



OECD Services Trade Restrictiveness Index (STRI)

FINLAND – 2022

Key findings

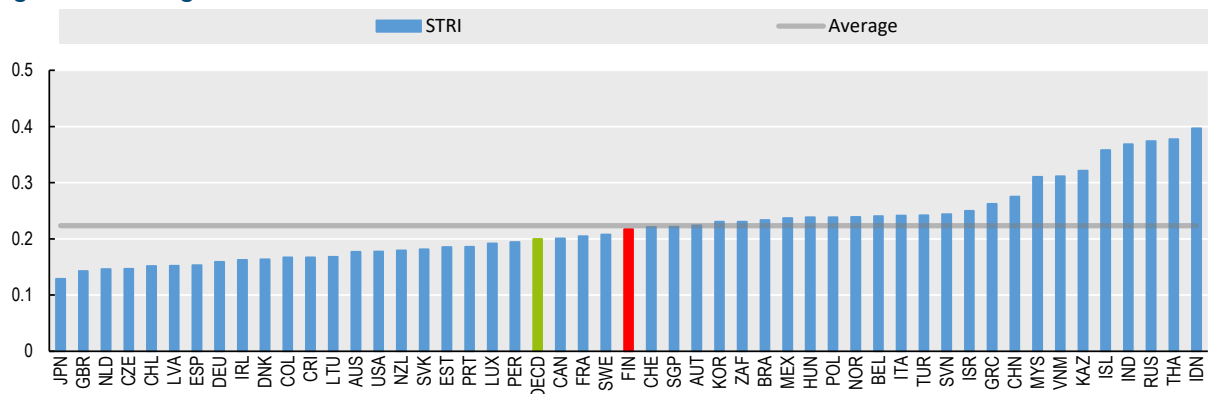
- The 2022 STRI of Finland is relatively high compared to the OECD average but is below the average of all countries in the STRI sample.
- Legal services are the most open sector in Finland while distribution services are the most restricted.
- October 2021, Finland ended some of the COVID-19 related restrictions imposed on direct marketing of consumer credit and credit intermediation services in 2020.

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 Finland is relatively high compared to other countries in the STRI sample (Figure 1 just below the average STRI across all countries, with a slight increase from last year.

Figure 1. Average STRI across countries, 2022



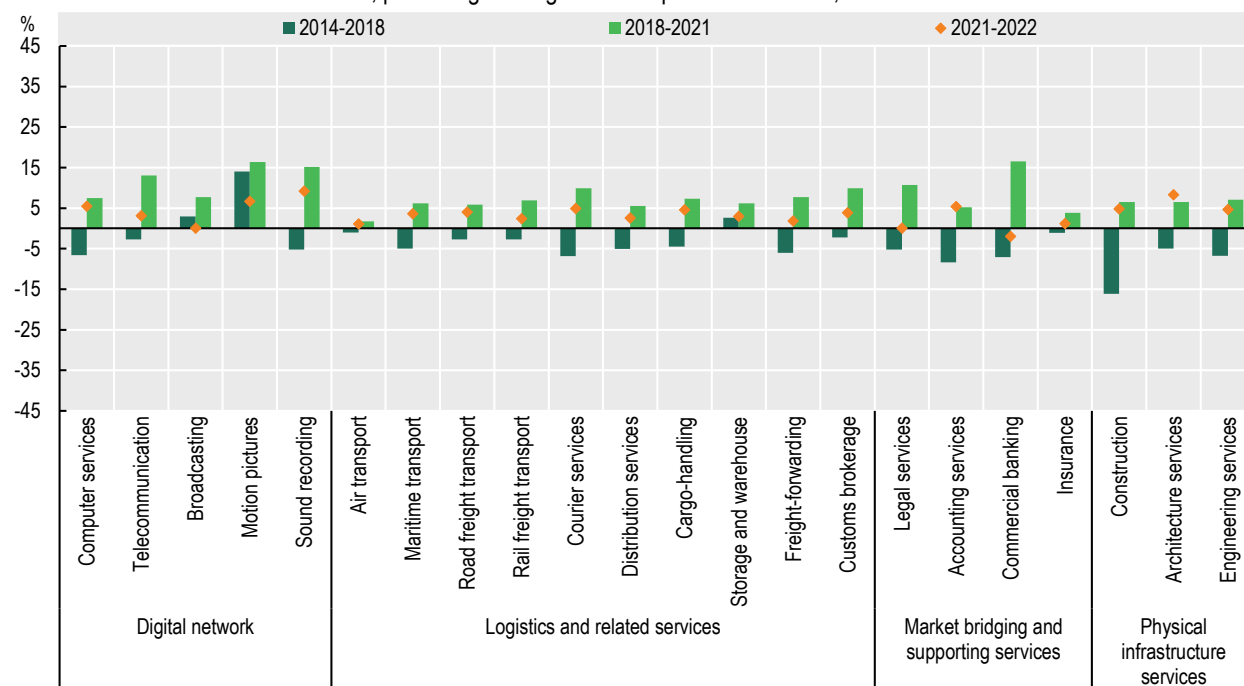
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations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

Finland applies labour market tests for workers from countries outside the European Economic Area (EEA) seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers. At least one board member and the manager (CEO) in corporations must be residents in Finland or the European Economic Area. Furthermore, rights of access to public procurement are limited to regional trade agreement partners and members of the WTO's Government Procurement Agreement. 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. Finally, Finland has a restriction on the establishment of foreign branches and a minimum amount of capital must be deposited in a bank or with a notary in order to register a public limited liability company.

The regulatory environment for services trade in Finland is relatively stable with moderate changes across sectors over time (Figure 2). In 2021-2022, the STRI increased for all sectors except broadcasting and legal services due to new EU-wide measures affecting access to procurement markets. The small decrease in commercial banking is due to restrictions on advertising being lifted this year.

Figure 2. Evolution of STRI indices by sector in Finland

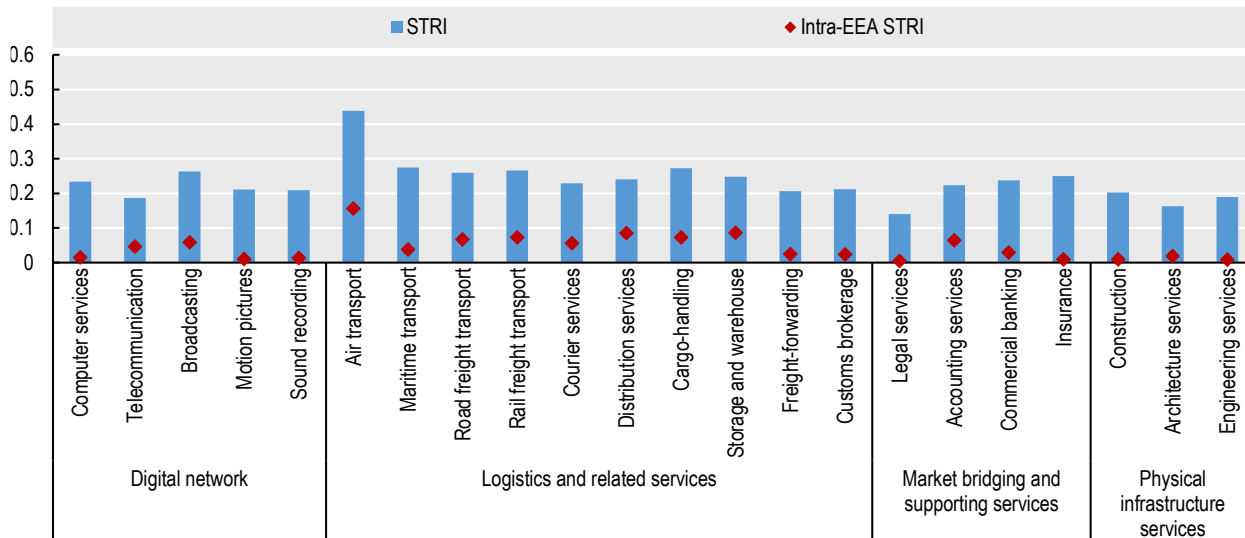
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



OECD (2022). STRI database.

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

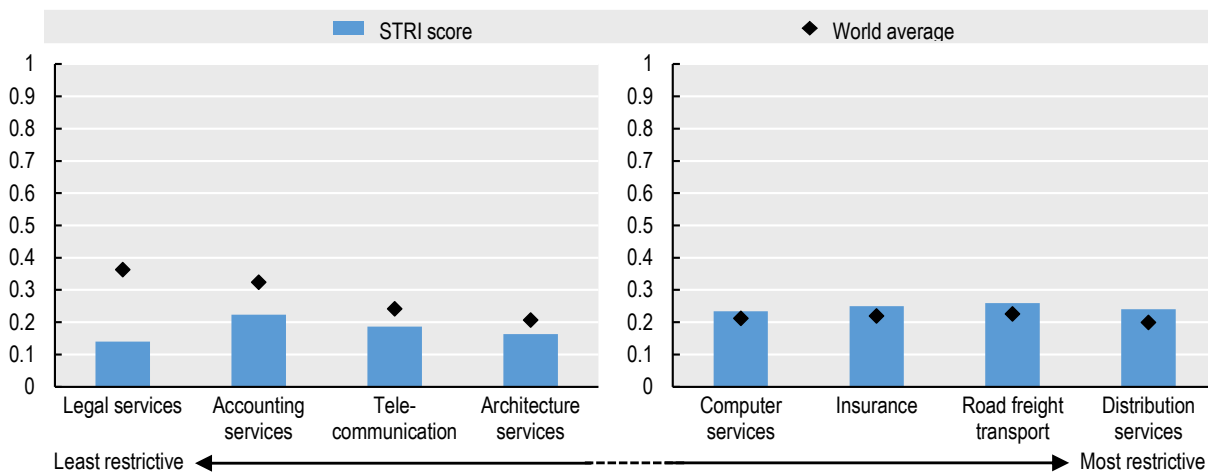
Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)



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.

Legal services, accounting services, telecommunications and architecture services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Computer services, insurance, road freight transport and distribution 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 Finland

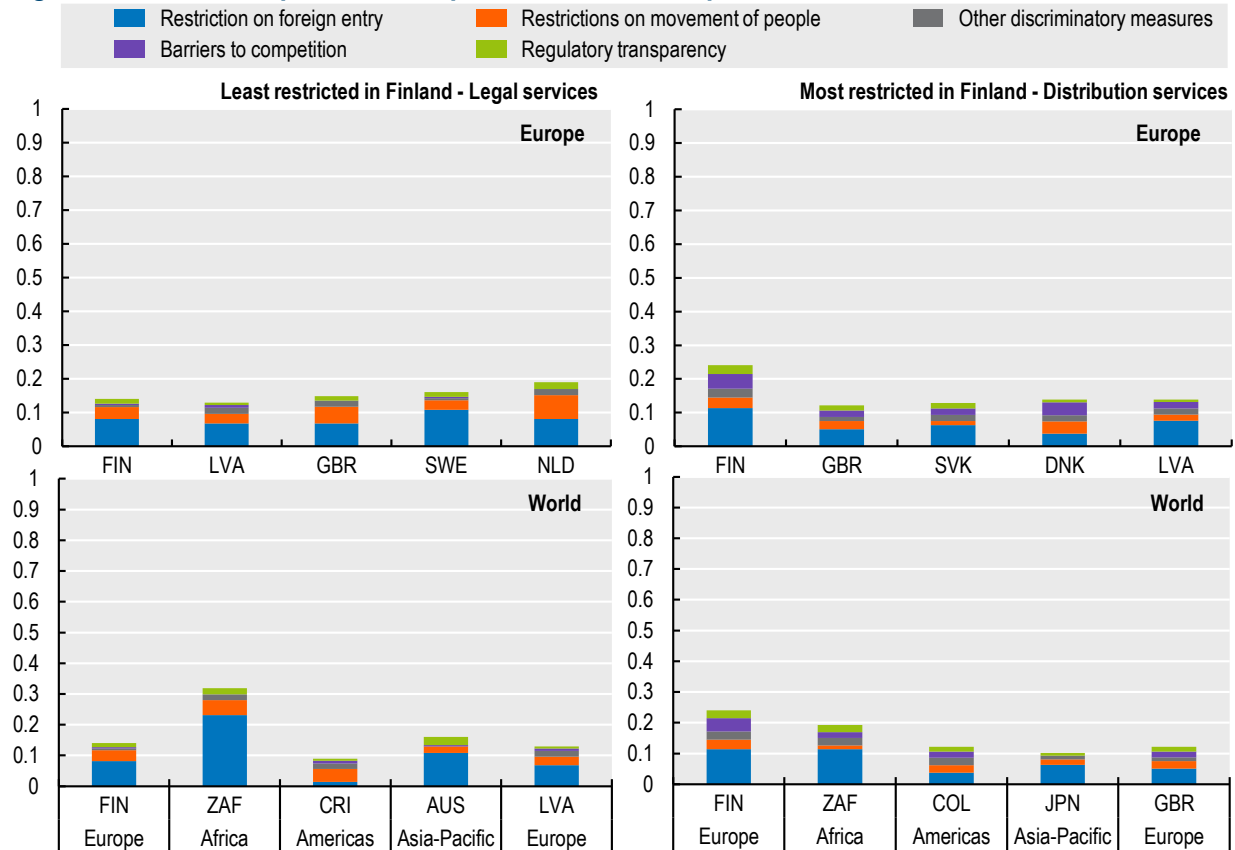


Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference i.e. $(STR I_{country, sector} - STR I_{world average, sector}) / STR I_{world average, sector}$
Source: OECD (2022). STRI database.

Legal services are the least restricted in Finland compared to the sample average. This is well aligned with other open economies in Europe where low barriers to foreign entry are coupled with effective competition regulation. On a world level, light restrictions on foreign entry and movement of people have

had an impact compared to other countries. Distribution services are the most restricted services sector in Finland compared to the sample average. The restriction on foreign entry is significantly higher compared to best performers, mostly because of requirements of at least one board member and managers to be resident of the country, acquisition and use of land and real estate by foreigners is restricted and a monopoly on alcohol distribution (Figure 4).

Figure 4. Finland 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.

An amendment to the Law on the Information Society entered into force on 1 January 2021 requiring that providers of on-demand audio-visual media services secure at least a 30% share of European works in their catalogues and ensure prominence of those works. Double registration of a foreign vessel under the Finnish flag is allowed since 2021 in those cases where the foreign vessel, which is registered in the ship register of another state in terms of ownership, is chartered to Finland under a bareboat charter agreement (bareboat-in cases). The charterer must be a Finnish/EEA citizen or corporation. A temporary measure in view of the COVID-19 pandemic prohibits direct marketing of consumer credit and credit intermediation services. This measure was put in place in July 2020 but expired in October 2021. In 2020, Finland also introduced new conditions for non-EU/EEA individuals and entities seeking to buy real estate in the country.

Recent changes affecting Finland were due to changes in EU law. From the 1st of July 2021, the EU abolished the VAT de minimis regime for goods valued under 22 EUR. Regulation 2019/452 allows EU

Member States to maintain, amend or adopt mechanisms to screen foreign direct investments in their territory on grounds of security or public order. It applies from 11 October 2020. The Finnish Act on the Screening of Foreign Corporate Acquisitions was amended in 2020 requiring security sector acquisitions to be subject to mandatory approval procedure instead of voluntary notification. In the context of the COVID-19 pandemic, Regulation 2020/459 waived the 80/20 grandfathering rule for airport slot allocations between 1 March 2020 and 27 March 2021. Accordingly, airport coordinators are required to consider slots allocated for this period as having been operated by the air carrier to which they were initially allocated. For the slots allocated for the scheduling period from 28 March 2021 until 30 October 2021 air carriers are entitled to the same series of slots for the scheduling period from 27 March 2022 until 29 October 2022. 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