



Expert Group Meeting on 'Indicators to Monitor the Impact of
NTMs on SDG Progress'

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THE OECD SERVICES TRADE RESTRICTIVENESS INDEX (STRI)

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WHAT?



What is the STRI?

A regulatory database

- Standardised set of measures, with links to sources
- Online and updated every year

Composite indices

- A snapshot of trade restrictiveness, 22 sectors, 44 countries
 - Malaysia
- 3 years for 22 sectors

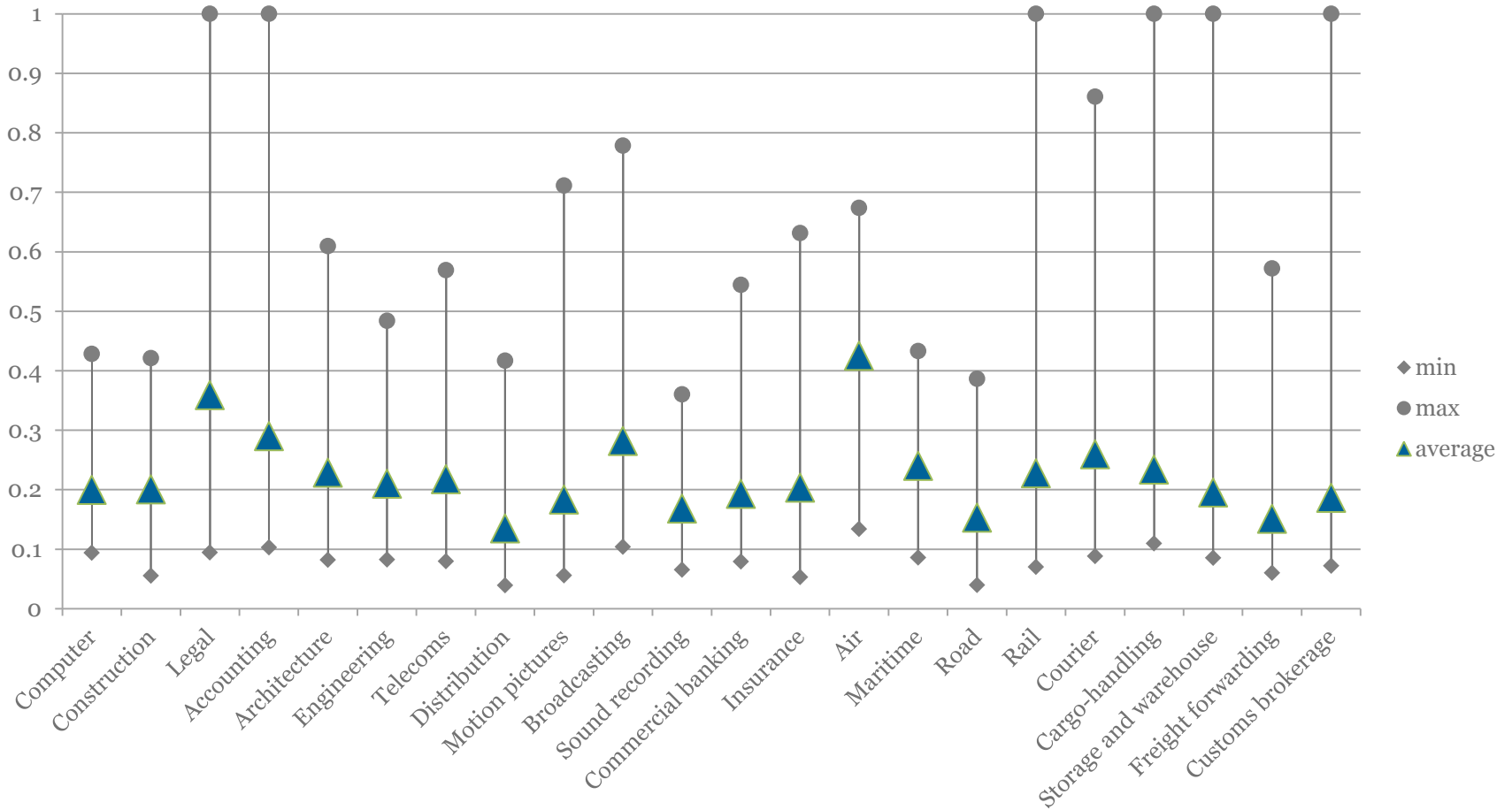


STRI is a composite index

- Uses information on regulation only
- Gives the broad picture rather than the fine details
- Does not necessarily capture the commercial attractiveness of countries
- Changes in the index over time is as useful as capturing restrictiveness levels in the first year



Sector profiles





HOW?



The choices made

- Which measures to include
- How to structure the information
 - Policy areas
 - Sub- indicators
- How to transform qualitative information to quantitative scores
- Which weights to apply



Which measures?

- Mentioned in the GATS
- Related to future negotiations on rules in the GATS
- Mentioned in regional trade agreements
- Identified by stakeholders (business, regulators, academics)



Filling in the database

1. The Secretariat fills in the database based on desk studies of laws and regulations
2. Countries receive the filled in database for comments and verification
3. Peer review checking factual correctness, not the wisdom of regulation
4. The database is posted on the STRI website
5. The database is updated every year



How to structure the measures

- By five policy areas
 - Restrictions on foreign entry
 - Restrictions to movement of people
 - Other discriminatory measures
 - Barriers to competition
 - Regulatory transparency
- By mode of supply
- Barriers to entry/limitations on operation
- Discriminatory/non-discriminatory



Scoring

- Assigning numbers to qualitative information
 - Binary scores (0 and 1)
 - Refinements:
 - Break complex or continuous measures into several thresholds
 - Construct hierarchies of measures/regulatory packages
 - Different market structure and regulatory regimes
- Weighting:
 - Expert judgment
 - Online – experts asked to allocate 100 points among the five policy areas



SO WHAT?

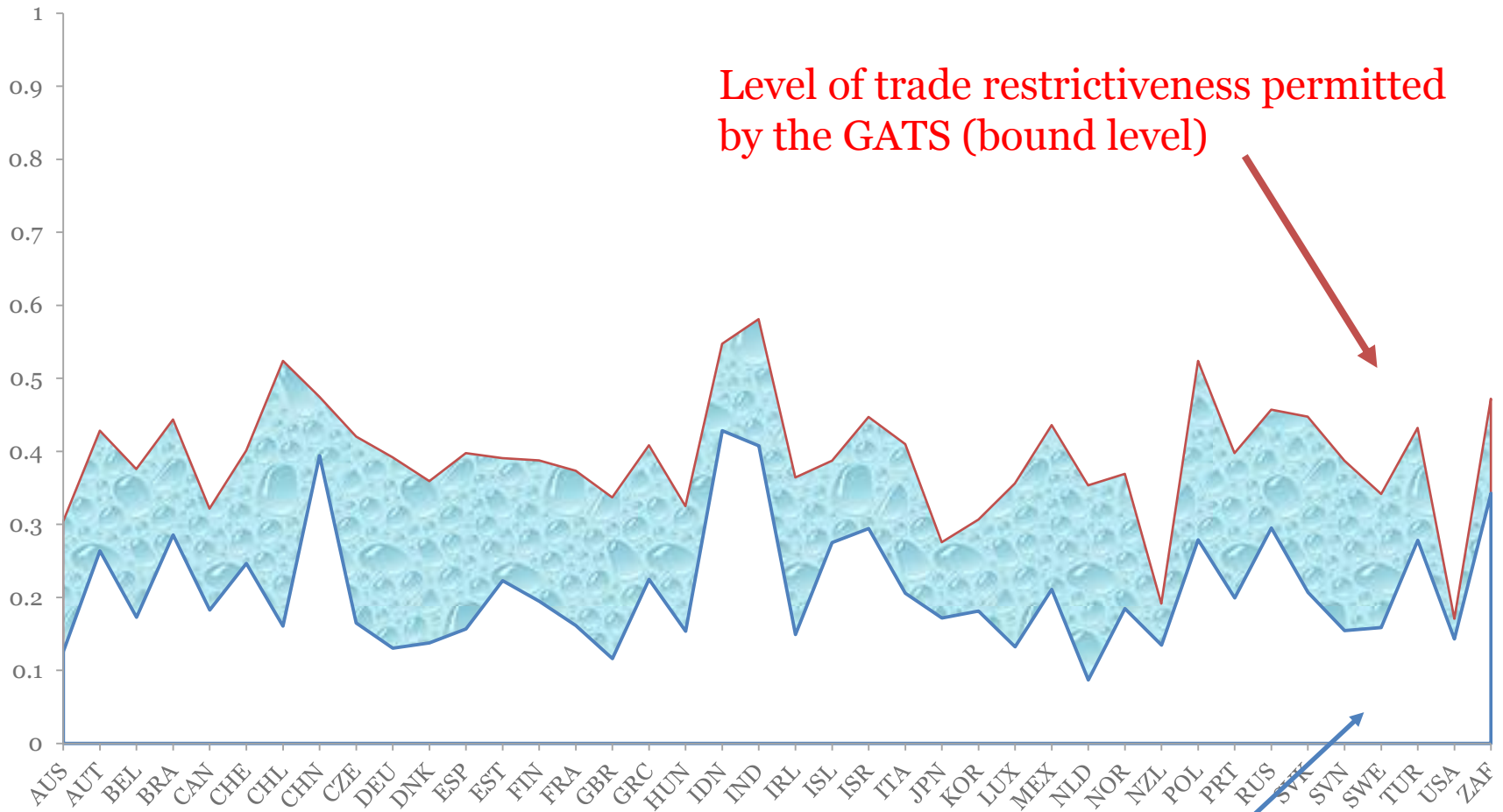


What can the STRI be used for?

- Benchmarking and sequencing domestic policy reform
- Enable analysis of the impact of reform on trade and other measures of economic performance
 - In the sectors themselves
 - Downstream industries using services as inputs
- Source of information for trade negotiators



Water in the GATS (average across sectors)



Actual level of trade restrictiveness (STRI)



THANK YOU

<http://oe.cd/stri>