OECD Services Trade Restrictiveness Index (STRI): Netherlands 2019

The Netherlands exported services worth USD 196 billion (3.4% of world services exports) and its services imports amounted to USD 186 billion (3.4% of world services imports) in 2018. The largest services export category was business services (research and development, professional and technical services) while the largest import category was charges for the use of intellectual property. The Netherlands’ score on the STRI index in the 22 sectors covered by the STRI project is shown below, along with the average and the lowest score among the 46 countries included in the STRI database for each sector. The Netherlands has a lower score on the STRI than the average in all 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

A general regulation that contributes to the country’s STRI index in all sectors is the economic needs tests for natural persons seeking to provide services in the country on a temporary basis as contractual services suppliers or independent services suppliers. The duration of stay for these categories is limited to 12 months on their first entry permit. In addition to the economic needs test, services suppliers must demonstrate access to housing and must be between 18 and 45 years old. For intra-corporate transferees, wage parity with local employees is also required. 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.
The sectors with the relatively lowest STRI scores
Courier services, rail freight transport services, and accounting services are the three sectors with the lowest score relative to the average STRI across all countries. In courier services, the score is largely driven by horizontal measures. The main sector-specific limitation relates to the preferential treatment that the designated postal operator receives during customs procedures. Similarly in rail transport services, the score reflects mainly general regulations. Under EU law, certain rail transport agreements are exempt from anti-trust regulation. The scores for accounting services comprise also auditing services, both of which are regulated professions in the Netherlands. While the regulatory environment is relatively open towards non-EU professionals, economy-wide restrictions on the temporary movement of persons and the absence of a temporary licensing regime remain the main contributors to the index in this sector.

The sectors with the relatively highest STRI scores
Air transport services, computer services and sound recording services are the three sectors with the highest score relative to the average STRI across all countries. In all three sectors, however, the scores remain below the mean. In the air transport services sector, the Netherlands employs foreign equity restrictions as a result of common EU regulation on air services. Pursuant to this regulation, non-EU nationals cannot own more than 49% in Dutch airlines. Lease of foreign aircrafts with crew from outside the EU can be refused on grounds of reciprocity or conditioned on approval granted on the basis of economic needs. An EU-wide exemption of certain airline arrangements from competition law, regulations on airport slot allocation and slot trading further contribute to the score in this sector. The score in computer services and sound recording services is due to economy-wide regulations affecting all sectors.

Recent policy changes
In March 2019, EU-wide requirements on accounting separation entered into force for port authorities in receipt of public funds. In October 2018, a new law was introduced to strengthen the protection on trade secrets. 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. The divestment of ASR Nederland N.V., a previously state owned insurance provider, was completed in September 2017. Also in 2017, the Government’s share in ABN AMRO Group N.V. was reduced to 56% (from 63%). As of 2016, revised conditions, including on economic needs, apply for authorisations for the operation of storage facilities for the customs warehousing of goods pursuant to Regulation (EU) No 952/2013.

Efficient services sectors matter
Services account for around 50% of gross imports and exports in the Netherlands, but for 67% in value added exports and 63% in value added imports. Services also amount to around 75% of GDP and 83% of employment. The information and communication technology revolution opens new opportunities for inclusive growth in a services economy like the Netherlands. 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, the Netherlands 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