



OECD Services Trade Restrictiveness Index (STRI)

CANADA – 2022

Key findings

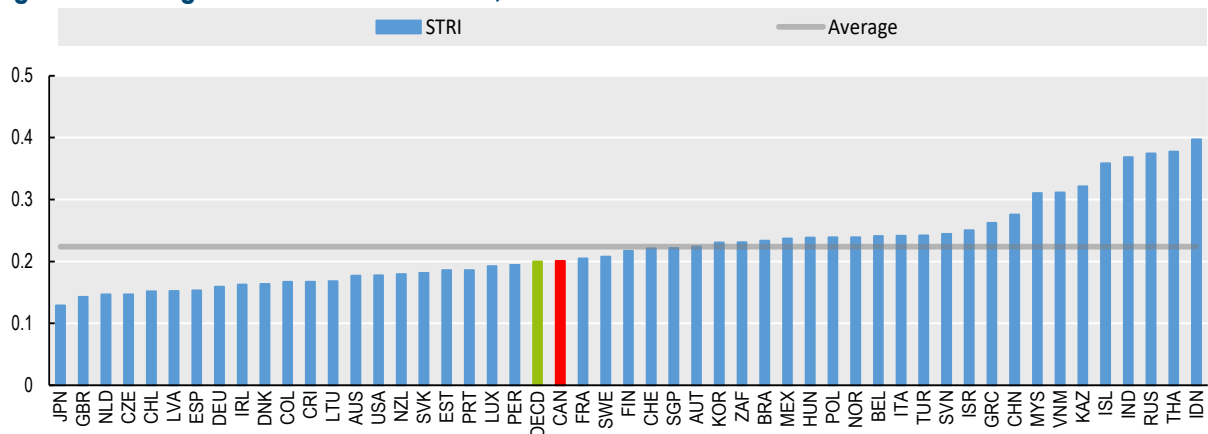
- The 2022 STRI for Canada is close to the OECD average and unchanged since 2021. Canada’s regulatory environment for services was stable over the past years, with no regulatory changes in 2022 compared with 2021.
- Despite the overall favourable environment for services trade, restrictions remain in horizontal measures such as screening of foreign investments or restrictions to the movement of people.
- Canada was party to the Joint Initiative on Domestic Services Regulation at the WTO and was one of the countries that strongly supported some of the provisions that were included in the final Reference Paper such as the non-discrimination provision between women and men.

Recommendation

- 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 for Canada is close to the OECD average and unchanged since 2021 (Figure 1).

Figure 1. Average STRI across countries, 2022



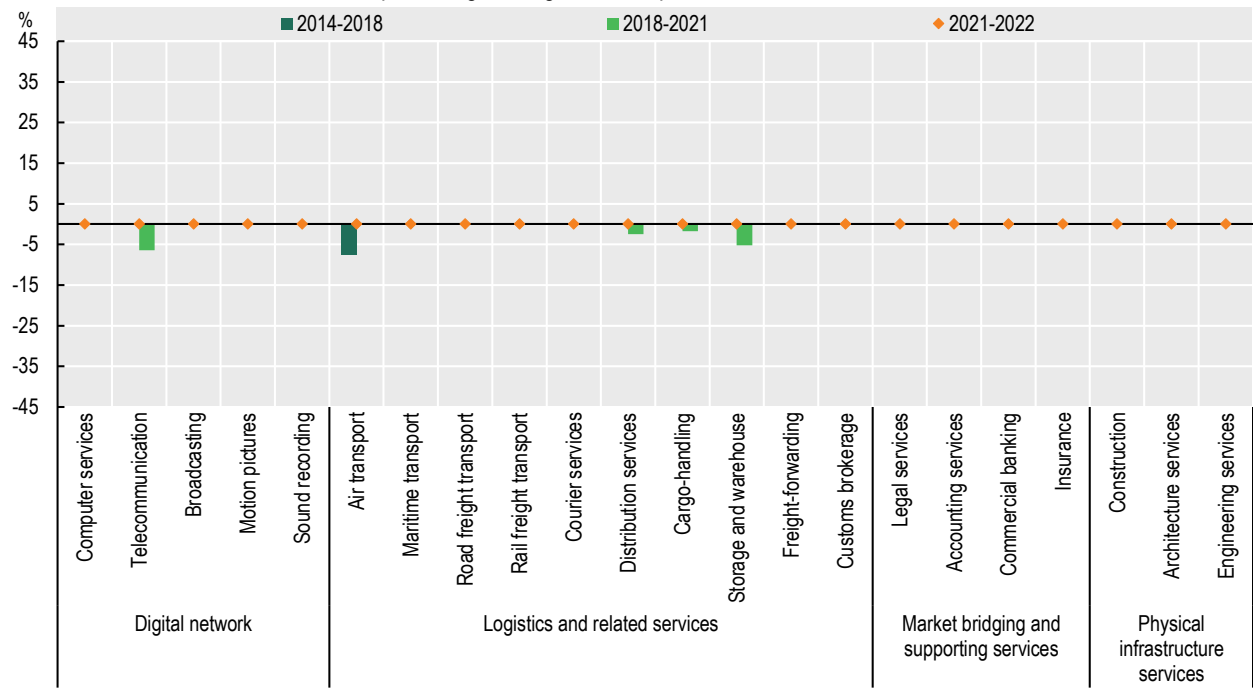
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations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

Canada applies foreign investment screening in those sectors to which the Investment Canada Act applies and labour market tests for foreigners seeking to provide services in the country on a temporary basis as contractual services suppliers or independent services suppliers. There is at least one major state-owned enterprise in motion pictures services, postal services, and distribution services. Access to public procurement contracts is limited to regional trade agreement partners and signatories to the WTO's Government Procurement Agreement.

Canada's regulatory environment for services has been stable over the past years (Figure 2)

Figure 2. Evolution of STRI indices by sector in Canada

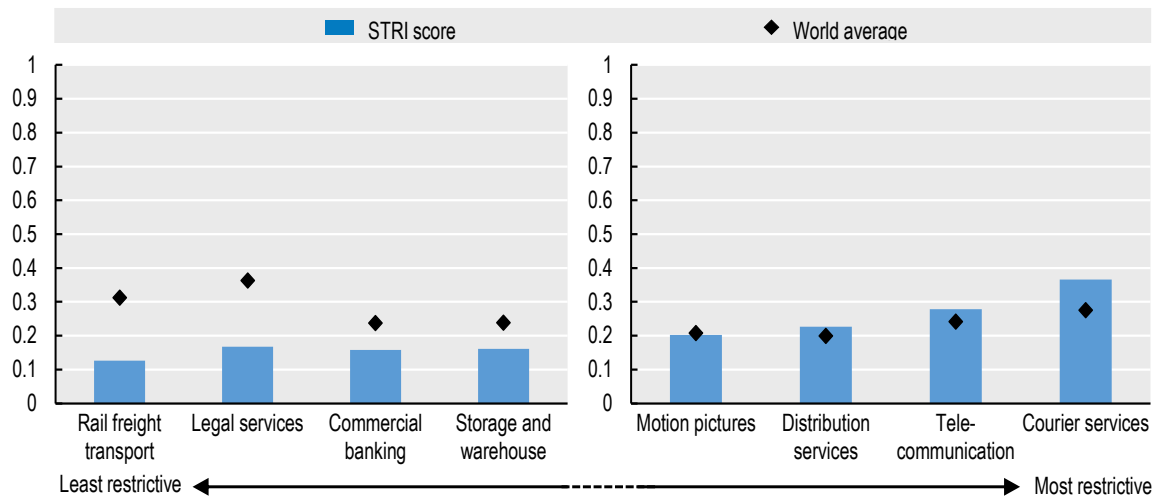
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



OECD (2022). STRI database.

Rail freight transport, legal services, commercial banking, and logistics storage and warehousing services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Motion pictures, distribution services, telecommunications and courier services are the sectors with the highest score relative to the average STRI across all countries.

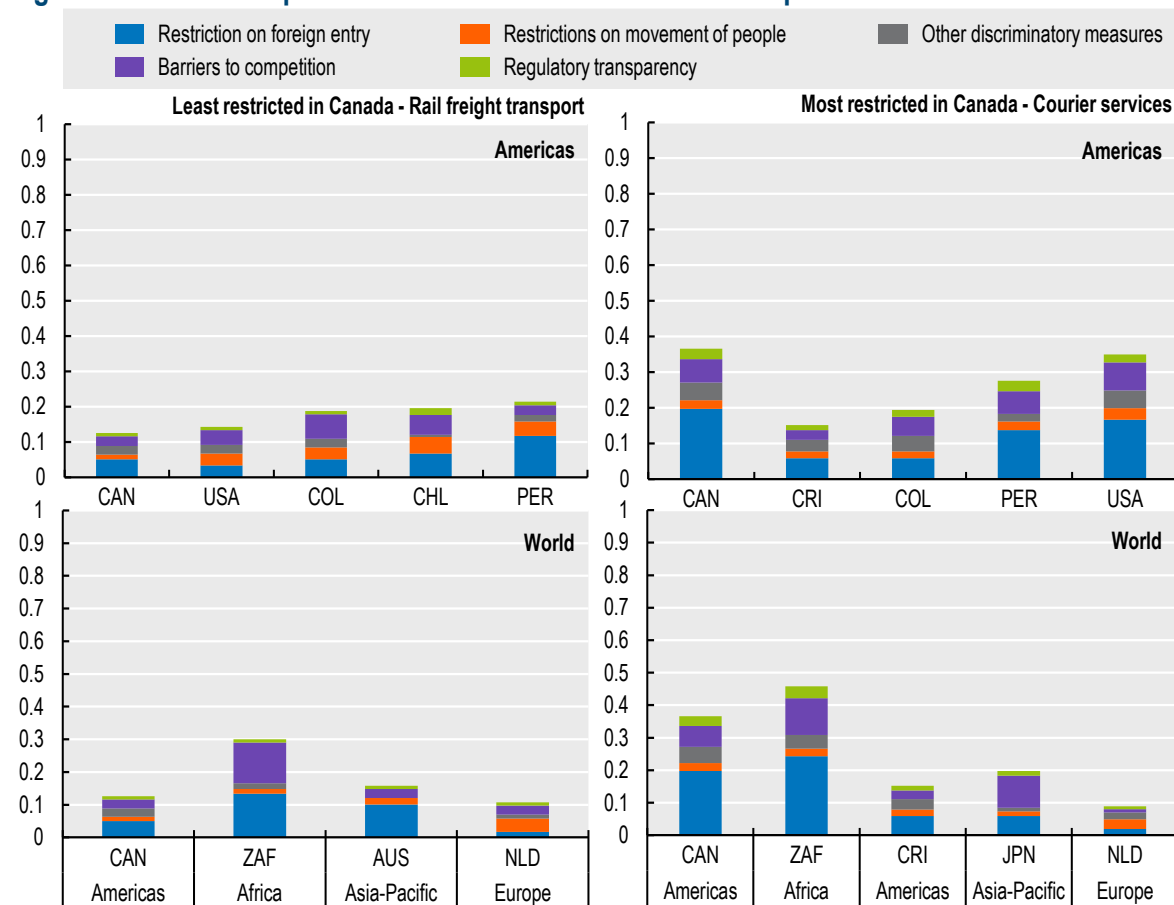
Figure 3. Sectoral breakdown - The least and most restricted sectors in Canada



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.

Rail freight transport services are the least restricted in Canada compared to the Americas. Courier services are the most restricted services sector in Canada. The STRI for courier services includes postal services where Canada maintains a monopoly on certain items. Market access for foreign providers in courier and parcel delivery services is subject to fewer conditions (Figure 4).

Figure 4. Canada compared to the Americas and World's best performers



Source: OECD (2022). STRI database.

Recent policy changes

Canada has signed the Joint Initiative on Domestic Services Regulation at the WTO in 2021 and was an important supporter of the provision on non-discrimination between women and men services providers.

The telecommunications sector saw a series of changes in 2021, although without affecting the STRI levels. One such change related to allowing mobile carriers to access existing carriers' networks and implement seamless roaming as part of their wholesale roaming service.

In April 2021, the Canadian Radio-television and Telecommunications Commission (CRTC) issued a series of new telecommunications regulations following a review of mobile wireless services. In particular, the CRTC allowed regional mobile carriers to access the networks of the four existing carriers in Canada. Rates between regional mobile carriers and existing carriers are commercially negotiated between the parties, and the service is mandated for seven years. These measures aim to increase competition in the mobile sector and provide greater choice of mobile providers, but they did not change Canada's STRI scores.

In May 2021, Canada issued a new contracting policy on procurement although this did not change Canada's STRI scores. The previous contracting policy was rescinded in May 2022.

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/>