OECD Services Trade Restrictiveness Index (STRI): Turkey 2019

Turkey exported services worth USD 49 billion (0.8% of world services exports) and its services import value was USD 23 billion (0.4% of world services imports) in 2018. 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 46 countries included in the STRI database for each sector. Turkey has a lower score on the STRI than the average in two out of 22 sectors.

STRI by sector and policy area (2019)

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

The results 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 persons 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.

The sectors with the relatively lowest STRI scores

Rail freight transport, insurance and architecture services are the three sectors with the lowest score relative to the average of all countries included in the STRI database. In rail freight transport services, the main service provider
is state-owned and the decisions of the sector regulator remain subject to government oversight. In insurance, commercial presence is required in order to provide cross-border services. Regarding architecture services, all providers have to adhere to a mandatory minimum fee.

**The sectors with the relatively highest STRI scores**

Accounting services, courier services, and logistics freight-forwarding services are the three sectors with the highest score relative to the average across all countries covered by the STRI database. 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 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.

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. There is no *de minimis* regime in place. Regarding logistics services, individual licensing is required for firms providing freight-forwarding services.

**Recent policy changes**

In the commercial banking sector, the length of term of heads of the supervisory authority was reduced from five to four years in 2018. In 2019, a new regulation concerning radio, television and on-demand broadcasting services introduced several restrictions to downloading and streaming that affect cross-border trade in broadcasting services as well as motion pictures services. In addition, in telecommunications a regulation that entered into force in 2019 obliges communication service providers to set up internet exchange points in Turkey.

**Efficient services sectors matter**

Services account for 31% of Turkey’s gross exports but for 52% in value added terms. This indicates that Turkey’s exports of goods rely intensively on services inputs. Services account for 60% of GDP and 54% of employment, showing that labour productivity is lower in services than in other sectors. The information and communication technology revolution opens new opportunities for inclusive growth in services sectors in Turkey. 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.

**More information**

» Access all of the country notes, sector notes and interactive STRI tools on the OECD website at [http://oe.cd/stri](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