## OECD Services Trade Restrictiveness Index (STRI): Germany

Germany exported services worth USD 277.7 billion and its services import value was USD 329.6 billion in 2014. Business services are Germany’s largest services exports and the largest service imports category is travel. Germany’s score on the STRI index in the 22 sectors is shown below, along with the average and the lowest score among the 42 countries included in the STRI database for each sector.

STRI by sector and policy area

*Note*: The STRI indices take values between zero and one, one being the most restrictive. They are calculated on the basis of the STRI regulatory database which contains information on regulation for the 34 OECD Members, Brazil, China, Colombia, India, Indonesia, Latvia, Russia and South Africa. The STRI database records measures on a Most Favoured Nations basis. Preferential trade agreements are not taken into account. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The data have been verified and peer reviewed by OECD Members.

Germany has a lower score than average on the STRI in 20 out of 22 sectors. A general regulation that contributes to the STRI in all sectors is restrictions on temporary movement of people. Germany applies labour market tests to independent services suppliers. Temporary movement of contractual services suppliers is also restricted. Some groups of temporary services suppliers may be allowed to remain in the country up to 36 months on their first entry permit, while others may stay for only 3 months. There is at least one major state-owned enterprise in banking, broadcasting, courier, motion pictures, rail freight and road freight transport services.

## The sectors with the lowest STRI scores

Distribution, logistics freight forwarding and logistics customs brokerage are the three sectors with the lowest STRI scores. Distribution services consist of wholesale and retail trade. Only a couple of sector-specific regulations are recorded under barriers to competition, such as restrictions to opening hours. In the logistics sectors, air crew and seaman are exempt from visa requirements while truck drivers are not. Moreover, they cannot obtain multiple entry visas. Another restriction in the freight forwarding sector comes from the fact that a major freight transport service provider is controlled by the national government.

## The sectors with the highest STRI scores

The sectors with the highest STRI scores are air transport (covers establishment only), legal services and broadcasting. Air transport is the only service sector in which Germany employs foreign equity restrictions. Air carrier alliances are partly exempted from anti-trust legislation and a couple of other barriers to competition contribute to the index. It is noted that air transport takes the highest average STRI score among the 18 sectors included, and Germany scores below the average.

In legal services, Germany requires that the majority of the shares and voting rights in limited liability companies must be owned by locally-licensed lawyers in Germany or the EU member states. Foreign lawyers can in principle obtain a license provided that they pass local examinations. Fee setting and advertising is restricted.

Broadcasting time is regulated by quotas in Germany and there exist limitations on downloading and streaming affecting cross-border trade. Major broadcasting service providers are controlled by the government and financed with a compulsory fee from each household. No private participation in public broadcasting companies is possible.

## Efficient services sectors matter

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|  | Services account for 16% of Germany’s gross export, but 51% of value-added exports, indicating that Germany’s exports of goods rely intensively on services inputs. Cost effective state of the art services are therefore of utmost importance for the competitiveness of the German industrial sector. Germany has a largely open economy to trade in services, and this is supported by the fact that the services share of inward investment is relatively high in Germany. Germany could further improve the efficiency of its economy by prioritising reforms that enhance competition in services markets, particularly by focusing on the remaining horizontal measures that affect all types of services and the few sectors where a higher STRI is observed. |

**More information**

» Access all of the country notes, sector notes and interactive STRI tools on the OECD website at <http://oe.cd/stri>

» Contact the OECD Trade and Agriculture Directorate with your questions at [stri.contact@oecd.org](mailto:stri.contact@oecd.org)