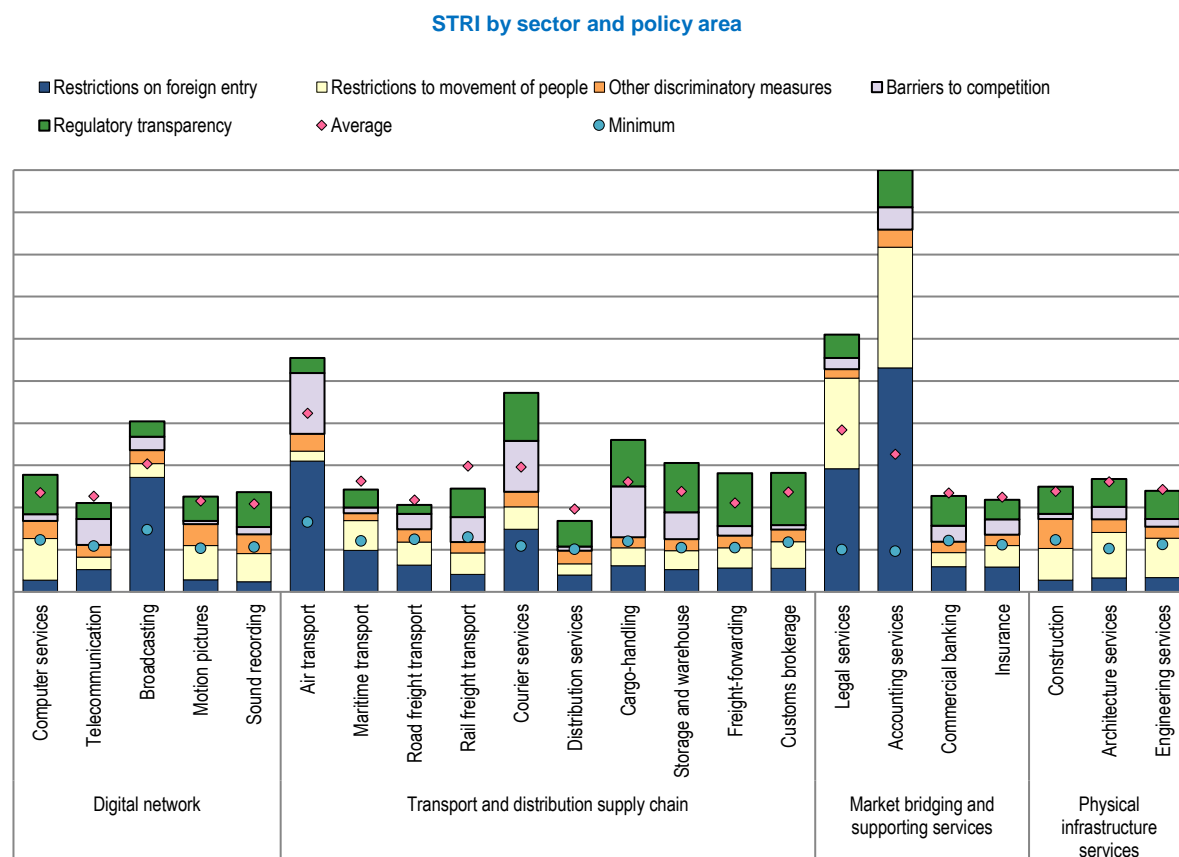


OECD Services Trade Restrictiveness Index (STRI): Turkey

Turkey exported services worth USD 43 billion and its services import value was USD 23 billion in 2017. The largest services exporting sector is personal travel, and sea transport services account for the largest category of services imports. Turkey's score on the STRI in the 22 sectors is shown below, along with the average and the lowest score among the 45 countries included in the STRI database for each sector.



Note: The STRI indices take values between zero and one, one being the most restrictive. They are calculated on the basis of the STRI regulatory database which contains information on regulation for the 36 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Malaysia, Russia and South Africa. The STRI database records measures on a Most Favoured Nations basis. Preferential trade agreements are not taken into account. Air transport and road freight cover only commercial establishment (with accompanying movement of people).

Horizontal policy measures

Turkey has a lower score on the STRI than the average in eight out of 22 sectors. This can be explained in large part by general regulations that apply to all sectors in the economy. Work permits issued to foreign nationals seeking to provide services on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers are subject to labour market testing. The duration of stay for these persons is also limited to 12 months on their first entry permit. The public procurement market is not fully open for foreign tenderers and a minimum amount of capital must be deposited in a bank or with a notary in order to register a business.

The sectors with the relatively lowest STRI scores

Rail freight transport, distribution services, and maritime transport are the three sectors with the lowest score relative to the average of all countries included in the STRI database. In rail freight transport services, the main

service provider is state-owned and the decisions of the sector regulator remain subject to government oversight. In distribution services, the score is driven mainly by limitations that apply across the economy. For example, there are restrictions concerning the acquisition of land by foreigners. Regarding maritime transport, foreign-flagged ships are excluded from cabotage. In addition, foreign providers are obliged to use a local maritime port agent.

The sectors with the relatively highest STRI scores

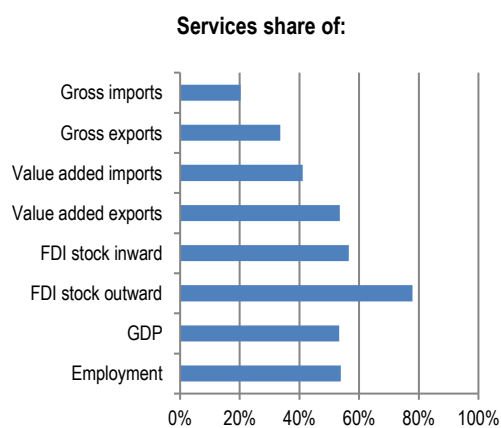
Accounting services, courier services, and legal services are the three sectors with the highest score relative to the average across all countries covered by the STRI database. The accounting sector is comprised of accounting and auditing. Both are regulated professions in Turkey. A license to practice requires Turkish nationality. Only licensed professionals may own, manage or sit on the board of accounting and auditing firms. Commercial associations with other professionals are not permitted. There is no temporary licensing in place, which means that the market is effectively closed to third country services providers.

Courier services include letters, parcel and express delivery services. The state-owned designated postal operator has a monopoly on the delivery of letters, newspapers and small parcels, which closes the letter segment to private competitors. In legal services, only licensed lawyers may own and sit on the board of law firms that provide legal services in domestic law. Furthermore, only Turkish nationals can obtain a license to practice domestic law, although foreign attorneys may provide advisory services on international and foreign law.

Recent policy changes

In 2015, Turkey adopted a regulation that implemented the 2013 Law on Liberalisation of the Turkish Rail Transport. The new regulation paved the way for operationalising the reforms prepared for the rail transport sector. In 2016, Turkey also adopted a new law on the protection of personal data.

Efficient services sectors matter



Services account for 34% of Turkey's gross exports but for 54% in value added terms. This indicates that Turkey's exports of goods rely intensively on services inputs. Services account for 53% of GDP and employment, which implies that earnings and aggregate demand depends crucially on productivity in the services sector.

The information and communication technology revolution opens new opportunities for inclusive growth in Turkey. Innovation and adoption of technology relies on access to knowledge and to the networks, people, goods and services that carry the knowledge around the world. In this context, Turkey could benefit from more open markets for services trade through the temporary movement of natural persons in some sectors.

More information

- » Access all of the country notes, sector notes and interactive STRI tools on the OECD website at <http://oe.cd/stri>
- » Read more about services trade policies and their impacts in this publication: [Services Trade Policies and the Global Economy](#)
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org