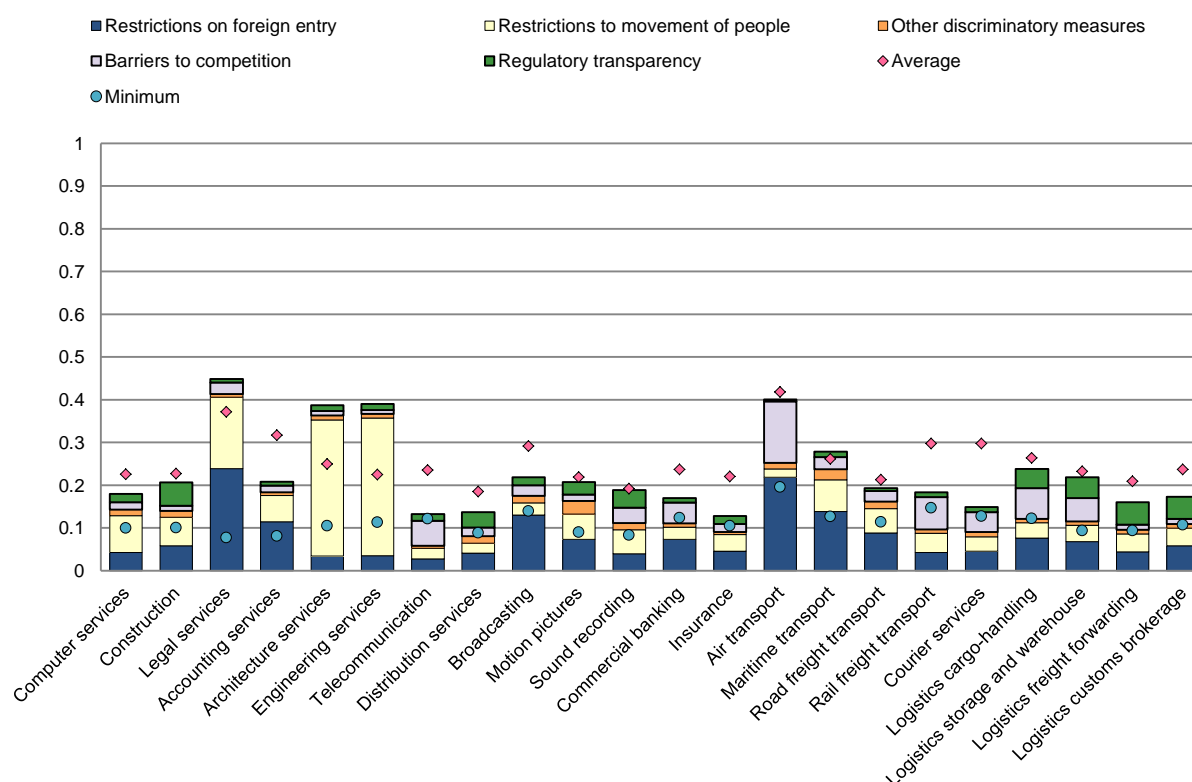


OECD Services Trade Restrictiveness Index (STRI): Slovenia

Slovenia exported services worth USD 6.6 billion and its services import value was USD 4.3 billion in 2015. Technical, trade-related and other business services are Slovenia's largest services export and the largest services import category is professional and management consulting services.

Slovenia'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

Slovenia has a lower score on the STRI than the average in 18 out of 22 sectors. A general regulation that contributes to the STRI in all sectors is the duration of stay of temporary services providers. Contractual services suppliers and independent providers cannot stay in Slovenia for more than three months while intra-corporate transferees may stay in the country for up to 12 months on their first entry permit. Other general regulations include a restriction on the acquisition of real estate by foreigners and minimum capital requirements to register a company. Rights under the public procurement act are limited to partners in regional trade agreements and members of the WTO's Government Procurement Agreement. 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. Finally, visa processing time is significantly longer than best practice.

The sectors with the relatively lowest STRI scores

Courier services, insurance and telecommunication services are the three sectors with the lowest score relative to the average in Slovenia. In courier services, there are few sector-specific restrictions. The existence of a state-owned designated postal operator and lack of dispute settlement system between operators contribute to the score. In insurance, sector-specific restrictions include commercial presence requirement and existence of state-owned entities. The telecommunication market in Slovenia is one of the most liberal across the covered countries, but a major supplier in the sector is state-owned and secondary spectrum trading is subject to restrictions.

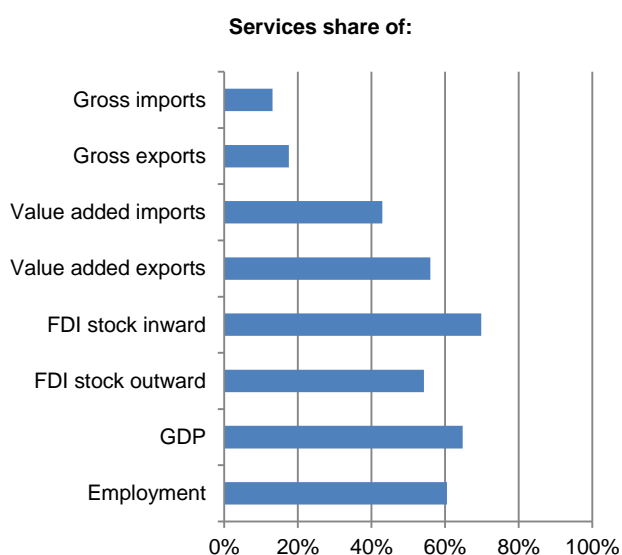
The sectors with the relatively highest STRI scores

Legal, architecture and engineering services are the three sectors in Slovenia with the highest score relative to the STRI average. Restrictions relating to the movement of people have a significant impact on these three sectors. In Slovenia, the practice of domestic law is a regulated profession while the practice of international law is not. Slovene or EU nationality is required to obtain a license to practice domestic law, and only licensed lawyers may manage or sit on the board of law firms. Architects and engineers are regulated professions in Slovenia. While recognition of foreign qualifications to obtain a licence to practice is in place for European Economic Area member countries and Switzerland, such scheme for other countries is subject to reciprocity. Otherwise foreign suppliers have to completely requalify educational degrees, practice and examinations domestically. There is no temporary licencing system in place in Slovenia.

Recent policy changes

Slovenia has privatised a state-owned air transport company in 2016, which improves the STRI for air transport and logistics cargo-handling services. It has also eliminated the reciprocity condition on authorisation of the establishment of foreign branches from non-EU countries in the insurance services sector in 2016.

Efficient services sectors matter



Services account for almost 18% of Slovenia's gross exports, but for 56% of value-added exports, indicating that Slovenia'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 Slovenian industrial sector. Services account for about 60% of employment, which implies that earnings and aggregate demand depends crucially on productivity in the services sector. The services share of inward investment is relatively high in Slovenia. Slovenia 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