OECD Services Trade Restrictiveness Index (STRI)

# THAILAND – 2022

## Key findings

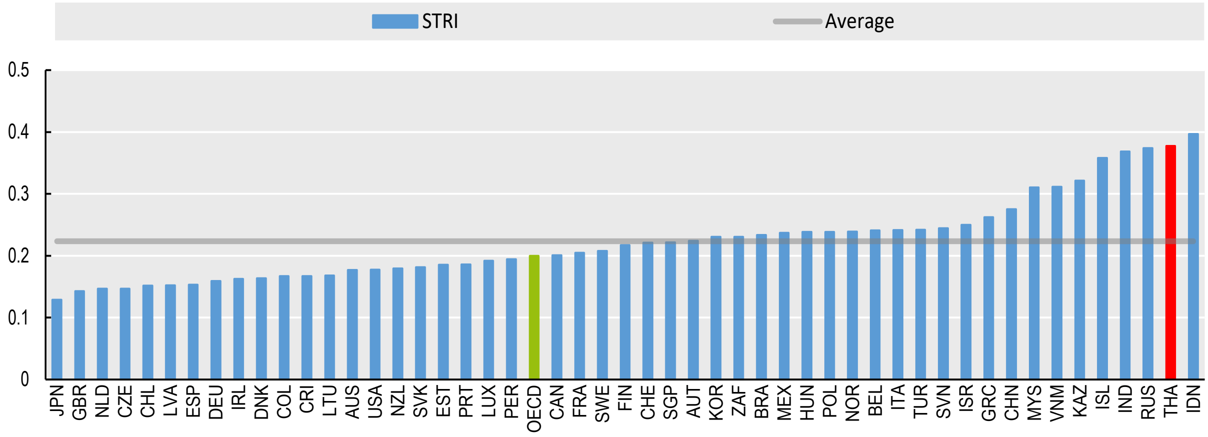
- The 2022 STRI of Thailand is high compared to other countries in the STRI sample, indicating a relatively stringent regulatory environment compared to others.
- Thailand has demonstrated progressive liberalisation over the year, however, the pace of reforms has slowed in recent years. Compared to 2021, the indices are unchanged for all but one sector.
- Broadcasting services are the least trade restrictive sector while accounting and rail freight services are the most restrictive sector.

## Recommendations

- Open and well-regulated services markets are essential to facilitate economic recovery, strengthen resilience to future shocks, and promote a more sustainable trading system. To ensure that the benefits of open markets and a rules-based international trading system are preserved, policy makers should focus on minimising barriers that increase trade costs for services providers, weaken the gains from digital transformation and undermine competitiveness.

The 2022 STRI of Thailand is relatively high compared to other countries in the STRI sample (Figure 1).

## Figure 1. Average STRI across countries, 2022



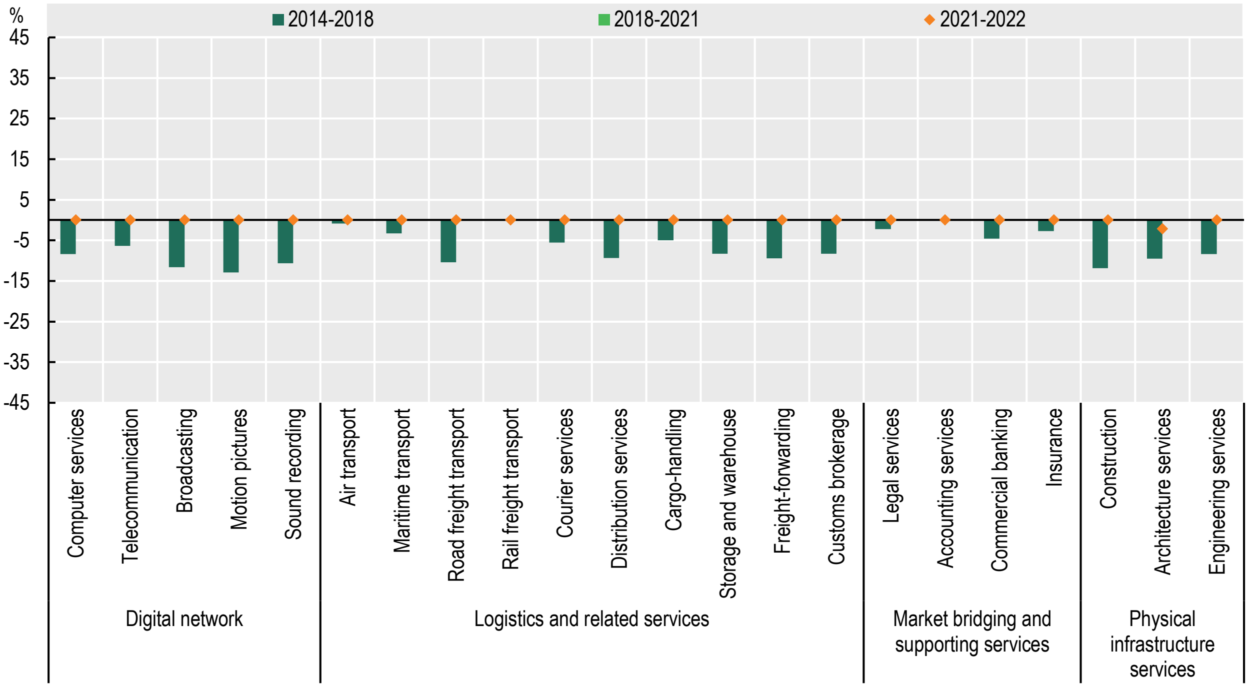

Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2022. 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.
Source: OECD (2022). STRI and TiVA databases.

The 2022 STRI score for Thailand is in large part attributed to general regulations that apply to all sectors in the economy. In particular, restrictions to foreign entry including screening of foreign investments, residency requirements for management bodies and restrictions related to cross-border transfer of personal data contribute to the score. Furthermore, restrictions related to the movement of people such as duration of stay for service suppliers and labor market test for foreign workforce have an impact on the STRI score for Thailand. Under the Foreign Business Act (1999), market access for certain services remain limited (for instance specific authorisation is needed to provide construction services, distribution services and computer services).

Thailand has undergone services liberalisation between 2014-18, however, the pace of liberalisation has slowed in recent years (Figure 2). No major regulatory changes affecting the STRI has been detected in 2021-22.

## Figure 2. Evolution of STRI indices by sector in Thailand

Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022




Source: OECD (2022). STRI database.

Broadcasting, air transport, motion pictures and courier services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Architecture services, insurance services, accounting services and rail freight transport are the sectors with the highest score relative to the average STRI across all countries.

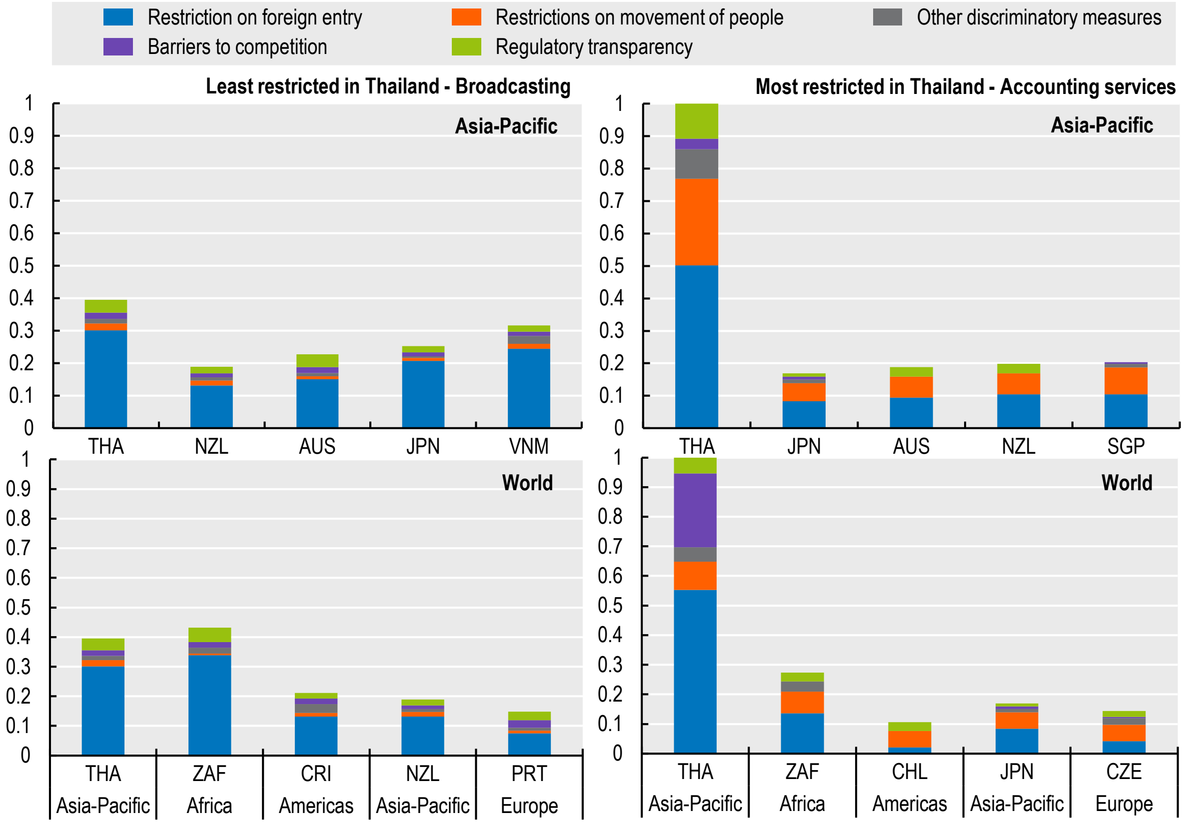
## Figure 3. Sectoral breakdown - The least and most restricted sectors in Thailand


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 (2022). STRI database.

Broadcasting services in Thailand are the least restrictive compared to the Asia-Pacific region. The composition of the scores indicate that restrictions on foreign entry have had an impact compared to other countries. The measures that contributed to this score include foreign equity restrictions, residency requirements for board members, and screening in the form of permission to provide broadcasting services. All rail services must be conducted by the State Railway of Thailand - a stateowned enterprise. This together with no significant cross-border transit rights for foreign suppliers closes the market for international trade. For accounting and auditing services, only locally licensed individuals or firms may acquire shares in these companies. Thai nationality is required for supervising, auditing or providing accounting services and a temporary licensing system is not in place. These three conditions together also close the sector for international trade (Figure 4).

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




Source: OECD (2022). STRI database.

## Recent policy changes

In May 2019 Thailand enacted the Personal Data Protection Act (PDPA) establishing a framework for data protection and regulating cross-border data flows. In June 2022, PDPA was fully enforced after some provisions had been partially enforced ahead of the year. The data controller must obtain consent from the data subject before processing or transferring. Personal data can be transferred to the destination with inadequate data protection standards when the data subjects have been properly informed and provided their consent.

### More information

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

» Read more about services trade policies and their impacts in Services Trade Policies and the Global Economy

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

» More information about measuring the regulatory environment for services trade in the APEC region: https://apecservicesindex.org/