



Lowering trade costs through services domestic regulation reform

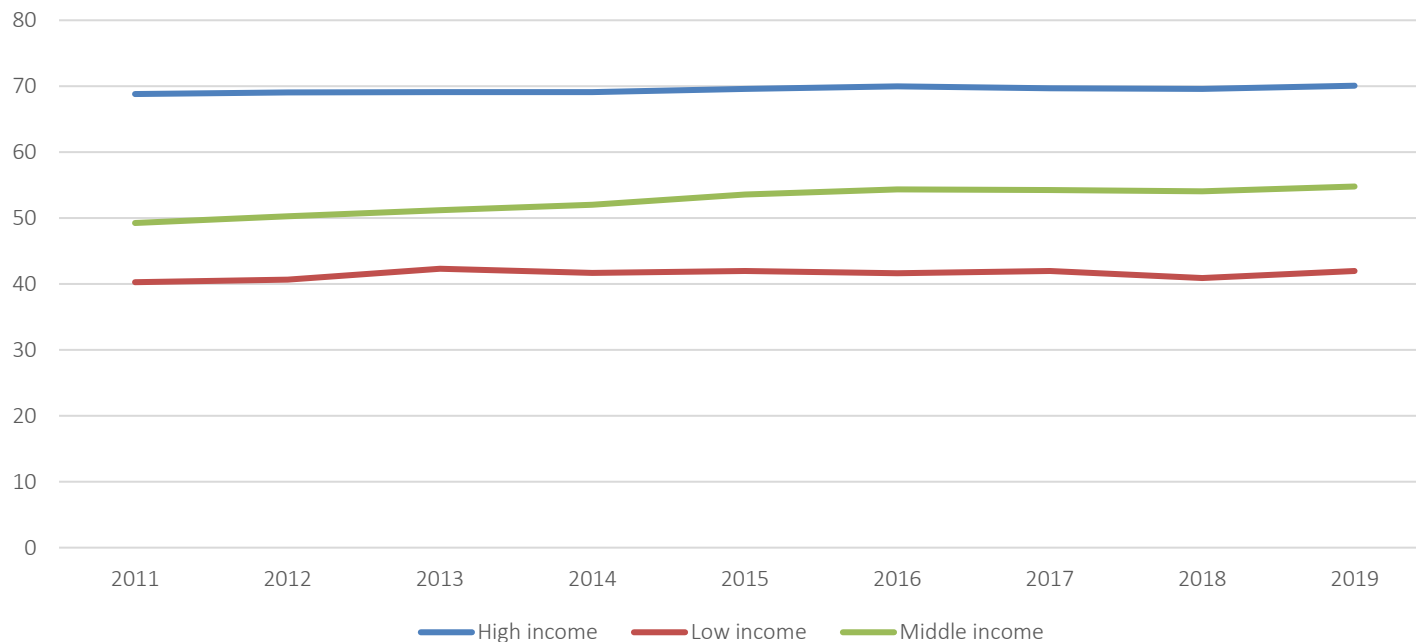
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OECD Trade in Services Division

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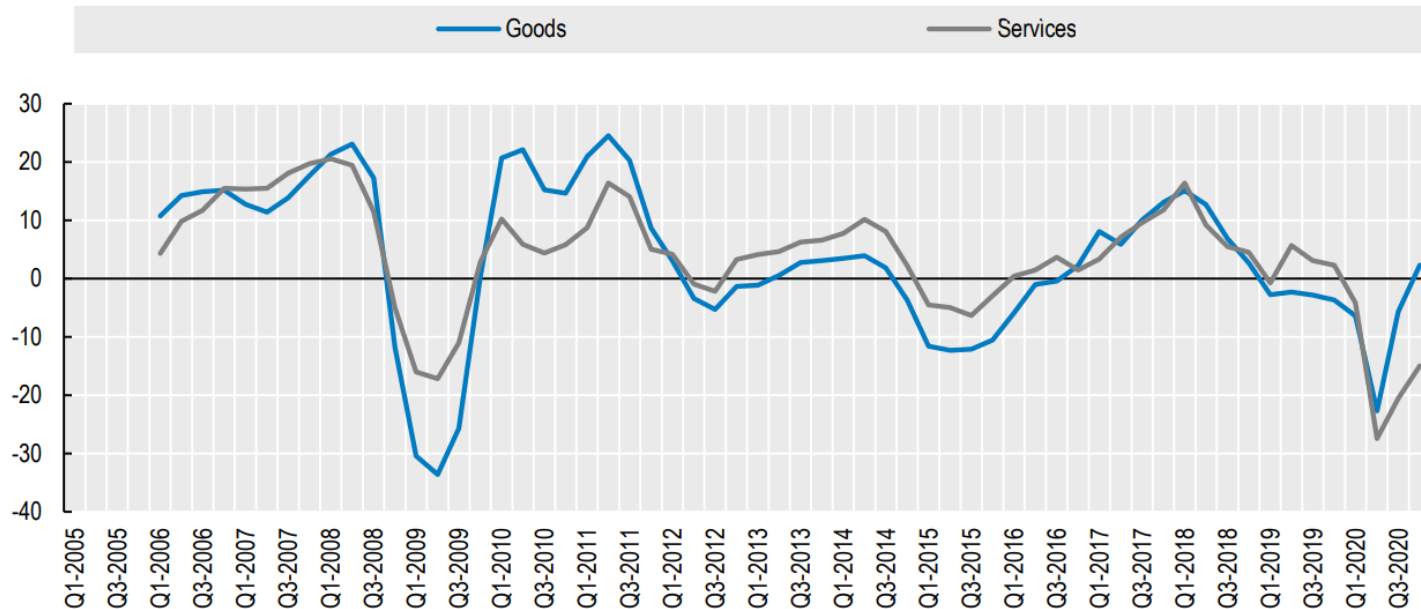
Services are key drivers of the economy

Services value added (% of GDP)



Source: WB WDI

The pandemic effects services trade more than goods trade




Source: OECD Balance of Payments Statistics, last accessed on 6 August 2021.


OECD (2021), *The impact of COVID-19 on directions and structure of international trade*, 20 September 2021, [OECD iLibrary | The impact of COVID-19 on directions and structure of international trade \(oecd-ilibrary.org\)](https://oecd-ilibrary.org/trade/the-impact-of-covid-19-on-directions-and-structure-of-international-trade)


What is the OECD STRI?


Regulatory
database

Access the Data


COUNTRY  all

SECTOR  all

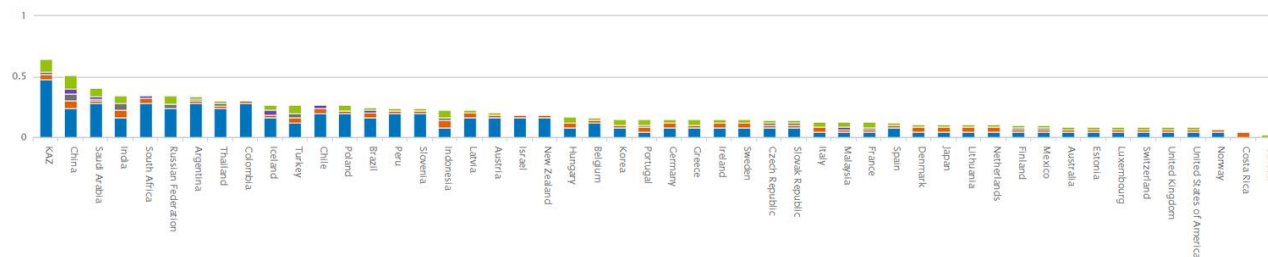
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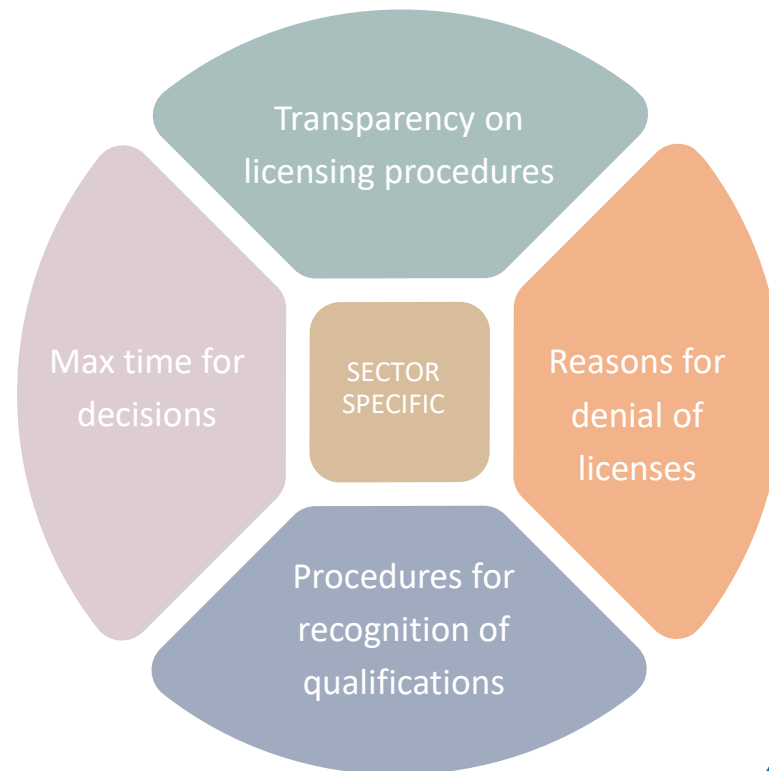
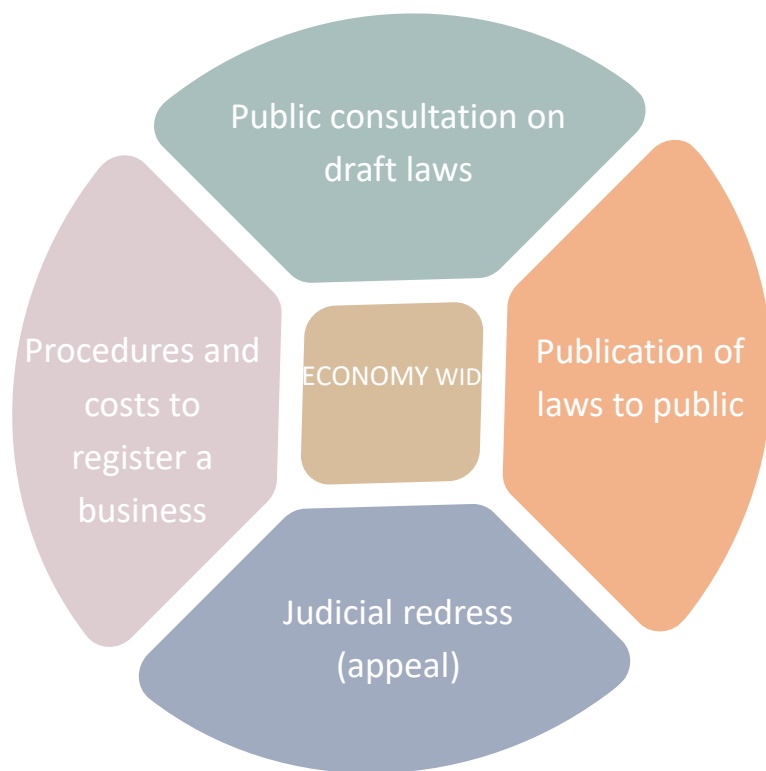
CLEAR ALL FILTERS 

CREATE TABLE 

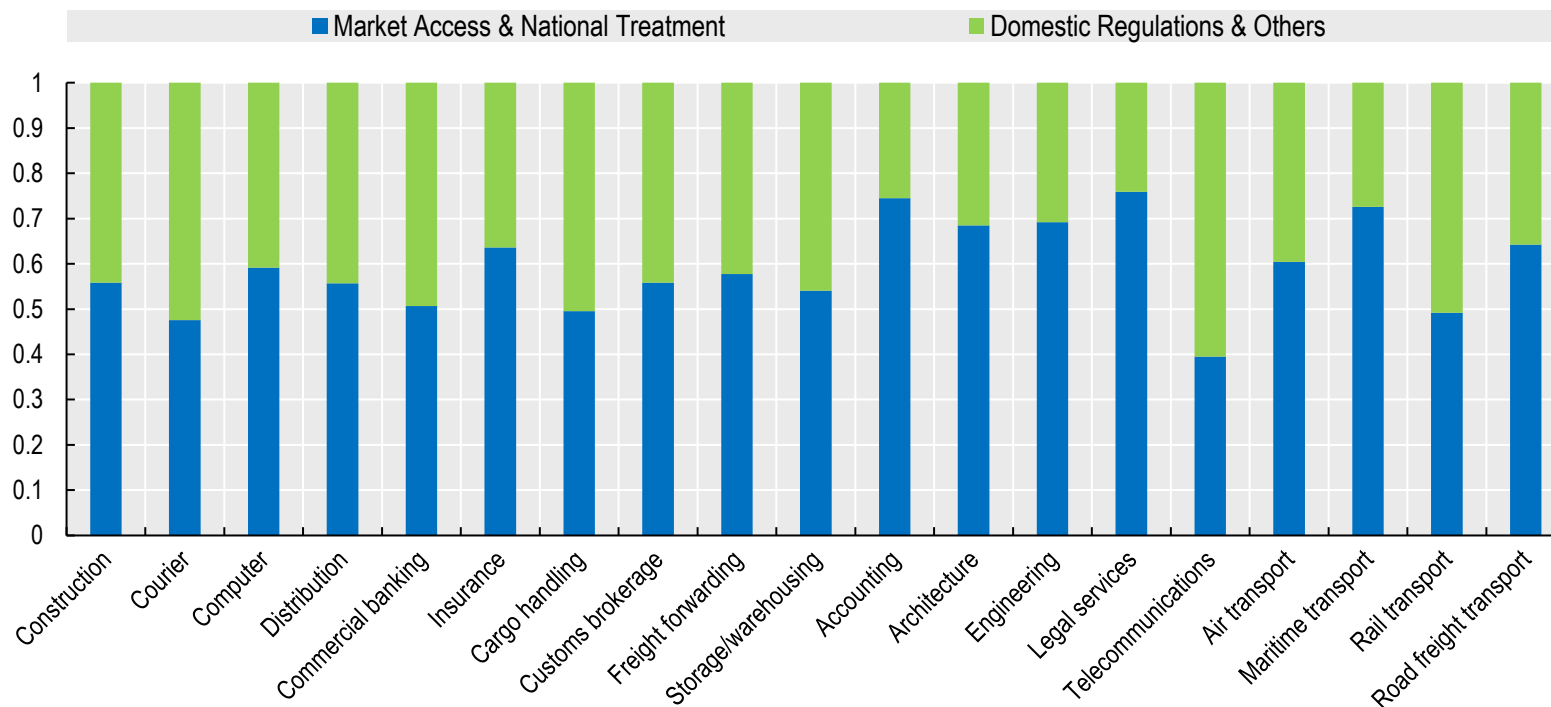
Indices



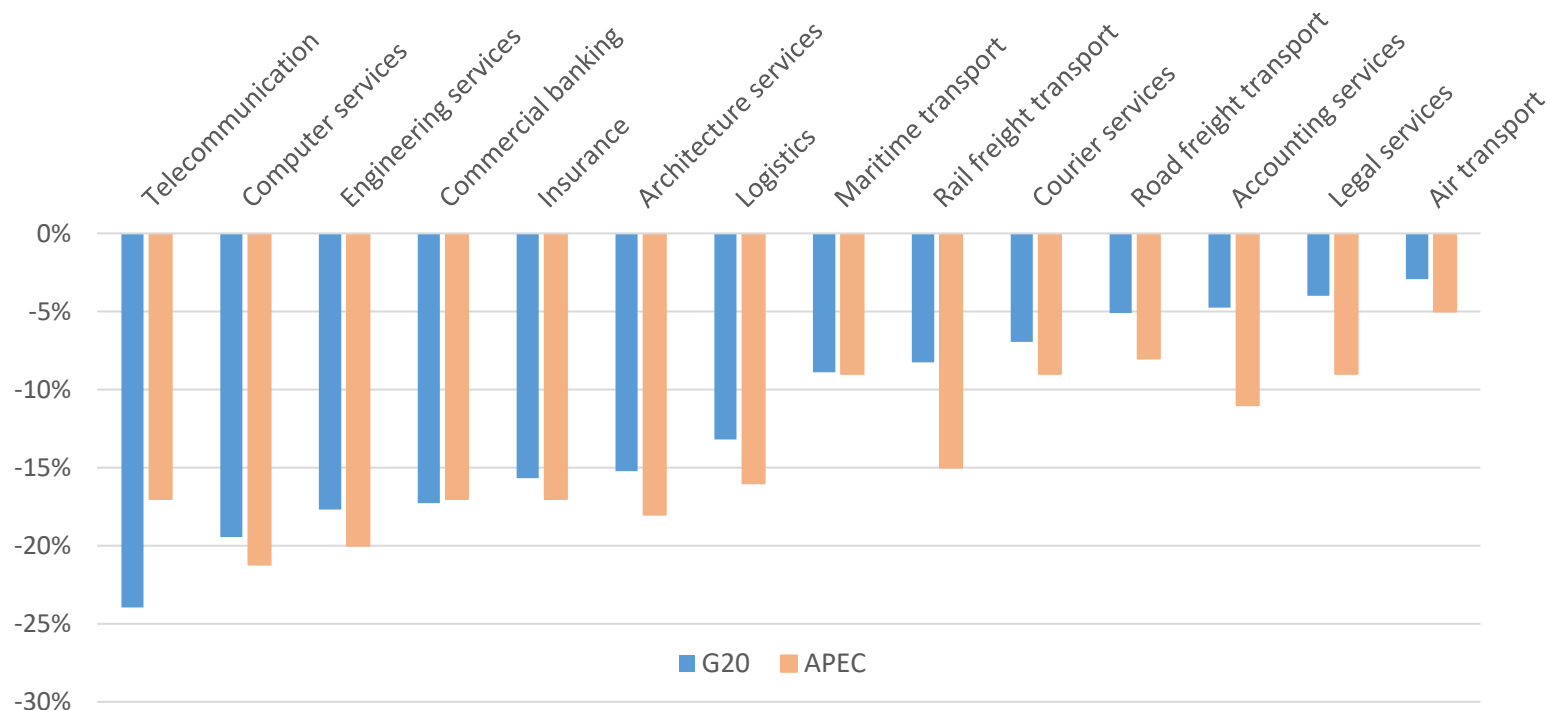
Domestic services regulation in the STRI (examples)



Domestic services regulations play a major part in trade openness



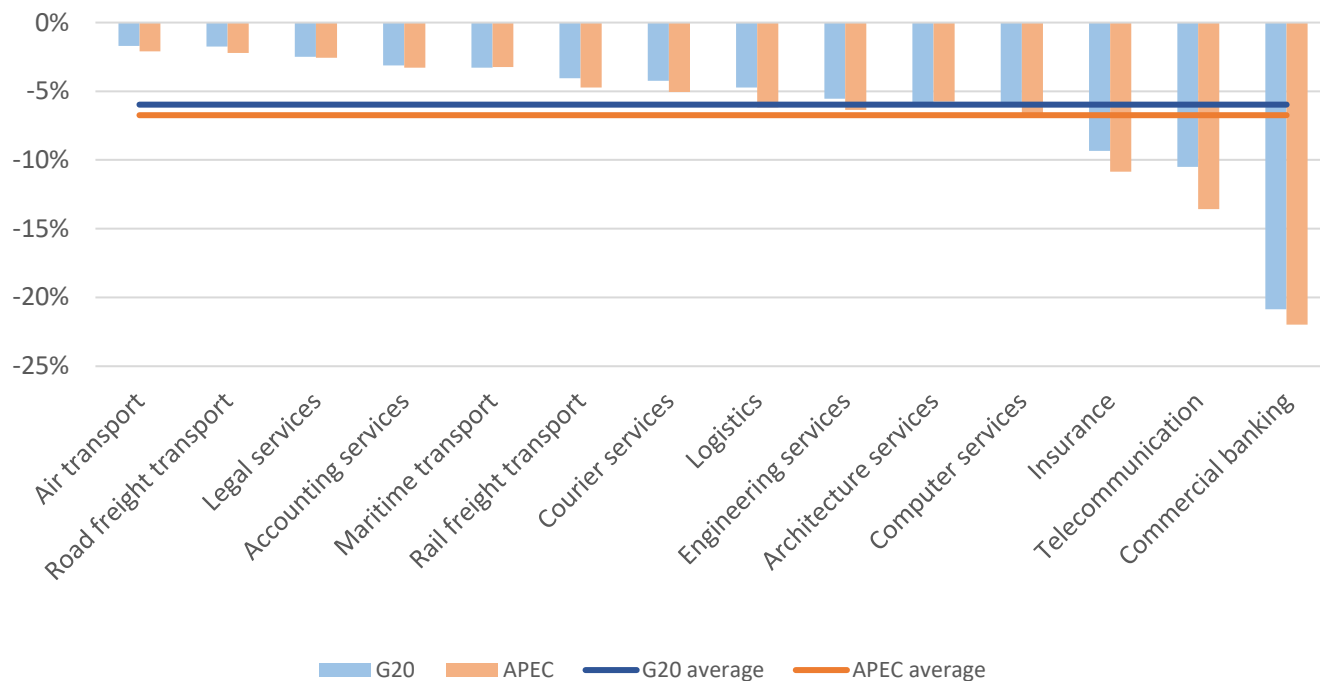
Easing regulatory hurdles..



Note: APEC based on 14 APEC economies currently covered in the OECD STRI. G20 based on 17 G20 countries and 19 further EU members currently covered in the OECD STRI. Trade-weighted average of intra-EEA restrictiveness and MFN restrictiveness for EU members. Equal weighting of all G20 members with available data, where the EU average is the simple average of 19 further EU members.

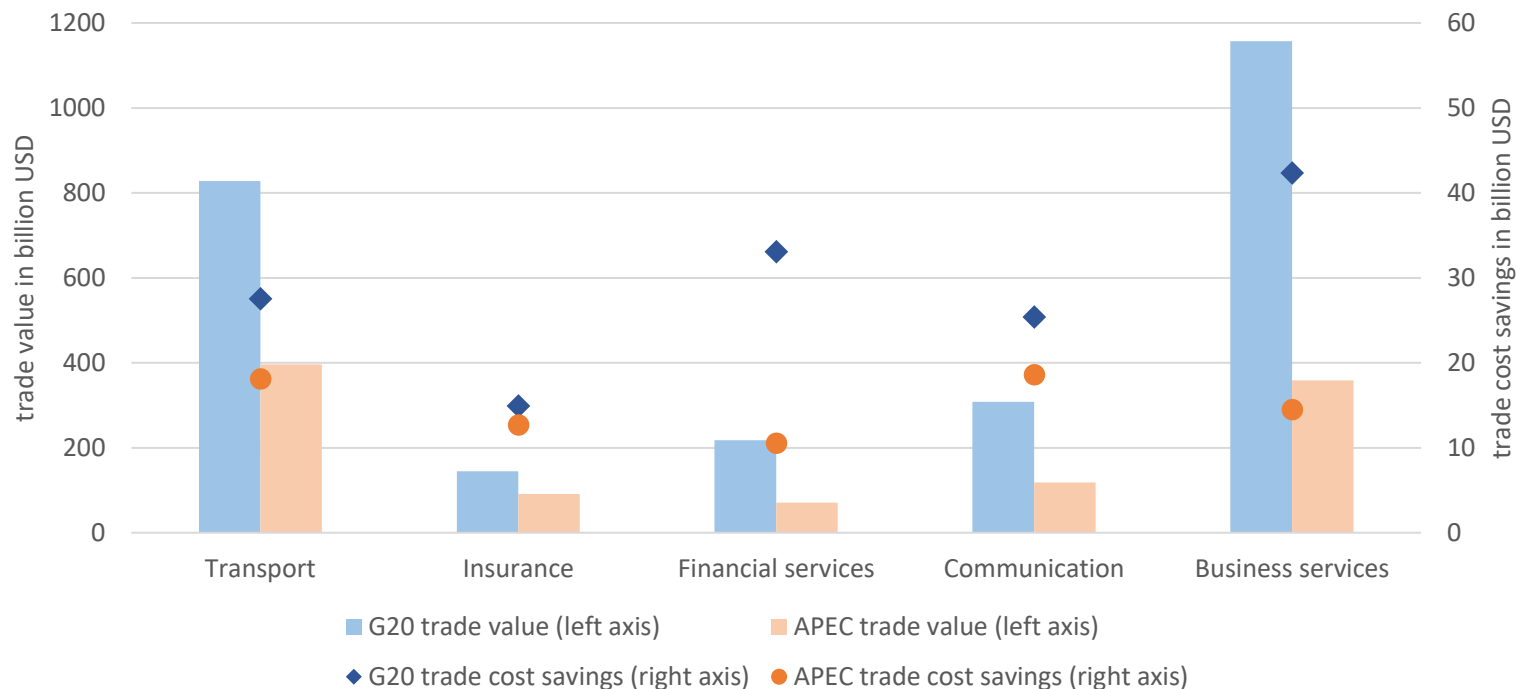


..can reduce costs for services trade



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Potential cost savings in APEC and G20



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Conclusion

- OECD STRI can be used to assess the potential of reform proposal and policy scenarios.
- Domestic Regulation JSI would lead to significant improvements in a wide range of trade-related policy areas.
- This could reduce services trade costs by around 7% on average in the APEC region and 6% for the G20.
- Total trade cost savings are in the range of USD 75 billion for APEC economies and USD 140 billion for the G20.
- Small and medium-sized enterprises (SMEs) will benefit most from more efficient domestic regulations.



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