



**Asia-Pacific
Economic Cooperation**

2016/SOM2/CTI/WKS/005
Introduction

On the Value and Use of STRIs

Submitted by: WTO



**Capacity Building Workshop on Measuring the
Regulatory Environment in Services Trade of APEC
Arequipa, Peru
12 May 2016**



On the value and use of STRIs
*(with a reference to the Joint WB-WTO
Services Trade Policy Database)*

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*Workshop on Measuring the Regulatory Environment in Services
Trade of APEC*

Arequipa, Peru, 12 May 2016



Disclaimer

The presentation includes factual information.
However, views are personal and should not be
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The essence of STRIs

Services Trade Restrictiveness Indices (STRIs) essentially comprises two different but complementary tools:

1. A database of regulatory measures affecting trade in services on a economy-by-economy, sector-by-sector, and mode of supply basis
2. An index that provides a quantitative measure of services trade restrictiveness

Both are important
and useful!



Why measure restrictions on trade in services?

- At a policy level
 - Lack of information on the extent and impact of impediments to trade in services undermines liberalization and regulatory reform
 - It is useful to make the costs of protection as transparent as possible
 - Availability of information helps build coalitions in support of liberalization and best regulation
- At a negotiating level
 - Information supports the conduct of reciprocal liberalization negotiations

But...do not get obsessed
with a number!



STRIs and best regulatory practice

- ❑ STRIs provide a ranking (of restrictiveness) and a benchmark
 - “0” represents a fully open sector and “1” a completely closed market
- ❑ However, “0” is not necessarily the ideal
 - In calculating the STRI, no distinction is made regarding the objectives of regulation => restrictions may be necessary to deal with market failures and/or to meet particular social objectives
 - It is extremely difficult to make an assessment about the merits of regulation for economies with different regulatory objectives and structures
- ❑ Besides, having the same STRI level may conceal quite different underlying regulation
 - That’s why the database of regulatory measures is as important as the STRI number



The joint WB-WTO Services Trade Policy Database

- ❑ Despite any caveats, **collecting and organizing information** on trade in services, in particular on actual regulations and policies, **is necessary and useful**
- ❑ That’s why in 2013, World Bank and WTO joined forces
 - **Joint WB-WTO Services Trade Policy Database (I-TIP Services)**
 - Based on prior initiatives at the WB and WTO
 - At the WTO: GATS commitments database, services statistics, RTAs database
 - At the WB: Services Trade Restrictions Database (STRD)

<http://i-tip.wto.org/services/>

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STATISTICS
Integrated Trade Intelligence Portal (I-TIP)
 Improving the transparency of trade policy measures

The Integrated Trade Intelligence Portal (I-TIP) provides a single entry point for information compiled by the WTO on trade policy measures. Containing information on over 25,000 measures, I-TIP covers both tariff and non-tariff measures affecting trade in goods as well as information on trade in services, trade in government procurement markets, regional trade agreements and the accession commitments of WTO members. Its aim is to serve the needs of those seeking detailed information on trade policy measures as well as those looking for summary information.

Trade in goods

I-TIP Goods provides comprehensive information on non-tariff measures (NTMs) applied by WTO members in merchandise trade. It includes members' notifications of NTMs, such as technical barriers to trade, sanitary and phytosanitary measures, and anti-dumping and countervailing measures, as well as information on "specific trade concerns" raised at WTO committee meetings.

Trade in services

This integrated database – a joint initiative of the WTO and the World Bank – consists of information on members' commitments under the WTO's General Agreement on Trade in Services (GATS), services commitments in regional trade agreements, applied measures, and services statistics.

WORLD TRADE ORGANIZATION THE WORLD BANK

WELCOME TO I-TIP SERVICES

I-TIP Services is a joint initiative of the World Trade Organization and the World Bank. It is a set of linked databases that provides information on Members' commitments under the WTO's General Agreement on Trade in Services (GATS), services commitments in regional trade agreements (RTA), applied measures in services, and services statistics.

GATS **RTA Commitments** **Applied Regimes** **Reports** **Statistics**

The module on GATS contains information on the Members' market access commitments and exemptions to the obligation of most-favoured-nation (MFN). More...

The RTA module allows to access and search for information on Members' commitments in regional trade agreements notified under Article V of the GATS. Currently, the database covers a good proportion of services RTAs ([see list attached](#)). More...

The Applied Regimes module provides information on applied measures affecting access to markets and conditions of operation by foreign service suppliers. More...

This module provides summary reports in relation to specific commitments and MFN exemptions under the GATS, commitments in RTAs, and changes in applied policies.

The Services Statistics module accompanies the GATS, RTA and Applied regimes modules by providing relevant trade in services and related statistics. More...



The joint WB-WTO Services Trade Policy Database

Currently available:


- All WTO Members' GATS commitments and MFN exemptions on services
- Commitments undertaken by WTO Members in FTAs
 - 73 FTAs already publicly available
 - 26 more to be released soon
- Information on applied regulations by WTO Members in various sectors (*WB +*)
- Relevant statistics on services (cross-border trade, FATS, investment, various sectoral indicators)



The joint WB-WTO Services Trade Policy Database

Focus on applied regulations and policies:

- Module on Applied Regimes has been improved
- Information from various sources has been organized on the basis of a **joint WB/WTO classification of measures**
 - Builds on WB STRD (and compatible with OECD STRI Regulatory Database)
 - Searchable by Member, sector, measure, categories of measures
 - Downloadable in Excel




Joint WB/WTO classification of measures

Five categories

- A. Conditions on market entry
- B. Conditions on operations
- C. Measures affecting competition
- D. Regulatory environment and administrative procedures
- E. Miscellaneous measures

"index-ready"

fully compatible
–at the measure level–
with OECD STRI
taxonomy



Joint WB/WTO classification of measures

A Conditions on market entry

1. Forms of entry (including foreign equity limits)
2. Quantitative and administrative conditions (for firms and natural persons)
3. Conditions on licensing/qualifications relating to market entry (for firms and natural persons)
4. Other conditions on market entry

B Conditions on operations

1. Conditions on supply of services
2. Conditions on service supplier
3. Conditions on government procurement
4. Other conditions on operations



Joint WB/WTO classification of measures

C Measures affecting competition

1. Conditions on conduct by firms
2. Governmental rights/prerogatives (including public ownership)
3. Other measures affecting competition

D Regulatory environment and administrative procedures

1. Regulatory transparency (including licensing)
2. Nature of regulatory authority (measures related to nature of regulator)
3. International standards
4. Conditions related to administrative procedures
5. Other regulatory environment and administrative procedures

E Miscellaneous measures



Joint WB/WTO classification of measures

Improvements over previous (WB and OECD) attempts

- Pays particular attention to domestic (non-discriminatory) regulation whenever relevant (e.g. conditions on licensing; conditions on supply of service; conditions on service supplier)
- Covers not only M3 and M4 but also, explicitly, cross-border supply
 - Each sub-category of measures contemplates measures relevant for each mode of supply (e.g. “conditions on service supplier” contemplates measures for suppliers supplying through M1, M3 and M4)



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Final thoughts

- The underlying regulatory database is as relevant as the index itself
 - That's why the classification of measures is so important

- Ideally, we (i.e. all the organizations involved) should not duplicate efforts

- Ideally, we (i.e. all the organizations involved) should all converge towards a global public good and/or find ways of complementing each other's efforts



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THANK YOU!