OECD Services Trade Restrictiveness Index (STRI)

GERMANY – 2020

Key findings

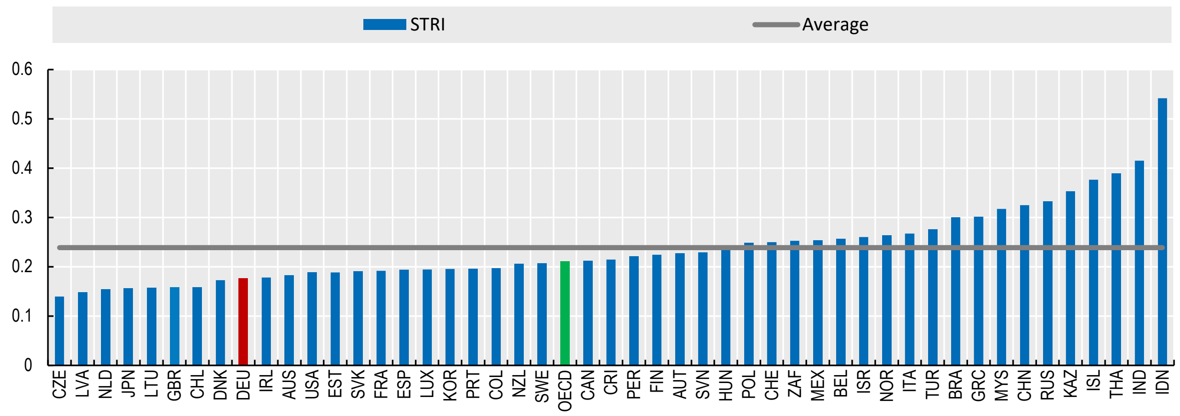
- The 2020 STRI of Germany is well below the OECD average and low compared to other countries.
- Germany's regulatory environment for services was relatively stable over the past years.
- Despite an overall favourable environment for services trade, restrictions remain related to the movement of people and the registration of businesses.

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

The 2020 STRI of Germany is well below the OECD average and relatively low compared to other countries in the STRI sample, but has increased compared to 2019 (Figure 1).

Figure 1. Average STRI across countries, 2020



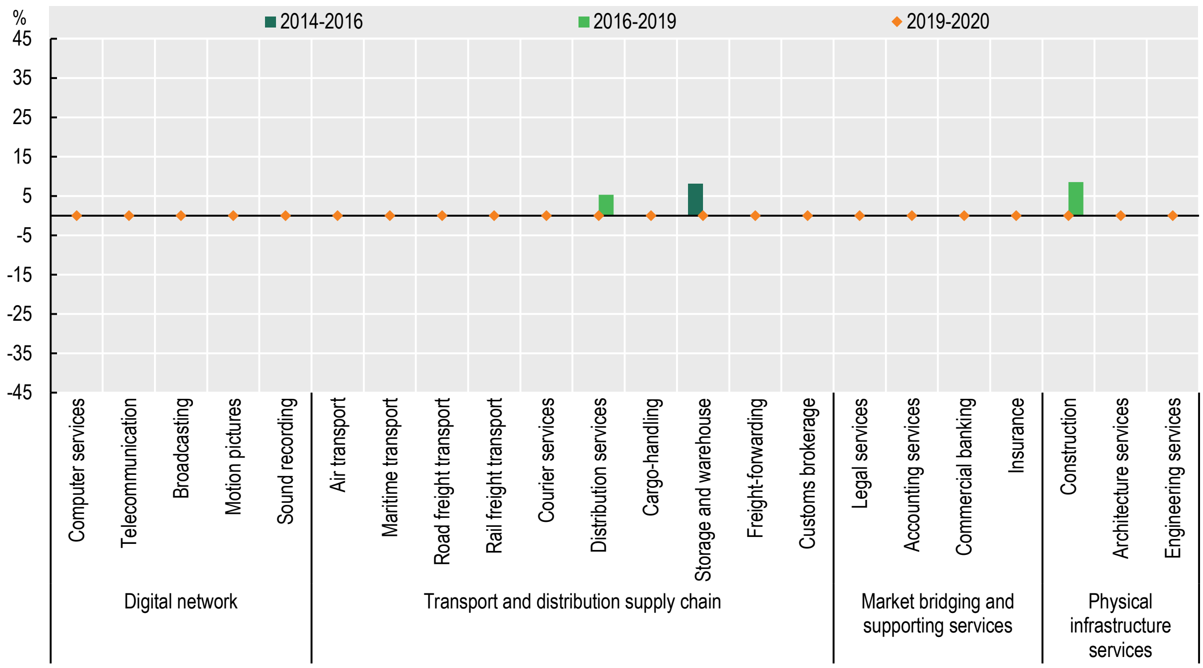
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nations basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations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

The 2020 index is explained in large part by a favourable general regulatory environment but restrictions remain related to the movement of natural persons. Germany applies labour market tests for workers seeking to provide services in the country on a temporary basis as contractual services suppliers or independent services suppliers and more than eight documents are needed to obtain a business visa. 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. Moreover, it is relatively burdensome to register a company in Germany, measured by the number of working days and the number of mandatory procedures required.

Germany's regulatory environment for services was relatively stable over the past years (Figure 2).

Figure 2. Evolution of STRI scores by sector in Germany

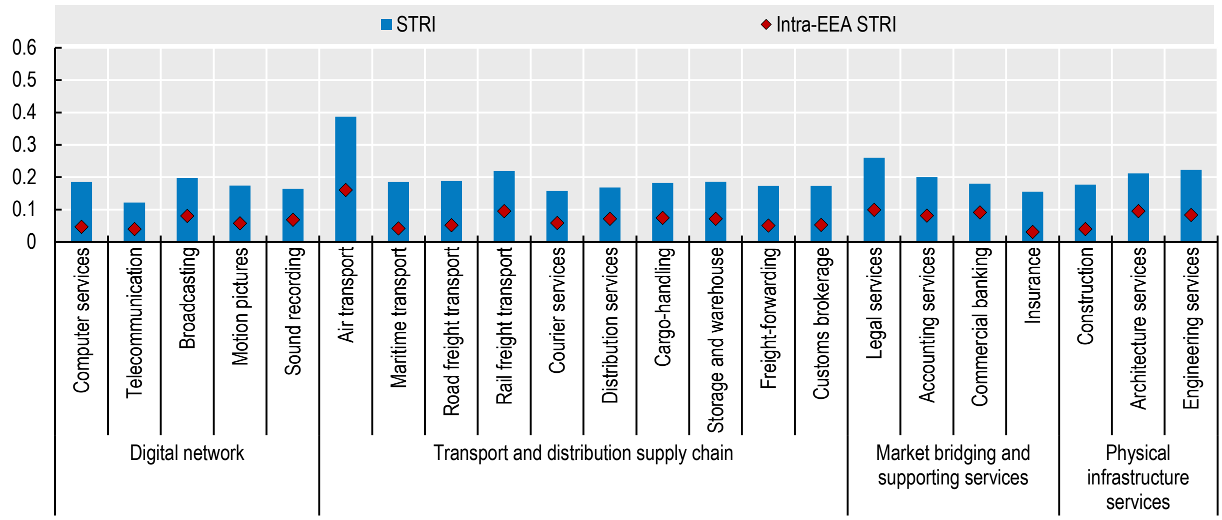
Services Trade Restrictiveness Index, percentage change over the period 2014-2016, 2016-2019 and 2019-2020



Source: OECD STRI database (2020).

Services trade regulations are much less stringent with the EU Single Market in all sectors (Figure 2b).

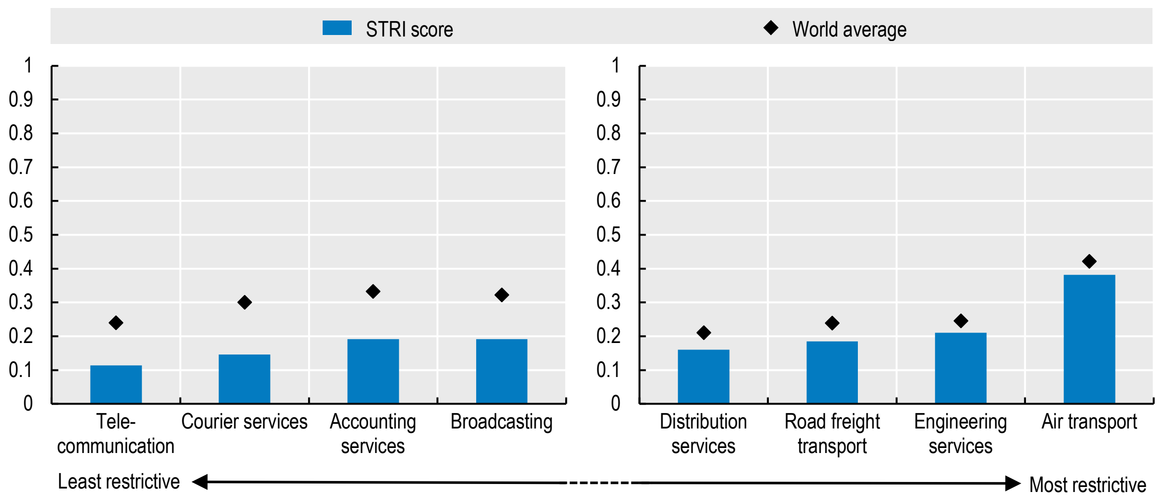
Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)



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, accounting services and broadcasting are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Architecture services, distribution services, engineering services and air transport are the sectors with the highest score relative to the average STRI across all countries.

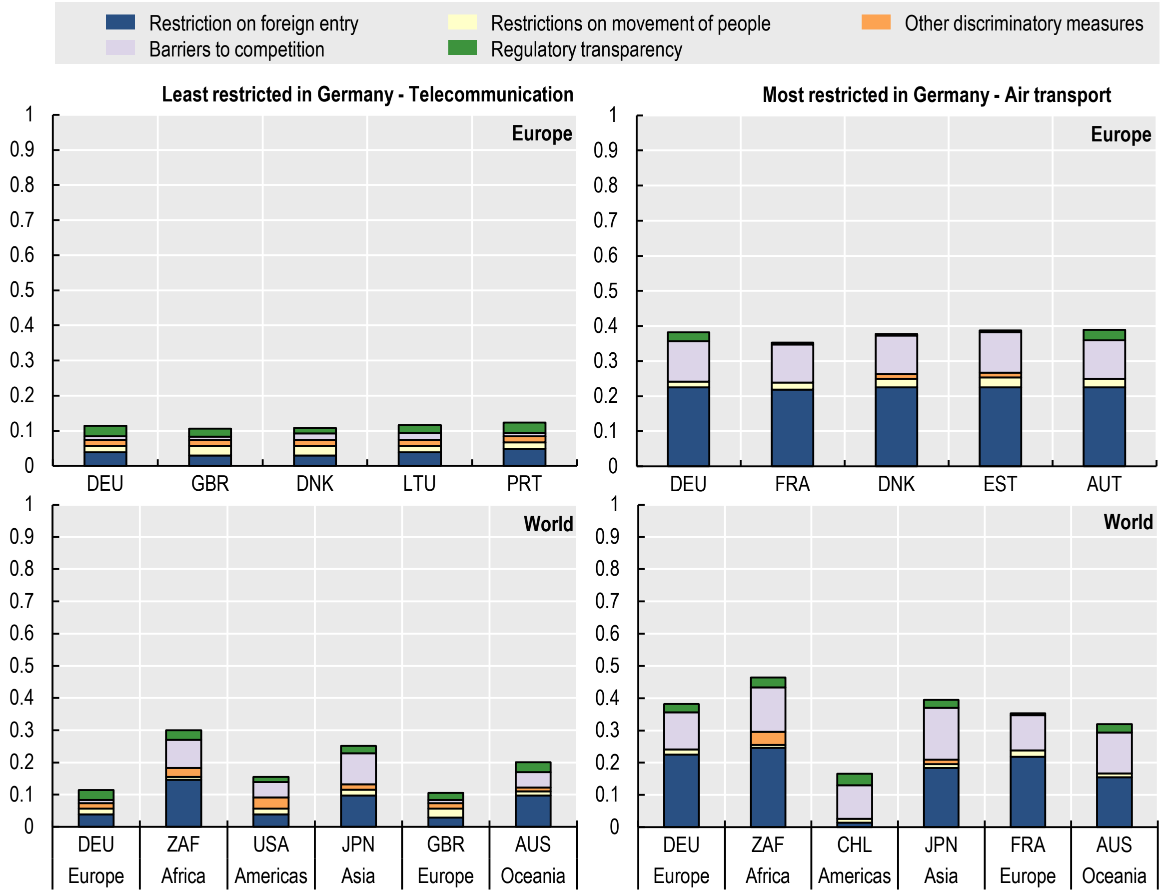
Figure 3. Sectoral breakdown – The least and most restricted sectors in Germany



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).

Telecommunications are the least restricted services sector in Germany compared to Europe and the other best performers elsewhere while air transport services are the most restricted (Figure 4).

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

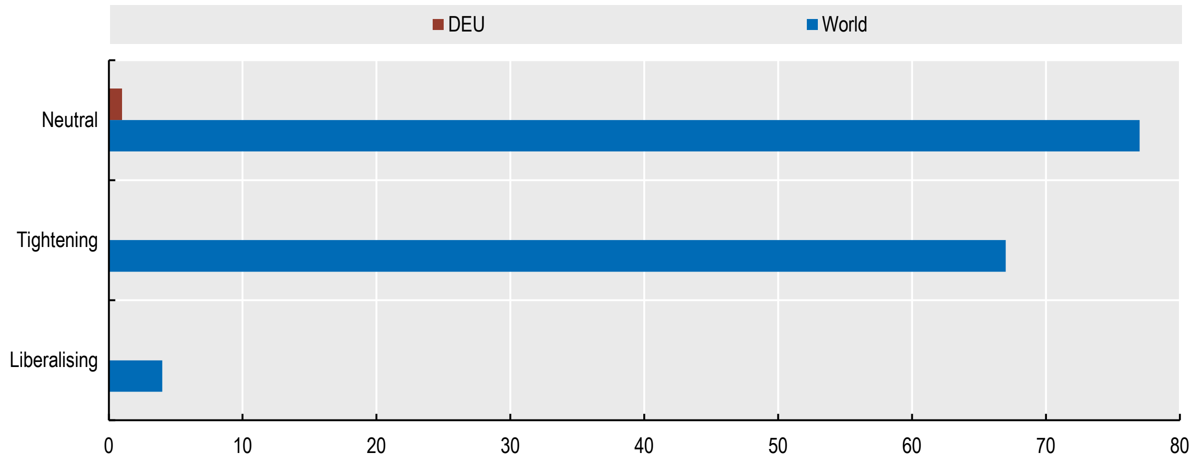


Source: OECD STRI database (2020).

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

While Germany 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. The exception is the extension of partial exemption of certain anti-competitive agreements from competition law in the maritime transport sector, following a 2020 EU regulation. 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 Germany and in the world



Source: OECD STRI database (2020).

Key reforms

Recent changes affecting Germany were due to changes in EU law. 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. In maritime transport, Regulation 2020/436 extended the existing block exemption to liner shipping consortia from competition law until April 2024.

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