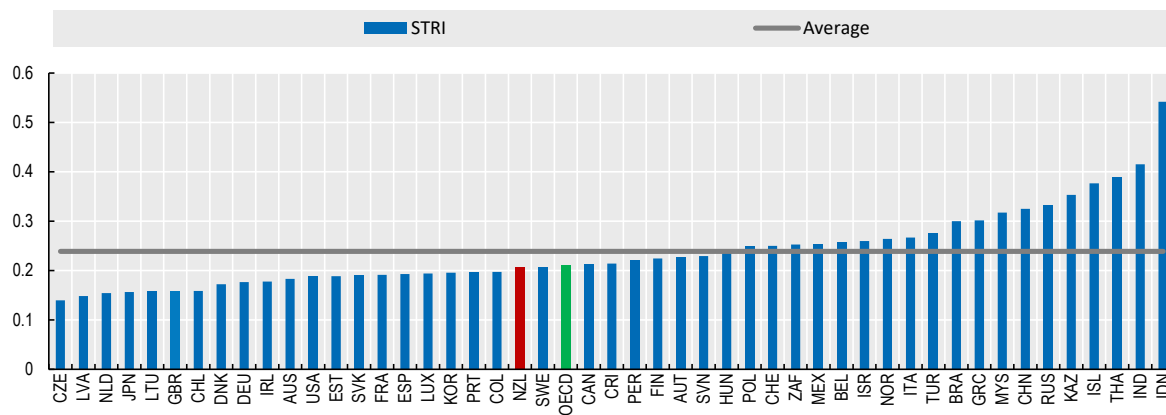


OECD Services Trade Restrictiveness Index (STRI)

NEW ZEALAND – 2020

The 2020 STRI of New Zealand is relatively low compared to other countries in the STRI sample, but has increased compared to 2019 (Figure 1).

Figure 1. Average STRI across countries, 2020

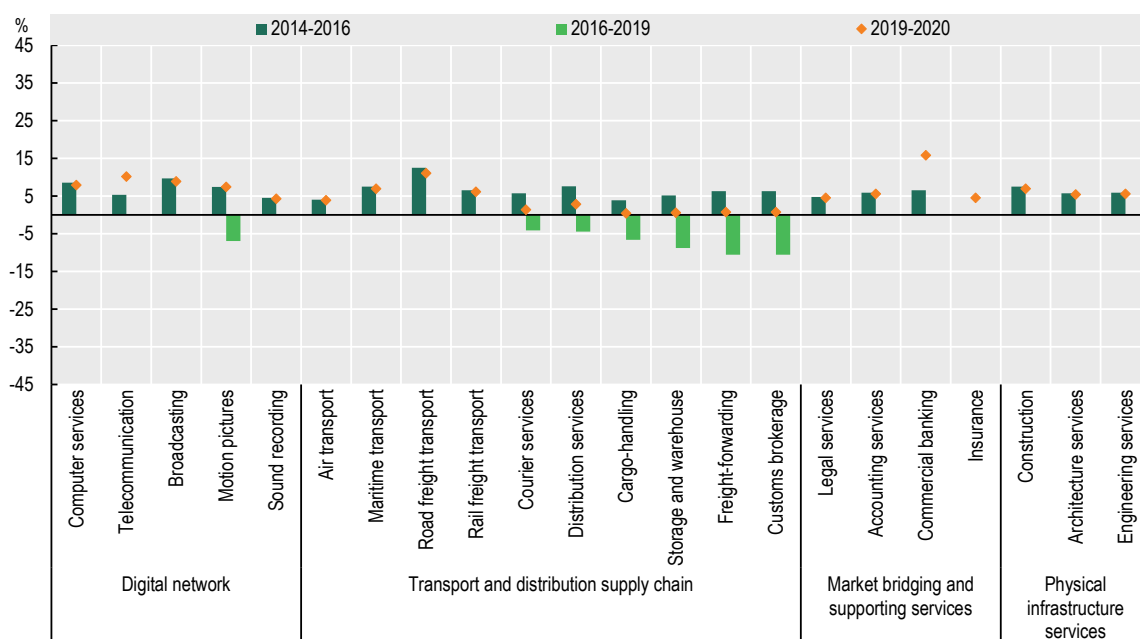


Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nations basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations 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 index is explained in large part by an overall favourable regulatory framework, but restrictions remain related to the movement of natural persons. The duration of stay for contractual or independent services suppliers is only 12 months and 24 months respectively. Intra-corporate transferees are exempted from this limitation. The time for processing a business visa is also significantly longer than the best practice. New Zealand's regulatory environment for services was relatively stable over the past years (Figure 2) with minor periods of regulatory tightening in 2015 and 2020.

Figure 2. Evolution of STRI scores by sector in New Zealand

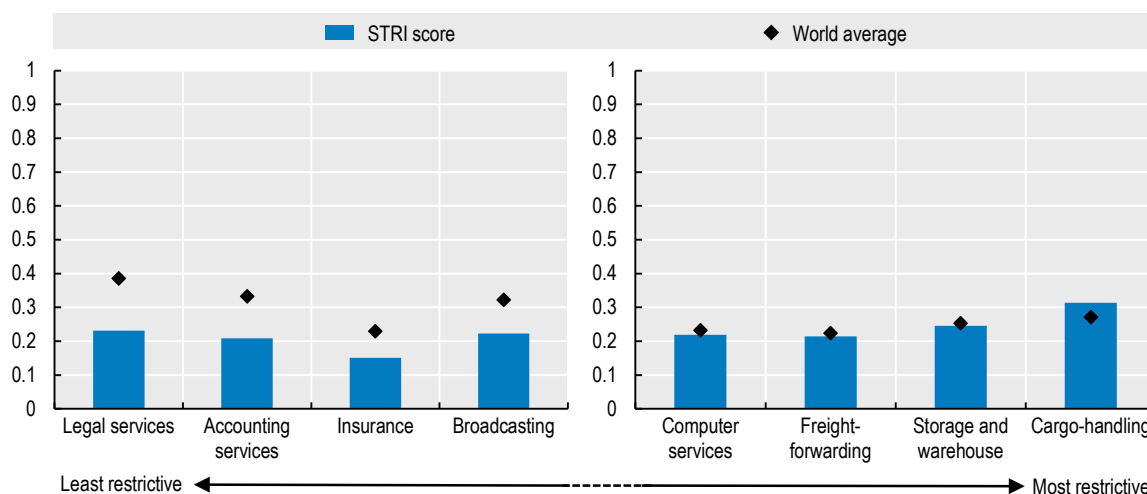
Services Trade Restrictiveness Index, percentage change over the period 2014-2016, 2016-2019 and 2019-2020



Source: OECD STRI database (2020).

Legal services, accounting services, insurance and broadcasting are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Computer services, logistics freight-forwarding, logistics storage and warehouse and logistics cargo-handling 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 New Zealand



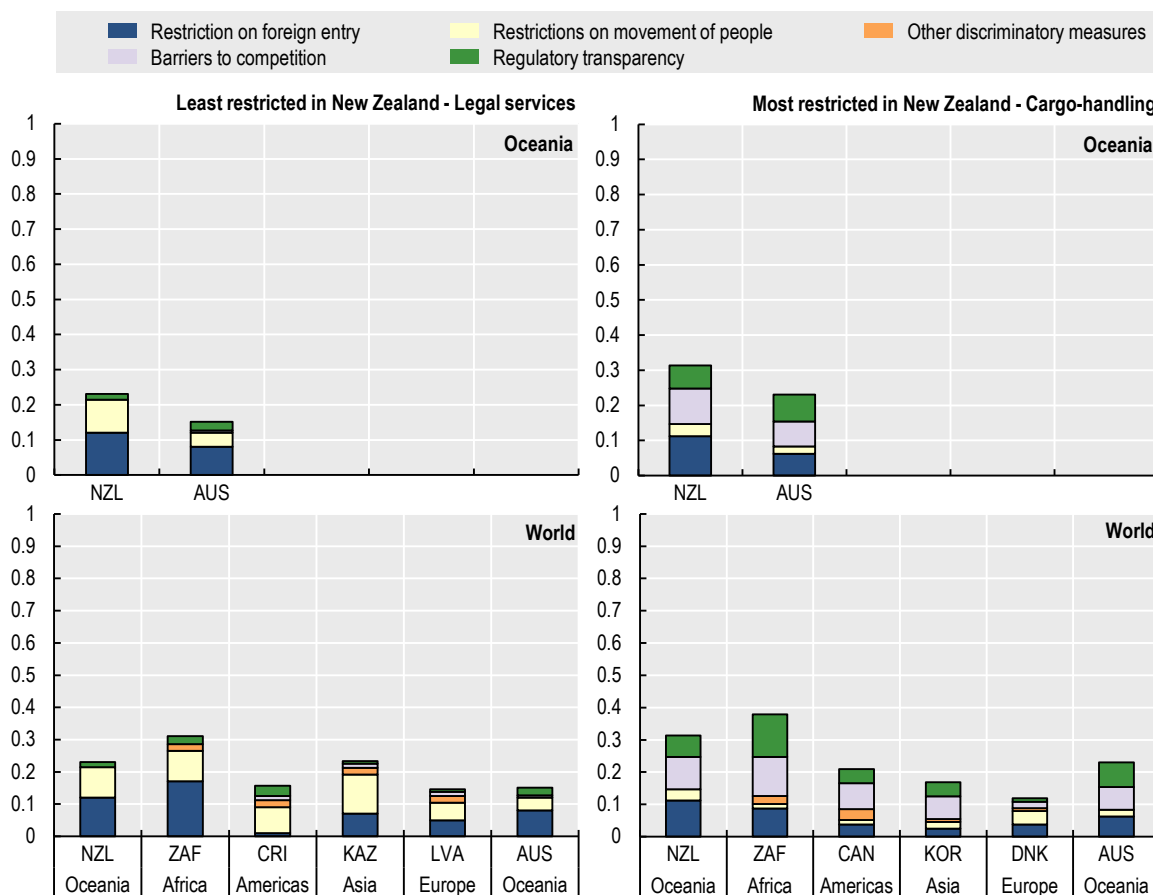
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

i.e. $(STR I_{country, sector} - STR I_{world average, sector}) / STR I_{world average, sector}$

Source: OECD STRI database (2020).

Legal services are the least restricted services sectors in New Zealand compared to Oceania and the other best performers elsewhere while logistics cargo-handling are the most restricted (Figure 4).

Figure 4. New Zealand compared to Oceania and World's best performers

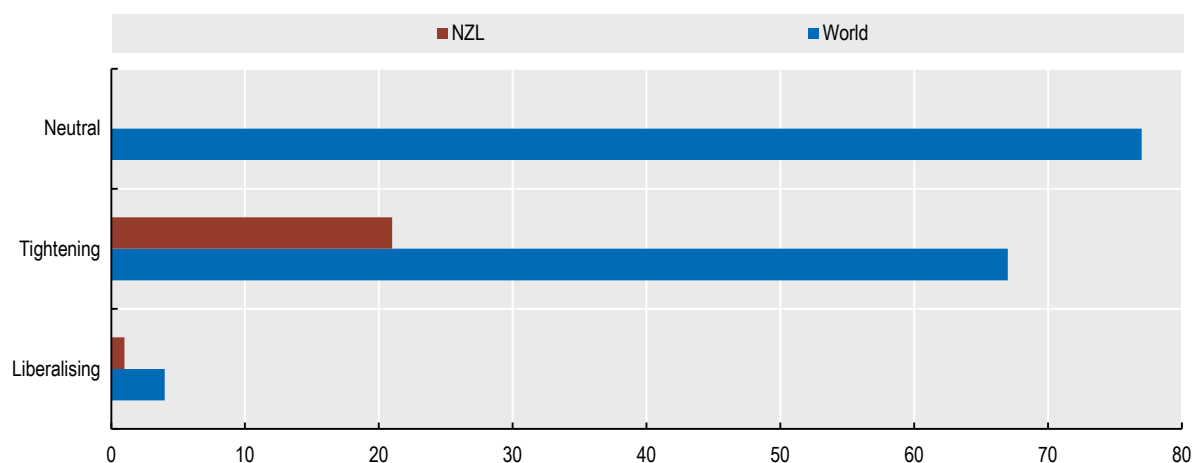


Source: OECD STRI database (2020).

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

In response to the COVID-19 pandemic, New Zealand introduced a national interest assessment for foreign direct investment in strategically important businesses. Similar policies have also been introduced in other countries, leading to tightened investment screening processes or visa requirements (Figure 5).

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



Source: OECD STRI database (2020).

Key reforms

In response to the COVID 19 pandemic, New Zealand introduced a national interest assessment for foreign direct investment in strategically important businesses in May 2020. In June 2020, New Zealand introduced interest rate regulation for consumer credit contracts. On 1 December 2019 New Zealand abolished its *de minimis* threshold for online shopping, requiring that most overseas businesses selling goods to consumers in New Zealand charge goods and services tax. The Trade Single Window (TSW) was deployed in April 2017, including the introduction of a system for pre-arrival processing of shipments.

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