



OECD Services Trade Restrictiveness Index (STRI)

CHILE – 2022

Key findings

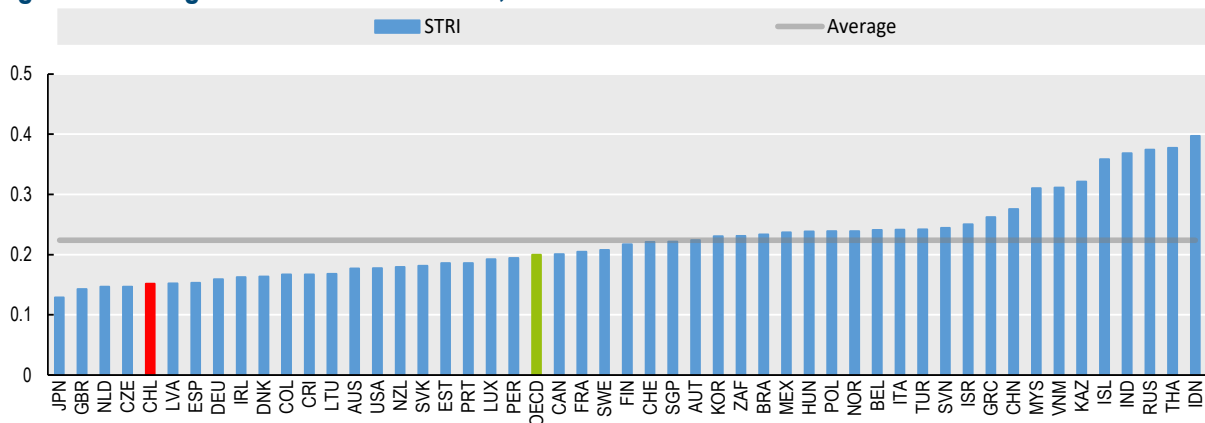
- The 2022 STRI of Chile is below the OECD average and low compared to all countries in the STRI sample. However, the indices have increased compared to 2021 in most sectors.
- Key changes in 2022 include the entry into force of a new law on migration aiming to restructure the types of permits for foreigners and stipulate the related procedures and conditions.
- Accounting services are the most open in Chile compared to sectoral sample average while courier services are the most trade restrictive.

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 of Chile 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. OECD (2022). STRI and TiVA databases.

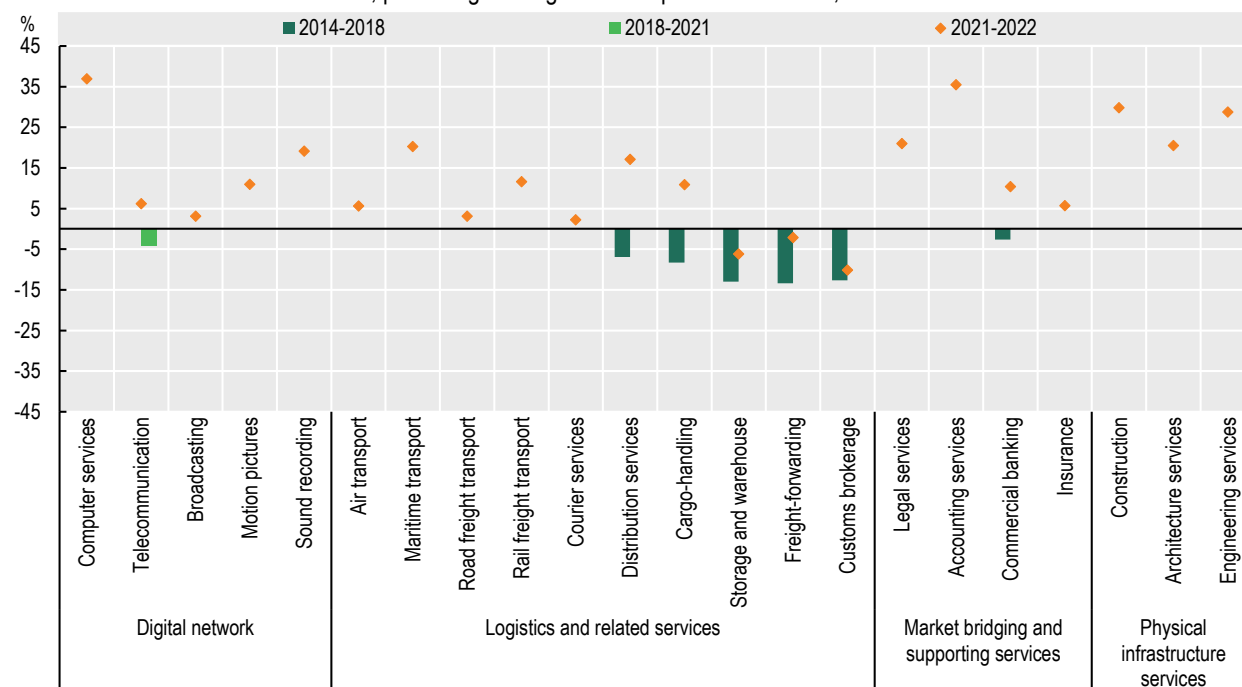
The 2022 STRI is partially explained by the low level of economy-wide restrictive regulation. Measures common to all sectors include limitations on acquisition of land or real estate by foreigners along the coast and frontier areas as well as the lack of a general obligation to publish laws and regulations before

they enter into force or to open draft regulations for public comment, although specific mechanisms for civil society consultation exist in some sectors. Chile is also one of the few countries with no foreign equity restrictions in air transport services, e.g. foreign investment in air transport services to, from and within Chile is allowed, explaining that air transport is, comparatively, one of the least restrictive sectors.

While in the past years Chile undertook trade liberalisation in specific sectors such as distribution and logistics services, the volume of regulatory changes affecting services trade has been small (Figure 2). In 2022, Chile's STRI changed in large part due to the entry into force of a new Law of Migration and Foreigners. Law of Migration and Foreigners (*Ley de Migración y Extranjería*, n. 21325/2021) introduced new rules that affect the movement of natural persons seeking to provide services on a temporary basis. It allows the Council of Migration Policy, composed by members of the government, to propose to the Minister of the Interior and Public Security the number and types of migratory permits that are considered appropriate to grant, in accordance with the National Policy on Migration and Foreigners (*Política Nacional de Migración y Extranjería*), for a period of time or a determined geographical area.

Figure 2. Evolution of STRI indices by sector in Chile

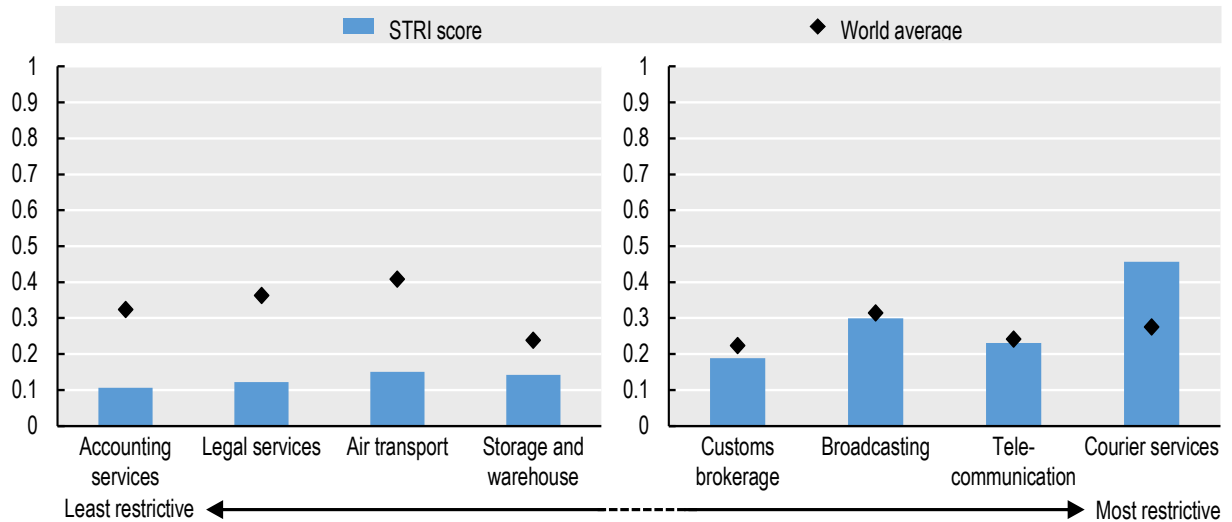
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



OECD (2022). STRI database.

Accounting services, legal services, air transport, and logistics storage and warehousing services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Logistics customs brokerage, broadcasting, telecommunication 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 Chile

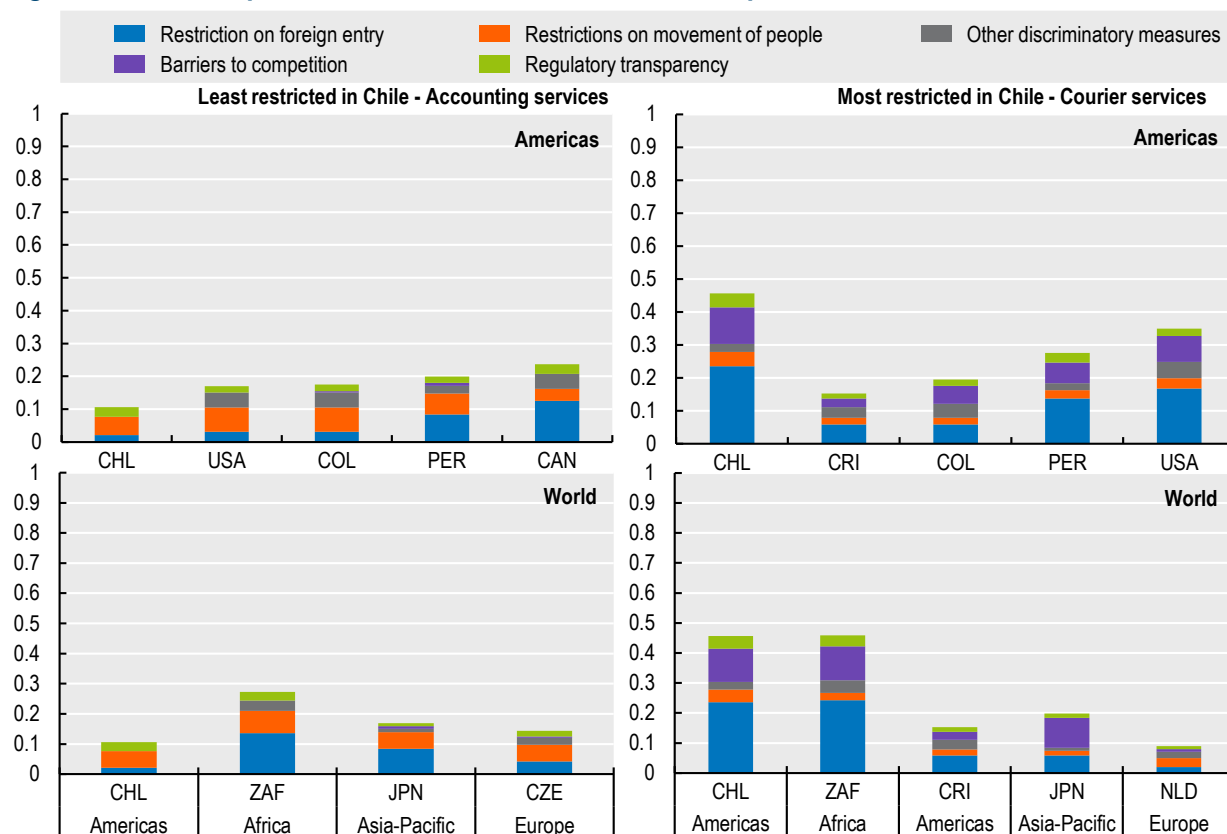


Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference
i.e. $(STRI_{country, sector} - STRI_{world average, sector}) / STRI_{world average, sector}$
Source: OECD (2022). STRI database.

Accounting services are the least restricted in Chile compared to the Americas. Accounting services cover also auditing, both of which are not regulated professions in Chile.

Courier services is the most restricted services sector in Chile. The restrictions on foreign entry and barriers to competition are significant compared to best performers. Courier services cover also postal services. Chile maintains a monopoly on the delivery correspondence which includes letters, post cards and parcels up to 1kg. The state-owned incumbent operator, *Correos de Chile*, also enjoys preferential treatment on the application of VAT or transport bans, and no regulation is in place to avoid cross-subsidisation of competitive and protected activities (Figure 4).

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



Source: OECD (2022). STRI database.

Recent policy changes

In 2022, a new Law of Migration and Foreigners (*Ley de Migración y Extranjería*, n. 21325/2021) entered into force in Chile aiming to restructure the types of permits for foreigners and provide for the related procedures and conditions. The new Law brings several changes, including in the institutional framework and application process. It also extends the general validity of permits for contractual services suppliers and for independent services suppliers from 12 to 24 months. The duration of visa for crew for air, maritime and road freight transport sectors also increased from 1 to 3 months. Finally, the law also opens the possibility for the Council of Migration Policy to limit the number of migration permits that can be granted in accordance with the National Migration Policy. In May 2022, Supreme Decree No. 177 was published which established 16 different types of permits for temporary residence in Chile, including permits relevant for foreign services providers. In 2020, Chile reformed the General Telecommunications Law in order to allow the resale of public telecommunications services for the mobile subsector.

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/>

