OECD Services Trade Restrictiveness Index (STRI)

SLOVAK REPUBLIC – 2022

Key findings

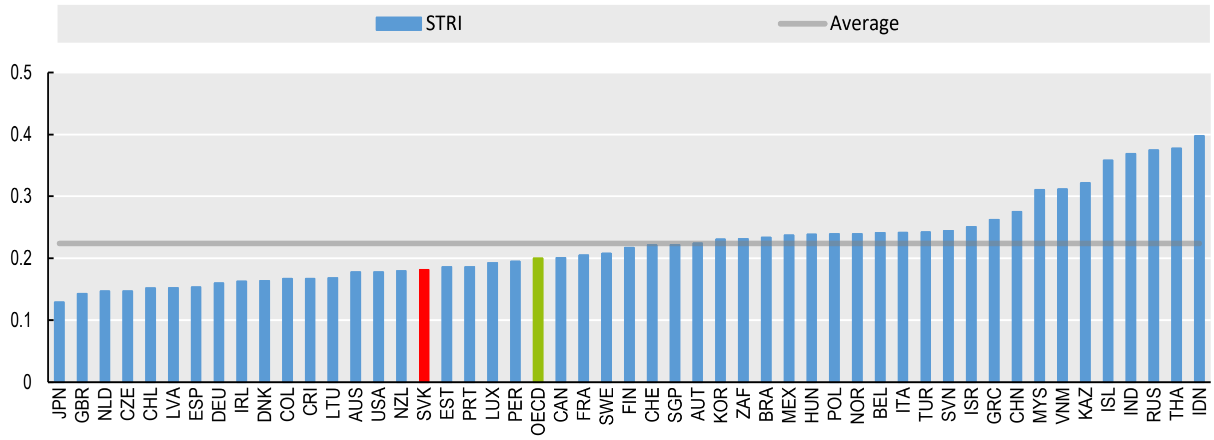
- The 2022 STRI of the Slovak Republic is relatively low compared to other countries in the STRI sample.
- Conditions on the entry of natural persons seeking to provide services in the country on a temporary basis as contractual services suppliers remains more cumbersome than international best practice.
- Accounting and auditing services is the most open services sector in the Slovak Republic while engineering services is 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 the Slovak Republic is relatively low compared to the STRI sample average (Figure 1).

Figure 1. Average STRI across countries, 2022



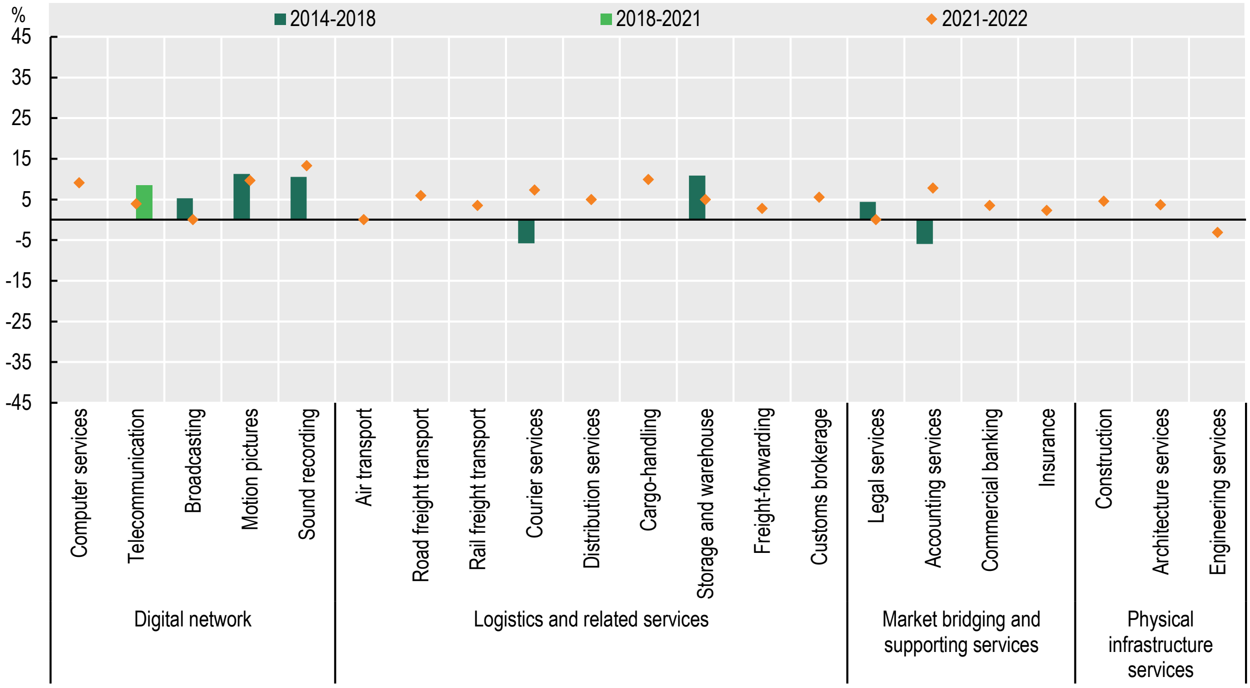
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations 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 Slovak Republic applies labour market tests for workers seeking to provide services in the country on a temporary basis as contractual services suppliers while the duration of stay is limited to 24 months on their first entry permit. Labour market tests are not applied to intra-corporate transferees or independent services suppliers and they may stay in the country up to 36 months on their first entry permit. Rights of access to public procurement are limited to regional trade agreement partners and members of the WTO's Government Procurement Agreement. A minimum amount of capital must be deposited in a bank or with a notary in order to register a business. 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.

The regulatory environment in the Slovak Republic is relatively stable with few changes that affect services trade (Figure 2). The highest levels of liberalisation were recorded in accounting services and courier services between 2014 and 2028, while in logistics storage and warehousing, motion pictures and sound recording services the regulatory environment became moderately more restrictive before 2018.

Figure 2. Evolution of STRI indices by sector in the Slovak Republic

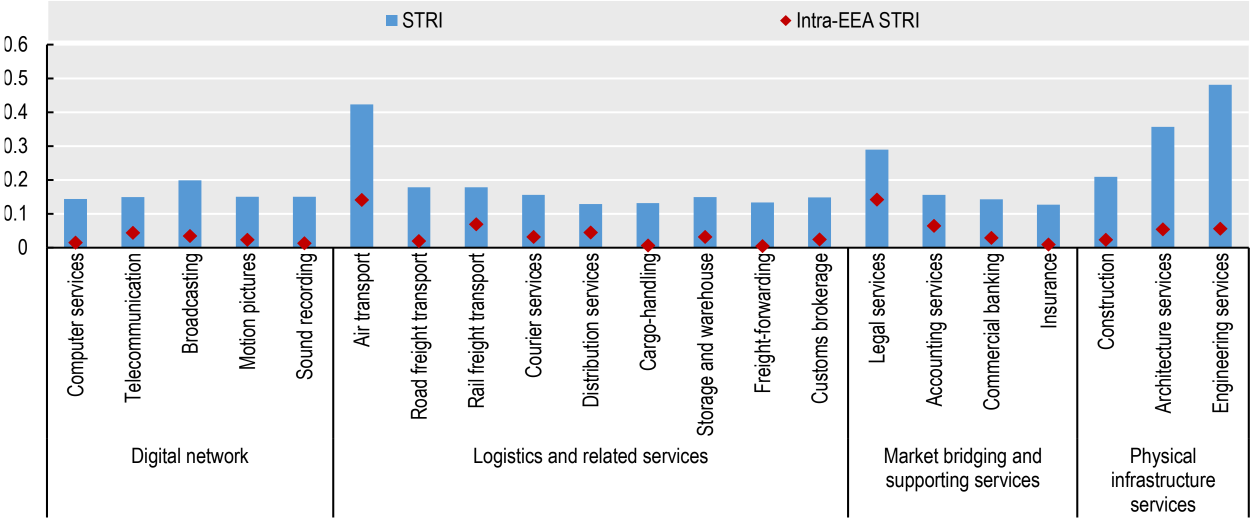
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



Source: OECD (2022). STRI database.

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

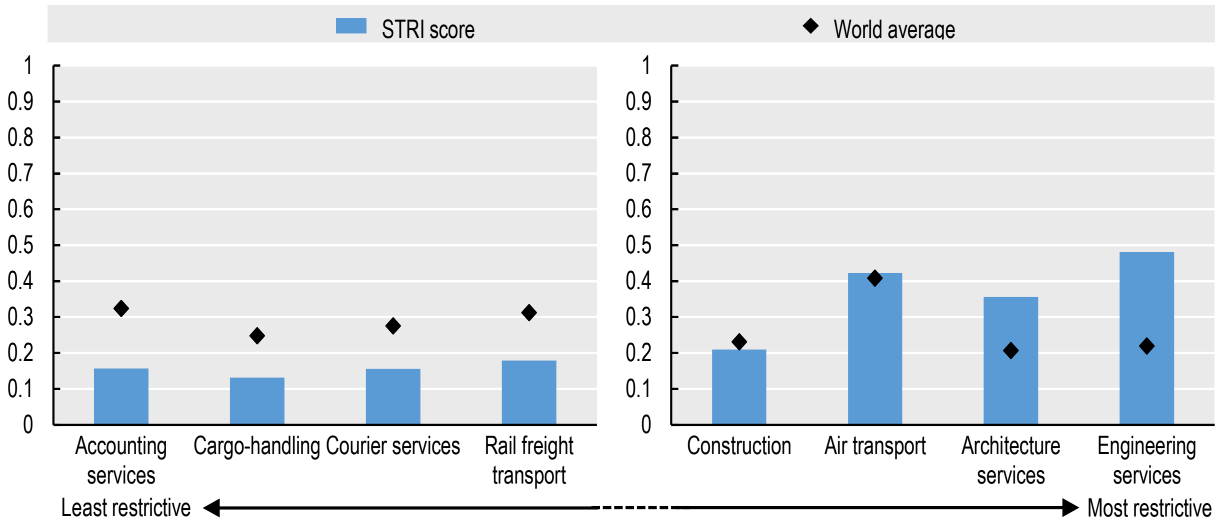
Figure 2b. Regulatory barriers affecting services trade within the European Economic Area (EEA)



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.

Accounting services, logistics cargo-handling, courier and rail freight transport services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Conversely, construction, air transport, architecture services and engineering services are the sectors with the highest score relative to the average STRI across all countries covered by the STRI database.

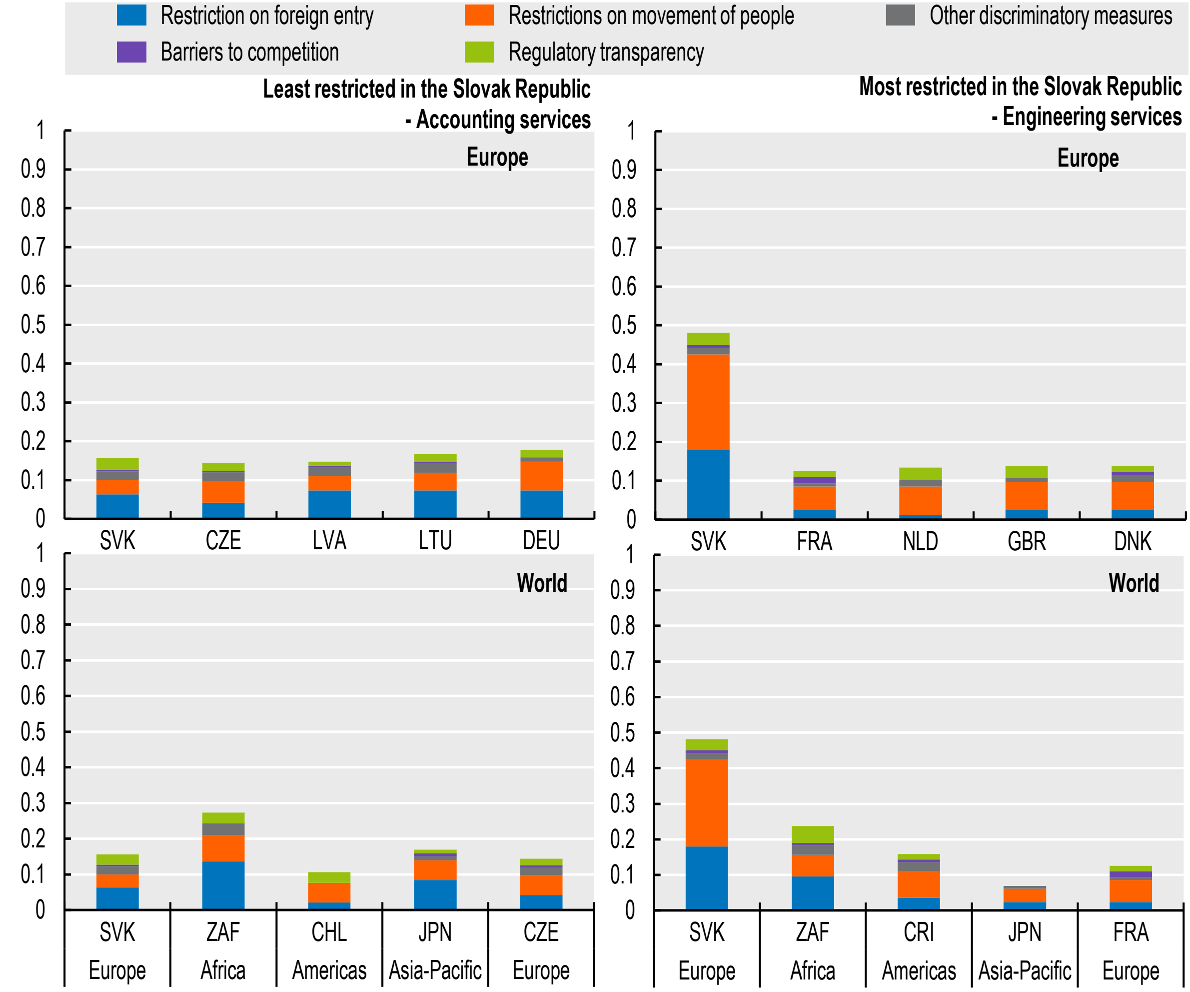
Figure 3. Sectoral breakdown - The least and most restricted sectors in the Slovak Republic



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 the Slovak Republic compared to Europe. The composition of the scores suggests that other discriminatory measures and restrictions on foreign entry have had an impact compared to other countries. The measures that contributed to this score include the public procurement regime and licencing requirement for directors. Engineering services are the most restricted services sector in the Slovak Republic. Restrictions to movement of people are significant compared to best performers. Some of the measures that contribute the most to the score include nationality requirement and recognition of foreign qualifications (Figure 4).

Figure 4. the Slovak Republic compared to Europe and World's best performers



Source: OECD (2022). STRI database.

Recent policy changes

Recent changes affecting the Slovak Republic were due to changes in EU law. From the 1st of July 2021, the EU abolished the VAT de minimis regime for goods valued under EUR 22. 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 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.

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