IRELAND – 2021

Key findings

- The 2021 STRI of Ireland is below the OECD average, indicating a relatively open regulatory environment for trade in services.
- Ireland’s regulatory environment for services has been relatively stable over the past years.
- Insurance services are the least trade restrictive, while air transport services are the most restrictive.

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

The 2021 STRI of Ireland is relatively low compared to other countries in the STRI sample, below the OECD average (Figure 1).

Figure 1. Average STRI across countries, 2021

The score is largely explained by horizontal regulations that affect the entire economy. Some examples include labour market tests applying to foreign services providers, residency requirements for corporate
board members and short duration of stay for foreigners providing services on a temporary basis. 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.

Ireland has a stable regulatory environment for services providers (Figure 2). Most significant changes were recorded in digital network related services sectors between 2017 and 2020.

**Figure 2. Evolution of STRI indices by sector in Ireland**

Services Trade Restrictiveness Index, percentage change over the period 2014-2017, 2017-2020 and 2020-2021


Services trade barriers are significantly lower within the European Economic Area across all services sectors (Figure 2b). Ireland maintains an open market for services suppliers from other EEA Members.
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).


Insurance, telecommunications, legal services and rail freight transport are the least restricted sectors with lower score relative to the average STRI across all countries. On the other hand, road freight transport, computer services, sound recording and air transport are the most restricted sectors with slightly lower score relative to the 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. (STRIcountry, sector - STRIworld average, sector) / STRIworld average, sector


Insurance services are the least restricted service sector in Ireland compared to Europe and the other best performers elsewhere while air transport are the most restricted (Figure 4).
**Key reforms**

Recent changes affecting Ireland were due to changes in EU law. From 1 July 2021, the EU abolished the VAT *de minimis* regime for goods valued under EUR 22. 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.

**More information**

» Access all country notes, sector notes, and interactive STRI tools at [http://oe.cd/stri](http://oe.cd/stri)

» Read more about services trade policies and their impacts in *Services Trade Policies and the Global Economy*

» Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org>