

OECD Services Trade Restrictiveness Index (STRI)

UNITED STATES – 2020

Key findings

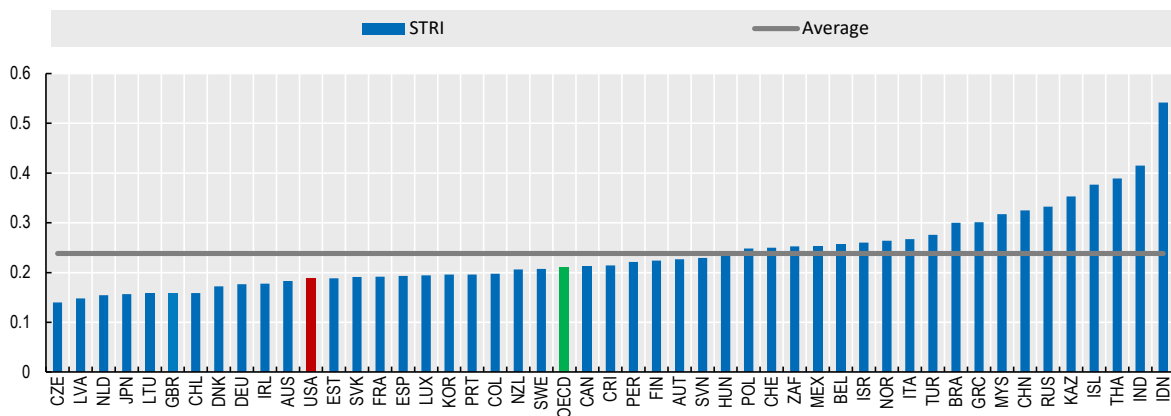
- The 2020 STRI of the United States is well below the OECD average and low compared to other countries, indicating an open regulatory environment for trade in services. The STRI are also unchanged compared to 2019 and
- The United States' regulatory environment for services has been stable over the past years with relatively few changes affecting services trade.
- Rail freight transport is the most open services sector in the United States 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, the United States could benefit from more open markets for services trade.

The 2020 STRI of United States is relatively low compared to other countries in the STRI sample, unchanged compared to 2019 (Figure 1).

Figure 1. Average STRI across countries, 2020



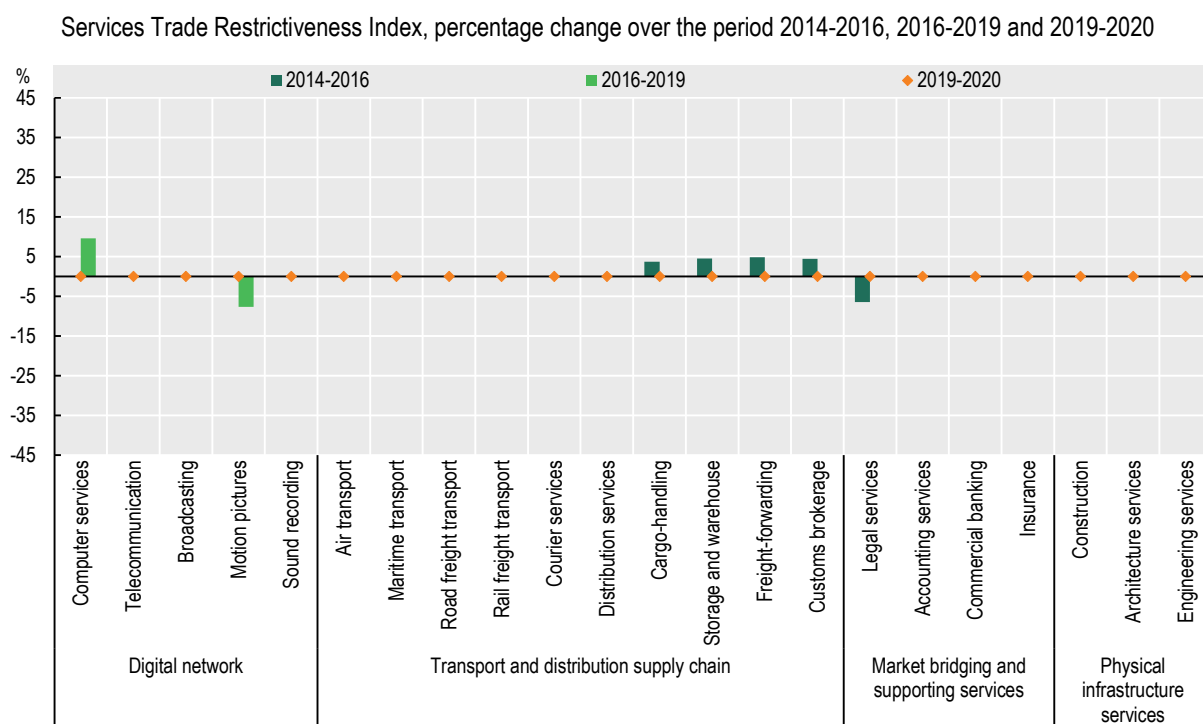
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nations basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations 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).

A general regulation that contributes to the STRI in all sectors is the quota restricting the number of contractual and independent services suppliers who may enter the country annually. However, the United States has a liberal policy regarding their duration of stay, which can be up to 36 months on the first entry permit. Moreover, the US procurement market is open only to members of the WTO's Government Procurement Agreement and partners in regional trade agreements, with the possibility of granting exceptions for developing countries. Overall, the United States is one of the countries where the government interferes least with private suppliers through state ownership: aside from the postal operator, no major firm is owned by the federal government in the sectors included.

The regulatory environment for services trade in the United States has been relatively stable in recent years with only moderate changes in some sectors (Figure 2).

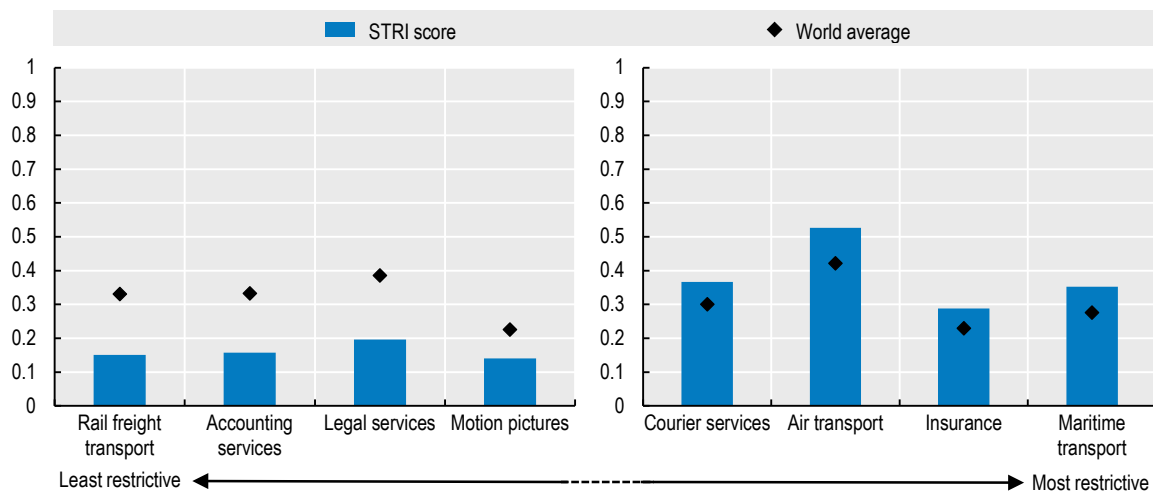
Figure 2. Evolution of STRI scores by sector in United States



Source: OECD STRI database (2020).

Rail freight transport, accounting services, legal services and motion pictures are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Courier services, air transport, insurance 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 United States



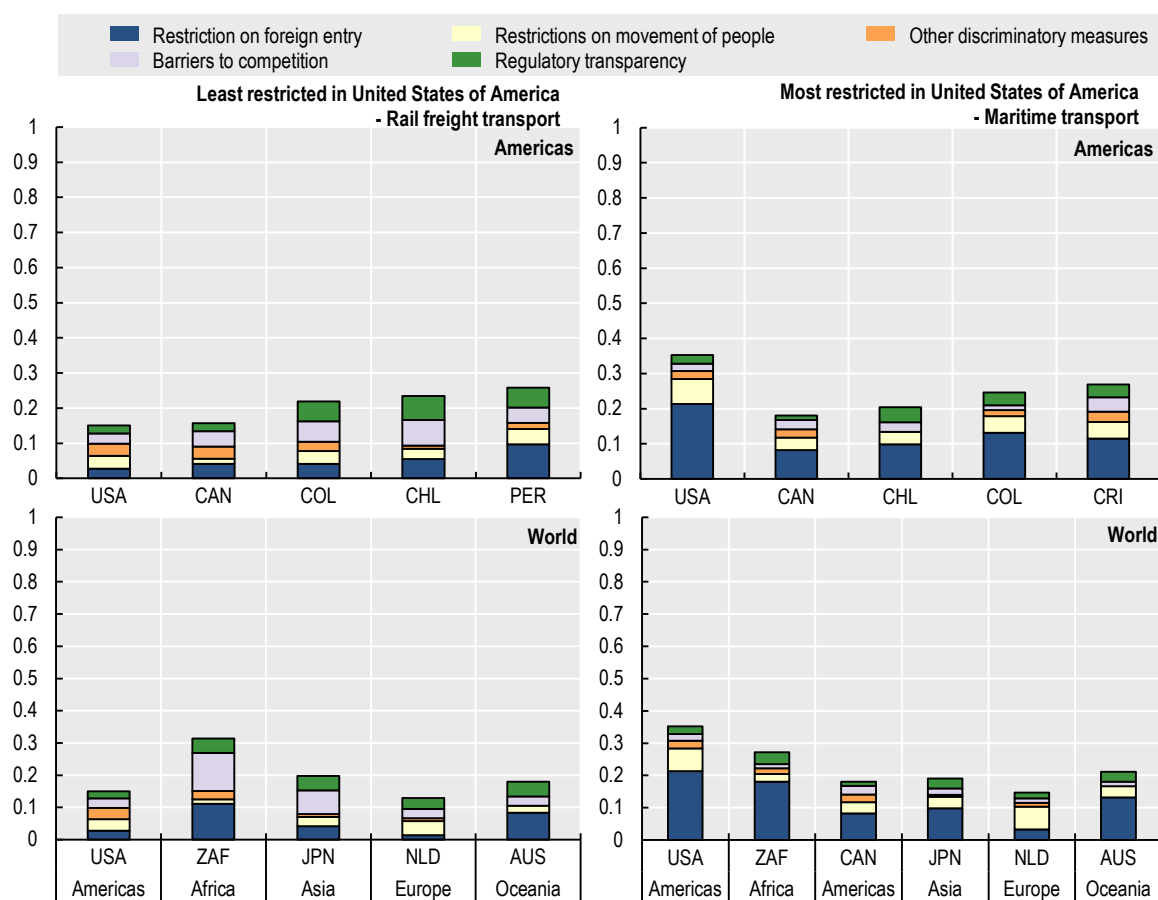
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

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

Source: OECD STRI database (2020).

Rail freight transport is the least restricted services sector in United States compared to Americas and the other best performers elsewhere while maritime transport are the most restricted (Figure 4).

Figure 4. United States compared to Americas and World's best performers

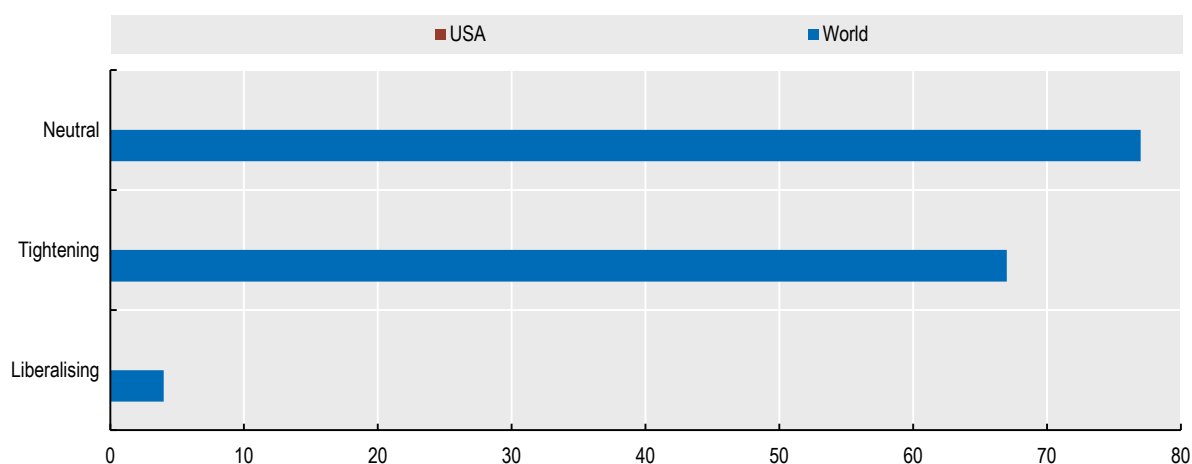


Source: OECD STRI database (2020).

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

While United States has adopted several measures in response to the COVID-19 crisis, these were either temporary in nature or not directly relevant for the measures considered in the STRI database. Many countries have tightened their regulatory framework following the COVID-19 shock, by tightening their investment screening process or their visas requirements (Figure 5).

Figure 5. COVID-19 related measures in United States and in the world



Source: OECD STRI database (2020).

Key reforms

The Foreign Investment Risk Review Modernization Act of 2018 expands the jurisdiction of Committee on Foreign Investment in the United States (CFIUS) and brings amendments to CFIUS's processes, including a new declarations procedure.

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