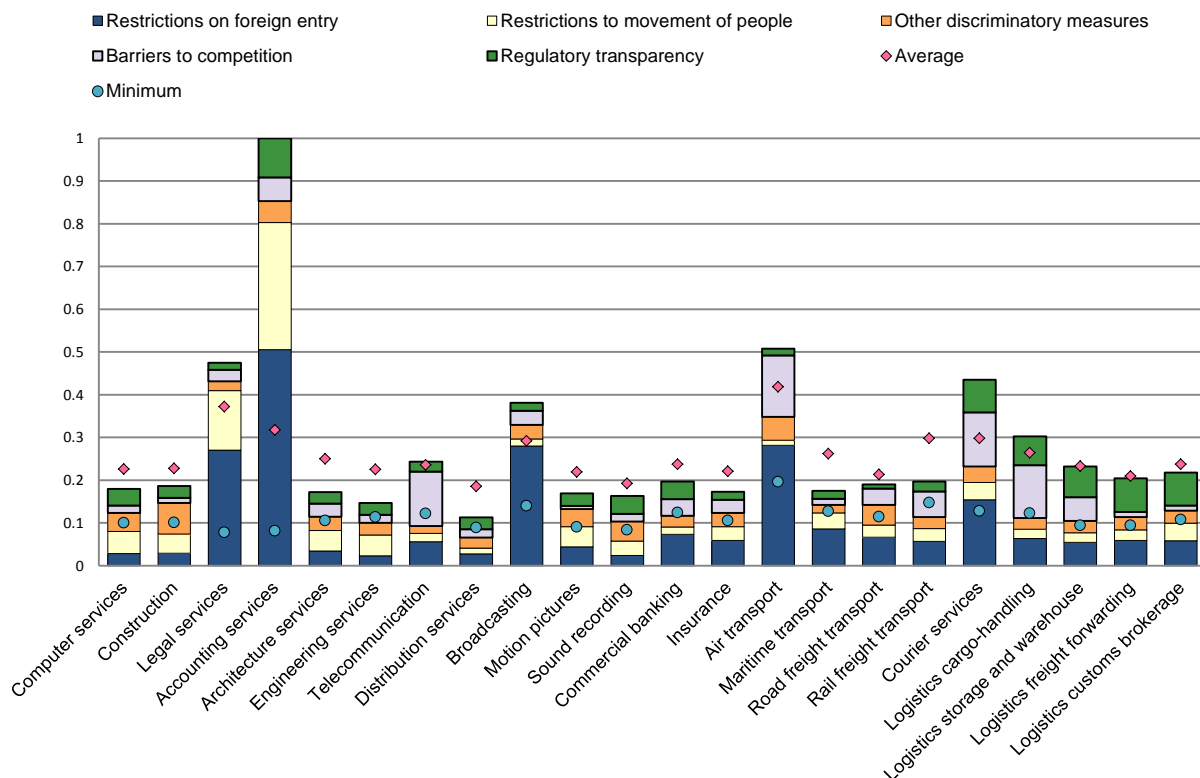


## OECD Services Trade Restrictiveness Index (STRI): Turkey

Turkey exported services worth USD 46 billion and its services import value was USD 21 billion in 2015. 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 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

Turkey has a lower score on the STRI than the average in 15 out of 22 sectors. The regulatory regime affecting international trade in services is characterised by relatively few horizontal measures. Turkey does not apply labour market tests for natural persons seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers. However, the duration of stay for these persons is limited to 12 months on their first entry permit. Furthermore, the public procurement market is not fully open to foreign suppliers and a minimum amount of capital must be deposited in a bank or with a notary in order to register a business. Cross-border transfers of personal data can only take place to economies that ensure an adequate level of protection or when private data processors, both senders and receivers, establish various safeguards approved by the data protection authorities.

### The sectors with the relatively lowest STRI scores

Distribution services, maritime transport services, and engineering services are the three sectors with the lowest score relative to the average. In distribution and engineering services, the score is driven mainly by limitations that apply across the economy. In engineering, the only sector-specific measure is the setting of minimum fees for engineers. In maritime transport there are also few sector-specific restrictions. The cabotage market is closed to foreign suppliers, and the registration of vessels under the national flag is preconditioned on majority ownership by Turkish nationals.

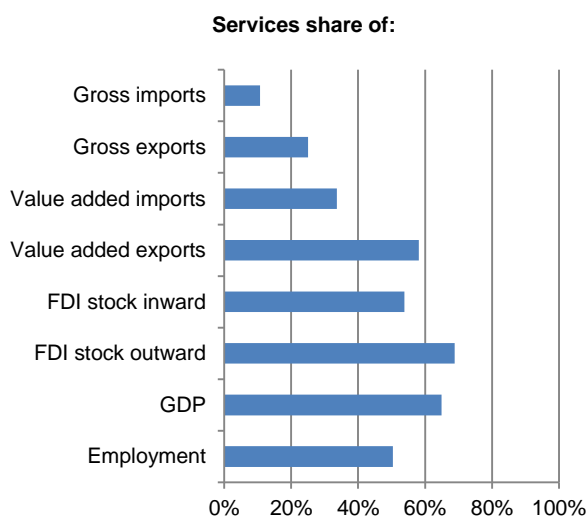
### The sectors with the relatively highest STRI scores

Accounting services, courier services and broadcasting services are the three sectors with the highest score relative to the average. 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, and commercial associations with other professionals or foreign accountants 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. Courier services outside the postal monopoly are subject to the general regulatory framework. In broadcasting services, foreign ownership is limited to 50% in both media outlets and terrestrial television broadcasters. The State owns a major broadcaster in the sector.

### Recent policy changes

In 2015, Turkey adopted a regulation that implemented the 2013 Law on Liberalisation of the Turkish Rail Transport. The new regulation filled the gaps and 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 which imposed new standards on the transfer of personal data abroad.

### Efficient services sectors matter



Services account for 25% of Turkey's gross exports but for 58% in value added terms. This indicates that Turkey's exports of goods rely intensively on services inputs. Cost effective state of the art services are therefore of utmost importance for the competitiveness of the Turkish industrial sector. Services also account for a higher share of GDP than of employment. This indicates that labour productivity is significantly higher for services than in other sectors. Open, diversified and competitive services markets improve productivity, both in the services sectors in question and downstream industries using services as inputs. Turkey has the opportunity to further improve the efficiency of its economy by prioritising reforms that enhance competition in services markets, across both general regulations and sector specific measures.

### 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)