



# OECD Services Trade Restrictiveness Index (STRI)

## ITALY – 2023

### Key findings

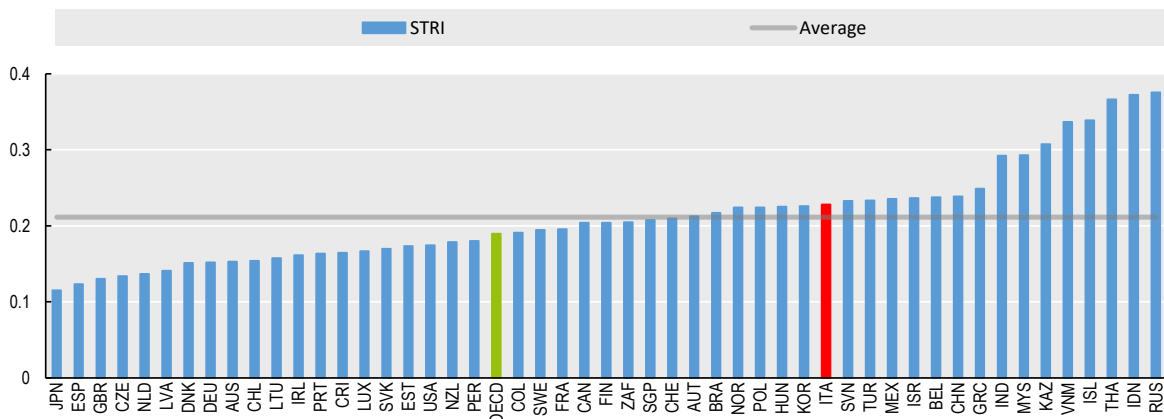
- The 2023 STRI of Italy is above the OECD average and relatively high compared to all countries in the STRI sample. The index remained unchanged compared to 2022.
- Italy’s regulatory environment for services has been relatively stable over the past years.
- Compared to world sector averages, legal services is the most open sector in Italy while engineering is the most restricted.
- Despite the overall favourable environment for services trade, restrictions to the movement of people in professional services remain higher relative to regional peers.

### 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 Italy 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<sup>i</sup>



OECD (2023). STRI and TiVA databases.

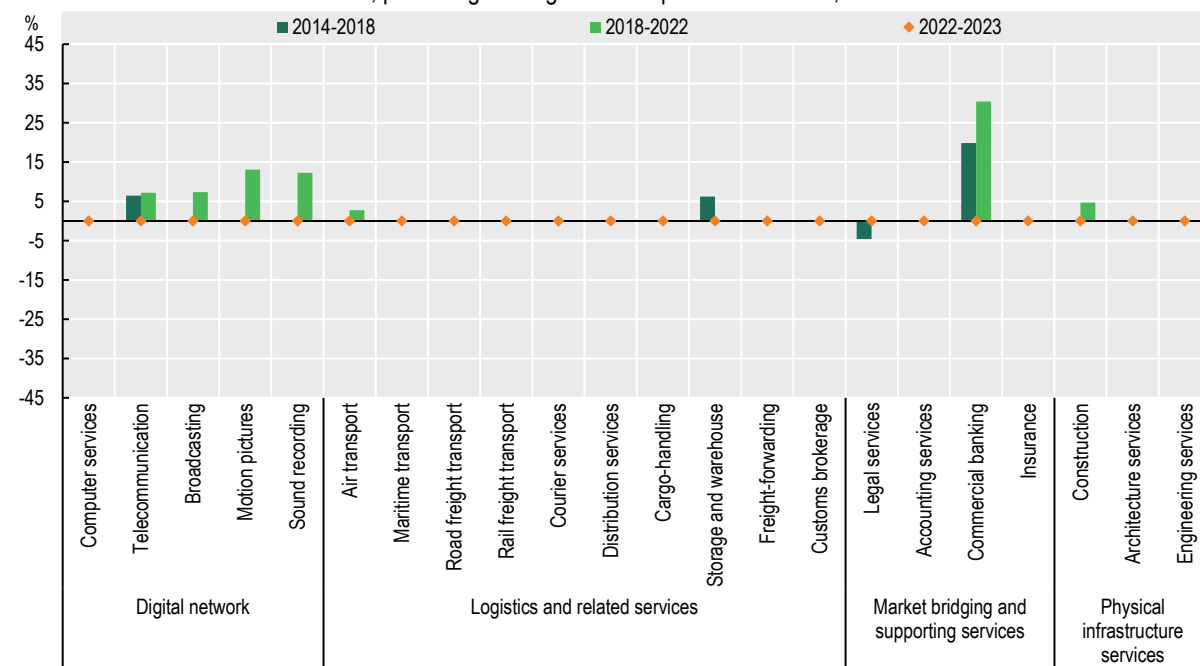
Horizontal and sector-specific measures explain the 2023 STRI score. Italy applies quotas, labour market tests and limitations to the duration of stay for workers seeking to provide services in the country on a temporary basis as independent services suppliers. Rights under the Public Contract Law are 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, telecommunication, rail freight transport, air transport, and sound recording.

There has been little change in regulations in the past few years (Figure 2a). One exception is commercial banking where restrictions on foreign branches and public control of a major firm in the sector were introduced in 2017 and commercial presence requirements were enacted in 2019. Since 2017, the Italian government also exercises golden power on a major firm in telecommunication services.

The recent tightening of the STRI for audio-visual services and construction reflects the implementation of screening mechanisms on foreign direct investment in those sectors in 2021. Similar tightening in the telecommunication sector also in 2021 captures the introduction of EU-wide termination rates which generally do not apply to calls originating from countries outside of the EU. Finally, policy changes are observed in motion pictures and sound recording in 2022 due to new EU-wide measures affecting access to procurement markets. In 2023, the indices for all sectors remained unchanged compared to 2022.

**Figure 2a. Evolution of STRI indices by sector in Italy**

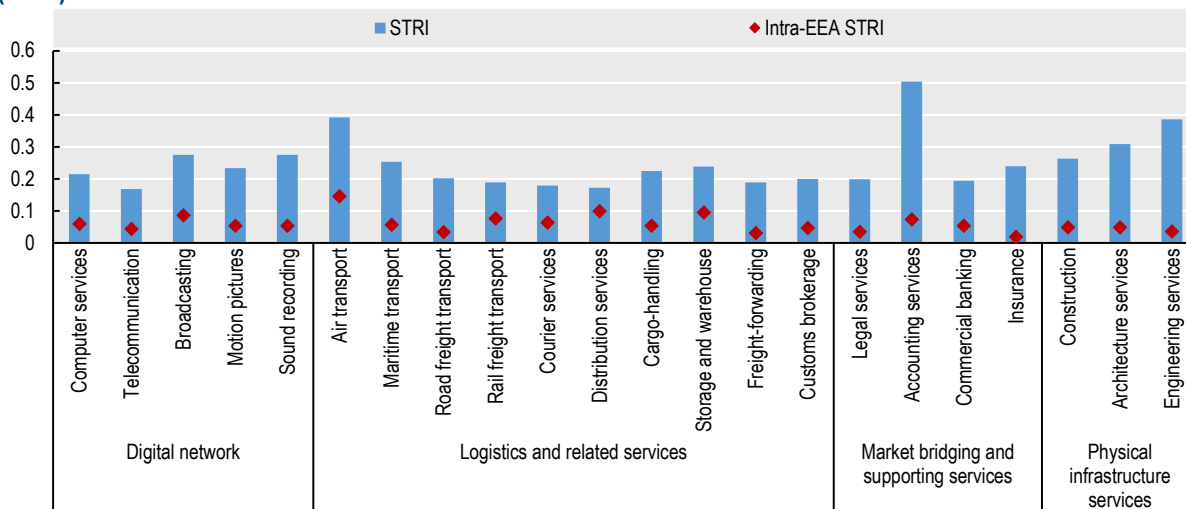
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2022 and 2022-2023



OECD (2023). STRI database.

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

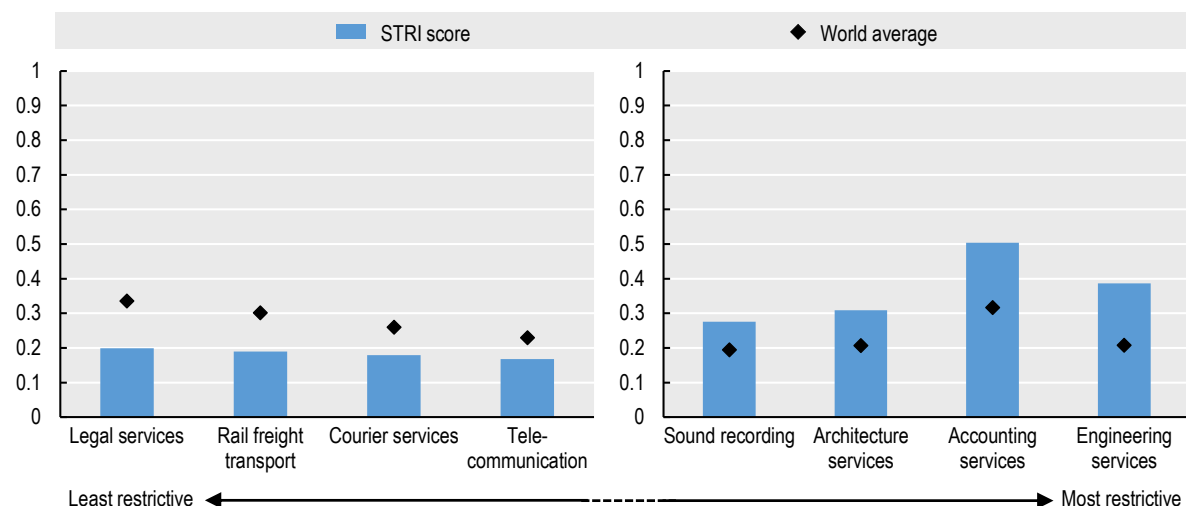
**Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)**



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 Italy's sectors relative to the respective sector's world average. Legal services, rail freight transport, courier services and telecommunications are the sectors with the relatively lowest score. Conversely, sound recording, architecture services, accounting services and engineering services are the sectors with the relatively highest score.

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



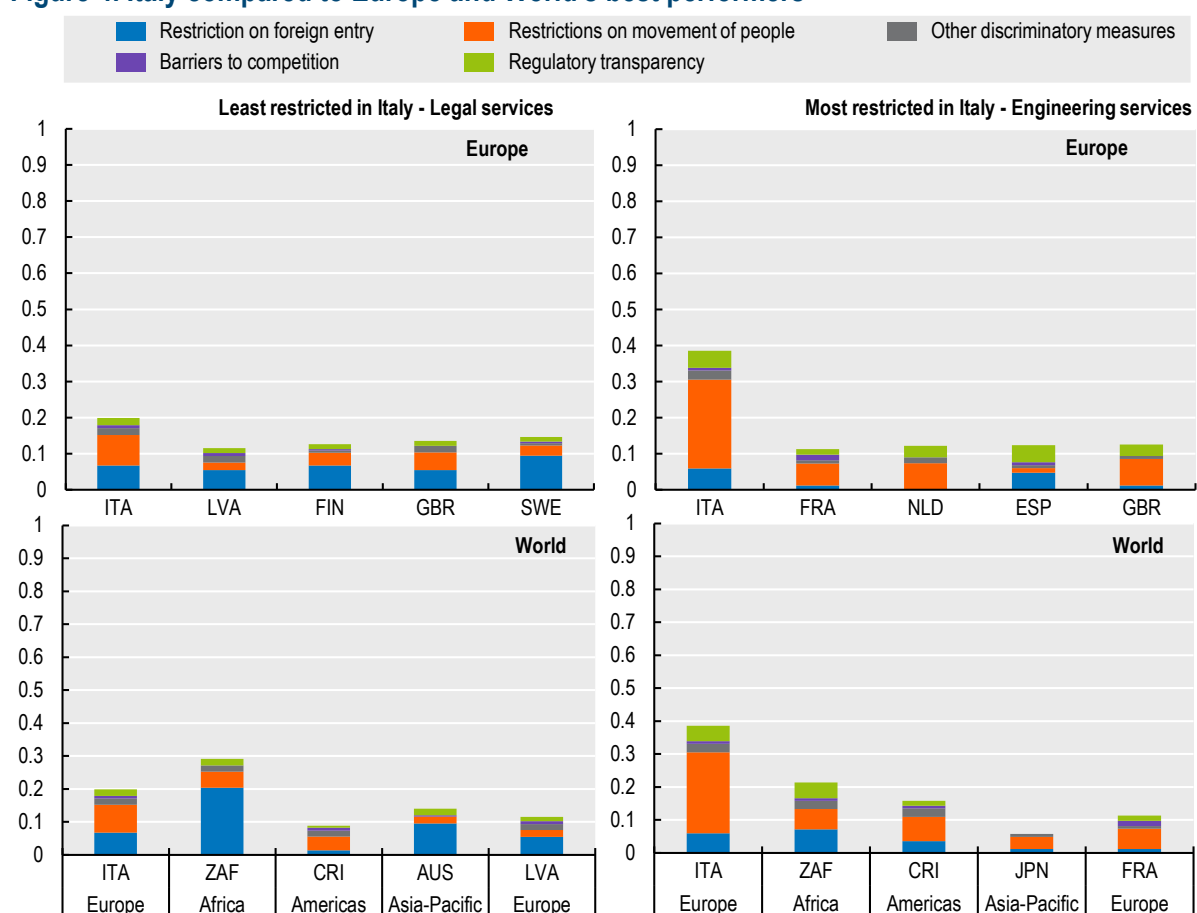
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference i.e.  $(STR I_{country, sector} - STR I_{world\ average, sector}) / STR I_{world\ average, sector}$   
Source: OECD (2023). STRI database.

Legal services are the least restricted in Italy compared to the average STRI across all countries. The composition of the indices suggests that relatively low restrictions on foreign entry have had an impact compared to other countries. Examples of good practices that keep the index for legal services relatively

low include that managers in this sector do not have to be resident in Italy, and that commercial presence is not required to provide cross-border services.

Engineering services are instead the most restricted services sector in Italy in comparison to the whole sample average. Restrictions on the movement of people are significant compared to best performers in Europe and to world best practices. Some of the measures that contribute the most to the score in Italy include quotas for the maximum number of foreigners that can be admitted to Italy for work, citizenship and residence requirements for licenses, and the existence of compulsory local examination for foreign professionals (Figure 4).

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



Source: OECD (2023). STRI database.

## Recent policy changes

Through Law-Decree 17 March 2020 n. 18, the Italian Government authorised the incorporation of a new state-owned company to save Alitalia from bankruptcy: Italia Trasporto Aereo (ITA). ITA Airways commenced operation in October 2021 and it is entirely owned by the Ministry of Economy and Finance. However, a concentration operation which provides for the entry of a foreign private company into the capital of ITA Airways was formally notified to the European Commission in November 2023.

Several recent changes affecting Italy 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. Within this framework, Presidential Decree 23 December 2020, n. 179 added construction, engineering and audio-visual services to the list of sectors potentially subject to screening due to strategic importance and national security considerations. Latest developments in the foreign investment review mechanism were introduced through Law Decree 2022,

n. 21 and Presidential Decree 2022, n. 133. The latter establishes disciplines to speed up and simplify the FDI screening procedure, including through the introduction of a pre-filing procedure for FDI transactions in strategic sectors.

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](http://oe.cd/intraeeaSTRI)
- » Contact the OECD Trade and Agriculture Directorate with your questions at [stri.contact@oecd.org](mailto:stri.contact@oecd.org)

<sup>1</sup>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.