

WORLD TRADE ORGANIZATION

S/CSS/W/54/Rev.1
4 May 2001

(01-2309)

**Council for Trade in Services
Special Session**

Original: English

COMMUNICATION FROM CANADA

Initial Negotiating Proposal on Tourism and Travel-Related Services

Revision

The attached communication has been received from the delegation of Canada to replace the previous submission on tourism (S/CSS/W/54) 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. The purpose of this proposal is to stimulate discussions towards seeking improved conditions for the treatment of tourism and travel-related services in the context of the current round of the GATS.

B. IMPORTANCE OF TOURISM AND TRAVEL RELATED SERVICES

3. Tourism continues to be an important industry for developed and developing countries alike in terms of revenue generation and, its contribution to employment. For Canada, in 1999, total tourism revenues surpassed the \$50 billion mark, up almost 7% from the year before. In addition, tourism revenues directly generated 524,300 jobs in 1999, an increase of 1.2% over the previous year. However, overall employment in all industries in the sector reached approximately 1.4 million jobs in 1999.

4. Tourism is an amalgam of parts of a number of separate industries. To varying degrees it includes transportation services, accommodation services, food and beverage services, travel agency services and recreation and entertainment services.

5. Although the tourism sector attracted more commitments by Members than any other sector at the end of the Uruguay Round, significant restrictions still remain.

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

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C. SECTORAL COVERAGE

7. This proposal covers all sectors and sub-sectors of category 9 of the Services Sectoral Classification List (MTN.GNS/W/120) - Tourism and Travel Related Services:

- A. Hotels and Restaurants (including catering) (CPC 641-643);
- B. Travel Agencies and Tour Operators Services (CPC 7471);
- C. Tourist Guides Services (CPC 7472);
- D. Other.

D. PROPOSAL

8. Canada encourages other Members to focus negotiations on the W/120 classification of Tourism and Travel related services with the objective of liberalizing remaining restrictions to the extent possible.

9. To accommodate the cross-cutting, multi-industry nature of Tourism services, Canada suggests Members create and utilise their own tailored checklists to assist in the negotiation of tourism related sectors that are of particular interest to them.
