



TÜRKIYE – 2022

Key findings

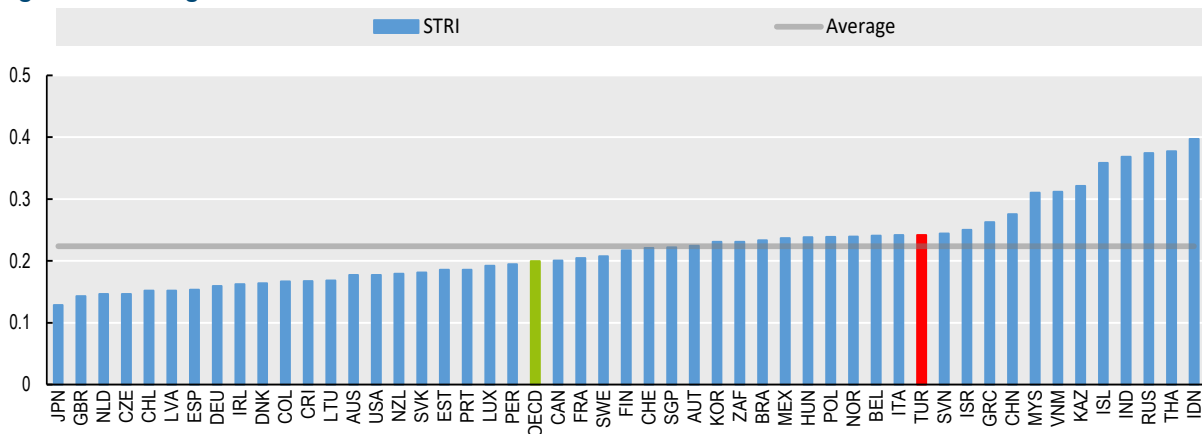
- The 2022 STRI of Türkiye is relatively high compared to other countries in the STRI sample. However, the indices have decreased compared to 2021.
- Rail freight transport is the most open services sector in Türkiye, whereas accounting services are the most restricted.
- There is substantial scope for further reducing barriers to services trade in several policy areas, notably with respect to barriers to the movement of people in professional services.

Recommendation

- Open and well-regulated services markets are essential to facilitate economic recovery, strengthen resilience to future shocks, and promote a more sustainable trading system. To ensure that the benefits of open markets and a rules-based international trading system are preserved, policy makers should focus on minimising barriers that increase trade costs for services providers, weaken the gains from digital transformation and undermine competitiveness.

The 2022 STRI of Türkiye is relatively high compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2022



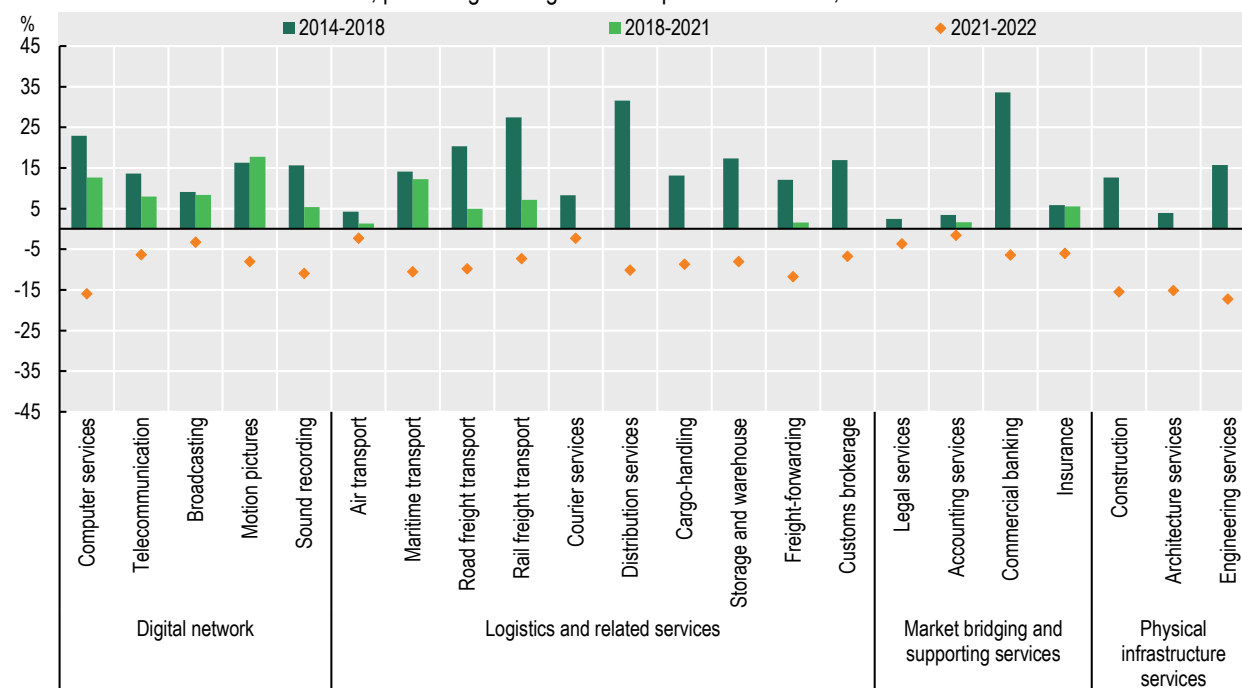
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2022. The STRI regulatory database covers the 38 OECD Members, 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 (2022). STRI and TiVA databases.

The 2022 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 used to be limited to 12 months on their first entry permit until 2021. Since 2022, intra-corporate transferees can stay up to 24 months upon their first entry, and contractual and independent services suppliers for 36 months. Further reforms in 2022 focused also on improving regulatory transparency allowing foreign suppliers to participate in the public consultation process for new legislative instruments that affect the business and investment environment in Türkiye. However, the public procurement market is not fully open for foreign tenderers and certain data must be stored locally.

The Turkish regulatory framework for trade in services became more restrictive during 2014-2018 and 2018-2021 (Figure 2). For example, the establishment of a local presence in Türkiye became a requirement in 2020 for the cross-border provision of computer services, motion pictures, sound recording, and broadcasting services. In 2022, however, trade barriers have eased in every single sector in the STRI, notably in professional services (engineering, architecture and construction) and computer services. This is due to a horizontal liberalization across all sectors extending the duration of stay for services suppliers upon first entry and introducing an adequate public consultation process for new legislative instruments that allows foreign suppliers to participate.

Figure 2. Evolution of STRI indices by sector in Türkiye

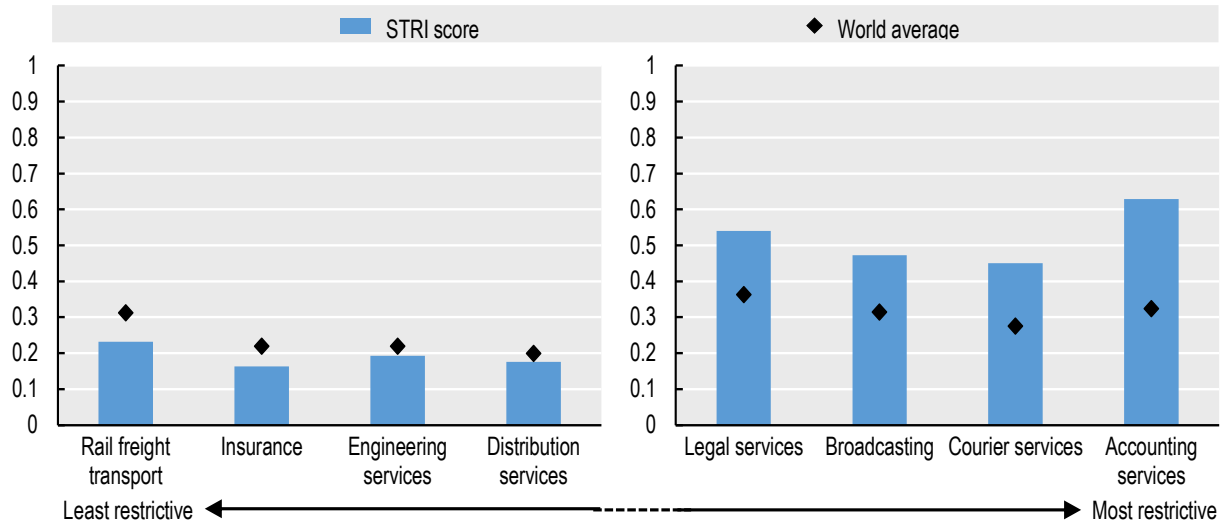
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



OECD (2022). STRI database.

Rail freight transport, insurance, engineering and distribution services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Legal services, broadcasting, 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 Türkiye



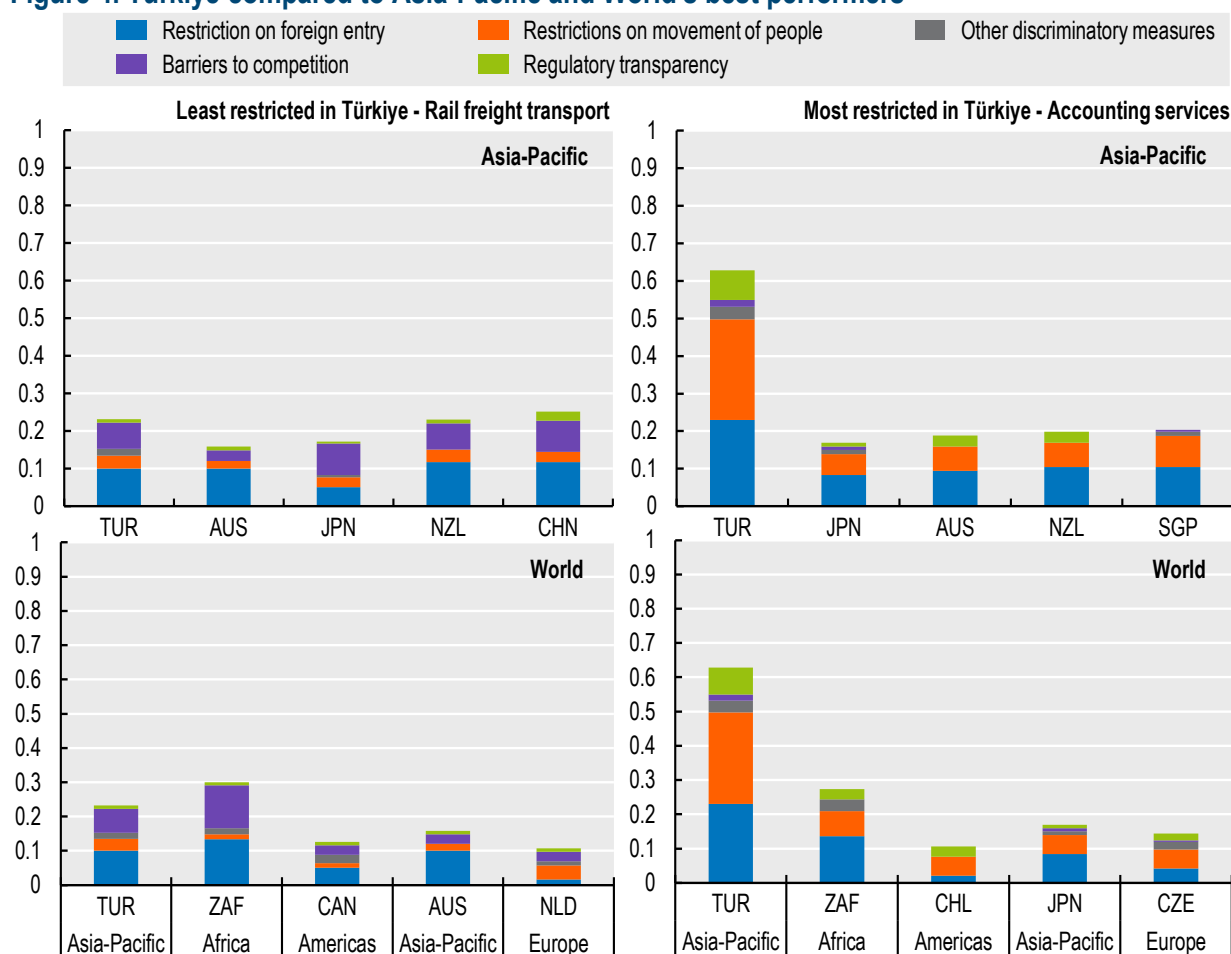
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

i.e. $(\text{STRI}_{\text{country, sector}} - \text{STRI}_{\text{world average, sector}}) / \text{STRI}_{\text{world average, sector}}$

Source: OECD (2022). STRI database.

Rail freight transport is the least restricted services sector in Türkiye relative to the average STRI across all countries. The composition of the scores indicates that foreign entry restrictions and barriers to competition have had an impact compared to other countries. While the score is relatively low, some economy-wide measures contributed to the score. Accounting services - which also cover auditing services - are the most restricted services sector in Türkiye. The restrictions on the movement of people and foreign entry are significant compared to best performers. Licenses to practice both accounting and auditing requires Turkish nationality. Only licensed professionals may manage or sit on the board of accounting firms. Commercial associations with other professionals are not permitted. There is no temporary licensing in place (Figure 4).

Figure 4. Türkiye compared to Asia-Pacific and World's best performers



Source: OECD (2022). STRI database.

Recent policy changes

One key reform in 2022 affects the duration of stay for services suppliers, which has been extended from 12 months to 24 months for intra-corporate transferees and 36 months for contractual and independent services suppliers upon first entry. Further reforms in 2022 focused also on improving regulatory transparency allowing foreign suppliers to participate in the public consultation process for new legislative instruments that affect the business and investment environment in Türkiye. In 2020, the establishment of a local presence in Türkiye became a requirement for the cross-border provision of services in the case of computer services, motion pictures, sound recording, and broadcasting services.

More information

- » Access all country notes, sector notes, and interactive STRI tools at <http://oe.cd/stri>
- » Read more about services trade policies and their impacts in [Services Trade Policies and the Global Economy](#)
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org