



OECD Services Trade Restrictiveness Index (STRI)

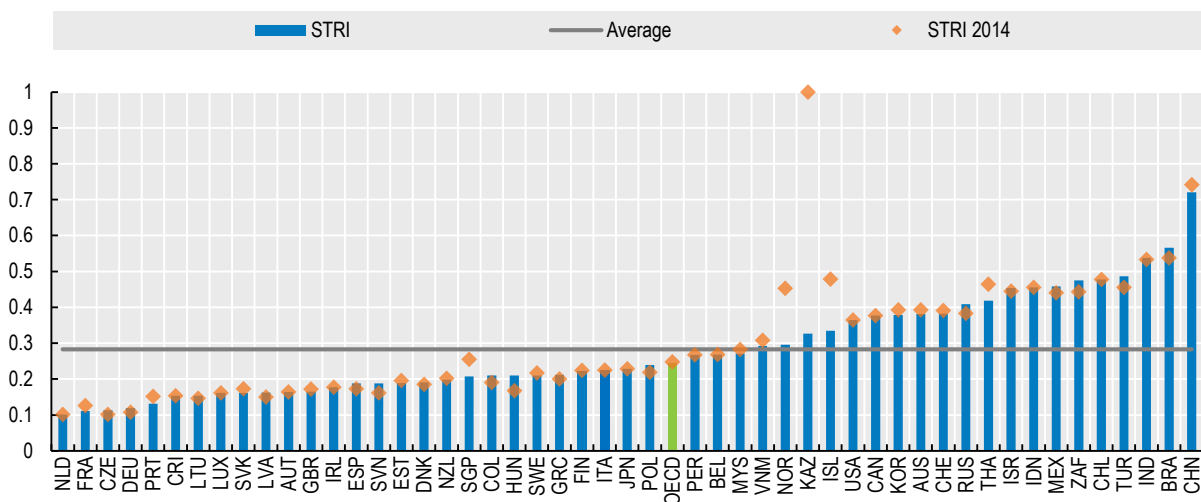
Courier Services 2021

Key findings

- The average 2021 STRI in the courier services sector is 0.28 out of a maximum of 1 (most trade restricted), indicating a relatively high overall level of restrictiveness. However, individual country scores diverge considerably, ranging between 0.10 and 0.72.
- The best performing countries in the sector are the Netherlands, France and the Czech Republic. Most reforms in 2021 were recorded in the United Kingdom, New Zealand, and Australia.
- Restrictions to foreign entry are the main drivers of trade restrictiveness in the sector, with contributions to the total index values ranging between 36% in OECD economies and 44% in non-OECD economies.
- OECD estimates suggest that halving the distance to best practice in this sector is associated with a reduction in the costs of cross-border trade in courier services between 8% and 16% for the average country included in the STRI database.

The sector is defined under ISIC Rev 4 code 53 as postal and courier activities. While digitization has reduced traditional letter mails, e-commerce growth increases the demand for parcels and express deliveries. As the supply chains connect more deeply, timely, precise, and reliable delivery services become critical.

Figure 1. STRI in courier services, 2021



Note: The STRI indices take values between zero and one, one being the most restrictive. 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, Russian Federation, Singapore, South Africa, Thailand, and Viet Nam.

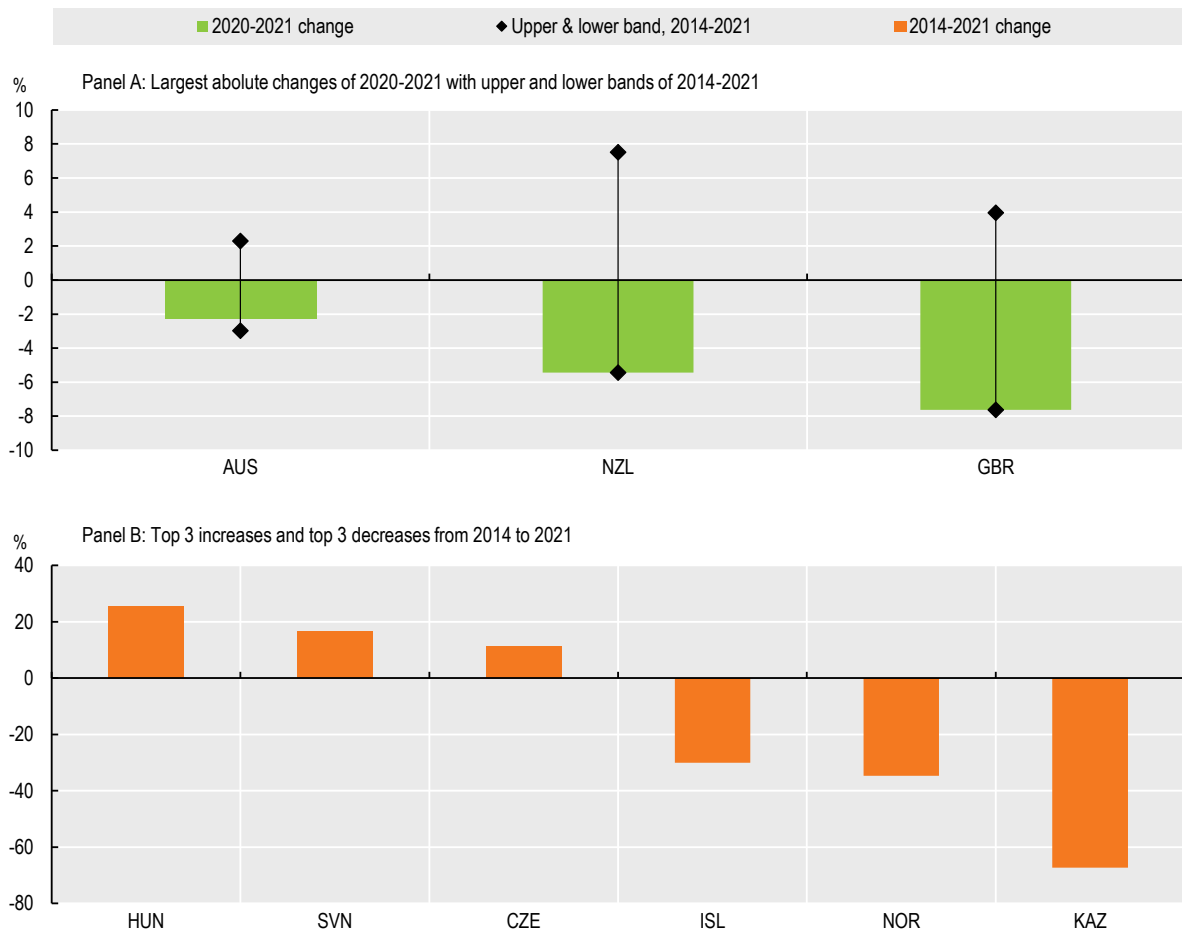
The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Source: OECD STRI database (2021).

The 2021 STRIs in the courier services sector range between 0.10 and 0.72 widely, with the sample average of 0.28 (Figure 1). There are 30 countries below and 20 countries above the average. The best performing countries in the sector are the Netherlands, France and the Czech Republic.

Several countries introduced regulatory changes affecting the STRIs in 2021 and more so since 2014 (Figure 2). In 2021, the STRIs in this sector saw the most significant changes in Australia (-2%), New Zealand (-5%), and the United Kingdom (-8%). Since 2014, we have observed countries that have had the strongest restrictive trends are Hungary (25%), Slovenia (16%) and the Czech Republic (11%). On the other hand, Iceland (-30%), Norway (-35%), and Kazakhstan (-67%) are identified as the countries with the strongest tendency towards liberalisation.

Figure 2. Change since 2014 and change in the last year, by country



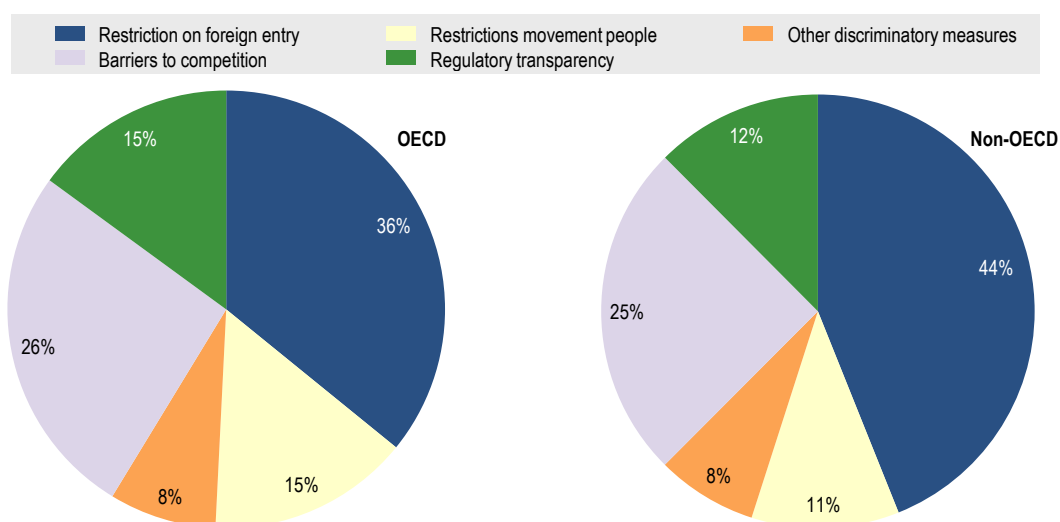
Note: Selection criteria for Panel A was based on largest absolute changes since 2020. Panel B selection is the three largest increases, and the three largest decreases in the STRI since 2014.

Source: OECD STRI database (2021).

The measures in the STRI database are organised under five policy areas (Figure 3). Restrictions on foreign entry include barriers to establishing or operating companies such as foreign equity limits or requirements on board of directors and cross-border data flows. Restrictions on the movement of people cover barriers that affect the temporary entry of foreign services providers through quotas, labour market tests and short durations of stay. Other discriminatory measures include discrimination of foreign services suppliers as far as taxes, subsidies and public procurement are concerned. Barriers to competition include

information on anti-trust policy, government ownership of major firms and the extent to which government-owned enterprises are exempt from competition laws. Regulatory transparency includes information on consultations and dissemination prior to laws and regulations entering into force. It also records information on obtaining a license or a visa. In this sector, barriers related to restrictions on foreign entry are most prominent and amount to 36% in OECD economies and 44% in non-OECD economies.

Figure 3. STRI policy areas for courier services by OECD and non-OECD economies, 2021



Source: OECD STRI database (2021).

This sector covers both courier and postal services, and the latter is generally subjected to tighter regulatory conditions while courier services can be more liberalised across countries. Table 1 lists the most common restrictions identified in each policy area. Under restrictions on foreign entry, common impediments relate to the acquisition and use of land and real estate. A license is required in a large share of countries but mostly applies with respect to postal services. Thirteen countries apply a monopoly in this segment as well. Investment screening mechanisms that do not exclude considerations of economic interests exist and residency requirements for board of directors exist across a large number of countries as well. Restrictions to the movement of people are relatively common across the board and include mostly short permitted durations of initial stay and labour market tests. Under other discriminatory measures, barriers related to accessing public procurement markets for foreign tenderers remain the most common challenge.

Under barriers to the competition, a designated postal operator (DPO) to provide universal service is present in 49 countries with some degree of governmental control being exercised in 47 countries. Under hurdles related to regulatory transparency, cumbersome procedure to obtain visa (lengthy time, numerous documents) for business visitors are the most common challenges in this sector.

Table 1. Top 5 most relevant measures by policy area, 2021

Policy area	Measure	Countries having a restriction
Restrictions on foreign entry	Acquisition and use of land and real estate by foreigners is restricted	35
	Memo: Licence/authorisation is required to enter the market	32
	Screening exists without exclusion of economic interests	22
	Board of directors: at least one must be resident	19
	Memo: Monopoly on letters	13
Restrictions to movement of people	Limitation on duration of stay for contractual services suppliers	38
	Labour market tests: intra-corporate transferees	37
	Labour market tests: contractual services suppliers	36
	Memo: Licence or authorisation is required to practice	8
	Laws or regulations establish a process for recognising qualifications gained abroad	2
Other discriminatory measures	Public procurement: Procurement regulation explicitly prohibits discrimination of foreign suppliers	43
	Public procurement: The procurement process affects the conditions of competition in favour of local firms	23
	Public procurement: Explicit preferences for local suppliers	23
	Memo: The procurement process below the value thresholds affects the conditions of competition in favour of local firms	20
	Other restrictions in other discriminatory measures	1
Barriers to competition	Memo: there is a designated postal operator to provide universal postal services	49
	National, state or provincial government control at least one major firm in the sector	47
	Minimum capital requirements	34
	Memo: there is at least one dominant provider in courier services market (other than universal postal services)	30
	Publicly-controlled firms are exempted from the application of the general competition law	5
Regulatory transparency	Range of visa processing time	28
	Memo: fees required to obtain a licence/authorisation	27
	Number of documents needed to obtain a business visa	26
	A <i>de minimis</i> regime is in place: Import duties	15
	There is an adequate public comment procedure open to interested persons, including foreign suppliers	11

Note: Top most relevant measures are selected on the basis of the following criteria: (1) most restricted horizontal measures (i.e. same answer across sectors), (2) most restricted sector-specific measures, (3) key measures or (4) memos affecting the score of other measures through hierarchy rules.

Source: OECD STRI database (2021).

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](#).
- » Benz, S. and A. Jaax (2020), "The costs of regulatory barriers to trade in services: New estimates of ad valorem tariff equivalents", OECD Trade Policy Papers, No. 238, OECD Publishing, Paris, <https://doi.org/10.1787/bae97f98-en>.
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org.