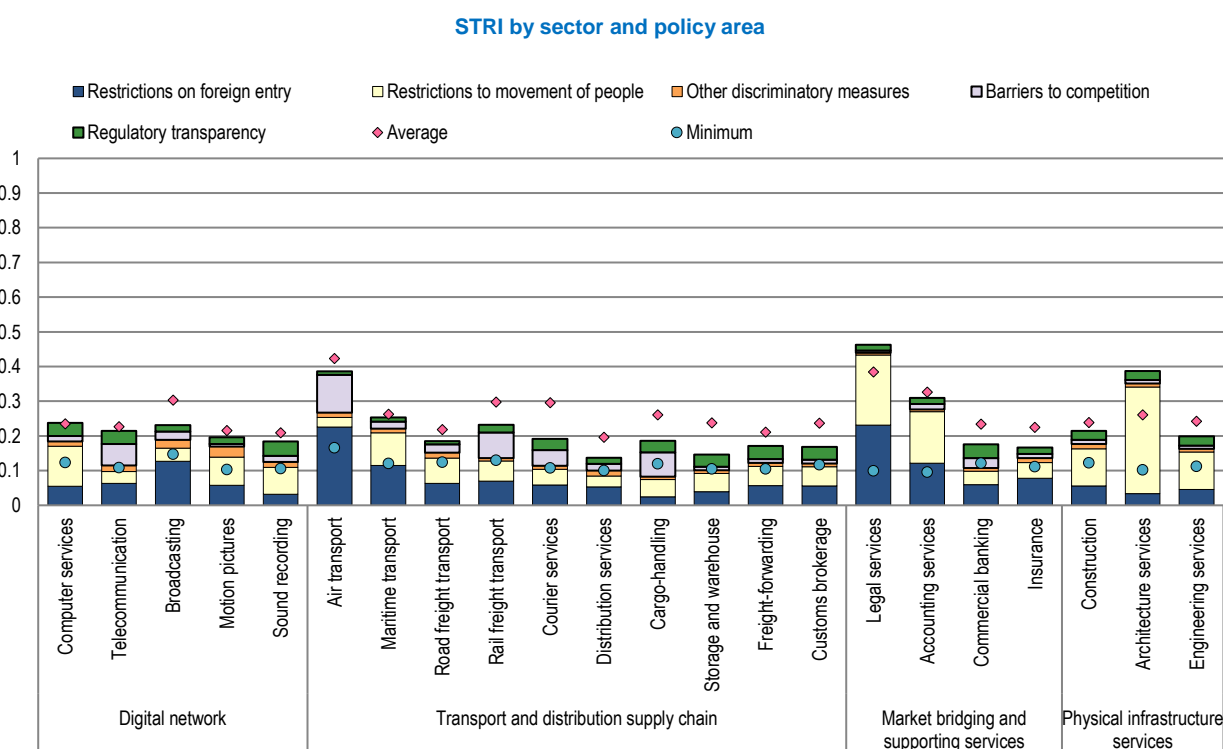


## OECD Services Trade Restrictiveness Index (STRI): Estonia

Estonia exported services worth USD 7 billion and its services import value was USD 5 billion in 2017. 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 45 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 36 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Malaysia, 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 19 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 and labour market tests 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. 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 take place when these ensure an adequate level of data protection or, in the absence of this, appropriate safeguards (e.g., binding corporate rules or standard data protection clauses) are in place. Finally, a minimum amount of capital must be deposited in a bank or with a notary in order to register a business and a fiscal representative, who is jointly liable for the Estonian VAT, is required for non-EU companies.

### The sectors with the relatively lowest STRI scores

Storage and warehouse services, courier services and distribution services are the three sectors with the lowest score relative to the average in Estonia. In storage and warehouse services, the sector is mostly subject to horizontal measures although authorisations for the operation of customs warehouses are subject to a proven economic need. In courier services, the designated postal operator is state-owned, but the sector is otherwise subject to the general regulatory framework. Distribution services are affected only by horizontal restrictions.

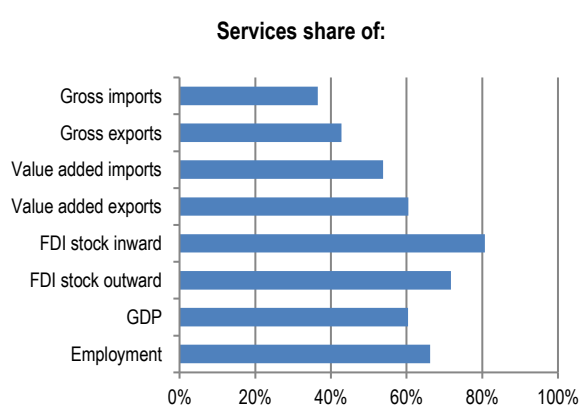
### The sectors with the relatively highest STRI scores

Legal services, architecture services and computer services 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. Computer services are subject to the general regulatory framework.

### Recent policy changes

The new EU General Data Protection Regulation (Regulation 2016/679) entered into force on 25 May 2018 providing a comprehensive update on the EU data protection regime. In 2017, the duration of stay for intra-corporate transferees was extended from 24 to 36 months, while in 2018, the duration of stay for independent services suppliers was extended from 24 to 60 months. As of 2016, revised conditions, including on economic needs, apply for authorisations for the operation of storage facilities for the customs warehousing of goods pursuant to Regulation (EU) No 952/2013. In 2015, rules were introduced to improve the enforcement of copyright in the digital environment. Estonian Air, a state-owned airline, ceased all operations on 8 November 2015.

### Efficient services sectors matter



Services account for 43% of Estonia's gross exports, but 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](mailto:stri.contact@oecd.org)