



## CZECHIA – 2023

### Key findings

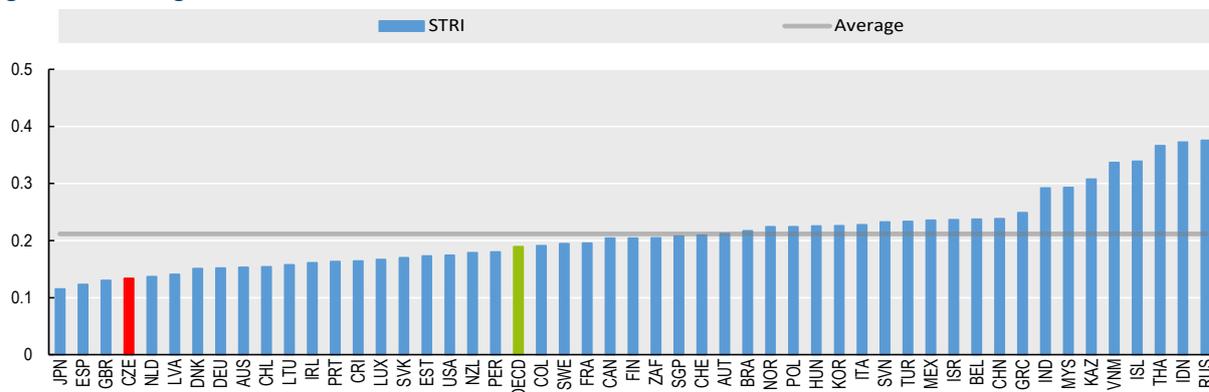
- The 2023 STRI of Czechia is below the OECD average and relatively low compared to other countries in the STRI sample, indicating an open regulatory environment for trade in services. Czechia is also one of the most open countries for services trade within the EU Single Market. The 2023 STRI remains unchanged compared to 2022.
- Courier services is the most open sector in Czechia while air transport is the most restricted, relative to the sectoral average.
- Conditions on the entry of natural persons seeking to provide services in the country on a temporary basis as contractual services suppliers remain more cumbersome than international best practice.

### Recommendation

- Trade in services strengthens resilience across supply chains, facilitating environmental sustainability and promoting greater inclusiveness. To ensure the benefits of open markets and a rules-based international trading system, national and multilateral action is needed to lower barriers and reduce trade costs, promote greater regulatory interoperability, and facilitate the digital transformation of economies.

The 2023 STRI of Czechia is below the OECD average, and relatively low compared to other countries in the STRI sample (Figure 1).

**Figure 1. Average STRI across countries, 2023<sup>i</sup>**



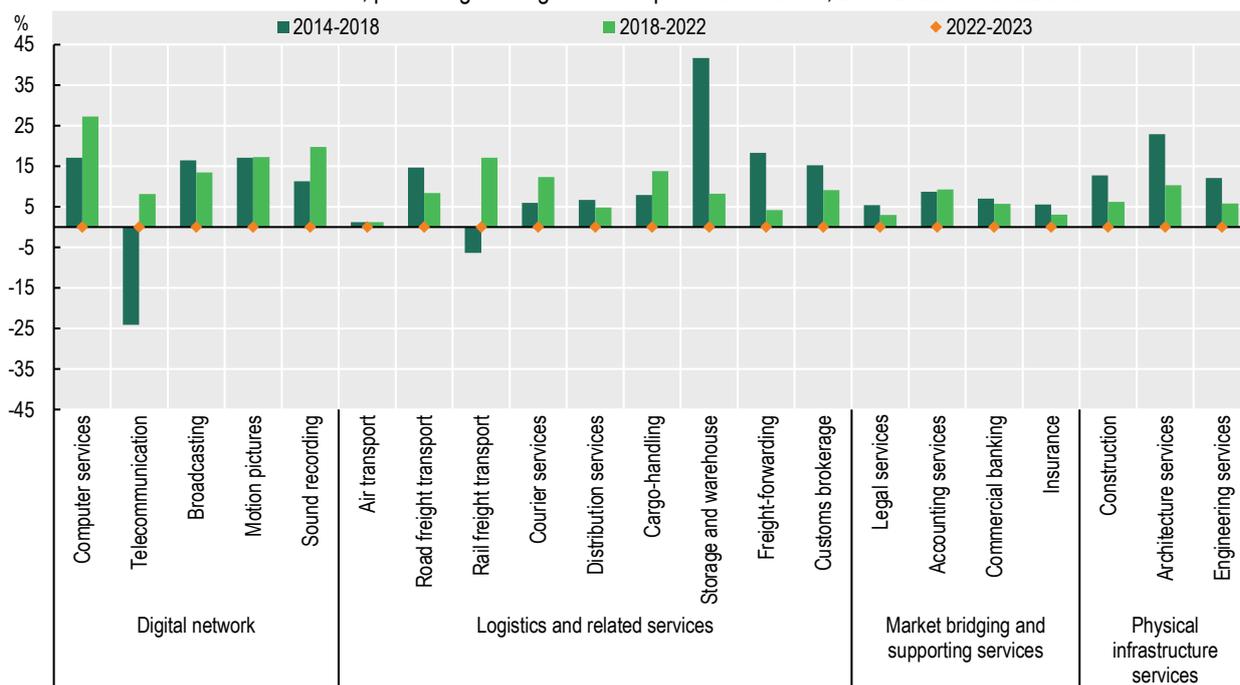
Source: OECD (2023). STRI and TiVA databases.

Czechia applies labour market tests for workers seeking to provide services in the country on a temporary basis as contractual services suppliers but not as intra-corporate transferees or independent services suppliers. The duration of stay is limited to 36 months for intra-corporate transferees, 24 for contractual services suppliers, and 12 months for independent services suppliers on their first entry permit. Rights of access to public procurement are limited to regional trade agreement partners 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 business. The standards for cross-border transfer of personal data are set at the European Union level. Transfers to non-EEA economies can take place when these ensure an adequate level of data protection or, in the absence of this, appropriate safeguards (e.g. binding corporate rules or standard data protection clauses) are in place.

The services regulatory regime of Czechia saw increases across most sectors during 2014-18 but remained stable in the period until 2021 in all sectors, except in computer services, broadcasting, road freight and rail freight transport. New provisions on screening of foreign investments were introduced in October 2020 by the Act on the Examination of Foreign Investments and affected services sectors such as computer services, telecommunication, broadcasting, road freight transport, and rail freight transport. In 2022, the STRI increased for most sectors due to new EU-wide measures regulating access to procurement markets (Figure 2). The 2023 STRI remains unchanged compared to 2022.

**Figure 2. Evolution of STRI indices by sector in Czechia**

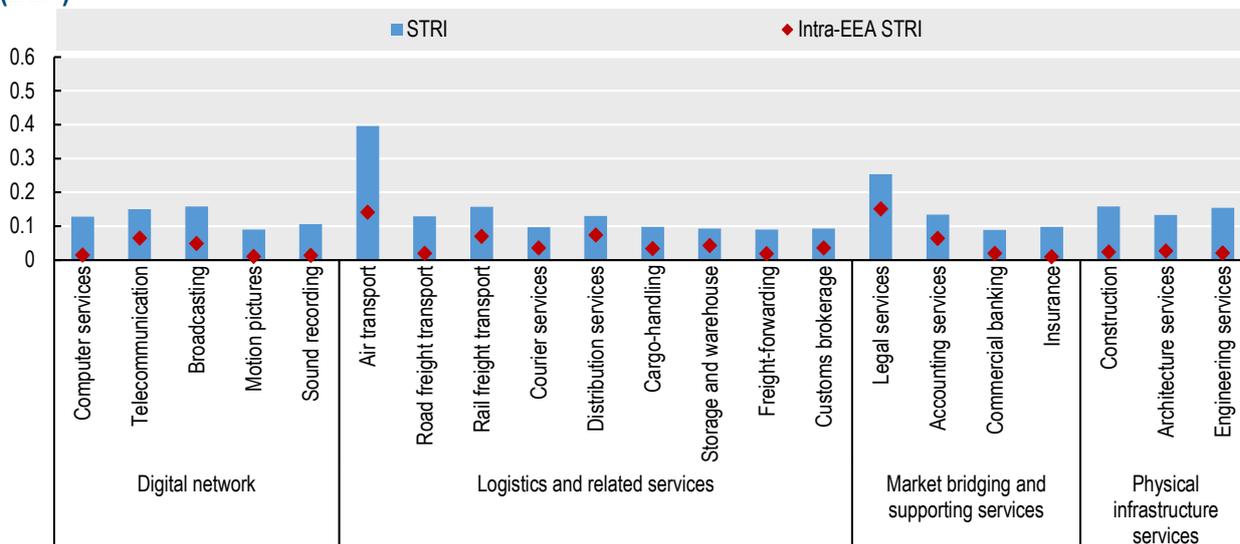
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2022 and 2022-2023



Source: OECD (2023). STRI database.

Services trade barriers are significantly lower within the European Economic Area across all services sectors (Figure 2b). Czechia maintains an open market for services suppliers from other EU Member States.

**Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)**

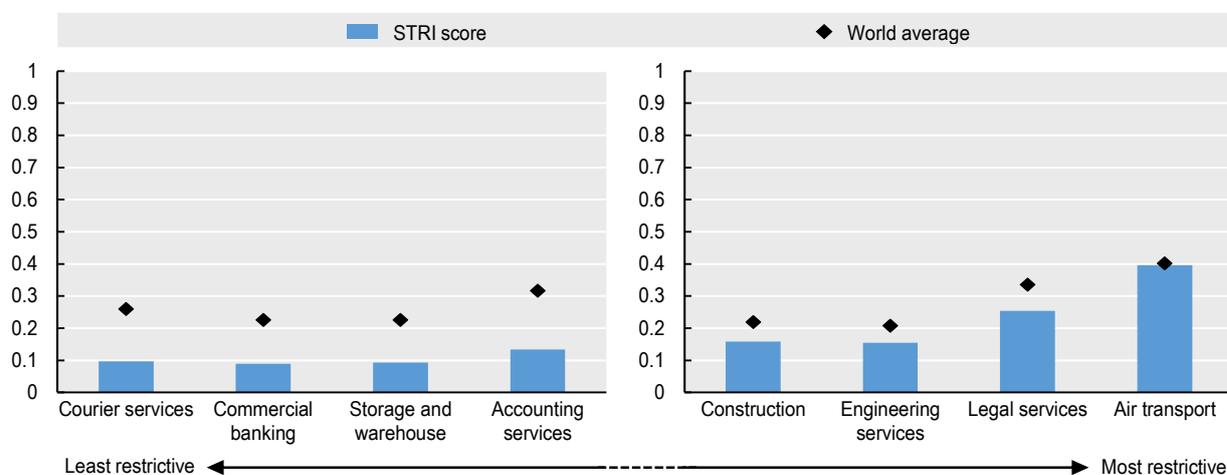


Note: The traditional STRI indicates the level of restrictiveness on a most favoured nation (MFN) basis towards third countries, and the intra-EEA STRI indicates the level of restrictiveness towards EEA members. Intra-EEA STRI covers 24 countries (Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden).  
Source: OECD (2023). STRI database.

Figure 3 ranks Czechia's sectors relative to the respective sector's world average. Courier services, commercial banking, logistics storage and accounting services are the sectors with the relatively lowest

scores. Conversely, construction, engineering services, legal services and air transport are the sectors with the relatively highest scores.

**Figure 3. Sectoral breakdown - The least and most restricted sectors in Czechia compared to world average**



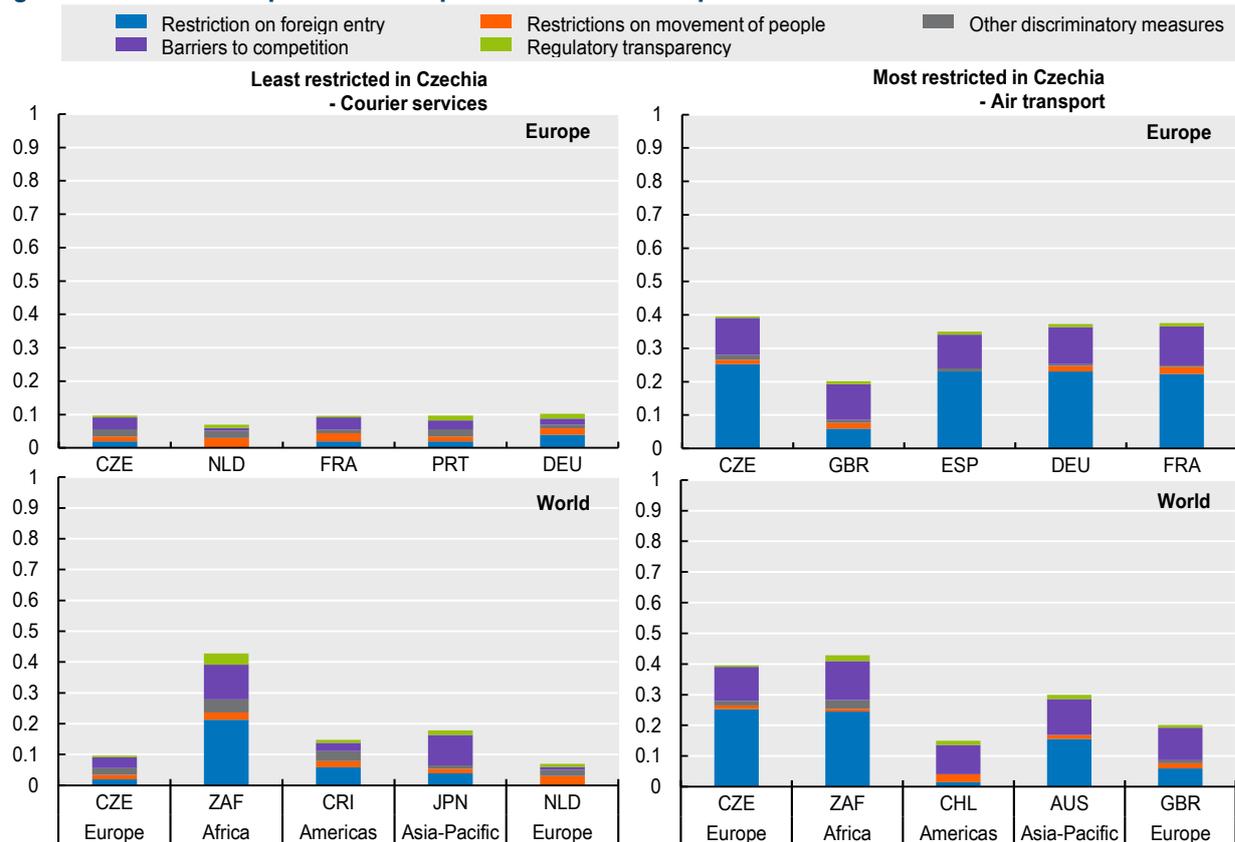
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

i.e.  $(\text{STRI}_{\text{country, sector}} - \text{STRI}_{\text{world average, sector}}) / \text{STRI}_{\text{world average, sector}}$

Source: OECD (2023). STRI database.

Courier services in Czechia are one of the least restricted in Europe. The composition of the indices suggests that relatively low barriers to foreign entry have had an impact compared to other countries. Air transport is the most restricted services sector in Czechia. Restrictions on foreign entry and barriers to competition are significant compared to best performers. Czechia has foreign equity restrictions as a result of common EU regulation on air services. Pursuant to this regulation, non-EU nationals cannot own more than 49% in local airlines. Lease of foreign aircrafts with crew from outside the EU can be refused on grounds of reciprocity or conditioned on approval granted on the basis of economic needs. 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 (Figure 4).

**Figure 4. Czechia compared to Europe and World's best performers**



Source: OECD (2023). STRI database.

## Recent policy changes

In February 2021, a new Act on the Examination of Foreign Investments entered into force creating a new screening mechanism of foreign investments based on national security considerations. These new screening provisions apply to sectors such as computer, telecommunication, broadcasting, road freight transport, and rail freight transport services.

Other recent changes affecting Czechia were due to changes in EU law. In August 2022, Regulation 2022/1031 (EU) entered into force, aiming to regulate access of third-country (non-EU) goods and services to the EU's public procurement and concession markets. At this stage, no implementing act restricting access to the EU procurement market has been adopted by the European Union. The Regulation applies to public procurement and concessions where the EU has not undertaken market access commitments in an international agreement.

In air transport, a series of temporary rules allowing airlines to retain historic slots, despite not using their slots according to the 80/20 grandfathering rule, were in place from 1 March 2020 to 25 March 2023 on grounds of reduced air traffic levels due to the COVID-19 pandemic. As of 26 March 2023, such slot relief rules are no longer in force.

In telecommunications, maximum Union-wide voice termination rates defined by Commission Delegated Regulation (EU) 2021/654 took effect on 1 July 2021. These maximum termination rates do not, however, generally apply to calls originating from countries outside the EU.

From 1 July 2021, the EU abolished the VAT de minimis regime for goods valued under EUR 22. In maritime transport, Commission Regulation (EU) 2020/436 extended the existing block exemption to liner shipping consortia from competition law until April 2024.

## More information

- » Access all country notes, sector notes, and interactive STRI tools at <http://oe.cd/stri>
- » Read more about [Services Trade Policies and the Global Economy](#)
- » More information about measuring the regulatory environment for services trade in the Intra-EEA region: [oe.cd/intraeeaSTRI](http://oe.cd/intraeeaSTRI)
- » Contact the OECD Trade and Agriculture Directorate with your questions at [stri.contact@oecd.org](mailto:stri.contact@oecd.org)

<sup>i</sup>Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2023. The STRI regulatory database covers the 38 OECD Members, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, Singapore, South Africa, Thailand and Viet Nam. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.