

APPENDIX B

CANADA AND THE GENERAL AGREEMENT ON TRADE IN SERVICES (GATS) NEGOTIATIONS

Introduction

In 1999, the federal government conducted consultations with Canadians across the country to obtain their views on general trade interests in preparation for the World Trade Organization's (WTO) Seattle Ministerial meeting. This proved very informative and significantly contributed to shaping Canada's approach to the trade negotiating agenda. Early in 2000, mandated negotiations on services (as well as in agriculture) began in the WTO. The government is committed to continue this dialogue with Canadians to assist in developing the Canadian position for these negotiations.

This paper seeks your views on Canada's objectives and priorities in the services negotiations required under the *General Agreement on Trade in Services* (GATS) of the WTO.

GATS and Canada

The GATS, in effect since 1995, represents the first multilateral framework of rules governing this important component of world trade. The increasingly global nature of service industries and the growing contribution of services exports to the Canadian economy means that the further development of multilateral rules on services trade is important to Canada, enabling our businesses to compete in the international playing field.

Canada derives benefits from being an active member of the WTO and the GATS:

- it improves Canadian exporters' access to foreign markets; this is important given the high value-added elements of many Canadian service exports;
- it contributes to a more competitive domestic market providing Canadian consumers with a wider range of more competitively-priced services. This is particularly important as service industries play an key role in enhancing the productivity of the whole economy;
- it provides an effective means of settling disputes based on the rule of law rather than the sheer size and power of larger economies;
- it contributes to the orderly management of trade relations and, through negotiations, provides a means for Member countries to gradually liberalize their service markets in a mutually advantageous way; and,
- it provides due respect for the sovereign right of governments to pursue national policy objectives.