OECD Services Trade Restrictiveness Index (STRI): Switzerland 2019

Switzerland exported services worth USD 124 billion (2.1% of world services exports) and its services import value was USD 103 billion (1.9% of world services imports) in 2018. Business services and financial services are Switzerland’s largest services exports and imports. Switzerland’s score on the STRI in the 22 sectors is shown below, along with the average and the lowest score among the 46 countries included in the STRI database for each sector. Switzerland has a lower score on the STRI than the average in five out of 22 sectors.

STRI by sector and policy area (2019)

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 36 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Malaysia, Russia, South Africa, and Thailand. 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). Maritime transport services are not covered for landlocked countries. The indices are based on laws and regulations in force on 31 October 2019.

Horizontal policy measures

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 that at least one of the board members in corporations must be resident. Access to the public procurement market on equal terms is limited to firms from countries covered by a mutual agreement. Transfer of personal data can only take place to foreign countries that ensure an adequate level of protection or have substantially similar privacy protection laws. 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.

The sectors with the relatively lowest STRI scores
Rail freight transport, logistics cargo-handling and accounting services are the three sectors with the lowest score relative to the average STRI across all countries. In rail freight transport services, the railway operator is not independent from the government, and transfer or trading of infrastructure capacity is prohibited. Moreover, access to bottleneck services is not mandated, but rail freight transport services largely follow best practices. In the logistics sector, licenses for cargo handling at Switzerland’s major airport are subject to a quota, and contracts for service provision are not awarded through competitive bidding. In auditing as part of accounting services, regulation requires the majority of the board of directors as well as the management to be licensed professionals, and foreign auditing companies providing services in Switzerland must have a registered branch office in Switzerland.

The sectors with the relatively highest STRI scores
Computer services, motion pictures, and sound recording, are the three sectors with the highest score relative to the average STRI across all countries. The relatively higher score in computer services is entirely due to horizontal restrictions. In the motion pictures sector, commercial presence is mandatory and managers must be residents. In both motion pictures and sound recording, work permit requirements for artists are in place. In addition, sector-specific contributions to the score relate to foreign rights holders’ access to collecting royalties or license fees through authorised collection societies, granted subject to reciprocity.

Recent policy changes
In 2019, the import monopoly on ethanol over 80% has been abolished, easing restrictions on foreign entry in distribution services. Apart from this, the services trade policy environment has been stable over the period 2014-2018.

Efficient services sectors matter
Services account for 50% of Switzerland’s gross exports, but for 63% of value-added exports, indicating that Switzerland’s exports of goods rely intensively on services inputs. The services share of inward investment is relatively high in Switzerland. Services account for 77% of employment, close to the OECD average. The information and communication technology revolution opens new opportunities for inclusive growth in a services economy like Switzerland. Innovation and adoption of technology relies on access to knowledge and to the networks, people, goods and services that carry the knowledge around the world. In this context, Switzerland could benefit from more open markets for services trade.

More information
» Access all of the country notes, sector notes and interactive STRI tools on the OECD website at http://oe.cd/stri
» Read more about services trade policies and their impacts in this publication: Services Trade Policies and the Global Economy
» Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org