

Services Trade Restrictiveness Index: Brazil

Key findings

- The 2024 STRI of Brazil is above the OECD average and on par compared to all countries in the STRI sample. The index has decreased slightly compared to 2023.
- Relevant reforms in 2024 include the removal of price regulations for pilotage services, allowing service providers and users to negotiate pricing terms freely.
- Brazil's regulatory environment for services has been relatively stable with some important liberalising reforms in recent years.
- Air transport is the most open sector in Brazil compared to sectoral sample average, while courier services are the most trade restrictive.

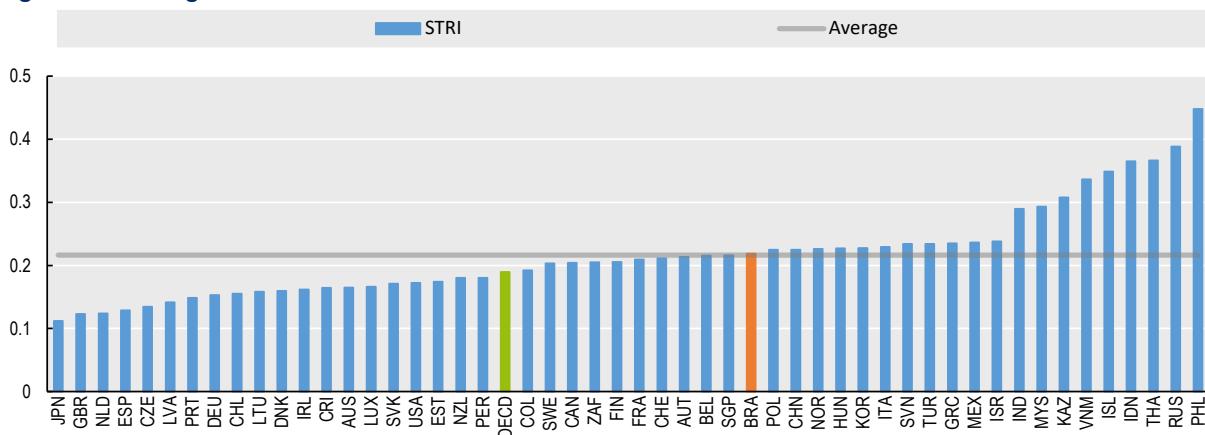
Recommendation

- Open and well-regulated services markets are essential to facilitate economic growth, create new employment opportunities and promote innovation. Streamlining regulations, lowering unnecessary barriers and enhancing transparency can unlock new opportunities for businesses and consumers alike. To realise these benefits, governments could strengthen efforts to revitalise international services trade discussions, undertake reforms at the national level, and set measurable targets, with active business involvement to ensure effective implementation.

This note highlights key country-specific findings and trends identified in the 2024 update of the OECD Services Trade Restrictiveness Index (STRI).

The 2024 STRI of Brazil is above the OECD average and relatively on par with the full STRI sample average (Figure 1).

Figure 1. Average STRI across countries, 2024



Source: OECD (2024). STRI and TiVA databases.

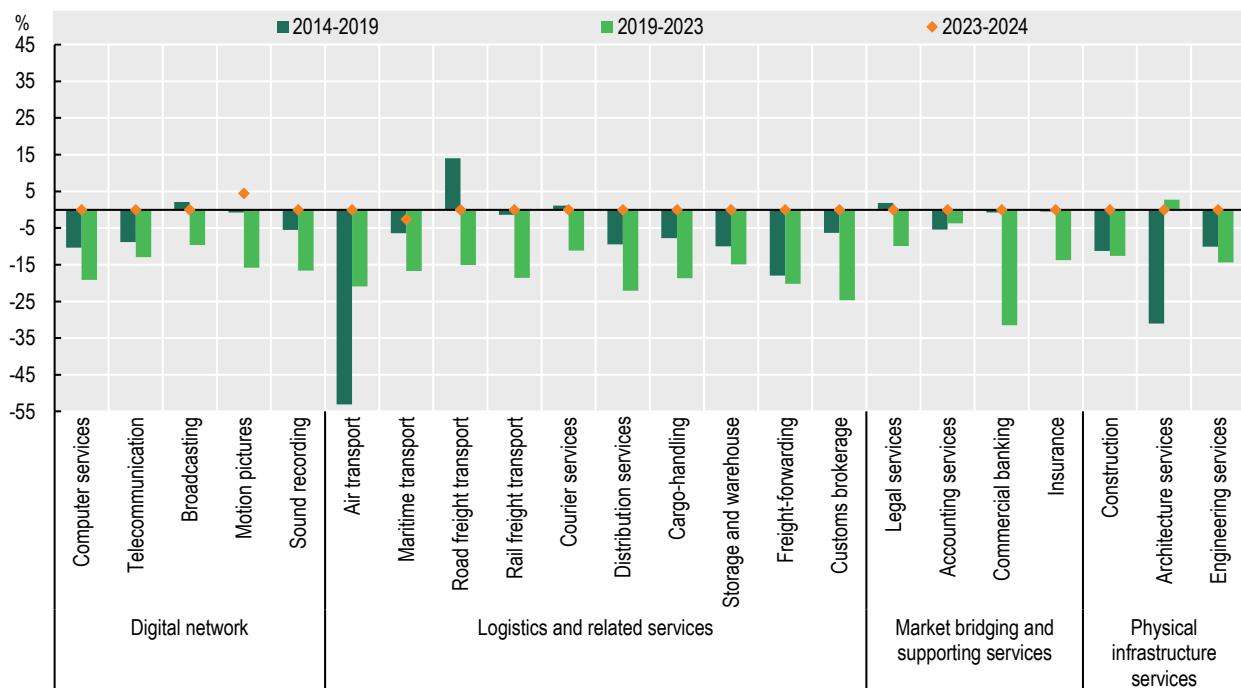
The 2024 index is partially due to stringent economy-wide regulations, such as the need for specific approval from the federal government to establish a foreign branch in the country and the requirement that at least two-thirds of the workforce of a Brazilian company must be composed of nationals.

Over the past years, Brazil has progressively introduced reforms easing the conditions for trade and investment in most sectors (Figure 2). The change in the index between 2019-23 is largely explained by the entry into force of a 2021 law on the foreign exchange market providing equal treatment to foreign and national capital. Brazil also eliminated residency requirements for managers in most sectors and introduced important reforms on the organisation of the Banking Supervisory Authority in 2021.

Among the most recent liberalising changes, pilotage services pricing can be freely negotiated by providers and users, contributing to a slight decrease of Brazil's STRI in maritime transport in 2024. On the other hand, the index for motion picture services increased slightly in 2024 as Brazil reinstated a screen quota for films, reverting the end of a policy that had expired in 2021. In addition, from 1 August 2024, the *de minimis* regime for import taxes that had been adopted in 2023 was lifted.

Figure 2. Evolution of STRI indices by sector in Brazil

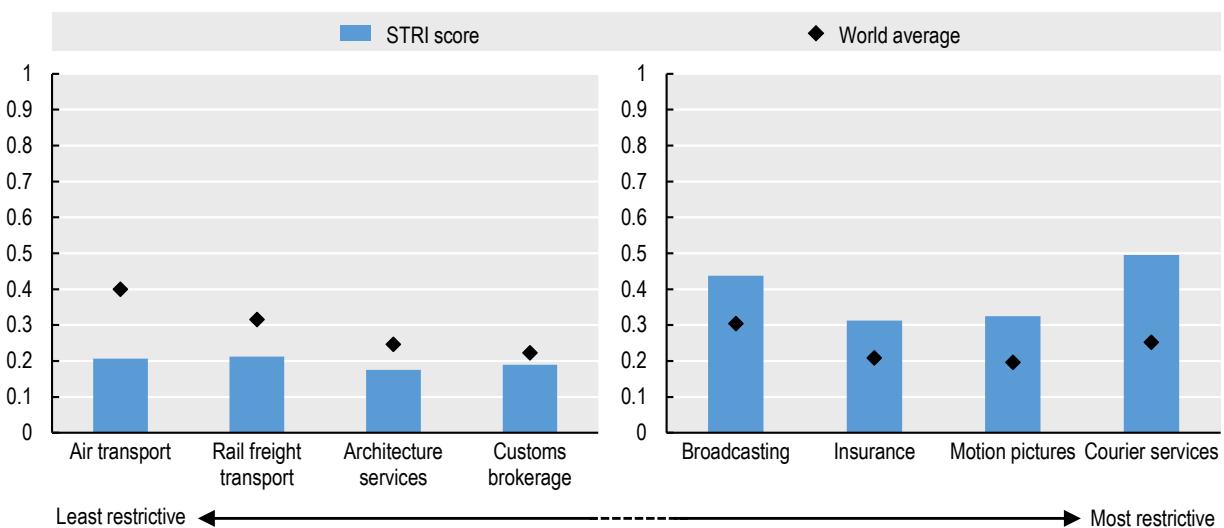
Services Trade Restrictiveness Index, percentage change over the period 2014-2019, 2019-2023 and 2023-2024



Source: OECD (2024). STRI database.

Figure 3 ranks Brazil's sectors relative to the respective sector's world average. Air transport, rail freight transport, architecture services and logistics customs brokerage are the sectors with the lowest relative score. Conversely, broadcasting, insurance, motion pictures and courier services are the sectors with the highest relative score.

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



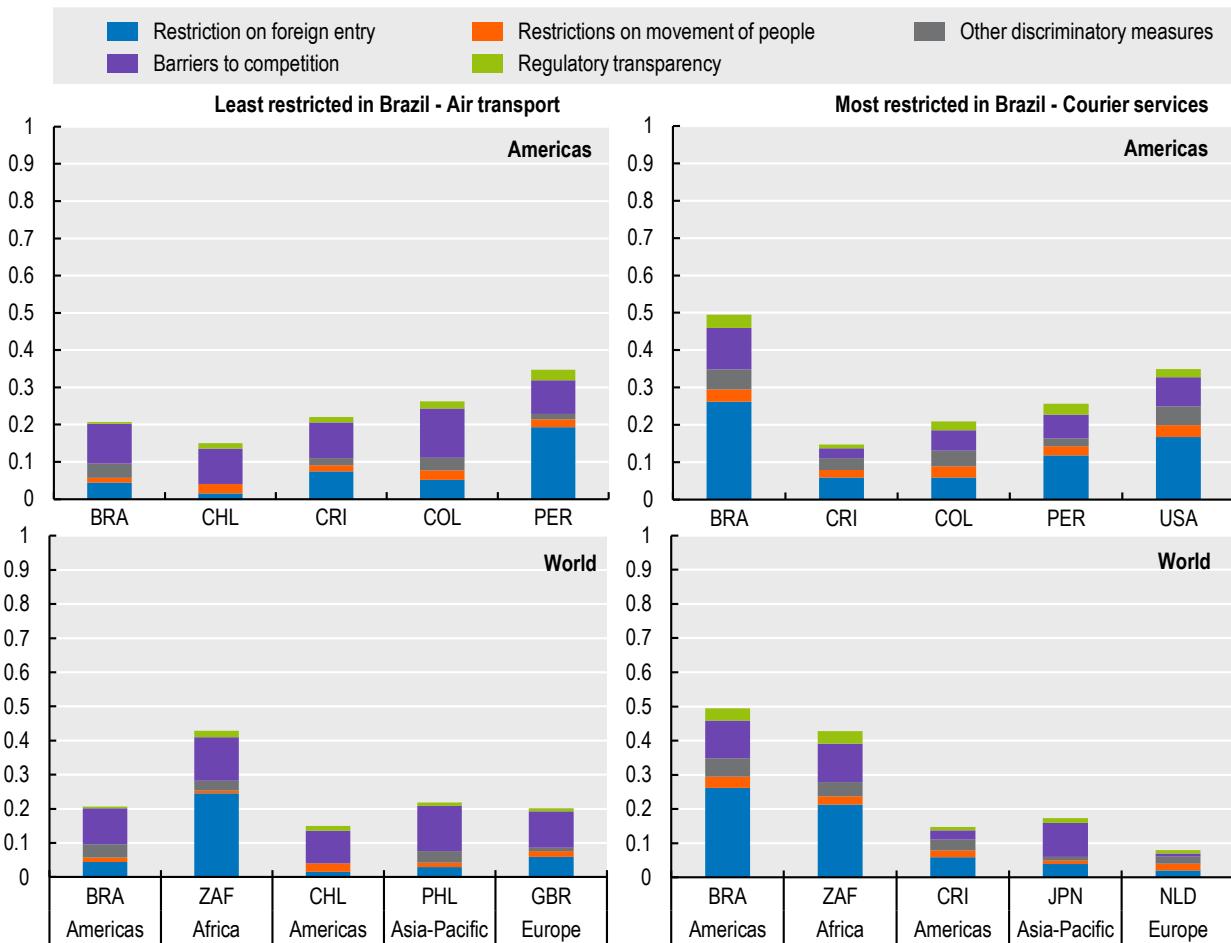
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference i.e. $(\text{STRI}_{\text{country, sector}} - \text{STRI}_{\text{world average, sector}}) / \text{STRI}_{\text{world average, sector}}$

Source: OECD (2024). STRI database.

Air transport services are the least restricted in Brazil compared to the average sectoral STRI. While it maintains low restrictions on foreign entry and regulatory transparency, barriers to competition could be further reduced, including with regard to improving competitiveness in airport slot allocation at major airports.

Courier services is the most restricted sector compared to the average sectoral STRI across all countries. Restrictions on foreign entry are significant compared to best performers in the Americas and globally (Figure 4). Courier services include letters, parcel and express delivery services. The state-owned postal operator *Correios* has a monopoly on pick-up, transport and delivery of letters and postcards, hence excluding private competitors from these segments. Express delivery services operate competitively, but a new *de minimis* regime introduced in 2023 was lifted in 2024.

Figure 4. Brazil compared to the Americas and World's best performers



Source: OECD (2024). STRI database.

Recent policy changes

In 2024, Brazil removed price regulations for pilotage services, allowing service providers and users to negotiate pricing terms freely. The maritime authority can set prices only on an exceptional and temporary basis.

In the same year, Brazil reintroduced a screen quota for motion pictures whereby companies that own, rent or lease cinemas must observe a minimum of number of sessions showing Brazilian feature-length cinematographic works as part of their programming. A screen quota had previously applied until 2021.

Finally, from 1 August 2024, the USD 50 *de minimis* regime that had been adopted in 2023 was lifted and in its place a simplified taxation system was introduced for the collection of import taxes on goods

contained in international postal consignments. Lower import taxes will be charged if the consignments are intended for natural persons and the sender companies meet the requirements of a compliance programme (*Programa Remessa Conforme*) that aims at facilitating e-commerce transactions.

In 2023, a new resolution from the Agency of Civil Aviation suppressed the requirement to respect historic slots in the allocation of slots for new entrants. However, it kept the priority to the continuation of slots from previous season. Also in 2023, Brazil reverted a policy change introduced in 2022 that required 65% of the statutory or contractual bodies of supervised entities in the insurance sector, as well as insurance brokers, to be resident in the country.

From 2022, a new law on the foreign exchange market (*Lei No. 14.286, de 29 de dezembro de 2021*) facilitates the movement of capital between Brazilian and foreign firms. It also suppresses the previous limitation for the National Treasury and other official public credit entities to guarantee or provide loans, credits or financing to companies obtaining credit abroad in which the majority of the capital with voting rights belongs to non-residents. Previously, an analysis of the national interest for Brazil, as well as an authorising decree from the Executive Branch, were necessary. Since this law entered into force, foreign banks headquartered in areas where the legislation imposes restrictions on the operation of Brazilian banks are no longer prohibited from acquiring more than 30% of shares with voting rights in national banks.

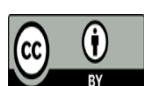
More information

- » Access all country notes, sector notes, and interactive STRI tools at oe.cd/servicestrade.
- » Read more on evidence from ten years of monitoring services trade policies through the STRI in [Revitalising Services Trade for Global Growth](#).
- » Learn more about current services trade issues on the [OECD website](#).
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org.

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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 made public by 31 October 2024 and in force on 31 December 2024. The STRI regulatory database covers the 38 OECD Members, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, the Philippines, the Russian Federation, 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.

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