

# WORLD TRADE ORGANIZATION

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**Council for Trade in Services  
Special Session**

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## COMMUNICATION FROM CANADA

### Initial Negotiating Proposal on Tourism and Travel-Related Services

The attached communication has been received from the delegation of Canada with the request that it be circulated to Members of the Council for Trade in Services.

1. Canada reserves the right to modify this proposal at any time. This proposal does not prejudice Canada's position on other service sectors, nor any future offer on this or other sectors. This proposal should be read in conjunction with the principles and objectives as outlined in Canada's initial negotiating proposal.

#### A. INTRODUCTION

2. As with nearly all Members, the economic benefits of tourism for Canada are vast. In 1999, total tourism revenues for Canada surpassed the \$50 billion mark, up almost 7 percent from the year before. Of the total industry revenues, the Canadian domestic market accounted for 70 percent or \$34.8 billion. As a percentage of the total economy, tourism gross domestic product at factor cost reached 2.5 percent or \$20.3 billion in 1999. Tourism has been and continues to be seen as a leading growth sector and job creator in the Canadian economy. Tourism revenues directly generated 524 300 jobs in 1999, an increase of 1.2 percent over the previous year. However, overall employment in all industries in the sector reached approximately 1.4 million jobs in 1999.

3. Tourism is an amalgam of parts of a number of separate industries. To varying degrees, it includes transportation, accommodation, food and beverage services, travel agency services and recreation and entertainment industry groups. Thus, tourism is not just one industry, but a cross-cutting multi-industry sector. In 1999, the total number of tourism establishments in the tourism industries' aggregate was more than 158 000, the majority (98 percent) of which are small- and medium-sized businesses (SMEs).

4. Aside from inbound tourism exports, other tourism expertise developed by Canada with the potential for export includes leadership in the areas of sustainable development practices; resort development and design; hotel management services; parks and golf course development; and ecotourism.

#### B. PROPOSAL

5. Despite the fact that the tourism sector attracted more commitments by Members than any other sector at the end of the Uruguay Round, implementation of these commitment has sometimes fallen short and significant restrictions still remain.

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6. While this list is not exhaustive, included among the most common restrictions appearing in schedules are economic needs tests, citizenship requirements, size limitations for establishments, restrictive licensing practices and fixed equity limits.

7. Canada would encourage other Members to focus negotiations on the W/120 classification of Tourism and Travel related services with the objective of fully implementing existing commitments and liberalizing remaining restrictions to the extent possible. Canada would suggest that individualized country checklists could be employed to deal with the more comprehensive nature of tourism as an industry.

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