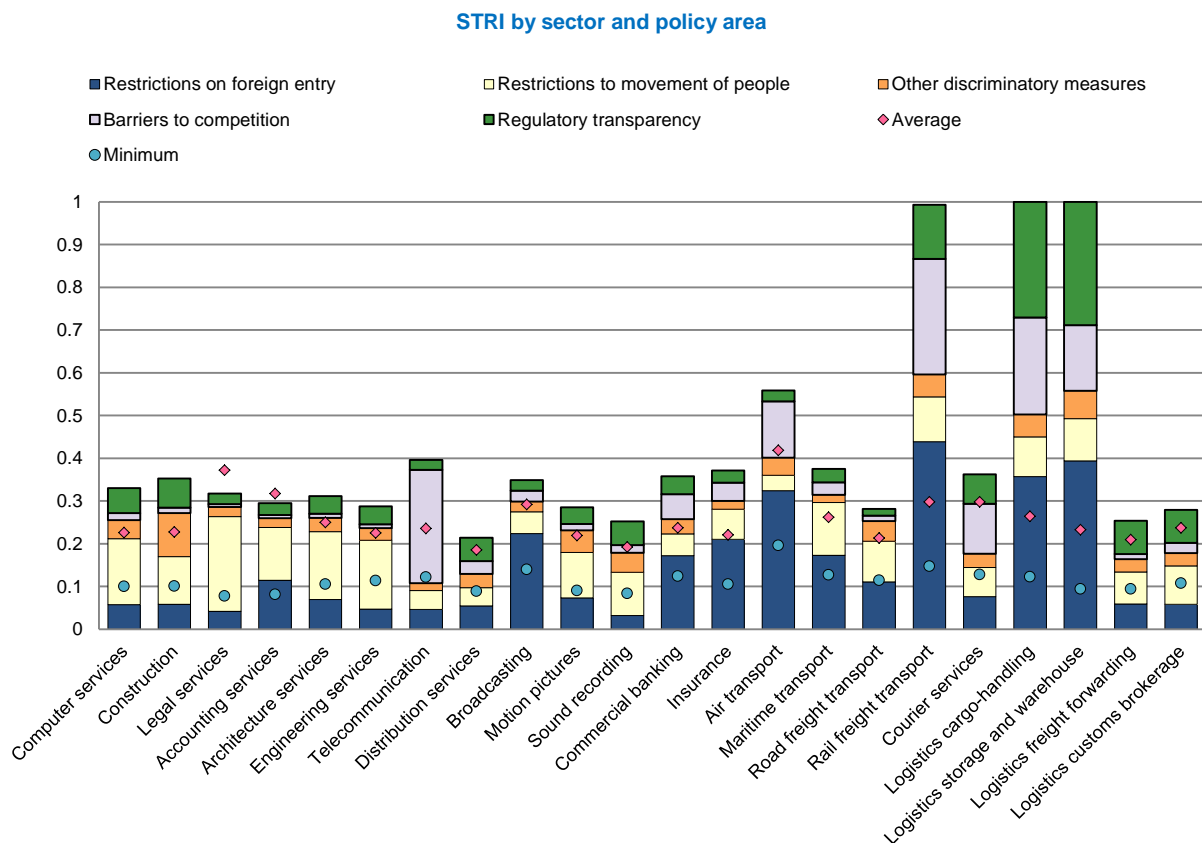


## OECD Services Trade Restrictiveness Index (STRI): Russian Federation

Russia exported services worth USD 52 billion and its services imports amounted to USD 89 billion in 2015. Its main exports are air transport. Largest import services sector is personal travel and technical, trade-related and other business services. Russia's score on the STRI index in 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.



*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

Russia's STRI score is above average in all sectors except legal and accounting services. This can be explained in large part by general regulations that apply to all sectors in the economy. The number of work permits issued to foreign nationals seeking to provide services on a temporary basis as intra-corporate transferees or independent services suppliers are subject to quotas and labour market testing. The category of contractual services suppliers does not exist in Russia. In order to obtain a work permit, foreign nationals must prove knowledge of Russian language, history and basic laws. Some measures on regulatory transparency are not in line with international best practices. Non-discriminatory access to the public procurement market is only granted to foreigners on the basis of reciprocity. In 2015, a new law came into force requiring that certain personal data collected in Russia be stored on local servers. A minimum amount of capital must be deposited in a bank or with a notary in order to register a corporation in Russia.

### The sectors with the relatively lowest STRI scores

Legal services, accounting services and distribution (wholesale and retail trade) are the three sectors with the lowest score relative to the average in Russia. In legal services, next to the horizontal measures, foreign professionals willing to practice domestic law must obtain a law degree from a Russian university, complete the relevant examination and undertake two years of practice. Accounting services includes also auditing services. Managers of auditing firms must be licensed professionals. Foreign qualifications can be recognised but in order to practice, foreigners must undertake an examination and three years of practice locally. The distribution sector is subject to a few sector-specific regulations that may affect the level of competition, including price control for certain products and regulation on packaging.

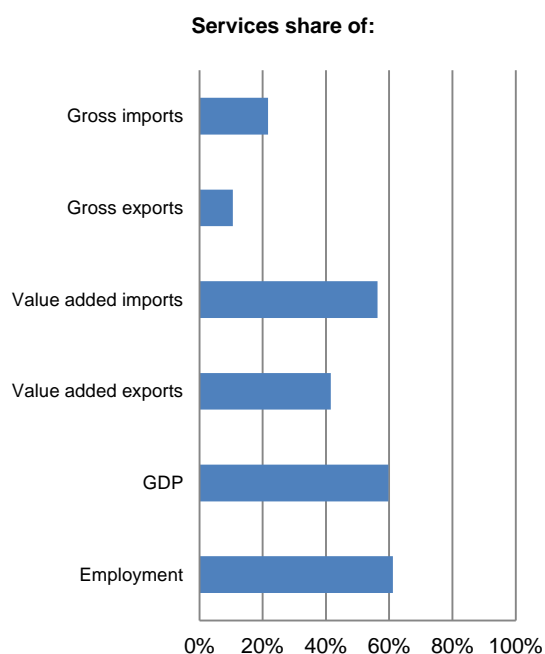
### The sectors with the relatively highest STRI scores

Rail freight transport services, logistics cargo-handling, and logistics storage and warehouse services are the three sectors with the highest score relative to the average. In rail transport, Russian Railways is the only company that may manage the railway infrastructure and provide locomotive traction services. Foreigners can engage in rail businesses by operating the rolling stock but need to rely on Russian Railways to provide the locomotives for pulling them on the infrastructure. In logistics cargo-handling and logistics storage and warehouse services, Russia reserves these services to a statutory monopoly at all facilities – airports, ports, road and rail.

### Recent policy changes

In 2016, Russia introduced limitations on foreigners’ participation in the total authorised capital of credit institutions and lowered the threshold for foreign equity allowed in broadcasting companies.

### Efficient services sectors matter



Services account for a notably higher share in employment than in GDP in the Russian Federation. As the services share rises, services must catch up with the more productive sectors to sustain overall earnings. Open, diversified and competitive services markets improve effectiveness and productivity both in the services sectors in question and downstream industries using services as inputs.

Services account for only 10% of Russia’s exports. OECD work shows that a high score on the STRIs, i.e. a highly protected services sector, is associated with weaker performance and less trade in the sector. Moreover, a high rate of protection hinders exports at least as much as imports, both in the protected services sector and in downstream industries. The STRI can help Russia identify obstacles to diversifying its exports and to prioritize benchmark reforms towards best practice. The trade in value added database and the STRI together provide powerful tools for assessing regulatory bottlenecks and regulatory spillovers that may hold the Russian economy back from reaching its full potential.

### More information

- » Access all of the country notes, sector notes and interactive STRI tools on the OECD website at <http://oe.cd/stri>
- » Contact the OECD Trade and Agriculture Directorate with your questions at [stri.contact@oecd.org](mailto:stri.contact@oecd.org)