

OECD Services Trade Restrictiveness Index (STRI)

IRELAND – 2020

Key findings

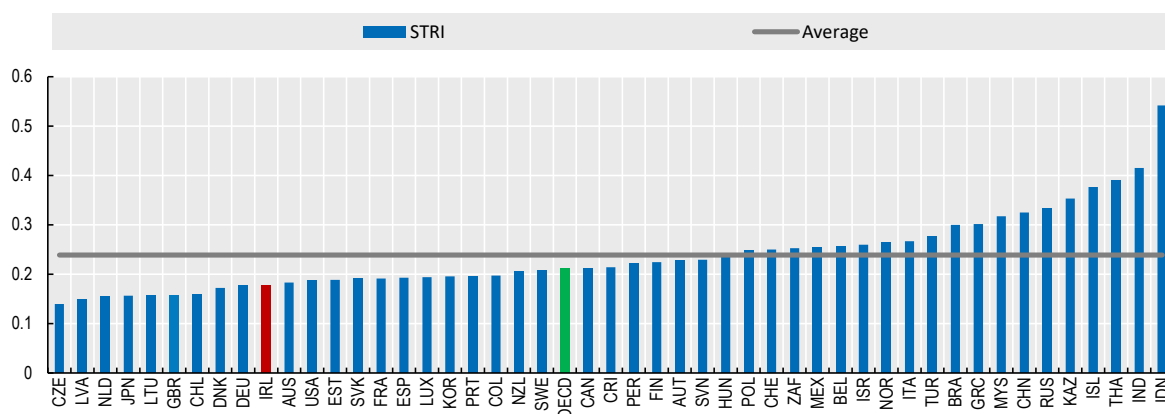
- The 2020 STRI in Ireland is the ninth lowest among all countries for which the STRI is available, demonstrating that the regulatory environment for trade in services is relatively open.
- No key reform has been recorded in 2020. All services of the digital sectors covered in the STRI, such as computer services, motion pictures, sound recording in Ireland have shifted towards more stringent since 2016, while half of all the sectors have not changed since 2014.
- Regulations in most of the sectors appear to be less strict in Ireland than in most countries. However, transport sectors such as air transport, rail transport, scored relatively strict, which is at the same level as the world average.

Recommendation

- Innovation and adoption of technology rely on access to knowledge and to the networks, people, goods, and services that carry the knowledge around the world. In this context, Ireland could benefit from more open markets for services trade and competition enhancing reforms in key services sectors that overarch the entire economy.

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

Figure 1. Average STRI across countries, 2020



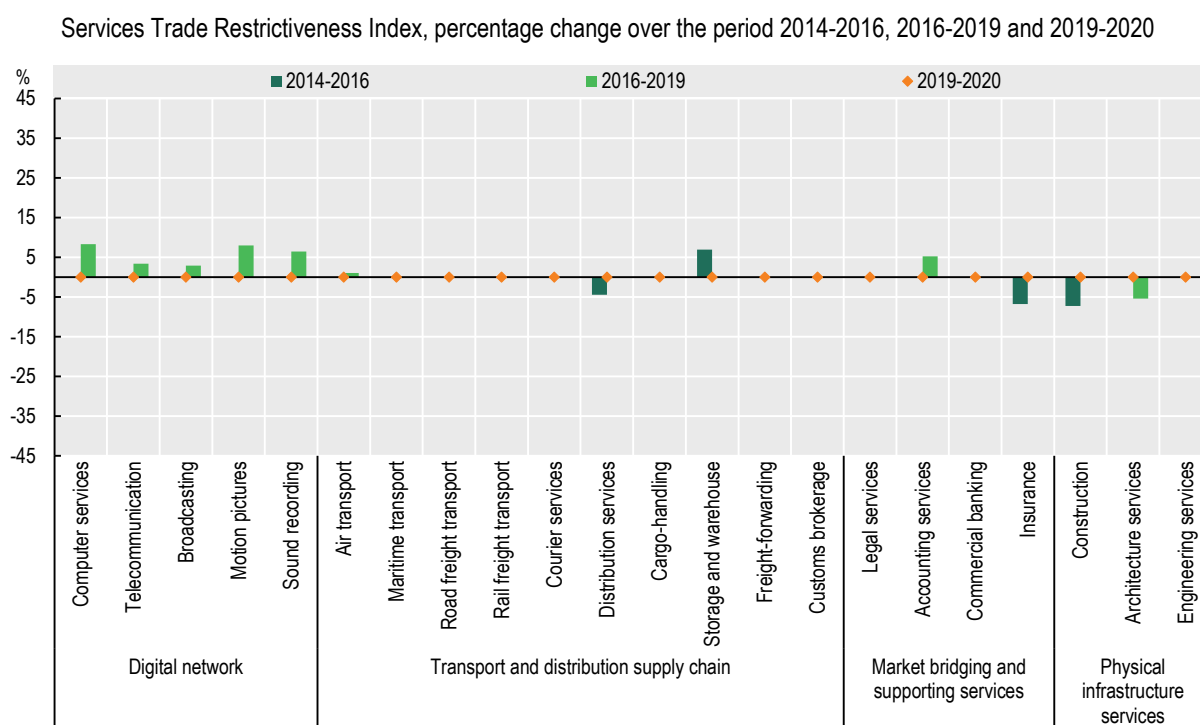
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nations basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations 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 index is explained by the regulations that affect the entire economy. Duration of the stay for those seeking to provide services in the country on a temporary basis is up to 24 months on the first entry permit. The labour market tests are generally required for them. In addition, the residential requirement for one of the board directors contributes to the score. Furthermore, the procedure required to obtain business visas are more numerous than the world best practice. Regarding the data flow, the standards for cross-border transfer of personal data are set at the EU level, which needs to 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).

In 2020, there was no major reform contributing to a significant change in the services sectors covered, and the evolution of STRI in Ireland has had so far seems to be not big (less than 10%). While half of all the sectors have no change of the scores since 2014, over a third of all the sectors have shifted scores towards more stringent. In particular, all of the digital sectors covered in the STRI, namely computer service, telecommunications, broadcast, motion pictures, and sound recording have shifted the scores towards more stringent. (Figure 2).

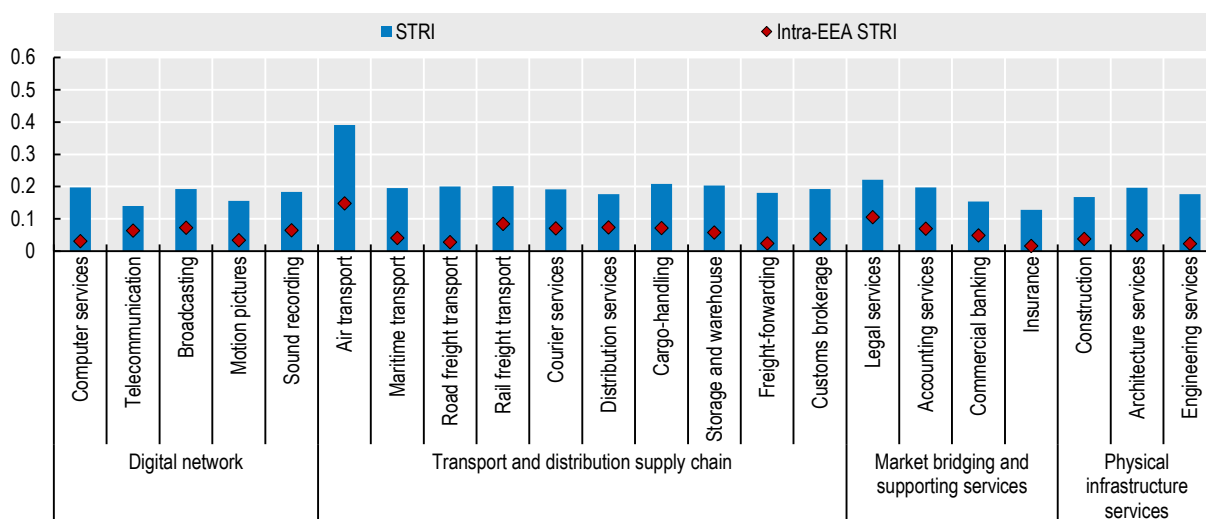
Figure 2. Evolution of STRI scores by sector in Ireland



Source: OECD STRI database (2020).

Services trade regulations are much less stringent with the European Economic Area, especially in air transport, road freight transport or computer services sectors (Figure 2b).

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

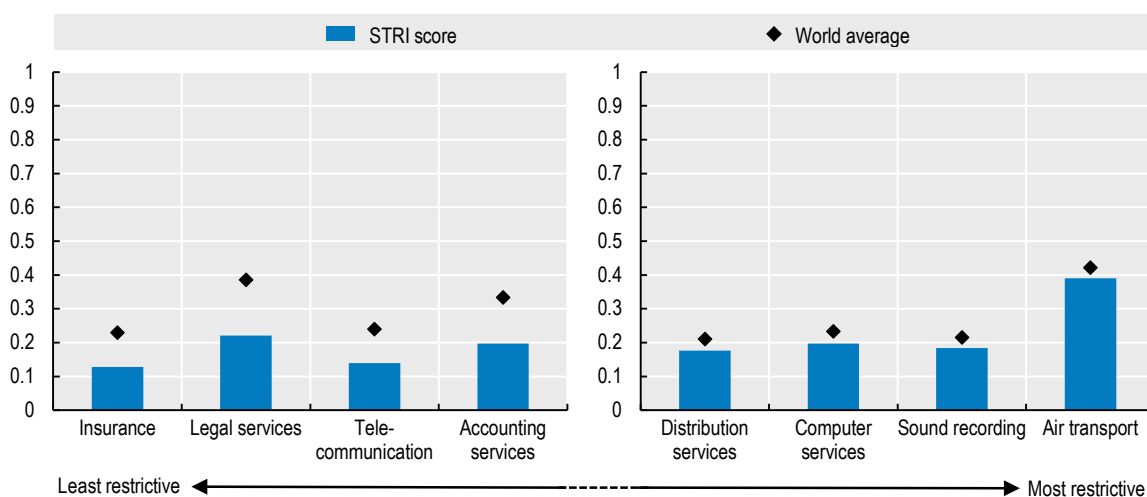


Note: The traditional STRI indicates the level of restrictiveness on Most-Favoured Nation basis towards third countries, and the intra-EEA STRI indicates the level of restrictiveness towards EEA members. Intra-EEA STRI covers 24 countries (Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden).
Source: OECD STRI database (2020).

Insurance, legal services, telecommunications and accounting services, which are the least restricted sectors in Ireland, are with much lower scores than the world average. Of the four sectors, the legal services appear to be relatively more open than the world with a large gap.

Distribution services, computer services, sound recording, and air transport, which are the most restricted sectors in Ireland, are with indices at the same level as the world average (Figure 3).

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

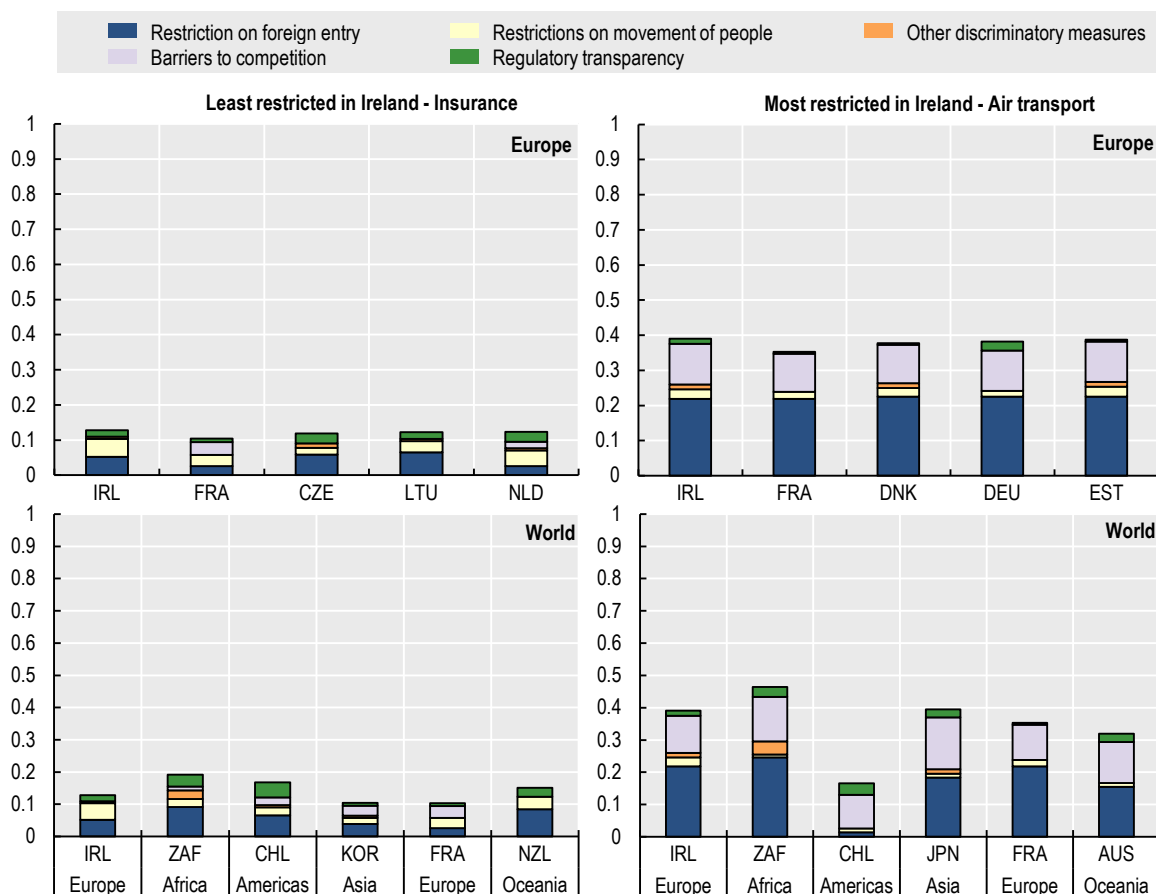


Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference
i.e. $(\text{STRI}_{\text{country, sector}} - \text{STRI}_{\text{world average, sector}}) / \text{STRI}_{\text{world average, sector}}$
Source: OECD STRI database (2020).

In insurance, the least restricted services sector in Ireland, the restrictions of movement of people have a relatively large impact on the high index compared to the best performers in the world. Especially, measures such as the temporary movement of natural persons restricted by labour market tests contribute to its index.

In air transport, the most restricted in Ireland, the restrictions on foreign entry have a significant impact on its restrictiveness in Ireland and other European countries. Specifically, measures such as a maximum foreign equity share allowed, restrictions on cross-border mergers and acquisitions contribute to its high index. (Figure 4).

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

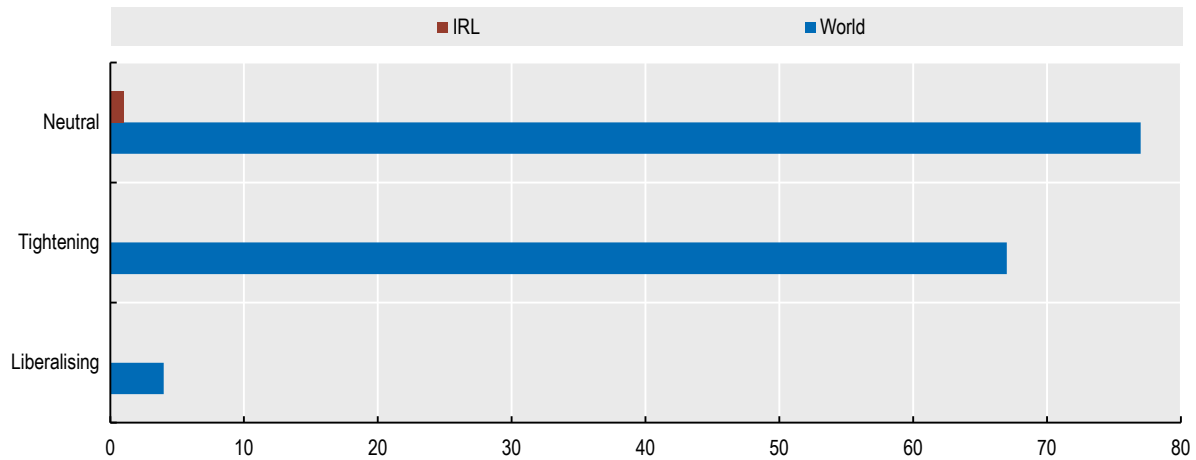


Source: OECD STRI database (2020).

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

While Ireland has adopted a certain measure in response to the COVID-19 crisis, there was a neutral 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 visa requirements (Figure 5).

Figure 5. COVID-19 related measures in Ireland and in the world



Source: OECD STRI database (2020).

Key reforms

Recent changes affecting Ireland 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