



SINGAPORE – 2023

Key findings

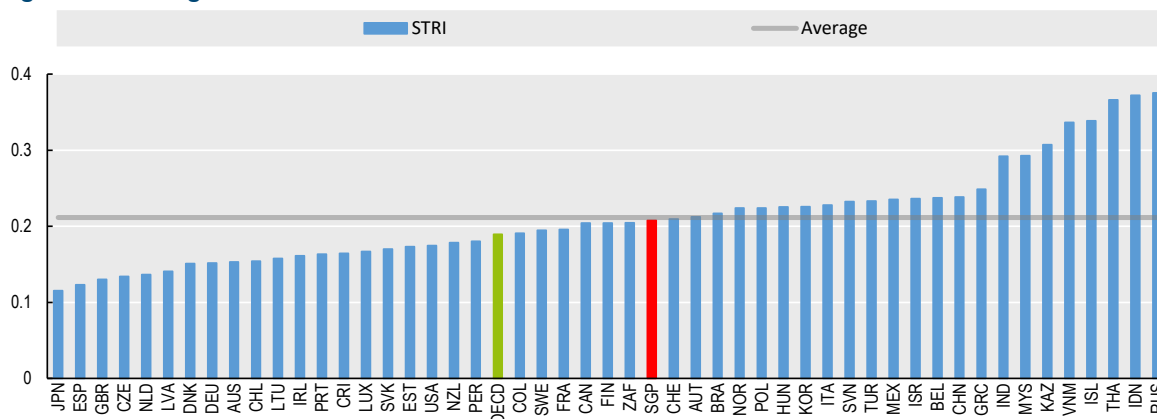
- The 2023 STRI of Singapore is above the OECD average and close to the average across all countries in the STRI sample, indicating a relatively open regulatory environment for services trade.
- Singapore has undergone liberalising reforms in recent years which resulted in decreasing its STRI over time. Singapore's regulatory environment for services trade has been relatively stable in 2023.
- Accounting and auditing services are among the least trade restrictive in Singapore whereas logistics freight forwarding services remain the most restrictive, 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 Singapore is above the OECD average, and close to the average of all countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2023ⁱ



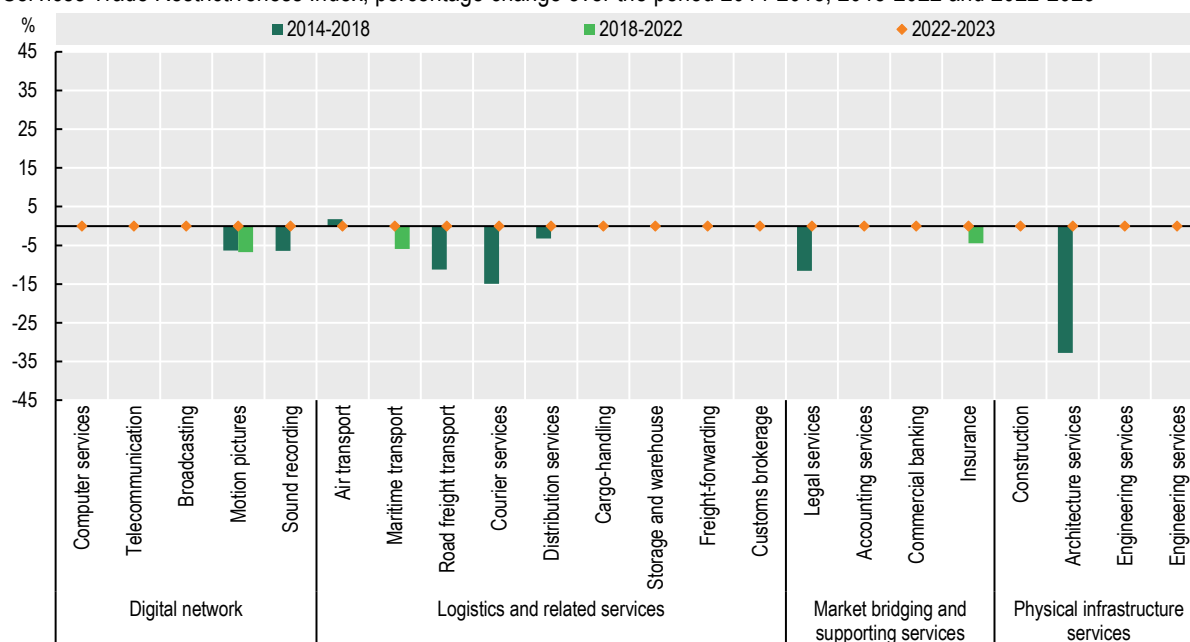
Source: OECD (2023). STRI and TiVA databases.

The 2023 STRI can be explained in large part by general regulations that apply to all sectors in the economy. Singapore has an open regulatory environment for services trade characterised by favourable conditions on market entry for foreign companies, competent institutional structures and transparent regulatory procedures. At the same time, Singapore maintains certain measures in place that affect all services sectors in the economy. For example, every foreign company is required to have at least one authorised representative who is resident in Singapore. Foreigners are also constrained in acquiring real estate with limited exceptions.

Singapore has been progressively introducing liberalising reforms over the past years, contributing to easing the conditions for trade and investment in several sectors (Figure 2). However, no significant policy changes affecting the STRI database were recorded in 2022-2023.

Figure 2. Evolution of STRI indices by sector in Singapore

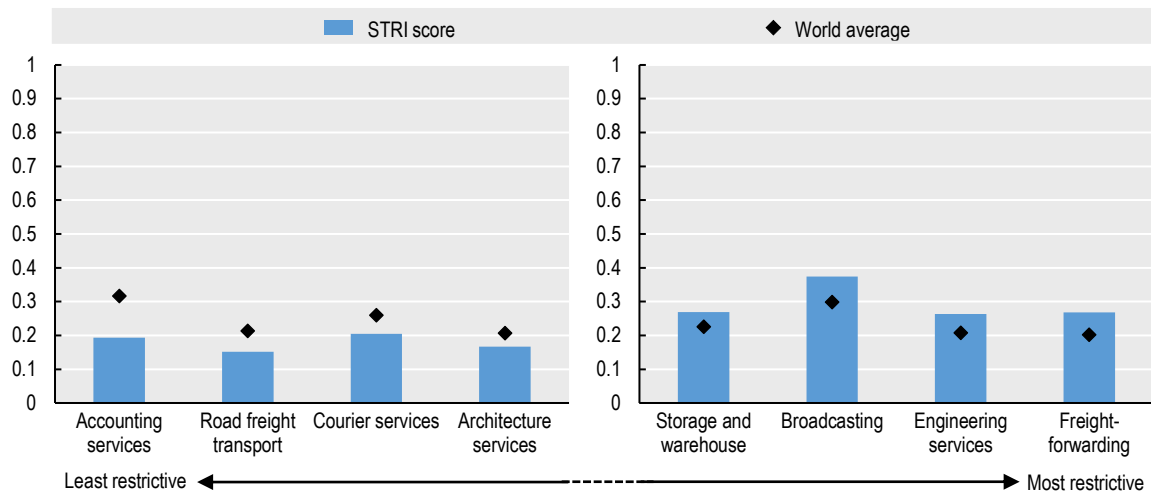
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2022 and 2022-2023



Source: OECD (2023). STRI database.

Figure 3 ranks Singapore's sectors relative to the respective sector's world average. Accounting services, road freight transport, courier and architecture services are the sectors with the relatively lowest scores. Conversely, logistics storage, broadcasting, engineering services, and logistics freight-forwarding are the sectors with the relatively highest scores.

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

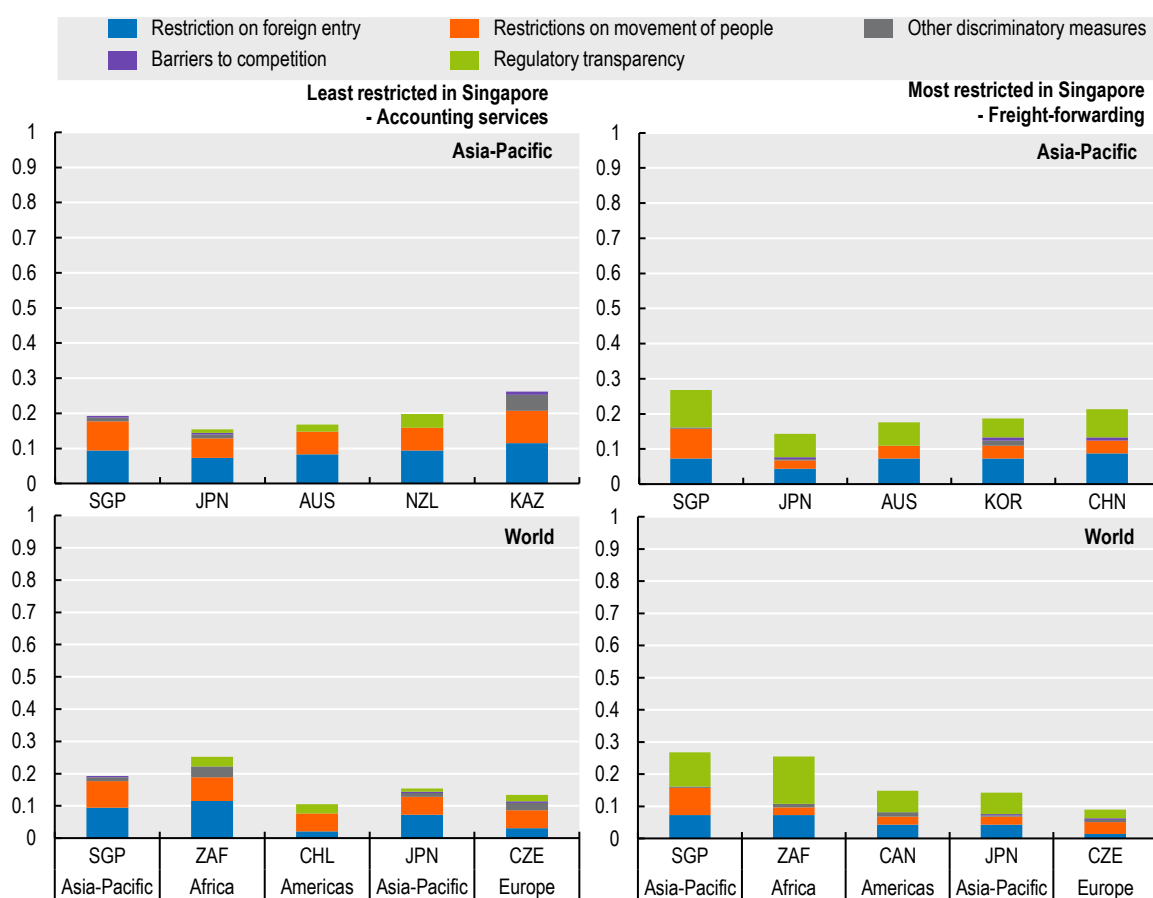
i.e. $(\text{STRI}_{\text{country, sector}} - \text{STRI}_{\text{world average, sector}}) / \text{STRI}_{\text{world average, sector}}$

Source: OECD (2023). STRI database.

Accounting and auditing services are the least restricted in Singapore compared to other economies in the Asia-Pacific region. The composition of the indices indicates that barriers to foreign entry and to the movement of people had the most impact compared to other countries. Accounting services cover also auditing services. While the regulatory environment is more open than in many other countries, public accountants are subject to local examinations before qualifying for a license, and a temporary licensing regime is not available.

Logistics freight-forwarding services are the most restricted services sector in Singapore. Restrictions on regulatory transparency, for instance on certain customs procedures, tend to be higher compared to best performers. Some other measures that contribute to the index include measures that affect the establishment of logistics firms, such as residency requirements for board of directors (Figure 4).

Figure 4. Singapore compared to Asia-Pacific and World's best performers



Source: OECD (2023). STRI database.

Recent policy changes

Singapore has undergone important regulatory reforms over the past years that contributed to substantial services trade liberalisation. According to the Competition (Block Exemption for Liner Shipping Agreements) Order previously in force, maritime liner shipping agreements were fully exempt from national competition laws. As of 2022, amendments to the Order limit this exemption to specific types of shipping agreements.

The Foreign Interference (Countermeasures) Act, adopted in October 2021, empowers the Government to issue takedown orders and direct Internet service providers to block harmful content in Singapore if content providers fail to comply with requests and block applications that spread related content. To that end, the regulator can issue an access blocking direction, an account restriction direction, or a service restriction direction.

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/>
- » More information about measuring the regulatory environment for services trade in the ASEAN region: oe.cd/aseanSTRI
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org

¹Note: 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.