



SINGAPORE – 2022

Key findings

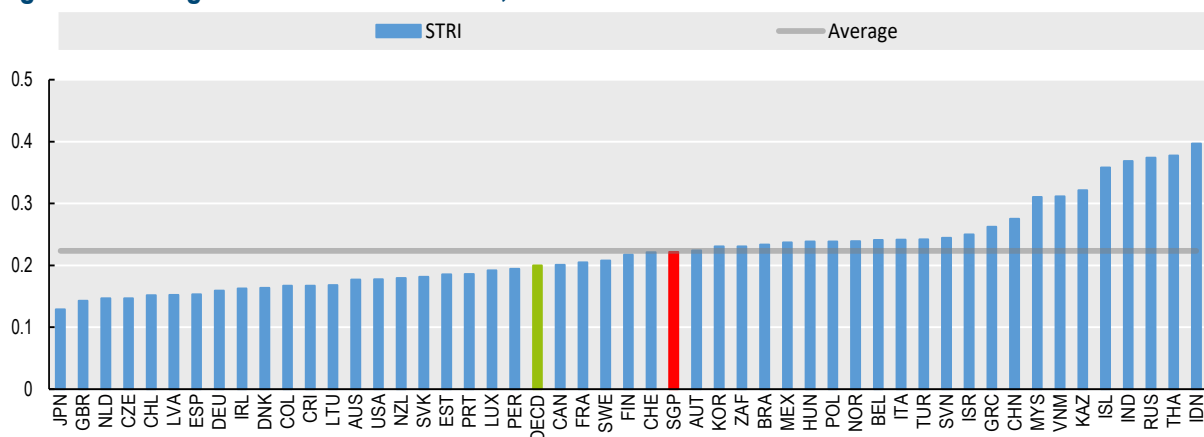
- The 2022 STRI of Singapore is slightly below the average of all countries in the STRI and lower than most Asian economies, indicating a relatively open regulatory environment for services trade. However, Singapore has a higher score than the OECD average.
- Singapore has undergone reforms in recent years which resulted in improving its STRI over time.
- Accounting services are among the least trade restrictive in Singapore whereas logistics freight forwarding services remain the most restrictive compared to the average across all countries.
- Despite the overall favourable environment for services trade, there are some restrictions related to the movement of people.

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 Singapore is slightly below the STRI sample average (Figure 1).

Figure 1. Average STRI across countries, 2022



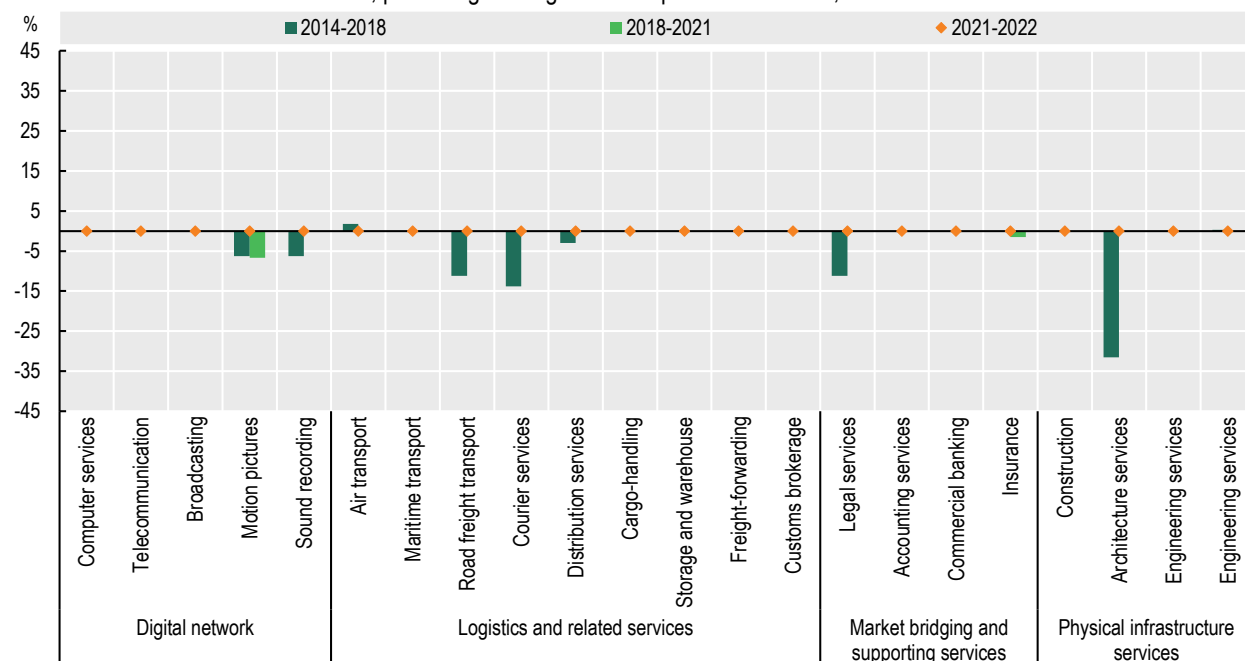
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations 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 STRI can be explained in large part by general regulations that apply to all sectors in the economy. Singapore has an open regulatory environment for services trade characterised by favourable conditions on market entry for foreign companies, competent institutional structures and transparent regulatory procedures. At the same time, Singapore maintains certain measures in place that affect all services sectors in the economy. For example, every foreign company is required to have at least one authorised representative who is resident in Singapore. Foreigners are also constrained in acquiring real estate with limited exceptions.

Singapore has been progressively introducing reforms over the past years, contributing to easing the conditions for trade and investment in several sectors (Figure 2). However, no significant policy changes affecting the STRI database were recorded in 2021-2022.

Figure 2. Evolution of STRI indices by sector in Singapore

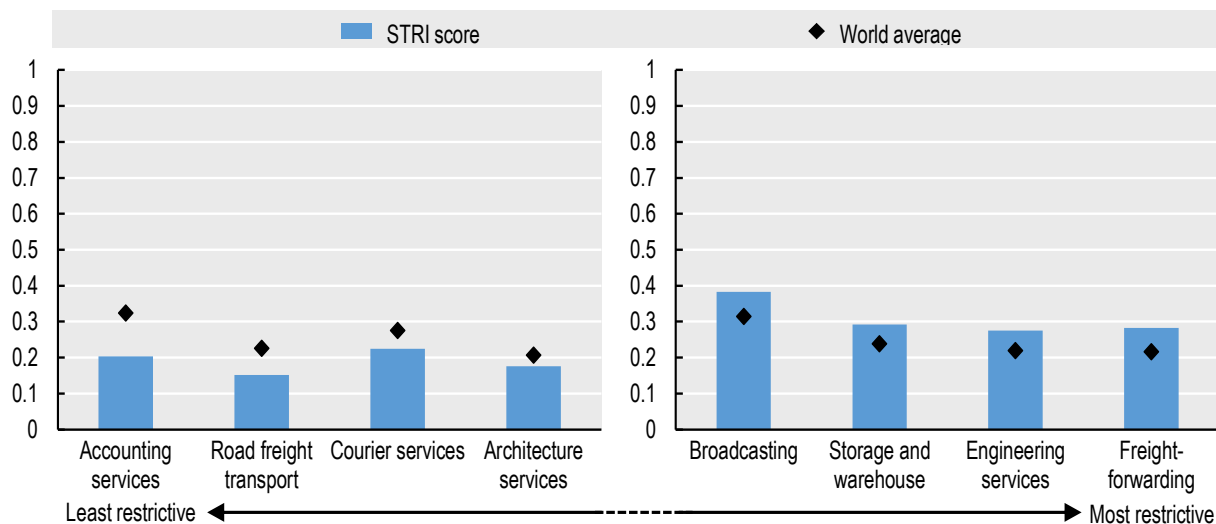
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



Source: OECD (2022). STRI database.

Accounting services, road freight transport, courier services and architecture services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Broadcasting, logistics storage and warehousing, engineering services and logistics freight-forwarding are the sectors with the highest score relative to the average STRI across all countries covered by the STRI database.

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



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

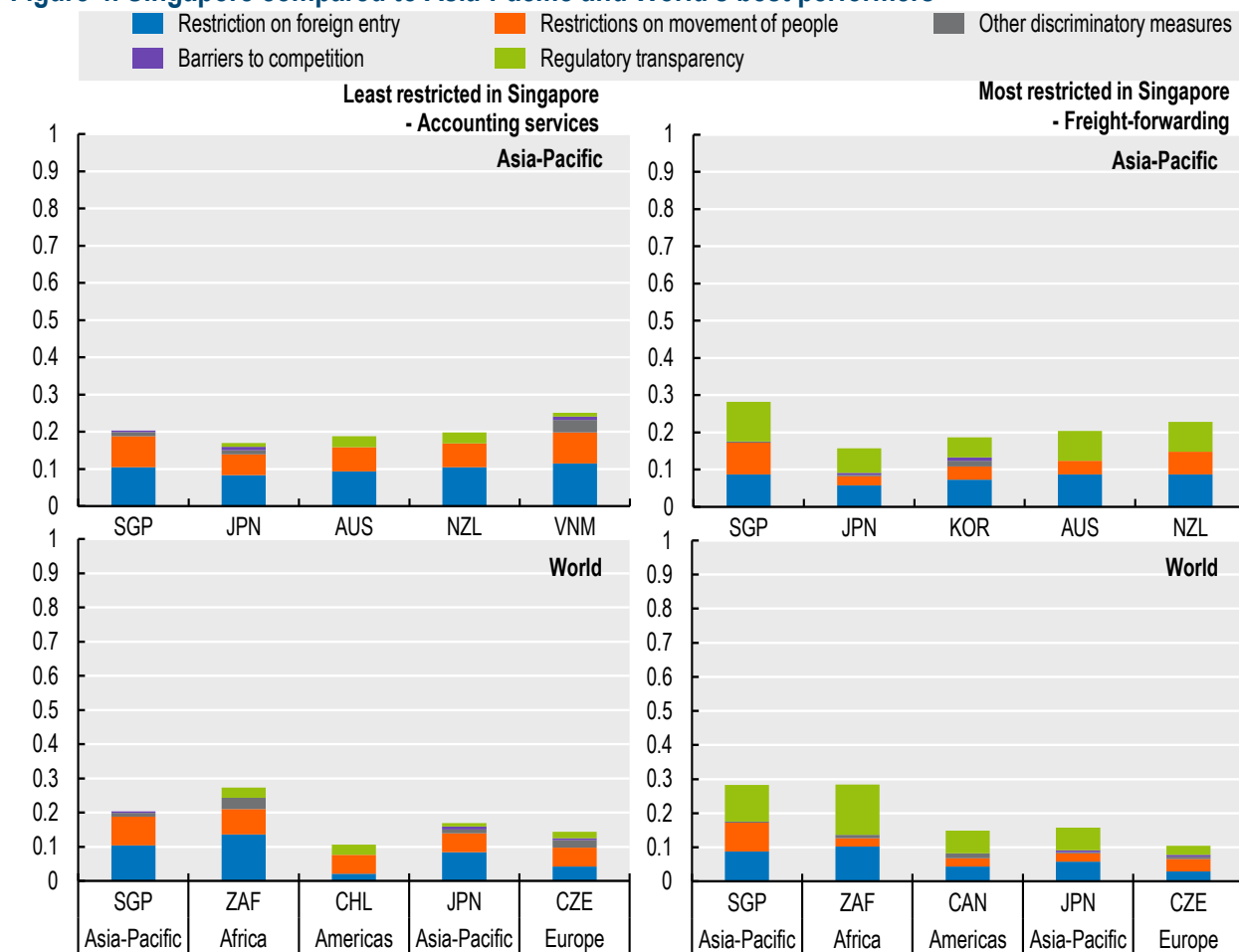
i.e. $(STRI_{country, sector} - STRI_{world average, sector}) / STRI_{world average, sector}$

Source: OECD (2022). STRI database.

Accounting services are the least restricted in Singapore compared to other economies in the Asia-Pacific region. The composition of the scores indicates that barriers to foreign entry and to the movement of people had the most impact compared to other countries. Accounting services cover also auditing services. While the regulatory environment is more open than in many other countries, public accountants are subject to local examinations before qualifying for a license, and a temporary licensing

regime is not available. Logistics freight-forwarding services are the most restricted services sector in Singapore. Restrictions on regulatory transparency tend to be higher compared to best performers. Some of the measures that contribute the score include measures that affect the establishment of logistics firms (e.g., residency requirements for board of directors) (Figure 4).

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



Source: OECD (2022). STRI database.

Recent policy changes

Singapore has undergone important regulatory reforms over the past years that contributed to substantial services trade liberalisation. The Competition (Block Exemption for Liner Shipping Agreements) Order which exempts maritime liner shipping agreements from certain obligations under the Competition Act expires on 31 December 2021.

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/>

