

support the movement towards a multilateral General Agreement on Trade in Services (GATS). While the FTA took a "positive listing" approach to trade in services, covering only those services listed, NAFTA uses a "negative list", covering all measures affecting the crossborder trade in non-financial services, other than those specifically exempted. This will result in a significantly wider sectoral coverage. NAFTA also contains specific provisions on financial services and telecommunications.

The rules applicable to government procurement have been broadened under NAFTA to cover goods, as in the FTA, and services and construction. The list of government departments and entities subject to liberalized procurement practices has also been extended. NAFTA adds some \$58 billion in procurements to the \$20 billion already covered under the FTA and GATT.

NAFTA has a comprehensive chapter on intellectual property rights. It is based in large measure on the draft GATT Agreement on Trade-Related Intellectual Property Rights (TRIPs) in the Dunkel text. The chapter covers both substantive intellectual property standards and disciplines for the enforcement of intellectual property rights.

The dispute settlement mechanisms of the FTA have been strengthened by NAFTA. Chapter 20, the general dispute resolution chapter of NAFTA, incorporates much of Chapter 18 of the FTA, with a number of improvements. These include the use of consensus rosters for panellists, instead of separate national rosters; the principle of "reverse selection", under which a government selects panellists from among the other country's nationals; the use of scientific review boards to address factual issues related to environment, safety, health or conservation measures; and binding dispute settlement to determine if a country's retaliation for non-compliance by the other country with a panel report is "manifestly excessive". As under the FTA, the NAFTA dispute settlement procedure is based on three main stages: consultations, meetings of the Free Trade Commission, and panel proceedings.

Finally, the review by binational panels of final antidumping and countervailing determinations has been maintained under NAFTA, with new provisions to safeguard the system by ensuring that panels are established and their provisions are implemented.

NAFTA is scheduled to come into force on January 1, 1994.