

OECD Services Trade Restrictiveness Index (STRI)

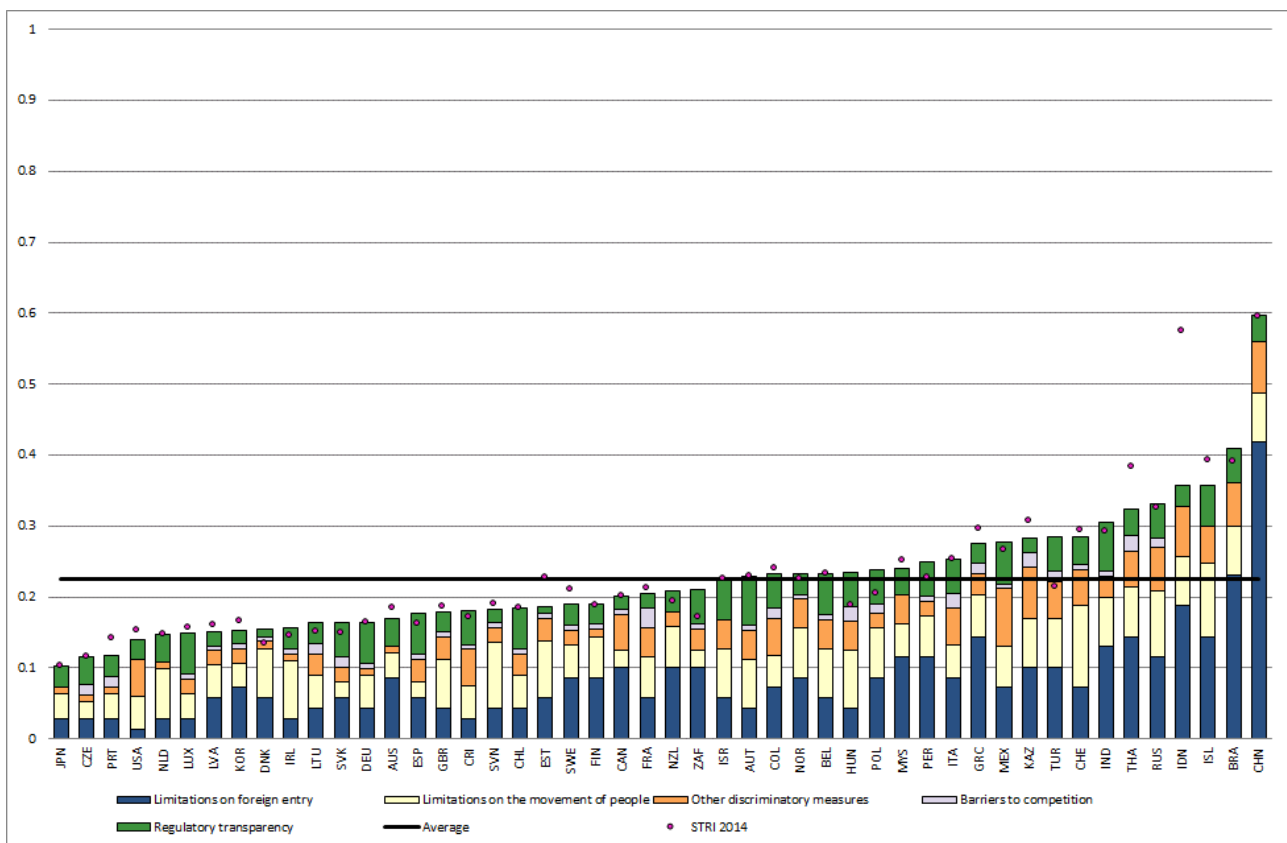
STRI SECTOR BRIEF: MOTION PICTURES SERVICES

2020

This note presents the Services Trade Restrictiveness Indices (STRIs) for the 37 OECD countries and Brazil, the People's Republic of China, Costa Rica, India, Kazakhstan, Indonesia, Malaysia, Peru, the Russian Federation, South Africa and Thailand for motion pictures in 2020.

The sector of motion pictures is defined as motion picture, video and television programme production, post-production and distribution activities (ISIC rev 4 codes 5911-5914). The sector has benefitted from rapid digitalisation and the increased technological developments that facilitate the streaming of media content over the Internet.

STRI by policy area: Audio-visual services, motion pictures (2020)



Note: The STRI indices take values between zero and one, one being the most restrictive. They are calculated on the basis of the STRI regulatory database which records measures on a Most Favoured Nations basis. Preferential trade agreements are not taken into account. The indices are based on laws and regulations in force on 31 October 2020.

The 2020 scores in the motion pictures sector range between 0.1 and 0.6 with an average of 0.23. There are 26 countries below and 22 countries above the average.

The measures in the STRI database are organised under five policy categories as indicated in the figure above. The index goes beyond discriminatory measures and includes domestic regulations that are important for effective market access and the creation of competitive markets. These include impediments to competition and technical standards, as well as a range of measures related to regulatory transparency and administrative requirements.

The motion picture sector is a global industry in which market transactions, whether within or across borders, are essentially the transfer of property rights from a seller to a buyer at the going price, or the right to use somebody's property for a rental or fee. Therefore, the sector-specific measures in this sector relate to the implementation of international treaties on the protection of copyrights and related rights in a non-discriminatory manner. Most countries have incorporated the copyright treaties in their legislation, although five countries protect the economic rights of foreign right holders on a reciprocal basis only (recorded under *Other discriminatory measures*).

Films are also a cultural expression subject to a range of promotional and protective measures that are relevant for international trade. Ten countries reserve a quota for local motion pictures in television or theatres. In seven countries, on-demand services providers must promote local works, including through the application of quotas. Discriminatory subsidies are found in 26 countries. Dubbing is regulated in ten countries, and in four of them, must be carried out locally. Limitations on the local sourcing of cast and crew exist in six countries.

The motion pictures sector is also subject to the general regulatory environment. Under *limitations on foreign entry*, seven countries have limitations on foreign branches, six countries require that at least half the board of directors must be residents and nine countries require that foreign investors bring net economic benefits to the host country as a condition for investing. Six countries have limitations on cross-border mergers and acquisitions, while three countries control foreign capital flows in some shape or form. Finally, 41 countries have stricter conditions on the transfer of personal data than recommended in the OECD Guidelines for Protection of Privacy and Transborder Flow of Personal Data. These measures are all recorded under the *restrictions on foreign entry* policy area.

All the countries in the STRI database have *limitations on the movement on natural persons* providing services on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers. Ten countries impose quotas on one or more of these three categories, 36 countries apply economic needs tests to stays that last longer than 3-6 months and the duration of stay is limited to less than three years in 29 countries.

The *regulatory transparency* policy area covers the implementation of copyright and related economic rights. Two countries do not have legislation in place supporting copyright enforcement of digital content and three countries do not have provisional enforcement procedures in place. The other measures under this policy area builds on information from administrative laws and regulations, information from the migration authorities on requirements for obtaining a business visa and the World Bank Doing Business Survey. The latter records time, cost and number of procedures required for establishing a company. These measures are benchmarked against a global threshold set at the 40 best performing countries. There are 21 countries included in the STRI database that are not among the 40 best performing countries on one or more of these measures. The score in the regulatory transparency area is largely attributed to this. In addition lengthy, costly and complex regulatory procedures related to obtaining a business visa contribute to the index for 28 countries.

Compared to 2014, denoted by the pink dots in the chart, the STRI index is unchanged for ten countries, 19 have a lower (less restrictive) score, and 19 record a higher value of the STRI index (more restrictive) in 2020. The country that reduced the STRI index the most was Indonesia which removed foreign equity limitations in the sector in 2016. Iceland rolled back conditions on subsidies for film production, although conditions related to cultural tests continue to apply. Lithuania limits subsidies only to national films. Horizontal measures explain the change in the STRI index for the other countries.

More information

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

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