

# OECD Services Trade Restrictiveness Index (STRI)

## DENMARK – 2020

### Key findings

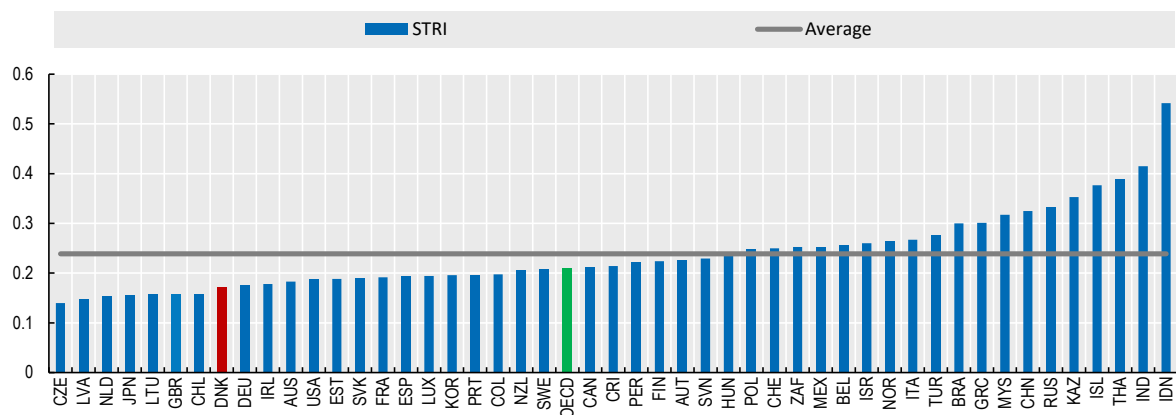
- The 2020 STRI of Denmark is well below the OECD average and unchanged compared to 2019.
- Telecommunications is the most open sector in Denmark while sound recording is the most restricted. In the latter sector, restrictions on movement of people are more stringent than in regional peers.
- In most services sectors, the regulatory environment has become more restrictive since 2016, though the changes have been moderate.

### 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, Denmark could benefit from more open markets for services trade.

The 2020 STRI of Denmark is well below the OECD average and unchanged compared to 2019 (Figure 1).

Figure 1. Average STRI across countries, 2020



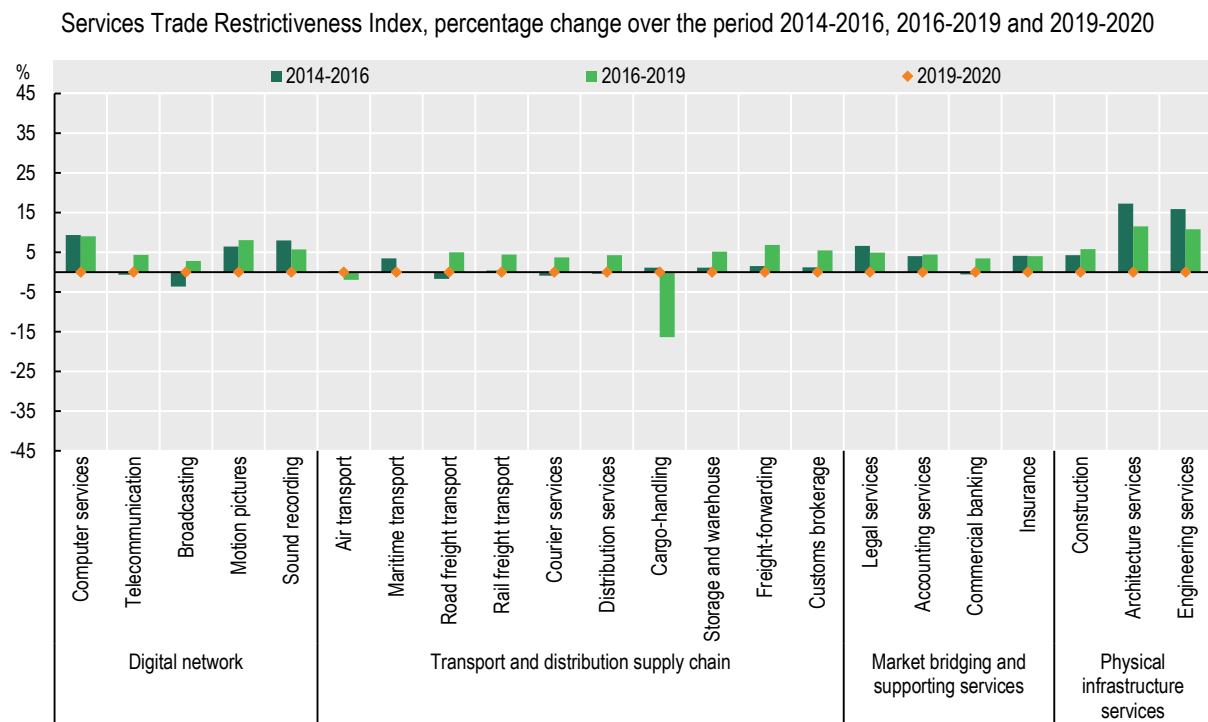
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nations basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations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

A relatively favourable overall regulatory framework in Denmark explains the low STRI index. However, Denmark applies labour market tests for workers from countries outside the European Economic Area (EEA) seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers. Other measures that apply to all sectors are a restriction on the establishment of branches for companies from non-EEA countries unless a mutual agreement is in place. 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. Finally, a minimum amount of capital must be deposited in a bank or with a notary in order to register a business.

Some economy-wide regulations on the movement of services suppliers introduced in the past years contributed to a moderate increase in Denmark's STRI across sectors (Figure 2). However, in logistics cargo handling and broadcasting services, the regulatory environment has become more open in recent years.

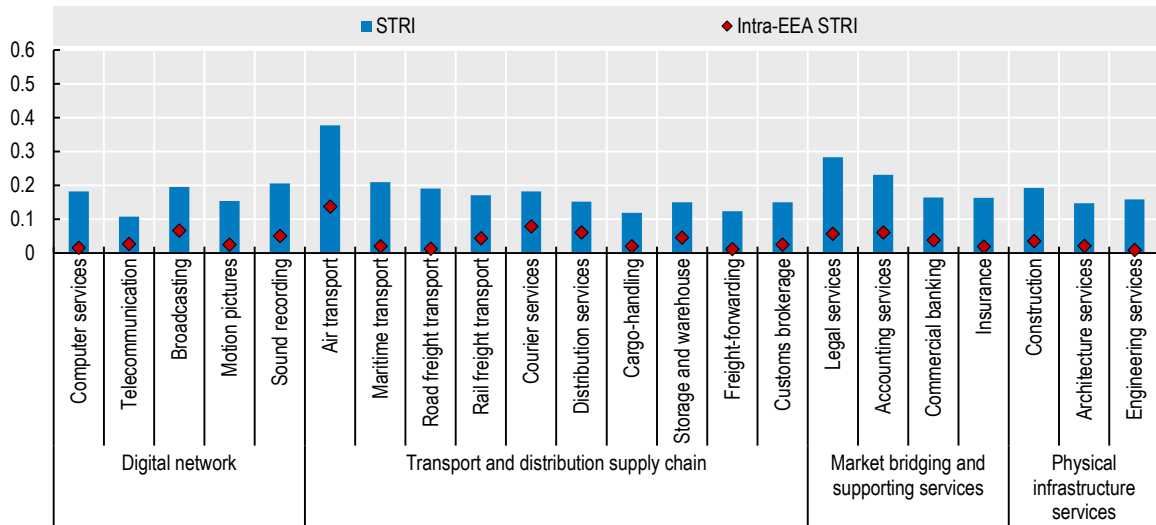
**Figure 2. Evolution of STRI scores by sector in Denmark**



Source: OECD STRI database (2020).

Services trade barriers are significantly lower within the EU Single Market across all services sectors (Figure 2b). Denmark maintains an open market for services suppliers from other EU Member States.

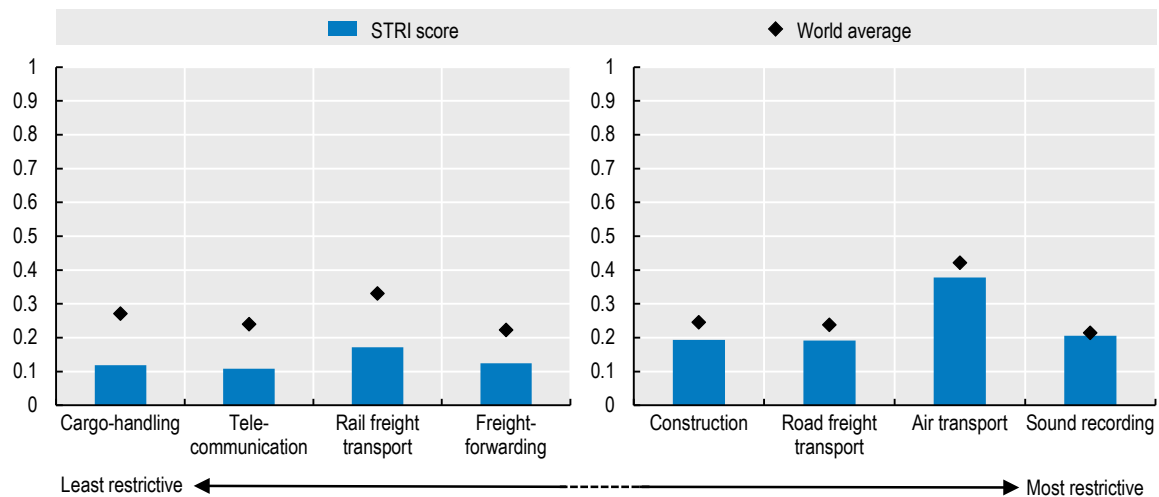
**Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)**



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).

Logistics cargo-handling services, telecommunications, rail freight transport and logistics freight-forwarding services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Construction, road freight transport, air transport and sound recording are the sectors with the highest score relative to the average STRI across all countries.

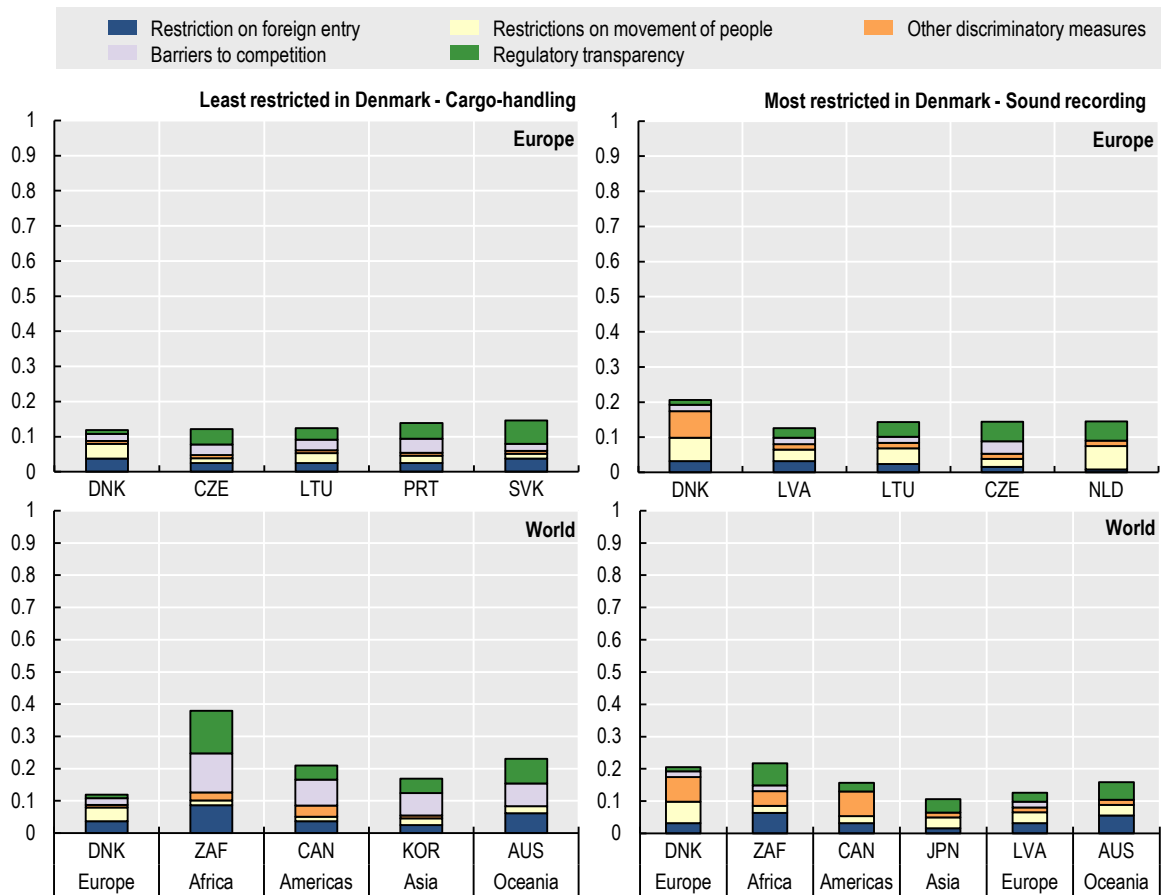
**Figure 3. Sectoral breakdown – The least and most restricted sectors in Denmark**



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 Denmark compared to Europe and the other best performers elsewhere while sound recording are the most restricted (Figure 4).

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

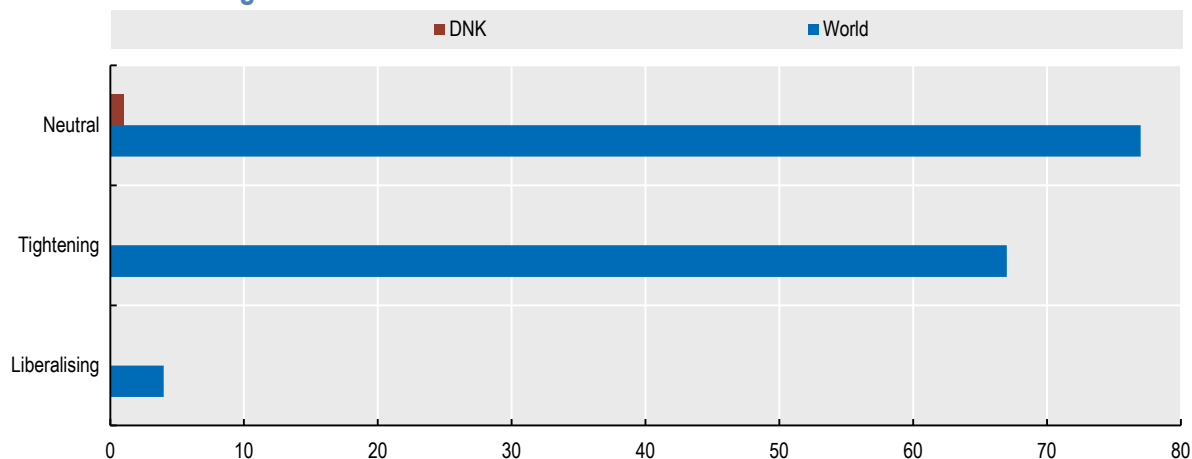


Source: OECD STRI database (2020).

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

While Denmark 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. This includes 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 Denmark and in the world



Source: OECD STRI database (2020).

### Key reforms

Recent changes affecting Denmark 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. In March 2019, EU-wide requirements on accounting separation entered into force for port authorities in receipt of public funds. 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.

### 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](mailto:stri.contact@oecd.org)