



## 2.2 Improving Access for Trade in Services

The General Agreement on Trade in Services (GATS) represents the first set of multilaterally agreed and legally enforceable disciplines to cover international trade in services. It is one of the most significant achievements of the Uruguay Round, since trade in services now represents some 20% of world trade and is increasing faster than trade in goods. Canada's exports of services were estimated at \$38.9 billion in 1996 while its imports for the same period were valued at \$48.3 billion. Sectoral negotiations in financial services and further work on professional services will take place in 1997. Negotiations on maritime transport services that were suspended in June 1996 will resume in the context of the next round of comprehensive services negotiations to begin no later than 2000. In 1997, Canada will begin preparations for this important round of negotiations, with the objective of achieving progressively higher levels of liberalization in services.

### *Financial Services*

As a significant exporter of financial services, Canada has participated in negotiations on financial services issues held under the Uruguay Round. In 1995, an interim agreement was reached, representing an important step forward in establishing a rules-based trading system for financial services. Negotiations are set to resume in the spring of 1997, with the aim of achieving a broad, most-favoured-nation agreement. Canada's overall objective in the upcoming negotiations will be to seek a permanent agreement that will have the widest possible participation and highest level of commitments for liberalised financial markets from our key trading partners including, in particular, those countries of the Asia Pacific area.

### *Basic Telecommunications*

The telecommunications sector is vital to the Canadian economy. It is a key input for other economic activities, and a major determinant of this country's international competitiveness. This sector is also an important source of advanced technology capabilities and of high quality jobs that contribute to Canada's economic growth. Telecommunication services contribute directly some \$18 billion (or 3.3% of gross national product) to the Canadian economy and 145 000 jobs.

The GATS negotiations on basic telecommunications services concluded successfully on February 15, 1997. Sixty-nine governments — representing markets accounting for more than 90% of telecommunications revenue worldwide (\$880 billion per year) — made multilateral commitments. Canada achieved secure access to key markets in the United States and the European Union; improved opportunities to serve countries in Asia and Latin America; and the benefits of a transparent, multilateral, rules-based trading framework.

The telecommunications agreement does not cover the provision of cultural services. Canada specifically excluded broadcasting services, as well as Direct-to-Home (DTH) and Direct Broadcast Satellites (DBS) telecommunications services from its commitments.

### *Professional Services*

Canada's goal is to obtain greater and more secure market access for providers of professional services, in particular, for professions of key export interest. To this end, Canada, supported by industry, is playing an active role in the Working Party on Professional Services (WPPS) which is charged with developing sector disciplines to ensure that domestic regulations, technical standards or licensing requirements do not act as disguised barriers to trade. As a first step in a broader liberalization exercise, the WPPS is aiming to complete its work program on accountancy services by the end of 1997 and to expand its work program to include additional professions.

### *Maritime Transport Services*

Canada is a major user of international maritime transport services. While only 17% of the country's international trade is carried by sea, this proportion rises to more than half (55%) for Canada's non-U.S. international trade. As a supporter of increased liberalization of trade in services, Canada believes strongly that there are valuable benefits to be gained from increased market access and national treatment commitments in this sector. Canada participated in the post-Uruguay Round negotiations on maritime transport services to secure commitments in the areas of international shipping, auxiliary services (e.g., cargo handling, freight forwarding) and access to and use of port facilities. Partly as a result of a U.S. decision not to undertake commitments, the negotiations on maritime transport services were suspended at the