OECD Services Trade Restrictiveness Index (STRI): Russian Federation 2019

Russia exported services worth USD 65 billion (1.1% of world services exports) and its services imports amounted to USD 95 billion (1.7% of world services imports) in 2018. Its main exports are other business services. The largest import services sector is travel and personal 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 46 countries included in the STRI database for each sector. Russia has a lower score on the STRI than the average in two out of 22 sectors.

**STRI by sector and policy area (2019)**

![Graph showing STRI scores by sector and policy area](image)

*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, South Africa, and Thailand. 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). The indices are based on laws and regulations in force on 31 October 2019.*

**Horizontal policy measures**

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 independent services suppliers are subject to quotas and labour market testing. The entry of contractual services suppliers is not allowed 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. 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 architecture services are the three sectors with the lowest score relative to the average STRI across all countries. In legal services, the title of “advocate” is protected but with few exceptions, advocates do not have exclusive rights to provide legal services. International law is subject to economy-wide regulations. Accounting services cover 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. Architecture is not a regulated profession in Russia, and mostly barriers that apply across the economy contribute to the score in this sector.

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 STRI across all countries. In rail freight transport, Russian Railways is the only company that can manage the railway infrastructure and provide locomotive traction services. Foreigners can engage in rail transport 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 transport facilities – airports, ports, road and rail terminals.

Recent policy changes

As of 2019, Russian credit organisations are eligible for preferential subsidies when providing loans to small and medium-size enterprises. Foreign payment service providers are banned from providing electronic means of payment to resident customers as of 2019. Since 2017, the cross-border transfer of money or funds from Russia is prohibited to countries where Russian payment systems are not recognized. In 2017, certain subsidies granted for the acquisition of rail transport equipment cannot be granted to foreign entities. 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 to 20%.

Efficient services sectors matter

Services account for a notably higher share in employment than in GDP in the Russian Federation. Services trade flows are below the OECD average. The information and communication technology revolution opens new opportunities for inclusive growth in the Russian Federation’s services sectors. 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, the Russian Federation could benefit from more open markets for services trade.

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