

CANADA AND TRADE IN SERVICES

Trade in services -- such as transportation, telecommunications, consulting, financial and professional services -- is becoming an increasingly important feature of the world economy. Estimates are that trade in services now represents about 20 per cent of world trade.

In Canada, services account for over 70 per cent of Gross Domestic Product and more than 8.8 million jobs. The service sector is the fastest-growing source of employment growth.

In the Uruguay Round, Canada is working to develop a new framework of multilateral rules for trade in services, a framework comparable to the GATT rules for trade in goods. Furthermore, Canada believes that any agreement on services must contain mechanisms for avoiding and settling disputes. Canada also seeks to reduce existing restrictions on our exports of services to foreign markets.

Basic GATT principles -- such as market access, non-discrimination, national treatment and transparency -- need to be applied to trade in services in the multilateral trade negotiations.

The Uruguay Round gives the international trading community an opportunity to establish basic rules for trade in services before they become the subject of increasing international confrontations. A multilateral agreement would also help to stem unilateral retaliatory measures taken by national governments against foreign suppliers of services.

Any effort to establish multilateral rules for trade in services is made particularly difficult by the fact that national governments employ a wide range of different measures in regulating domestic provision of services.

Services are traded in a variety of ways through the movement of information, people, capital or goods. Many services, including computer services, are transported along telecommunications networks. Professional