



Logistics Freight Forwarding Services 2023

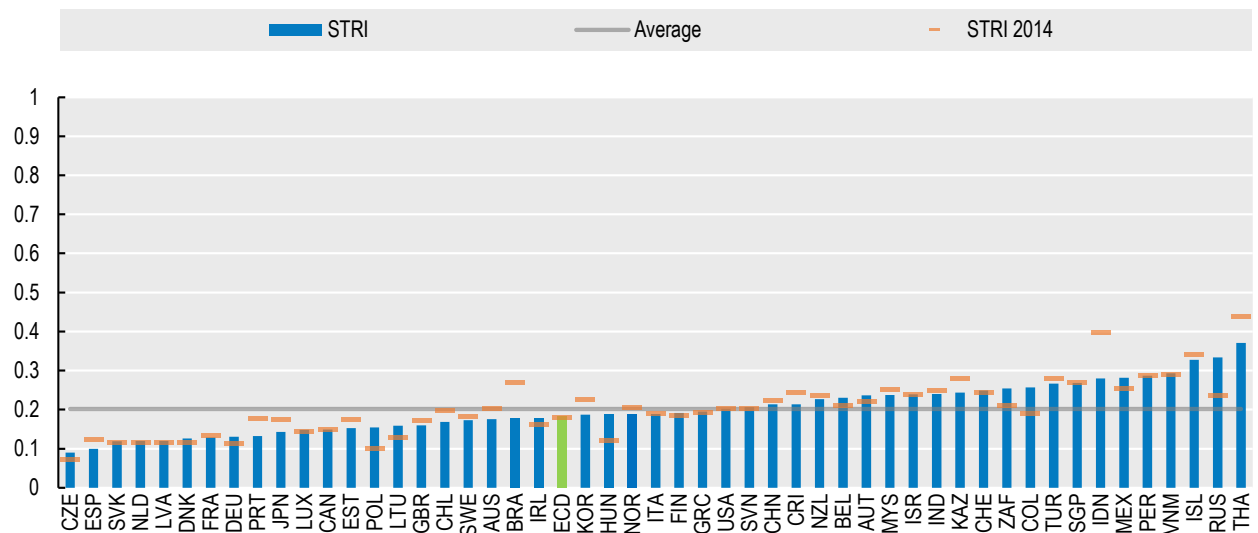
Key findings

- The average 2023 STRI in the logistics freight forwarding sector is 0.20 out of a maximum of 1 (most trade restricted), indicating a relatively low overall level of restrictiveness. However, individual country scores diverge considerably, ranging between 0.09 and 0.37.
- The best performing countries in the sector are Czechia, Spain, and the Slovak Republic. Most reforms in 2023 were recorded in Korea, China, and Spain.
- In this sector, barriers related to regulatory transparency are the most prominent in OECD economies, amounting to 36% of all restrictions. In non-OECD economies, barriers related to restrictions on foreign entry are relatively more prominent (37% of all restrictions).
- OECD estimates suggest that halving the distance to best practice in this sector is associated with a reduction in the costs of cross-border trade in freight-forwarding services between 8% and 21% for the average country included in the STRI database.

Logistics services in the STRI are defined as cargo-handling services (ISIC 5224), storage and warehousing services (including customs warehouse services) (ISIC 5210), freight transport agency services, and customs brokerage services (ISIC 5229). Since the regulatory framework for these four sub-sectors can be different in many countries, separate indices have been developed for each of them.

The 2023 STRIs in the logistics freight forwarding sector range between 0.09 and 0.37, with a sample average of 0.20 (Figure 1). There are 27 countries below and 23 countries above the average. The best performing countries in the sector are Czechia, Spain, and the Slovak Republic.

Figure 1. STRI in logistics freight forwarding services, 2023

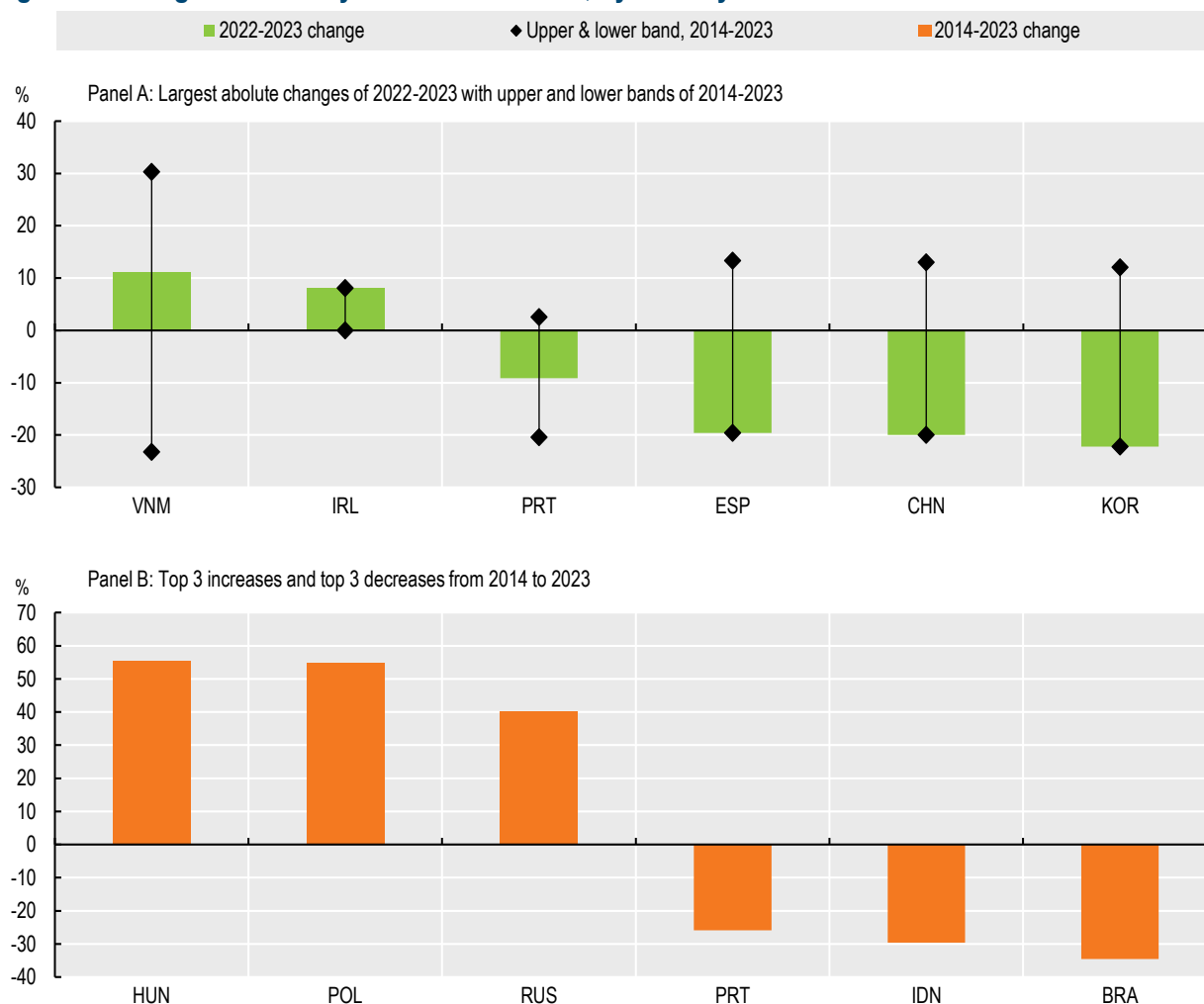


Note: The STRI indices take values between zero and one, one being the most restrictive. The indices are based on laws and regulations in force on 31 October 2023. The STRI regulatory database covers the 38 OECD countries, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russian Federation, 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 (2023). STRI database.

Several countries introduced regulatory changes affecting the STRIs in 2023 and more so since 2014 (Figure 2). In 2023, the STRIs in this sector saw the biggest changes in Viet Nam (11%), Ireland (8%), Portugal (-9%), Spain (-20%), China (-20%), and Korea (-22%). Since 2014, on the one hand, countries that have had the strongest restrictive trends in the logistics freight forwarding services sector include Hungary (56%), Poland (55%), and the Russian Federation (40%). On the other hand, strong liberalisation has taken place in Portugal (-26%), Indonesia (-30%), and Brazil (-35%).

Figure 2. Change in the last year and since 2014, by country

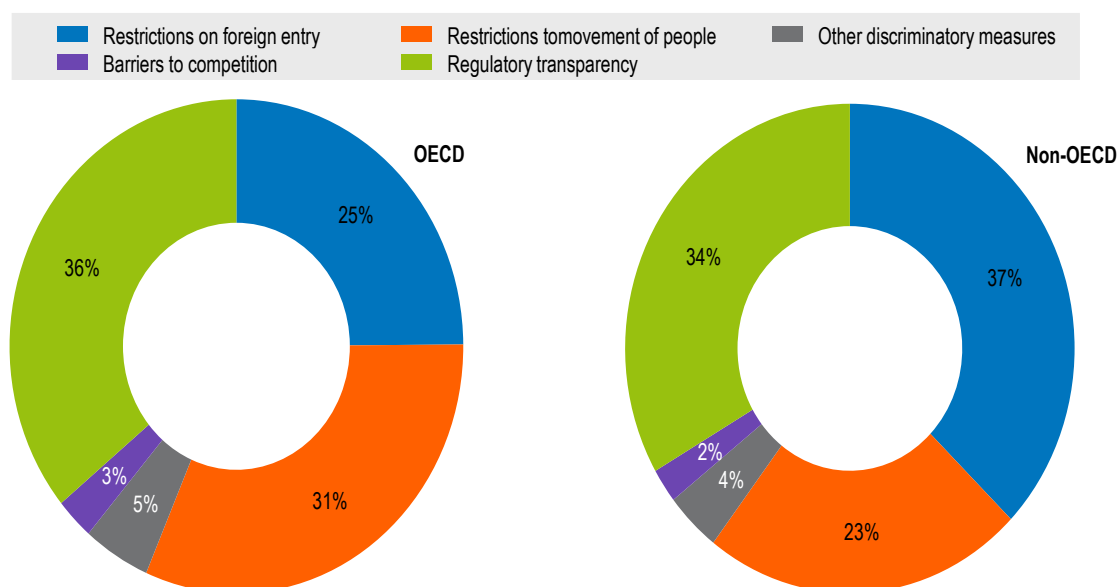


Note: Selection criteria for Panel A were based on largest absolute changes since 2022. Panel B selection is the 3 largest increases, and the 3 largest decreases in the STRI since 2014.

Source: OECD (2023). STRI database.

The measures in the STRI database are organised under five policy areas (Figure 3). Restrictions on foreign entry include barriers related to establishing and operating companies, such as foreign equity limits or requirements on board of directors and cross-border data flows. Restrictions on the movement of people cover barriers that affect the temporary entry of foreign services providers through quotas, labour market tests, and short durations of stay. Other discriminatory measures include discrimination of foreign services suppliers as far as taxes, subsidies, and public procurement are concerned. Barriers to competition include information on anti-trust policy, government ownership of major firms, and the extent to which government-owned enterprises are exempt from competition laws. Regulatory transparency includes information on consultations and dissemination before laws and regulations enter into force. It also records information on obtaining a license or a visa. In this sector, barriers related to regulatory transparency are the most prominent in OECD economies, amounting to 36% of all restrictions. In non-OECD economies, barriers related to restrictions on foreign entry are relatively more prominent (37% of all restrictions).

Figure 3. STRI for logistics freight forwarding by policy area in OECD and non-OECD economies, 2023



Source: OECD (2023). STRI database.

There are no countries that are fully closed to trade in this sector.

Table 1 lists the most relevant restrictions identified in each policy area. Under restrictions on foreign entry, common impediments to trade relate to commercial or local presence requirements for cross-border service provision, acquisition and use of land and real estate, and screening requirements for foreign investments. 29 out of the 50 countries covered maintain foreign investment screening mechanisms that do not explicitly rule out the consideration of economic motives or interests, up from 26 countries in 2022. A licence or authorisation is required to enter the market in 27 countries.

Restrictions to the movement of people are relatively common across the board. Temporary cross-border movement of contractual services suppliers, intra-corporate transferees, and independent services suppliers is conditional on labour market testing or similar economic considerations in many countries. The initial work or residency permits for contractual services suppliers and independent services suppliers also often have a relatively short duration.

Other discriminatory measures and barriers to competition do not appear widespread in logistics freight forwarding. Under other discriminatory measures, barriers related to accessing public procurement markets for foreign tenderers remain the most common challenge. Minimum capital requirements are the most common barrier to competition.

Restrictions related to regulatory transparency, however, are significant in the sector. The most common restrictions in this area relate to the temporary entry/transit of crew. 39 countries do not have visa on arrival or visa exemption for the temporary entry/transit of truck drivers, whereas 16 countries do not offer either option for aircrew. In addition, in 28 countries, individual licences or registration are required for warehousing, freight forwarding, and customs brokerage services, thereby limiting the ability of providers to integrate their activities.

Table 1. Top 5 most relevant measures by policy area, 2023

Policy area	Measure	Countries having a restriction ¹
Restrictions on foreign entry	Acquisition and use of land and real estate by foreigners is restricted	34
	Screening exists without exclusion of economic interests	29
	Memo: Licence/authorisation is required to enter the market	27
	Local presence is required for cross-border supply	17
	Commercial presence is required in order to provide cross-border services	14
Restrictions to movement of people	Labour market tests or similar economic considerations: contractual services suppliers	37
	Labour market tests or similar economic considerations: intra-corporate transferees	36
	Labour market tests or similar economic considerations: independent services suppliers	34
	Limitation on duration of stay for contractual services suppliers (months)	36
	Limitation on duration of stay for independent services suppliers (months)	32
Other discriminatory measures	Public procurement: Procurement regulation explicitly prohibits discrimination of foreign suppliers	43
	Access to the procurement market is conditional on reciprocity	29
	Public procurement: The procurement process affects the conditions of competition in favour of local firms	24
	Public procurement: Explicit preferences for local suppliers	21
	National standards on transport packages deviate from international standards	2
Barriers to competition	Minimum capital requirements	34
	National, state or provincial government control at least one major firm in the sector	12
	Restrictions on advertising	5
	Prices or fees are regulated	1
	Publicly-controlled firms are exempted from the application of the general competition law	1
Regulatory transparency	Visas on arrival or visa exemption are available for temporary entry/transit of crew: truck drivers	39
	Memo: Applications in electronic format are accepted	36
	Range of visa processing time (days)	31
	Individual licensing/registration requirements are imposed on warehousing, freight forwarding and customs brokerage services	28
	Visas on arrival or visa exemption are available for temporary entry/transit of crew: aircrew	16

Note: The count for “memo” type of measures, which are not scored in the STRI, indicates the number of positive answers recorded for that measure across the 50 countries covered. The topmost relevant measures are selected on the basis of the following criteria: (1) most restricted horizontal measures (i.e. same answer across sectors), (2) most restricted sector-specific measures, (3) key measures, or (4) memos affecting the score of other measures through hierarchy rules.

Source: OECD STRI database (2023).

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](#)
- » Calculation based on: Benz, S. and A. Jaax (2020), "The costs of regulatory barriers to trade in services: New estimates of *ad valorem* tariff equivalents", *OECD Trade Policy Papers*, No. 238, OECD Publishing, Paris, <https://doi.org/10.1787/bae97f98-en>
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org

