



## PORTUGAL – 2022

### Key findings

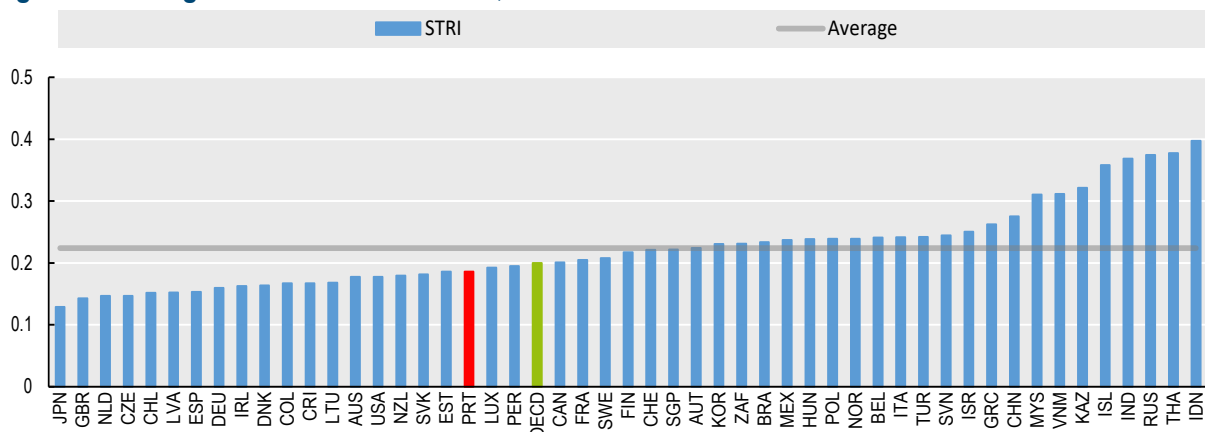
- The 2022 STRI of Portugal is below the OECD average and relatively low compared to all countries in the STRI sample. However, the indices have increased compared to 2021 in most sectors.
- In 2022, key changes include easing residency requirements for non-EU auditors allowing services to be provided when a representative is domiciled in Portugal.
- Despite the overall favourable environment for services trade, restrictions remain for professional services such as legal services, accounting services and engineering services.

### 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 Portugal 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.

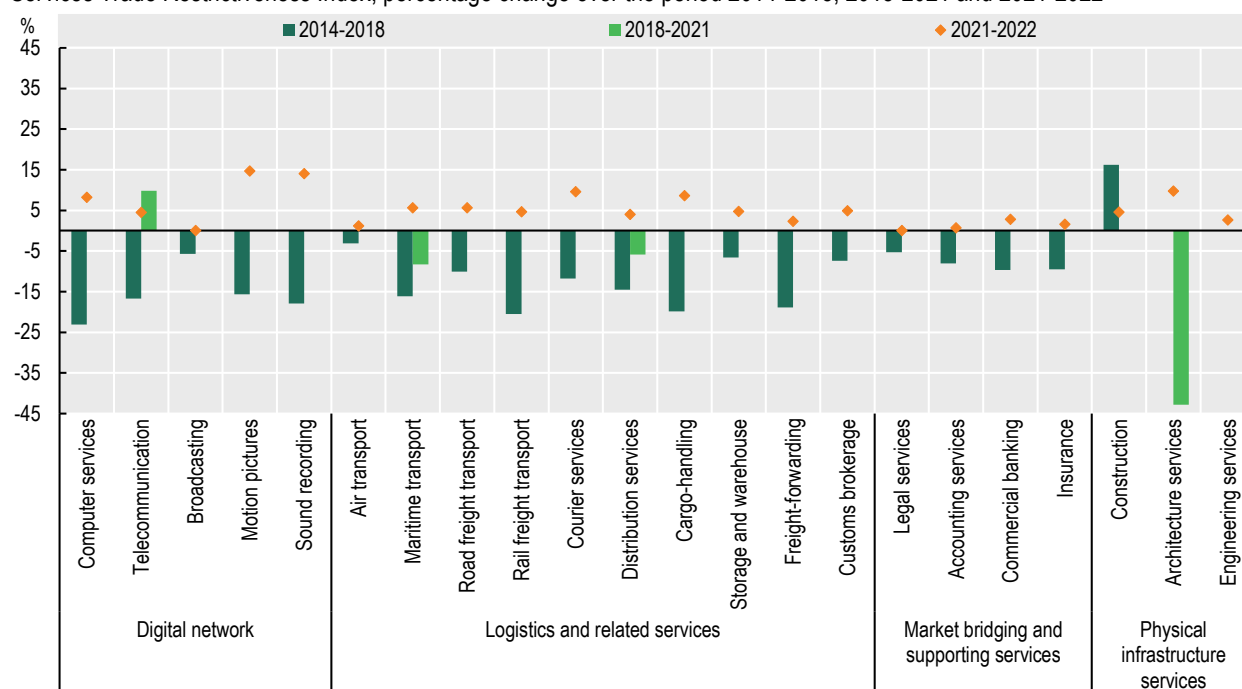
The conditions for services trade in all sectors are affected by rules applying to workers seeking to provide services in the country on a temporary basis as contractual services suppliers or independent services suppliers. Foreigners entering Portugal as service suppliers in these two categories can stay in the country for up to 12 months on their first entry permit. In addition, labour market tests are applied to intra-corporate transferees; they can obtain visas for 36 months. The standards for cross-border transfers 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.

Since 2014, regulations have become less stringent in many sectors, such as computer services, telecommunications and audio-visual services and transport and logistics services (Figure 2). In 2019, a liberalisation measure in the architecture services sector repealed a reciprocity requirement for admission to the Portuguese Order of Architects, which is a prerequisite to practice in Portugal. In 2021, the reform of the Television law has introduced new quotas for broadcasting and motion picture services.

In 2022, the STRI increased for all sectors except broadcasting and legal services due to new EU-wide measures affecting access to procurement markets. Additionally, a reform on the Portuguese Public Professional Association for Statutory Auditors (Estatuto da Ordem dos Revisores Oficiais de Contas, Law n.º 140/2015) introduced the possibility of third-country (non-EU) auditors to provide services in Portugal if they have a domiciled representative in the country, eliminating the requirement of a minimum of three-year residency in order to provide auditing services.

**Figure 2. Evolution of STRI indices by sector in Portugal**

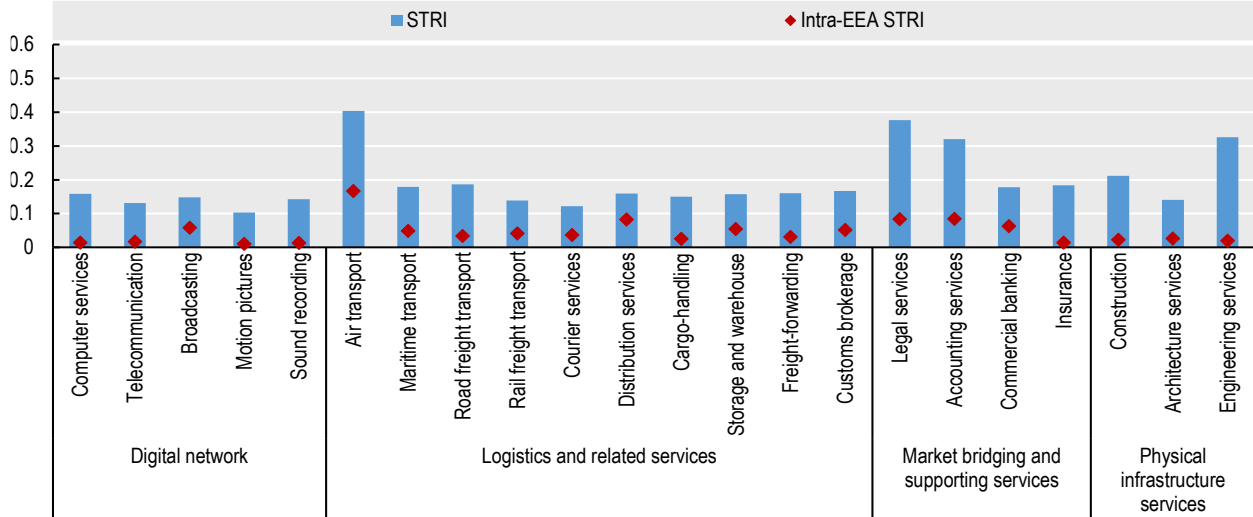
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



Source: OECD (2022). STRI database.

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

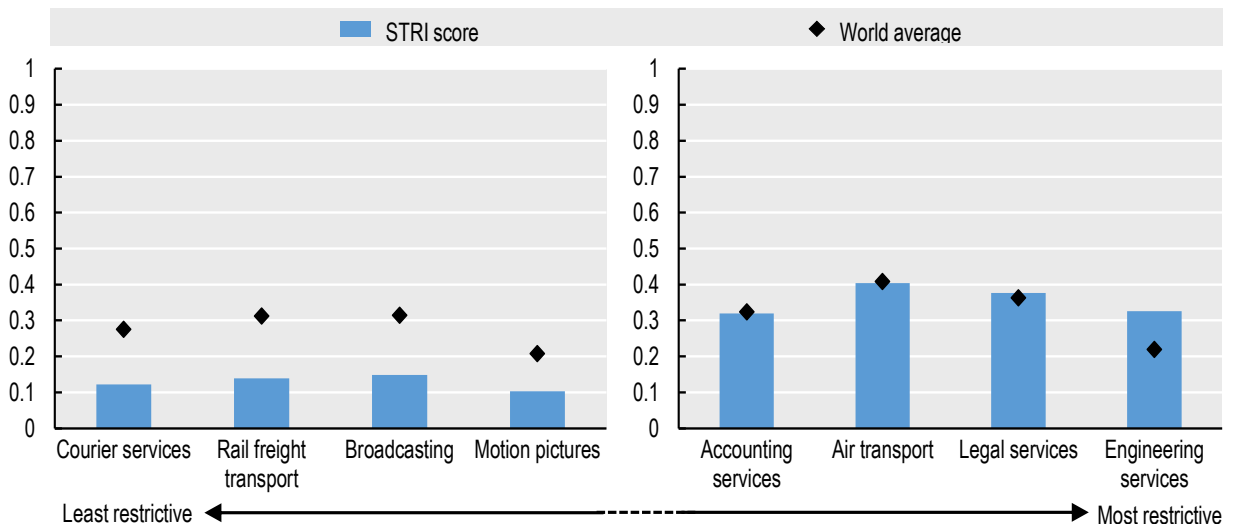
**Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)**



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.

Courier services, rail freight transport, broadcasting and motion pictures are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Accounting services, air transport, legal 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 Portugal**



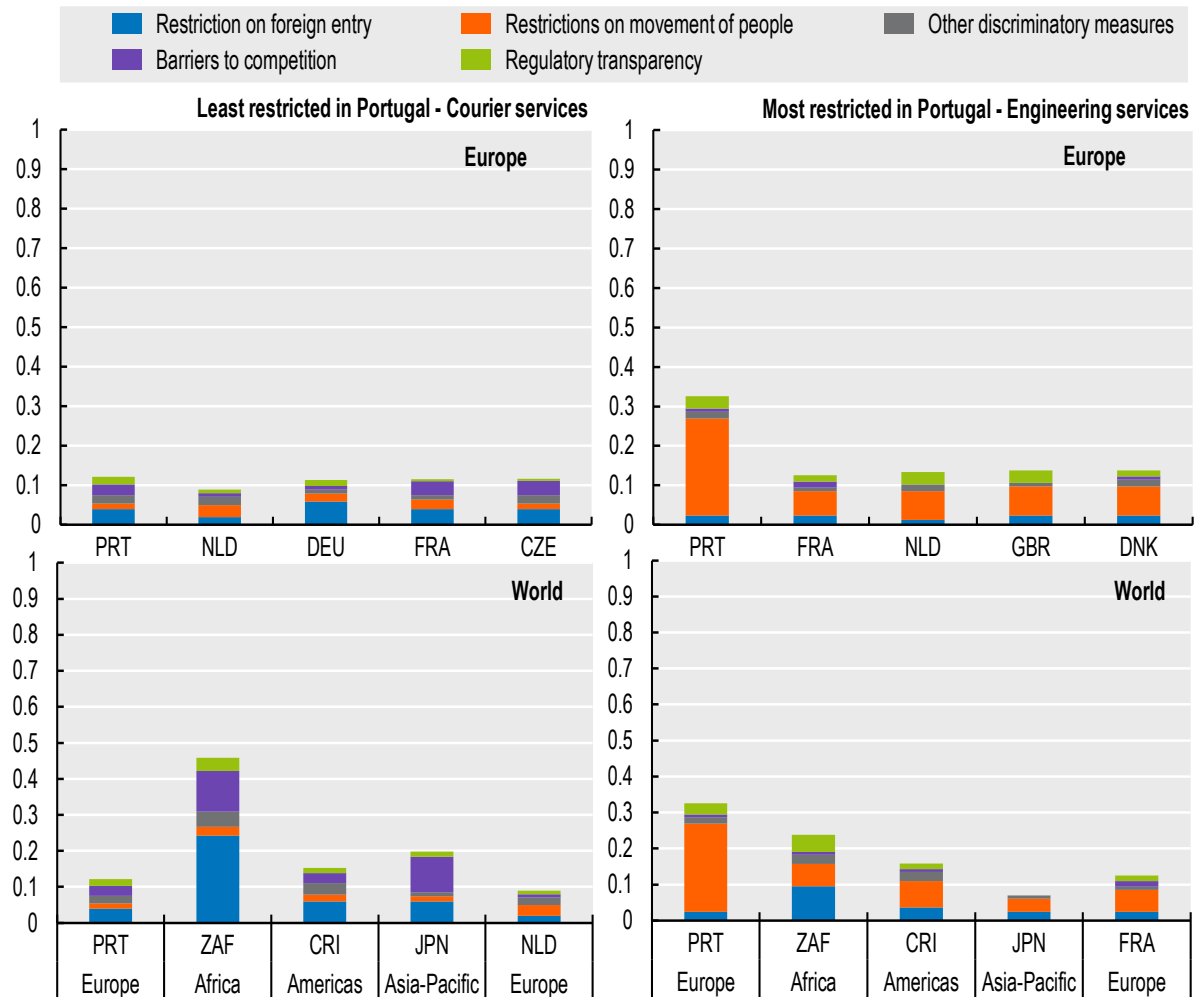
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference i.e.  $(STRI_{country, sector} - STRI_{world average, sector}) / STRI_{world average, sector}$  Source: OECD (2022). STRI database.

Courier services are the least restricted in Portugal compared to Europe. The composition of the scores indicates that restrictions on foreign entry have had an impact compared to other countries. Courier

services are fully liberalised with only minor regulations that could impede competition.

Engineering services are the most restricted services sector in Portugal. The restrictions on movement of people are significant compared to best performers. Citizenship of an EEA country or a country that has signed a reciprocal agreement with Portugal is a prerequisite to practice engineering services while temporary licensing systems are not in place. (Figure 4).

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



Source: OECD (2022). STRI database.

## Recent policy changes

A key 2022 reform in Portugal was the easing of residency requirements for non-EU auditors allowing services to be provided when a representative is domiciled in Portugal. 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 2021, Portugal transposed EU wide regulations, in particular Directive (EU) 2018/1808 of the European Parliament and the Council introducing airtime quotas for motion pictures and broadcasting services, as well as Directive (EU) 2019/1995 suppressing the VAT de minimis regime for goods valued under 22 EUR. Portugal acceded to the United Nations Convention on Contracts for the International Sale of Goods (CISG) in 2020, which entered into force for Portugal on 1 October 2021.

Other changes in Portuguese legislation also respond 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. It applies from 11 October 2020. In the context of the COVID-19 pandemic, 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](mailto:stri.contact@oecd.org)