



Sound Recording Services 2022

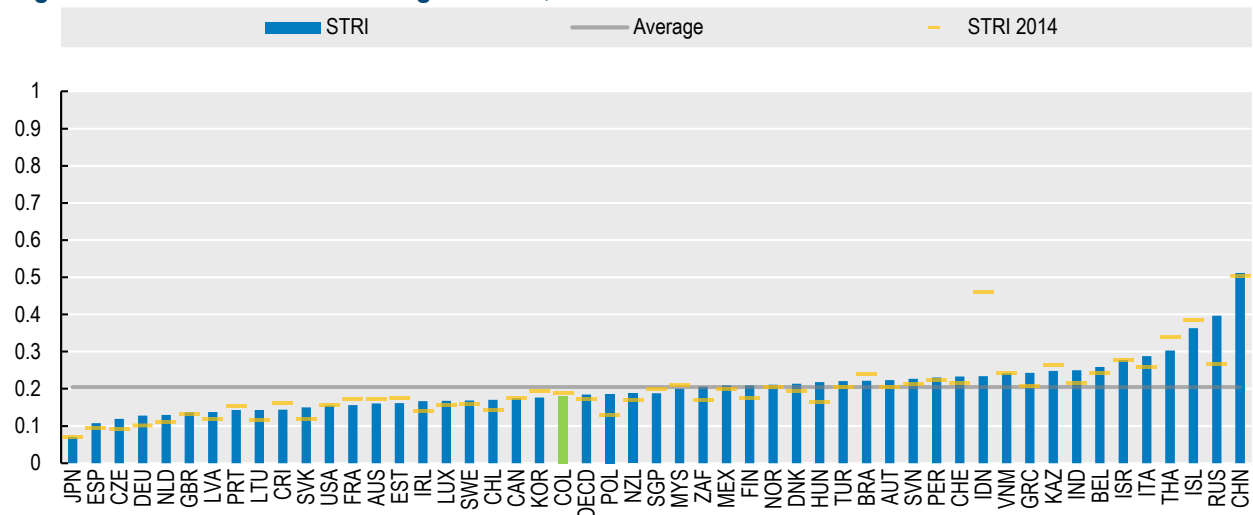
Key findings

- The average 2022 STRI in the sound recording sector is 0.20 out of a maximum of 1 (most trade restricted) indicating a low overall level of restrictiveness. However, individual country scores diverge considerably, ranging between 0.07 and 0.51.
- The best performing countries in the sector are Japan, Spain and Czech Republic. Largest reform of 2022 was recorded in Japan.
- For OECD economies, barriers under the policy area on other discriminatory measures are the main drivers of trade restrictiveness in the sector, with contributions to the total index of 30%.
- Restriction to foreign entry are instead the main sectoral drivers of trade restrictiveness for non-OECD economies, with contributions to the total index of 44%.

Sound recording services cover sound recording and music publishing activities (ISIC Rev 4, code 592). The sector has been subject to rapid digitisation with music streaming becoming an important basis for monetising the migration of physical records to digital platforms.

The 2022 STRI ranges between 0.07 and 0.48 in the sound recording sector, with a sample average of 0.20 (Figure 1). There are 26 countries below and 24 countries above the average. The best performing countries in the sector are Japan, Spain and the Czech Republic.

Figure 1. STRI in sound recording services, 2022

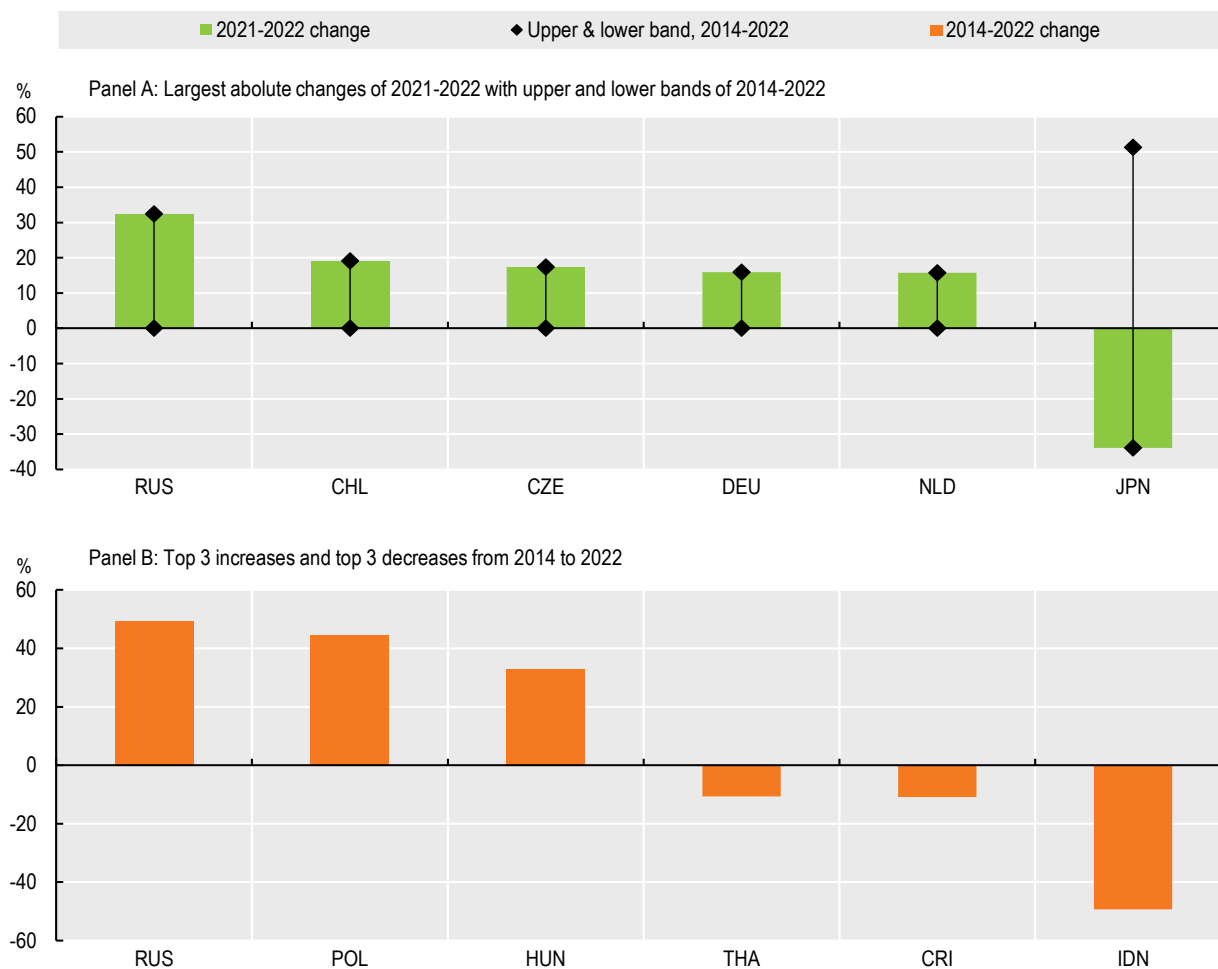


Note: The STRI indices take values between zero and one, one being the most restrictive. The indices are based on laws and regulations in force on 31 October 2022. The STRI regulatory database covers the 38 OECD countries, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russian Federation, 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 database.

Several countries introduced regulatory changes affecting the STRIs in 2022 and more so since 2014 (Figure 2). In 2021, the STRIs in this sector saw the biggest changes in the Russian Federation (32%), Chile (19%), the Czech Republic (17%), Germany (16%), the Netherlands (16%), and Japan (-34%). Since 2014, on the one hand, we have observed countries that have had the strongest restrictive trends such as the Russian Federation (49%), Poland (45%) and Chile (33%). On the other hand, we have strong liberalising trends in Thailand (-11%), Costa Rica (-11%), and Indonesia (-49%).

Figure 2. Change since 2014 and change in the last year, by country



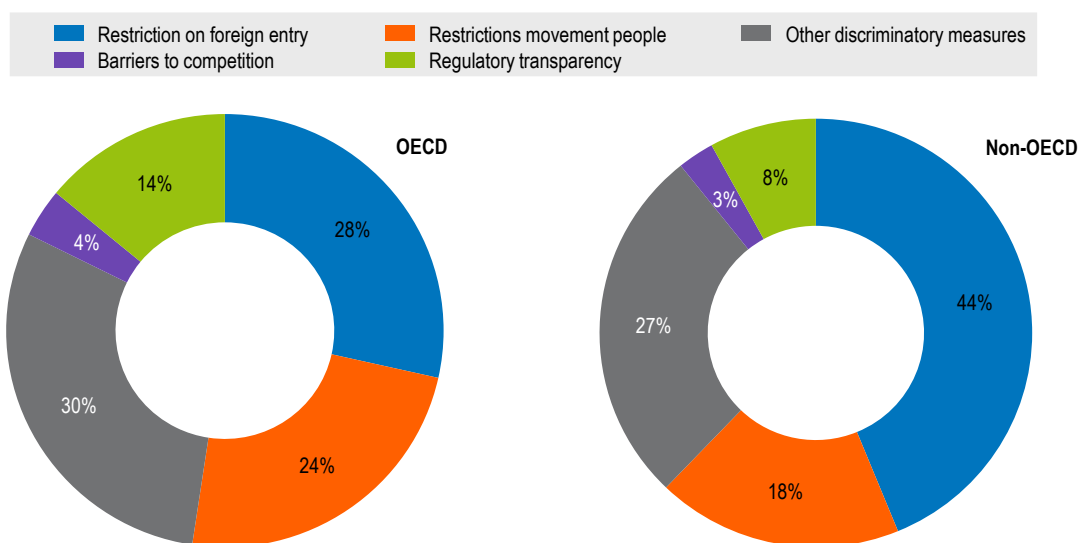
Note: Selection criteria for Panel A was based on largest absolute changes since 2020. Panel B selection is the 3 largest increases, and the 3 largest decreases in the STRI since 2014.

Source: OECD (2022). STRI database.

The measures in the STRI database are organised under five policy areas (Figure 3). Restrictions on foreign entry include barriers related to establishing and operating companies such as foreign equity limits or requirements on board of directors and cross-border data flows. Restrictions on the movement of people cover barriers that affect the temporary entry of foreign services providers through quotas, labour market tests and short durations of stay. Other discriminatory measures include discrimination of foreign services suppliers as far as taxes, subsidies and public procurement are concerned. Barriers to competition include information on anti-trust policy, government ownership of major firms and the extent to which government-owned enterprises are exempt from competition laws. Regulatory transparency includes information on consultations and dissemination prior to laws and regulations entering into force. It also records information on obtaining a license or a visa. In this sector, barriers under the policy area on other discriminatory measures are most prominent in OECD economies

accounting for 30%, while the most relevant type of measures for non-OECD economies are those related to restriction on foreign entry, at 44%.

Figure 3. STRI for sound recording with policies areas in OECD and non-OECD economies, 2022



Source: OECD (2022). STRI database.

There are no countries that are fully closed to trade in this sector.

Sound recording is a global industry in which transactions are mainly related to the right or permit to use or listen to music. The sector-specific measures therefore aim at capturing the implementation of international treaties on the protection of copyrights and related economic rights in a non-discriminatory manner. Music is a cultural expression subject to a range of promotional and protective measures that are relevant for international trade.

Table 1 lists the most common restrictions identified in each policy area. Under restrictions on foreign entry, common impediments relate to cross-border data flows and acquisition and use of land and real estate. Investment screening mechanisms, local presence requirements and residency requirements for members of the board of directors are also present but to a lesser degree. Sixteen countries reserve a quota for local music on television or radio broadcast time, while statutory monopoly on copyrights management exists only in five jurisdictions.

Restrictions to the movement of people are relatively common across the board and include mostly short stay permits and labour market tests. Under other discriminatory measures, barriers related to accessing public procurement markets for foreign tenderers remain the most common challenge. Moreover, ten countries use subsidies to promote local music in a manner that discriminates legal entities with foreign ownership. Most countries have incorporated international agreements such as the Berne Convention, the WIPO Copyright Treaty and the TRIPS Agreement in national legislation, although seven jurisdictions protect the economic rights of foreign right holders on a reciprocal basis only. In five countries, royalties collected are distributed in a non-equitable and/or discriminatory manner, and six countries condition public support for film or television programming on local music content.

Barriers to competition are relatively few. Apart from general requirements related to minimum capital for new companies, only eight countries impose limitations on advertising. In five jurisdictions, vertical integration is not monitored nor regulated, and state-owned enterprises are present in five countries. Finally, arbitration structures to deal with commercial disagreements between rights holders and collective rights managers are in place in all STRI jurisdictions but three.

Under barriers related to regulatory transparency, cumbersome visa conditions for artists, musicians, or other professionals in the sound recording industry as well as procedural hurdles related to business

visas are the most common challenges in this sector. In addition, the public consultation process for new legislative instruments falls short of best practice in ten countries. Finally, measures for effective enforcement of intellectual property rights are in place in almost all jurisdictions covered by the STRI database.

Table 1. Top 5 most relevant measures by policy area, 2022

Policy area	Measure	Countries having a restriction ¹
Restrictions on foreign entry	Cross-border data flows: cross-border transfer of personal data is possible to countries with substantially similar privacy protection laws	42
	Acquisition and use of land and real estate by foreigners is restricted	35
	Screening exists without exclusion of economic interests	22
	Quotas: A proportion of television or radio broadcast time is reserved to domestic music	16
	There is a statutory monopoly on copyrights management	5
Restrictions to movement of people	Limitation on duration of stay for contractual services suppliers (months)	37
	Labour market tests: intra-corporate transferees	37
	Labour market tests: contractual services suppliers	37
	Other restrictions to movement of people	9
	Memo: Licence or authorisation is required to practice	4
Other discriminatory measures	Public procurement: Procurement regulation explicitly prohibits discrimination of foreign suppliers	43
	Foreign suppliers are treated less favourably regarding eligibility to subsidies	10
	Discriminatory treatment of foreigners for the protection of copyrights and related rights	7
	Royalties collected are distributed in an equitable and non-discriminatory manner	5
	Local content: subsidies for film or television program making are conditioned on local content requirements for music	6
Barriers to competition	Minimum capital requirements	28
	Restrictions on advertising	8
	Vertical agreements: territorial or customer group sales restrictions are subject to regulation	5
	National, state or provincial government control at least one major firm in the sector	5
	Arbitration structures are in place to deal with commercial disagreements between rights holders and collective rights managers	3
Regulatory transparency	Visas on arrival or visa exemption are available for temporary entry/transit of crew	42
	Range of visa processing time (days)	28
	There is an adequate public comment procedure open to interested persons, including foreign suppliers	10
	Intellectual property rights are enforced: enforcement procedures are available with respect to infringements in the digital environment	1
	Intellectual property rights are enforced: provisional measures are available	2

Note: The count for “memo” type of measures, which are not scored in the STRI, indicate the number of positive answers recorded for that measure across the 50 countries covered. Top most relevant measures are selected on the basis of the following criteria: (1) most restricted horizontal measures (i.e. same answer across sectors), (2) most restricted sector-specific measures, (3) key measures or (4) memos affecting the score of other measures through hierarchy rules.

Source: OECD STRI database (2022).

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