OECD Services Trade Restrictiveness Index (STRI)

SPAIN – 2023

Key findings

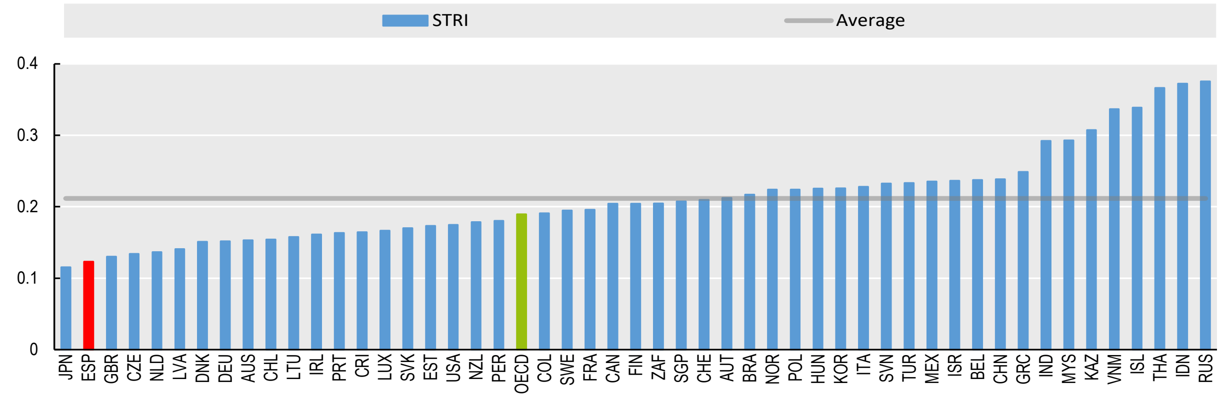
- The 2023 STRI of Spain is below the OECD average and relatively low compared to all countries in the STRI sample. The index has decreased compared to 2022.
- Relevant reforms in 2023 include the increase of the duration of stay for non-EEA contractual services suppliers and for independent services suppliers, from 24 to 36 months.
- Commercial banking is the most open services sectors in Spain relative to the average sectoral STRI across all countries, while air transport is the most restricted.

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 Spain is below the OECD average, and relatively low compared to other countries in the STRI sample (Figure 1).

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



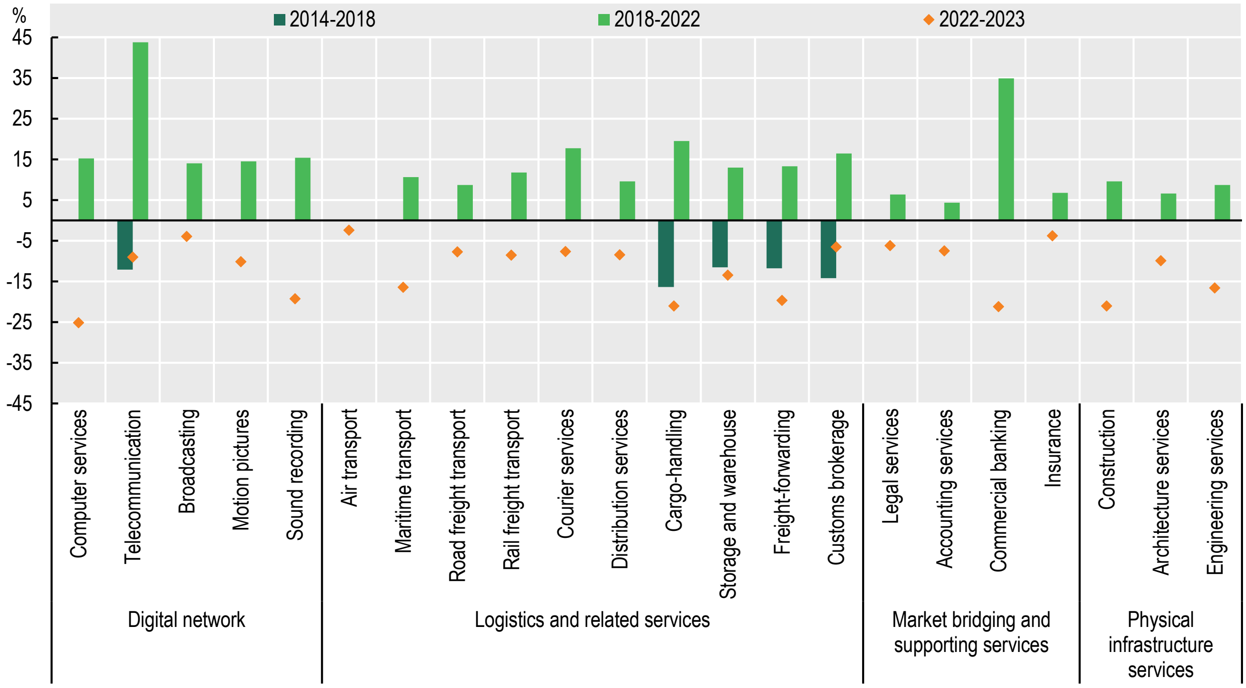
OECD (2023). STRI and TiVA databases.

The regulation of services sectors in Spain is relatively open. However, certain general restrictions still apply. Public procurement regulations rely on the principle of non-discrimination, but foreign suppliers are required to present documentation showing that their country of origin grants reciprocity to Spanish companies. There are restrictions on the acquisition of land by foreigners in certain parts of Spain. Moreover, the standards for cross-border transfers 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. binding corporate rules or standard contractual clauses.

In 2023, several reforms improved the regulatory environment for services. For instance, the law 14/2023 "supporting entrepreneurs and their internationalisation" increased the duration of stay for non-EEA contractual services suppliers and independent services suppliers, aligning their duration of stay with the 36 months allowed for intra-corporate transferees across services sectors (Figure 2). Also in 2023, Spain adopted the Royal Decree 571/2023 on foreign investments, bringing further clarity to the screening regime of foreign investments.

Figure 2. Evolution of STRI indices by sector in Spain

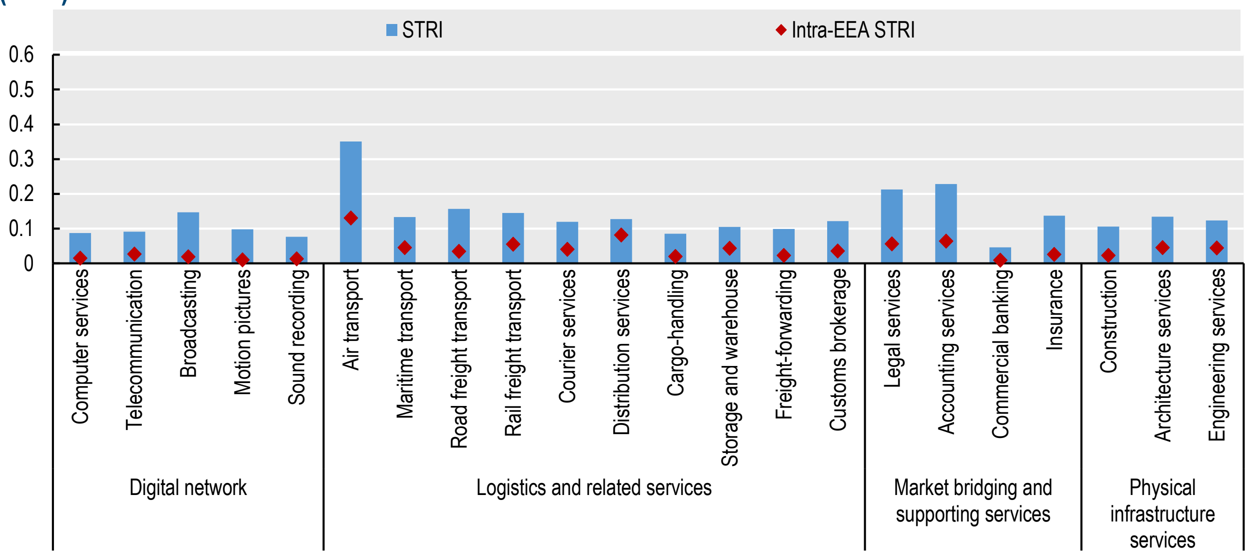
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2022 and 2022-2023



OECD (2023). STRI database.

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

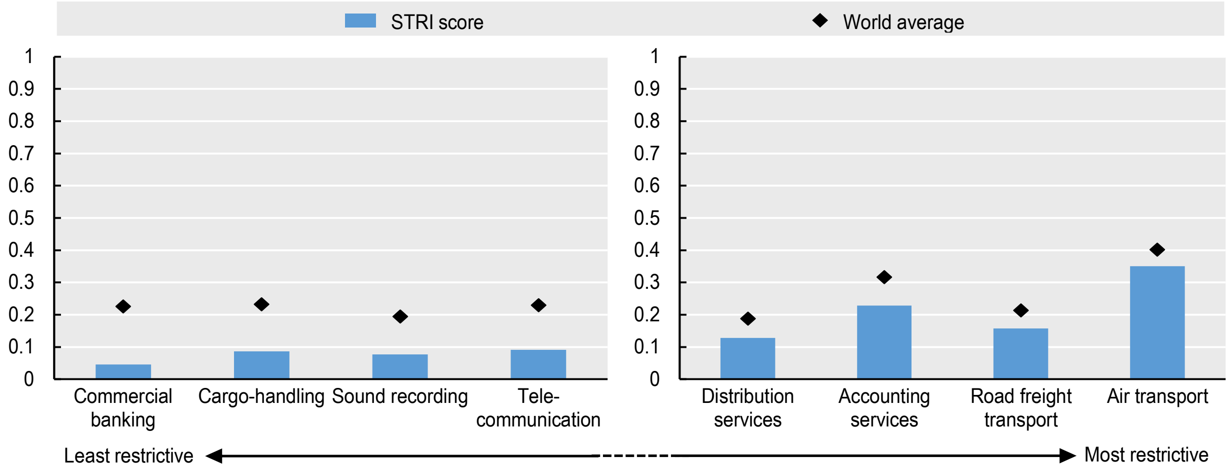
Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)



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 Spain's sectors relative to the respective sector's world average. Commercial banking, logistics cargo-handling, sound recording and telecommunications are the sectors with the relatively lowest scores. Conversely, distribution services, accounting services, road freight transport and air transport are the sectors with the relatively highest scores.

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

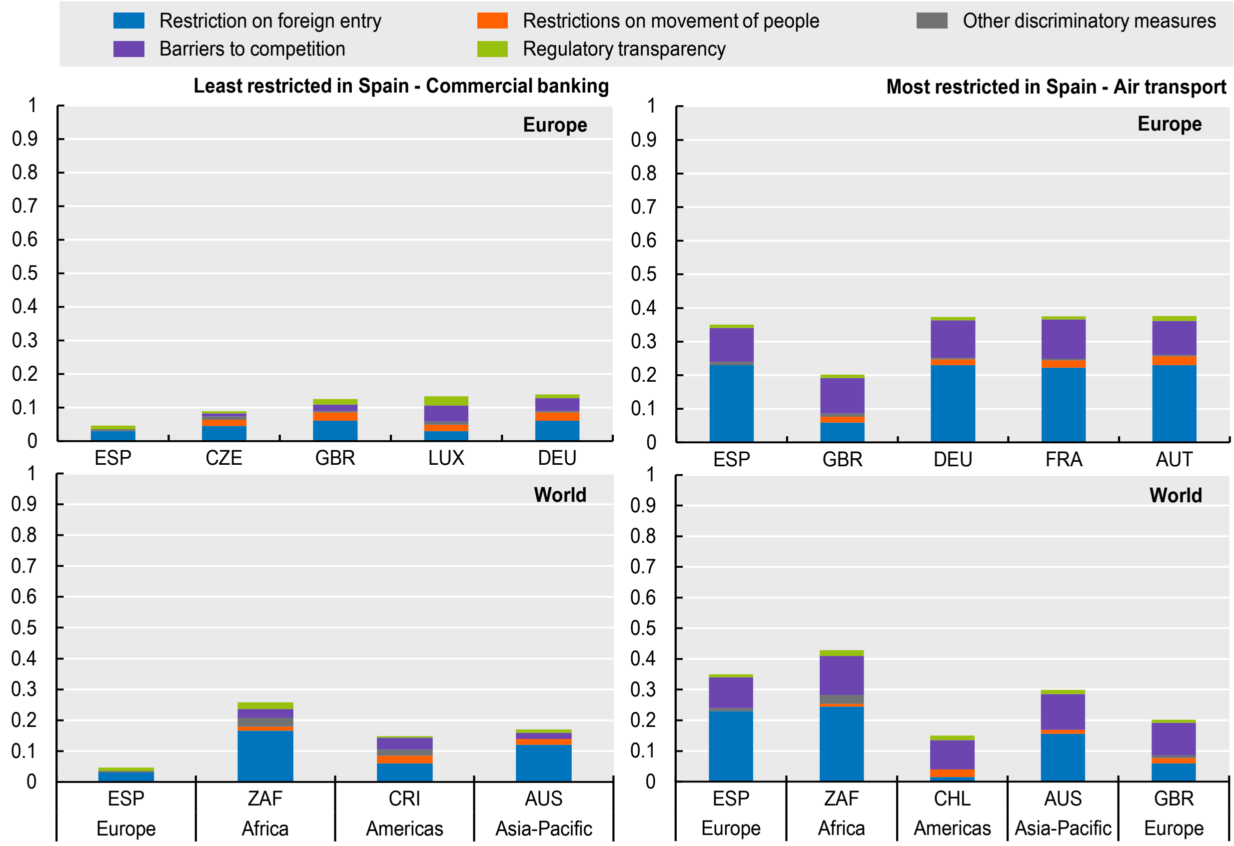


Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference i.e. $(STRI_{country,\ sector} - STRI_{world\ average,\ sector}) / STRI_{world\ average,\ sector}$
Source: OECD (2023). STRI database.

Commercial banking is the least restricted in Spain compared to the average STRI across all countries. However, restrictions on foreign entry still have an impact in this sector. The measures that contributed to the index include the possibility of considering economic interests in the screening of foreign investment, as well as restrictions on the acquisition and use of land and real estate by foreigners.

On the other hand, air transport is the most restricted services sector in Spain compared to the average STRI across all countries. The restrictions on foreign entry and barriers to competition are significant compared to best performers. Spain has foreign equity restrictions applying to airlines as a result of common EU regulation on air services. Pursuant to this regulation, non-EU nationals cannot own more than 49% in local airlines. Lease of foreign aircrafts with crew from outside the EU can be refused on the grounds of reciprocity or conditioned on approval granted on the basis of economic needs. The EU-wide exemption of certain airline arrangements from competition law and regulations on airport slot allocation and slot trading further contribute to the index in this sector (Figure 4).

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



Source: OECD (2023). STRI database.

Recent policy changes

In 2023, Spain increased the duration of stay for non-EEA contractual services suppliers and independent services suppliers, bringing it to 36 months instead of 24 months. Also in 2023, Spain adopted the Royal Decree 571/2023 on foreign investments, bringing further clarity to the screening regime of foreign investments.

Furthermore, several recent changes affecting Spain were due to changes in EU law. 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.