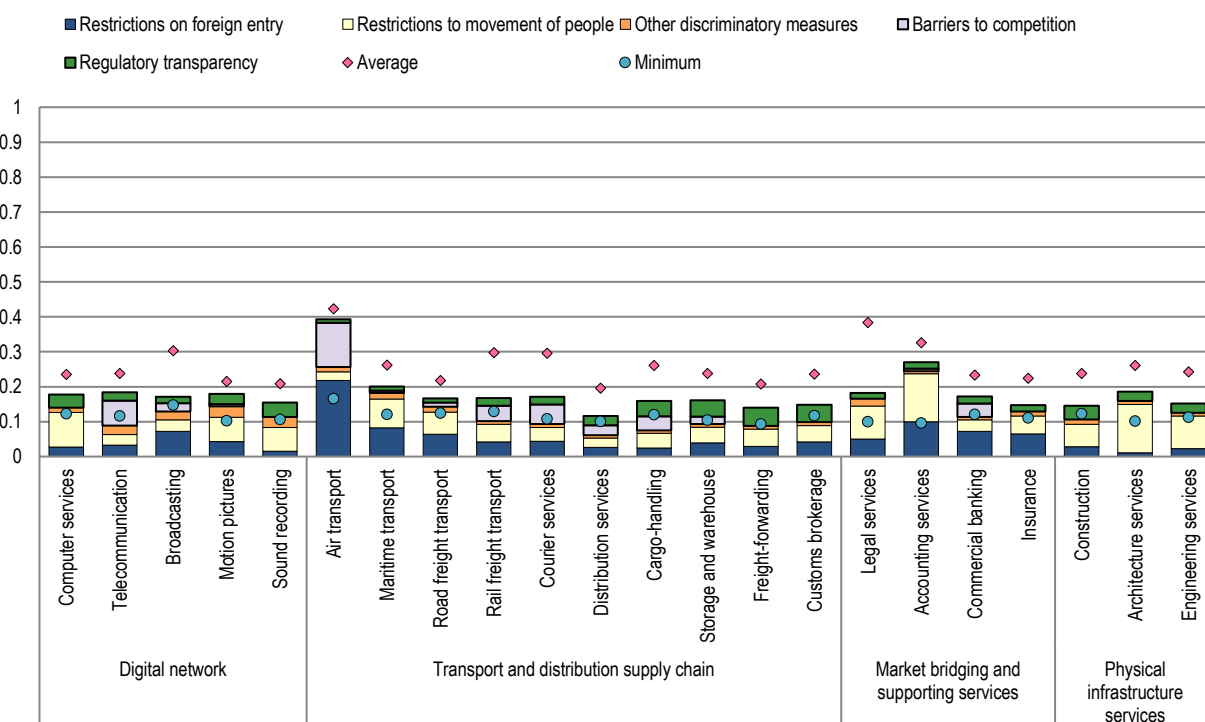


OECD Services Trade Restrictiveness Index (STRI): United Kingdom

The United Kingdom exported services worth USD 347 billion and services import value was USD 210 billion in 2017. The financial industry and other business services are the largest services exporting and importing sectors. The United Kingdom's score on the STRI in the 22 sectors is shown below, along with the average and the lowest score among the 45 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 36 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Malaysia, 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

The United Kingdom has a lower score on the STRI than the average in all sectors. The existing limitations can be explained in large part by the general regulatory environment. The United Kingdom applies labour market tests to workers seeking to provide services in the country on a temporary basis as intra-corporate transferees or independent suppliers. These categories of professionals may, however, stay in the country for up to 5 years on their first entry permit. Contractual services suppliers pertaining to a limited list of occupations may be admitted without labour market tests, but under this route they cannot stay in the United Kingdom for more than 6 months in any 12-month period. Other contractual services suppliers and independent services suppliers must apply for a general work visa, which is subject to an annual quota. Furthermore, 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.

The sectors with the relatively lowest STRI scores

Legal services, rail freight transport and broadcasting services are the three sectors with the lowest score relative to the average STRI across all countries. Foreign lawyers may have their qualifications recognised by applying for the Qualified Lawyers Transfer Scheme or may receive a temporary license to appear in court for a specific case. The United Kingdom does not impose any significant restrictions on the entry and operations of rail freight operators, though one of the largest operators is indirectly state-owned. Furthermore, under EU law, certain rail transport agreements are exempt from anti-trust regulation. In broadcasting services, mandatory broadcast quotas are applied and some of the major broadcasters are owned by the government.

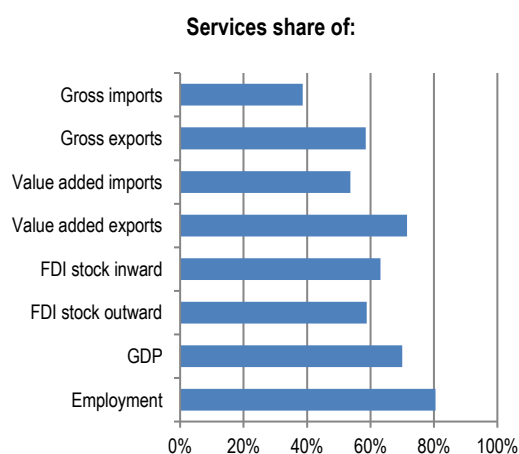
The sectors with the relatively highest STRI scores

Air transport, motion pictures services, and accounting services are the three sectors with the highest score relative to the average STRI across all countries. In all three sectors, however, the scores remain below the mean. In the air transport services sector, the United Kingdom 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. An 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. In motion pictures services, subsidies and tax relief for the production of films are reserved to British productions passing the Cultural Test. The scores for accounting services cover also auditing services. The validation of qualifications gained outside the EU requires examinations and local professional training. The profession of accountant is not regulated but professional titles such as “Chartered Accountant” are protected.

Recent policy changes

The new EU General Data Protection Regulation (Regulation 2016/679) entered into force on 25 May 2018 providing a comprehensive update on the EU data protection regime. As of 2017, under the new Immigration Skills Charge Regulations, a sponsor must pay a charge to the Secretary of State, in the amount of £1,000 per year, each time it assigns a certificate of sponsorship to a non-EEA skilled worker (Tier 2). Small employers pay a lower amount of £364 per year and certain exemptions may be granted.

Efficient services sectors matter



Services represent close to 60% of gross exports and around 70% of value-added exports in the United Kingdom, highlighting the high international competitiveness of the country’s services sectors. Services account for 70% of GDP and 80% of employment, which indicates that earnings and aggregate demand are sustained by productivity in the services sectors. The information and communication technology revolution opens new opportunities for inclusive growth in a services economy like the United Kingdom. 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, the United Kingdom could benefit from more open markets for services trade through the temporary movement of natural persons.

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