



CANADA – 2023

Key findings

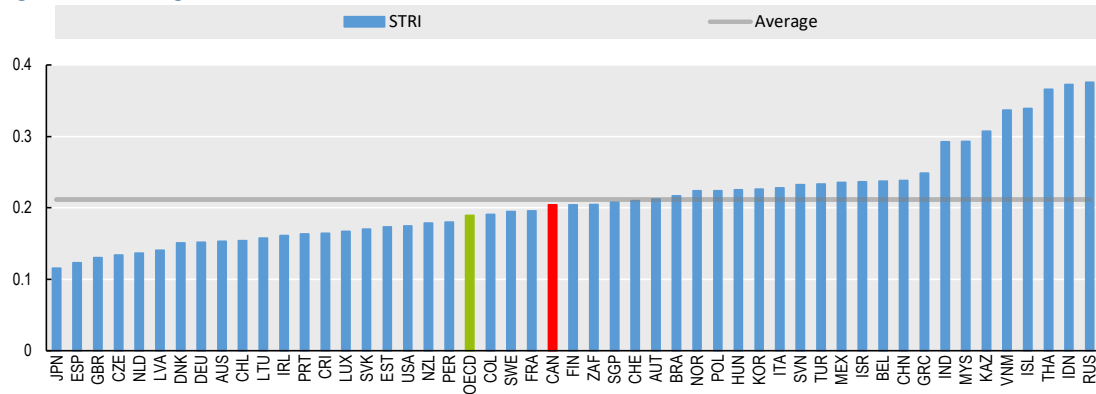
- The 2023 STRI of Canada is above the OECD average but relatively low compared to other countries in the STRI sample. The index has decreased slightly compared to 2022.
- Relevant reforms in 2023 include easing foreign professionals' access to the engineering profession by lifting the previously applicable requirement of 12 months of Canadian experience.
- Rail freight transport is the most open sector in Canada while courier services is the most restricted, relative to the sectoral average.
- Despite the overall favourable environment for services trade, restrictions remain in horizontal measures, such as screening of foreign investments and restrictions to the movement of people.

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 Canada is above the OECD average, but relatively low compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2023ⁱ



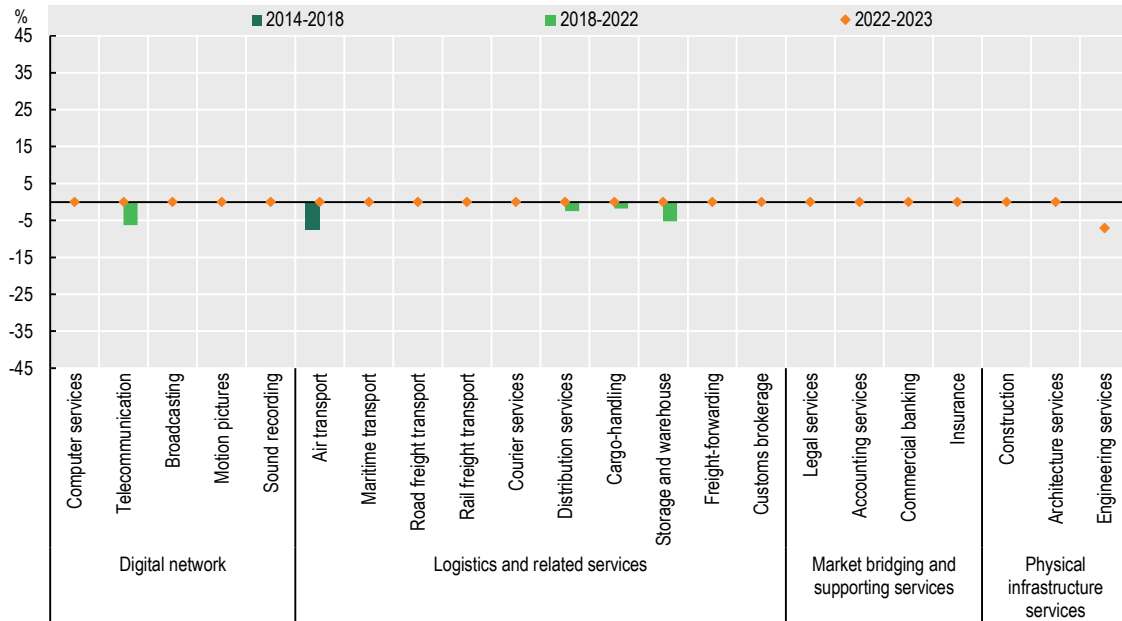
OECD (2023). STRI and TiVA databases.

Canada applies foreign investment screening in those sectors to which the Investment Canada Act applies and labour market tests for foreigners seeking to provide services in the country on a temporary basis as contractual services suppliers or independent services suppliers. There is at least one major state-owned enterprise in motion pictures services, postal services, and distribution services. Access to public procurement contracts is limited to regional trade agreement partners and signatories to the WTO's Government Procurement Agreement.

Canada's regulatory environment for services has been stable over the past years, with slight liberalisation over time in sectors such as air transport and telecommunications (Figure 2). In 2023, the previously applicable requirement of 12 months of Canadian experience in order to obtain a license to practice engineering was lifted, easing foreign professionals' access to the engineering profession and resulting in a decrease of Canada's STRI in this sector.

Figure 2. Evolution of STRI indices by sector in Canada

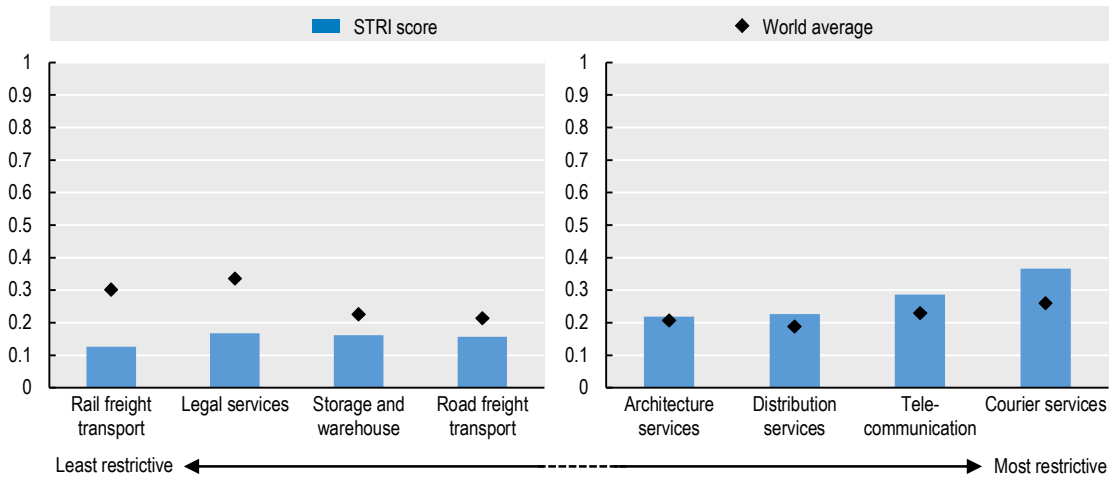
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2022 and 2022-2023



OECD (2023). STRI database.

Figure 3 ranks Canada's sectors relative to the respective sector's world average. Rail freight transport, legal services, logistics storage and road freight transport are the sectors with the relatively lowest scores. Conversely, architecture services, distribution services, telecommunications and courier services are the sectors with the relatively highest score.

Figure 3. Sectoral breakdown - The least and most restricted sectors in Canada 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

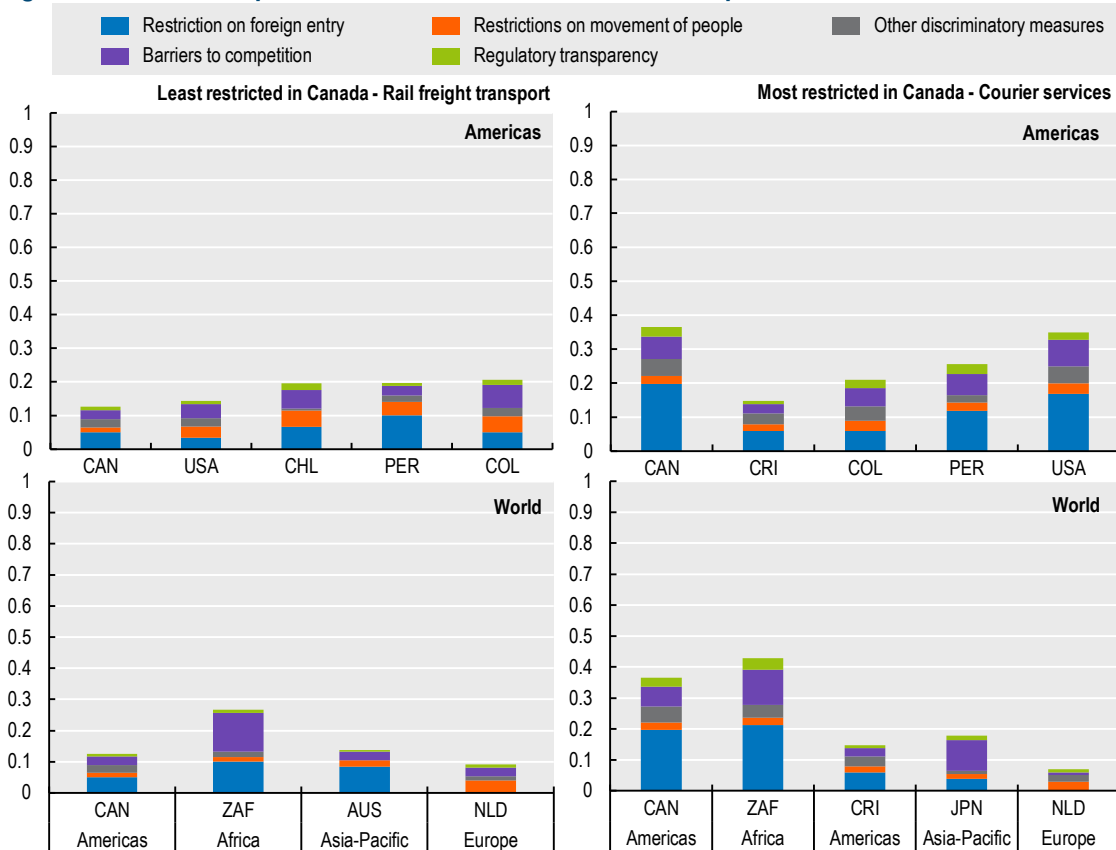
i.e. $(STR I_{country, sector} - STR I_{world\ average, sector}) / STR I_{world\ average, sector}$

Source: OECD (2023). STRI database.

Rail freight transport is the least restricted in Canada compared to the average STRI across all countries. The rail freight transport sector is mostly regulated according to best practices, with the remaining trade barriers resulting largely from horizontally applicable regulations, such as foreign investment screening and discriminatory access to public procurement markets.

On the other hand, courier services are the most restricted services sector in Canada compared to the average STRI across all countries. The STRI for courier services includes postal services where Canada maintains a monopoly on letters not exceeding 500 grams. Market access for foreign providers in courier and parcel delivery services, however, is subject to less stringent conditions (Figure 4).

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



Source: OECD (2023). STRI database.

Recent policy changes

Previously, rules regulating access to the engineering profession stipulated that at least 12 months of the required 48-month professional experience must have been acquired in a Canadian jurisdiction. Effective 1 November 2023, this requirement has been lifted by amendments to the Professional Engineers Act R.R.O. 1990, Regulation 941: General, thereby easing the conditions for foreign engineering professionals. In addition, the average processing time of a business visa application decreased from 192 to 56 days in 2023.

Canada has signed the WTO Joint Initiative on Domestic Services Regulation in 2021 and was an important supporter of the provision on non-discrimination between women and men services providers.

The telecommunications sector saw a series of changes in 2021, although without affecting the STRI levels. One such change related to allowing mobile carriers to access existing carriers' networks and implement seamless roaming as part of their wholesale roaming service.

In 2021, the Canadian Radio-television and Telecommunications Commission (CRTC) issued a series

of new regulations following a review of mobile wireless services. In particular, the CRTC allowed regional mobile carriers to access the networks of the four existing carriers in Canada. Rates between regional mobile carriers and existing carriers are commercially negotiated between the parties, and the service is mandated for seven years. These measures aim to increase competition in the mobile sector and provide greater choice of mobile providers, but they did not change Canada's STRI scores.

In May 2021, Canada issued a new contracting policy on procurement, although this did not change Canada's STRI. The previous contracting policy was rescinded in May 2022.

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 APEC region: <https://apecservicesindex.org/>
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org

ⁱNote: 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.