

objectives are to create greater efficiencies and cost-savings for both the trading public and governments and to promote investment.

Canada strongly supports this initiative and, during the exploratory and analytical discussions held during 1998-1999, made some specific and practical suggestions around which WTO trade-facilitation provisions might be developed. The Canadian suggestions have reflected the view that the WTO should work to add value and fill gaps in existing initiatives in other international organizations and should build on existing WTO provisions related to trade facilitation. The Canadian objective is to facilitate trade in a practical manner that is meaningful to traders, i.e. to build on existing WTO obligations to maximize transparency, expedite the release of goods and reduce, simplify, modernize and harmonize border-related requirements, procedures and formalities. Canada strongly supports the inclusion of trade facilitation in the next round of WTO negotiations.

IMPROVING ACCESS FOR TRADE IN SERVICES

World trade in services in 1998 represented 19.5 percent of the total world trade. Services production is a core economic activity in virtually all countries and has grown significantly in recent years. In 1996, the services share in total value added to GDP ranged from almost 40 percent in LDCs, to more than 70 percent in highly developed countries such as Canada.

Closer to home, the Canadian services sector is extremely dynamic. In fact, it exhibited stronger growth than the rest of the economy over the 1990s. In 1999, for example, services represented two-thirds of total GDP, and our exports of services grew by 7.1 percent to \$49.2 billion. In 1998, 10.6 million Canadians were employed in services-sector jobs, accounting for 74 percent of total employment. Over the past two decades, most of the new jobs created in Canada have been in the services sector. Out of the 4.5 million net gain in jobs since 1976, 4.2 million were in services-producing industries. The services sector is leading the transformation of the Canadian economy into a knowledge-based economy.

Canada is the 12th-largest exporter of services in the world. Given the importance of services exports to our economy, Canada has much to gain from negotiating further liberalization and expansion of international markets for services. The United States is our most important trading partner for services, as it is for goods. Our services exports are, however, less dependent on the U.S. market than is the case for our goods exports, and our fastest-growing export markets are elsewhere. Commercial services exports to Brazil, for example, grew by an average of 82 percent between 1992 and 1997; to Chile by 65 percent; and to China by 28 percent. The growing importance of these markets reinforces the benefits of a multilateral approach to liberalization of trade in services.

One of the ways in which this liberalisation can be undertaken is via the upcoming negotiations of the WTO's General Agreement on Trade in Services (GATS). The GATS, which has been in effect since the WTO entered into force in 1995, represents the first multilateral, legally enforceable framework of rules governing this huge area of trade.

Under the GATS, this year WTO Members began further negotiations on trade in services, which are aimed at achieving progressively higher levels of liberalization. In preparation for the negotiations, WTO Members, and Canada in particular, have embarked on an exercise of consultation with the private sector and with stakeholders representing a wide range of interests, with a view to identifying negotiating interests and objectives.

As negotiations progress, the Government will continue to consult extensively with provincial governments, Canadian industry and other stakeholders to ensure that Canada's negotiation positions reflect the interests of all Canadians. As a significant exporter of services, Canada will pursue multilateral, legally-enforceable rules that will allow increased access to foreign markets for Canadian services firms. Issues for consideration include sectors of export interest to Canadian industry; markets of interest to Canadian industry; current or potential barriers faced by Canadian industry in providing services to foreign markets or consumers; improving access to countries that are key export destinations for Canadian services; and providing Canadians with access to quality services at a