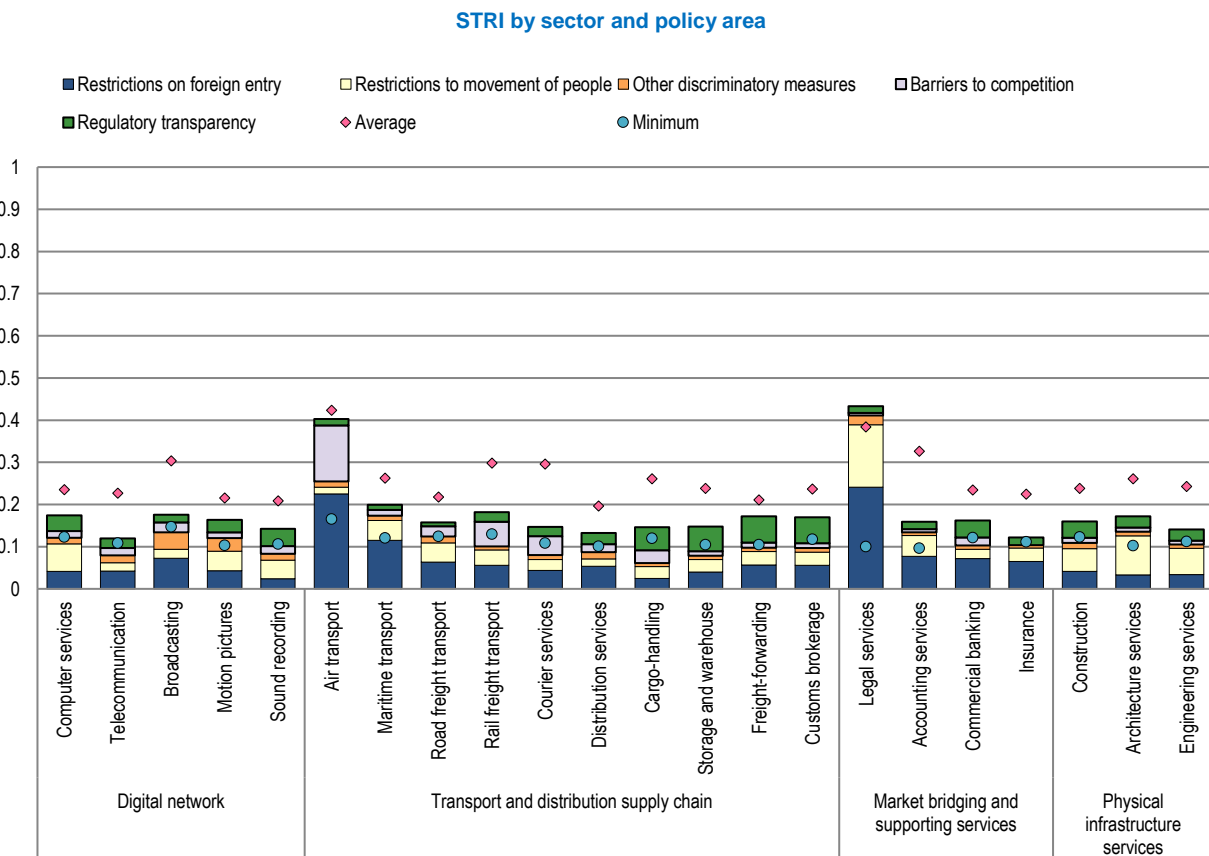


OECD Services Trade Restrictiveness Index (STRI): Lithuania

Lithuania exported services worth USD 9 billion and its services import value was USD 6 billion in 2017. Transport services are the largest exporting and importing services sectors. Lithuania's score on the STRI the 22 sectors covered by the STRI project 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

Lithuania has a lower score on the STRI than the average in 21 out of 22 sectors. Restrictions having an economy-wide effect include limitations on the acquisition of real estate by foreigners, except nationals from EEA and OECD countries. Wage parity requirements apply to foreign intra-corporate transferees and the duration of stay for contractual services suppliers and independent services suppliers is limited to 12 months on their first entry permit. A minimum amount of capital must be deposited in a bank or with a notary in order to register a limited liability company and comparative advertising is regulated. 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, the mandatory period to publish adopted laws prior to entry into force is significantly less than best practice.

The sectors with the relatively lowest STRI scores

Accounting services, courier services and telecommunications are the three sectors with the lowest score relative to the average in Lithuania. Accounting services cover also auditing. In Lithuania, only auditing is regulated. Majority of the board of directors and managers in an auditing firm must be licensed professionals. In courier services, a dominant services provider is state-owned and services providers outside universal services have to apply specific quality standards. In telecommunications services, there is a major state owned company but besides that, the sector is mainly affected by horizontal restrictions.

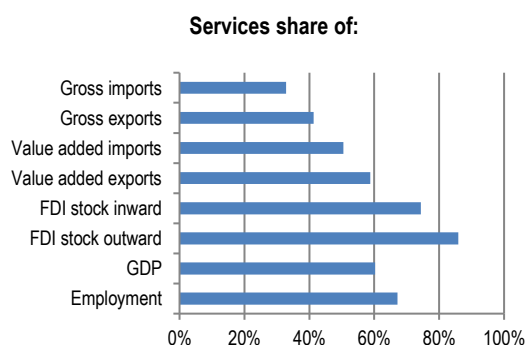
The sectors with the relatively highest STRI scores

Legal services, air transport services and logistics freight forwarding are the three sectors with the highest score relative to the average in Lithuania. In legal services, to practice domestic law, only licensed lawyers may own, manage or sit on the board of law firms. To obtain a license to practice, nationality of a member of the European Union or European Economic Area is required. Foreign lawyers are limited to providing legal advice on foreign and international law through associations with a local attorney or law firm and cannot establish a law firm. In the air transport services sector, Lithuania employs foreign equity restrictions as a result of common European Union (EU) regulation on air services. Pursuant to this regulation, non-EU nationals cannot own more than 49% in Lithuanian airlines. Lease of foreign aircrafts with crew from outside the EU can be refused on grounds of reciprocity or conditioned on approval granted on the basis of economic needs. The EU-wide exemption of certain airline arrangements from competition law and regulations on airport slot allocation and slot trading further contribute to the score in this sector. Logistics freight forwarding services sector is affected by commercial presence requirement for road transportation undertakings.

Recent policy changes

In 2018, new conditions were introduced for obtaining subsidies for movie production. 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. As of June 2017, the market for fixed telephony has been deregulated. In the same year, to become a licensed auditor in Lithuania, foreign professionals are no longer required to take a local examination. Until 28 November 2017, at least one person of the administration of company providing banking services had to live in Lithuania. 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. Since September 2016, Lithuania no longer applies labour market test for contractual services suppliers staying in the country for less than 12 month. Lietuvos Jūrų Laivininkystė (LJL), a state-owned Lithuanian shipping company, went bankrupt in June 2016.

Efficient services sectors matter



Services account for 26% of gross exports but for 64% in value added terms. This indicates that Lithuania'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 Lithuania. 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, Lithuania 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