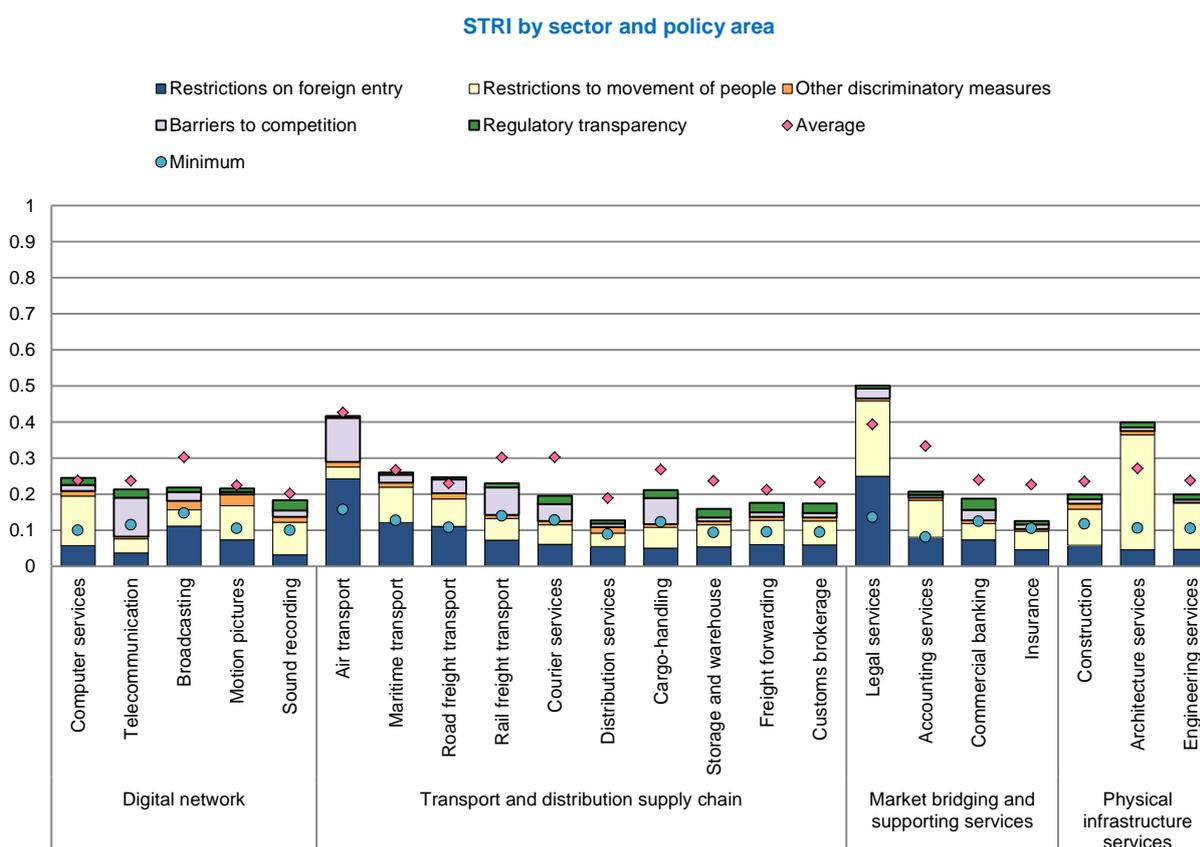


OECD Services Trade Restrictiveness Index (STRI): Estonia

Estonia exported services worth USD 6 billion and its services import value was USD 4 billion in 2016. Transport and travel services are both the largest services exporting sectors and the main categories of services imports. Estonia's score on the STRI in the 22 sectors is shown below, along with the average and the lowest score among the 44 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 35 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Lithuania, 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

Estonia has a lower score on the STRI than the average in 18 out of 22 sectors. With a few exceptions due to sector-specific impediments, Estonia has a relatively liberal regulatory regime in place for foreign services suppliers wishing to enter the market through commercial presence. Nonetheless, quotas are applied to workers seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers; also labour market test is applicable for these categories through wage parity requirement. These categories may stay in the country for up to 24 months on their first entry permit. Moreover, non-discriminatory treatment in the public procurement process is only guaranteed to EEA members or parties to the WTO's Government Procurement Agreement. The standards for cross-border transfer of personal data are set at the EU level. Transfers to non-EEA economies can only take place when these ensure an adequate level of protection that is substantially similar to that required in the EU or when private data processors, both senders and receivers, establish various safeguards approved by the data

protection authorities. Finally, 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

Insurance, accounting services and courier services are the three sectors with the lowest score relative to the average in Estonia. A large majority of insurance companies are owned by financial institutions from other EU members. Estonia is also fully open to foreign investment and acquisitions by financial firms from third countries. It is significantly more liberal than most countries regarding the cross-border supply of insurance and reinsurance. Accounting services cover also auditing. Accounting is not a regulated profession except for the auditing segment, where few specific restrictions are in place. In courier services, the designated postal operator is state-owned, but the sector is otherwise subject to the general regulatory framework.

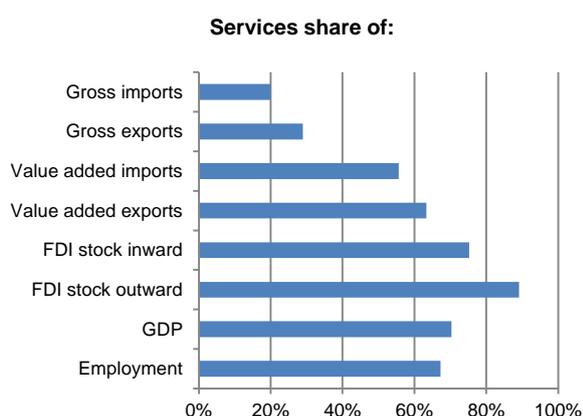
The sectors with the relatively highest STRI scores

Legal services, architecture services, and road freight transport are the three sectors with the highest score relative to the average in Estonia. In the legal sector, the services of legal consultants in international law are not regulated but as in most countries, domestic law practice requires admission to the Bar association. Estonia has no process for the recognition of foreign qualifications in legal services except for EEA states and countries with which Estonia has signed preferential agreements. Foreign professionals are under an obligation to completely re-do their qualification and acquire practice locally, and take up residency in order to practice domestic law. The fact that only lawyers who are fully licensed in an EU Member state may own shares and be partners in law firms constitutes a further impediment. Similarly, architecture is a regulated profession where the recognition of foreign qualifications only applies to EEA countries. Temporary licenses for specific projects are not available. Road freight transport is subject to EU regulation that requires EEA residence for the manager of a road transport operator and partly exempts road carrier agreements from anti-trust regulation.

Recent policy changes

In 2017, foreign workers are subject to wage parity requirements. In 2015, rules were introduced to improve the enforcement of copyright in the digital environment.

Efficient services sectors matter



Services account for 30% of Estonia's gross exports, but over 60% of its exports in value added terms, indicating that Estonia's exports of goods rely intensively on services inputs. The information and communication technology revolution opens new opportunities for inclusive growth in a services economy like Estonia. 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, Estonia could benefit from more open markets for services trade through the temporary movement of natural persons.

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