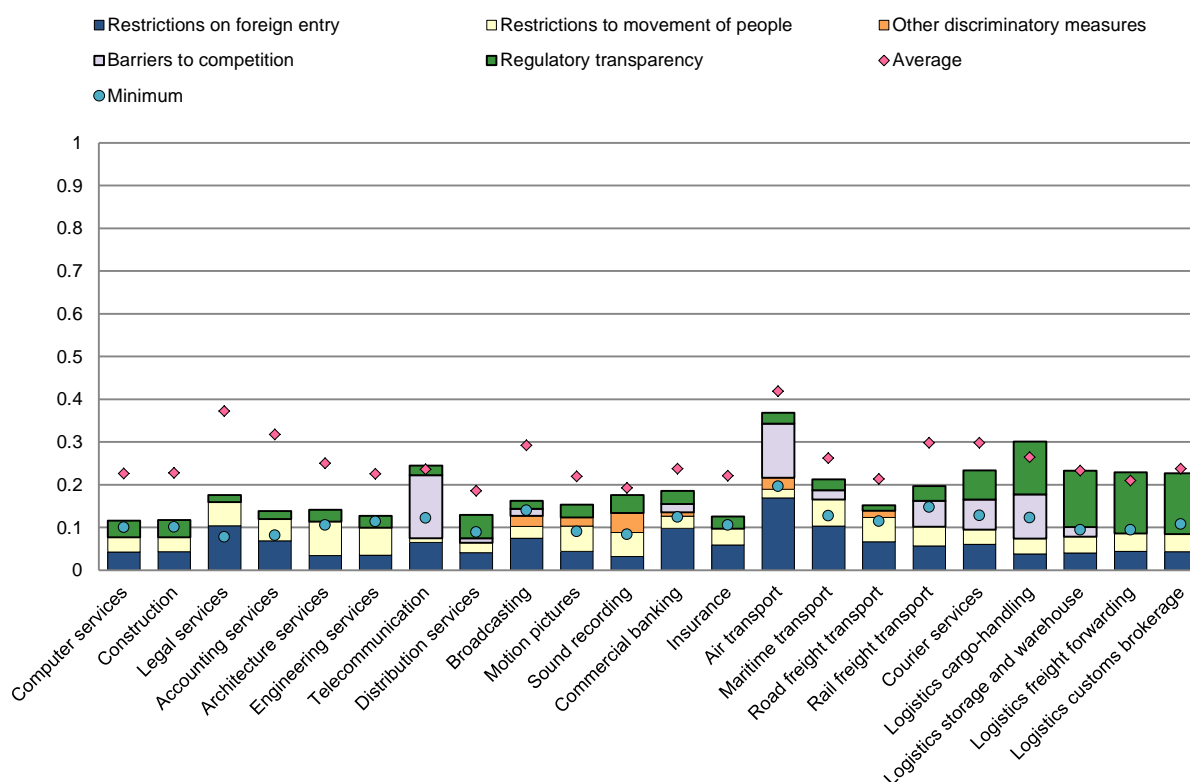


## OECD Services Trade Restrictiveness Index (STRI): New Zealand

New Zealand exported services worth USD 14 billion and its services imports amounted to USD 12 billion in 2015. The largest services exporting sectors are transport and business services. In particular, New Zealand exports a large amount of professional and technical services. Tourism is also important in New Zealand's exports of services.

New Zealand's score on the STRI index in the 22 sectors covered by the STRI project 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

New Zealand has a lower score on the STRI than the average in 18 out of 22 sectors. This can be explained by an overall favourable regulatory framework. The duration of stay for natural persons seeking to provide services in the country on a temporary basis as contractual or independent services suppliers is 12 months and 24 months respectively. Intra-corporate transferees are exempted from this limitation. The legislation requires consent to foreigners' purchase of certain types of real estate. Finally, the time for processing a business visa is significantly longer than the best practice.

### The sectors with the relatively lowest STRI scores

Accounting services, legal services, and construction services are the three sectors with the lowest score relative to the average. The accounting sector also includes auditing services. In auditing services, foreigners are required to form a partnership with local professionals. Foreign professionals seeking to offer services must undertake a local examination and complete certain practice programmes before they are allowed to operate. In addition, licensed professionals must sit on the board of auditing firms. In legal services, in order to practice domestic law, a license is required. Only licensed professionals may own, manage or sit on the board of domestic law firms, and commercial associations with other professionals are not permitted. There is no temporary licensing in place. Construction services are subject to the general regulatory framework.

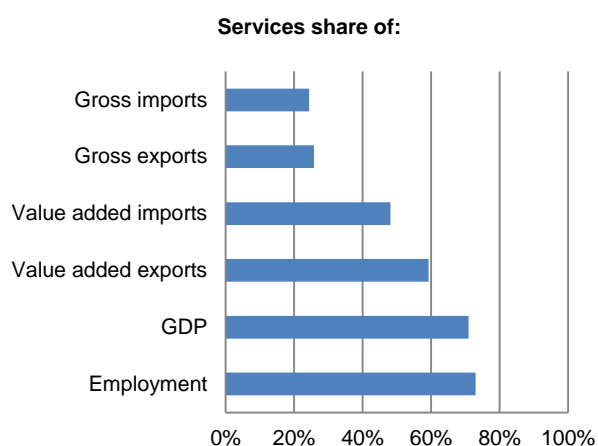
### The sectors with the relatively highest STRI scores

Telecommunications, logistics freight forwarding services, and logistics cargo-handling services are the three sectors with the highest score relative to the average. In telecommunications, the government has a golden share in the incumbent firm and the needed pro-competitive regulations are not all in place to ensure access to foreign providers. In addition, the government can overrule the decisions of the telecommunications regulator. In logistics freight forwarding, the score is driven to a large part by limitations on administrative procedures related to customs and visas for transport crew. In the case of cargo handling, barriers to competition explain a higher than average value. For example, the cross-subsidisation of activities is not prohibited and the vertical separation of accounts not required, while at the same time several of the main companies involved in the sector are publicly owned. More generally, contracts for service provision are not awarded through competitive biddings.

### Recent policy changes

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

### Efficient services sectors matter



Services account for 26% of New Zealand's gross exports, but 59% of value-added exports. Cost effective state of the art services are therefore of utmost importance for the competitiveness of New Zealand's industrial sector. Services account for 73% of employment, which implies that earnings and aggregate demand depends crucially on productivity in the services sector. New Zealand 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 by introducing more pro-competitive regulations in 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](mailto:stri.contact@oecd.org)