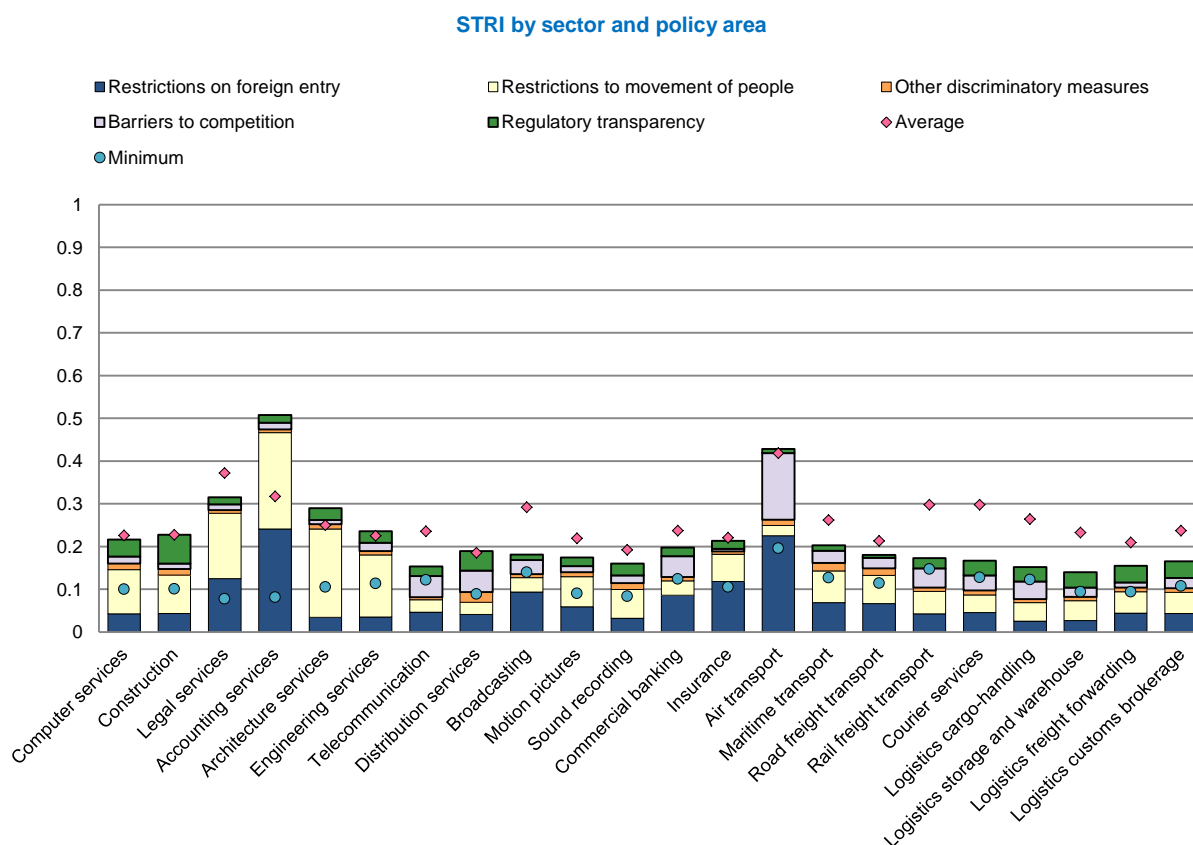


OECD Services Trade Restrictiveness Index (STRI): Portugal

Portugal exported services worth USD 27.8 billion and its services import value was USD 14.2 billion in 2015. Travel services are the largest services exporting and importing sectors.

Portugal'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

Portugal has a lower STRI score than the sample average in 16 out of 22 sectors. The country's general regulations applying to all sectors of the economy are quite liberal. Portugal does not apply labour market tests for workers seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers. However, these categories may stay in the country for only up to four 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. Rights under the Public Contracts Code are limited to partners in regional trade agreements and members of the WTO's Government Procurement Agreement. There is also at least one major state-owned enterprise in aviation, banking, broadcasting, freight forwarding (logistics) services, insurance and rail freight transport.

The sectors with the relatively lowest STRI scores

Courier services, rail freight transport and cargo-handling services are the three sectors with the lowest STRI score relative to the average in Portugal. There are neither foreign equity restrictions nor a government owned supplier in the rail freight sector, transit and traffic rights are allowed, and the sector is by and large regulated according to best practice principles. Cargo-handling and courier services are fully liberalised with only minor regulations that could impede competition. In cargo-handling, CP Carga, the former public rail freight transporter and cargo-handler was privatised in 2014.

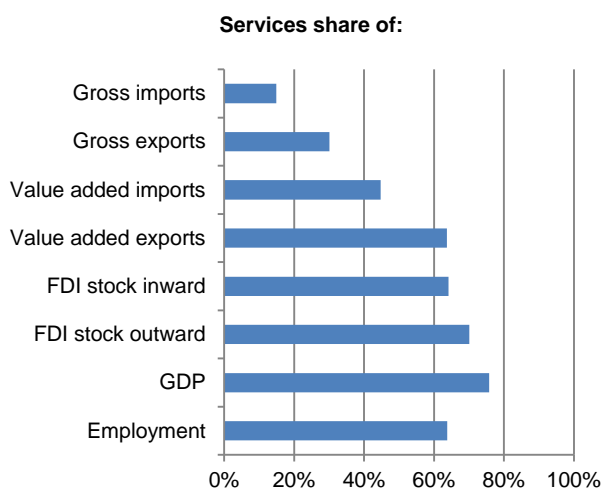
The sectors with the relatively highest STRI scores

Accounting, architecture and engineering services are the three sectors with the highest score relative to the average in Portugal. Both accounting and auditing services are regulated professions in Portugal. In both professions nationality of an EU country is required to obtain a license to practice. Chartered accountants' firms can only be owned by licensed accountants, while statutory auditors must own 75% of the equity share of an audit firm. The ownership restrictions are accompanied by nationality and licensing requirements for board members and managers of accounting firms. Nationality is also prerequisite to practice architecture services, while for engineers domicile, local practice and local exam are required. The investment regime for both services is liberal.

Recent policy changes

Portugal privatised CP Carga, the former public rail freight transporter and cargo-handler in 2014. In 2015, it has also taken steps to ensure the independence of the insurance regulator.

Efficient services sectors matter



Services account for 30% of Portugal's gross exports, but 64% in value added terms. This indicates that Portugal'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 Portuguese industrial sector. Services also account for 75% of GDP and almost 65% of employment, which implies that earnings and aggregate demand depend significantly on productivity in services sectors. Portugal could further increase the efficiency of its economy by prioritising reforms that enhance competition in services markets. The STRI suggests that this may be particularly the case for business services, 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