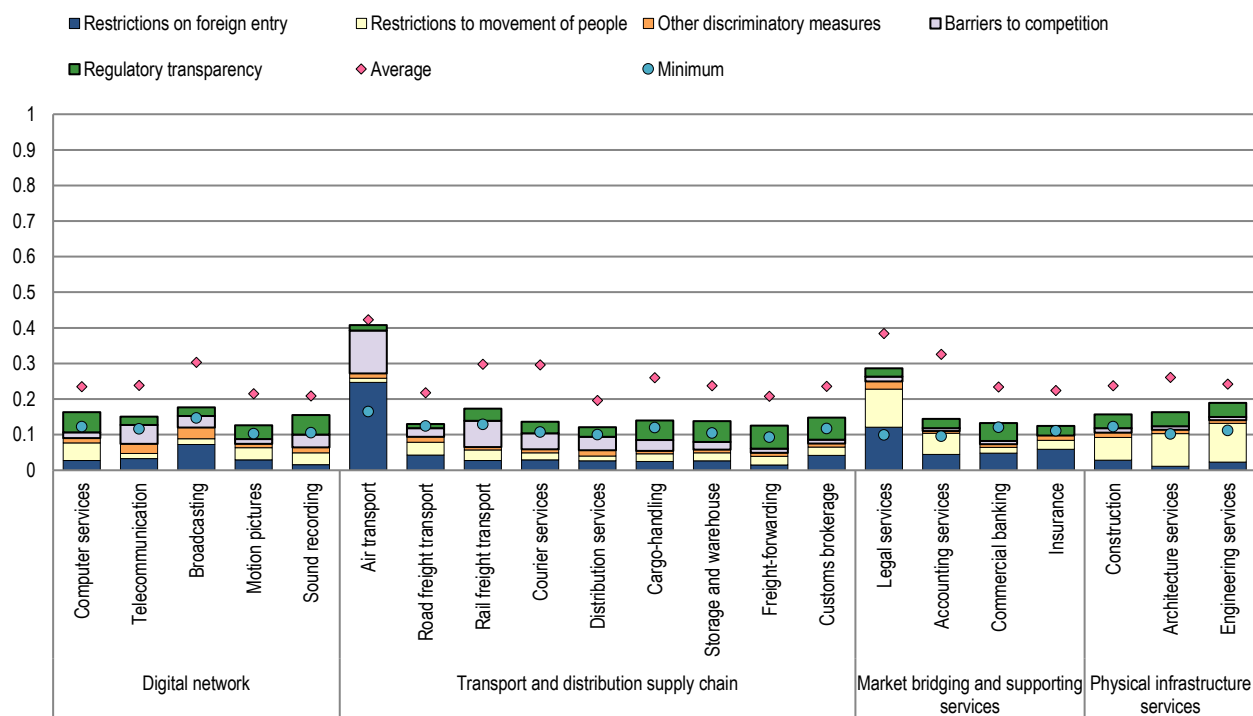


## OECD Services Trade Restrictiveness Index (STRI): Czech Republic

The Czech Republic exported services worth USD 24 billion and its services import value was USD 20 billion in 2017. Travel and transport followed by other business services are the Czech Republic's largest services exporting and importing sectors. The Czech Republic's score on the STRI index in 21 sectors is shown below, along with the average and the lowest score among the 45 countries included in the STRI database for each sector.

STRI by sector and policy area



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 contains information on regulation for the 36 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Malaysia, Russia and South Africa. The STRI database records measures on a Most Favoured Nations basis. Preferential trade agreements are not taken into account. Air transport and road freight cover only commercial establishment (with accompanying movement of people). Maritime transport services are not covered for landlocked countries.

### Horizontal policy measures

The Czech Republic has a lower score on the STRI than the average in all sectors. The Czech Republic applies labour market tests for workers seeking to provide services in the country on a temporary basis as contractual services suppliers but not as intra-corporate transferees or independent services suppliers. The duration of stay is limited to 36 months for intra-corporate transferees and 24 for contractual services suppliers, and 12 months for independent services suppliers 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. A minimum amount of capital must be deposited in a bank or with a notary in order to register a business. 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, the number of official procedures and the number of days required to register a company are significantly above best practice.

### The sectors with the relatively lowest STRI scores

Accounting services, courier services and logistics cargo-handling are the three sectors with the lowest score relative to the average in the Czech Republic. Accounting services cover also auditing. Accounting is not a regulated profession, and licensing is required only for auditors. Although the regulations for auditors largely follow best practice, foreigners from outside the EEA are required to undergo a local examination and practice, while temporary licenses are not allowed. In courier services, besides the cross-cutting regulations, the state maintains control of the main postal services provider, Česká pošta. In logistics cargo-handling, the score is mainly due to horizontal measures, although the number of licenses for cargo handling at airports is regulated and the state has control over major firms operating at the main airports and rail facilities in the country.

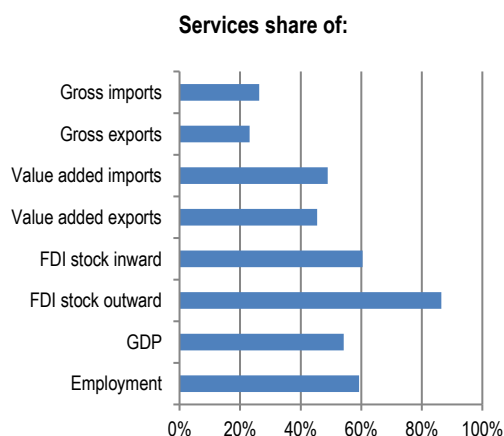
### The sectors with the relatively highest STRI scores

Air transport, engineering services and legal services, are the three sectors with the highest score relative to the average in the Czech Republic. In the air transport services sector, the Czech Republic has foreign equity restrictions as a result of common European Union (EU) regulation on air services. Pursuant to this regulation, non-EU nationals cannot own more than 49% in local airlines. Lease of foreign aircrafts with crew from outside the EU can be refused on grounds of reciprocity or conditioned on approval granted on the basis of economic needs. The EU-wide exemption of certain airline arrangements from competition law and regulations on airport slot allocation and slot trading further contribute to the score in this sector. Finally, the government holds a majority ownership in a major carrier. In addition to the horizontal measures, non-EEA foreign engineers and lawyers have to pass a local exam and no temporary licensing system is in place. Prior or permanent residency is also required to obtain a licence to practice in both sectors.

### Recent policy changes

As of April 2017, the Regulatory Body for Access to Transport Infrastructure (Úřad pro přístup k dopravní infrastruktuře) has been established as an independent regulator to oversee access to the rail infrastructure for rail transport operators. The new EU General Data Protection Regulation (Regulation 2016/679) entered into force on 25 May 2018 providing a comprehensive update on the EU data protection regime.

### Efficient services sectors matter



Services account for around 25% of gross imports and exports but for almost 50% in value added terms. This indicates that the Czech Republic's exports of goods rely intensively on services inputs. Services account for almost 55% of GDP and a slightly higher share of employment, which implies that earnings and aggregate demand depends crucially on productivity in the services sectors. The information and communication technology revolution opens new opportunities for inclusive growth in a services economy like the Czech Republic. 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 Czech Republic could benefit from more open markets for services trade through the temporary movement of natural persons.

### 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](mailto:stri.contact@oecd.org)