AUSTRIA – 2021

Key findings

- The 2021 STRI of Austria is slightly above the OECD average but relatively low compared to all countries in the STRI sample. The indices remain unchanged compared to 2020.
- Austria’s regulatory environment for services has been relatively stable over the past years.
- While the overall regulatory framework provides favourable conditions for trade in services, restrictions remain in several policy areas.

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, Austria could benefit from more open markets for services trade.

The average STRI of Austria is below the average across all countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2021

Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation 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 2021. The STRI regulatory database covers the 38 OECD countries, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, 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 and TiVA databases (2021).
The 2021 indices are partly shaped by horizontal measures applying to all sectors. For example, labour market tests are applied for workers seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers.

In addition, sector-specific restrictions contribute to the STRI score of Austria. Regarding sound recording and broadcasting services, eligibility for some subsidies is limited to productions in which the directors and majority of the cast and crew are Austrian nationals. Furthermore, commercial presence in Austria is required to provide engineering services.

The Austrian regulatory framework for services trade has been stable in recent years (Figure 2a). Yet, eleven services sectors have experienced increases in the level of restrictiveness since 2014.

**Figure 2a. Evolution of STRI indices by sector in Austria**

Services Trade Restrictiveness Index, percentage change over the period 2014-2017, 2017-2020 and 2020-2021


Services trade barriers are significantly lower within the European Economic Area across all services sectors (Figure 2b). Austria maintains an open market for services suppliers from other EEA Members.
Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)

Note: The traditional STRI indicates the level of restrictiveness on Most-Favoured Nation basis towards third countries, and the intra-EEA STRI indicates the level of restrictiveness towards EEA members. Intra-EEA STRI covers 24 countries (Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden).

Telecommunications, courier services, rail freight transport and logistics cargo-handling are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). In contrast, engineering services, legal services, broadcasting and sound recording 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 Austria

Note: Selection was made based on how far the sectors’ score were from the world average score, as a percentage difference i.e. \( (\text{STRI}_{\text{country, sector}} - \text{STRI}_{\text{world average, sector}}) / \text{STRI}_{\text{world average, sector}} \)

Telecommunications are the least restricted services sector in Austria compared to Europe and the other best performers elsewhere while sound recording services are the most restricted (Figure 4).
Figure 4. Austria compared to Europe and World’s best performers

Key reforms

In 2020, the maximum foreign equity share allowed in legal services was reduced to 25% for domestic as well as international law. Moreover, the new Austrian investment control act, which entered into force in July 2020, expanded the scope of the screening of foreign investments. Screening exists without exclusion of economic interests in 14 services sectors in Austria.

Several recent changes affecting Austria were due to changes in EU law. From 1 July 2021, the EU abolished the VAT de minimis regime for goods valued under EUR 22. In the context of the COVID-19 pandemic, Regulation 2020/459 waived the 80/20 grandfathering rule for airport slot allocations between 1 March 2020 and 27 March 2021. Accordingly, airport coordinators are required to consider slots allocated for this period as having been operated by the air carrier to which they were initially allocated. For the slots allocated for the scheduling period from 28 March 2021 until 30 October 2021, air carriers are entitled to the same series of slots for the scheduling period from 27 March 2022 until 29 October 2022. In maritime transport, Regulation 2020/436 extended the existing block exemption to liner shipping consortia from competition law until April 2024. In March 2019, EU-wide requirements on accounting separation entered into force for port authorities in receipt of public funds.

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

» Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org