



Road Freight Transport Services 2023

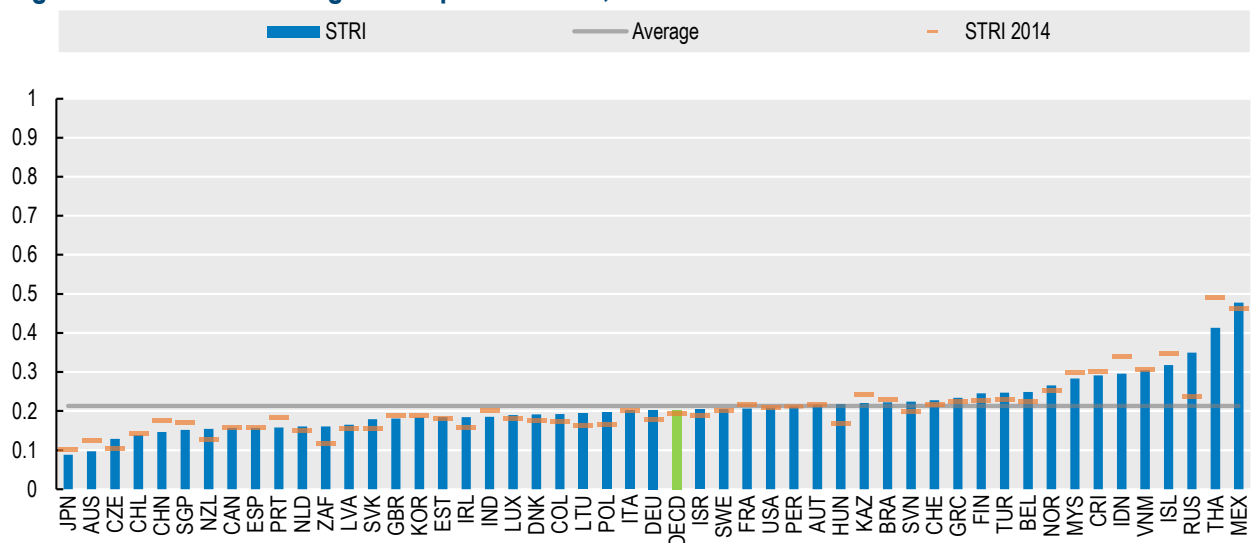
Key findings

- The average 2023 STRI in the road freight transport sector is 0.23 out of a maximum of 1 (most trade restricted), indicating substantial scope for reductions of barriers to services trade. However, individual country scores diverge considerably, ranging between 0.10 and 0.48.
- The best performing countries in the sector are Japan, Australia, and China. Most reforms in 2023 were recorded in China, Korea, and Australia.
- In this sector, barriers related to restrictions on foreign entry are most prominent and amount to 31% of all restrictions in OECD economies and 44% in non-OECD economies.
- 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 road freight transport services between 4% and 12% for the average country included in the STRI database.

Road freight transport is defined as ISIC (rev 4) category 4293 (freight transport by road). The STRI for this sector covers commercial establishment only. Cross-border trade is governed by a system of bilateral and plurilateral agreements which provide for permits, quotas, and other regulations.

The 2023 STRIs in the road freight transport sector range between 0.10 and 0.48, with a sample average of 0.23 (Figure 1). There are 30 countries below and 20 countries above the average. The best performing countries in the sector are Japan, Australia, and China.

Figure 1. STRI in road freight transport 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 New Zealand (11%), Ireland (8%), the Russian Federation (-8%), Australia (-12%), Korea (-19%), and China (-32%). Since 2014, on the one hand, countries that have had the strongest restrictive trends in the road freight transport services sector include the Russian Federation (37%), South Africa (29%), and Hungary (26%). On the other hand, strong liberalisation has taken place in Portugal (-12%), China (-18%), and Australia (-21%).

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

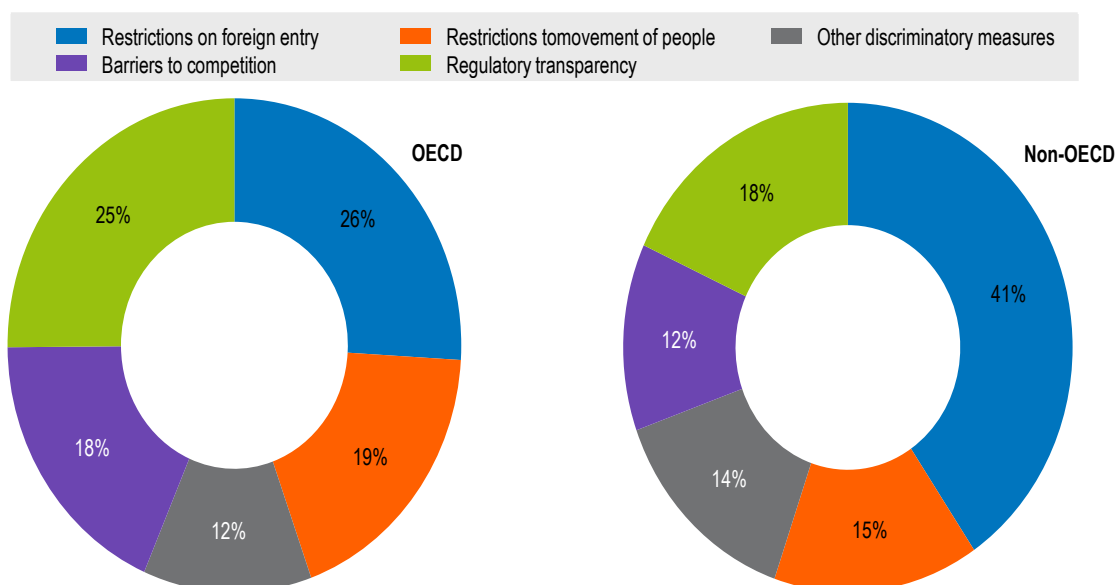


Note: Selection criteria for Panel A were based on largest absolute changes since 2022. Panel B selection is the 3 largest increases, and the 3 largest decreases in the STRI since 2014.
Source: OECD (2023). STRI database.

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 prior to laws and regulations entering into force. It also records information on obtaining a license or a visa. In this sector, barriers

related to restrictions on foreign entry are most prominent and amount to 31% of all restrictions in OECD economies and 44% in non-OECD economies.

Figure 3. STRI for road freight transport 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 relate to cross-border data flows, acquisition and use of land and real estate, and residency requirements for managers of road freight transport companies. Foreign equity limits and quantitative conditions related to licences are also present but to a lesser degree.

Restrictions to the movement of people are relatively common across the board and include mostly short permits of first stay and labour market tests. Under other discriminatory measures, barriers related to accessing public procurement markets for foreign tenderers remain the most common challenge.

Road freight transport has characteristics of a network industry where barriers to competition may be important. Apart from general requirements related to minimum capital for new companies, more than half of the countries in the STRI exempt road freight carriers' agreements from competition law. State-owned enterprises still play an important role in nine countries, while tariff filing and pricing regulation for road hauliers are also present in some.

Under barriers related to regulatory transparency, cumbersome visa conditions for truck drivers and procedural hurdles related to business visas are the most common challenges in this sector. In addition, the public consultation process for new legislative instruments falls short of best practice in nine countries.

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

Policy area	Measure	Countries having a restriction
Restrictions on foreign entry	Screening exists without exclusion of economic interests	35
	Acquisition and use of land and real estate by foreigners is restricted	34
	Managers must be resident	33
	Foreign equity restrictions: maximum foreign equity share allowed (%)	6
	There are limits to the proportion of shares that can be acquired by foreign investors in publicly-controlled firms	5
Restrictions to movement of people	Labour market tests or similar economic considerations: intra-corporate transferees	36
	Labour market tests or similar economic considerations: contractual services suppliers	37
	Laws or regulations establish a process for recognising qualifications gained abroad	37
	Limitation on duration of stay for contractual services suppliers (months)	36
	Other restrictions to movement of people	8
Other discriminatory measures	Public procurement: Procurement regulation explicitly prohibits discrimination of foreign suppliers	42
	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
	There is a formal requirement that regulators consider comparable international standards and rules before setting new domestic standards	14
Barriers to competition	Minimum capital requirements	32
	Exemption of road freight carrier's agreements from competition law	26
	Freight carriers are required to file tariffs	9
	National, state or provincial government control at least one major firm in the sector	8
	Restrictions on advertising	5
Regulatory transparency	Memo: Licensing and authorization fees are transparent	45
	Visas on arrival or visa exemption are available for temporary entry/transit of crew	37
	Number of documents needed to obtain a business visa	26
	There is an adequate public comment procedure open to interested persons, including foreign suppliers	9
	Multiple entry visas are allowed for crew	9

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