



Other objectives for Canada in 1999 include ensuring full and effective implementation of agreements on basic telecommunications and financial services, finalizing disciplines on the domestic regulation of accountancy services, and developing a program of work on standards for the domestic regulation of other professional services.

Sectors that are likely to be of importance during the upcoming negotiations include professional services, business services, financial services, telecommunications services, computer services, environmental services, and transportation services.

Financial Services

The global marketplace for financial services includes some US\$38 trillion in bank lending, US\$18 trillion in securities assets and US\$2 trillion in insurance premiums. In December 1997, seventy WTO Members, including Canada, representing 95 percent of financial services trade, successfully concluded an agreement to establish the first permanent, multilateral framework of rules for trade in financial services. As well, individual countries made specific commitments regarding the conditions under which foreign financial institutions may provide services such as banking, insurance, securities, and financial information services.

Canada accepted the Fifth Protocol to the GATS on trade in financial services on January 18, 1999 and it entered into force on March 1, 1999. Over the next year, the priority for Canada will be to ensure timely ratification and effective implementation of the agreement by all participants.

Basic Telecommunications Services

The GATS Agreement on Basic Telecommunications (ABT) was concluded in February 1997 with the participation of countries accounting for over 90 percent of worldwide telecommunication revenues, and came into effect on February 5, 1998. From that date, both the WTO dispute settlement mechanism and the MFN principle have applied to the provision of basic telecommunications services by all Members of the WTO. To date, Canada has implemented all of its commitments on or ahead of time, and has announced steps to end our last telecommunication monopoly, the Telesat monopoly on fixed satellites, on schedule in March 2000. By November 1998, specific commitments regarding market access, national treatment, and the application of

pro-competitive regulatory principles were undertaken by all 89 participants to the ABT. The ABT does not cover direct-to-home or other broadcasting services. The commitments made by participating countries will be implemented over the next decade. Canada will closely monitor implementation of the Agreement by its trading partners to ensure Canadian industry can take advantage of access to new markets.

Professional Services

Canada's goal in the ongoing WTO discussions on professional services is to obtain greater and more secure market access for providers of professional services, particularly for professions of key export interest. Canada, supported by industry, is playing an active role in the WTO/GATS Working Party on Professional Services (WPPS), which is charged with developing disciplines to ensure that domestic regulations such as technical standards and licensing or qualification requirements do not act as disguised barriers to trade. In this regard, the WTO's Council for Trade in Services adopted, on December 14, 1998, the Disciplines on Domestic Regulation in the Accountancy Sector which have been developed by the WPPS. This is the first step in the development of GATS disciplines on the domestic regulation of services. Canada is encouraging the WPPS to expand its work program to include additional professions, particularly engineers, architects, and legal consultants.

ISSUES THAT AFFECT ACCESS FOR TRADE IN GOODS AND SERVICES

Government Procurement

To take advantage of the significant potential for international trade represented by the annual hundreds of billions of dollars in global expenditures on government procurement, Canada has pursued market access in a number of fora. Increased sectoral coverage and a reduction of discriminatory barriers in the United States and other key markets would result in significant opportunities for Canadian exporters. To increase opportunities, Canada supports a range of activities to broaden and strengthen government procurement disciplines and to ensure effective implementation of existing disciplines.

Canada, along with 25 other countries, is party to the *WTO Agreement on Government Procurement* (AGP). The AGP provides the basis for guaranteed