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CANADA TAKES INITIATIVE TO ADVANCE TRADE IN SERVICES LIBERALIZATION

International Trade Minister John C. Crosbie today introduced a proposal before the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) negotiations to liberalize trade in financial services. Canada also submitted an initial offer to bind access to the Canadian market for a broad range of services, conditional on achieving reciprocal benefits from other countries.

"Canada has proposed a draft comprehensive and substantive financial services agreement at this time in an attempt to get the financial services trade negotiations moving in the Uruguay Round," Mr. Crosbie said. "It is a structure for promoting effective non-discriminatory treatment of providers of financial services, such as banking and insurance, and increased liberalization of financial services markets."

The proposal would ensure that the federal government will continue to be able to take necessary prudential action to maintain the soundness and stability of the financial system.

In a related move, Canada put forward an initial offer to bind the federal government from introducing barriers to trade in services. The standstill would apply to measures in place or announced as of January 1, 1991. This offer is conditional on achieving a satisfactory set of fair and equitable rules for international trade in services in the Multilateral Trade Negotiations (MTN), and on achieving satisfactory sectoral agreements in areas such as financial and telecommunications services. The offer is in the context of Canada's efforts to improve competitive opportunities for its service providers in world markets.