

# A Short Primer on the Services Trade Restrictions Database

The [database](#), its features and content are briefly described below. For a more thorough discussion, please refer to the “[Guide to the Services Trade Restrictions Database](#)” (hereafter, the Guide).

## SCOPE OF THE DATABASE

The database covers 103 countries that represent all regions and income groups of the world. For each country, five major services sectors are covered that encompass a total of 19 subsectors:

- Financial services: retail banking (lending and deposit acceptance) and insurance (automobile, life and reinsurance)
- Telecommunications: fixed-line and mobile
- Retail distribution
- Transportation: air passenger (international and domestic), maritime shipping, maritime auxiliary, road trucking and railway freight
- Professional services: accounting, auditing, and legal services (advice on foreign/international law, advice on domestic law, and court representation)

Each subsector in turn covers the most relevant modes of supplying the respective services, yielding overall 34 country-subsector-mode combinations:

- Mode 1: financial services, transportation and professional services
- Mode 3: all subsectors
- Mode 4: professional services

Further details about the sector and country coverage are provided in Table 1 and [Annex Table 1](#) of the Guide.

## DATA COLLECTION

To obtain original information about applied services trade policies, the World Bank has conducted surveys in 79 developing countries. The survey questionnaire can be found here: [World Bank Survey on "Impediments to international integration"](#). The surveys were completed by local law offices which have extensive expertise in local investment laws, regulations, and the practical experience of working in these sectors. The surveys are based upon each country's objective legislative information, augmented with

information on implementation of regulatory measures as applicable. A detailed list of contributors is provided in the [Annex Table 6](#) of the Guide.

With respect to the OECD countries covered, comparable policy information was collected from various publicly available sources, including the respective country's GATS commitments and offers, WTO reports, and Economic Intelligence Unit reports, among others.

For all countries, information on cross-border air transportation policies comes from the [WTO's QUASAR database](#).

The accuracy of all policy information, whether collected through surveys or otherwise, was confirmed by the Government and Ministry officials of the countries. The information presented in the database reflects the Government feedback, if any, in cases when the feedback deviated from the survey information. The list of countries for which we received Government feedback can be found in the [Annex Table 1](#) of the Guide.

## MEASURING THE RESTRICTIONS

There are, in principle, different ways of measuring restrictions on services trade (please see Section 3 in "[Policy Barriers to International Trade in Services: Evidence from a New Database](#)"). One way of summarizing the effect of applied policies is to represent the restrictiveness in one single index measure. We construct such an index, the Services Trade Restrictiveness Index (STRI), at the most disaggregated level for any subsector-mode combination. This measure of openness is simple and transparent. Compared to other indices based on a fixed set of scores and weights, it avoids problems such as the double-counting of non-binding restrictions. As compared to measures which infer restrictiveness through the impact of measures on some outcome, this measure is not dependent on the availability of data on services sector performance.

In essence, within each subsector-mode we assess policy regimes in their entirety and map the bundle of applied policies into five broad categories (with associated scores):

- Completely open (0);
- Virtually open but with minor restrictions (25);
- Major restrictions (50);
- Virtually closed with limited opportunities to enter and operate (75);
- Completely closed (100).

After assigning a score to a subsector-mode, the scores can be aggregated into sector, modal or regional indices using, at each step, the following types of weights:

- Modal weights: a sector-specific set of weights reflecting expert judgment as to the relative importance of alternative modes of supplying a specific service;
- Sector weights: a set of weights derived from the average share of a given services sector in value-added for an average industrialized country. Sector weights are constant across countries to ensure comparability;
- Country weights: equal weights within a region. Equal weights avoid a regional average score becoming completely dominated by one very large economy such as China or India, as would happen with, for instance, any kind of GDP-based weight.

[Annex Tables 4 and 5](#) of the Guide provide further details about the scoring rules and the weights used.

## ABOUT US

The project has been conducted and implemented by the Trade and International Integration unit of the World Bank's Development Research Group. In addition to the consultants and lawyers from survey countries, the following current and former staff of the World Bank worked on developing the database:

Aaditya Mattoo, Research Manager  
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The following consultants contributed significantly to the creation of the database.

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