

In terms of rule-making, there is scope for enhancing transparency and predictability of the trade regime affecting services. Unlike international trade in goods, barriers affecting trade in services rarely take the form of tariffs and border measures. Issues often relate to the nature and characteristics of the domestic regulatory framework affecting the service sectors. While this may have implications for the participation of foreign service suppliers, at the same time, a country's regulatory framework is often the reflection of public policy interests and objectives. Further work is also expected on issues such as the possible development of disciplines on subsidies and the question of an emergency safeguard mechanism for services trade.

Canada's Negotiating Objectives

In broad terms, the Canadian objectives for the GATS are based on two overarching policy principles:

- improve market access and national treatment commitments of key trading partners in sectors of particular interest to Canadian service industries, while being mindful of the comparative strengths and pressures on those domestic service sectors for which the prospect for liberalization may be more limited; and,
- improve the framework of rules to enhance transparency and predictability, while ensuring that our ability to regulate at all levels of government is not unduly constrained and continues to provide policy flexibility to achieve our national priorities and objectives.

The Canadian government intends to continue to uphold its clearly defined and long-established objectives to safeguard Canada's sovereign right to act in its own interests in key services sectors, including health, education and culture.

Suggested Issues for Discussion

The Canadian federal government negotiators want to establish an on-going dialogue with you to obtain your views on Canadian interests in these negotiations. Your views on the GATS and the following issues, among others, would be particularly useful.

1. The broad Canadian objectives: Do you agree with the two overarching principles defined above? What other considerations will need to be reflected?
2. The balancing of Canadian import and export interests: In which services or sectors do you believe Canada should pursue liberalization abroad and domestically?
3. The needs of Canadian services exporters: What would enable Canadian exporters to enter foreign markets more effectively? As over 95% of all Canadian companies are small- and medium-sized firms, we need to understand the specific problems these firms experience in exporting their services.