Key findings

- The 2021 STRI of Switzerland is above the OECD average. The indices have increased slightly compared to 2020.
- Switzerland’s regulatory environment for services was relatively stable over the past years.
- Despite the overall favourable environment for services trade, some restrictions on movement of people remain for independent services suppliers and procedures to register a company are relatively burdensome.

Recommendations

- 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.
- In the framework of the new Federal Law on Public Procurement, extended market access should be accompanied by equal opportunity to challenge the consistency of the conduct of procurement with the laws and regulations.

The average STRI of Switzerland is relatively high compared to other 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: Source: OECD STRI database (2021).
The value of the 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 in the country.

Cross-border transfers of personal data 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 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 decrease in many sectoral scores depicted in Figure 2 for the period 2017-2020 largely reflects an improvement in the range of visa processing time in 2020. The change in the score for construction services between 2020 and 2021 instead is associated with the new Federal Law on Public procurement.

The 2021 legal framework for public procurement introduces a discretionary channel for the Swiss Contracting Authority to grant market access to a foreign provider. While this widens market access with respect to the previous regime, it introduces potential discrimination in the opportunity to challenge the consistency of the conduct of procurement with the laws and regulations. Indeed, a foreign firm who submitted a tender in a public procurement process outside the scope of international treaties but with the discretionary permission of the Swiss Contracting Authority, will have no means to appeal the Authority's decision if the reciprocal rights requirement will not be met.

**Figure 2. Evolution of STRI indices by sector in Switzerland**

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

Rail freight transport, logistics cargo-handling, architecture services and telecommunications are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Computer services, motion pictures, sound recording 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\textsubscript{country, sector} - STRI\textsubscript{world average, sector}) / STRI\textsubscript{world average, sector}


Rail freight transport services are the least restricted sector in Switzerland compared to Europe and the other best performers elsewhere while courier services are the most restricted (Figure 4). In that sector, Switzerland applies more stringent regulations on foreign entry with respect to regional peers and higher restrictions on movement of people than World’s best performers.

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

**Key reforms**

Against the backdrop of a rather stable services trade policy environment, the 2021 reform of public procurement represents an important step in the direction of a more harmonized and updated policy regime. While the STRI methodology does not fully capture all policy dimensions of this comprehensive reform, it highlights the potential discrimination against certain foreign providers with respect to the opportunity to challenge the consistency of the conduct of procurement with respect to the relevant laws and regulations.

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**More information**

- Access all country notes, sector notes, and interactive STRI tools at [http://oe.cd/stri](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