

OECD Services Trade Restrictiveness Index (STRI)

CHILE – 2020

Key findings

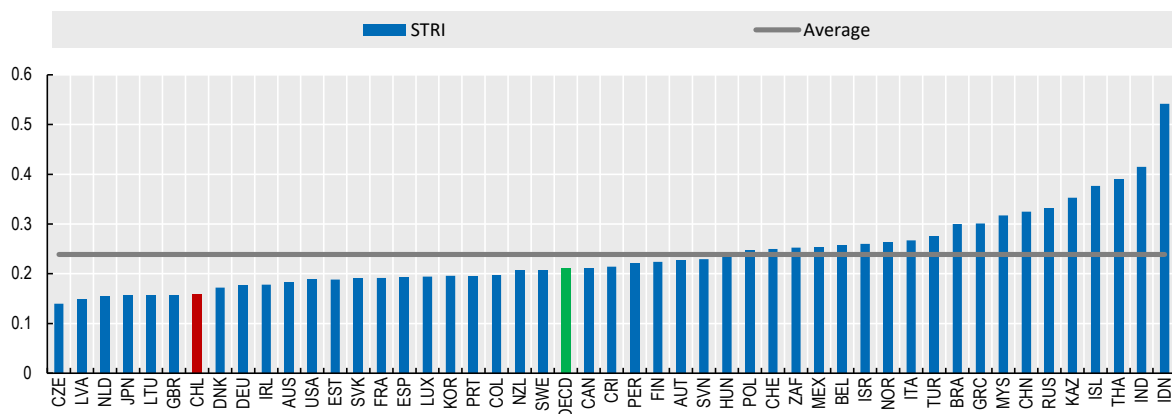
- The 2020 STRI of Chile is well below the OECD average and low compared to other countries in the STRI sample, and this is unchanged since 2019.
- Regulation appears to be less strict in Chile in most sectors and policy areas than in most OECD countries. In 2020, no policy reform affecting the STRI has been identified.
- There have been few reforms in recent years, except some liberalisation in logistics and commercial banking.

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

The 2020 STRI of Chile is well below the OECD average and low compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2020

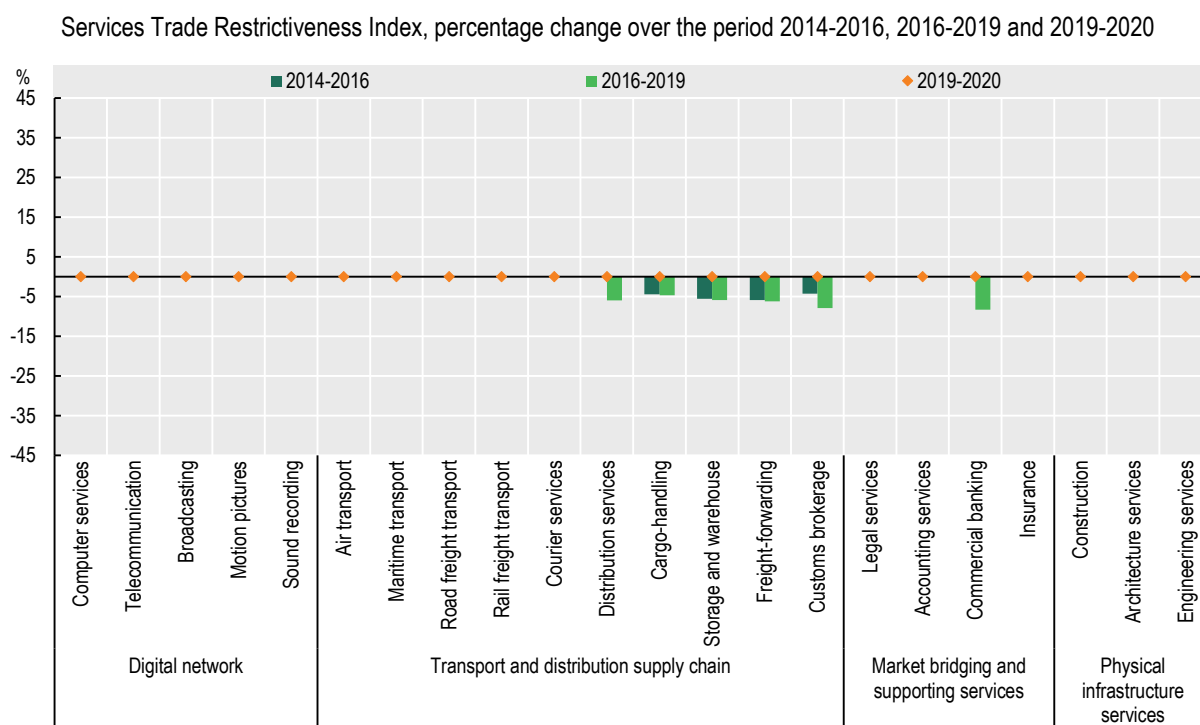


Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nations basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations 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 STRI is partially explained by the low level of economy-wide restrictive regulation applying in particular to professional services. Chile is also one of the few countries with no foreign equity restrictions in air transport services, e.g. foreign investment in air transport services to, from and within Chile is allowed, explaining that air transport is, comparatively, one of the least restrictive sectors. Other measures common to all sectors are limitations on acquisition of land or real estate by foreigners along the coast and frontier areas, and lack of a general obligation to publish laws and regulations before they enter into force or to open draft regulations for public comment, although specific mechanisms for civil society consultation exist in some sectors.

The regulatory environment in Chile has been relatively stable over the past years (Figure 2) with moderate liberalisations in some sectors, including commercial banking, distribution and logistics sectors.

Figure 2. Evolution of STRI scores by sector in Chile



Source: OECD STRI database (2020).

Accounting services, air transport, legal services and architecture services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Broadcasting, telecommunications, customs brokerage 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 Chile



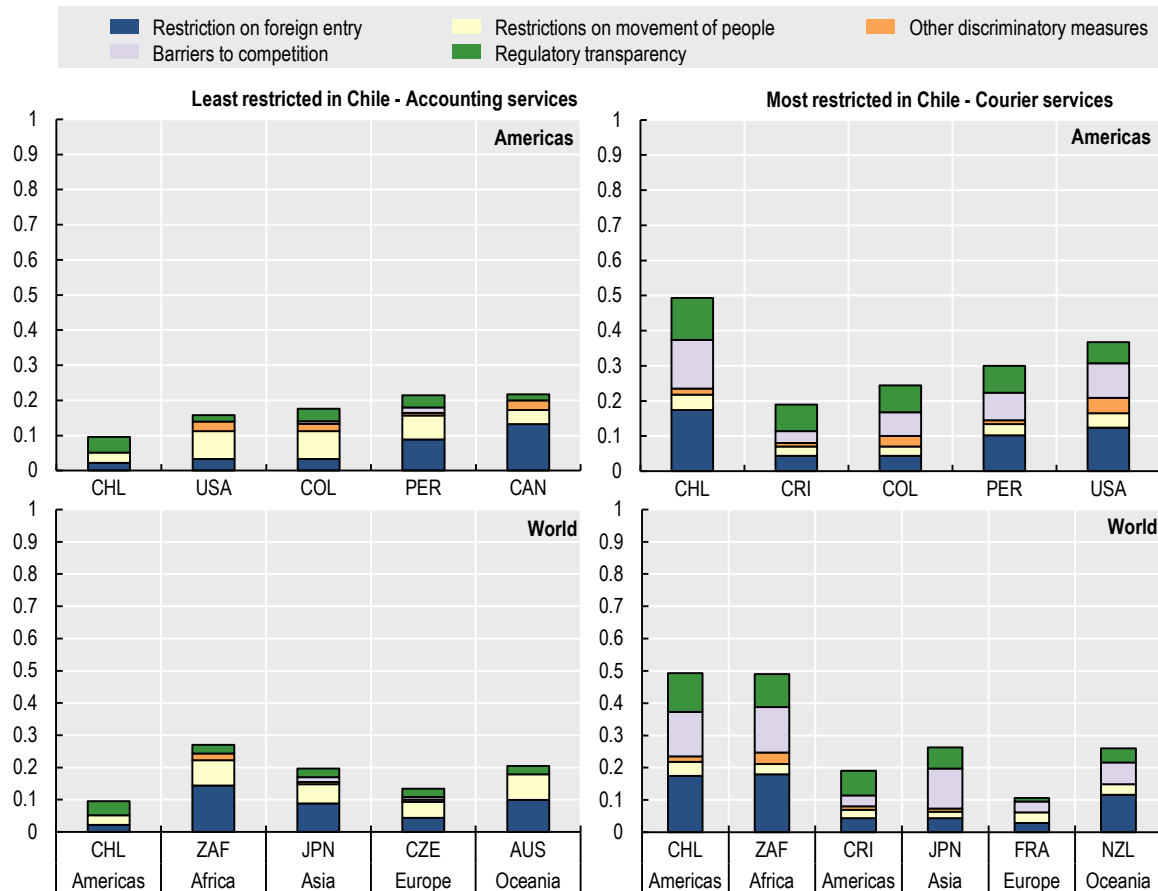
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

i.e. $(STR I_{country, sector} - STR I_{world\ average, sector}) / STR I_{world\ average, sector}$

Source: OECD STRI database (2020).

Accounting services are the least restricted services sectors in Chile compared to Americas and the other best performers elsewhere while courier services are the most restricted (Figure 4).

Figure 4. Chile compared to Americas and World's best performers

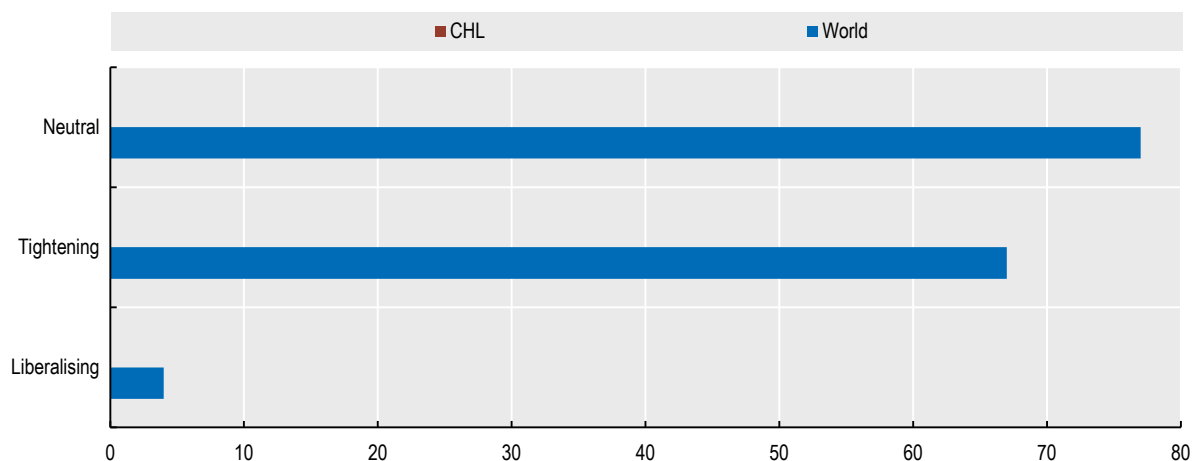


Source: OECD STRI database (2020).

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

While Chile 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 Chile and in the world



Source: OECD STRI database (2020).

Key reforms

In 2017, Chile revised its customs regulation, introducing an Authorised Economic Operators Scheme open to foreign firms and authorising the release of goods before the determination and payment of duties.

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