



SWITZERLAND – 2023

Key findings

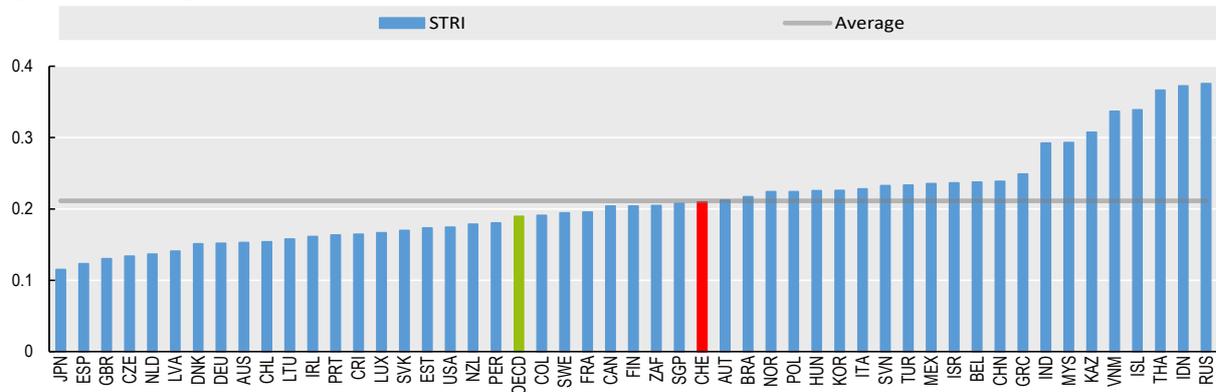
- The 2023 STRI of Switzerland is above the OECD average but relatively on par with all countries in the STRI sample. The index remains unchanged compared to 2022.
- Switzerland's regulatory environment for services has been relatively stable over the past years.
- Legal services are the most open sector in Switzerland while courier services is the most restricted relative to their respective sector average.
- Despite the overall favourable environment for services trade, some restrictions on the movement of people remain for independent services suppliers and procedures to register a company are relatively burdensome.

Recommendations

- 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 Switzerland is above the OECD average, but relatively on par with the average STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2023ⁱ



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

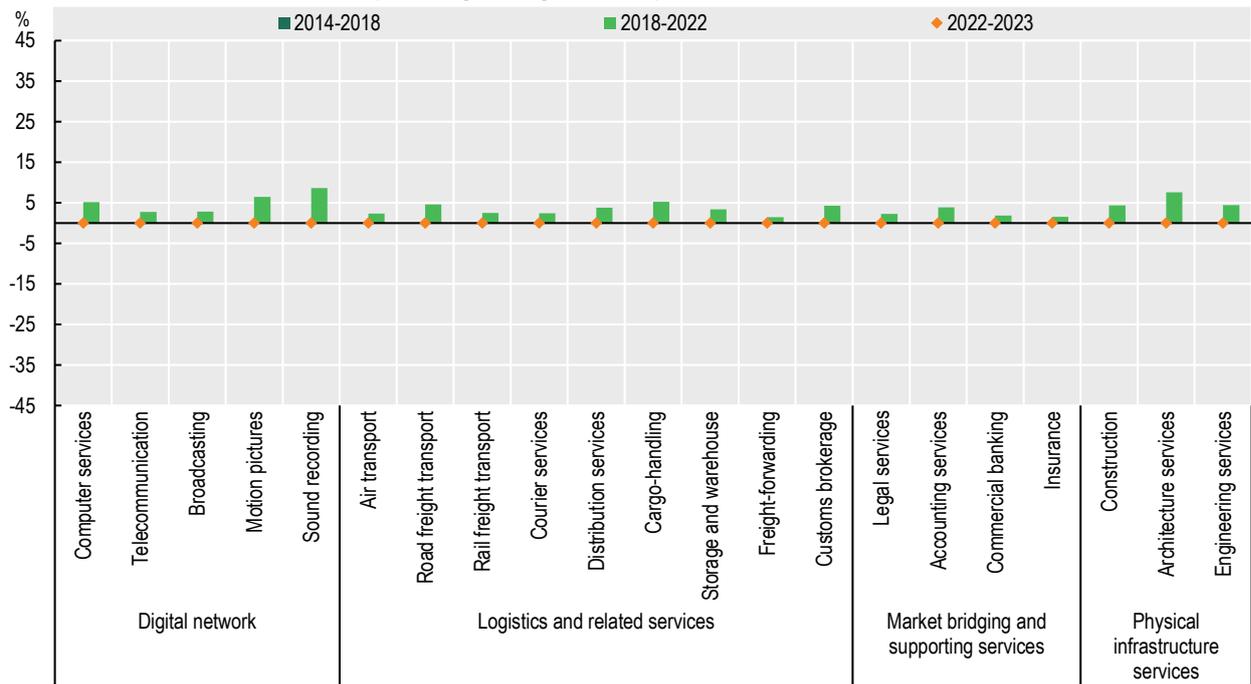
Stringent economy-wide regulations contribute to the overall index. Switzerland applies quotas and labour market tests for workers seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers, or independent services suppliers. Workers in these categories may stay in the country for up to 12 months on their first short-term entry permit. Furthermore, the acquisition and use of land and real estate by foreigners is restricted. Switzerland also requires at least one of the board members in a corporation to be a resident.

Cross-border transfers of personal data can take place when the destination country ensures 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, the state retains a prominent role in the economy with at least one major state-owned enterprise in commercial banking, broadcasting, courier services, logistics cargo handling and storage and warehouse at rail facilities, rail freight transport, and telecommunication services.

Switzerland's regulatory environment for services has been relatively stable over the past years. The slight increase in many sectors depicted in Figure 2 for the period between 2018-2022 reflects the impact of the new Federal Public Procurement Law which affects the conditions for competition in favour of local firms. The 2021 legal framework for public procurement introduced a new channel for the Swiss Contracting Authority to allow foreign providers to participate in tenders. While this widens market access, its effectiveness is weakened by reducing the scope to challenge the Authority's decisions only to instances where reciprocal conditions are demonstrated for Swiss tenderers.

Figure 2. Evolution of STRI indices by sector in Switzerland

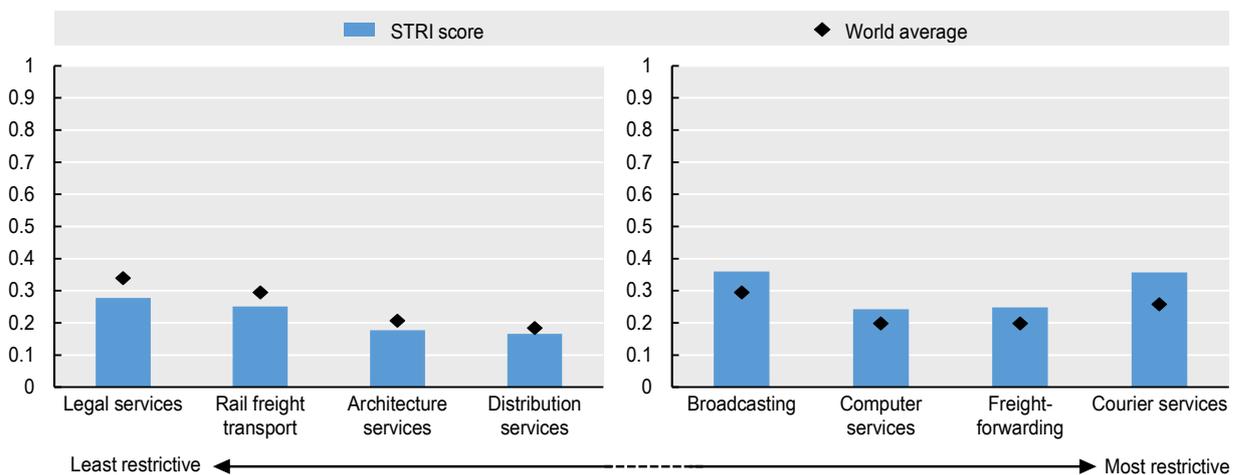
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2022 and 2022-2023



Source: OECD (2023). STRI database.

Figure 3 ranks Switzerland’s sectors relative to the respective sector’s world average. Legal services, rail freight transport, architecture services and distribution services are the sectors with the relatively lowest score. Conversely, broadcasting, computer services, logistics freight-forwarding and courier services are the sectors with the relatively highest scores.

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



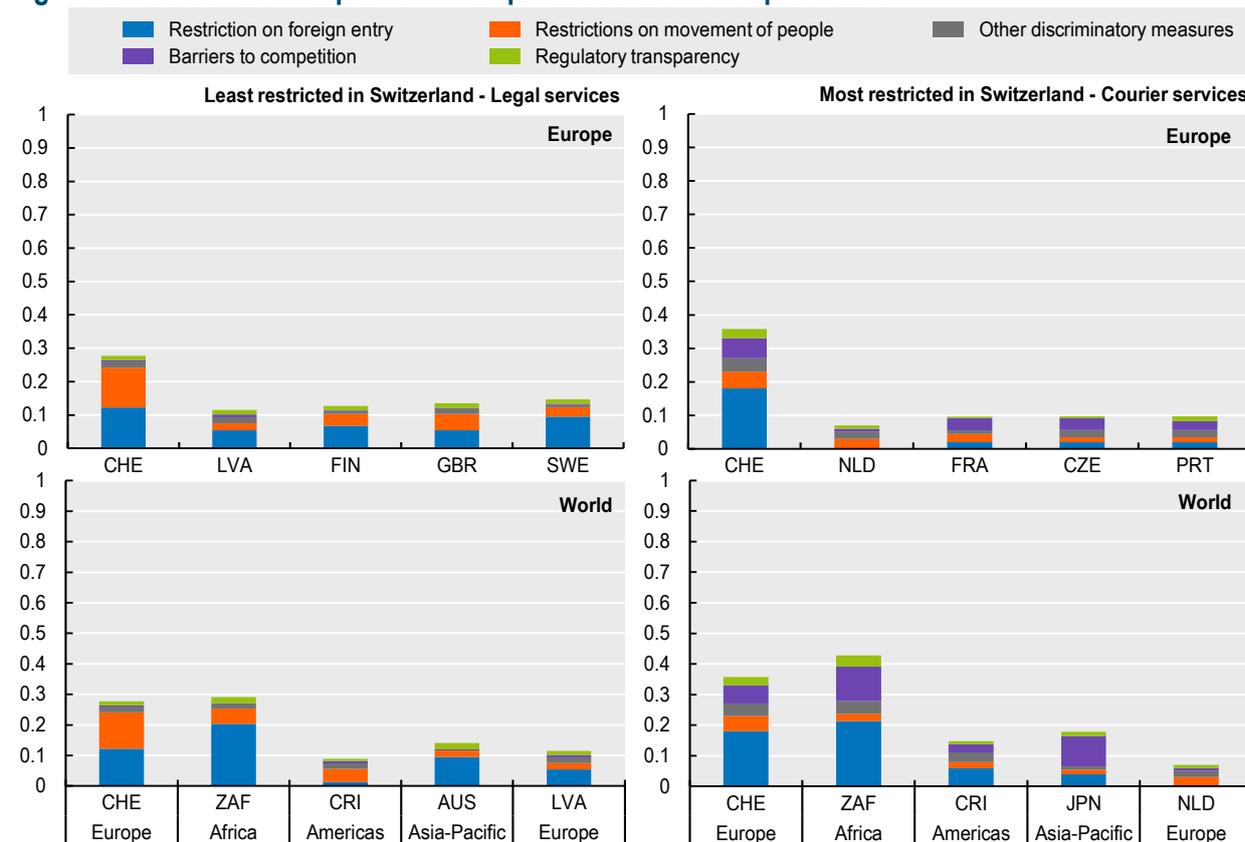
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

i.e. $(STR I_{country, sector} - STR I_{world average, sector}) / STR I_{world average, sector}$

Source: OECD (2023). STRI database.

Legal services are the least restricted in Switzerland compared to the sector's average STRI across all countries. The relatively low restrictions on barriers to competition and regulatory transparency are particularly relevant to the overall index of the country in this sector (Figure 4). Measures that contributed to this score the most are policies that affect foreign entry and the movement of people, such as quotas, labour market tests, and licensing requirements. On the other hand, courier services are the most restricted services sector in Switzerland compared to the average STRI across all countries. Restrictions on foreign entry and movement of people are significant compared to best performers in Europe. Some of the measures that contribute the most to the index are local presence requirements for cross-border supply, limitations to the proportion of shares that can be acquired by foreign investors in publicly controlled firms, and restrictions to the acquisition and use of land and real estate by foreigners.

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



Source: OECD (2023). STRI database.

Recent policy changes

The 2021 reform on the Federal Law on Public Procurement represents an important step in the direction of a more harmonized and updated policy regime on public procurement. The 2021 legal framework for public procurement introduced a new channel for the Swiss Contracting Authority to allow foreign providers to participate in tenders. While this widens market access, its effectiveness is weakened by reducing the scope to challenge the Authority's decisions only to instances where reciprocal conditions are demonstrated for Swiss tenderers.

More recently, the revised Federal Data Protection Act entered into force on 1 September 2023, aiming at better protecting personal data.

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](#)
- » 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.