OECD Services Trade Restrictiveness Index (STRI): Italy 2019

Italy exported services worth USD 122 billion (2.1% of world services exports) and its services import value was USD 126 billion (2.3% of world services imports) in 2018. Travel and other business services are the largest services exporting and importing sector. Italy’s score on the STRI in the 22 sectors is shown below, along with the average and the lowest score among the 46 countries included in the STRI database for each sector. Italy has a lower score on the STRI than the average in ten out of 22 sectors.

STRI by sector and policy area (2019)

Note: The STRI indices take values between zero and one, one being the most restrictive. They are calculated on the basis of the STRI regulatory database which contains information on regulation for the 36 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Malaysia, Russia, South Africa, and Thailand. The STRI database records measures on a Most Favoured Nations basis. Preferential trade agreements are not taken into account. 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 2019.

Horizontal policy measures

Italy applies quotas and labour market tests for workers seeking to provide services in the country on a temporary basis as independent services suppliers. These may stay in the country for up to 24 months on their first entry permit. 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 substantially similar privacy protection law, or in the absence of this, appropriate private sector safeguards (e.g., binding corporate rules or standard data protection clauses) are in place. Italy grants access to land ownership and real estate by foreigners based on reciprocity. Rights under the Public Contract Law are limited to partners in regional trade agreements and members of the WTO’s Government Procurement Agreement. There is at least one major state-owned enterprise in broadcasting, commercial banking, computer services, construction, courier services, logistics cargo-handling at rail facilities, motion pictures, rail freight transport, and sound recording.

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The sectors with the relatively lowest STRI scores

Telecommunications, legal services, and rail freight transport are the three sectors with the lowest score relative to the average STRI across all countries. Restrictions in telecommunications services primarily relate to horizontal restrictions. In legal services, domicile and one year of local practice are required to obtain a license to practice domestic law, and lawyers have to re-do the university degree, practice and examination. Furthermore, licensed individuals must hold two thirds of capital or equity. In contrast, international law is unregulated in Italy. In rail freight transport, the sector-specific regulatory framework largely follows best practice, although certain types of rail freight transportation agreements are exempt from competition law.

The sectors with the relatively highest STRI scores

Engineering, architecture and accounting services, are the three sectors with the highest score relative to the average STRI across all countries. Restrictions of the movement of people contribute most to the relatively high scores in these sectors. In all three sectors, foreign professionals need to take a local examination and obtain a license to practice, and domicile and nationality requirements accompany this. Furthermore, individuals licensed in an EU Member State must hold the majority of capital or equity in accounting services and licensed individuals need to represent the majority of members of the board of directors. Licensed individuals must hold two thirds of capital or equity in architecture and engineering services.

Recent policy changes

In 2018, the EU General Data Protection Regulation (Regulation 2016/679) had entered into force, providing a comprehensive update on the EU data protection regime.

Efficient services sectors matter

Services account for 32% of Italy’s gross exports, and 55% in value added terms. This indicates that Italy’s exports of goods rely intensively on services inputs. Services also account for 72% of GDP and almost 70% employment, showing that labour productivity is lower in services than in other sectors. The information and communication technology revolution opens new opportunities for inclusive growth in a services economy like Italy. 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, Italy could benefit from more open markets for services trade.

More information

» Access all of the country notes, sector notes and interactive STRI tools on the OECD website at http://oe.cd/stri
» Read more about services trade policies and their impacts in this publication: Services Trade Policies and the Global Economy
» Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org