

OECD Services Trade Restrictiveness Index (STRI)

COLOMBIA – 2020

Key findings

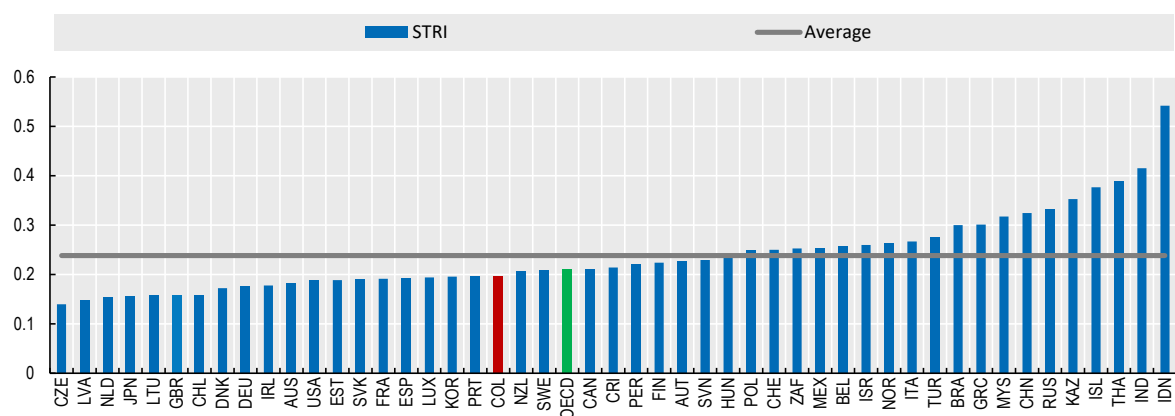
- The 2020 STRI of Colombia is relatively low compared to other countries in the STRI sample and this is unchanged since 2019.
- Compared to the OECD STRI average, regulation in Colombia appears to be relatively liberal. In 2020, no policy reform affecting the STRI has been identified.

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, Colombia could benefit from more open markets for services trade.

The 2020 STRI of Colombia is relatively low compared to other countries in the STRI sample, and unchanged since 2019 (Figure 1).

Figure 1. Average STRI across countries, 2020



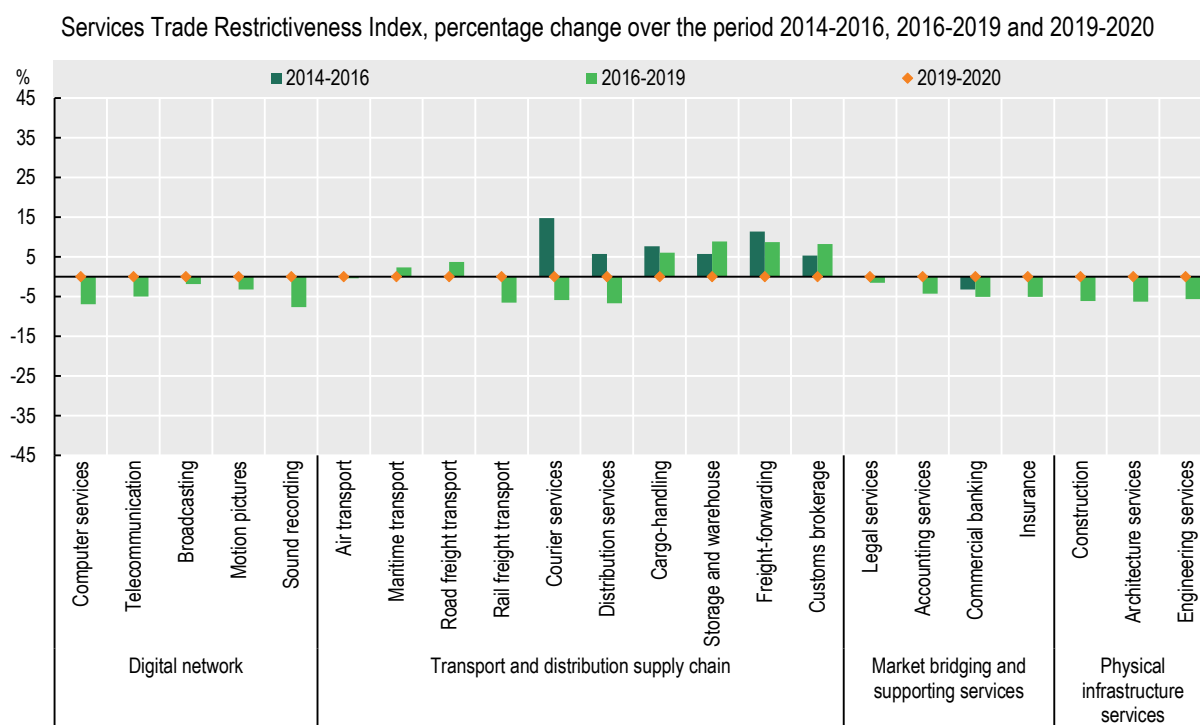
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nations basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations 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).

Comparatively, Colombia has a low level of economy-wide restrictive regulations, in particular for professional services. There are some limitations to the movement of natural persons seeking to provide services on a temporary basis, however Colombia does not require quotas or labour market tests for foreign providers. Colombia maintains restrictions to the acquisition of land and real estate by foreigners along the coast and frontier areas. Foreign suppliers are only allowed to participate in public tenders based on reciprocity and there are preferential margins for bids using Colombian goods and personnel. National firms, particularly local SMEs, are also favoured over foreign firms in public tenders when equal terms apply.

Colombia has been progressively introducing reforms over the past years (Figure 2). While some restrictive measures were introduced in 2014-2016, from 2016, a general liberalisation trend can be identified. No policy reform affecting the STRI was been identified in 2020.

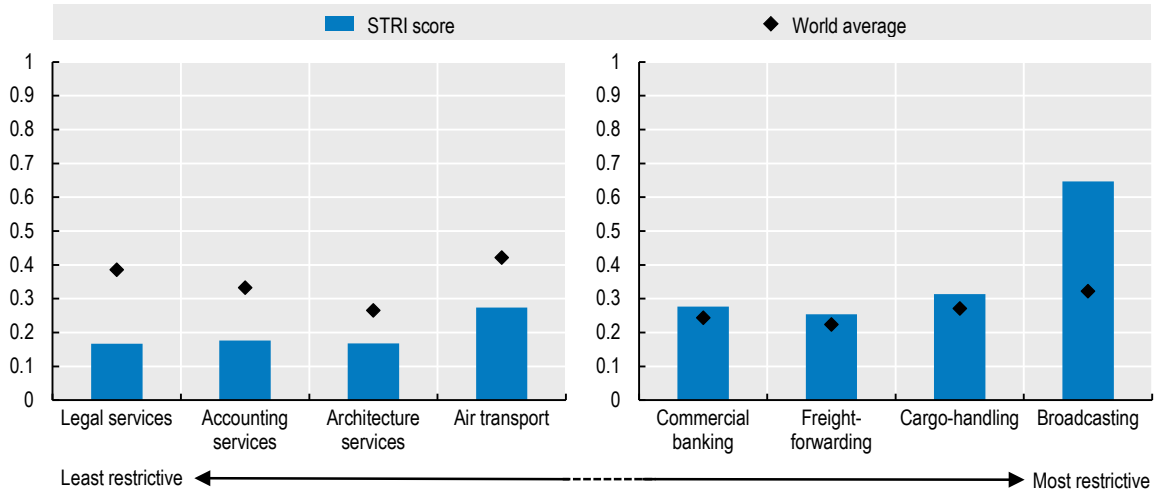
Figure 2. Evolution of STRI scores by sector in Colombia



Source: OECD STRI database (2020).

Legal services, accounting services, architecture services and air transport are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Commercial banking, logistics freight-forwarding, logistics cargo-handling and broadcasting are the sectors with the highest score relative to the average STRI across all countries.

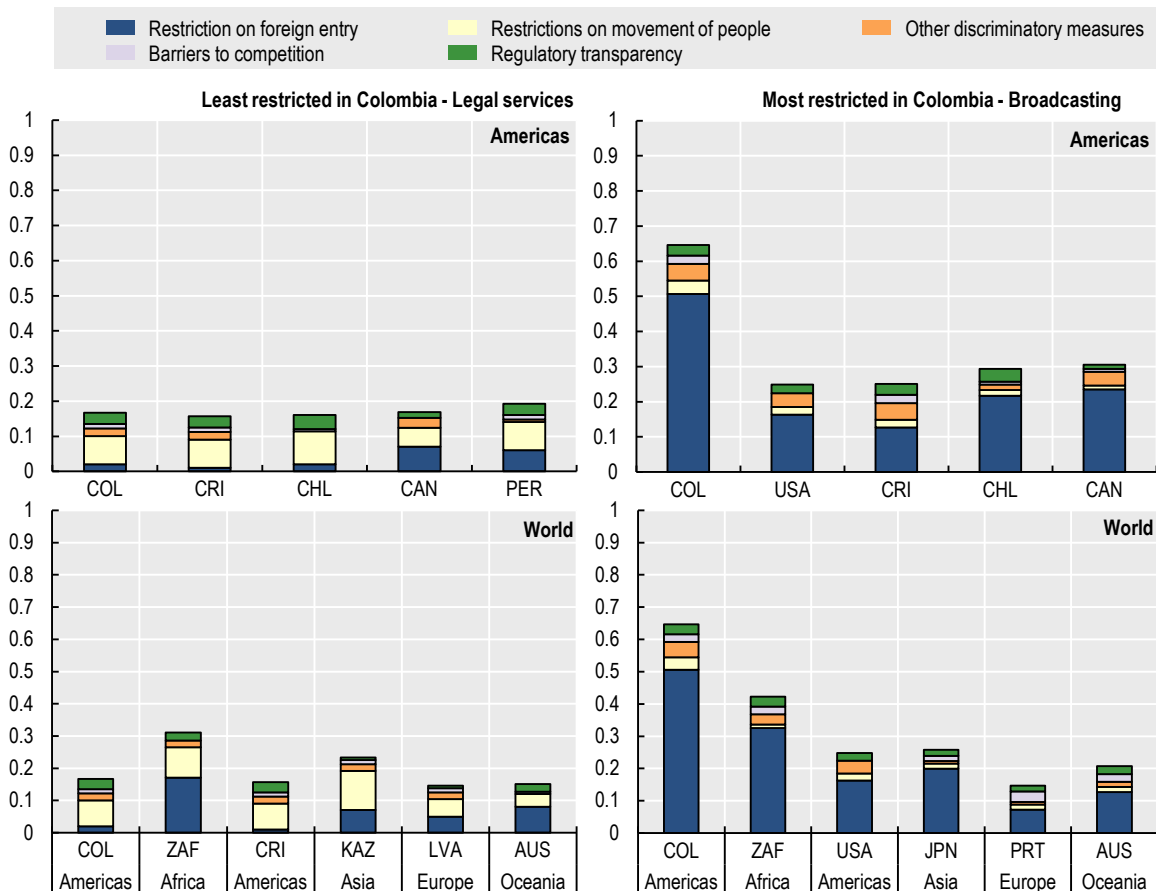
Figure 3. Sectoral breakdown – The least and most restricted sectors in Colombia



Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference
 i.e. $(STRI_{country, sector} - STRI_{world average, sector}) / STRI_{world average, sector}$
 Source: OECD STRI database (2020).

Legal services are the least restricted services sectors in Colombia compared to Americas and the other best performers elsewhere while broadcasting is the most restricted (Figure 4).

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

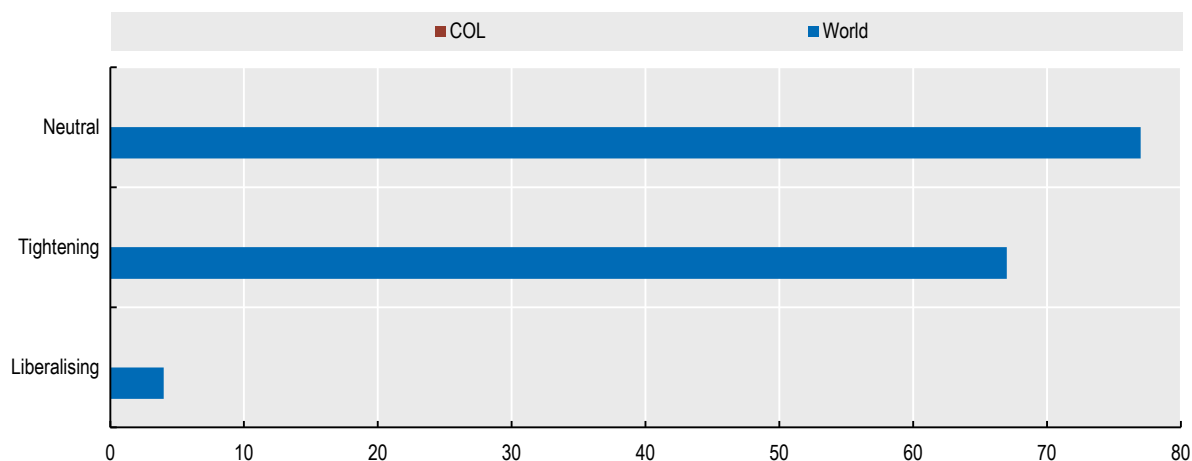


Source: OECD STRI database (2020).

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

While Colombia has adopted several measures in response to the COVID-19 crisis, these were either temporary in nature or not directly relevant for the measures considered in the STRI database. 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 Colombia and in the world



Source: OECD STRI database (2020).

Key reforms

In 2017, a new transparency requirement was introduced that promoted public participation. Also in 2017, Colombia passed an immigration reform which aimed to stream the immigration process. The reform prolonged the duration of stay of certain visa categories, but not to others such as Intra-Corporate Transferees, which according to the new “V” type visa are allowed stays of up to two years (down from three years).

Other recent policy changes include the *New Customs Statute (Nuevo Estatuto Aduanero)* that introduces a minimum warehouse surface requirement for postal operators and the obligation for courier services operators to be available 24/7.

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