



IRELAND – 2022

Key findings

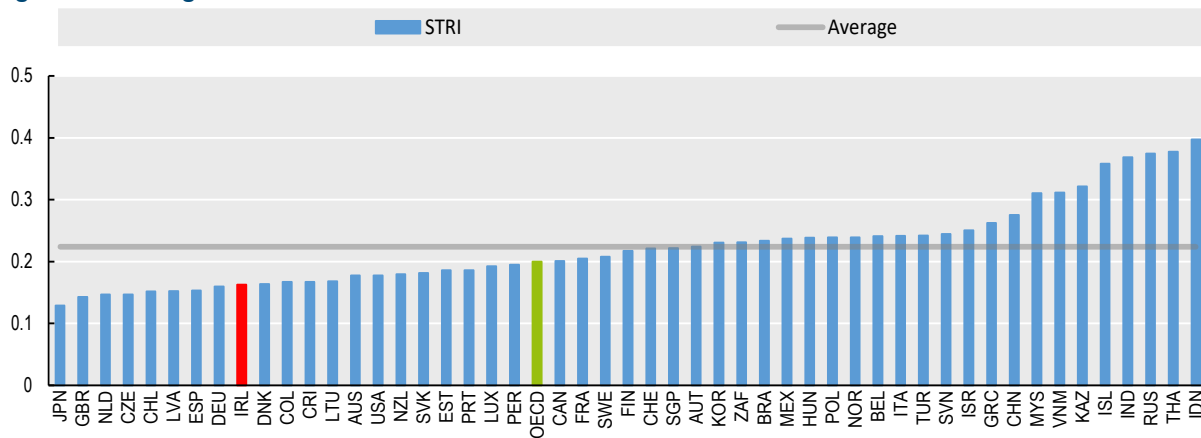
- The 2022 STRI of Ireland is below the OECD average, indicating a relatively open regulatory environment for trade in services.
- Ireland's regulatory environment for services has been relatively stable over the past years.
- Insurance services are the least trade restrictive, while air transport services are the most 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 Ireland 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.

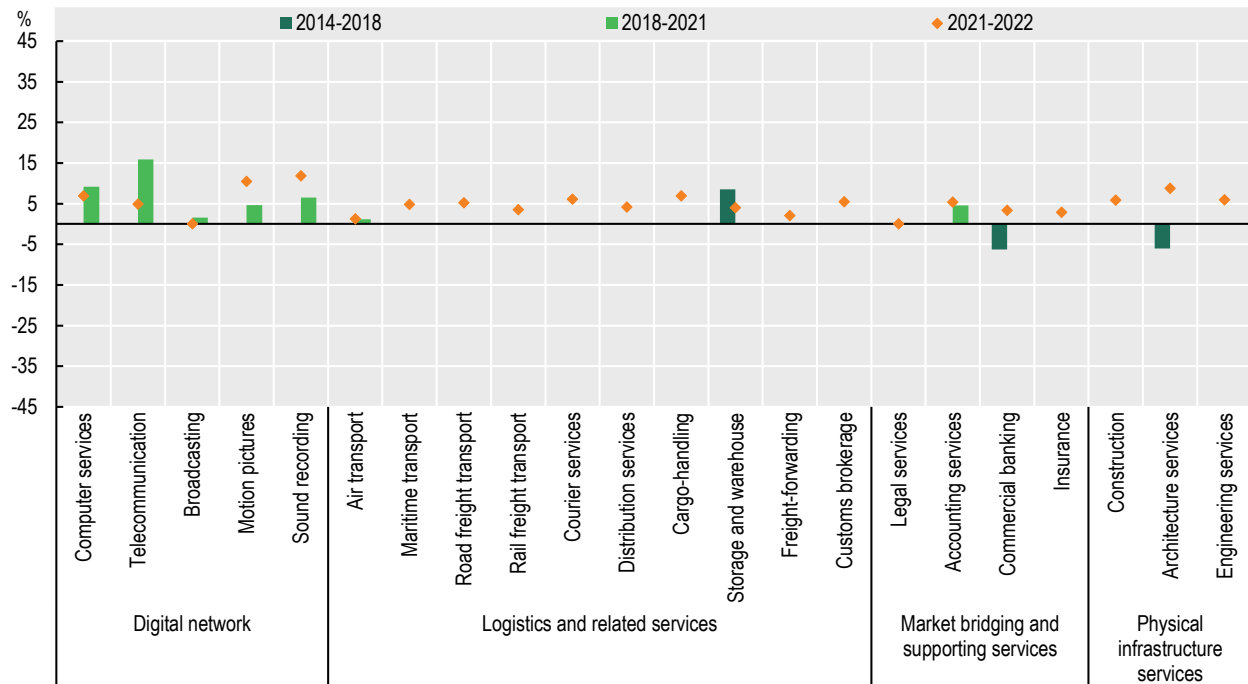
Source: OECD (2022). STRI and TiVA databases.

The score is largely explained by horizontal regulations that affect the entire economy. Some examples include minimum capital requirements, residency requirements for corporate board members and limitations for cross-border transfer of personal data. The standards for cross-border transfer of personal data are set at the EU level.

Ireland has a relatively stable regulatory environment for service providers although moderate increases were identified during 2018-2021 in sectors relevant for digital trade, notably in telecommunications and computer services (Figure 2). In 2022, the STRI increased for all sectors except broadcasting and legal services due to new EU-wide measures affecting access to procurement markets.

Figure 2. Evolution of STRI indices by sector in Ireland

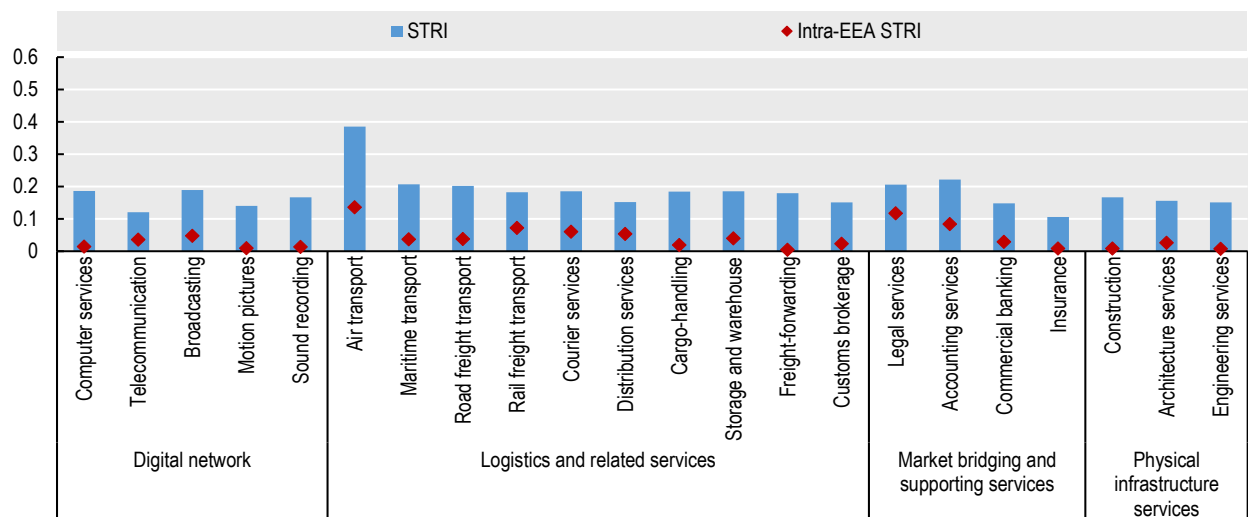
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



Source: OECD (2022). STRI database.

Services trade barriers are significantly lower within the European Economic Area across all services sectors (Figure 2b). Ireland 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)

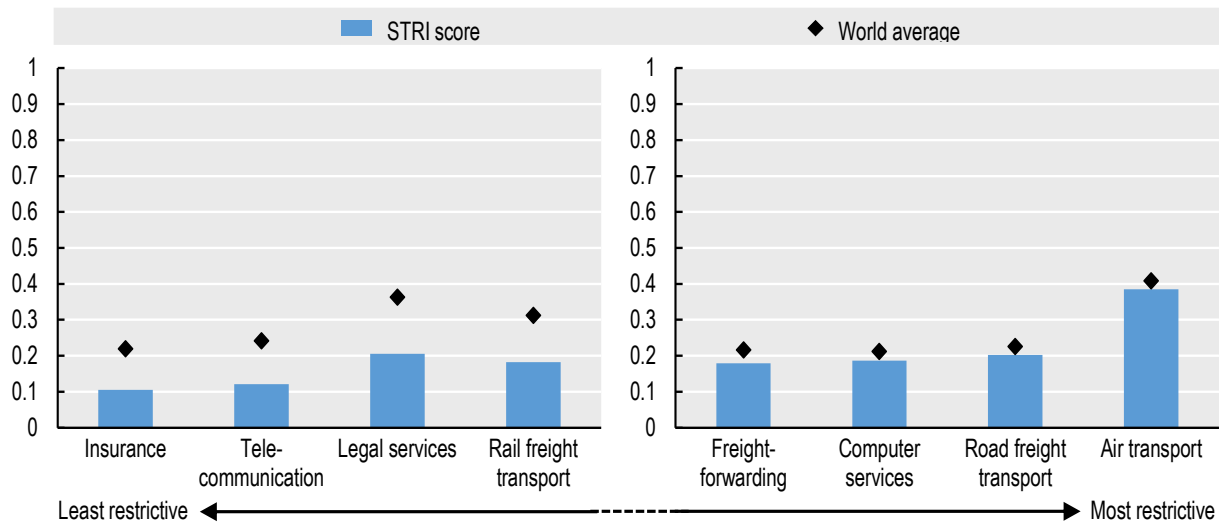


Note: The traditional STRI indicates the level of restrictiveness on a Most-Favoured Nation basis towards third countries, and the intra-EEA STRI indicates the level of restrictiveness towards EEA members. Intra-EEA STRI covers 24 countries (Austria, Belgium, Czech Republic, Denmark, Estonia, Finland,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

Source: OECD (2022). STRI database.

Insurance, telecommunications, legal services and rail freight transport are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Logistics freight-forwarding, computer services, road freight transport and air transport are the most restrictive sectors with the highest score, and slightly below the average STRI across all countries.

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



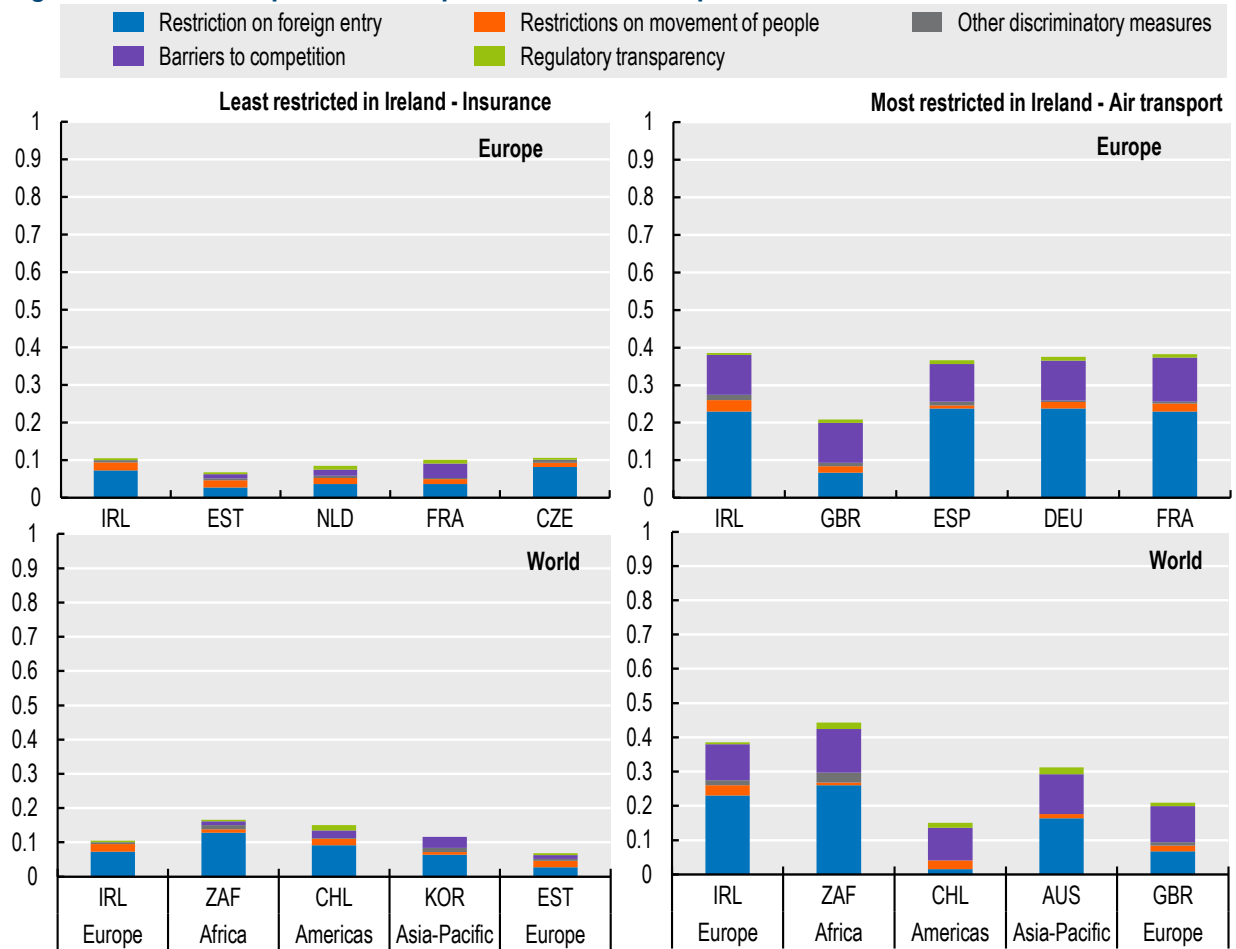
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

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

Source: OECD (2022). STRI database.

Insurance services are the least restricted in Ireland compared to Europe. The composition of the scores suggest that restriction on foreign entity has had an impact compared to other countries. While the sector is mostly regulated according to best practice, the measures that contributed to this score include mostly economy-wide measures such as residency requirements for board members, commercial presence requirements for cross-border services and restrictions for cross-border data transfer. Air transport services are the most restricted services sector. Ireland has foreign equity restrictions applying to airlines as a result of common EU regulation on air services. Pursuant to this regulation, non-EU nationals cannot own more than 49% in local airlines. Lease of foreign aircrafts with crew from outside the EU can be refused on grounds of reciprocity or conditioned on approval granted on the basis of economic needs. The EU-wide exemption of certain airline arrangements from competition law and regulations on airport slot allocation and slot trading further contribute to the score in this sector (Figure 4).

Figure 4. Ireland 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.

In telecommunications, maximum Union-wide voice termination rates defined by Commission Delegated Regulation (EU) 2021/654 became applicable on 1 July 2021. These maximum termination rates generally do not apply to calls originating from countries outside of the EU.

From the 1st of July 2021, the EU abolished the VAT de minimis regime for goods valued under 22 EUR. In air transport, EU Regulation 2020/459 waived the 80/20 grandfathering rule for airport slot allocations. In December 2021, the Commission adopted an extension to the slot relief rules to cover the 2022 summer scheduling season, running from 28 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