
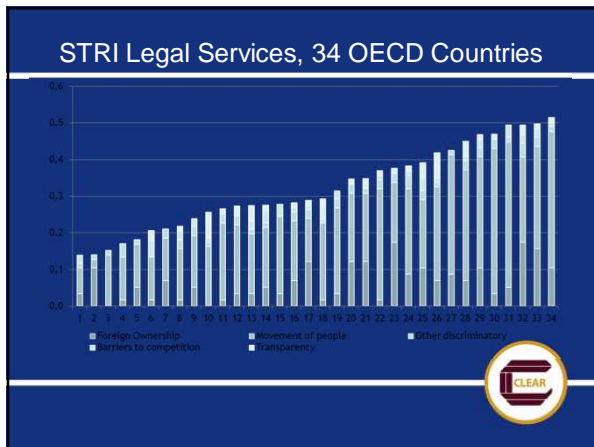


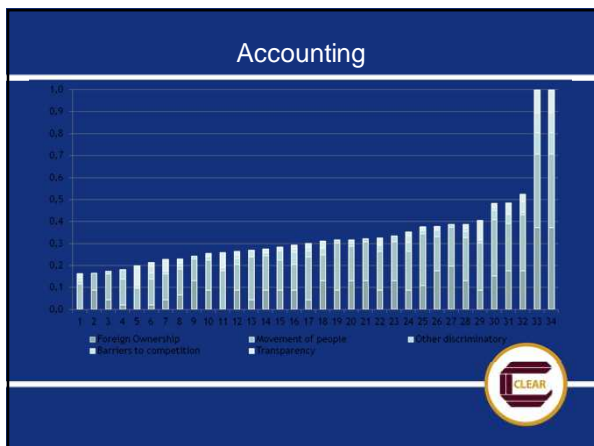
The STRI - What

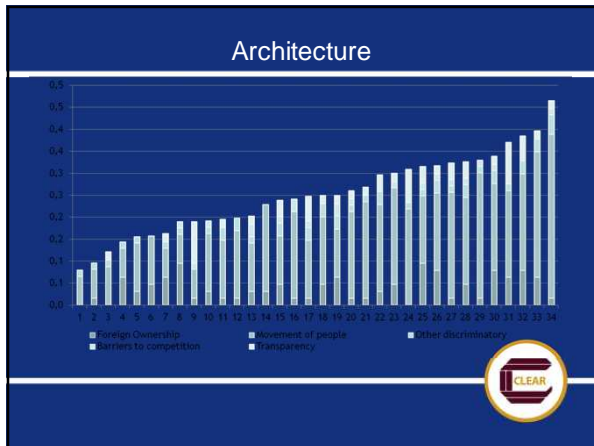
1. A regulatory database
 An inventory of trade policy measures and domestic regulation relevant for services trade negotiations and unilateral reforms

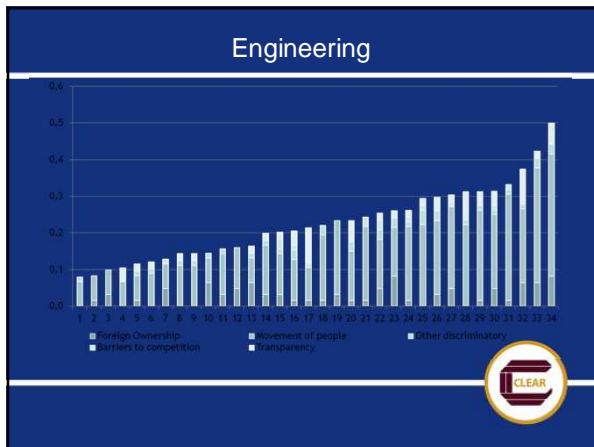
2. Composite indices
 A snapshot of trade restrictiveness



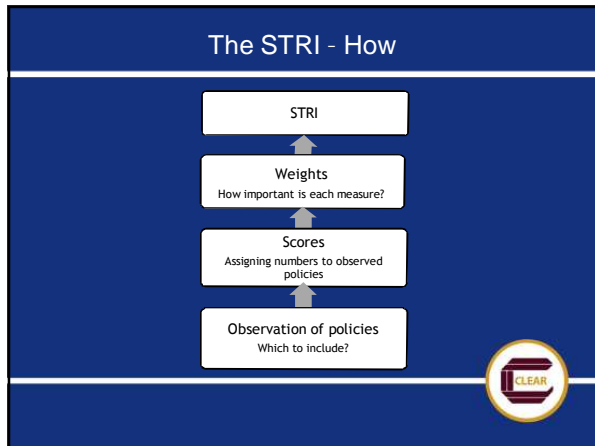


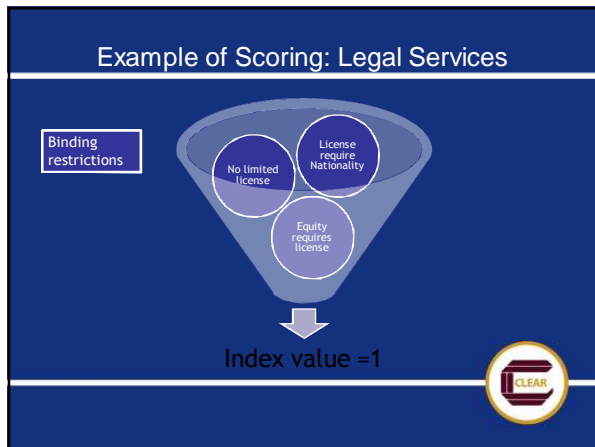







- ### Movement of People
- Accounts for the largest part of the STRIs in professional services
 - Licensing and licensing requirements
 - Nationality
 - (Prior) Residency
 - Local exams
 - Linkage between ownership and license
 - Recognition of qualifications





Different Regulations Example

- The number of regulated professions in EU countries ranges from 47 in Estonia to 404 in the Czech Republic; the un-weighted average is 157.




Why it matters

- Excessive regulation harms competitiveness (less inward and outward FDI, less trade, less diversified/branded exports in downstream industries) in regulated as well as other sectors that use its services
- Ease of enforcing contracts has a large effect on competitiveness in most sectors
- Different regulation has a similar effect on trade and investment as excessive regulation




What should be done?

- Reduce the number of regulated professions
- Independent regulators where regulation is retained
- Country of origin principle – but difficult to implement when country of origin does not regulate while country of destination does.



Concluding remarks

- The more regulation the more ways there are of having different regulation
- Regulation affects the entire value chain that regulated sectors/activities are part of
- Policy analysis need to take regulatory spillovers into account
- The STRI can be used for policy analysis, benchmarking reforms and impact assessment
- The STRI will be released at the MCM 2014



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