STRI index in all sectors relates to temporary services suppliers who may stay in the country up to 24 months on their first entry. Labour market tests and wage parity with local employees are required for non-European Economic Area (EEA) nationals seeking to provide services in the country on a temporary basis as contractual services suppliers and independent providers, while only wage parity is required for intra-corporate transferees. 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. At least one of the board members must be resident of Ireland or EEA. The steps required by visa application procedures are more numerous than best practice.

The sectors with the relatively lowest STRI scores

Courier services, insurance and rail freight transport services are the three sectors with the lowest score relative to the average in Ireland. Although courier services in Ireland are essentially liberal, there is a designated postal operator whose shares are statutorily fully owned by the government. In insurance services, the score is mainly attributed to horizontal regulations across sectors. The few sector-specific restrictions applied include commercial presence requirements. In rail freight transport, a major operator is a state-owned company. Exemption of railway agreements from competition laws also contributes to the score.

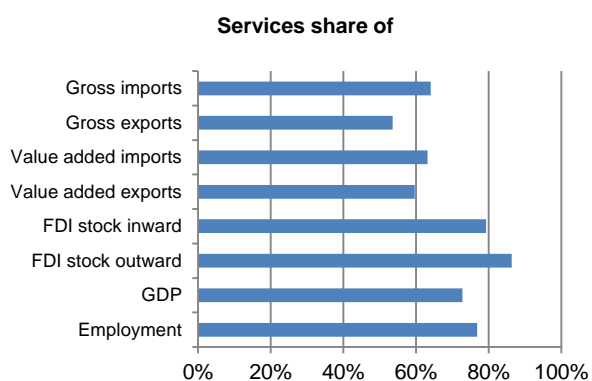
The sectors with the relatively highest STRI scores

Sound recording, road freight transport and air transport services are the three sectors with the highest score relative to the average in Ireland. Although sound recording is among the least restricted sectors in the STRI database, Ireland retains some sector-specific limitations. Ireland has subsidies that only Irish citizens may apply for. Road freight transport is subject to EU regulation that requires EU residency for the manager of a road transport operator and partly exempts road carrier agreements from anti-trust regulation. Air transport is the only service sector in which Ireland 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 Irish 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.

Recent policy changes

Ireland has introduced a time frame of six months within which the regulator must decide on application for the authorisation in insurance services sector in 2016.

Efficient services sectors matter



Services account for over 50% of Ireland's gross export and around 60% of value added exports. The contribution of services to trade in Ireland is one of the largest among OECD economies, reflecting Ireland's specialisation in services activities. The services share of inward investment is also high. Ireland 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 and the few sectors where a higher STRI is observed.

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