OECD Services Trade Restrictiveness Index (STRI)

NORWAY – 2022

Key findings

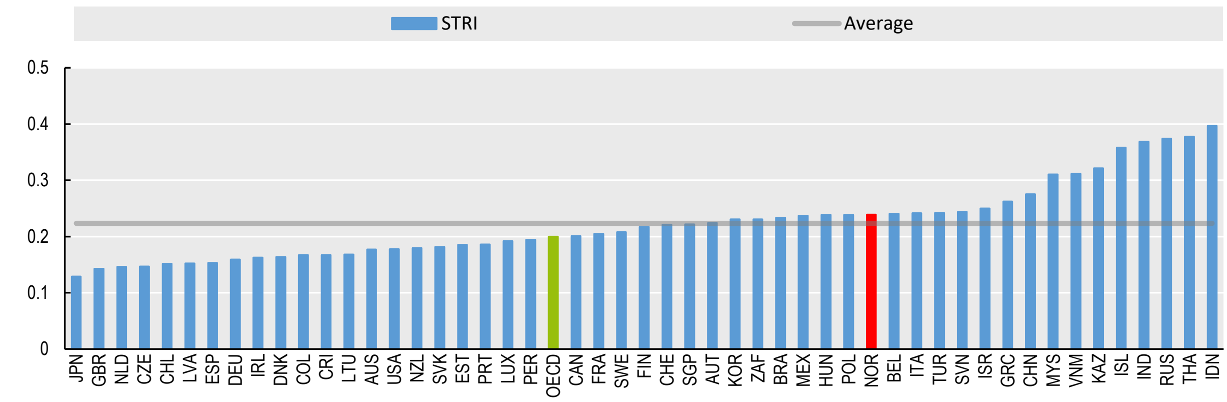
- The 2022 STRI of Norway is relatively high compared to other countries in the STRI sample, though slightly lower than 2021.
- Only few changes affected the regulatory environment in Norway in recent years. In 2022, the Ministry of Finance updated previous delegation decisions in which authority is delegated to the Financial Supervisory Authority (Finanstilsynet), an independent government agency.
- Legal services are the most open services sector in Norway while insurance services are the most restricted.

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 Norway is relatively high compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2022



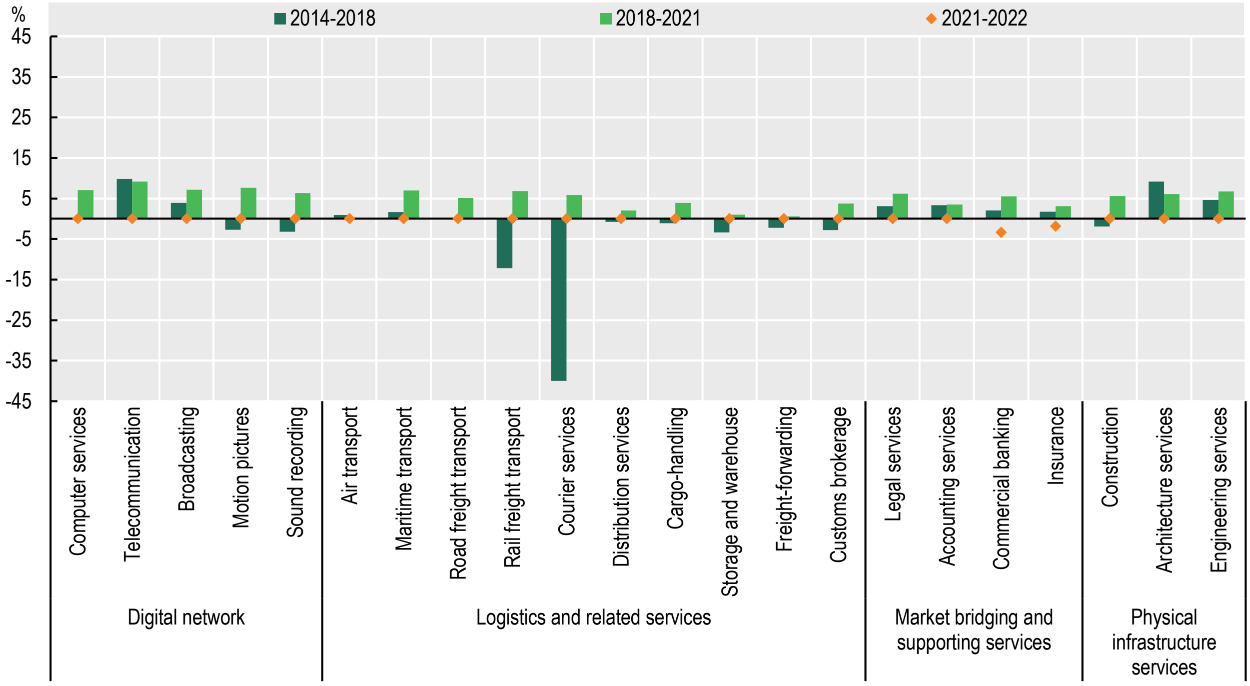
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations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

The STRI outcomes can be explained in large part by general regulations that apply to all sectors in the economy. At least half of the board members and the manager (CEO) in corporations must be residents of Norway or the European Economic Area (EEA). Wage parity with local employees is required for natural persons seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers, or independent services suppliers. The duration of stay is limited to 24 months on first entry permits. Rights under the public procurement act are limited to partners in regional trade agreements and members of the WTO's Government Procurement Agreement. A minimum amount of capital must be deposited in a bank or with a notary to register a corporation. 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, the state retains a prominent role in the economy. There is at least one state-owned enterprise among the ten largest companies in construction, telecommunications, distribution, broadcasting, commercial banking, insurance, courier services, logistics and rail and road transport. In courier services and telecommunications, the government can overrule the decision of the regulatory body.

The regulatory environment in Norway has been relatively stable over the past years with moderate increases in the STRI scores between 2014 and 2018 across most sectors (Figure 2). The highest level of liberalisation was in courier services in 2016, which contributed to lowering Norway's STRI by more than 35%. The regulatory environment in 2021-22 saw reforms in financial services expanding the scope of decisions taken by the Financial Supervisory Authority (Finanstilsynet) independently from the Ministry of Finance."

Figure 2. Evolution of STRI indices by sector in Norway

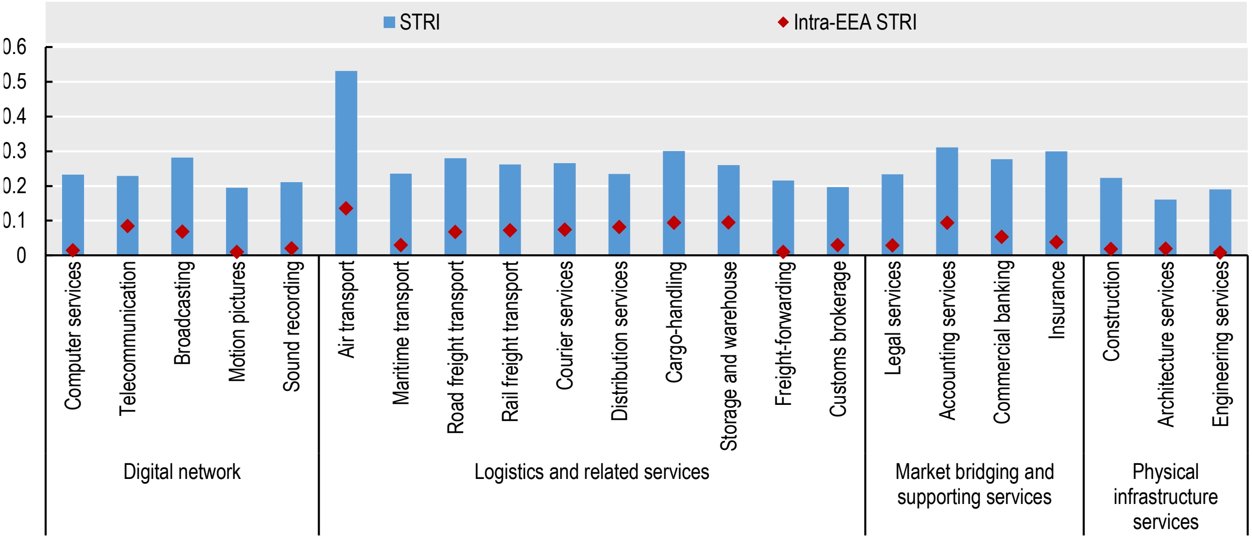
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



Source: OECD (2022). STRI database.

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

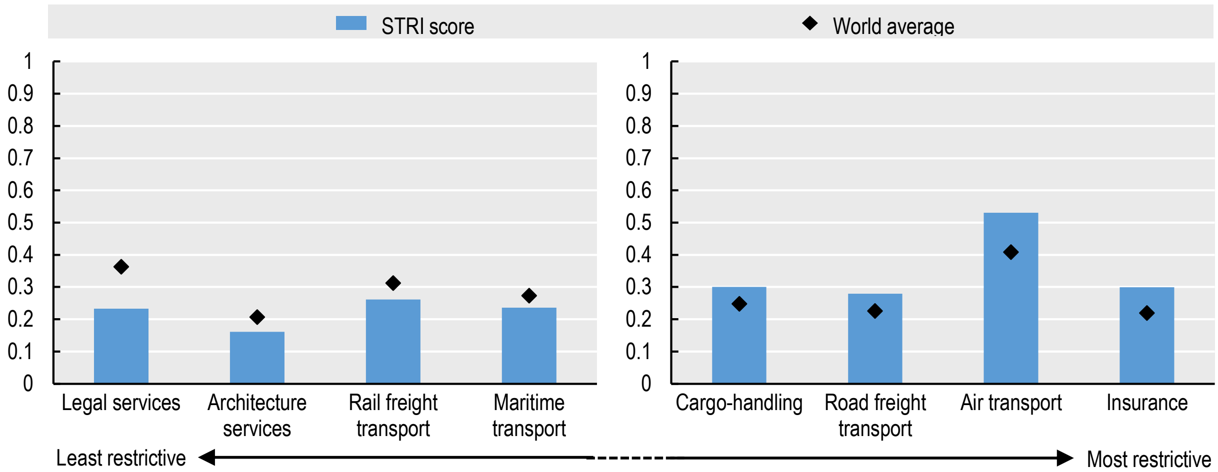
Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)



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, architecture services, rail freight transport and maritime transport are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Logistics cargo-handling, road freight transport, air transport and insurance are the sectors with the highest score relative to the average STRI across all countries.

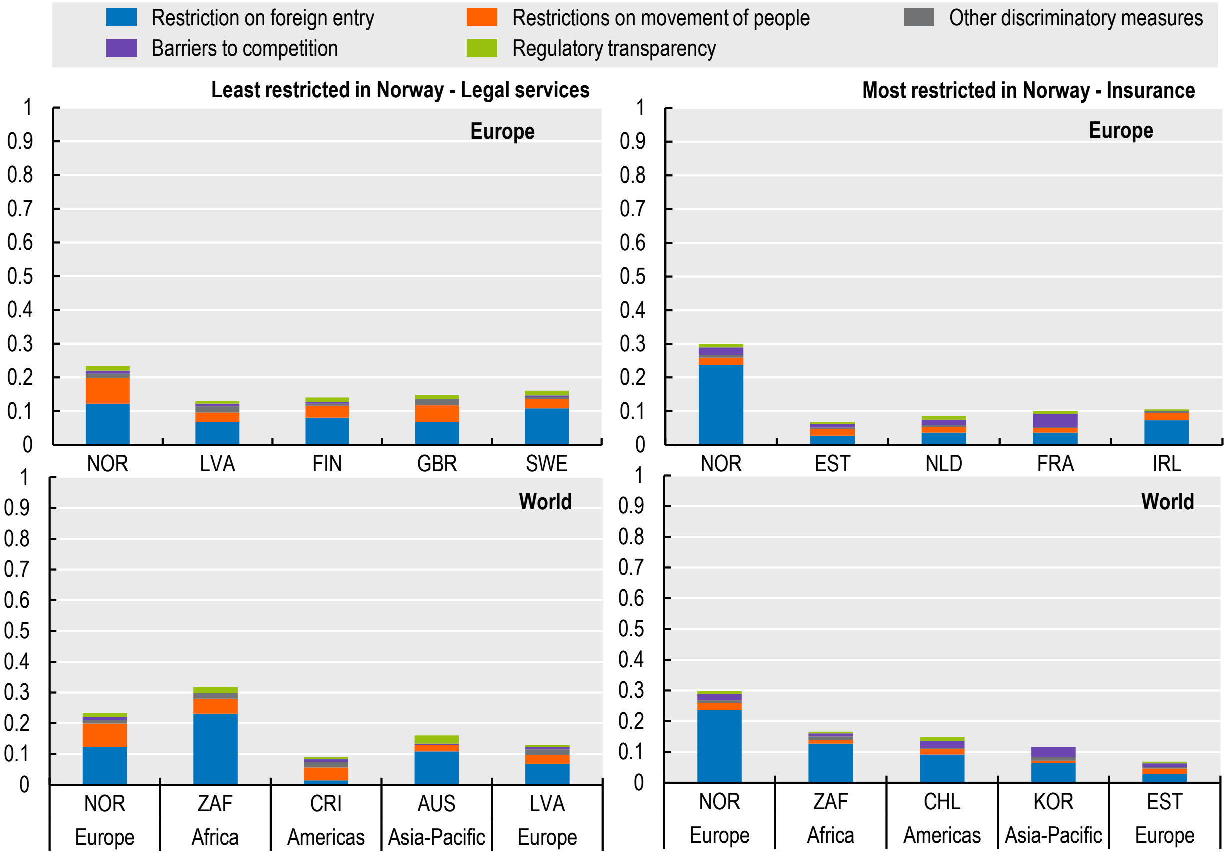
Figure 3. Sectoral breakdown - The least and most restricted sectors in Norway



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 sector in Norway compared to the sample average but is far from the best performing compared best performing countries for this sector. The composition of the scores suggests that restrictions on movement of people have a large impact compared to other countries. Insurance is the most restricted services sector in Norway relative to the sample average of the sector. The principal rule in Norwegian insurance law is that it is prohibited for insurance companies to conduct business in Norway without an authorisation. There are restrictions on foreign entry from third countries. Branches from third countries are required to deposit capital in a Norwegian financial institution. Local presence is in general required from undertakings from third countries. In general, they are required to set up a branch, with some exceptions. Insurance brokers must take out liability insurance in Norway (Figure 4).

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



Source: OECD (2022). STRI database.

Recent policy changes

In 2022, the Ministry of Finance updated previous delegation decisions in which authority is delegated to the Financial Supervisory Authority (Finanstilsynet), an independent government agency.

In 2020, Norway changed its *de minimis* regime for small value consignments. From 1 April 2020, foreign sellers of goods with value lower than NOK 3 000 (about USD 340) per unit are eligible to use a simplified VAT scheme - the VAT on Electronic Commerce (VOEC). At the same time, the threshold for customs duties has been raised from NOK 350 (about USD 40) to NOK 3 000 for goods where the obligation to collect Norwegian VAT is handled through the VOEC scheme.

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