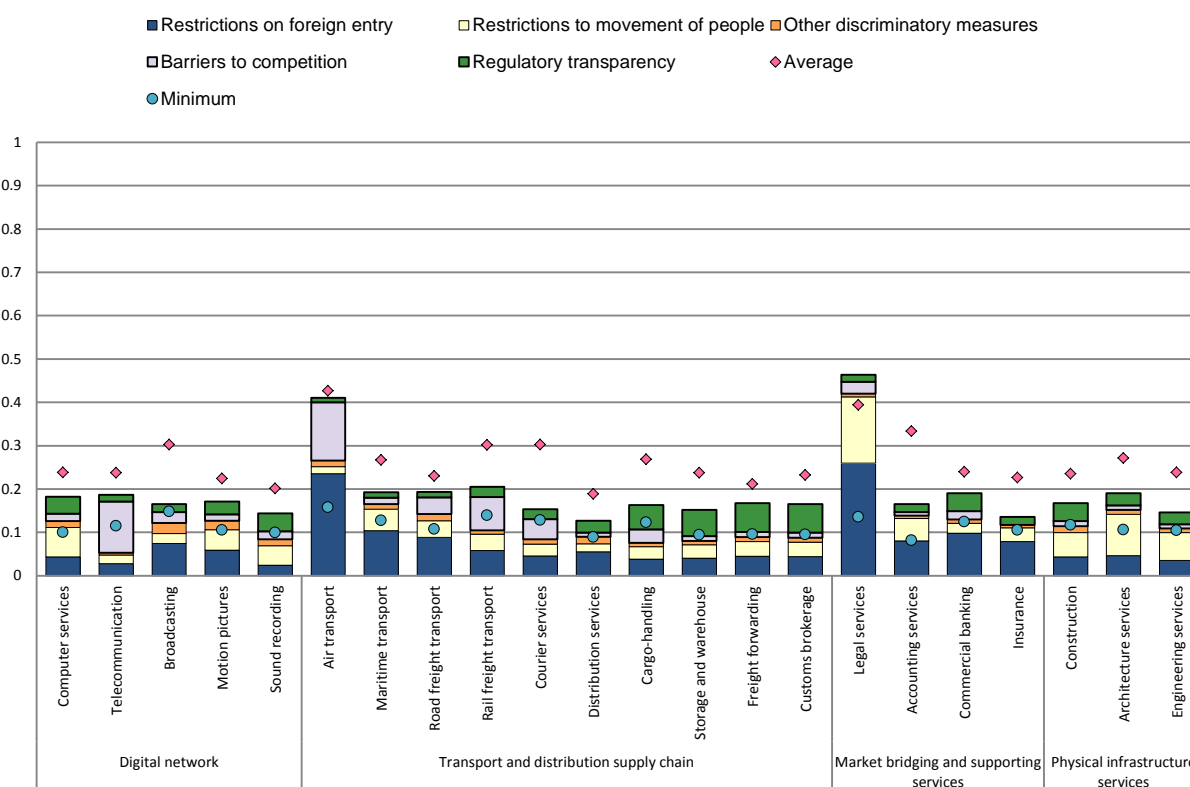


OECD Services Trade Restrictiveness Index (STRI): Lithuania

Lithuania exported services worth USD 6.6 billion and its services import value was USD 4.6 billion in 2016. Transport services are the largest exporting and importing services sectors. Lithuania's score on the STRI the 22 sectors covered by the STRI project is shown below, along with the average and the lowest score among the 44 countries included in the STRI database for each sector.

STRI by sector and policy area



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

Lithuania has a lower STRI score than the average in 21 out of 22 sectors. Restrictions having an economy-wide effect include limitations on the acquisition of real estate by foreigners, although nationals from EEA and OECD Members are exempted. Wage parity requirements apply to foreign intra-corporate transferees and the duration of stay for contractual services suppliers and independent services suppliers is limited to 12 months on their first entry permit. A minimum amount of capital must be deposited in a bank or with a notary in order to register a limited liability company and comparative advertising is regulated. 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, the STRI database reveals some gaps in regulatory transparency and efficiency. For example, the legal obligation to publish final and voted law prior to entry into force (one day) is significantly less than best practice.

The sectors with the relatively lowest STRI scores

Accounting services, courier services and broadcasting services are the three sectors with the lowest score relative to the average in Lithuania. Accounting services cover also auditing. In this sector, only auditing is regulated. Majority of board of directors and manager in an auditing firm must be licensed professionals. In courier services, a dominant services provider is state-owned and services providers outside universal services have to apply specific quality standards. Apart from these, the sector is subject to the general regulatory framework. In broadcasting services, three channels are owned by Lithuanian National Radio and Television. Subsidies and tax breaks for audio-visual work are subject to cultural test and the dubbing or subtitling in Lithuanian language is required for television programs, films and videos exhibited in public.

The sectors with the relatively highest STRI scores

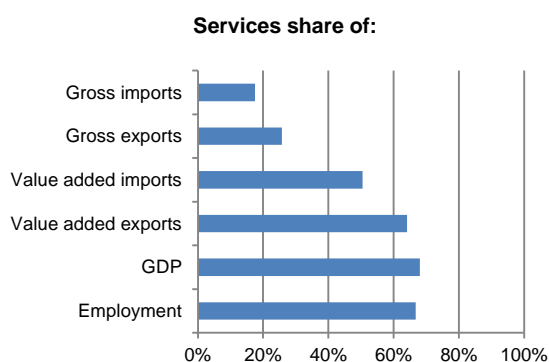
Legal services, air transport services and road transport and are the three sectors with the highest score relative to the average in Lithuania. In the latter two sectors, however, the scores remain below the mean. In legal services, to practice domestic law, only licensed lawyers may own, manage or sit on the board of law firms. To obtain a license to practice, nationality of a member of the European Union or European Economic Area is required. Foreign lawyers are limited to providing legal advice on foreign and international law through associations with a local attorney or law firm and cannot establish a law firm.

In the air transport services sector, Lithuania employs foreign equity restrictions as a result of common European Union (EU) regulation on air services. Pursuant to this regulation, non-EU nationals cannot own more than 49% in Lithuanian airlines. Lease of foreign aircrafts with crew from outside the EU can be refused on grounds of reciprocity or conditioned on approval granted on the basis of economic needs. The EU-wide exemption of certain airline arrangements from competition law and regulations on airport slot allocation and slot trading further contribute to the score in this sector. 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

Since September 2016, Lithuania no longer applies labour market test for contractual services suppliers staying in the country for less than 12 month. As of June 2017, the market for fixed telephony has been deregulated. In the same year, to become a licensed auditor in Lithuania, foreign professionals are no longer required to take a local examination.

Efficient services sectors matter



Services account for 26% of gross exports but for 64% in value added terms. This indicates that Lithuania'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 Lithuania. 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, Lithuania 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