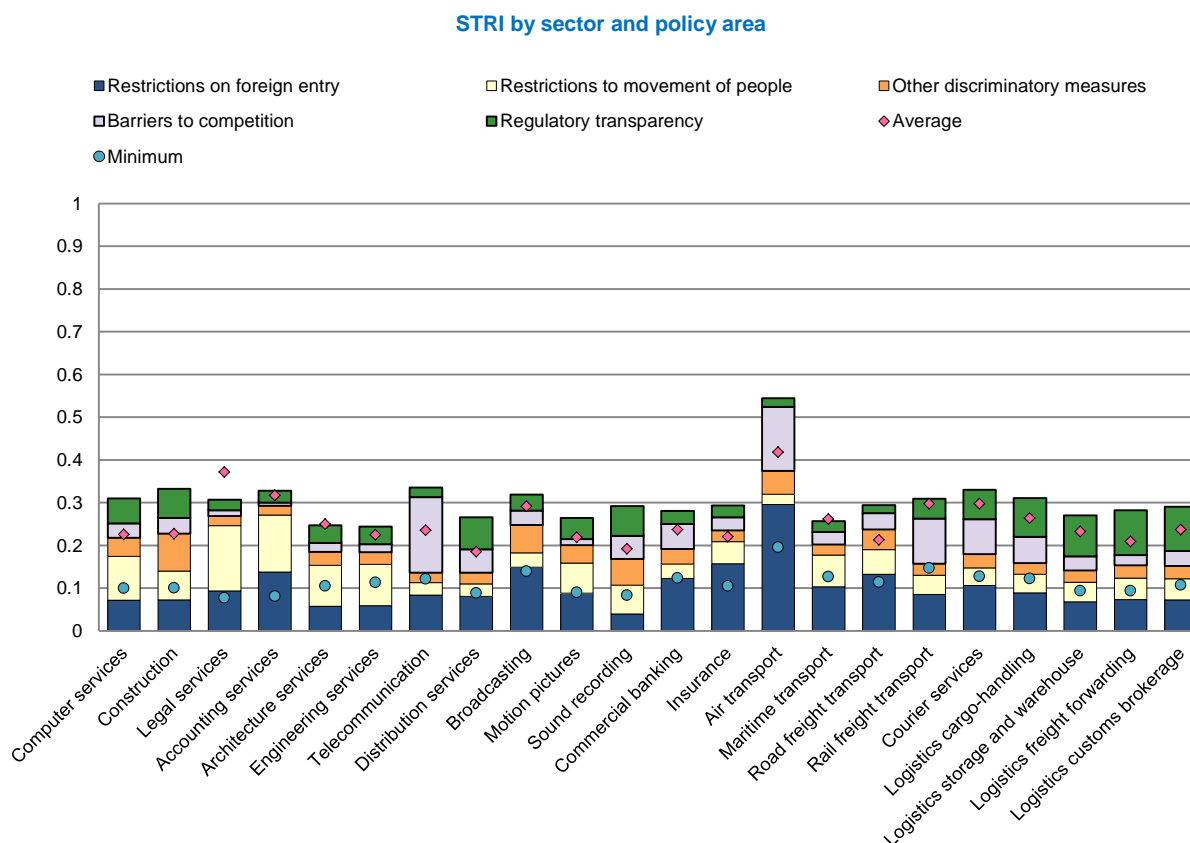


OECD Services Trade Restrictiveness Index (STRI): Norway

Norway exported services worth USD 40 billion and its services imports amounted to USD 45 billion in 2015. The largest services exporting sector is maritime transport, and petroleum-related services account for the largest category of services imports. Norway'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.



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

Norway has a lower score on the STRI than the average in 3 out of 22 sectors. This can be explained in large part by general regulations that apply to all sectors in the economy. At least half of the board members and the manager (CEO) in corporations must be residents of Norway or the European Economic Area (EEA). Wage parity with local employees is required for natural persons seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers. The duration of stay is limited to 24 months on their first entry permit. Norway also has relatively stringent business visa requirement for non-EEA visitors. Rights under the public procurement act are limited to partners in regional trade agreements and members of the WTO's Government Procurement Agreement. A minimum amount of capital must be deposited in a bank or with a notary in order to register a corporation. 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. Finally, the state retains a prominent role in the economy. There is at least one state-owned enterprise among the ten largest companies in construction, telecommunications, distribution, broadcasting, commercial banking, insurance, courier services, logistics and air, rail and road transport. In certain cases, the government can also overrule the decision of the regulatory body.

The sectors with the relatively lowest STRI scores

Legal services, maritime transport, and architecture services are the three sectors with the lowest score relative to the average in Norway. Like in most countries a license is required to practise domestic law. Local qualifications and prior local practice are required to obtain the license. International law, in contrast, is subject to a permit to operate, but otherwise there are no sector-specific restrictions. In maritime transport there are few sector-specific restrictions. The cabotage market is open to foreign suppliers, but some port services, notably pilotage, are not. In architecture services, there are no sector-specific restrictions and only horizontal measures contribute to the overall score.

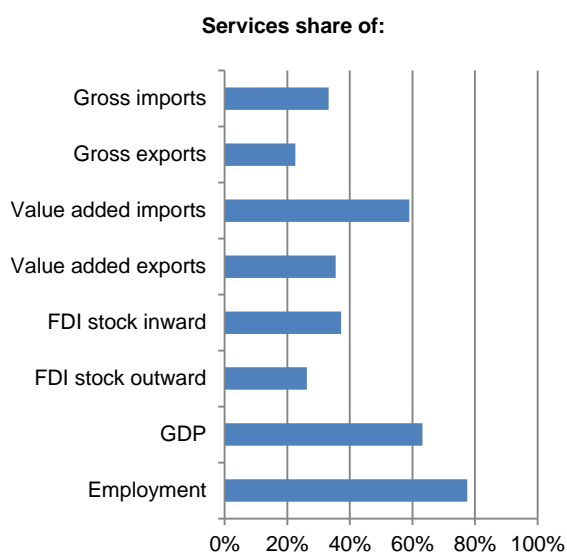
The sectors with the relatively highest STRI scores

Construction, air transport and sound recording are the three sectors with the highest score relative to the average in Norway. Access to public procurement for non-EEA suppliers and a state owned enterprise in the sector account for a significant part of the score in construction. Air transport is the only services sector in which Norway employs foreign equity restrictions. As a result of the common European Union (EU) regulation on air services, non-EU nationals cannot own more than 49% in Norway'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 state, together with the Danish and Swedish states are the majority owners of the main carrier. Sound recording is among the least restricted sector in the STRI database, and Norway's numerous horizontal regulations contribute to the relatively high score in these sectors.

Recent policy changes

Norway eliminated the postal monopoly for letters and significantly liberalised the postal and courier services sector in 2015.

Efficient services sectors matter



Services account for about a third of Norway's imports and about a fifth of its exports. The services share is significantly higher in value added terms both for exports (35%) and imports (about 60%), indicating that Norway trades services-intensive goods. Services account for close to 80% of employment, but only about 60% of GDP, suggesting that on average labour productivity is significantly lower in services. The gap is explained by a relatively capital-intensive manufacturing sector and off-shore oil production. Open, diversified and competitive services markets contribute to effectiveness and productivity both in the services sectors and in downstream sectors using services inputs. Norway could further improve the efficiency of its economy by prioritising reforms that enhance competition in services markets against the backdrop of a prominent role of the state in the economy.

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