
The Service Sector

Canada-U.S. services trade now accounts for a substantial portion of total trade between the two countries. This trade includes such service products as engineering and other consulting services, computer software and related services and a wide range of professional and financial services.

In recognition of the importance of services trade, both in creating employment and in improving the efficiency of the production of goods and other services, Canada and the United States have negotiated the first trade agreement with binding obligations in the services sector.

Services are traded in a variety of ways. The Agreement accommodates various modes of selling services including

special provisions for selected industries, provisions for the eventual mutual recognition of professional qualifications, the cross border movement of service personnel and investment in firms producing services. In addition, separate provisions for trade in financial services are included. The Agreement applies only to those services specified in Annex 1408 of the Services Chapter. Other services such as government provided services, basic telecommunications and transportation services are not covered by the Agreement. Cultural services, with four minor exceptions, are excluded from the coverage of the Agreement.