



ITALY – 2022

Key findings

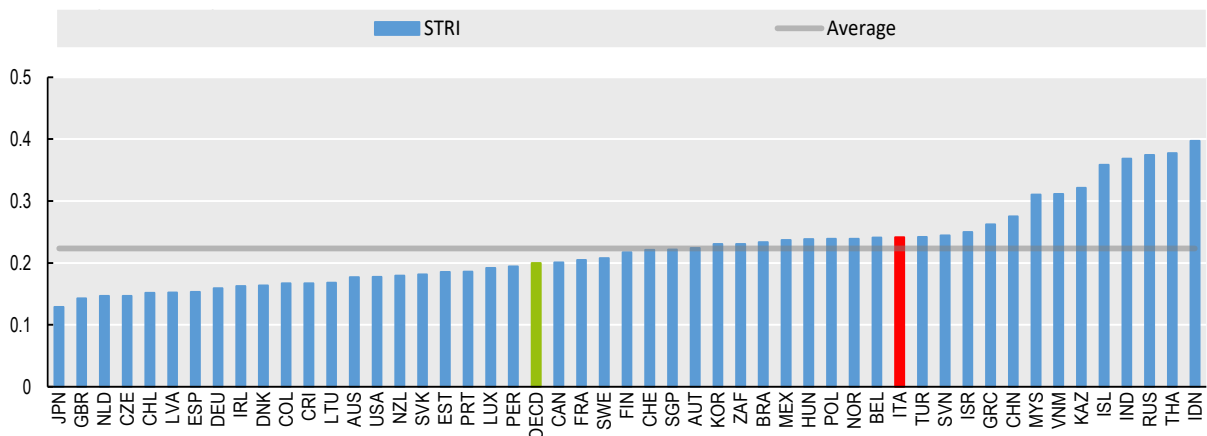
- The 2022 STRI of Italy is above the OECD average and relatively high compared to all countries in the STRI sample. The indices remained mostly unchanged compared to 2021 except in certain audio-visual services.
- Italy's regulatory environment for services was relatively stable over the past years.
- Legal services and rail freight transport services are the most open sectors in Italy compared to sectoral world averages, whereas professional services including accounting and engineering are the most restricted.
- Restrictions to the movement of people in professional services remain higher relative to regional peers.

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 Italy is relatively high 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.

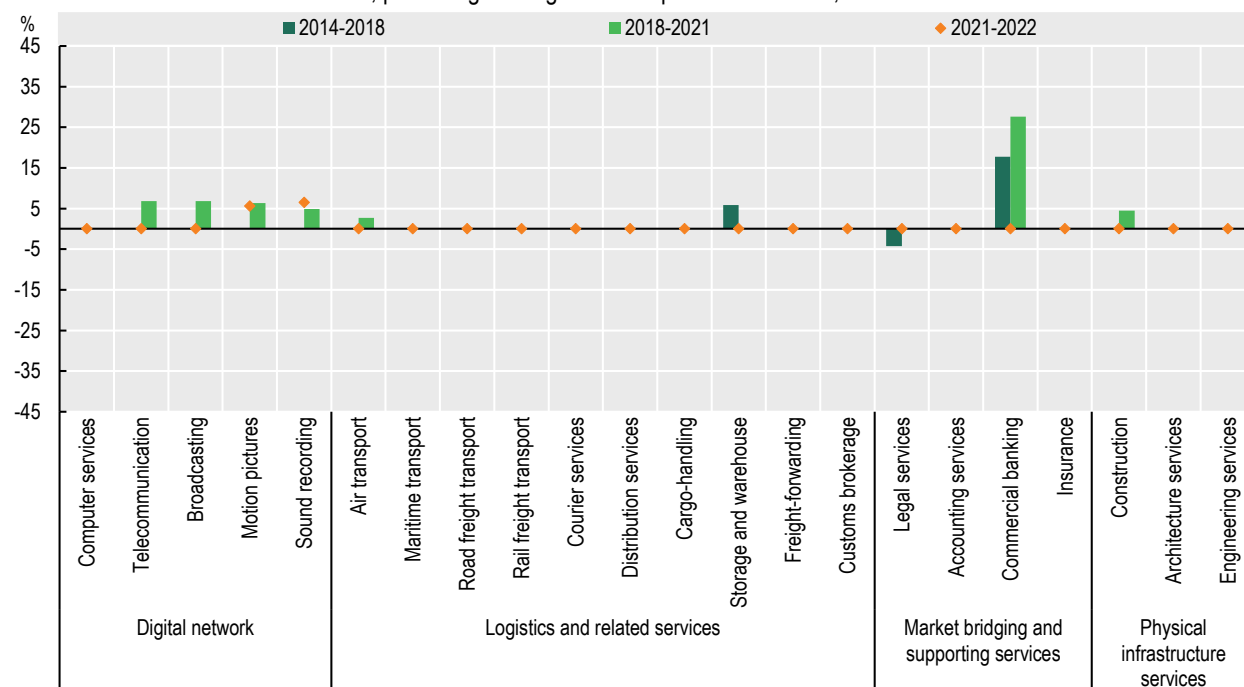
Horizontal and sector-specific measures explain the STRI score. Italy applies quotas, labour market tests and limitations to the duration of stay for workers seeking to provide services in the country on a temporary basis as independent services suppliers. Rights under the Public Contract Law are limited to partners in regional trade agreements and members of the WTO's Government Procurement Agreement. There is at least one major state-owned enterprise in broadcasting, commercial banking, computer services, construction, courier services, logistics cargo-handling at rail facilities, motion pictures, rail freight transport, air transport, and sound recording.

There has been little change in regulations in the past few years (Figure 2). One exception is commercial banking where restrictions on foreign branches and public control of a major firm in the sector were introduced in 2017 and commercial presence requirements were enacted in 2019.

The tightening of the STRI for audio-visual services and construction observed in 2021 reflects the implementation of screening mechanisms on foreign direct investment in those sectors. Similar tightening in the telecommunication sector in 2021 captures the introduction of EU-wide termination rates which generally do not apply to calls originating from countries outside of the EU. The most recent changes are observed in motion pictures and sound recording. The slight increase in the STRI for these two sectors in 2022 is due to new EU-wide measures affecting access to procurement markets.

Figure 2. Evolution of STRI indices by sector in Italy

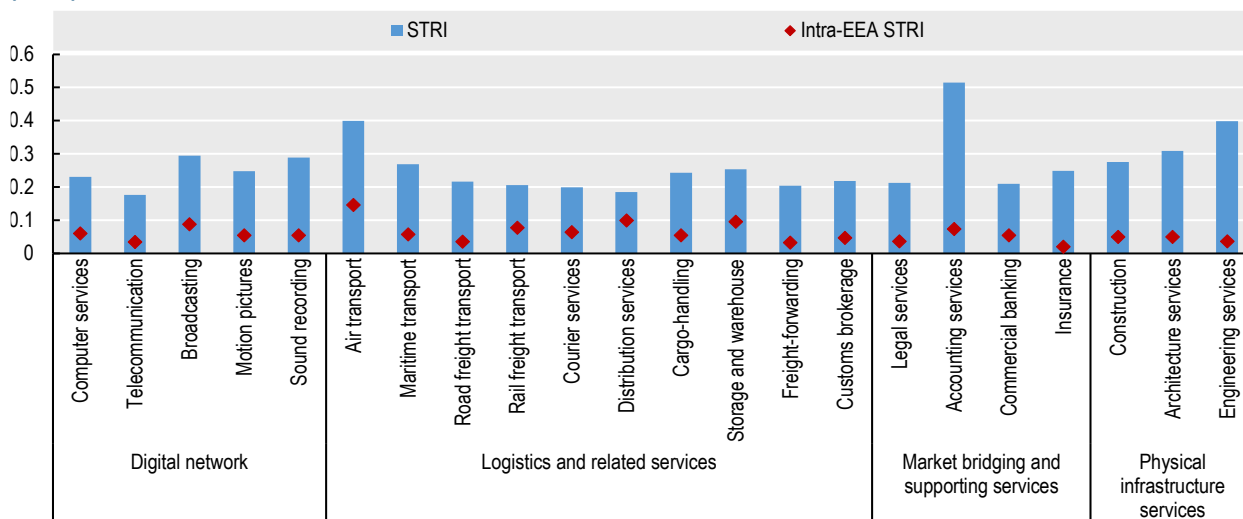
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



OECD (2022). STRI database.

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

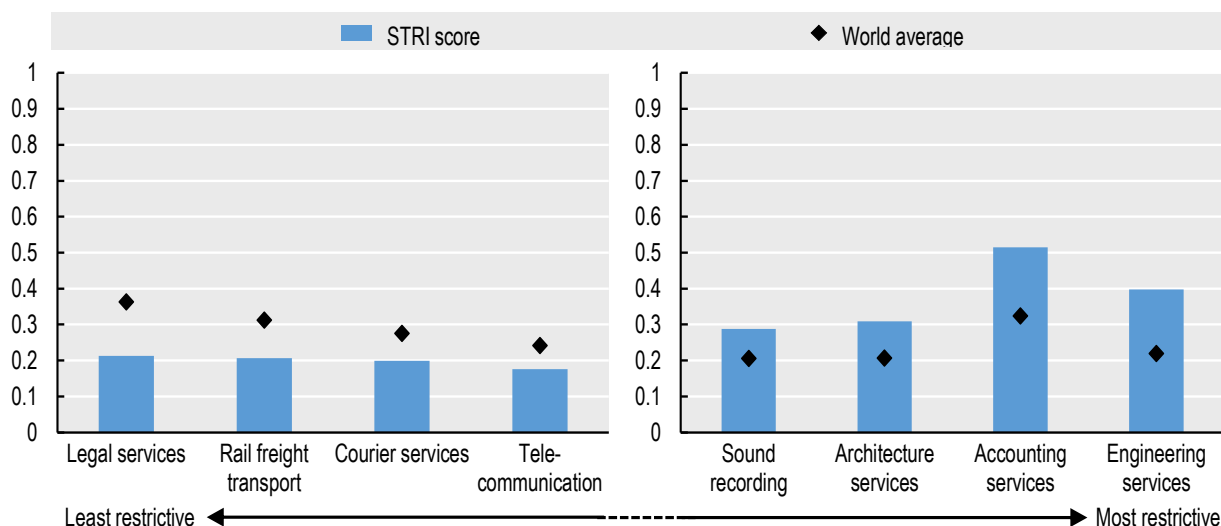


Note: The traditional STRI indicates the level of restrictiveness on a Most-Favoured Nation basis towards third countries, and the intra-EEA STRI indicates the level of restrictiveness towards EEA members. Intra-EEA STRI covers 24 countries (Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, 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, rail freight transport, courier services, and telecommunications are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Sound recording, architecture services, accounting services and engineering 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 Italy



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

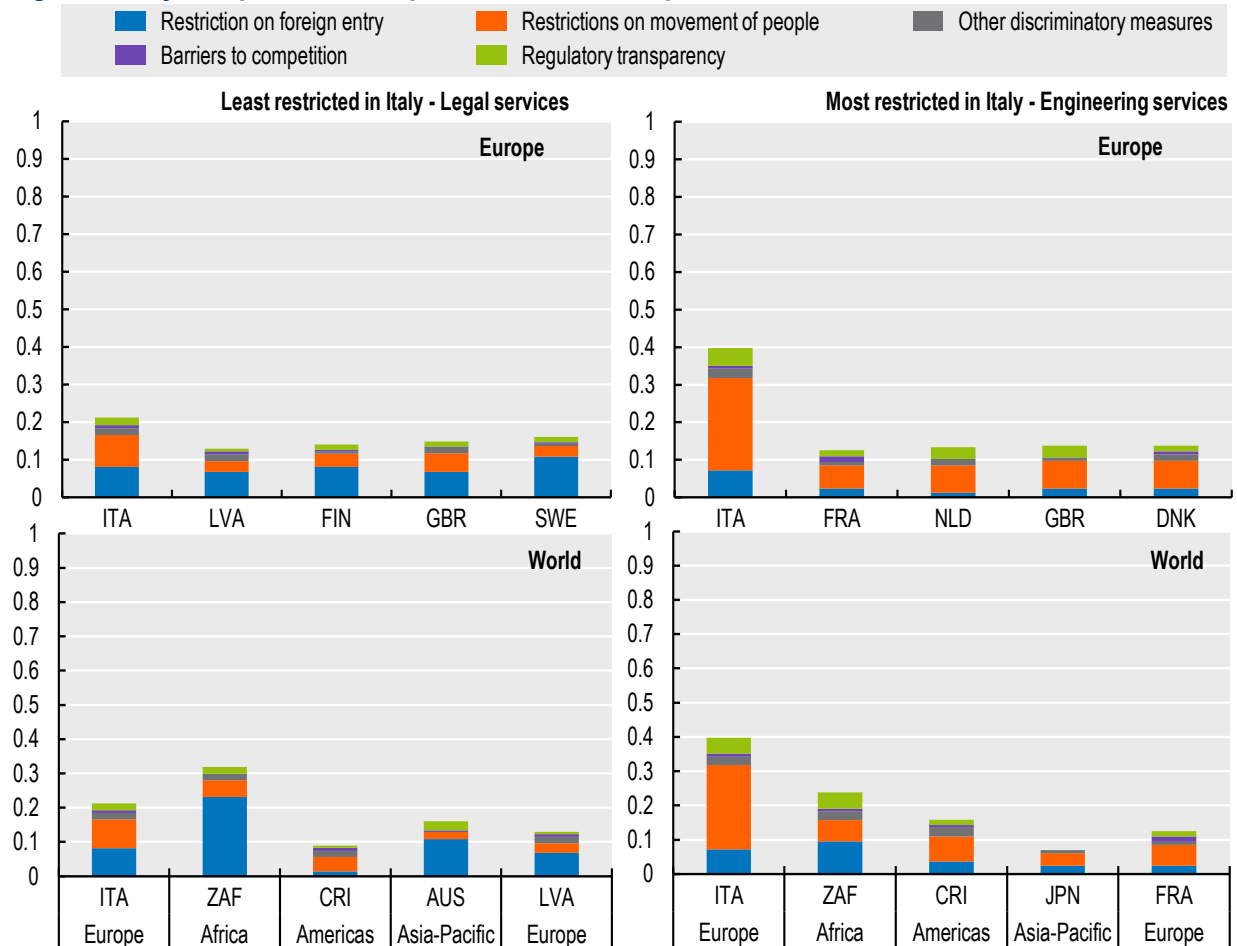
i.e. $(STRI_{country, sector} - STRI_{world average, sector}) / STRI_{world average, sector}$

Source: OECD (2022). STRI database.

Legal services are the least restricted in Italy compared to the sample average. The composition of the scores suggests that relatively low restrictions on foreign entry have had an impact compared to other

countries. The policies that contributed to keep the score for legal services relatively low include that managers in this sector do not have to be resident, and commercial presence is not required to provide cross-border services. Engineering services are instead the most restricted services sector in Italy in comparison to the whole sample average. Restrictions on movement of people are significant compared to best performers in Europe and in the World. Some of the measures that contribute the most to the score include quotas for the maximum number of foreigners that can be admitted to Italy for work, citizenship and residence requirements for licenses, and the existence of compulsory local examination for foreign professionals (Figure 4).

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



Source: OECD (2022). STRI database.

Recent policy changes

Recent changes were due to changes in EU law. 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. Within this framework, Presidential Decree 23 December 2020, n. 179 added construction, engineering and audio-visual services to the list of sectors potentially subject to screening mechanisms due to strategic importance and national security considerations. Latest developments in the foreign investment review mechanism were introduced through Law Decree 2022, n. 21 and Presidential Decree 2022, n. 133. The latter establishes disciplines to speed up and simplify the FDI screening procedure, including through the introduction of a pre-filing procedure for FDI transactions in strategic sectors.

Moreover, from the 1st of July 2021, the EU abolished the VAT de minimis regime for goods valued under 22 EUR. The STRI database reflects this reform though policy changes under distribution, courier and logistics services. On 18 December 2020, the European Commission adopted a Delegated Regulation setting single maximum Union-wide voice termination rates in line with the European

Electronic Communications Code. The rates generally do not apply to calls originating from country numbers outside of the EU. The Regulation has been effective from 1 July 2021.

In the context of the COVID-19 pandemic, 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.

Furthermore, EU Regulation 2022/1031 entered into force in August 2022 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. The regulation applies to public procurement and concessions where the EU has not undertaken market access commitments in an international agreement.

Through Law-Decree 17 march 2020 n. 18, the Italian Government authorised the incorporation of a new state-owned company to save Alitalia from bankrupt: Italia Trasporto Aereo (ITA). ITA Airways commenced operation in October 2021. It is entirely owned by the Ministry of Economy and Finance.

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