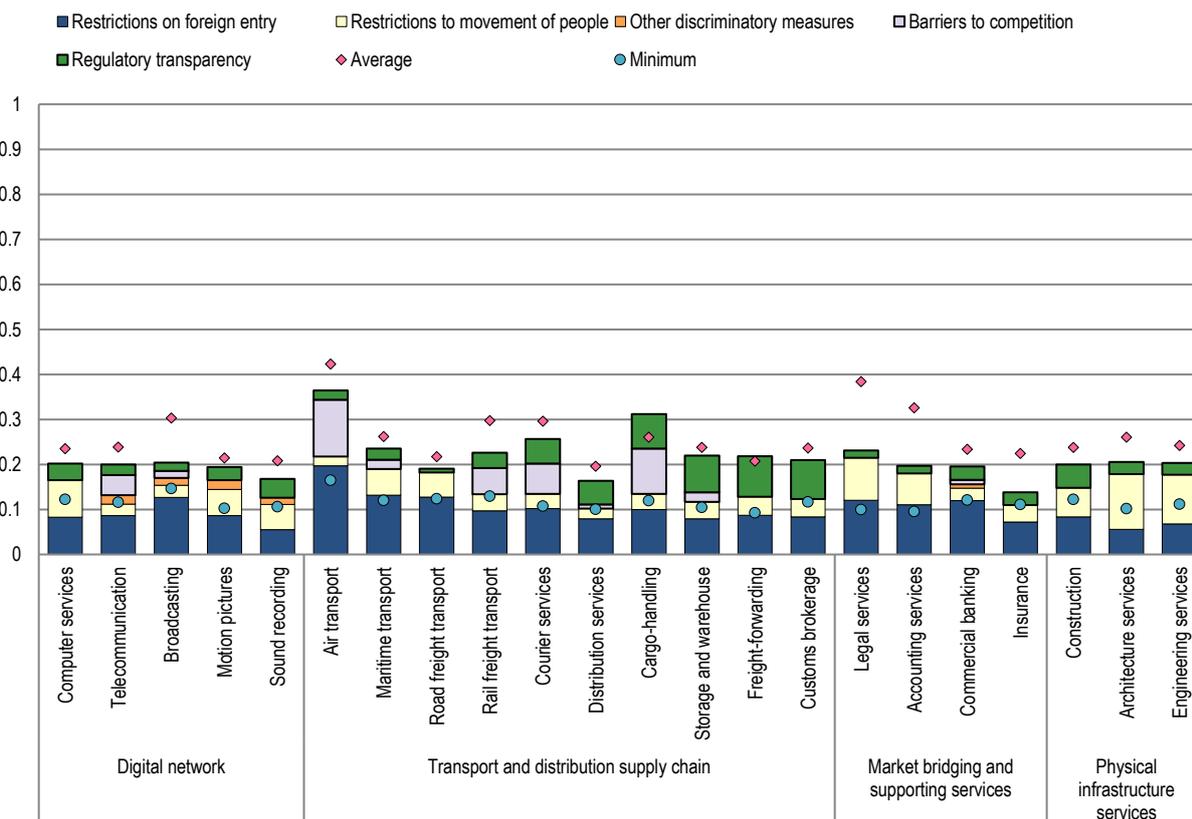


## OECD Services Trade Restrictiveness Index (STRI): New Zealand

New Zealand exported services worth USD 16 billion and its services imports amounted to USD 13 billion in 2017. The largest services exporting sectors are travel and personal services. New Zealand's score on the STRI index in the 22 sectors covered by the STRI project 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).

### Horizontal policy measures

New Zealand has a lower score on the STRI than the average in 20 out of 22 sectors. This can be explained by an overall favourable regulatory framework. The duration of stay for natural persons seeking to provide services in the country on a temporary basis as contractual or independent services suppliers is 12 months and 24 months respectively. Intra-corporate transferees are exempted from this limitation. The legislation requires consent by the government to foreigners' purchase of certain types of real estate. Finally, the time for processing a business visa is significantly longer than the best practice.

### The sectors with the relatively lowest STRI scores

Legal services, accounting services, and insurance services are the three sectors with the lowest score relative to the average. In legal services, in order to practice domestic law, a license is required. Only licensed

professionals may own, manage or sit on the board of domestic law firms, and commercial associations with other professionals are not permitted. The accounting sector also covers auditing services. In auditing services, foreigners are required to form a partnership with local professionals. Foreign professionals seeking to offer services must undertake a local examination and complete certain practice programmes before they are allowed to operate. In addition, licensed professionals must sit on the board of auditing firms. Where the licensed insurer is a branch of an overseas insurance company, the New Zealand chief executive officer should be ordinarily resident in New Zealand. There are no processes established for the recognition of qualifications as insurance broker.

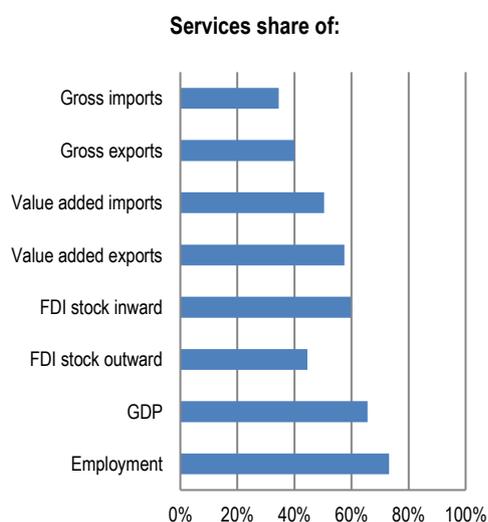
### The sectors with the relatively highest STRI scores

Logistics cargo-handling, freight forwarding, and storage and warehouse services are the three sectors with the highest score relative to the average. In the case of cargo-handling services, barriers to competition explain a higher than average value. For example, the cross-subsidisation of activities is not prohibited and the vertical separation of accounts not required, while at the same time several of the main companies involved in the sector are publicly owned. More generally, contracts for service provision are not awarded through competitive biddings. In freight forwarding and storage and warehouse, the score is driven to a large part by limitations on administrative procedures related to customs and visas for transport crew.

### Recent policy changes

The Trade Single Window (TSW) has been deployed in April 2017, including the introduction of a system for pre-arrival processing of shipments. A temporary ban on the parallel importation of films, for commercial sale for a period of five months from the film's international release, ended on 31 October 2016. In May 2015, the Companies Act 1993 was amended to require all companies to have at least one director with domicile in New Zealand or an 'enforcement country' (currently only Australia).

### Efficient services sectors matter



Services account for 40% of New Zealand's gross exports, but 58% of value-added exports. Cost effective state of the art services are therefore of utmost importance for the competitiveness of New Zealand's industrial sector. Services account for 73% of employment, which implies that earnings and aggregate demand depends crucially on productivity in the services sector.

The information and communication technology revolution opens new opportunities for inclusive growth in a services economy like New Zealand. 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, New Zealand could benefit from more open markets for services trade through the temporary movement of natural persons and competition enhancing reforms in key services sectors that overarch the entire economy.

### 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)