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Hon. Mark Eyking
House of Commons
Ottawa, ON
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Dear Chair Eyking,

On behalf of the Canadian Services Coalition (CSC), I would like to express our gratitude for the opportunity of the CSC to appear before the CIIT in its consultations on the Trans-Pacific Partnership (TPP). We remain hopeful that that a date can be found that would agree with the Committee's schedule. We have a story to tell about the importance of trade in services to Canada that is not understood nearly well enough, and we would like to share it with you and the members of your committee.

The CSC is Canada's leading voice in promoting the importance of services to the Canadian economy and advocating for sound public policy aimed at encouraging innovation, growth and competition in the services sector. Trade liberalization through the removal of trade and investment barriers that impede services growth is a key element of the CSC's mandate.

The services sector represents over 70% of the Canadian economy, employs four in five working Canadians, and perhaps most importantly is responsible for 90% of new job creation. Services jobs are often high-level, value added and many are among highest paying in Canada. Employment in the services sector is growing at a rapid rate and is increasingly integral to many facets of the manufacturing sector, a reality often overlooked or even, misunderstood.

The services sector is a growing contributor to Canadian export and trade. Over the past decade, three out of the five fastest-growing Canadian export sectors were financial services, computer services and management services. Canada's export of services increased in 2014 for the sixth consecutive year, reaching \$99.2 billion in 2015. Total services value-added share of growth exports totalled 44.9% in 2011 (Last year available).

The benefits of TPP for Canada need to be considered against this backdrop. It is why the CSC is a strong supporter of TPP's ratification. The TPP would be the world's largest and farthest-reaching regional trade bloc, with a total market of 800 million people and a GDP of \$28.5 trillion. It stands to provide the Canadian services industry with preferential access to some of the world's largest and most competitive markets, access that goes beyond that under the WTO's General Agreement on Trade in Services (GATS) or existing free trade agreements (FTAs).

According to a study conducted by the C.D. Howe Institute, if ratified, the TPP would boost Canadian household income by \$485 million by 2018 rising to \$3 billion by 2035. The Institute also found that the TPP would result in significant job creation totalling 7,600 new jobs, of which 2,200 would be skilled jobs.

The projected impact of the TPP on the Canadian economy and services in particular is positive, with Canada's real GDP growing an estimated \$2.5 billion. It is anticipated that the services industry would experience growth across the board, increasing by \$3.1 billion with the TPP, but without it, decrease by \$2 billion.

The TPP will enhance current and ongoing trade relationships. It would allow Canadian service providers to further engage with existing markets and to enter new markets, in TPP countries with major economies and those with high growth potential where Canada does not currently have bilateral agreements, such as Japan and Vietnam.

It will create security and predictability for Canadian service providers by locking in their existing access to markets in other TPP countries and by ensuring that future liberalization those countries undertake is also locked-in. Predictability and market access are also protected by disciplines on domestic regulation, which commit parties to regulate and licence services on the basis of reasonable, objective and transparent criteria.

The range of services covered by the TPP is very broad and will extend to new services that may arise or may become technically feasible for Canadian providers to deliver abroad. The TPP also includes commitments that will benefit Canadian service providers by removing restrictions on the movement of people, information and investment.

In closing, we believe that it is important to recognize that all trade agreements reflect compromises and none achieve all of the market access or other gains one might wish for. However, the TPP is positive for Canadian trade in services. Its ratification would provide Canadian services providers with new opportunities as well as predictability, stability, and transparency that will contribute to the growth of the Canadian economy and job creation.

Yours truly



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