

OECD Services Trade Restrictiveness Index (STRI)

AUSTRIA – 2020

Key findings

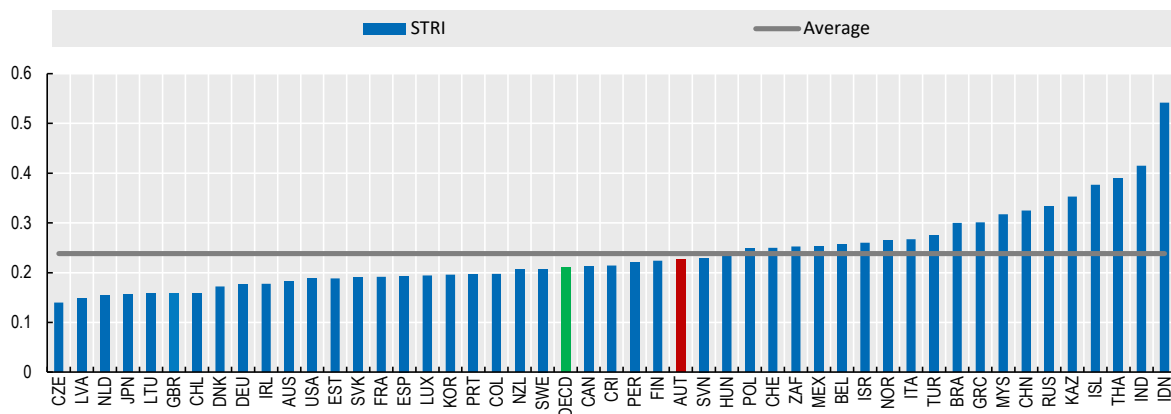
- The 2020 STRI of Austria is below the average across all countries in the STRI sample.
- Key reforms in 2020 include a widening of the sectoral scope of the screening of foreign investments. In addition, in legal services the maximum foreign equity share was reduced.
- Austria’s regulatory environment for services has been relatively stable over the past years.
- While the overall regulatory framework provides favourable conditions for trade in services, restrictions remain in several policy areas.

Recommendation

- 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, Austria could benefit from more open markets for services trade.

The 2020 STRI of Austria is slightly below the average across all countries in the STRI sample (Figure 1). It has increased compared to 2019.

Figure 1. Average STRI across countries, 2020



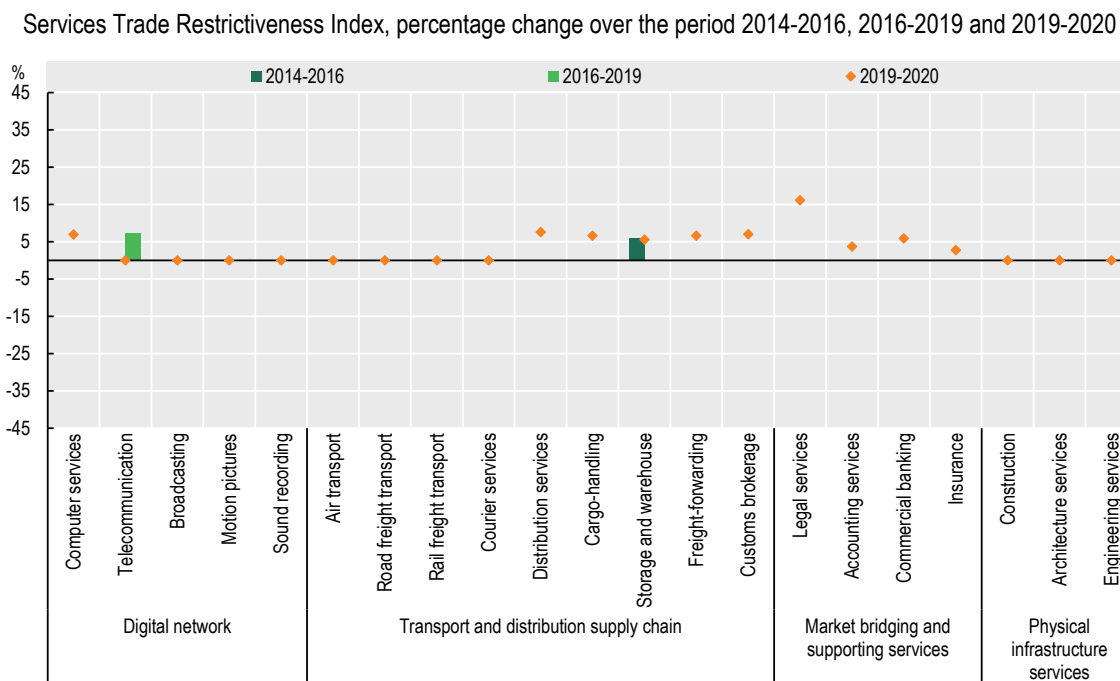
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nations basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2020. The STRI regulatory database covers the 37 OECD countries, Brazil, China, Costa Rica, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, South Africa, and Thailand.

Source: OECD STRI and TiVA databases (2020).

The 2020 indices are partly shaped by horizontal measures applying to all sectors. For example, labour market tests are applied for workers seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers. In addition, sector-specific restrictions contribute to the STRI score of Austria. In sound recording and broadcasting, eligibility for some subsidies is limited to productions in which the directors and majority of the cast and crew are Austrian nationals. Furthermore, commercial presence in Austria is required to provide engineering services.

The Austrian regulatory framework for services trade has been relatively stable in recent years (Figure 2a). Yet, ten services sectors experienced increases in the level of restrictiveness between 2019 and 2020.

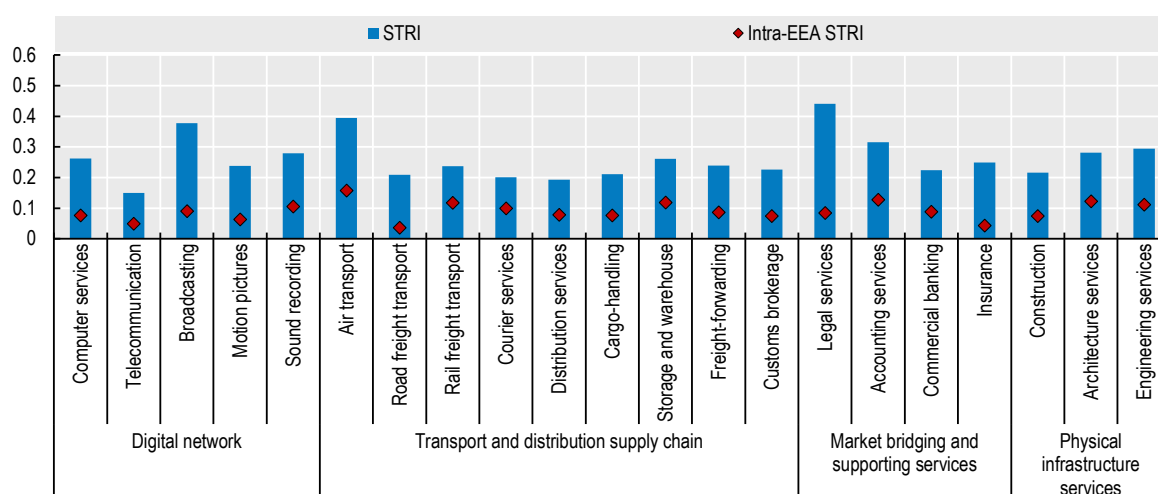
Figure 2a. Evolution of STRI scores by sector in Austria



Source: OECD STRI database (2020).

Services trade regulations are much less stringent with the European Economic Area, especially in legal services and broadcasting services (Figure 2b).

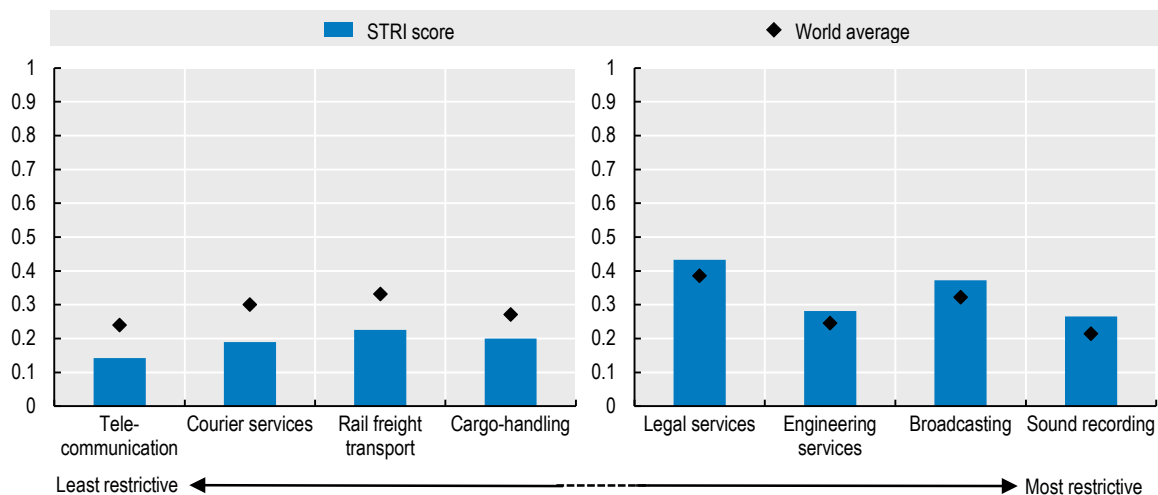
Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)



Note: The traditional STRI indicates the level of restrictiveness on Most-Favoured Nation 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 STRI database (2020).

Telecommunications, courier services, rail freight transport and logistics cargo-handling are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Legal services, broadcasting, engineering services and sound recording are the sectors with the highest score relative to the average STRI across all countries.

Figure 3. Sectoral breakdown – The least and most restricted sectors in Austria



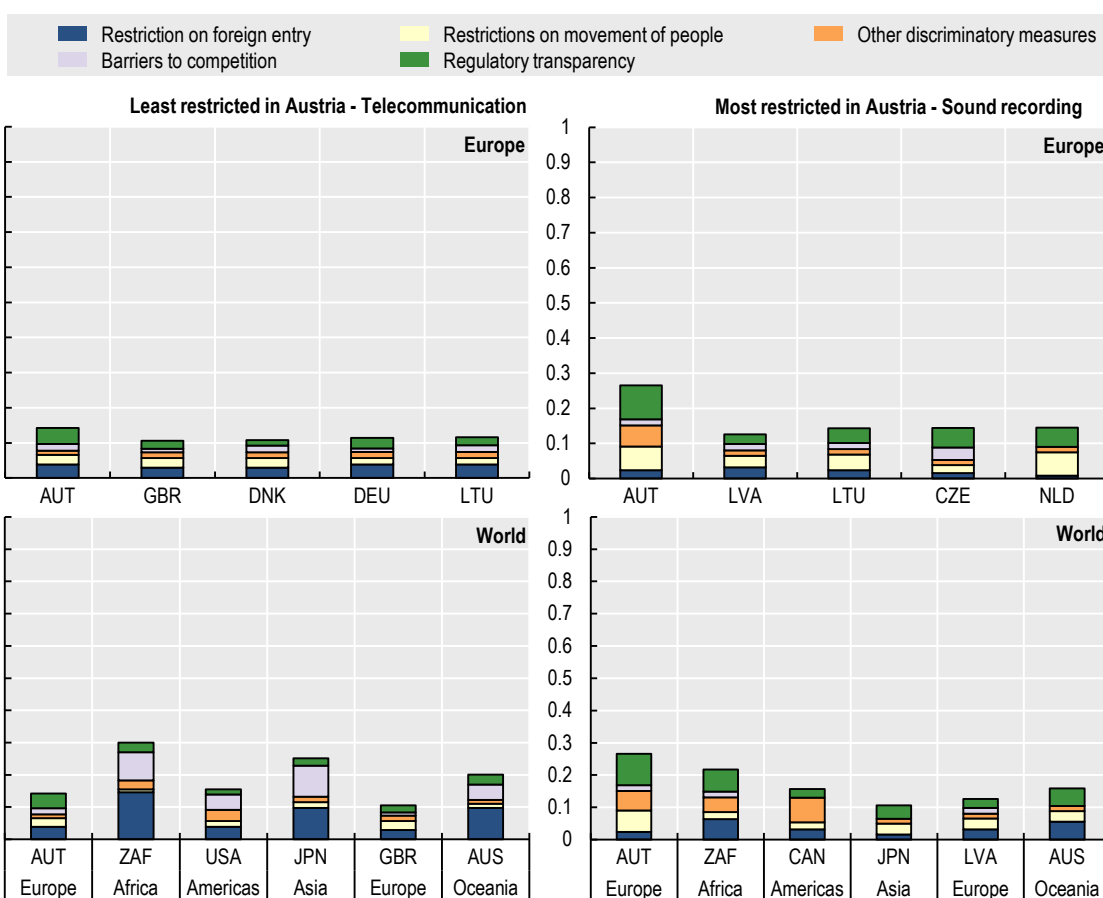
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

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

Source: OECD STRI database (2020).

Telecommunication services are the least restricted in Austria compared to Europe and the other best performers elsewhere, while sound recording is the most restricted (Figure 4).

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

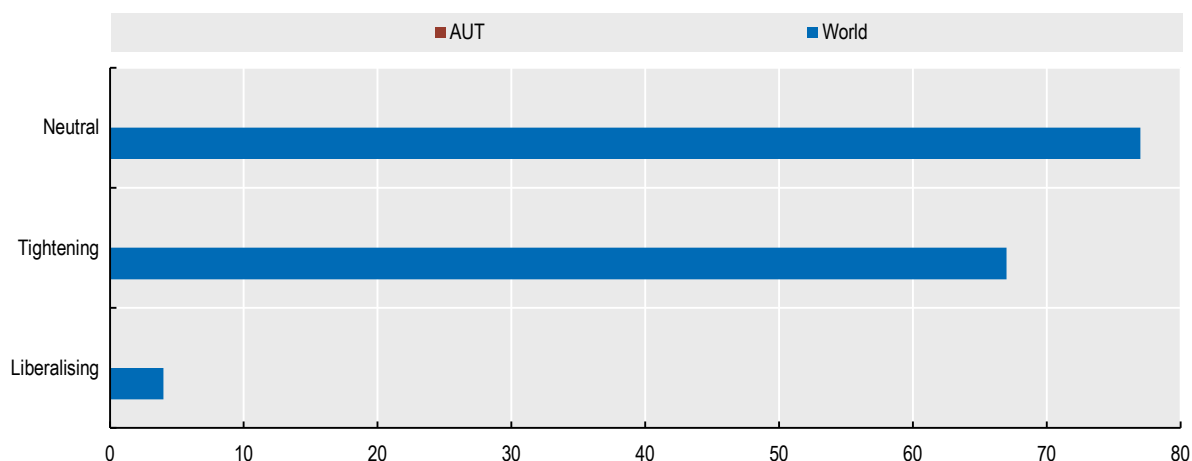


Source: OECD STRI database (2020).

Special focus: Impact of COVID-19-related measures on the stringency of services regulations

While Austria has adopted several measures in response to the COVID-19 crisis, these were either temporary in nature or not directly relevant to the measures considered in the STRI. Many countries have tightened their regulatory framework following the COVID-19 shock, by tightening their investment screening process or their visas requirements (Figure 5).

Figure 5. COVID-19 related measures in Austria and in the world



Source: OECD STRI database (2020).

Key reforms

The maximum foreign equity share allowed in legal services was reduced to 25% for domestic as well as international law in 2020. Moreover, the new Austrian investment control act, which entered into force in July 2020, expanded the scope of the screening of foreign investments. Screening exists without exclusion of economic interests in 14 services sectors in Austria.

Several recent changes affecting Austria were due to changes in EU law. The 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. Regulation 2019/452 allows EU Member States to maintain, amend or adopt mechanisms to screen foreign direct investments in their territory on grounds of security or public order. It applies from 11 October 2020. In the context of the COVID-19 pandemic, Regulation 2020/459 waived the 80/20 grandfathering rule for airport slot allocations between 1 March 2020 and 27 March 2021. Accordingly, airport coordinators are required to consider slots allocated for this period as having been operated by the air carrier to which they were initially allocated.

More information

- » Access all country and sector notes, and interactive STRI tools on the OECD website at <http://oe.cd/stri>
- » Read more about services trade policies and their impact in [Services Trade Policies and the Global Economy](#)
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org