

## OECD Services Trade Restrictiveness Index (STRI)

### TURKEY – 2020

#### Key findings

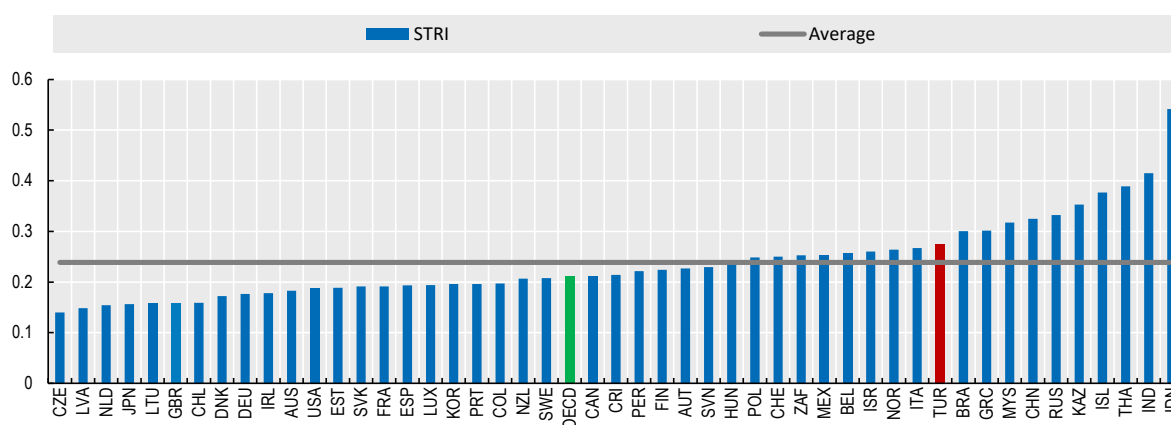
- The 2020 STRI of Turkey is relatively high compared to other countries for which the indicator is available.
- Key reforms in 2020 include the introduction of a local presence requirement for the cross-border provision of services in several sectors. In addition, a significant reduction of the business visa processing time between 2019 and 2020 was recorded.
- Rail freight transport is the most open services sector in Turkey, whereas accounting services is the most restricted.
- There is substantial scope for further reductions of barriers to services trade in several policy areas, e.g. regarding barriers to the movement of people in professional services.

#### Recommendation

- 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.

The 2020 STRI of Turkey is above the OECD average and relatively high compared to other countries in the STRI sample (Figure 1). The indicator has slightly decreased since 2019.

Figure 1. Average STRI across countries, 2020



Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nations basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2020. The STRI regulatory database covers the 37 OECD countries, Brazil, China, Costa Rica, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, South Africa, and Thailand.

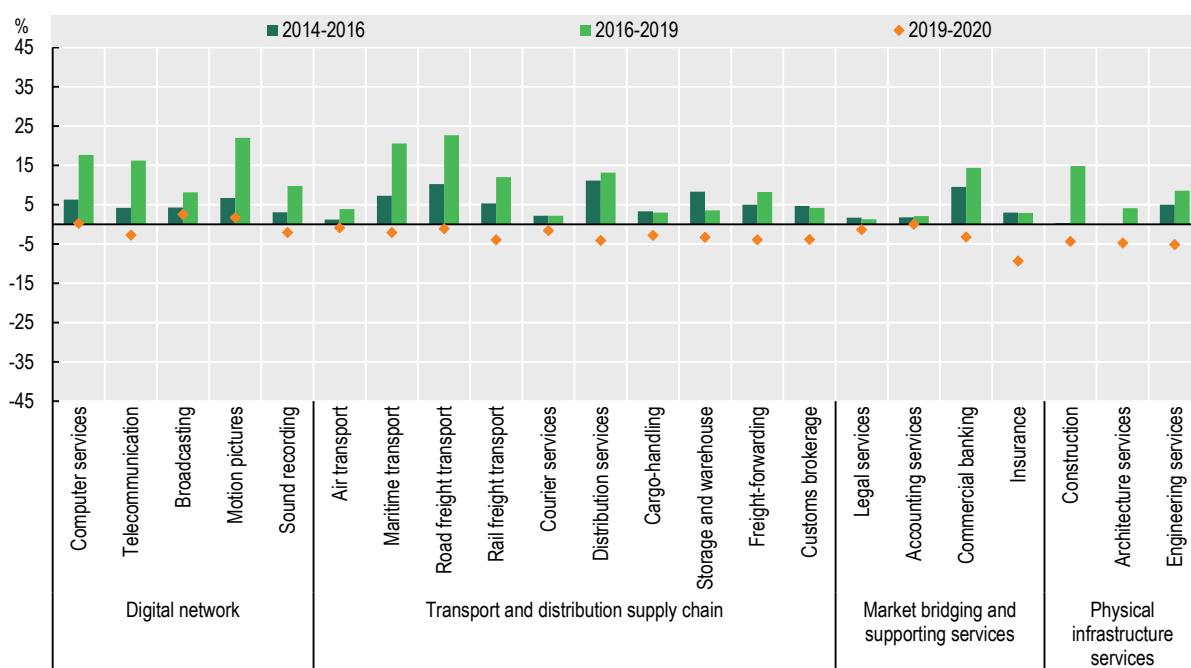
Source: OECD STRI and TiVA databases (2020).

The 2020 index can be explained in large part by general regulations that apply to multiple sectors. 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 certain data must be stored locally.

In addition, sector-specific restrictions contribute to the STRI of Turkey. In accounting and auditing, a license to practice requires Turkish nationality. Only licensed professionals may 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. In courier 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.

The Turkish regulatory framework for trade in services became more restrictive during 2014-2016 and 2016-2019 (Figure 2). Mostly due to a reduction in visa processing times, a reduction of barriers to services trade was recorded in several sectors for 2019-2020.

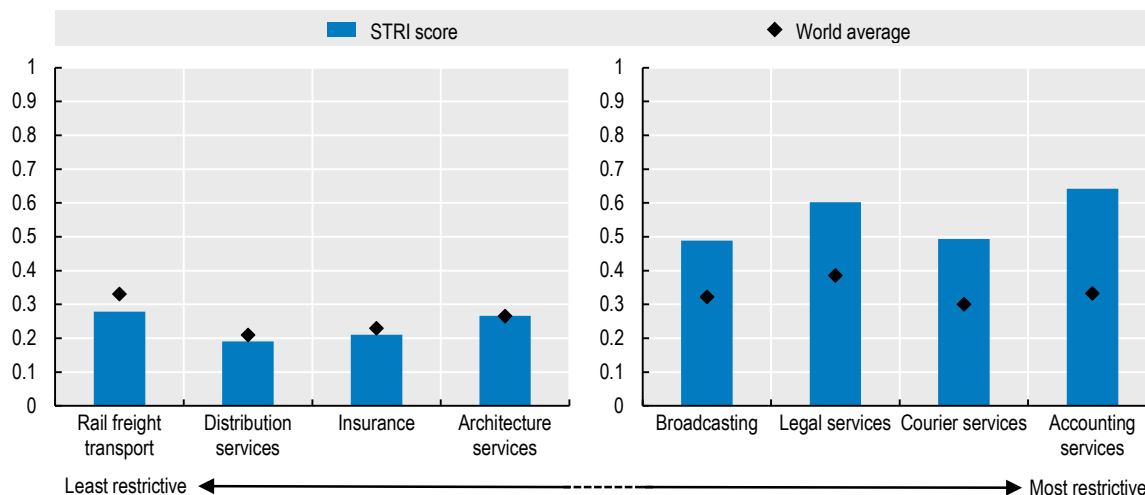
Figure 2. Evolution of STRI scores by sector in Turkey



Services Trade Restrictiveness Index, percentage change over the period 2014-2016, 2016-2019 and 2019-2020  
 Source: OECD STRI database (2020)..

Rail freight transport, insurance, maritime transport and architecture services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Broadcasting, legal services, courier services and accounting services are the sectors with the highest score relative to the average STRI across all countries.

**Figure 3. Sectoral breakdown –The least and most restricted sectors in Turkey**

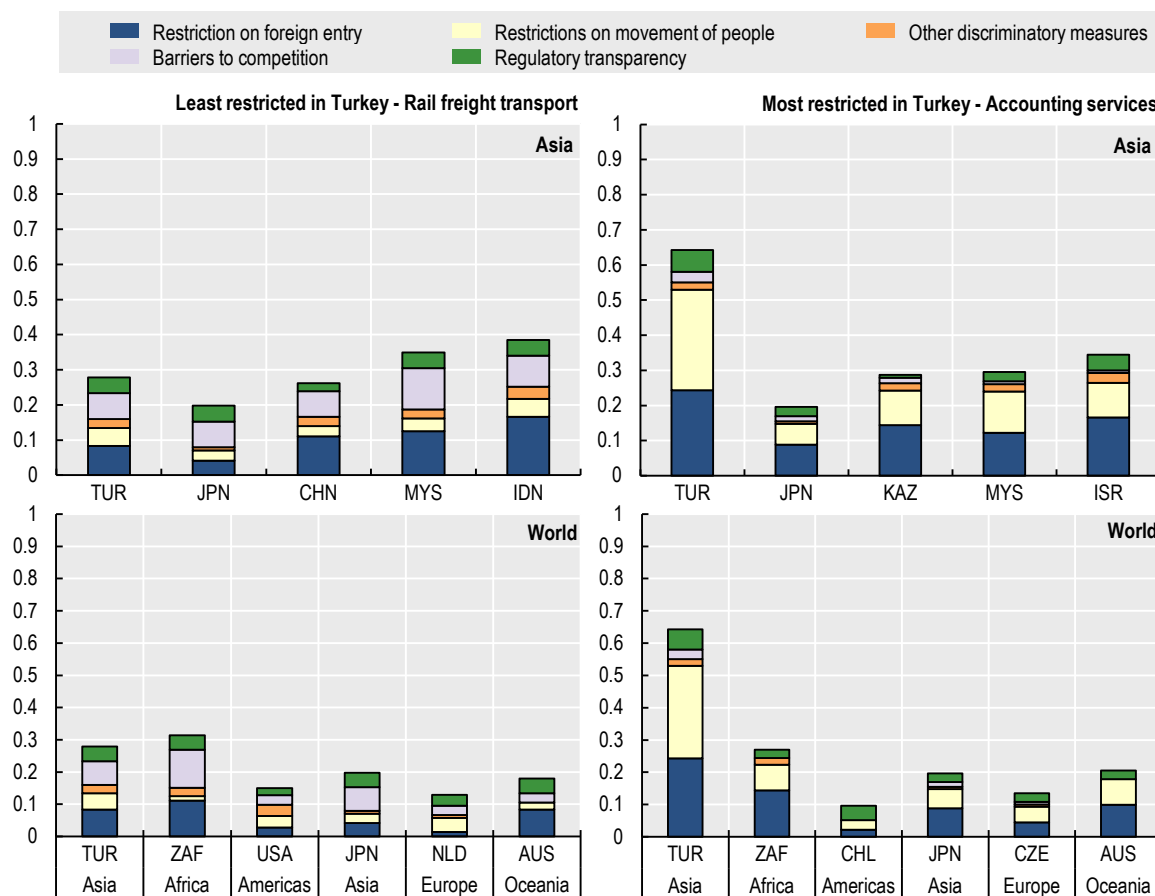


Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference  
 i.e.  $(STR I_{country, sector} - STR I_{world average, sector}) / STR I_{world average, sector}$

Source: OECD STR I database (2020).

Rail freight transport services are the least restricted services sector in Turkey compared to Asia and the other best performers elsewhere while accounting services are the most restricted (Figure 4).

**Figure 4. Turkey compared to Asia and World's best performers**

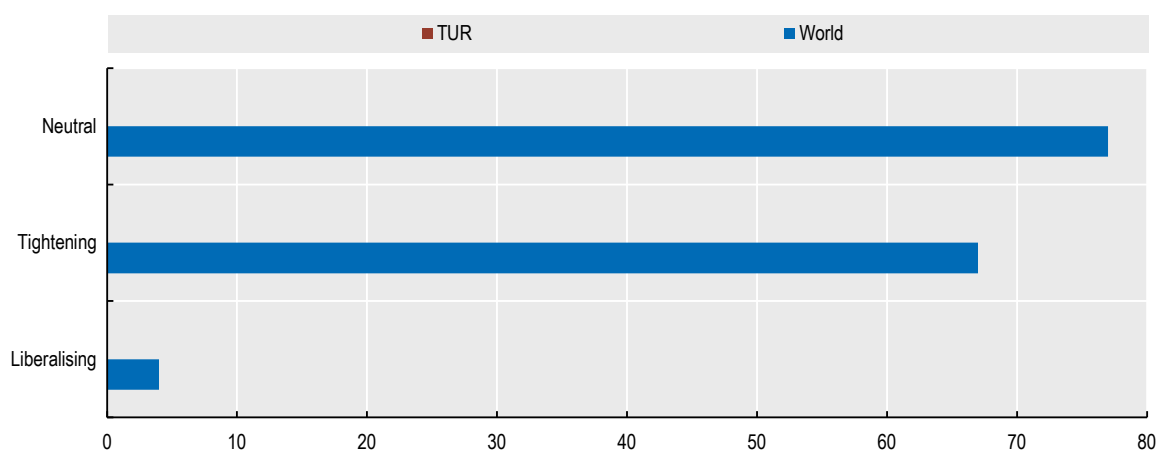


Source: OECD STR I database (2020).

## Special focus: Impact of COVID-19-related measures on the stringency of services regulations

While Turkey has adopted several measures in response to the COVID-19 crisis, these were either temporary in nature or not directly relevant for the measures considered in the STRI database. Many countries have tightened their regulatory framework following the COVID-19 shock, by tightening their investment screening process or their visas requirements (Figure 5).

Figure 5. COVID-19 related measures in Turkey and in the world



Source: OECD STRI database (2020).

## Key reforms

In 2020, the establishment of a local presence in Turkey became a requirement for the cross-border provision of services in the case of computer services, motion pictures, sound recording, and broadcasting services. Moreover, there was a reduction in the processing time for business visa from 15 to 4 days between 2019 and 2020. In the commercial banking sector, the length of term of heads of the supervisory authority was reduced from five to four years in 2018. In addition, in telecommunications a regulation that entered into force in 2019 obliges communication service providers to set up internet exchange points in Turkey. Following the introduction of new rules in 2019, certain data must be stored locally in several sectors, such as computer services and accounting services.

## More information

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