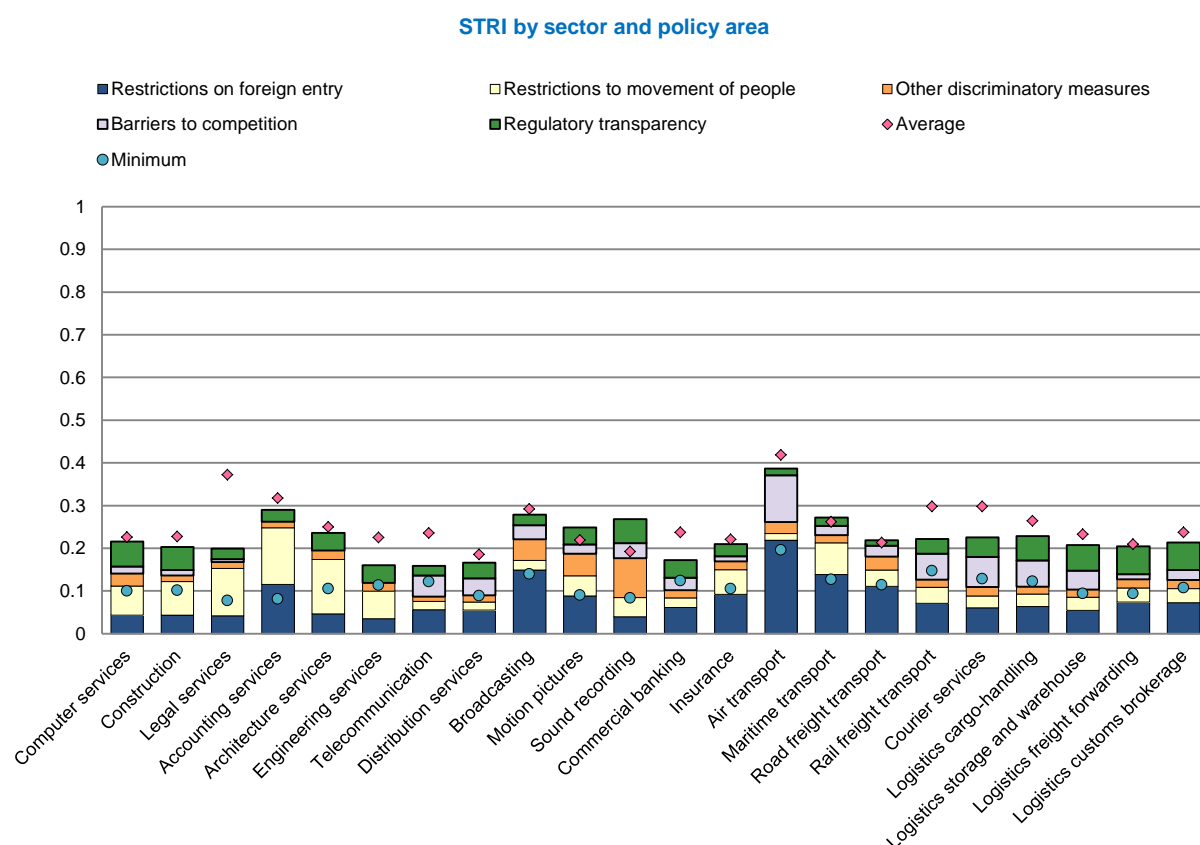


OECD Services Trade Restrictiveness Index (STRI): Italy

Italy exported services worth USD 98.8 billion and its services import value was USD 100.3 billion in 2015. Travel 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 44 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 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

Italy has a lower STRI score than the sample average in 18 out of 22 sectors, which is explained by relatively liberal general regulations applying to all sectors of the economy. 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 the 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. Contractual services suppliers also face a time limit of 24 months on their first entry permit, but no quotas or labour market tests. Rights under the Public Contract Law are limited to partners in regional trade agreements and members of the WTO's Government Procurement Agreement. Access to land ownership and real estate by foreigners is granted on the basis of reciprocity. There is at least one major state-owned enterprise in broadcasting, courier services, motion pictures, rail freight transport and sound recording. Finally, Italian legislation does not foresee prior consultation with stakeholders on draft laws and regulations.

The sectors with the relatively lowest STRI scores

Telecommunications, legal services and commercial banking are the three sectors with the lowest score relative to the average in Italy. There are neither foreign equity restrictions nor a government owned supplier in the telecommunications sector, and the sector is by and large regulated according to best practice principles. Like in most countries, a license is required to practice domestic law. Residency, a local practice and examination are required to obtain the license and the majority of capital of law firms must be owned by licensed professionals. International law, in contrast, is unregulated in Italy. The regulatory framework for banking is quite open. There are no limitations on foreign branches or other legal forms, and no commercial presence requirements to provide cross-border banking services. With respect to banking licenses, there are no specific restrictions on foreign banks. However, if an acquisition, for which prior Bank of Italy authorisation is required, is carried out by a foreign entity, approval by the Ministry of Economy and Finance is on the basis reciprocity.

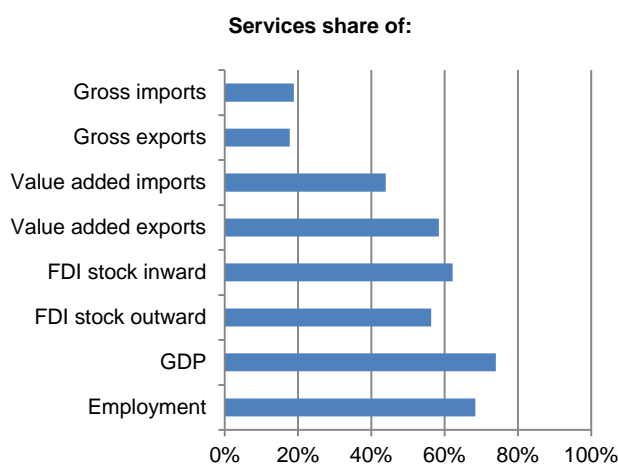
The sectors with the relatively highest STRI scores

Maritime transport, motion pictures and sound recording are the three sectors with the highest score relative to the average in Italy. For maritime freight services, port concessions and registrations of vessels under national flags are restricted, and foreign-flagged ships are fully excluded from cabotage. In audio-visual services, Italy applies quotas for European works not only to traditional broadcasting, but also to downloading and streaming. There is a statutory monopoly on copyrights management (SIAE – The Italian Society of Authors and Editors – maintains exclusive rights to provide this service), and tax relief for movie and music production is available for Italian work or based on a cultural test.

Recent policy changes

No significant policy changes are recorded for the period 2015-16.

Efficient services sectors matter



Services account for 19% of Italy's gross exports, and 58% in value added terms. This indicates that Italy'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 Italian industrial sector. Services also account for 75% of GDP and almost 70% employment, which implies that earnings and aggregate demand depend significantly on productivity in services. Italy could further enhance the efficiency of its economy by prioritising reforms that increase competition in services sectors which are essential inputs in downstream industries.

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