OECD Services Trade Restrictiveness Index (STRI)

BELGIUM – 2023

Key findings

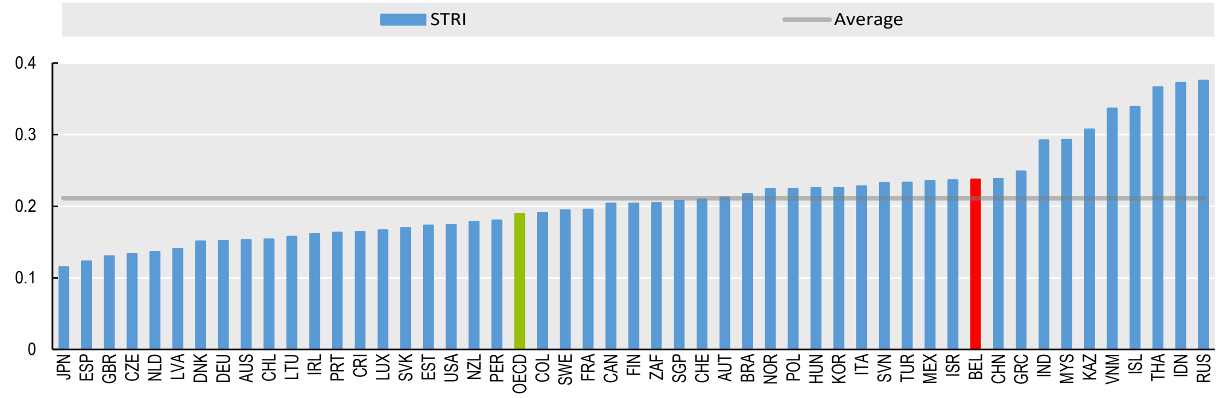
- The 2023 STRI of Belgium is above the OECD average and relatively high compared to all countries in the STRI sample. The index has increased compared to 2022.
- The most notable change for 2023 was the introduction of a screening process for foreign direct investment, which affected Belgium's STRI in almost all sectors.
- Legal services is the most open sector in Belgium while architecture is the most restricted, relative to the sectoral average.

Recommendation

- Trade in services strengthens resilience across supply chains, facilitating environmental sustainability and promoting greater inclusiveness. To ensure the benefits of open markets and a rules-based international trading system, national and multilateral action is needed to lower barriers and reduce trade costs, promote greater regulatory interoperability, and facilitate the digital transformation of economies.

The 2023 STRI of Belgium is above the OECD average, and relatively high compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2023[i]



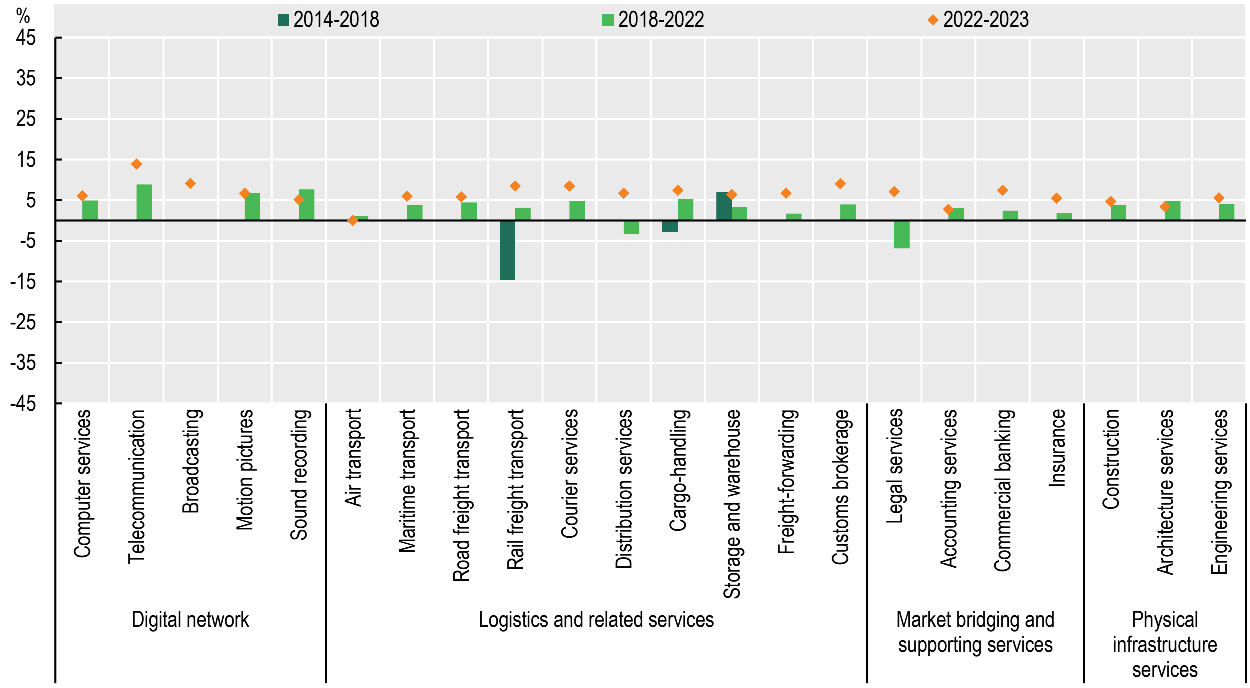
OECD (2023). STRI and TiVA databases.

Belgium limits the duration of stay, on their first entry permit, for workers seeking to provide services in the country on a temporary basis to 12 months for intra-corporate transferees and contractual services suppliers, and 24 months for independent services suppliers. Rights under the Public Procurement Act are limited to local suppliers, suppliers from European Union (EU) member countries and other suppliers coming from countries offering reciprocal treatment to Belgian nationals. The standards for cross-border transfer of personal data are set at the EU level. Transfers to non-EEA economies can take place when these ensure an adequate level of data protection or, in the absence of this, appropriate safeguards are in place e.g., such as binding corporate rules or standard data protection clauses. Finally, a minimum amount of capital must be deposited in a bank or with a notary in order to register a business.

In 2023, a new foreign investment screening mechanism entered into force in Belgium, in accordance with EU regulation. Investments by non-EU investors are subject to review by an inter-federal screening commission. This process does not preclude economic considerations in the decisions. As this regulation is counted as a restrictive measure in all sectors, STRI scores in almost all sectors increased as a result. Previously in 2022, Belgium's STRI increased for most sectors due to new EU-wide measures regulating access to procurement markets.

Figure 2. Evolution of STRI indices by sector in Belgium

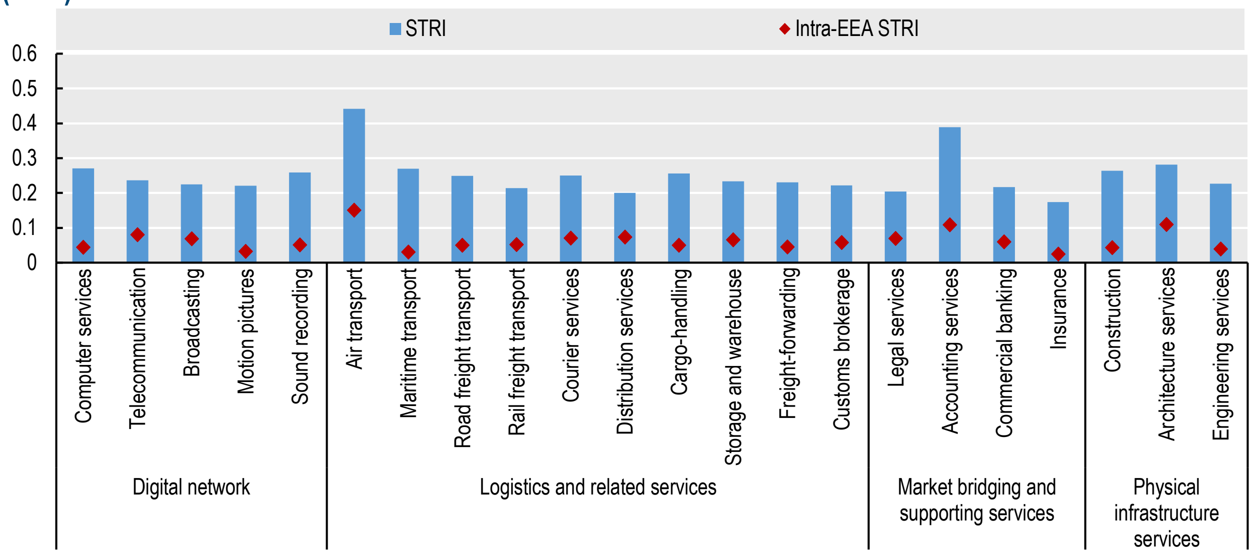
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2022 and 2022-2023



OECD (2023). STRI database.

Services trade barriers are significantly lower within the European Economic Area across all services sectors (Figure 2b). Belgium maintains an open market for services suppliers from other EU Member States.

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



Note: The traditional STRI indicates the level of restrictiveness on a most favoured nation (MFN) 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 (2023). STRI database.

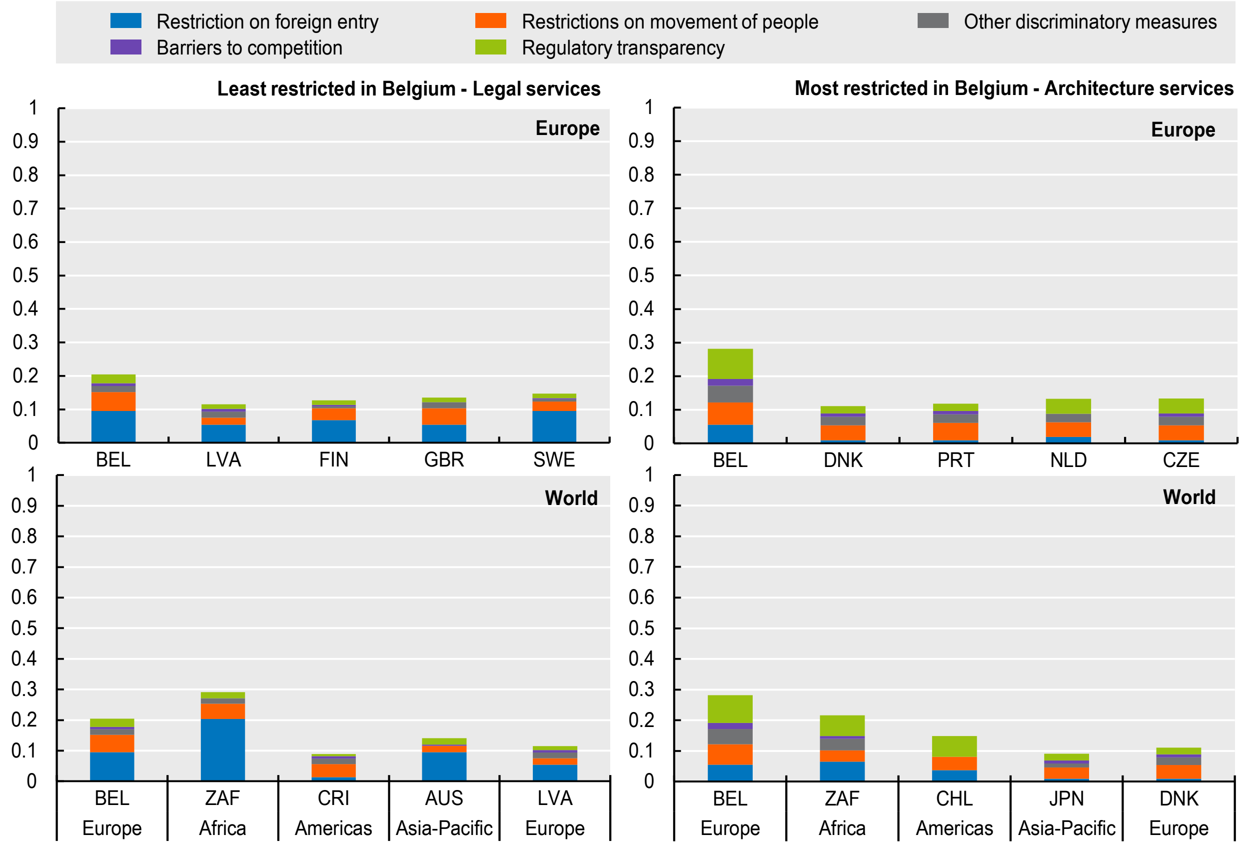
Figure 3 ranks Belgium's sectors relative to the respective sector's world average. Legal services, rail freight transport, broadcasting and insurance are the sectors with the lowest scores. Conversely, accounting services, sound recording, computer services and architecture services are the sectors with the relatively highest scores.

Figure 3. Sectoral breakdown - The least and most restricted sectors in Belgium compared to world average

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 (2023). STRI database.

Legal services are the least restricted in Belgium compared to the average sectoral STRI across all countries. On the other hand, architecture services are the most restricted services sector in Belgium compared to the average sectoral STRI across all countries. In architecture, the restrictions on regulatory transparency and restrictions to the movement of people are significant compared to best performers in Europe. Some of the measures that contribute the most to the index in this sector are a requirement for foreign architecture professionals to take a local examination to obtain a license to practice, and lack of a temporary licensing system for foreign professionals (Figure 4).

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



Source: OECD (2023). STRI database.

Recent policy changes

Several recent changes affecting Belgium 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. In 2023, a new foreign investment screening mechanism took effect in Belgium in line with this regulation. Under the new mechanism, certain investments by non-EU investors are subject to mandatory notification and approval. Screening applies to direct and indirect acquisitions of 10% or 25% of voting rights in Belgian companies operating in various sectors of the economy.

In August 2022, Regulation 2022/1031 (EU) entered into force, aiming to regulate access of third-country (non-EU) goods and services to the EU's public procurement and concession markets. At this stage, no implementing act restricting access to the EU procurement market has been adopted by the European Union. The Regulation applies to public procurement and concessions where the EU has not undertaken market access commitments in an international agreement.

In air transport, a series of temporary rules allowing airlines to retain historic slots, despite not using their slots according to the 80/20 grandfathering rule, were in place from 1 March 2020 to 25 March 2023 on grounds of reduced air traffic levels due to the COVID-19 pandemic. As of 26 March 2023, such slot relief rules are no longer in force.

In telecommunications, maximum Union-wide voice termination rates defined by Commission Delegated Regulation (EU) 2021/654 took effect on 1 July 2021. These maximum termination rates do not, however, generally apply to calls originating from countries outside the EU.

From 1 July 2021, the EU abolished the VAT de minimis regime for goods valued under EUR 22. In maritime transport, Commission Regulation (EU) 2020/436 extended the existing block exemption to liner shipping consortia from competition law until April 2024.

More information

» Access all country notes, sector notes, and interactive STRI tools at http://oe.cd/stri

» Read more about Services Trade Policies and the Global Economy

» More information about measuring the regulatory environment for services trade in the Intra-EEA region: oe.cd/intraeeaSTRI

» Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org

[i] 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 2023. The STRI regulatory database covers the 38 OECD Members, 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.