

Under the trade agreements to which Canada is a party, Canada has set aside the labour market test for certain categories of workers. The positive impact of facilitating entry of temporary workers is thought to outweigh any negative impacts on the labour market. Canadian services providers have benefited greatly from the commitments obtained from other countries in the last round of the GATS, and there are opportunities for them to benefit further from increased trade liberalization in the current GATS negotiations.

Canada, as a trading nation, is interested in developing open and more secure conditions for international trade in services and in the GATS negotiations will continue to pursue commitments and rules to improve and secure access for Canadian services providers.

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 hundreds of billions of dollars spent annually on government procurement worldwide, Canada has pursued market access in the World Trade Organization. Increased sectoral coverage and a reduction of discriminatory barriers in the United States and other key markets would create 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 27 other countries, is party to the WTO Agreement on Government Procurement, which provides the basis for guaranteed access for Canadian suppliers to the markets of the United States, the European Union, Japan and other key markets. Canada continues to pursue greater and more secure market access through the Agreement on Government Procurement. The review of the Agreement on Government Procurement, with its mandate to expand coverage, eliminate discriminatory provisions and simplify the agreement remains a priority. Work is continuing with input from provinces and other stakeholders to establish Canada's priorities for further market access.

Electronic Commerce

E-commerce is not a business "sector" in itself, but rather, a means for conducting business across a wide range of sectors and a means for capturing remarkable new efficiencies in business processes. As a consequence, the rapid growth in e-commerce may well represent one of the most significant developments in international trade ever witnessed.

E-commerce is likely to have far-reaching effects on trade flows. For example, information products (e.g. software and music), which have traditionally been sold attached to carrier media such as tapes and compact discs, can increasingly be delivered electronically. Another significant development is the possibility of supplying a wide variety of complex services on-line across borders, where such trade once seemed unfeasible. These changes have the potential to bring tremendous advantages for Canadian consumers in the form of increased access to information, choice of products and the benefits of lively competition. They may offer opportunities and benefits for Canadian businesses in the form of greatly expanded access to international markets. At the same time, however, the changes also pose new challenges to the traditional territorial basis of governmental regulatory jurisdiction.

In order for electronic commerce to realize its full social and economic potential, attention has therefore been directed to the manner in which already existing rules and regulations governing international trade apply to electronic commerce transactions. As work progresses, particularly within the WTO and the FTAA, the government will continue to consult Canadians on the development of a trade policy that will help to facilitate e-commerce.

Dispute Settlement

The World Trade Organization, unlike many other international organizations or agreements, has well established rules and procedures for dealing with disputes among its Members. These are contained in the Understanding on Rules and Procedures Governing the Settlement of Disputes (Dispute Settlement Understanding or DSU) which is often considered as a cornerstone of the World Trade Organization. Some of the most important features of the DSU are the automatic establishment of panels to review complaints, the right to appeal rulings to a permanent Appellate Body, and the automatic