

OECD Services Trade Restrictiveness Index (STRI)

GREECE – 2020

Key findings

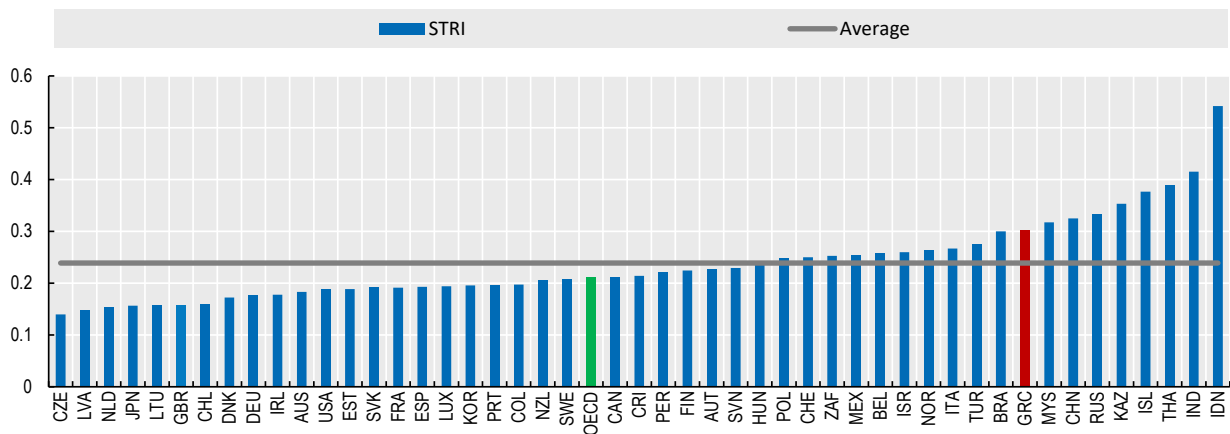
- The 2020 STRI of Greece is relatively high compared to other countries in the STRI sample, and considerably higher than the OECD average STRI score in 2020.
- The regulatory environment has become more open in 2020, in many sectors, pursuing the liberalisation trend observed in the past years. In financial services, Greece lifted capital control measures limiting the free outflow of money and foreign exchange transactions.
- Despite progress in liberalisation, restrictions remain related to the movement of people, condition on foreign entry and access to public procurement procedures.

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

The 2020 STRI of Greece is well above the OECD average and exceeds the index of most countries in the STRI sample (Figure 1). The indicator decreased in 2020, 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.

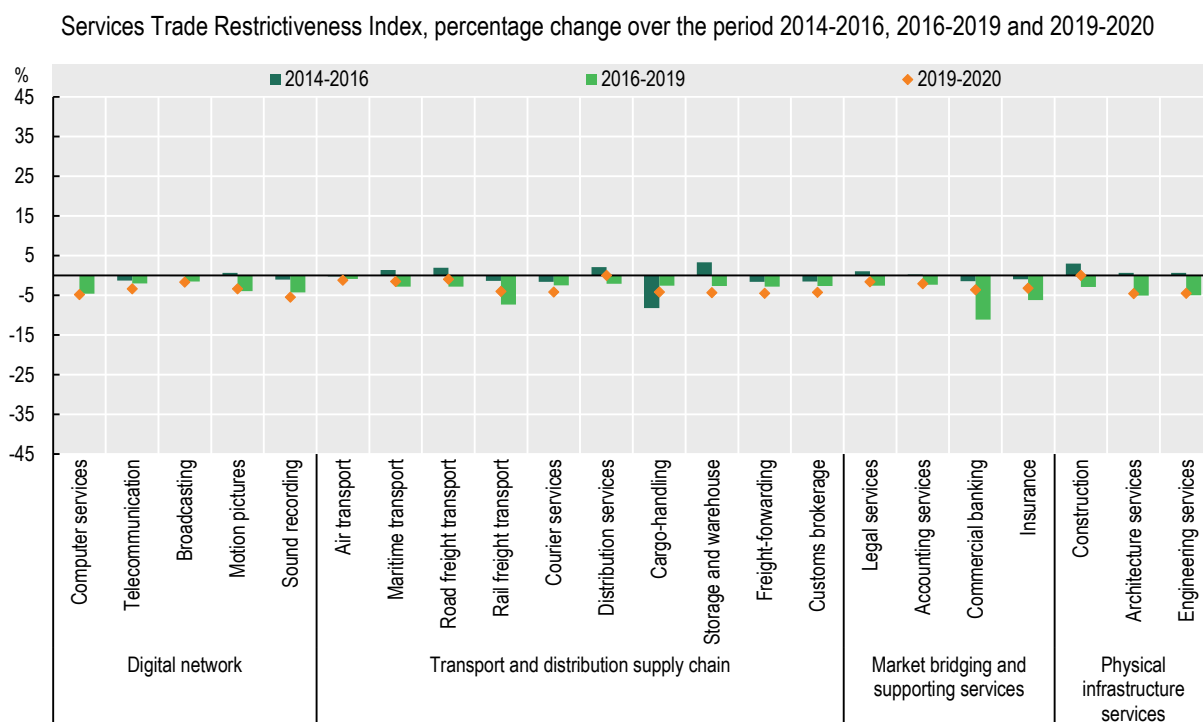
Source: OECD STRI and TIVA databases (2020).

The 2020 score is due to restrictions that apply on key strategic services sectors such as maritime transport, construction services and insurance. Trade and investments in these sectors are limited by stringent entry conditions, discriminatory measures in the public procurement processes and burdensome licensing conditions for foreign companies.

Moreover, Greece applies labour market tests for intra-corporate transferees and contractual services suppliers. Rights under the public procurement law are limited to partners in regional trade agreements and members of the WTO's Government Procurement Agreement. Greece imposes restrictions on ownership of land and real estate by foreigners and a minimum amount of capital must be deposited in a bank or with a notary in order to register a corporation. 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.

Greece has been progressively introducing reforms over the past years, contributing to easing the conditions for trade and investment in several sectors (Figure 2). The highest levels of liberalisation were recorded in financial services sectors – commercial banking and insurance as well as road freight transport and logistics cargo handling services.

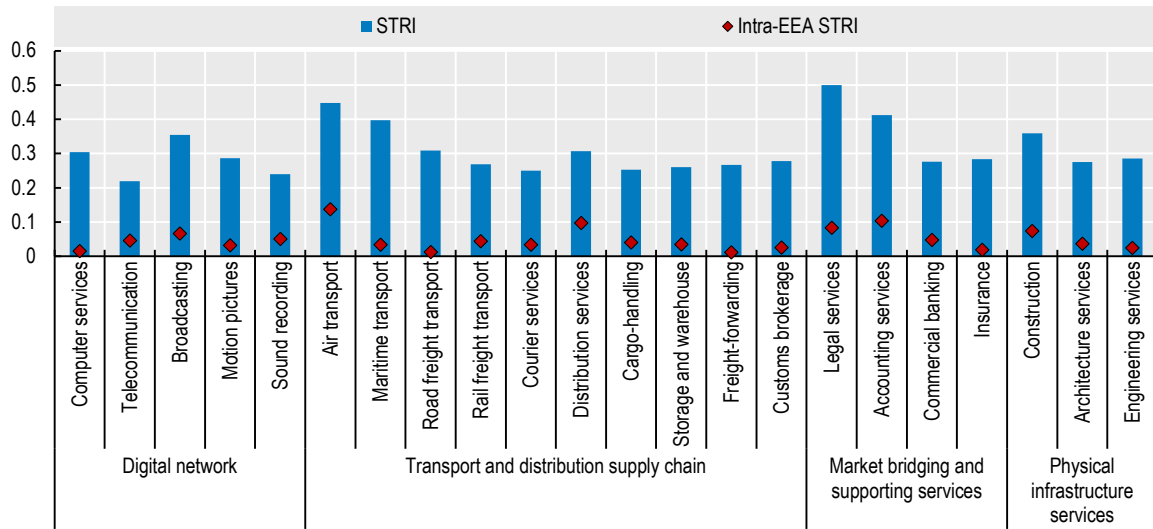
Figure 2. Evolution of STRI scores by sector in Greece



Source: OECD (2020). STRI database.

Services trade regulations are much less stringent within the European Economic Area, especially in computer services, road freight transport services sector and freight-forwarding services (Figure 2b).

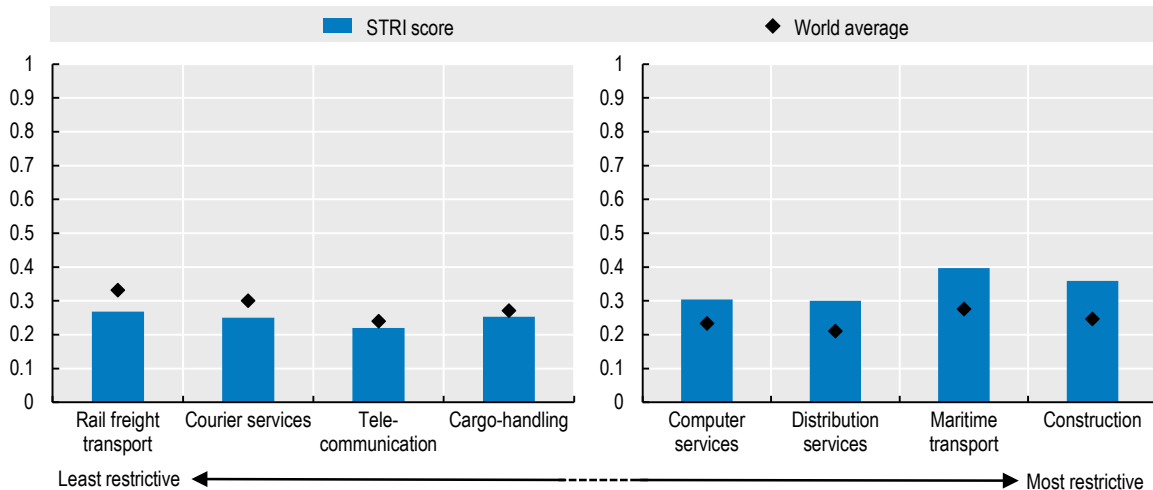
Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)



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).

Rail freight transport, courier services, telecommunications and logistics cargo-handling are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Computer services, distribution services, maritime transport and construction are the sectors with the highest score relative to the average STRI across all countries.

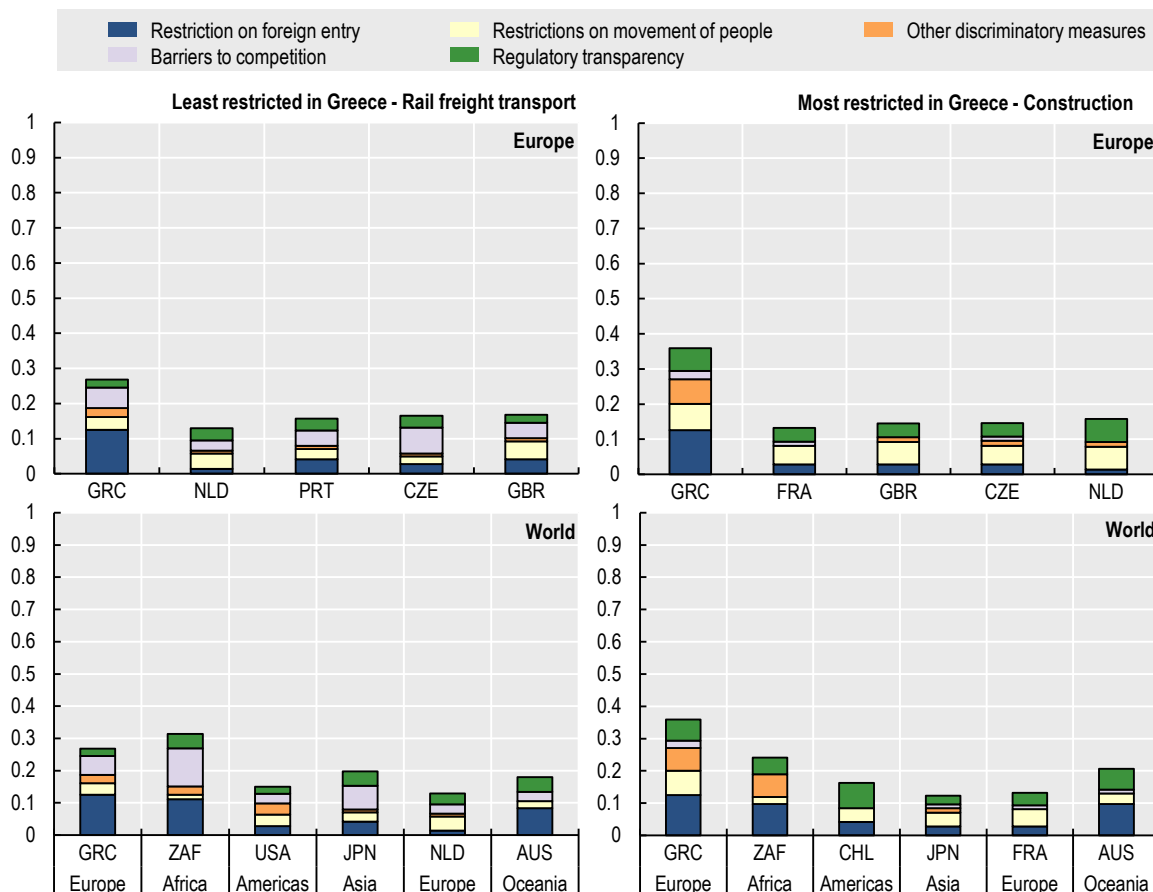
Figure 3. Sectoral breakdown – The least and most restricted sectors in Greece



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).

Rail freight transport are the least restricted services sector in Greece compared to Europe and the other best performers elsewhere while construction are the most restricted (Figure 4).

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

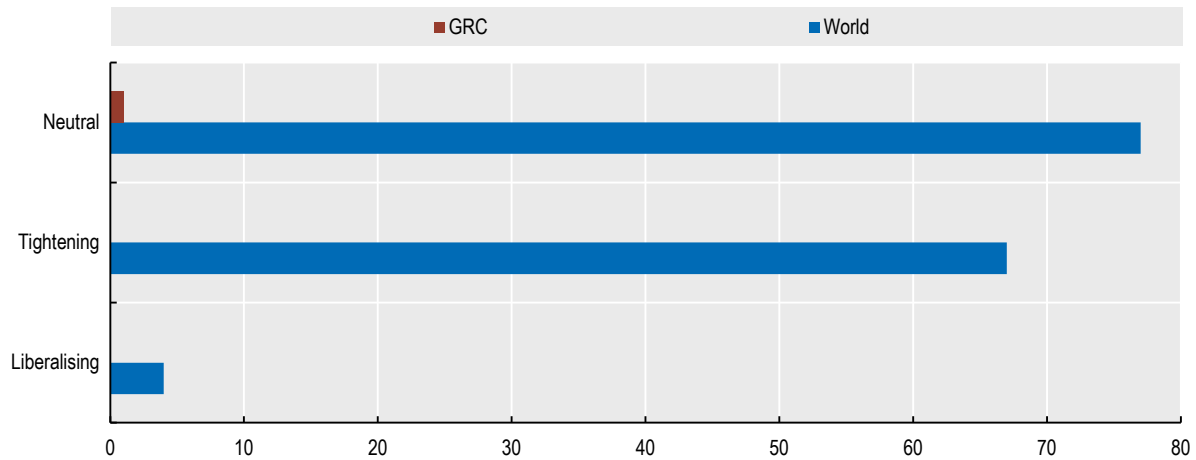


Source: OECD STRI database (2020).

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

While Greece 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 Greece and in the world



Source: OECD STRI database (2020).

Key reforms

On 1 September 2019, capital control measures limiting the free outflow of money and foreign exchange transactions were lifted. A year earlier, in 2018, limitation on duration of stay for independent services suppliers was extended from 24 to 36 months.

Recent changes affecting the Greece 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. 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