



HUNGARY – 2023

Key findings

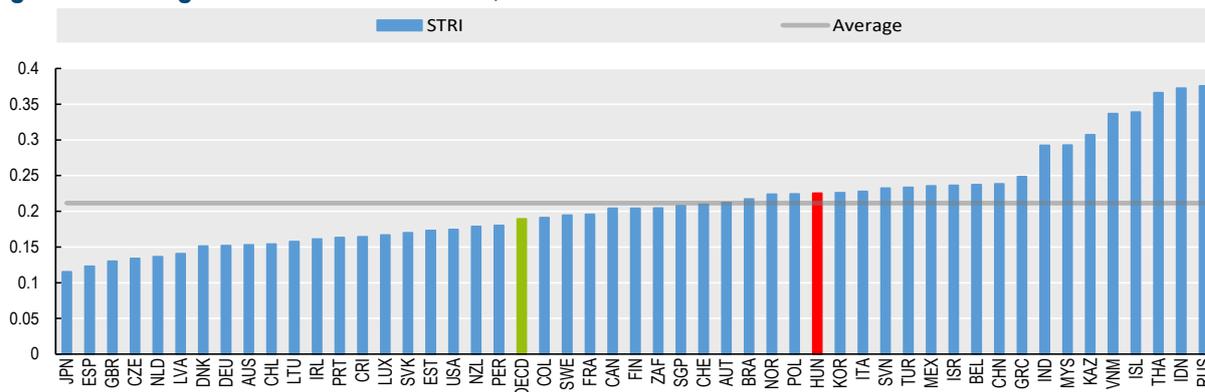
- The 2023 STRI of Hungary is above the OECD average and relatively high compared to all countries in the STRI sample. The index remained unchanged compared to 2022.
- Conditions on the entry of natural persons seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers are more cumbersome than international best practice.
- The scores in broadcasting services are the lowest compared to the sample average while legal services are the most restricted compared to sectoral averages across all countries in the sample.

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 Hungary is above the OECD average, and relatively high compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2023ⁱ



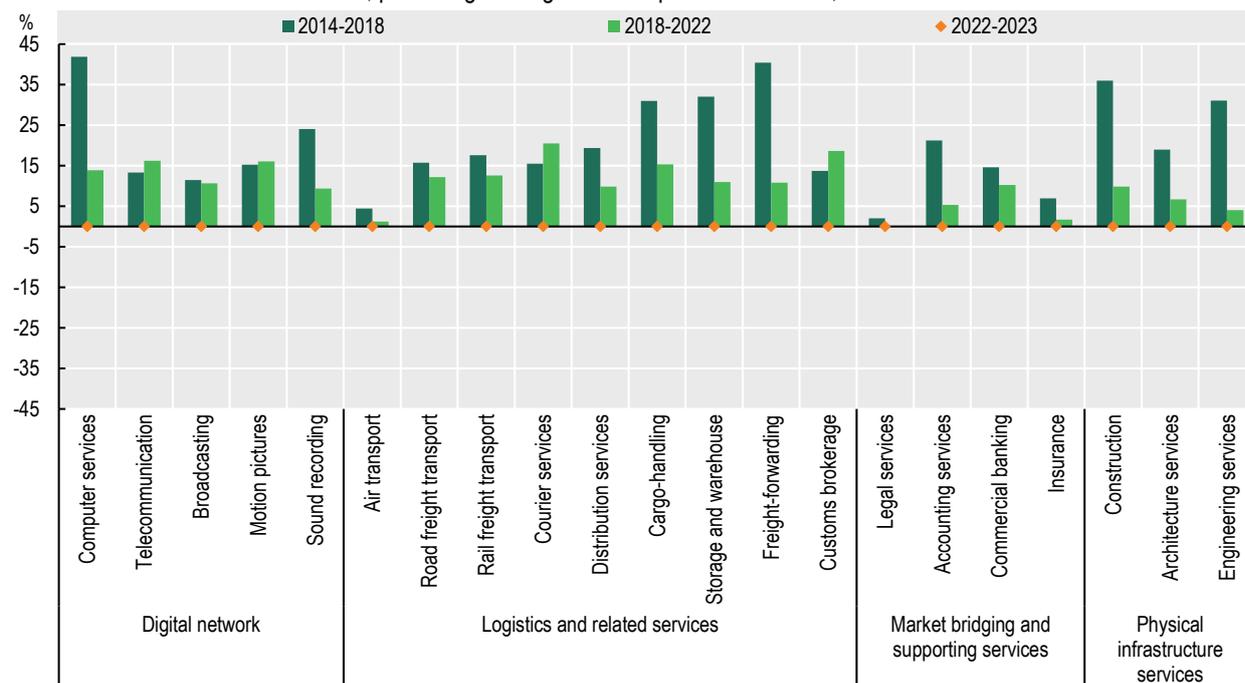
Source: OECD (2023). STRI and TiVA databases.

The indices can be explained in large part by general regulations that apply to all sectors in the economy. The number of work permits issued to non-EU nationals seeking to provide services on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers is subject to quotas and labour market testing. Rights of access to public procurement are limited to regional trade agreement partners and members of the WTO's Government Procurement Agreement. The standards for cross-border transfer of personal data are set at the EU 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. Finally, a minimum amount of capital must be deposited in a bank or with a notary in order to register a corporation.

The regulatory environment for services trade has tightened over the past years mostly due to economy-wide measures on the temporary entry of non-EEA services suppliers, as well as conditions affecting non-EEA foreign investments into Hungary. No significant policy changes were identified in 2023 affecting the STRIs (Figure 2a).

Figure 2a. Evolution of STRI indices by sector in Hungary

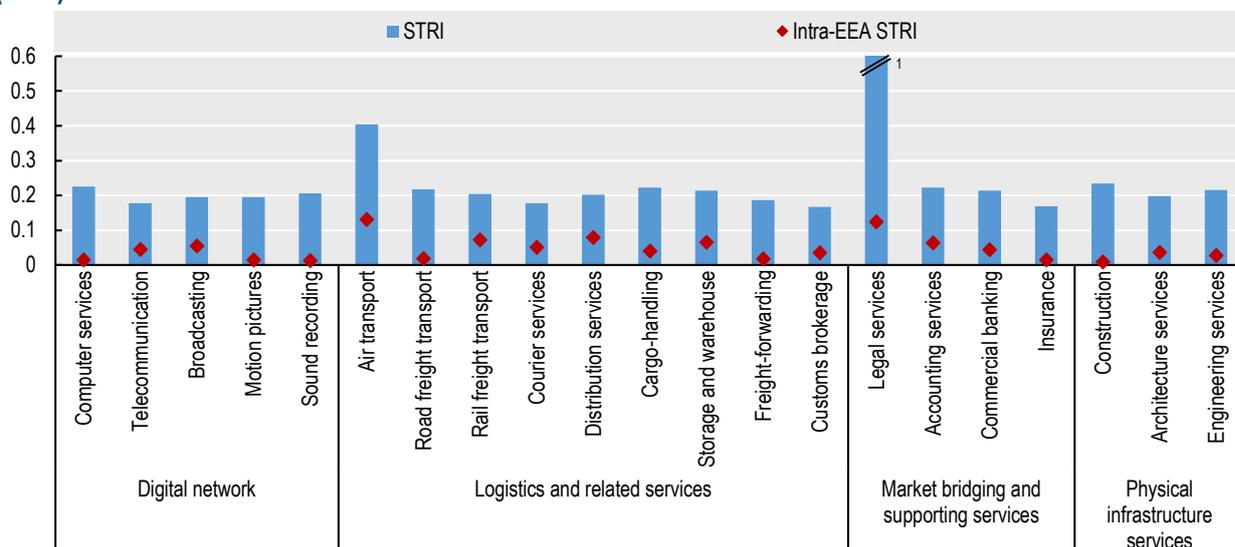
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2022 and 2022-2023



Source: OECD (2023). STRI database.

Services trade barriers are significantly lower within the European Economic Area across all services sectors (Figure 2b). Hungary 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)

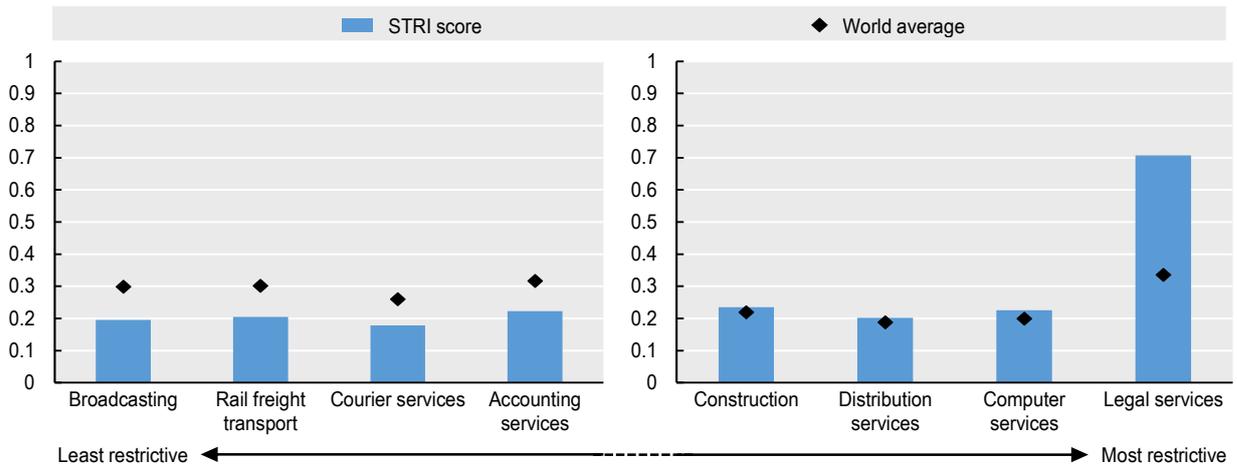


Note: The traditional STRI indicates the level of restrictiveness on a most favoured nation (MFN) basis towards third countries, and the intra-EEA STRI indicates the level of restrictiveness towards EEA members. Intra-EEA STRI covers 24 countries (Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, 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 Hungary's sectors relative to the respective sector's world average. Broadcasting, rail freight transport, courier services and accounting services are the sectors with the relatively lowest score. Conversely, construction, distribution services, computer services and legal services are the sectors with the relatively highest score.

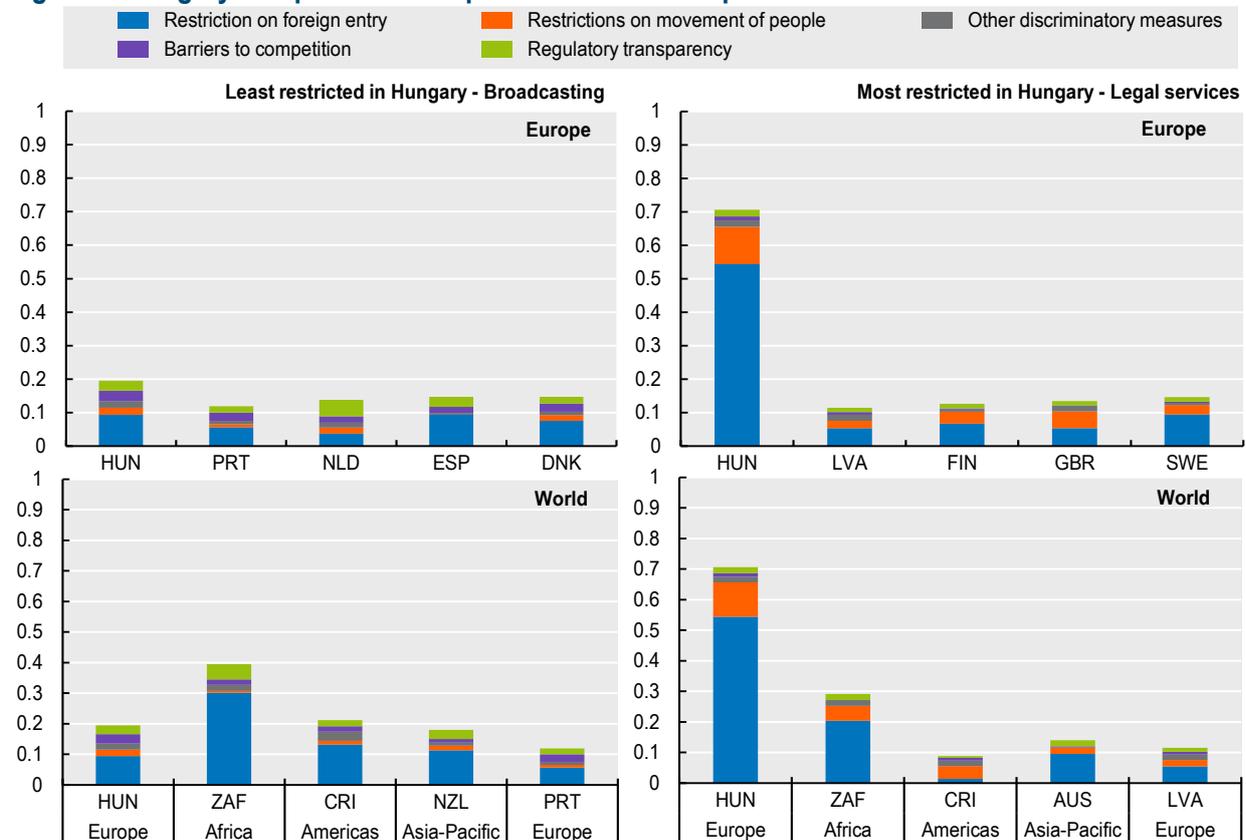
Figure 3. Sectoral breakdown - The least and most restricted sectors in Hungary compared to world average



Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference
 i.e. $(STR I_{country, sector} - STR I_{world average, sector}) / STR I_{world average, sector}$
 Source: OECD (2023). STR I database.

Broadcasting services are the least restricted in Hungary compared to the sample average, but barriers remain higher than in many other countries in Europe. The composition of the indices indicates that barriers on foreign entry and competition, such as quotas for European and Hungarian works on television programmes and on-demand services, have had most impact. Legal services is the most restricted services sector in Hungary. Restrictions on foreign entry are significant compared to best performers in Europe and elsewhere. In legal services, only licensed lawyers may own, manage or sit on the board of law firms. To obtain a license to practice, EU or EEA nationality is required (Figure 4).

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



Source: OECD (2023). STR I database.

Recent policy changes

Several recent changes affecting Hungary were due to changes in EU law. In August 2022, EU Regulation 2022/1031 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 telecommunications, maximum Union-wide voice termination rates defined by Commission Delegated Regulation (EU) 2021/654 became applicable on 1 July 2021. These maximum termination rates generally do not apply to calls originating from countries outside of the EU.

From the 1st of July 2021, the EU abolished the VAT de minimis regime for goods valued under 22 EUR. In air transport, EU Regulation 2020/459 waived the 80/20 grandfathering rule for airport slot allocations which were in place since March 2020. As of 26 March 2023, such slot relief rules are no longer in force.

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
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org

¹Note: 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.