



COMITÉ EJECUTIVO
CAAAREM 2017 - 2019



**Logistics &
Manufacturing
Association**
Port Laredo



EXIM FORWARDING, INC.
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North American Trade: What's Next?

Pathways For Trade Symposium



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CONFEDERACIÓN DE ASOCIACIONES DE AGENTES ADUANALES DE LA REPÚBLICA MEXICANA

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Trump's goal

- To reverse the trade balance

The biggest problem

- The relationship with China

Trade Balance of the United States

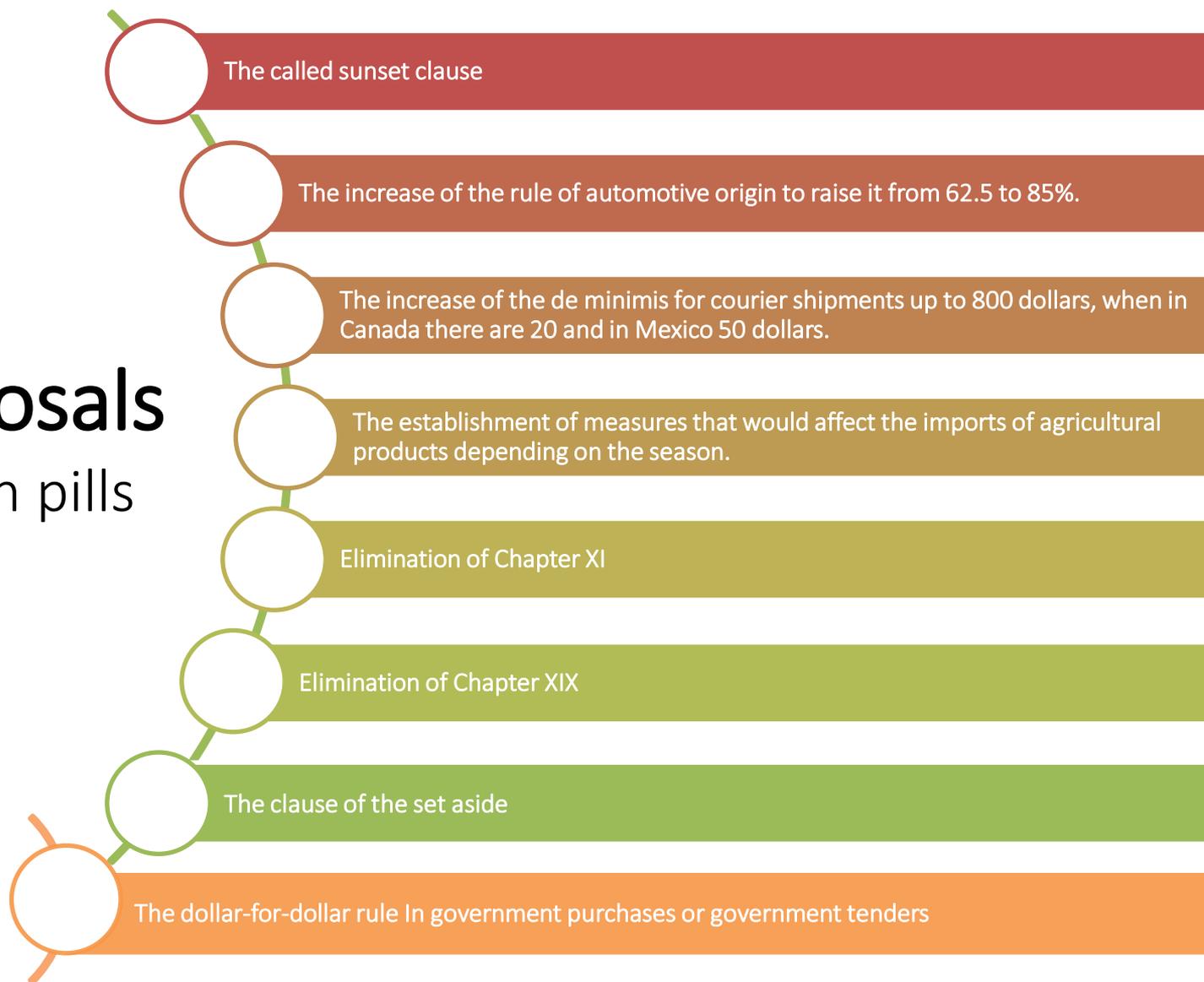
Figures in millions of dollars

Country	2015	2016	2017
Mexico	-60,197.1	-64,351.1	-71,056.5
Canada	-15,375.3	-10,958.3	-17,583.2
China	-367,256.7	-347,016.0	-375,227.5
Germany	-74,873.4	-64,375.9	-64,252.0

Source: United States Census Bureau <https://www.census.gov/foreign-trade/balance/index.html>

Proposals

Posion pills



The US imposed tariffs on **imports** from virtually all over the world , of 25% for various steel products.



In the first months (end of March, April and May) **Canada and Mexico were excluded from the aforementioned tariff increases**, but since the renegotiation did not advance in the terms desired by the United States, both countries were included at the beginning of June.



The effects of such increases are still not serious, **but can be seen in the following table on imports from the United States from Mexico**, where the month of June 2018 compared with 2017 there is a decrease of -68,001 metric tons; and in July of 2018 with respect to July 2017, it is -11,629 metric tons :

2018			
Preliminary July		End of June	
Quantity	Value	Quantity	Value
283,283	258,485	221,405	189,370

2017			
End of July		End of June	
Quantity	Value	Quantity	Value
294,912	229,953	289,406	226,715

*The quantities are in metric tons and the value is in thousands of dollars.

In the case of Mexico, based on chapter VIII of the NAFTA on safeguards , as of June 6, 2018, the tariff was increased to goods originating in the United States, of a great variety of products, including:

FRACCIÓN	DESCRIPCIÓN	IGI %
0203.12.01	Legs, shoulders, and their pieces, without bone.	20
0406.10.01	Fresh cheese (unripe), including that of whey, and cottage cheese.	25
0406.20.01	Cheese of any kind, grated or powder.	20
0808.10.01	Apples.	20
1602.41.01	Hams and pieces of ham.	20
2004.10.01	Potatoes (potatoes).	20
2008.93.01	Cranberries.	20
2208.30.04	Whiskey "Tennessee" or Bourbon whiskey.	25
7208.51.02	Steel plates thicker than 10 mm, SHT-80, SHT-110, AR-400, SMM-400 or A-516.	25
7208.51.03	Steel plates thicker than 70 mm, grade A-36.	25
7209.15.02	Steels plates whose limit of resistance to deformation is equal to or greater than 355 MPa.	25
7210.41.01	Galvanized sheets on both sides.	25
7211.29.03	Cold rolled sheets with a thickness greater than 0.46 mm without exceeding 3.4 mm.	25
7212.30.01	Straps.	25
7214.20.01	Corrugated rods or bars for armor, for cement or concrete.	25





The effects of tariff increases imposed by the three countries **limit free trade and affect value chains.**

After the presidential elections in Mexico, **high-level US officials visited the elected president Andrés Manuel López Obrador.**

As a result of that visit, he mailed a **letter to President Trump, include the appointment of a representative to attend the NAFTA negotiations, along with current officials of the Ministry of Economy.**

The result of this process is an **agreement in principle between the governments of the United States and Mexico**, which will undoubtedly be respected by the new Mexican federal government that will begin on December 1 of this year.

There is no longer a **clause sunset** and instead there is a sunrise clause, the pertinent modifications will be made to continue for another 10 years, and subsequently another evaluation will be made and the treaty may be in force for another 16 years.

There will be no limitations on the exchange of agricultural products , chapter XIX of the NAFTA will be eliminated, the de minimis for courier shipments will be 100 dollars.

70% for trucks, based on which the inputs incorporated in the car or truck must come from the North American region, with the additional requirement that 40 to 45% of the car must come from inputs whose manufacture observe wages of 16 dollars per hour, which only

The elimination or exemption of tariffs between the three countries guarantees free trade in the region; In addition, it provides certainty and viability to Thebusiness that develops between both countries .





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