SWEDEN – 2021

Key findings

- The 2021 STRI of Sweden is relatively high compared to the OECD average but below the average of all countries in the STRI sample, and remains unchanged compared to 2020.
- Legal services are the most open services sector in Sweden while maritime transport is the most restricted.

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

The 2021 STRI of Sweden is below the average across all countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2021

Note: 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 in force on 31 October 2021. The STRI regulatory database covers the 38 OECD countries, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, 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. Source: OECD STRI and TiVA databases (2021).
Sweden requires that at least half of the board members and the manager (CEO) in corporations are residents in Sweden or in the European Economic Area (EEA) and limits the establishment of branches for non-EEA companies. Wage parity with local employees is required for natural persons seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers. These categories may stay in the country for up to 24 months on their first entry permit. Rights of access to public procurement are limited to regional trade agreement partners and members of the WTO’s Government Procurement Agreement. 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. Finally, a minimum amount of capital must be deposited in a bank or with a notary in order to register a business.

Sweden has progressively been introducing reforms over the past years, in particular reducing work visa related administrative hurdle. This has contributed to ease the conditions for trade in several sectors (Figure 2). No significant policy changes were recorded in 2021.

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

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). Sweden 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).

Legal services, telecommunications, architecture services and broadcasting are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Air transport, distribution services, computer services and maritime transport 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 Sweden

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

Legal services are the least restricted service sectors in Sweden compared to Europe and the other best performers elsewhere while maritime transport are the most restricted (Figure 4).
Figure 4. Sweden compared to Europe and World's best performers


Key reforms

Several recent changes affecting Sweden were due to changes in EU law. From the 1st of July 2021, the EU abolished the VAT de minimis regime for goods valued under 22 EUR. This provision was transposed in Sweden by Law 1994:1551 (Freedom of taxation from import tax law). 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. In maritime transport, Regulation 2020/436 extended the existing block exemption to liner shipping consortia from competition law until April 2024. In March 2019, EU-wide requirements on accounting separation entered into force for port authorities in receipt of public funds.

More information

» Access all country notes, sector notes, and interactive STRI tools at 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>