
As well as the direct impacts outlined above, the Agreement will have a significant positive indirect impact on service industries. As the economic benefits from free trade with the United States flow through the economy, real income will grow and stimulate increased domestic demand for goods and services. Increased investment will lead to growth in construction and other service sectors. Moreover, as increased goods production occurs for export to the United States, there will be increased demand for commercial services by goods-producing industries. The effect of this increased demand will result in greater employment in all service industries.

The Agreement is expected, therefore, to accelerate the already rapid growth of all industries in the service sector. Small businesses, which predominate in the service sector, will benefit from the improved economic conditions which will increase demand and generate additional opportunities for employment and entrepreneurship.

Individual Service Industries

Professional Consulting Services

Canadian firms offering consulting services, whether in engineering, management, research, development and laboratory testing or other professional services, will continue to enjoy the access they have had to the United States, as will Canadian real estate developers, who have found a niche in the huge U.S. development market. Canada has world class expertise in commercially provided health care management services and will benefit from the opportunity to sell these

services in the large U.S. health care market. Access to all these markets will be improved now by provisions covering border crossing formalities and, in future, as mandatory professional licensing requirements may be liberalized.

Architecture

Canadian architects have already conducted a study of U.S. market opportunities by regions and market niches in co-operation with the Government of Canada. The strengths of our architects and the planned mutual recognition of professional qualifications will facilitate their pursuit of U.S. business opportunities in restoration and revitalization, waterfront redevelopment, residential and new office projects as well as in facilities design for health care, education and high-tech industries. It is hoped that other professions will also work toward mutual recognition of professional standards, so that they too will be in a position to capitalize on opportunities in the U.S. market.

Computer and Enhanced Telecommunications Services

By retaining the open trade environment in computer services and enhanced telecommunications services, Canadian firms should be able to maintain and increase the volume of business they do in the United States. The Agreement will also stimulate the electronic information industry at a critical point in its development.