



SWITZERLAND – 2022

Key findings

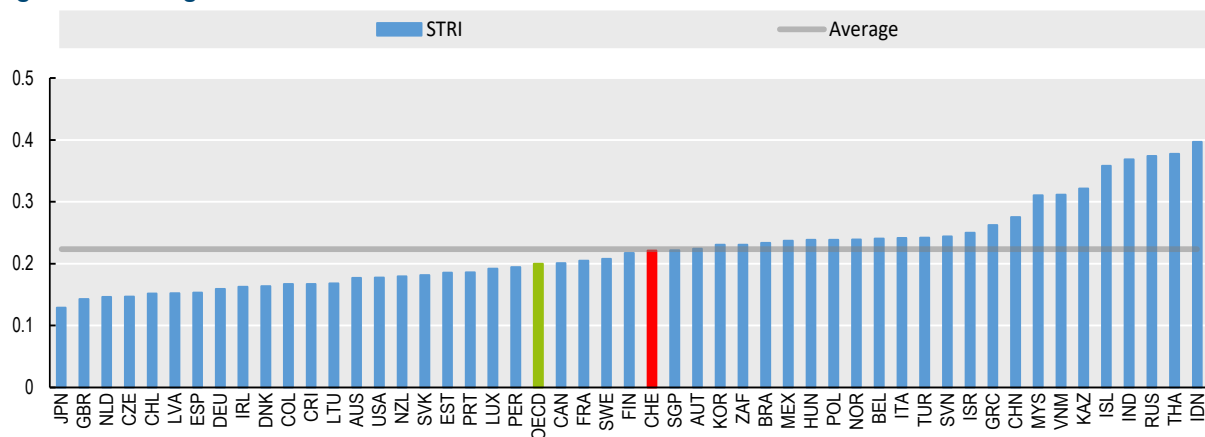
- The 2022 STRI of Switzerland is above the OECD average. The indices have increased slightly compared to 2021.
- Apart from these changes, Switzerland's regulatory environment for services was relatively stable over the past years.
- Despite the overall favourable environment for services trade, some restrictions on movement of people remain for independent services suppliers and procedures to register a company are relatively burdensome.

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 Switzerland is relatively low 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 value of the index is due to stringent economy-wide regulations. Switzerland applies quotas and labour market tests for workers seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers. Workers in these categories may stay in the country for up to 12 months on their first short-term entry permit. Furthermore, the acquisition and use of land and real estate by foreigners is restricted. Switzerland also requires that at least one of the board members in corporations must be resident in the country.

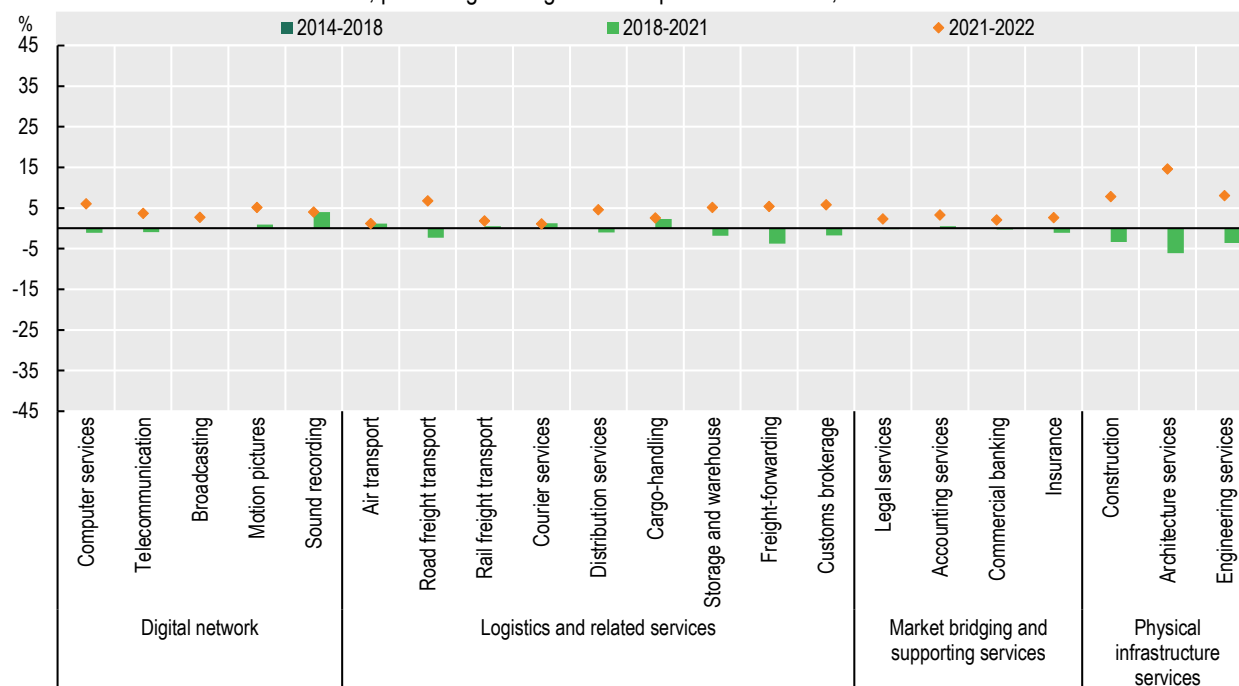
Cross-border transfers of personal data can take place when these ensure an adequate level of data protection or, in the absence of this, appropriate safeguards (e.g. binding corporate rules or standard data protection clauses) are in place. Finally, the state retains a prominent role in the economy with at least one major state-owned enterprise in commercial banking, broadcasting, courier services, logistics cargo handling and storage and warehouse at rail facilities, rail freight transport and telecommunication services.

The 2021 legal framework for public procurement introduced a new channel for the Swiss Contracting Authority to allow foreign providers to participate in tenders. While this widens market access, its effectiveness is weakened by reducing the scope to challenge the Authority's decisions only to instances where reciprocal conditions are demonstrated for Swiss tenderers.

The decrease in many sectoral scores depicted in Figure 2 for the period 2018-2021 largely reflects an improvement in the range of visa processing time in 2020. The change in the score for other services, notably for construction, architectural, engineering and some logistics related services, are largely due to the new Federal Law on Public Procurement. The change in the index for architectural services between 2021 and 2022 is also associated with the change in the processing time of visa requirements.

Figure 2. Evolution of STRI indices by sector in Switzerland

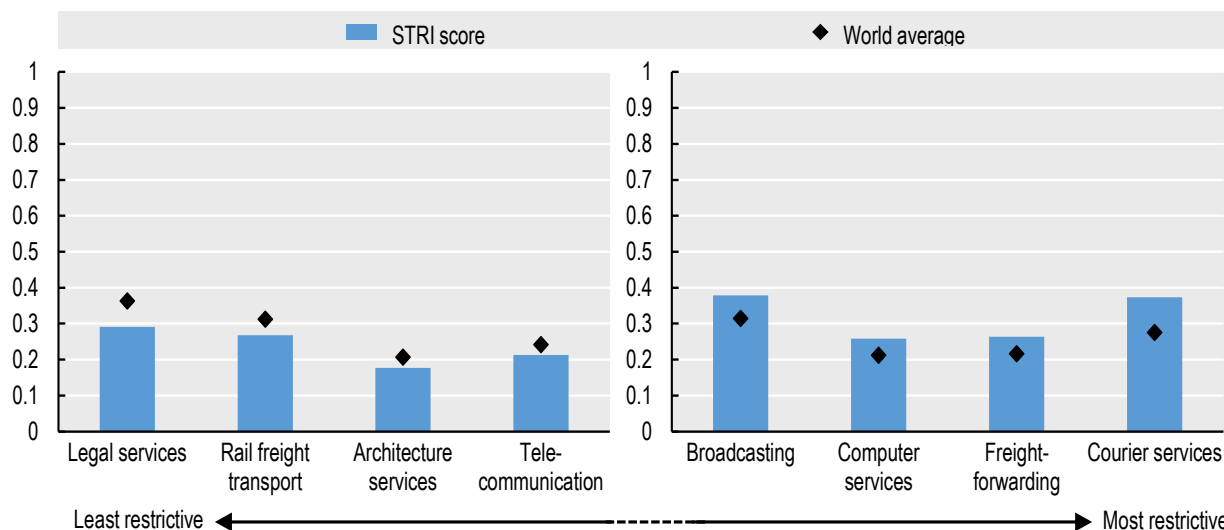
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



Source: OECD (2022). STRI database.

Legal services, rail freight transport, architecture services and telecommunication are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Conversely, broadcasting, computer services, logistics freight-forwarding and courier services are the sectors with the highest score relative to the average STRI across all countries covered by the STRI database.

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



Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

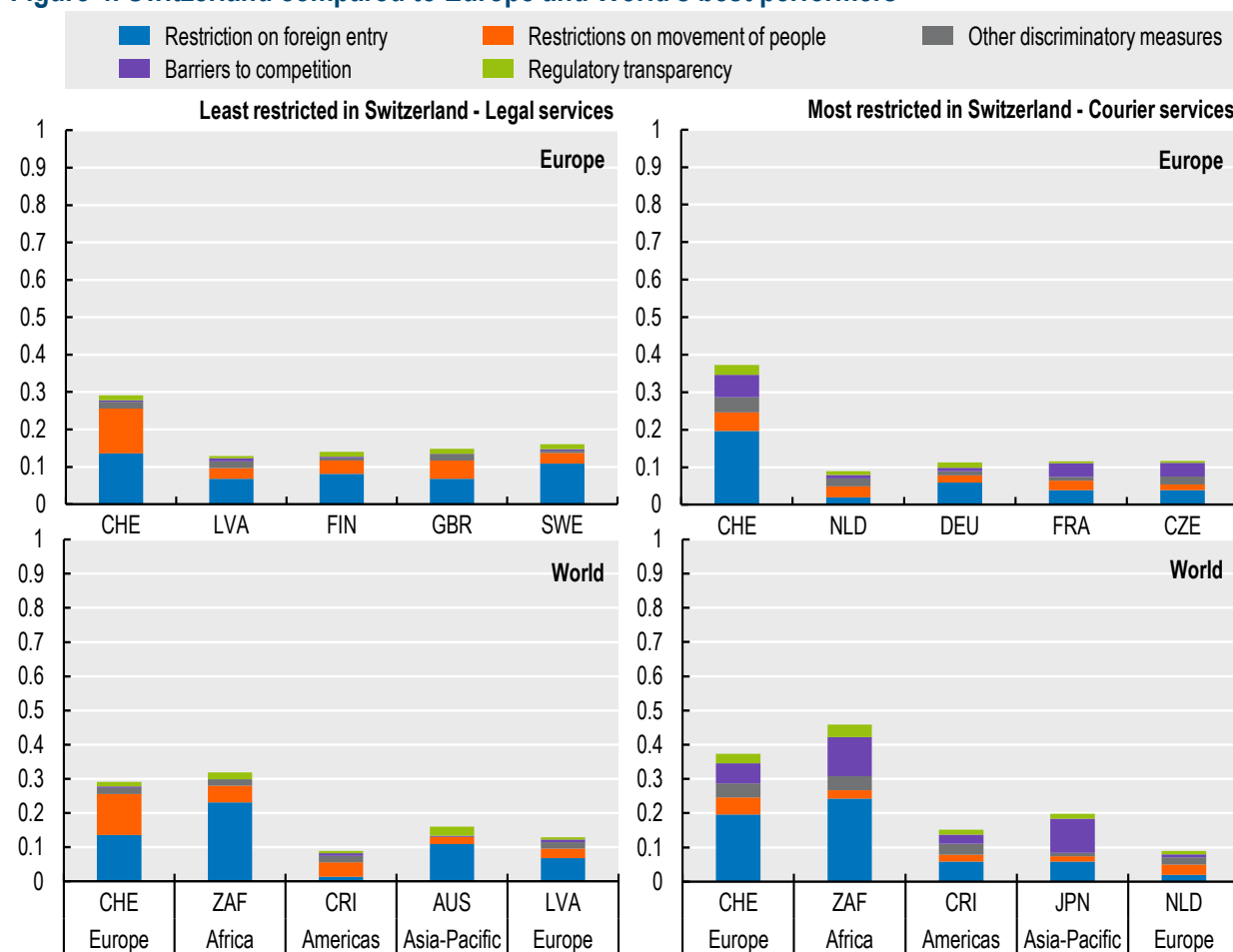
i.e. $(STR I_{country, sector} - STR I_{world average, sector}) / STR I_{world average, sector}$

Source: OECD (2022). STRI database.

Legal services are the least restrictive sector in Switzerland. The composition of the scores suggests that restrictions on movement of people have had an impact compared to other countries. The measures that contributed to this score include quotas, labour market tests as well as licensing requirements. Courier services, on the contrary, are the most restricted sector in Switzerland. Restrictions on foreign entry are significant compared to best performers. Some of the measures that

contribute the most to the score include local presence requirements for cross-border supply, limitations to the proportion of shares that can be acquired by foreign investors in publicly controlled firms as well as restrictions to the acquisition and use of land and real estates by foreigners (Figure 4).

Figure 4. Switzerland compared to Europe and World's best performers



Source: OECD (2022). STRI database.

Recent policy changes

The 2021 reform on the Federal Law on Public Procurement represents an important step in the direction of a more harmonized and updated policy regime on public procurement.

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