TURKEY – 2021

Key findings

- The 2021 STRI of Turkey is relatively high compared to the OECD average and above the average across all countries in the STRI sample. The indices for Turkey are unchanged compared to 2020.
- Rail freight transport is the most open services sector in Turkey, whereas accounting services is the most restricted.
- There is substantial scope for further reductions of barriers to services trade in several policy areas, e.g. regarding barriers to the movement of people in professional services.

Recommendation

- 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, Turkey could benefit from more open markets for services trade.

The 2021 STRI of Turkey is relatively high compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2021

Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. 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 2021. The STRI regulatory database covers the 38 OECD countries, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, Singapore, South Africa, Thailand and Viet Nam.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Source: OECD STRI and TiVA databases (2021).
The 2021 index can be explained in large part by general regulations that apply to multiple sectors. Work permits issued to foreign nationals seeking to provide services on a temporary basis as intra-corporate transferees, contractual services suppliers or independent services suppliers are subject to labour market testing. The duration of stay for these workers is also limited to 12 months on their first entry permit. The public procurement market is not fully open for foreign tenderers and certain data must be stored locally.

In addition, sector-specific restrictions contribute to the STRI of Turkey. In accounting and auditing, a license to practice requires Turkish nationality. Only licensed professionals may manage or sit on the board of accounting and auditing firms. Commercial associations with other professionals are not permitted. There is no temporary licensing in place, which means that the market is effectively closed to third country services providers. In courier 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.

The Turkish regulatory framework for trade in services became more restrictive during 2014-2017 and 2017-2020 (Figure 2). For example, the establishment of a local presence in Turkey became a requirement in 2020 for the cross-border provision of services in the case of computer services, motion pictures, sound recording, and broadcasting services.

Figure 2. Evolution of STRI indices by sector in Turkey
Services Trade Restrictiveness Index, percentage change over the period 2014-2017, 2017-2020 and 2020-2021

![Figure 2. Evolution of STRI indices by sector in Turkey](source: OECD STRI database (2021)).

Rail freight transport, insurance, distribution services and engineering services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Conversely, broadcasting, legal services, courier services and accounting services are the sectors with the highest score relative to the average STRI across all countries.
Figure 3. Sectoral breakdown: The least and most restricted sectors in Turkey

Note: Selection was made based on how far the sectors’ score were from the world average score, as a percentage difference, i.e. $(\text{STRI}_{\text{country, sector}} - \text{STRI}_{\text{world average, sector}}) / \text{STRI}_{\text{world average, sector}}$


Rail freight transport is the least restricted service sector in Turkey compared to Asia Pacific and the other best performers elsewhere. In contrast, accounting services is the most restricted service sector (Figure 4).

Figure 4. Turkey compared to Asia Pacific and World’s best performers

**Key reforms**

In 2020, the establishment of a local presence in Turkey became a requirement for the cross-border provision of services in the case of computer services, motion pictures, sound recording, and broadcasting services. In addition, in the telecommunications sector, a regulation that entered into force in 2019 obliges communication service providers to set up internet exchange points in Turkey. Following the introduction of a set of rules in 2019, certain data must be stored locally in several sectors, such as computer services and accounting services. In the commercial banking sector, the length of term of heads of the supervisory authority was reduced from five to four years in 2018.

**More information**

» Access all country notes, sector notes, and interactive STRI tools at [http://oe.cd/stri](http://oe.cd/stri)

» Read more about services trade policies and their impacts in [Services Trade Policies and the Global Economy](http://oe.cd/stri)

» Contact the OECD Trade and Agriculture Directorate with your questions at [stri.contact@oecd.org](mailto:stri.contact@oecd.org)