OECD Services Trade Restrictiveness Index (STRI)

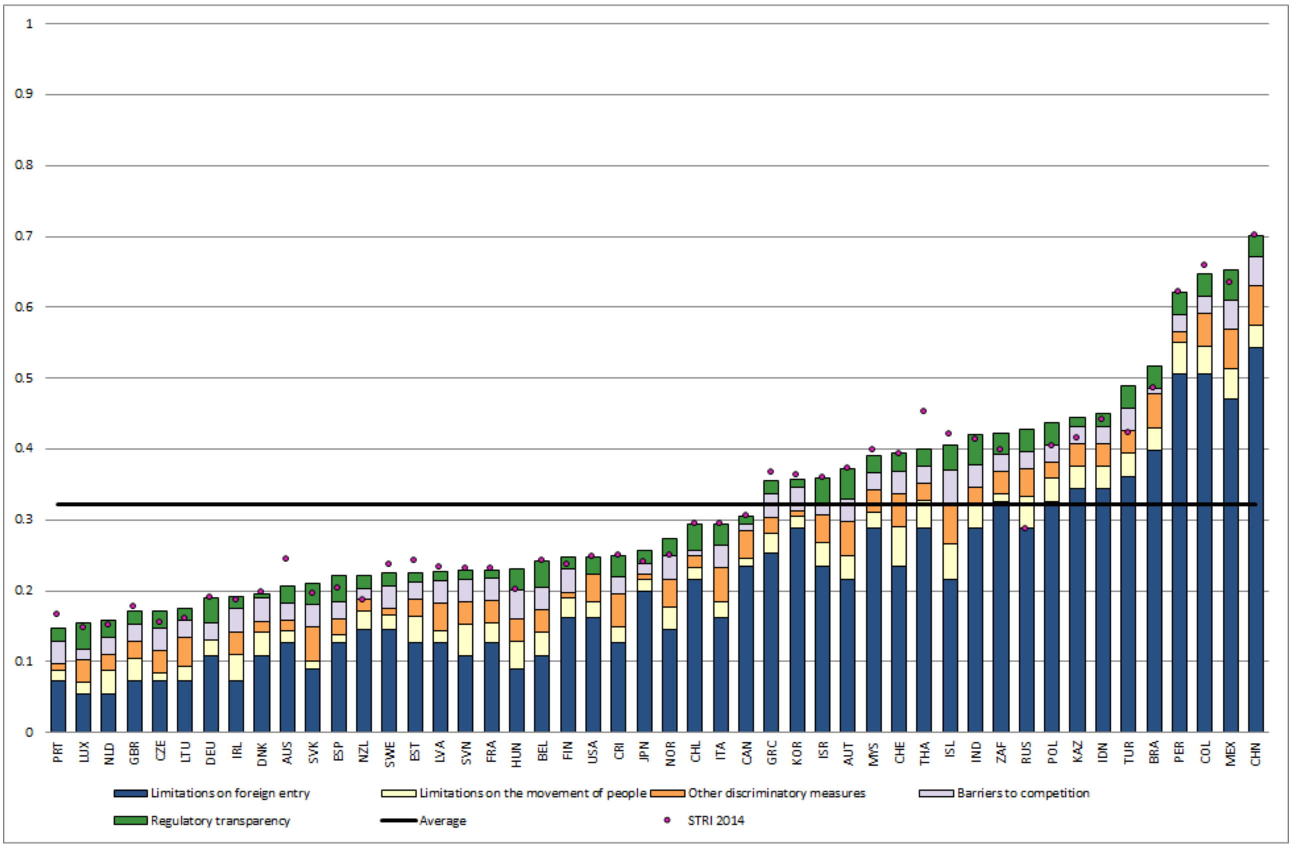
STRI SECTOR BRIEF: TELEVISION AND BROADCASTING

2020

This note presents the Services Trade Restrictiveness Indices (STRIs) for the 37 OECD countries and Brazil, the People's Republic of China, Costa Rica, India, Kazakhstan, Indonesia, Malaysia, Peru, the Russian Federation, South Africa and Thailand for television and broadcasting in 2020.

Television and broadcasting include television programming and broadcasting activities (ISIC 5911 and 6020). Television services are increasingly bundled with telecommunications services in the marketplace. Telecommunications operators often offer Internet Protocol Television (IPTV) as part of so-called triple play or quadruple play packages (broadband, television and telephone; adding mobile for quadruple play), and in some cases broadcasters have become telecommunications operators. In addition to linear broadcasting, video on demand has become an increasingly important distributor of audio-visual content. Furthermore, there is a host of suppliers offering streaming or downloads on the Internet.

STRI by policy area: Television and broadcasting (2020)



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 records measures on a Most Favoured Nations basis. Preferential trade agreements are not taken into account. The indices are based on laws and regulations in force on 31 October 2020.

The 2020 scores in television and broadcasting services range between 0.15 and 0.70 with an average of 0.32. The distribution of scores is somewhat skewed towards the low end with 27 countries below and 21 countries above the sample average.

The measures in the STRI database are organised under five policy areas as indicated in the chart. *Limitations on foreign entry* figure prominently in the STRI for television and broadcasting. Foreign equity limits are found in 23 countries. Some countries limit equity caps to terrestrial broadcasting only while leaving cable and satellite TV open to foreign investment. Others treat all platforms equally. Nine countries require that the majority of board members be nationals while another ten countries have a general obligation that the majority of board members must be residents.

There are also a number of limitations on TV programme content. Screen quotas contribute to the restrictiveness index in all but nine countries. For instance, some countries require that broadcasters reserve at least half of transmission time excluding news, sports events, advertising, games and teleshopping for local content. A number of countries that have screen quotas on linear TV extend this to non-linear demand such as streaming for consistency across platforms. In two countries there are quotas also on the number of foreign TV channels.

Broadcasters rely on information about their viewers' tastes and habits for advertising revenue and for building an audience. Consequently, cross-border broadcasting relies on cross-border data flows. Few countries have general limitations on cross-border data flows, but 41 countries have stricter conditions on the transfer of personal data than recommended in the OECD Guidelines for Protection of Privacy and Transborder Flow of Personal Data. Twenty-seven countries require that foreign TV channels establish a commercial presence in the country to obtain a permit to offer cross-border broadcasting.

All the countries in the STRI database have *limitations on the movement of natural persons* providing services on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers. Ten countries impose quotas on one or more of these three categories, 36 countries apply economic needs tests to stays that last longer than 3-6 months and the duration of stay is limited to less than three years in 29 countries.

Many countries use subsidies as a means for pursuing cultural and educational objectives. Lack of national treatment of foreign firms established in the country related to taxes, subsidies and public procurement account for the scores in the *Other discriminatory measures* category. Under *Barriers to competition* the most commonly observed contribution to the index is one or more state-owned broadcasters that enjoy competitive advantages related to funding or other favourable conditions.

The *regulatory transparency* policy area builds on information from administrative laws and regulations, information from the migration authorities on requirements for obtaining a business visa and the World Bank Doing Business Survey. The latter records time, cost and number of procedures required for establishing a company. These measures are benchmarked against a global threshold set at the 40 best performing countries. There are 21 countries included in the STRI database that are not among the 40 best performing countries on one or more of these measures. The score in the regulatory transparency area is largely attributed to this. In addition lengthy, costly and complex regulatory procedures related to obtaining a business visa contribute to the index for 28 countries.

Compared to 2014, denoted by the pink dots in the chart, the STRI index is unchanged for 13 countries, 22 have a lower (less restrictive) score, and 13 record a higher value of the STRI index (more restrictive) in 2020. Most of the changes are small, but Russia's score has increased significantly after a foreign equity cap of 20% was introduced in 2016. Similarly, a recent increase in Turkey's score in this sector is driven by regulatory changes introduced in 2020 with respect to limitations on downloading and streaming affecting cross-border trade as well as a new local data storage requirement.

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

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.