

OECD Services Trade Restrictiveness Index (STRI)

ITALY – 2020

Key findings

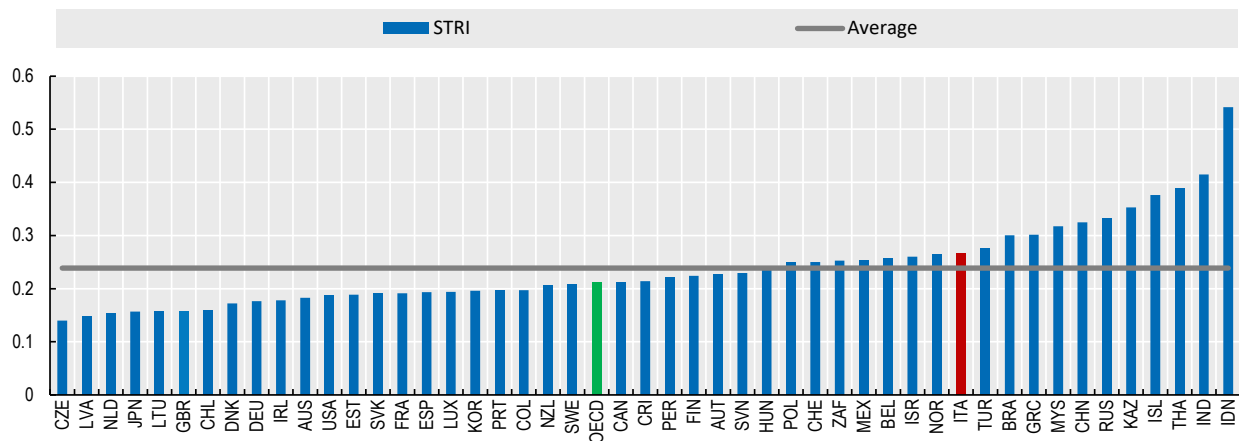
- The 2020 STRI of Italy is above the average of the countries for which the indicator is available, unchanged compared to 2019.
- There has been little change over the past years, except in commercial banking where restrictions have become more stringent.
- The relatively high level of restrictiveness reflects essentially more restrictive regulations related to movement of people than in regional peers. Those restrictions are particularly important in professional services.

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

The 2020 STRI of Italy is above the OECD average (Figure 1), unchanged compared to 2019.

Figure 1. Average STRI across countries, 2020



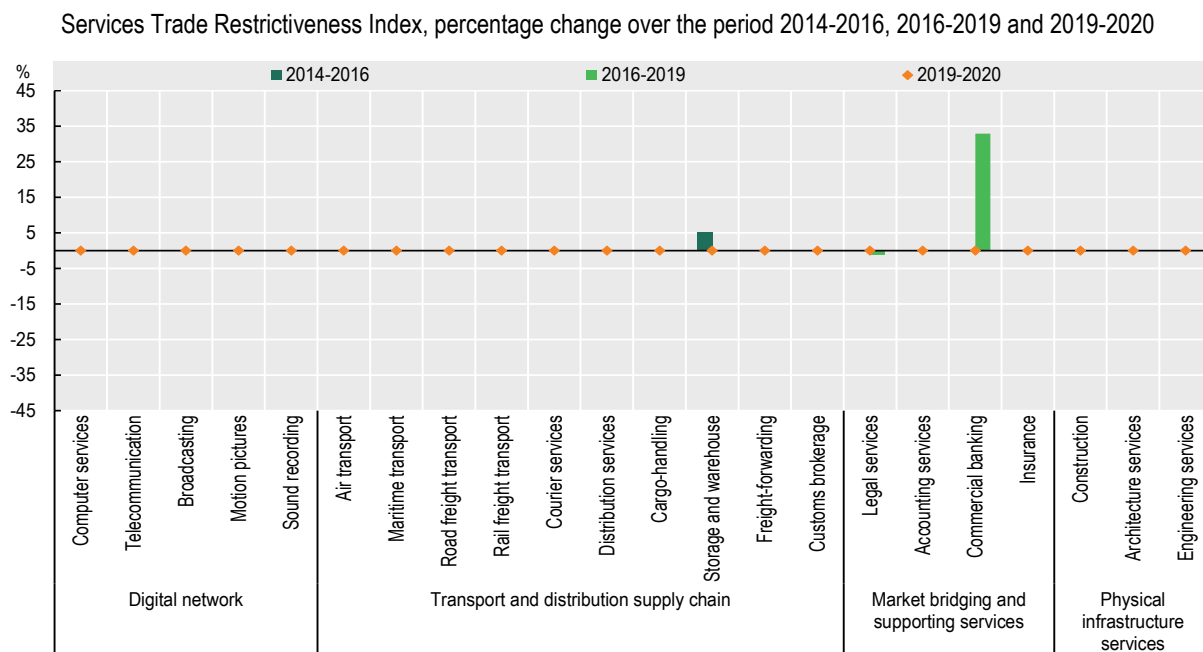
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nations basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations 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).

Horizontal and sector-specific measures explain the STRI score. Italy applies quotas and labour market tests for workers seeking to provide services in the country on a temporary basis as independent services suppliers and duration of stay is limited. Rights under the Public Contract Law are limited to partners in regional trade agreements and members of the WTO's Government Procurement Agreement. There is at least one major state-owned enterprise in broadcasting, commercial banking, computer services, construction, courier services, logistics cargo-handling at rail facilities, motion pictures, rail freight transport, and sound recording.

There has been little change in regulations in the past few years (Figure 2). On exception is commercial banking where restrictions on commercial presences were introduced in 2017 and on foreign branches in 2019.

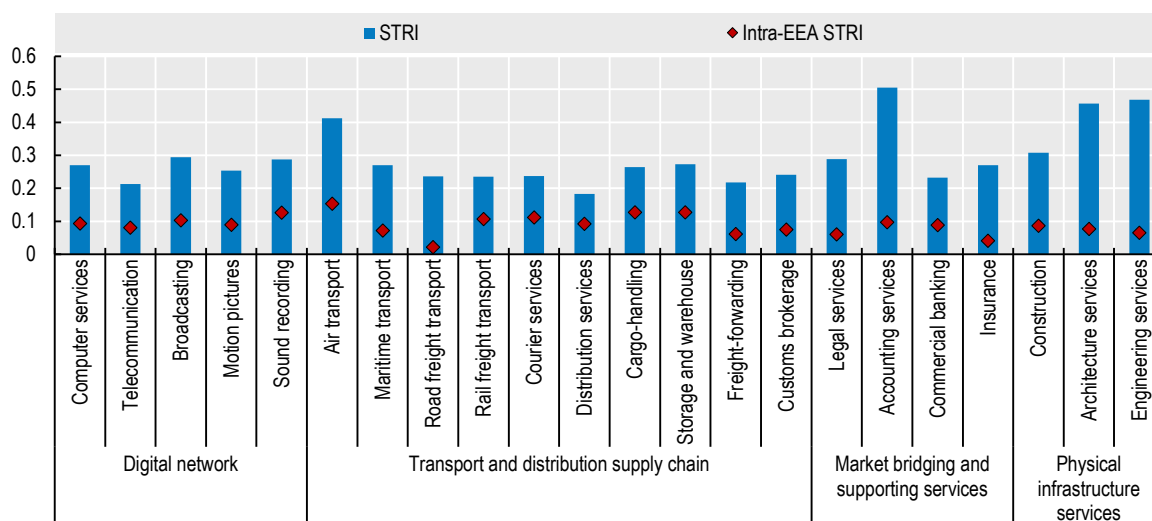
Figure 2. Evolution of STRI scores by sector in Italy



Source: OECD STRI database (2020).

Like in other EU countries, regulatory barriers affecting services trade within the European Economic Area are low in most sectors covered by the STRI. (Figure 2b).

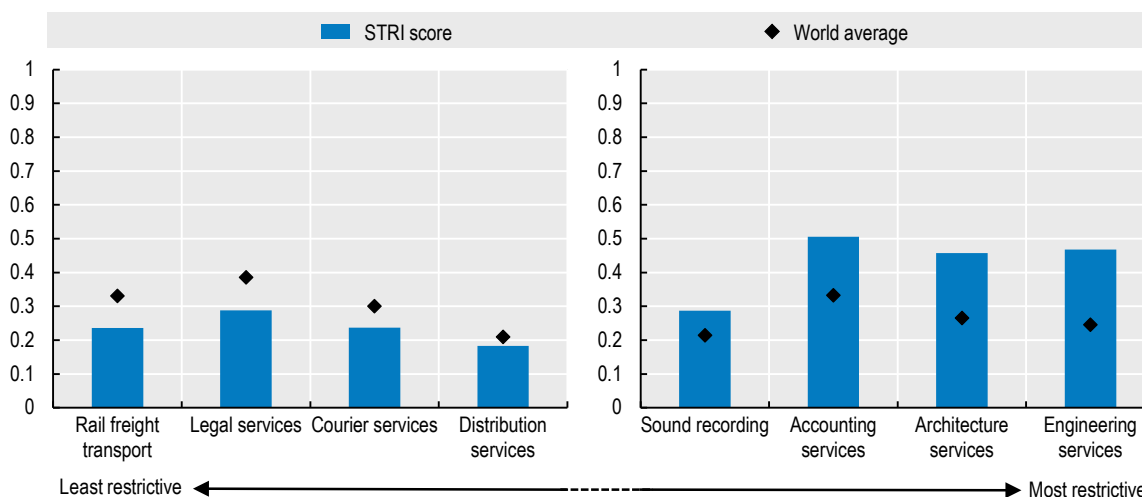
Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)



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).
Source: OECD STRI database (2020).

Rail freight transport, legal services, courier services and distribution services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Sound recording, accounting services, architecture services and engineering services are the sectors with the highest score relative to the average STRI across all countries.

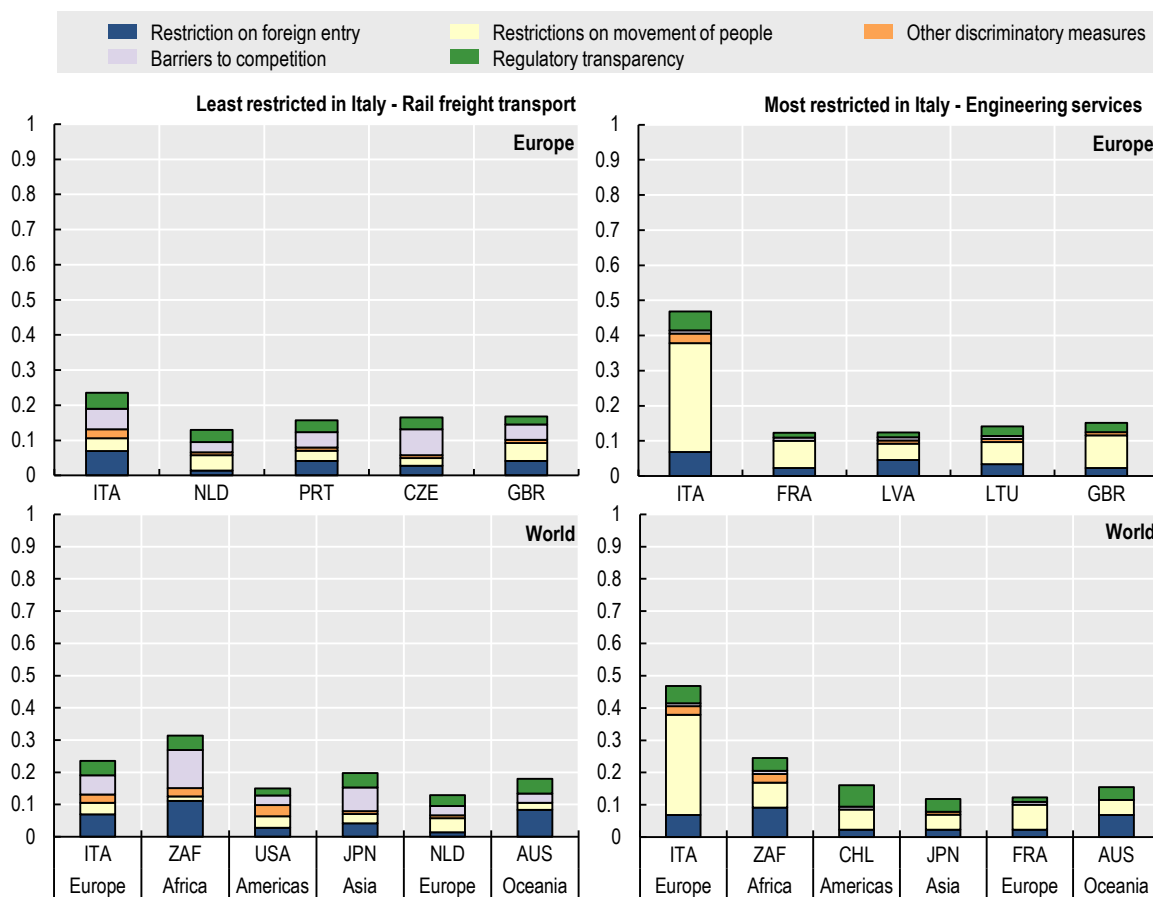
Figure 3. Sectoral breakdown – The least and most restricted sectors in Italy



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 Italy compared to Europe and the other best performers elsewhere while engineering services are the most restricted (Figure 4). In the sector, Italy applies more stringent regulations on movement of people than in regional peers.

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

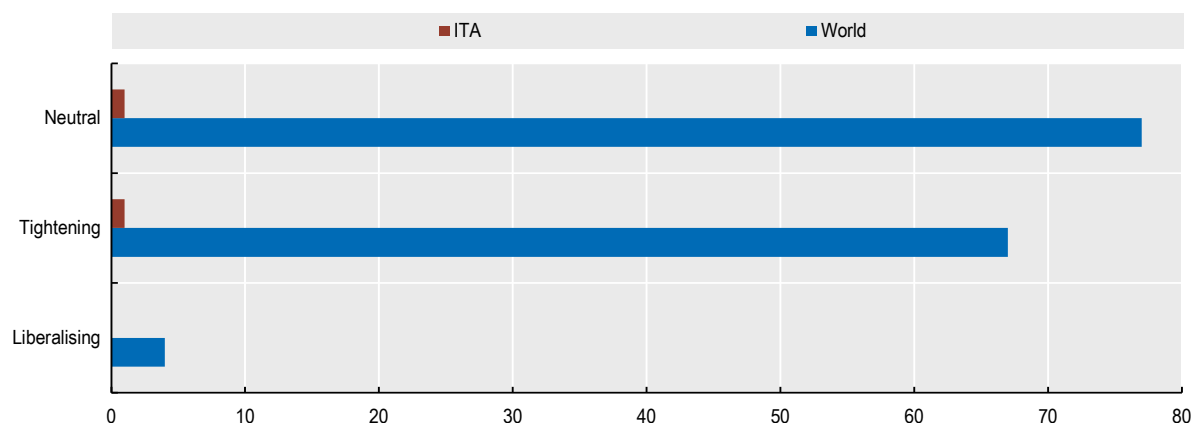


Source: OECD STRI database (2020).

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

While Italy 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. The exception is the extension of partial exemption of certain anti-competitive agreements from competition law in the maritime transport sector, following a 2020 EU regulation. This contrasts with a number of countries, which have tightened their investment screening process or their visa requirements (Figure 5).

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



Source: OECD STRI database (2020).

Key reforms

Recent changes were due to changes in EU law. Regulation 2019/452 allows EU Member States to maintain, amend or adopt mechanisms to screen foreign direct investments in their territory on grounds of security or public order. It applies from 11 October 2020. 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. In maritime transport, Regulation 2020/436 extended the existing block exemption to liner shipping consortia from competition law until April 2024.

In 2017, Italy has implemented Directive 2014/66/EU regarding intra-corporate transferees from non-EU countries. Accordingly, the maximum stay for intra-corporate transferees was reduced from five to three years. The new EU General Data Protection Regulation (Regulation 2016/679) entered into force on 25 May 2018, providing a comprehensive update on the EU data protection regime.

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