

# Services Trade Restrictiveness Index: Singapore

## Key findings

- The 2024 STRI of Singapore is above the OECD average and close to the average across all countries in the STRI sample, indicating a relatively open regulatory environment for services trade. The country's index has slightly increased compared to 2023.
- Singapore has undergone liberalising reforms in recent years which resulted in decreasing its STRI over time.
- Accounting and auditing services are among the least trade restrictive in Singapore whereas logistics freight forwarding services remain the most restrictive, relative to the sectoral average.
- Relevant changes in 2024 include enactment of the Significant Investments Review Act, which establishes procedures for the screening of investments.

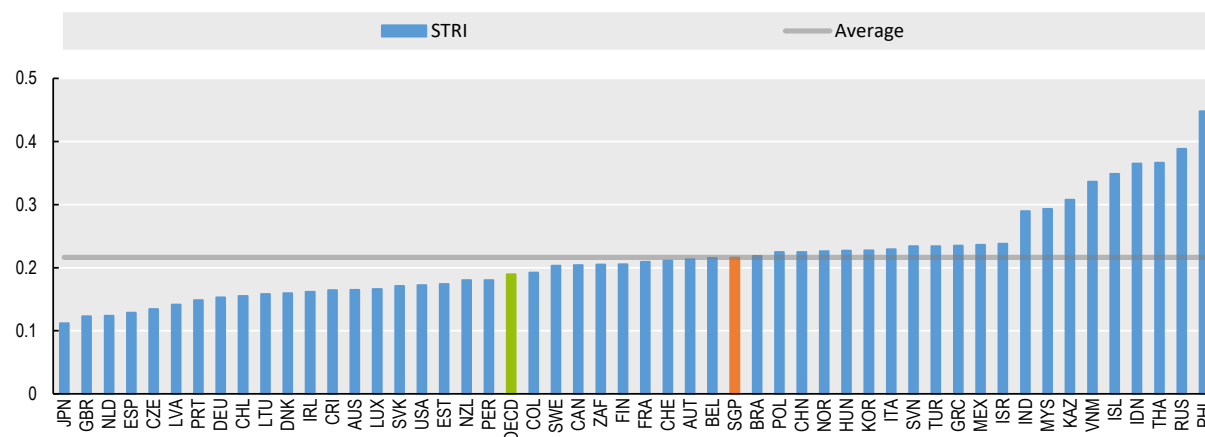
## Recommendation

- Open and well-regulated services markets are essential to facilitate economic growth, create new employment opportunities and promote innovation. Streamlining regulations, lowering unnecessary barriers and enhancing transparency can unlock new opportunities for businesses and consumers alike. To realise these benefits, governments could strengthen efforts to revitalise international services trade discussions, undertake reforms at the national level, and set measurable targets, with active business involvement to ensure effective implementation.

This note highlights key country-specific findings and trends identified in the 2024 update of the OECD Services Trade Restrictiveness Index (STRI).

The 2024 STRI of Singapore is above the OECD average and close to the average across all countries in the STRI sample, indicating a relatively open regulatory environment for services trade (Figure 1).

**Figure 1. Average STRI across countries, 2024**



Source: OECD (2024). STRI and TiVA databases.

The 2024 STRI of Singapore can be explained in large part by general regulations that apply to all sectors in the economy. Singapore has an open regulatory environment for services trade characterised by favourable conditions on market entry for foreign companies, competent institutional structures and transparent regulatory procedures.

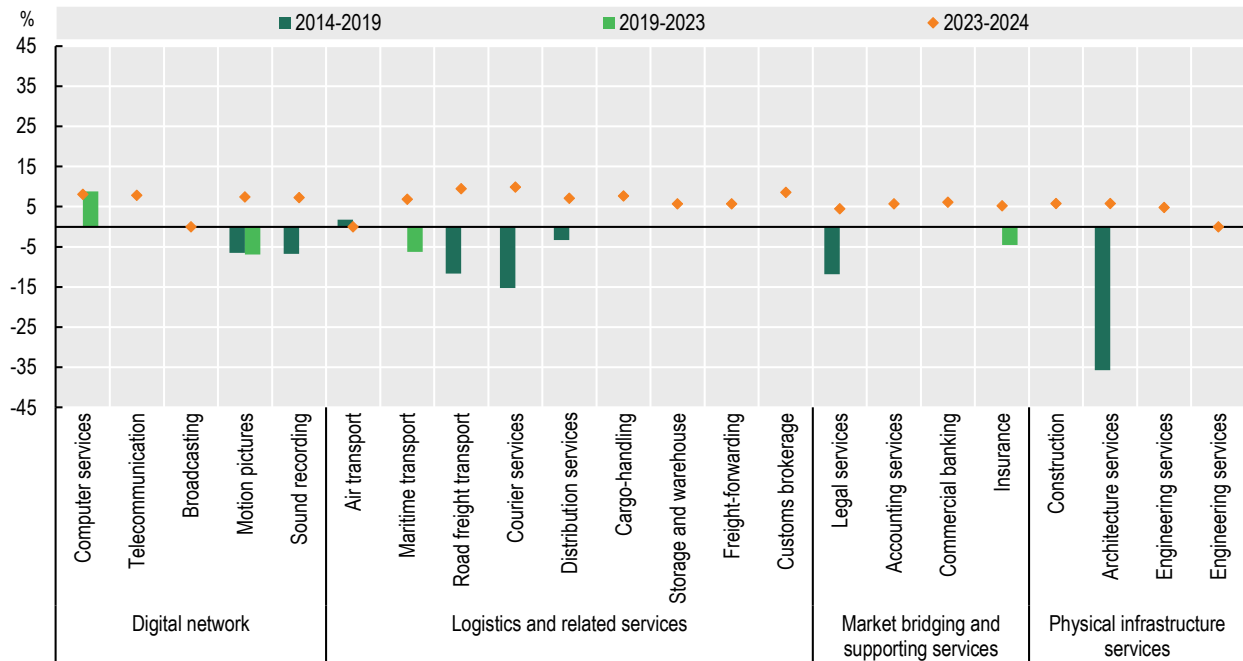
At the same time, Singapore maintains certain measures in place that affect all services sectors in the economy. For example, every foreign company is required to have at least one authorised representative who is resident in Singapore. Foreigners are also constrained in acquiring real estate with limited exceptions.

Singapore has been progressively introducing liberalising reforms over the past years, especially in the period 2014-19, contributing to easing the conditions for trade and investment in several sectors (Figure 2). However, the scores have increased moderately in 2024 after the introduction economy-wide procedures for the screening of foreign and domestic investments.

Figure 3 ranks Singapore's sectors relative to the respective sector's world average. Accounting services, road freight transport, architecture services and courier services are the sectors with the lowest relative score. Conversely, commercial banking, engineering services, broadcasting and logistics freight-forwarding are the sectors with the highest relative score.

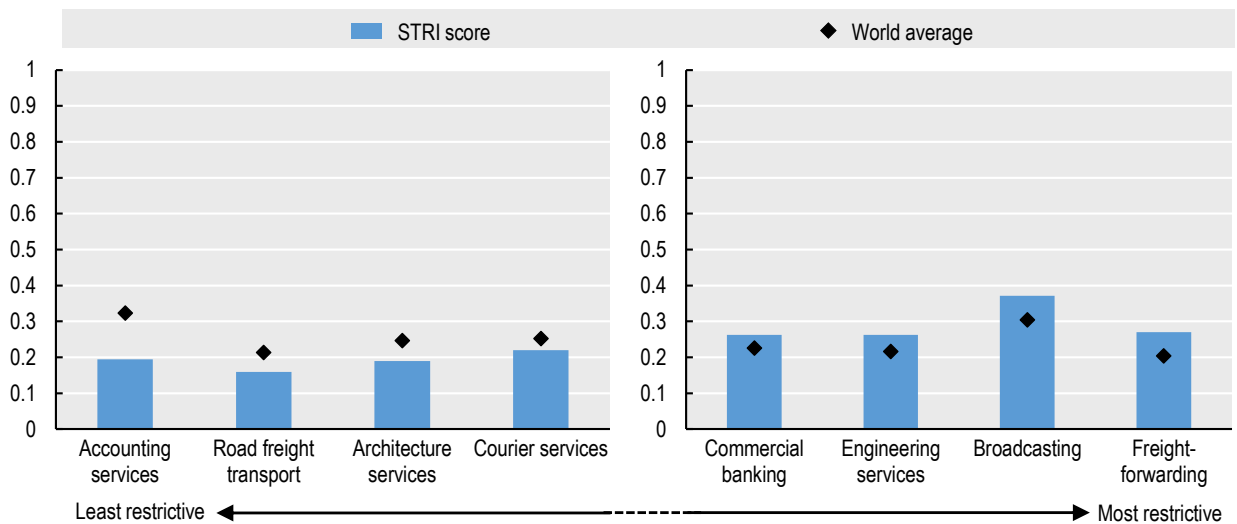
**Figure 2. Evolution of STRI indices by sector in Singapore**

Services Trade Restrictiveness Index, percentage change over the period 2014-2019, 2019-2023 and 2023-2024



Source: OECD (2024). STRI database.

**Figure 3. Sectoral breakdown: The least and most restricted sectors in Singapore compared to world average**



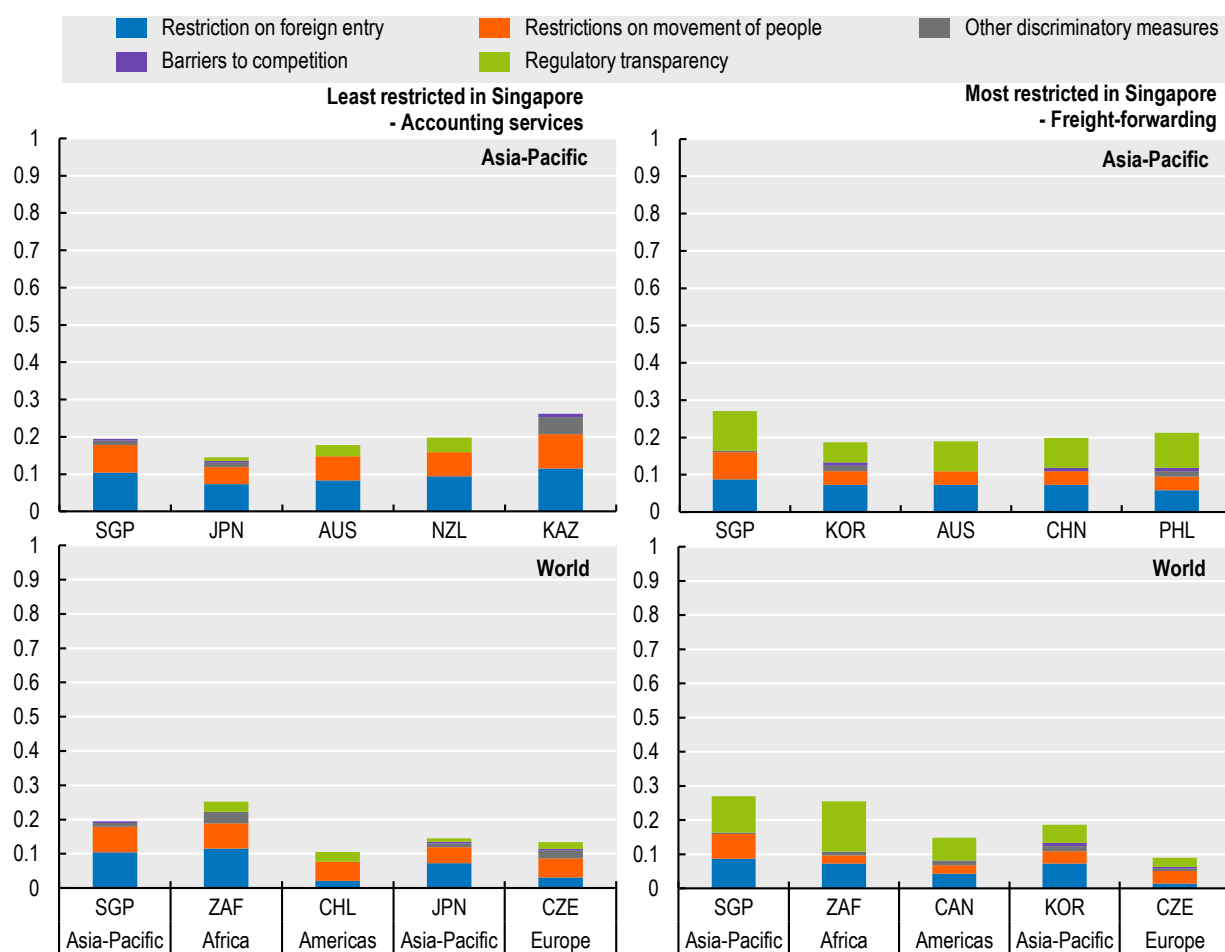
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference, i.e.  $(STRI_{country, sector} - STRI_{world average, sector}) / STRI_{world average, sector}$ .

Source: OECD (2024). STRI database.

Accounting services are the least restricted in Singapore compared to the average STRI across all countries. The composition of the indices indicates that barriers to foreign entry and to the movement of people had the most impact compared to other countries. Accounting services cover also auditing services. While the regulatory environment is more open than in many other countries, public accountants are subject to local examinations before qualifying for a license, and a temporary licensing regime is not available.

On the other hand, logistics freight-forwarding is the most restricted services sector in Singapore compared to the average STRI across all countries. Restrictions on regulatory transparency, for instance on certain customs procedures, tend to be higher compared to best performers (Figure 4). Some other measures that contribute to the index include measures that affect the establishment of logistics firms, such as residency requirements for board of directors.

**Figure 4. Singapore compared to Asia-Pacific and World's best performers**



Source: OECD (2024). STRI database.

## Recent policy changes

The Significant Investments Review Act entered into force in 2024. The Act establishes new economy-wide procedures for the screening of investments, both foreign and domestic.

Singapore has undergone important regulatory reforms over the past years that contributed to substantial services trade liberalisation. According to the Competition (Block Exemption for Liner Shipping Agreements) Order previously in force, maritime liner shipping agreements were fully exempt

from national competition laws. As of 2022, amendments to the Order limit this exemption to specific types of shipping agreements.

In the telecommunications sector, access to leased lines was deregulated in 2022, since no significant market power in the leased line market was deemed to exist.

## More information

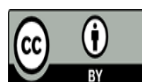
- » Access all country notes, sector notes, and interactive STRI tools at [oe.cd/servicestrade](https://oe.cd/servicestrade).
- » Read more on evidence from ten years of monitoring services trade policies through the STRI in [Revitalising Services Trade for Global Growth](#).
- » More information about measuring the regulatory environment for services trade in the APEC region: <https://apecservicesindex.org/>.
- » More information about measuring the regulatory environment for services trade in the ASEAN region: <https://oe.cd/ASEANSTRI>
- » Learn more about current services trade issues on the [OECD website](#).
- » Contact the OECD Trade and Agriculture Directorate with your questions at [stri.contact@oecd.org](mailto:stri.contact@oecd.org).

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The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations made public by 31 October 2024 and in force on 31 December 2024. The STRI regulatory database covers the 38 OECD Members, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, the Philippines, the Russian Federation, Singapore, South Africa, Thailand and Viet Nam. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

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