

OECD Services Trade Restrictiveness Index (STRI)

SWITZERLAND – 2020

Key findings

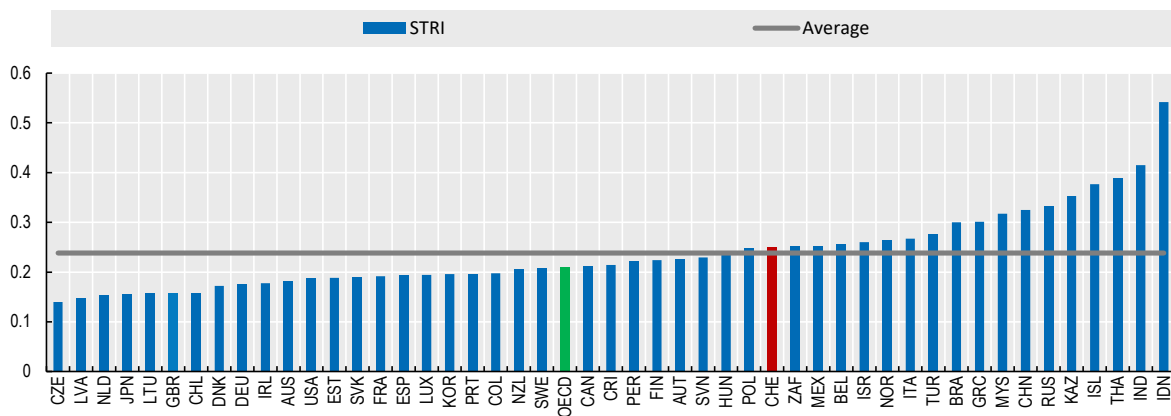
- The 2020 STRI of Switzerland higher than the OECD average but has decreased compared to 2019.
- Switzerland’s regulatory environment for services was relatively stable over the past years.
- Despite progress on trade liberalisation efforts, some restrictions on movement of people remain for independent services suppliers and procedures to register a company are relatively burdensome.

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

The 2020 STRI of Switzerland is higher than the OECD average but has decreased compared to 2019 (Figure 1).

Figure 1. Average STRI across countries, 2020



Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nations 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 2020. The STRI regulatory database covers the 37 OECD countries, Brazil, China, Costa Rica, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, South Africa, and Thailand.

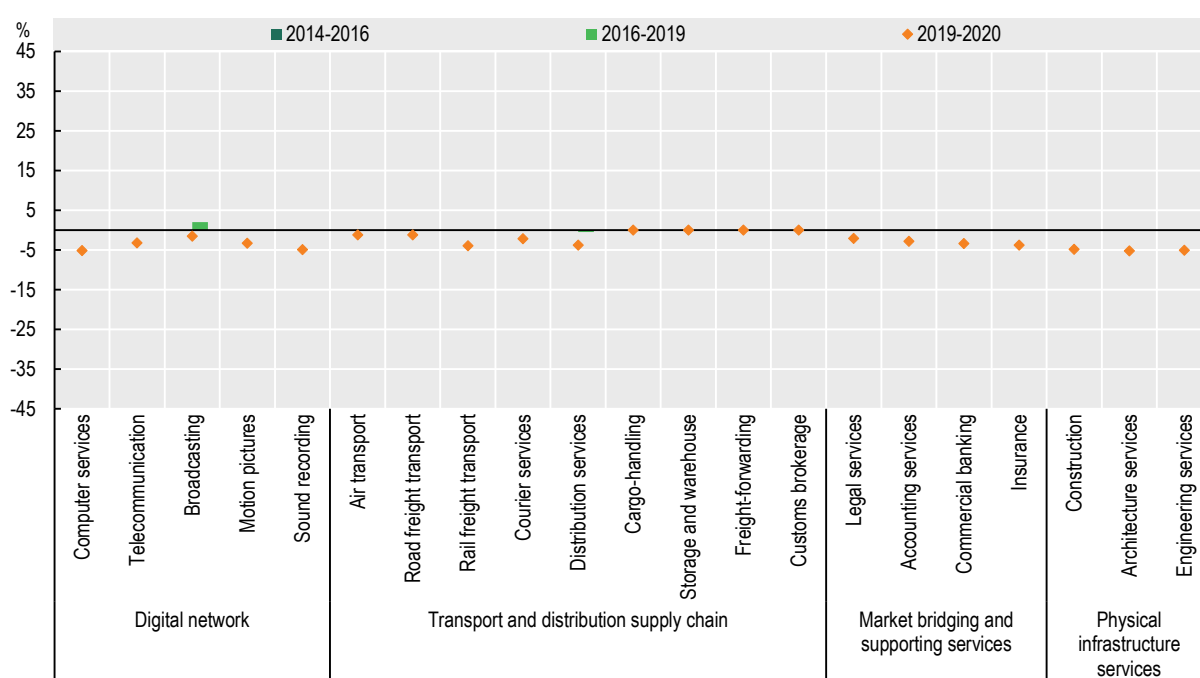
Source: OECD STRI and TiVA databases (2020).

The 2020 index is due to stringent economy-wide regulations. Switzerland applies quotas and labour market tests for workers seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers. Workers in these categories may stay in the country for up to 12 months on their first short-term entry permit. Furthermore, the acquisition and use of land and real estate by foreigners is restricted. Switzerland also requires that at least one of the board members in corporations must be resident. Access to the public procurement market on equal terms is limited to firms from countries covered by a mutual agreement. Transfer of personal data can take place only to foreign countries that ensure an adequate level of protection or have substantially similar privacy protection laws. Finally, the state retains a prominent role in the economy with at least one major state-owned enterprise in commercial banking, broadcasting, courier services, logistics cargo handling and storage and warehouse at rail facilities, rail freight transport and telecommunication services.

The regulatory environment in Switzerland has been relatively stable over the past years (Figure 2).

Figure 2. Evolution of STRI scores by sector in Switzerland

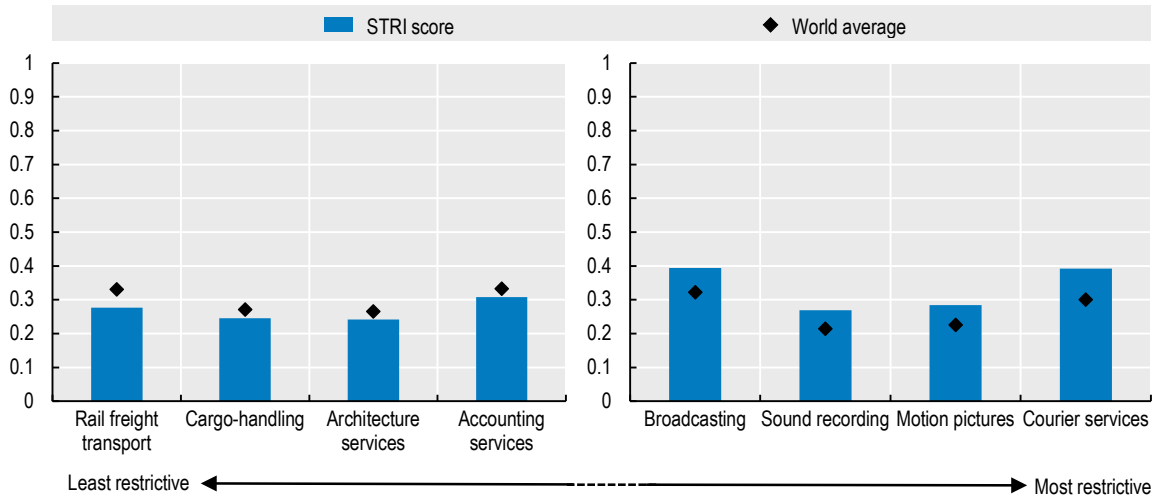
Services Trade Restrictiveness Index, percentage change over the period 2014-2016, 2016-2019 and 2019-2020



Source: OECD STRI database (2020).

Rail freight transport, logistics cargo-handling, architecture services and accounting services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Broadcasting, sound recording, motion pictures and courier services 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 Switzerland



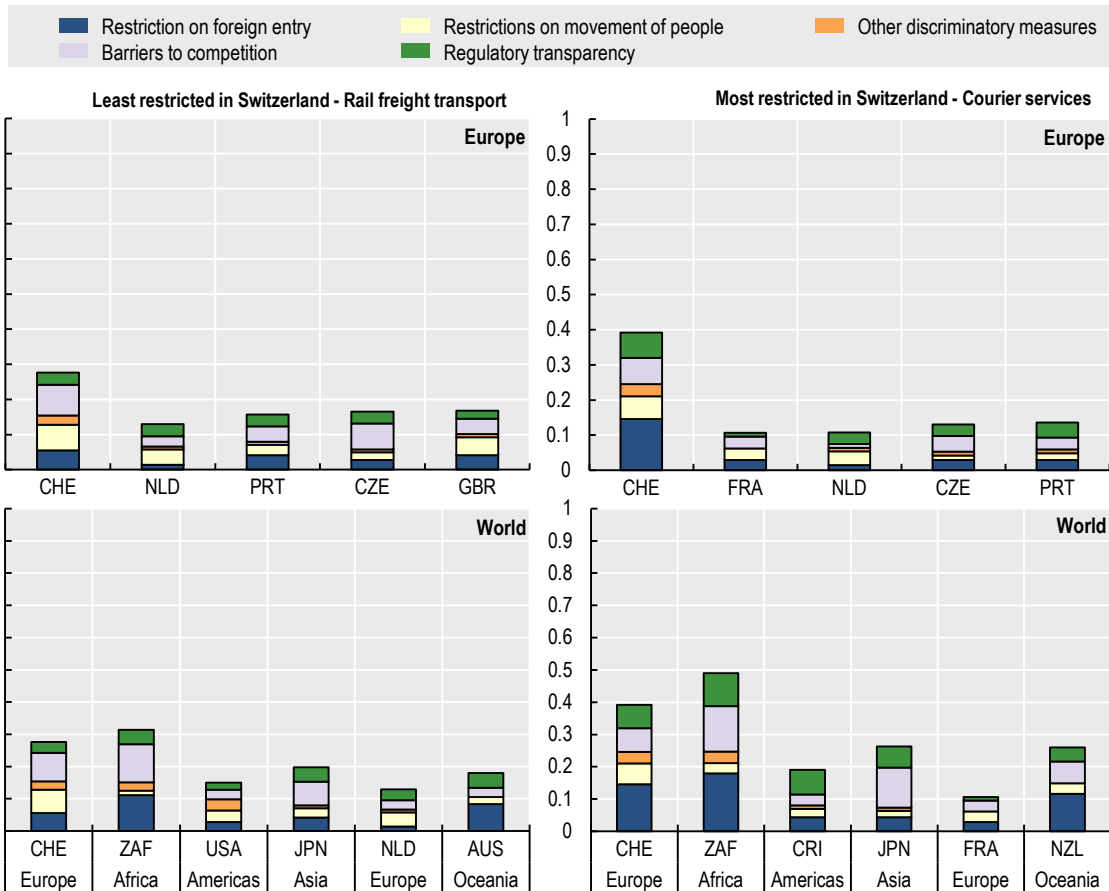
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

i.e. $(STRI_{country, sector} - STRI_{world average, sector}) / STRI_{world average, sector}$

Source: OECD STRI database (2020).

Rail freight transport is the least restricted services sector in Switzerland compared to Europe and the other best performers elsewhere while courier services are the most restricted (Figure 4).

Figure 4. Switzerland compared to Europe and World's best performers

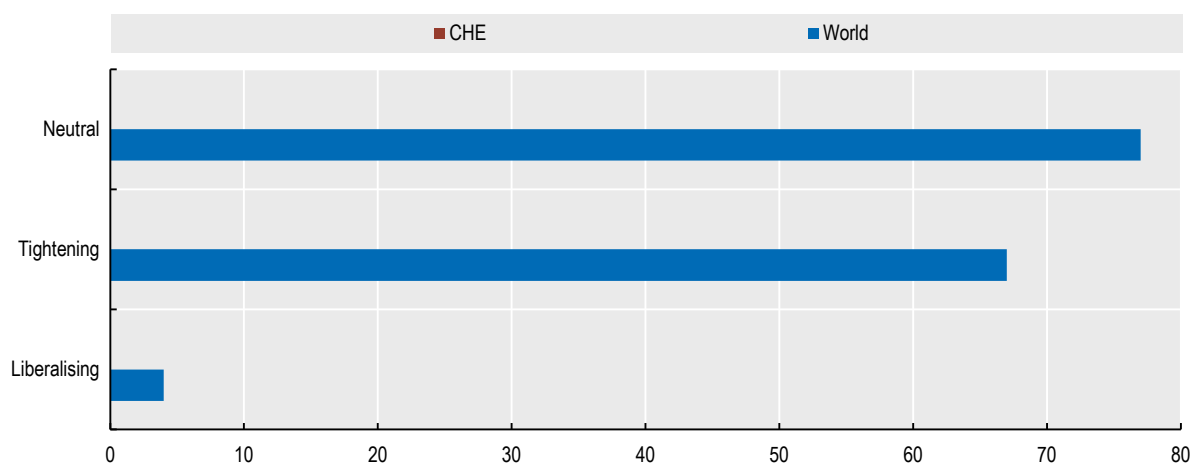


Source: OECD STRI database (2020).

Special focus: Impact of COVID-19-related measures on the stringency of services regulations

While Switzerland has adopted several measures in response to the COVID-19 crisis, these were either temporary in nature or not directly relevant for the measures considered in the STRI database. Many countries have tightened their regulatory framework following the COVID-19 shock, by tightening their investment screening process or their visas requirements (Figure 5).

Figure 5. COVID-19 related measures in Switzerland and in the world



Source: OECD STRI database (2020).

Key reforms

In 2019, the import monopoly on ethanol over 80% has been abolished, easing restrictions on foreign entry in distribution services. Apart from this, the services trade policy environment has been stable over the period 2014-2020.

More information

- » Access all country and sector notes, and interactive STRI tools on the OECD website at <http://oe.cd/stri>
- » Read more about services trade policies and their impact in [Services Trade Policies and the Global Economy](#)
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org