



GERMANY – 2022

Key findings

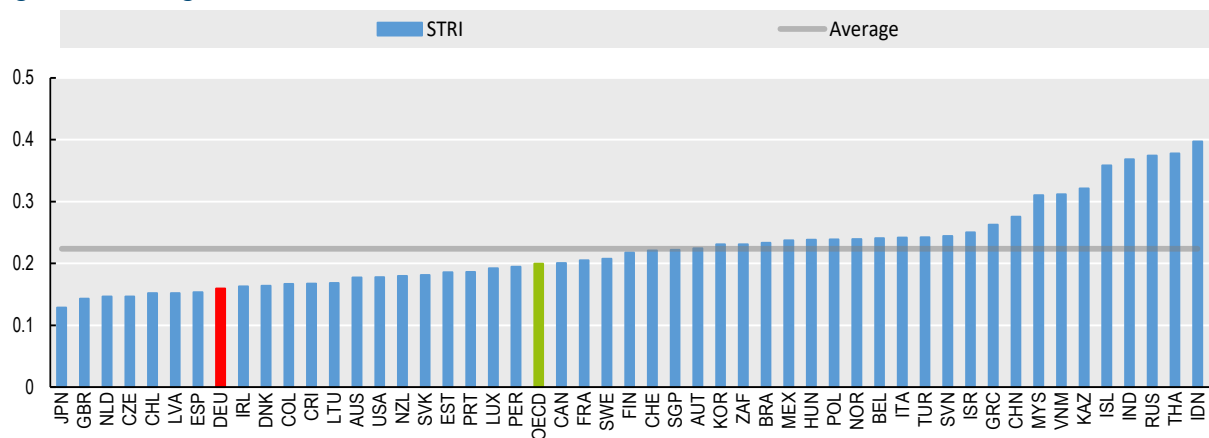
- The 2022 STRI of Germany is below the OECD average and low compared to all countries in the STRI sample.
- Courier services are the most open sector in Germany while road freight transport is the most trade restrictive compared to the sectoral sample average.
- Despite an overall favourable environment for services trade, restrictions remain related to the movement of people and the registration of businesses.

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 Germany is relatively low compared to average of 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.

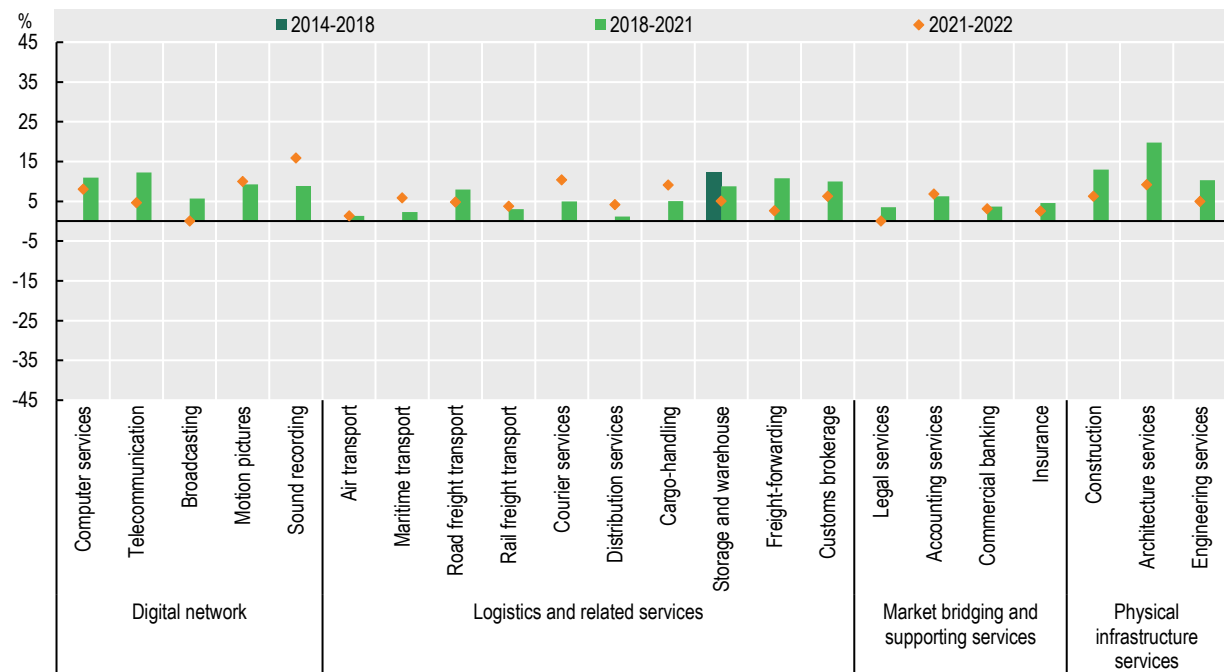
The 2022 index is explained in large part by a favourable general regulatory environment, but restrictions remain related to the movement of natural persons. Germany applies labour market tests for workers seeking to provide services in the country on a temporary basis as contractual services

suppliers or independent services suppliers and more than eight documents are required to obtain a business visa. The standards for cross-border transfer of personal data are set at the EU level. Transfers to non-EEA economies 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.

Germany's barriers towards services increased slightly in 2022 compared to 2021 due to new EU-wide measures affecting access to procurement markets in all sectors except broadcasting and legal services (Figure 2). Previous increase in services restrictiveness in 2019 resulted from a slowdown in the processing of business visa applications.

Figure 2. Evolution of STRI indices by sector in Germany

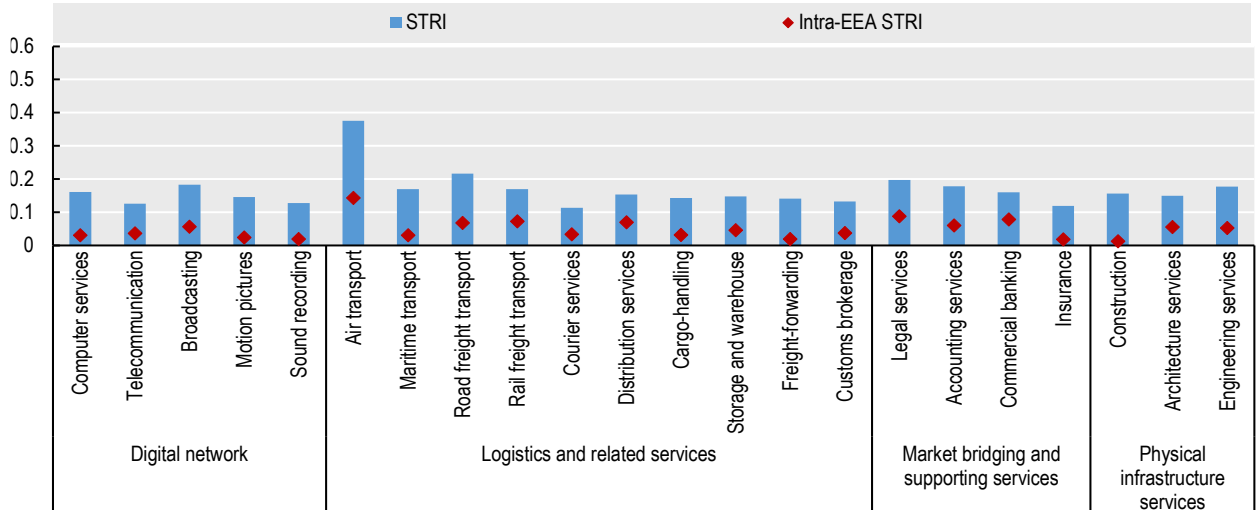
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



OECD (2022). STRI database.

Services trade barriers are significantly lower within the European Economic Area across all services sectors (Figure 2b). Germany maintains an open market for services suppliers from other EU Member States.

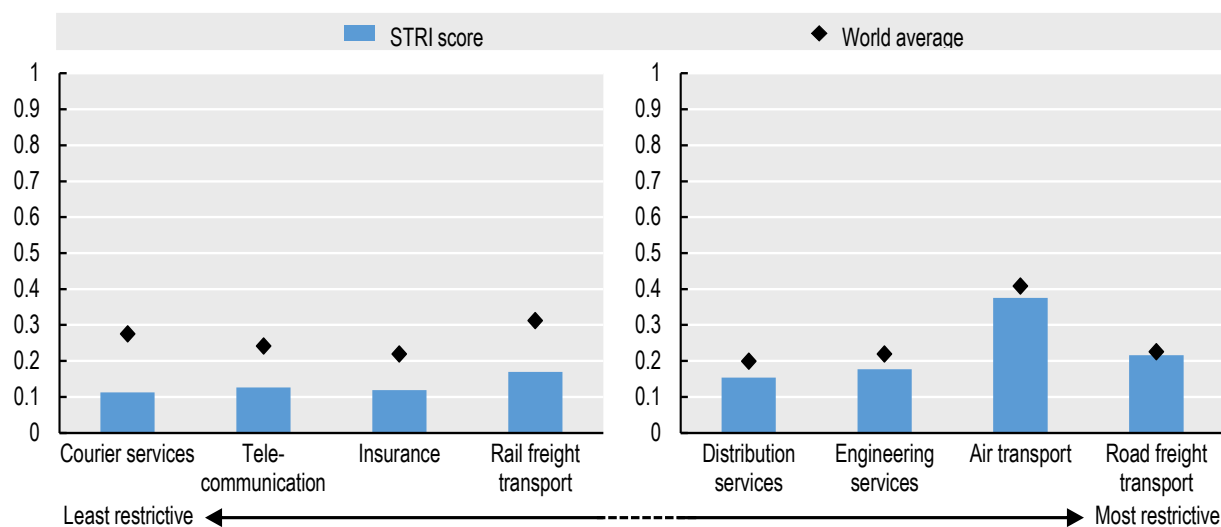
Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)



Note: The traditional STRI indicates the level of restrictiveness on a Most-Favoured Nation basis towards third countries, and the intra-EEA STRI indicates the level of restrictiveness towards EEA members. Intra-EEA STRI covers 24 countries (Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden).
Source: OECD (2022). STRI database.

Courier services, telecommunications, insurance and rail freight transport are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Distribution services, engineering services, air transport and road freight transport 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 Germany



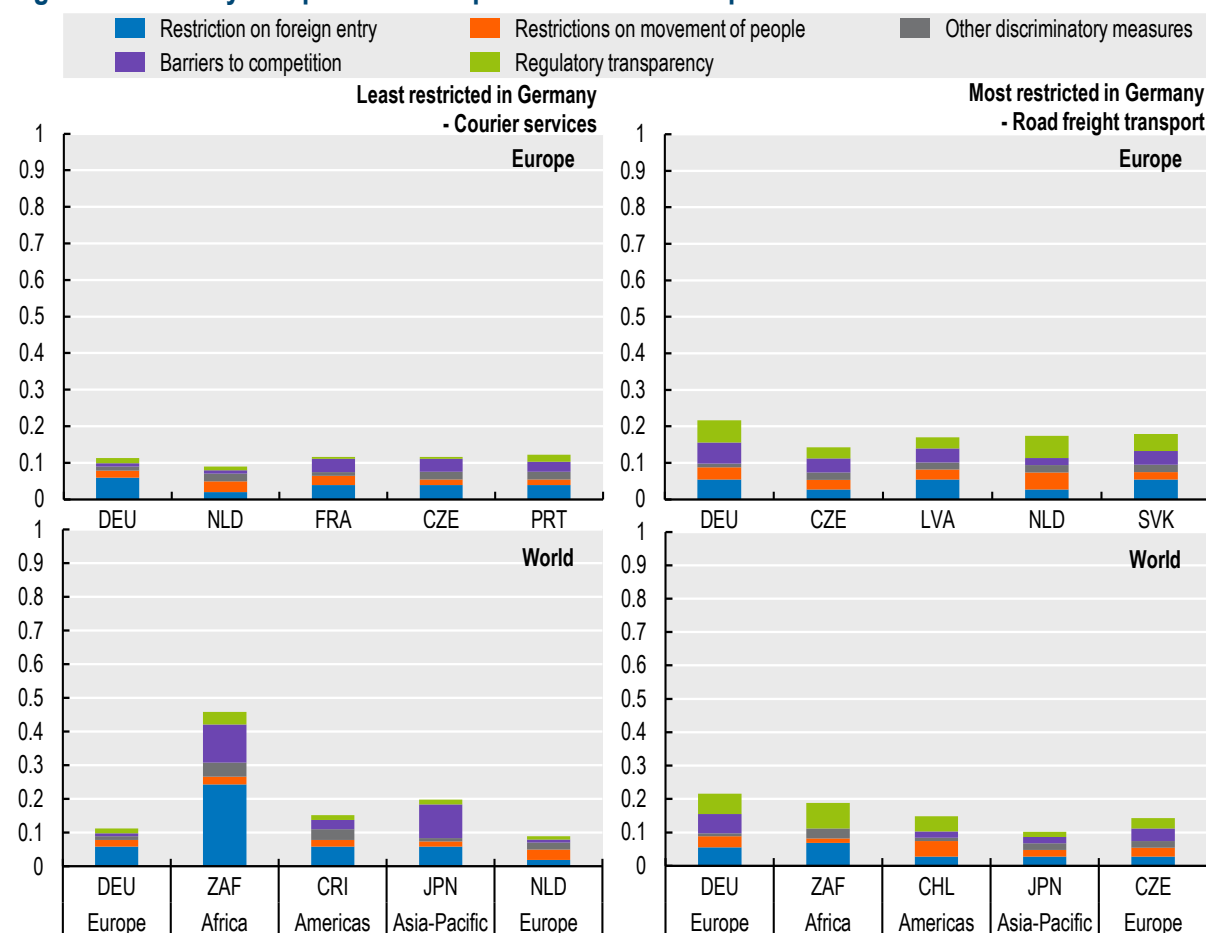
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

i.e. $(\text{STRI}_{\text{country, sector}} - \text{STRI}_{\text{world average, sector}}) / \text{STRI}_{\text{world average, sector}}$

Source: OECD (2022). STRI database.

Courier services are the least restricted in Germany. Compared to Europe they are among some of the least restrictive. The composition of the scores suggests that barriers to competition are relatively low compared to other countries. Amongst other things, no major provider of postal and courier services in Germany is controlled by the government. Road freight transport are the most restricted services sector in Germany. Restrictions on foreign entry, restrictions to the movement of people and regulatory transparency account for the difference compared to best performers. Some of the measures that contribute the most to the score include labour market tests for different types of services providers (Figure 4).

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



Source: OECD (2022). STRI database.

Recent policy changes

In August 2022, EU Regulation 2022/1031 entered into force aiming to regulate access of third-country (non-EU) goods and services to the EU's public procurement and concession markets. No relevant measure has been adopted by the European Union at this stage. It applies to public procurement and concessions where the EU has not undertaken market access commitments in an international agreement.

Other recent reforms affecting services trade barriers in Germany include the introduction of online registration and declaration of VAT for a wide range of activities through the One-Stop-Shop (OSS) in 2021. Other changes in 2021 were due to changes in EU law. As of July 2021, the EU abolished the VAT de minimis regime for goods valued under 22 EUR. Commission Delegated Regulation 2021/654 sets EU-wide maximum termination rates for telecommunications services. These maximum termination rates generally do not apply to calls originating from countries outside of the EU.

Earlier, Regulation 2019/452 allowed EU Member States to maintain, amend or adopt mechanisms to screen foreign direct investments in their territory on grounds of security or public order. In maritime transport, Regulation 2020/436 extended the existing block exemption to liner shipping consortia from competition law until April 2024.

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