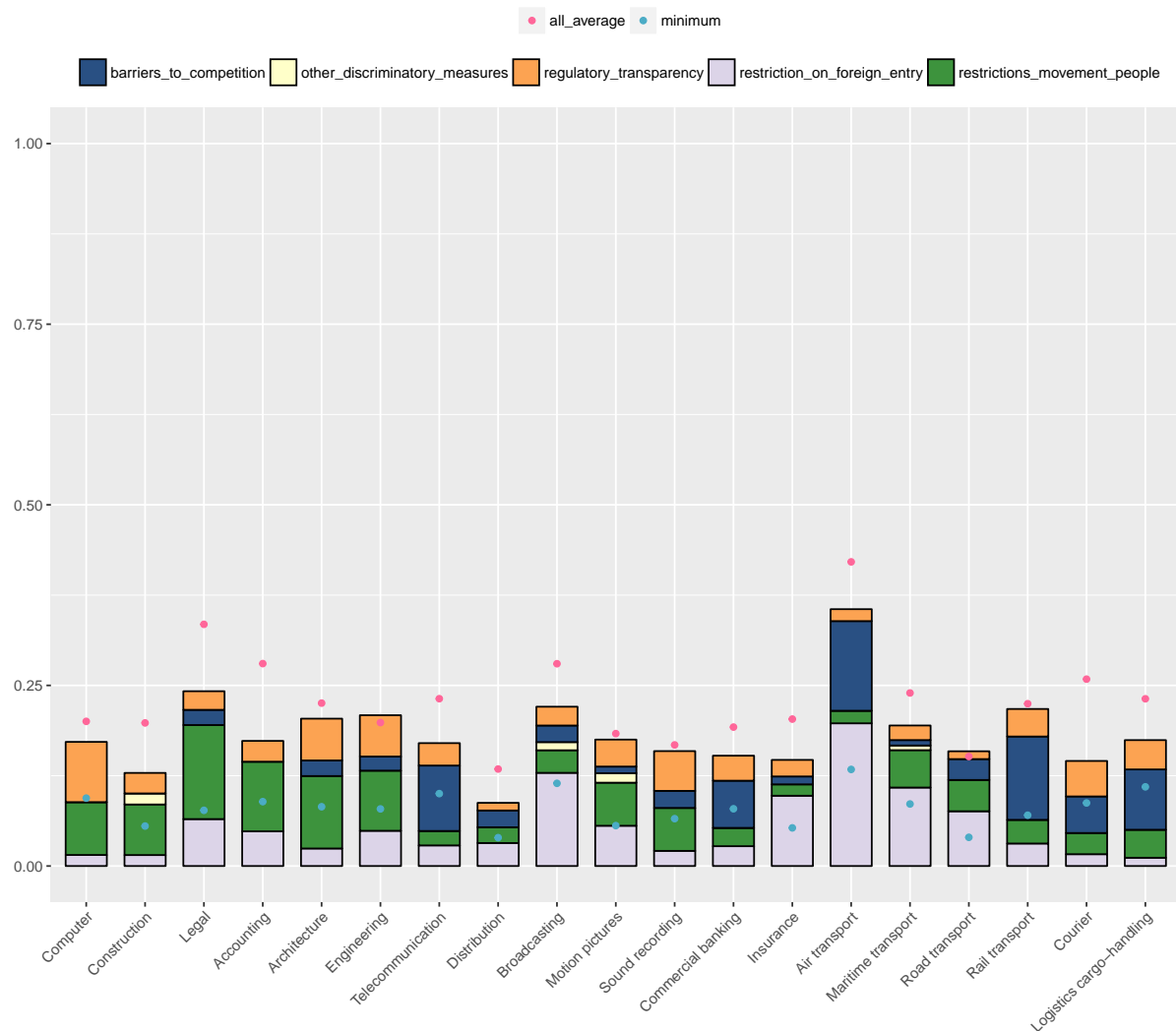


OECD Services Trade Restrictiveness Index (STRI): Germany

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, 2014



Germany has a higher score than average on the STRI in 2 out of 22 sectors (maritime transport is excluded for landlocked countries). 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

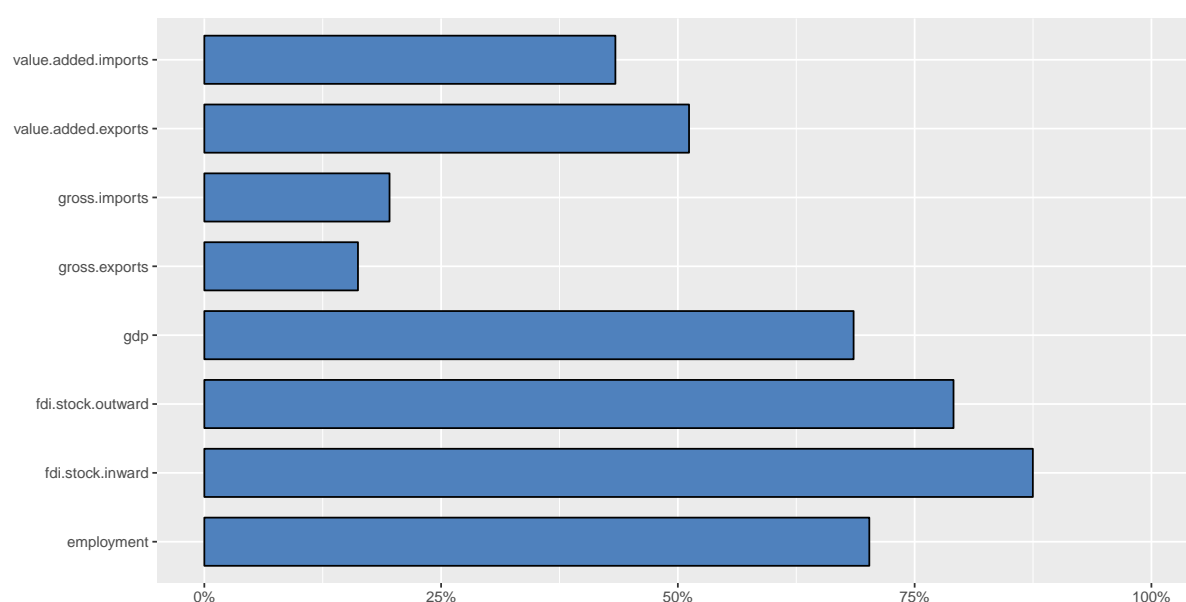
Distribution, Logistics freight forwarding and Logistics customs brokerage are the three sectors with the lowest STRI scores. Distribution services consist of wholesale and retail trade. Only a couple of

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, Legal 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.

Efficient services sectors matter



Services account for 16% of Germany's gross exports, 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