



NEW ZEALAND – 2022

Key findings

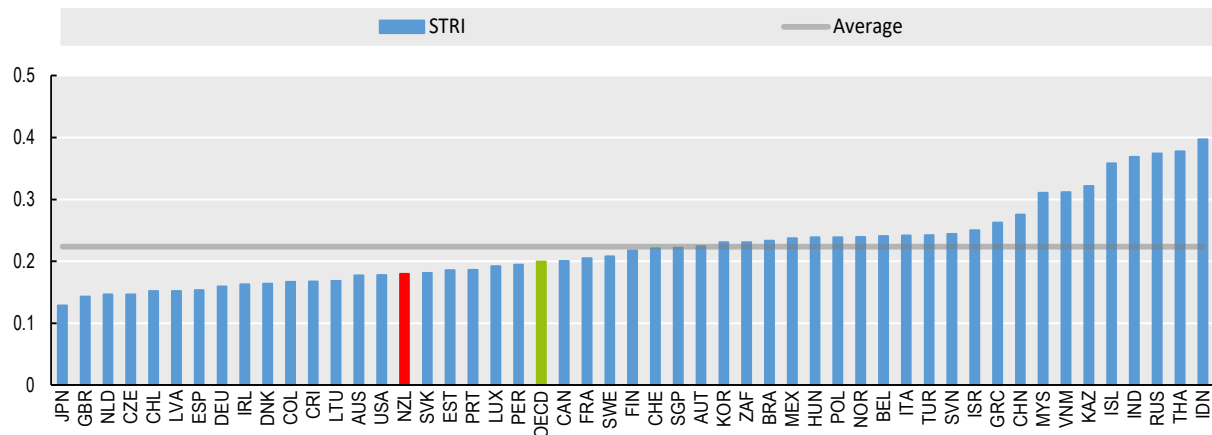
- The 2022 STRI of New Zealand is below the OECD average and low compared to all countries in the STRI sample. The indices have remained constant compared to 2021.
- New Zealand's regulatory environment for services was relatively stable over the past years.
- Despite the overall favourable environment for services trade, restrictions remain related to the movement of people. New Zealand applies a relatively short duration of stay for natural persons seeking to provide services in the country on a temporary basis and the time for processing a business visa is significantly longer than best practice

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 New Zealand is relatively low compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2022



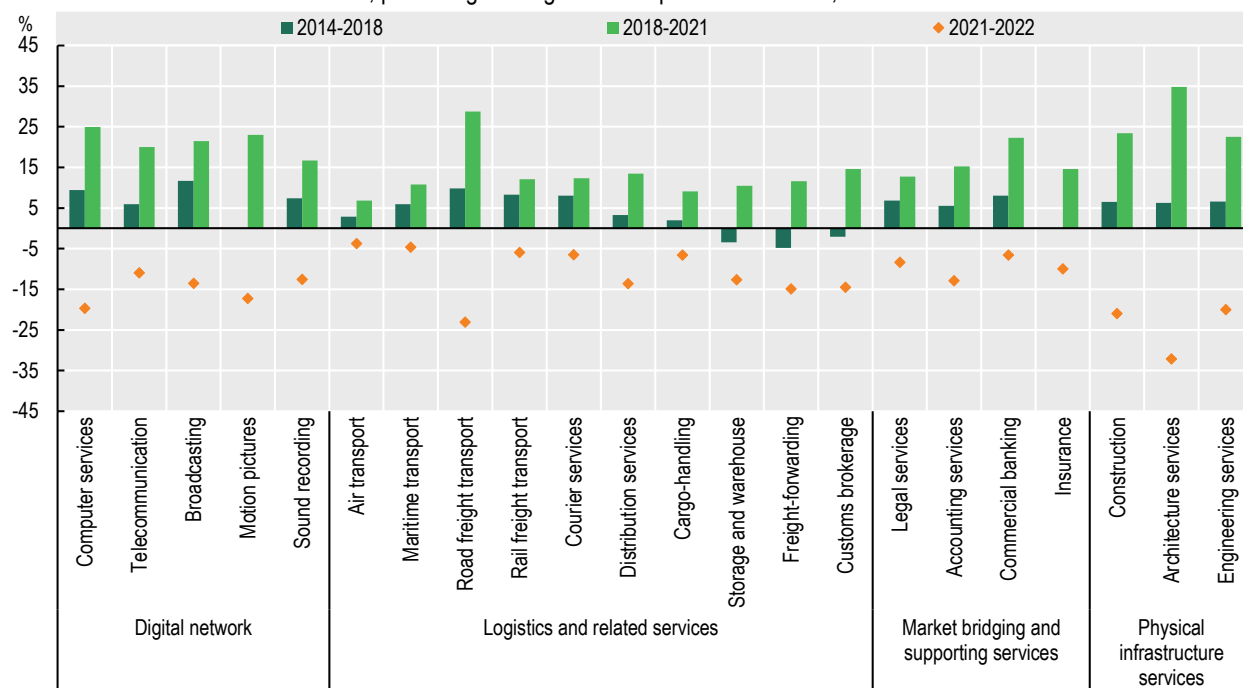
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations 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 2022 index is explained in large part by an overall favourable regulatory framework, but restrictions remain related to the movement of natural persons. The duration of stay for contractual or independent services suppliers is only 12 months and 24 months respectively. Intra-corporate transferees are exempted from this limitation.

New Zealand's regulatory environment for services was relatively stable over the past years (Figure 2). Increases in services restrictiveness resulted from the introduction of a residency requirement for a company director in 2015 and the establishment of a national interest assessment for foreign direct investment in strategically important businesses in 2020. In 2021, a reduction in the processing time for business visa has led to the most recent reduction of services restrictiveness in New Zealand. No policy reforms are recorded in 2022.

Figure 2. Evolution of STRI indices by sector in New Zealand

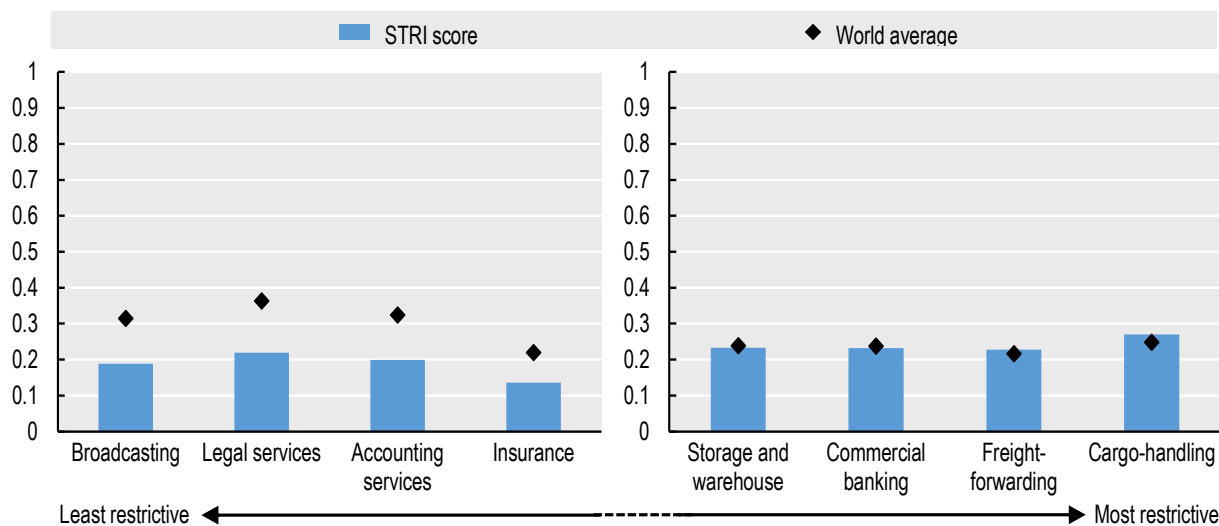
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



Source: OECD (2022). STRI database.

Broadcasting, legal services, accounting services, and insurance are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Logistics storage and warehousing, commercial banking, logistics freight-forwarding and logistics cargo-handling 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 New Zealand



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

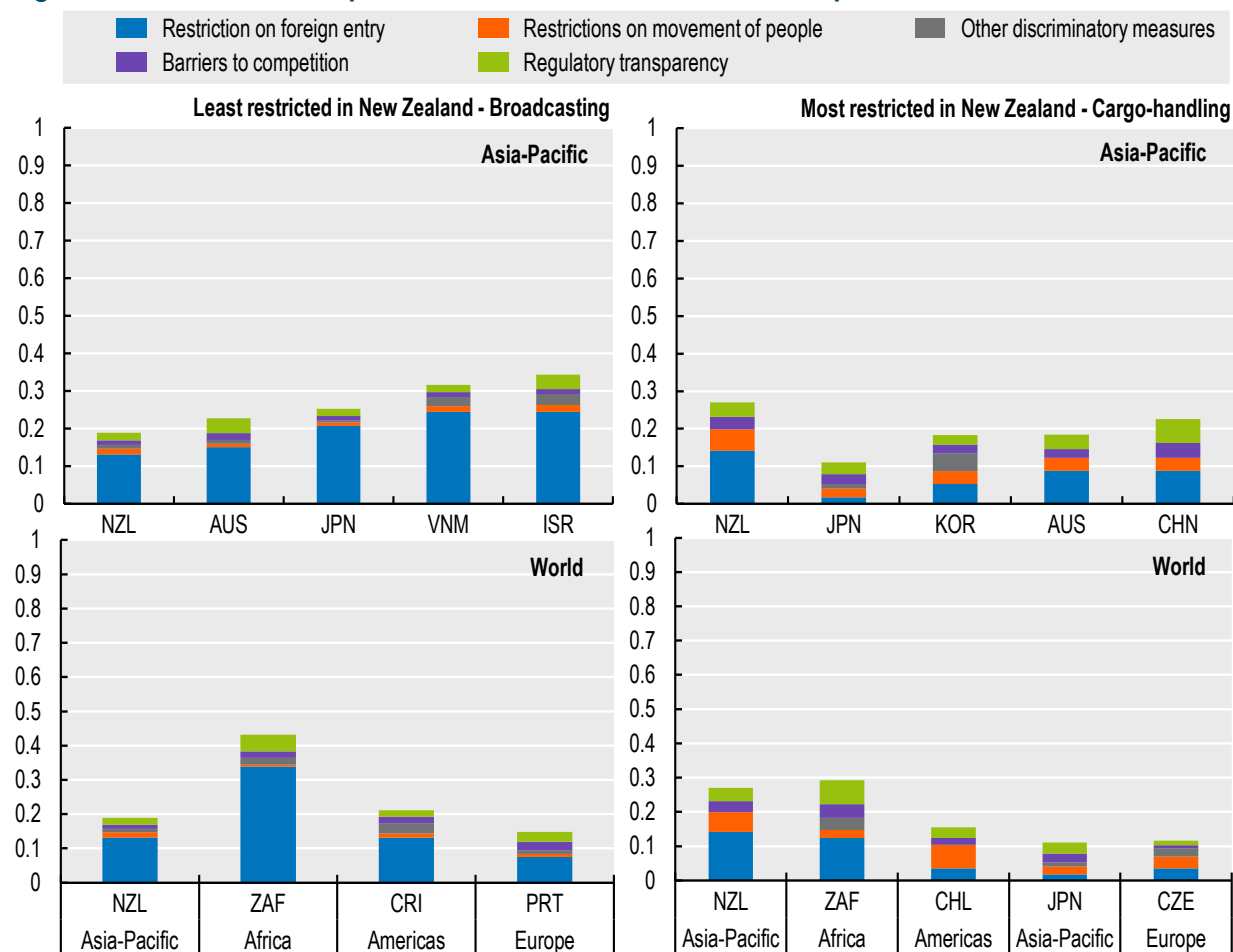
i.e. $(STR I_{country, sector} - STR I_{world average, sector}) / STR I_{world average, sector}$

Source: OECD (2022). STRI database.

Broadcasting is the least restricted service sector in New Zealand compared to the Asia-Pacific region. The composition of the scores indicates that restrictions on foreign entry have had an impact compared to other countries. The policies that contributed to this score include the absence of foreign equity restrictions and quotas for broadcast time. Logistics cargo-handling is the most restricted services sector in New Zealand. Restriction on foreign entry is significant compared to best performers. Some

of the measures that contribute the most to the score include limits on foreign investment in publicly-controlled firms for cargo-handling by air and by rail (Figure 4).

Figure 4. New Zealand compared to Asia-Pacific and World's best performers



Source: OECD (2022). STRI database.

Recent policy changes

In response to the COVID 19 pandemic, New Zealand introduced a national interest assessment for foreign direct investment in strategically important businesses in May 2020. In June 2020, New Zealand introduced interest rate regulation for consumer credit contracts.

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
- » More information about measuring the regulatory environment for services trade in the APEC region: <https://apecservicesindex.org/>

