

SERVICES SECTOR : QUESTION #3

What relationship will any agreement on financial and insurance services have to the MTN or to the FTA?

RESPONSE:

- ALL COUNTRIES CONCUR THAT AN AGREEMENT WILL ACT AS A DEROGATION TO FORMER MFN SYSTEM. THE MANNER IN WHICH SUCH DISCUSSIONS ARE INTEGRATED INTO THE MTN WILL DEPEND UPON THE OUTCOME OF THE FINAL NEGOTIATIONS ON SERVICES UNDER NAFTA. WE VIEW THE TWO NEGOTIATIONS AS PARALLEL TO ONE ANOTHER. AT PRESENT, IT WOULD BE PREMATURE TO COMMIT TO EITHER SIDE.
- THE FTA, AS IN MANY OTHER SECTORS MAY SERVE AS A BASE FROM WHICH DISCUSSIONS COULD COMMENCE. THE NEGOTIATIONS WILL NOT DETRACT FROM GAINS ALREADY MADE IN THE LIBERALIZATION OF SERVICES UNDER THE FTA, BUT THE PRESENT NEGOTIATIONS MAY EXPAND ACCESS FOR CANADIANS IN AREAS NOT COVERED UNDER THE CANADA-UNITED STATES FREE TRADE AGREEMENT.

SERVICES SECTOR : QUESTION #4

Considering the broad range of sub-sectors being discussed regarding financial and insurance services, how will auto insurance be treated under NAFTA?

Background:

This is one of the only contentious issues under the discussion with regard to insurance services due the relationship of the provincial monopolies on auto insurance and the NAFTA negotiations occurring at the federal level. This issue concerns mostly the U.S. which is concerned particularly with the position of the Ontario government.

There is also a broader concern of the relationship between insurance and general financial services in the federal and sub-national governmental level as the Canadian and American distribution differs from the Mexico federal regulation system.

RESPONSE:

- THE ISSUE OF THE PROVINCIAL AUTO INSURANCE HAS BEEN RAISED. IT IS OUR POSITION THAT AT THIS TIME THE RELATIONSHIP BETWEEN OF AUTO INSURANCE AND THE PROVINCIAL MONOPOLIES BELONGS IN THE MORE GENERIC DISCUSSION OF THE ESTABLISHMENT OF NEW MONOPOLIES.