



NAFTA Modernization and the Prospects for USMCA Ratification

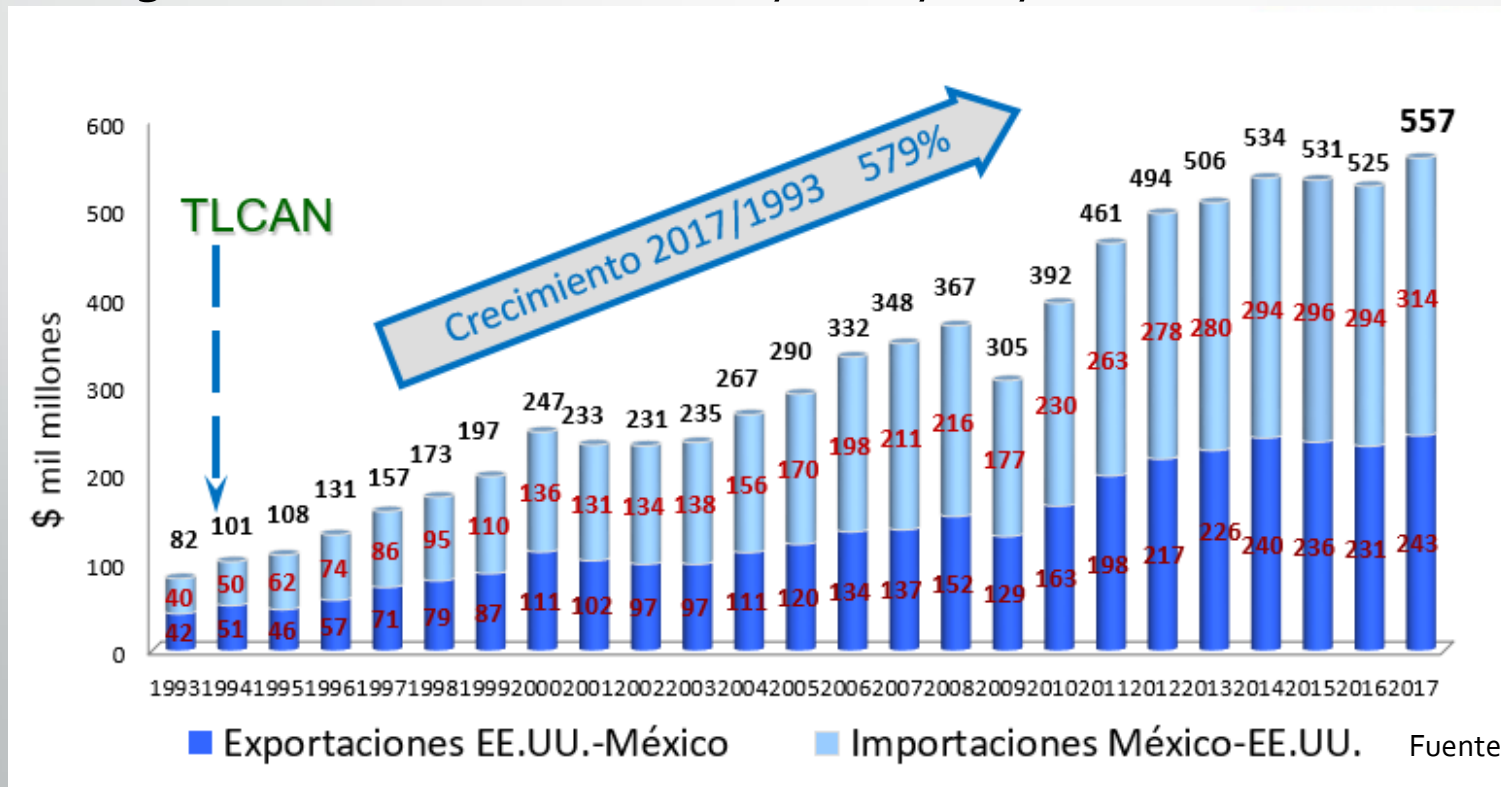
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modernization of the USMCA

September 2019

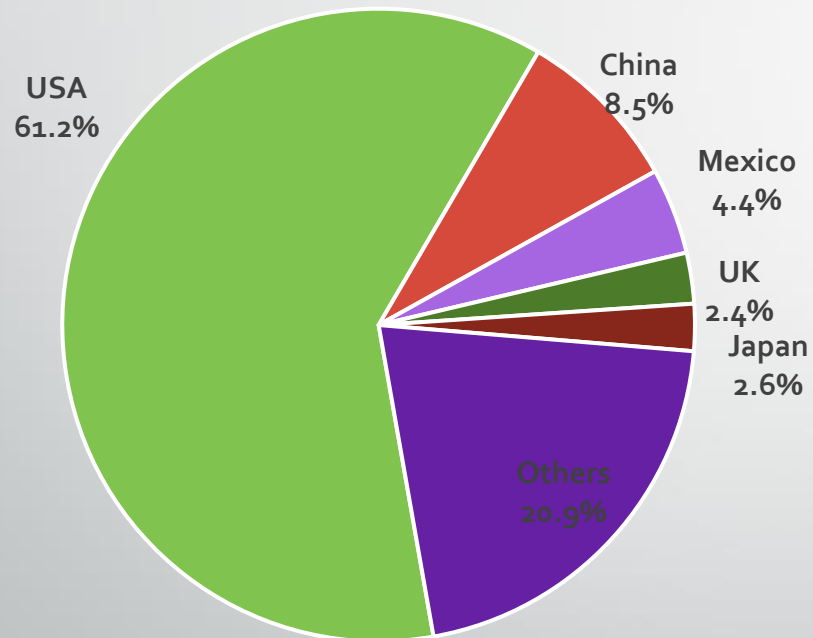
Since NAFTA, trade between the US and Mexico has grown 6 times

- Since NAFTA, commercial activities between Mexico and the USA has grown dramatically
- Mexico is the US's largest trading partner
- \$1.5 billion dollars in goods are traded bilaterally every day.



Trade relationship between Mexico and Canada

Canada's main commercial partners



- Trade between Mexico and Canada has grown 9 times, reaching \$37 billion dollars in 2017.
- Mexico is Canada's third largest trading partner.

Consultation Process

Federal Government

Strategic consulting
Council for International
Negotiations



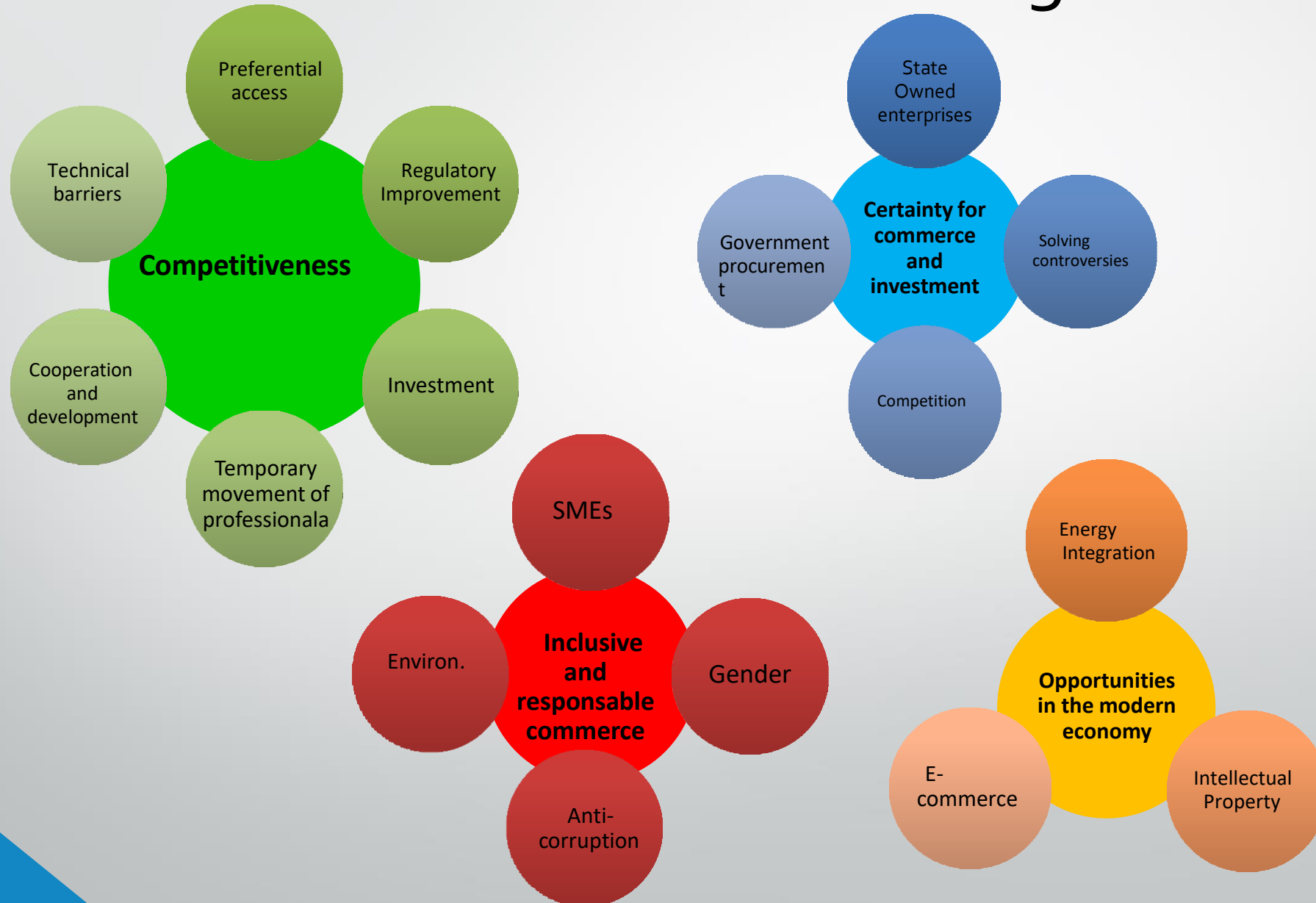
Mexican Senate
Advisory Group

Negotiation Proposals

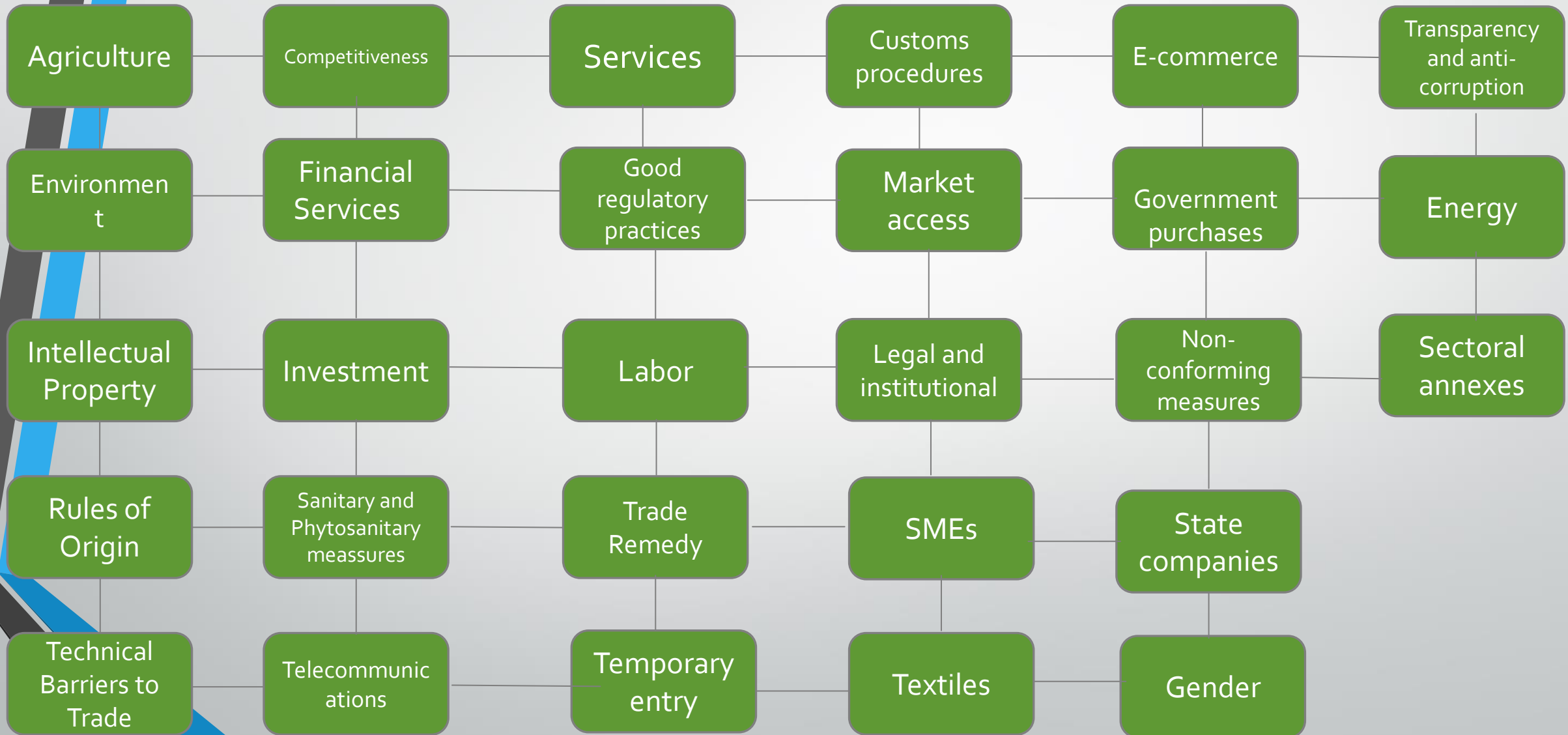


Civil Society

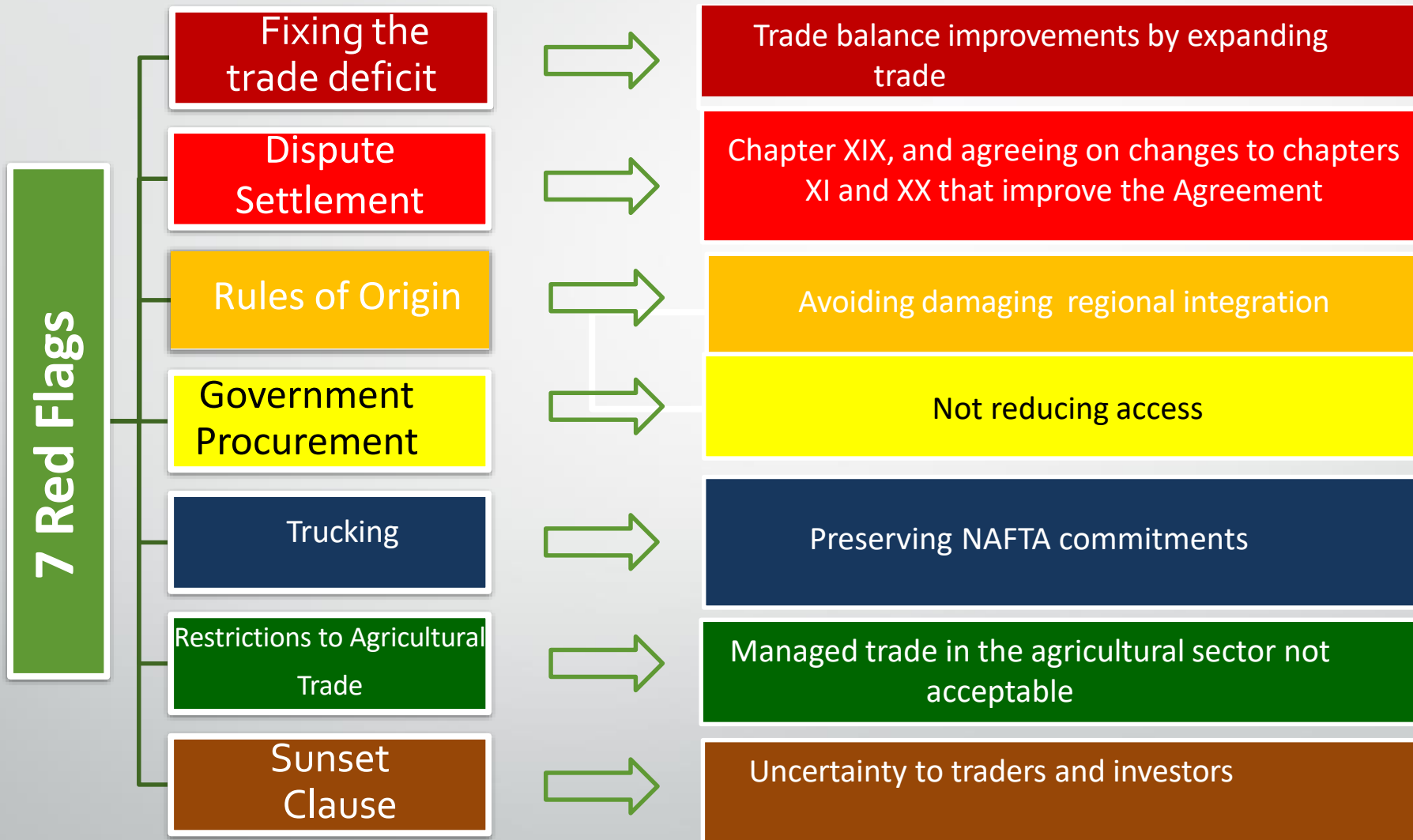
Mexico Priorities for USMCA Negotiation



Negotiations in every key sector



Red flags during the negotiations



Negotiation Strategy

1

- Negotiate the best deal possible for the country

2

- Making progress in Chapters with minor differences
- Tackling hot topics:
 - ✓ Being firm against unviable proposals

3

- ✓ Counterproposals and negotiation
 - a. Autos
 - b. Sunset
 - c. Dispute resolution

4

- Proposals that promote free trade and strengthen NAFTA
 - SPS Measures
 - Temporary Entry
 - Trade Facilitation

5

- Time should not be a factor and main goal is ensuring the balance and quality of the Trade Agreement.
- Closing well, not fast

Final result... A Trilateral Agreement

USA-Mexico-Canada

(USMCA)



August 27, 2018



September 30, 2018



September 30, 2018



Lobbying in the US

Private Sector

Academics/Think
Tanks

Federal Congress

Effort "GRASSROOTS": "*All Politics is local*"

National Conference
of Mayors

National Governors
Association

Local Universities

Objective: Mobilizing economic actors in the US

What did we achieve?

1. Digital Trade

2. Telecommunications

3. Anticorruption

4. Competitiveness

5. SMEs

**New chapters
that
modernize
the
Agreement**

What did we achieve?

Sunset Clause

Modified and with no sudden death

Rules of Origin in Automotive Sector

Guaranteeing free trade

Robust rules to promote regional integration

Insurance policy for Mexico in case of extraordinary measures (232)

Dispute Settlement Mechanism

We preserved:

Chapter XI (Investor-State)

Chapter XIX (AD/Subsidies)

Chapter XX (State-State)

**Agreement
On
Controversial
Issues**

What did we achieve?

Agricultural seasonality

Textiles

No Reductions in access to Government
Procurement

No Trade Deficit Provisions

**Eliminating
unacceptable
proposals**

Mexico should continue its trade diversification strategy

Updating NAFTA
(USMCA)

Reaching
out to
Asia-Pacific

CPTPP
Ratified

Strengthen the AP
(Alianza del Pacífico)

Member States:
Canada, Australia, Singapur and New
Zealand

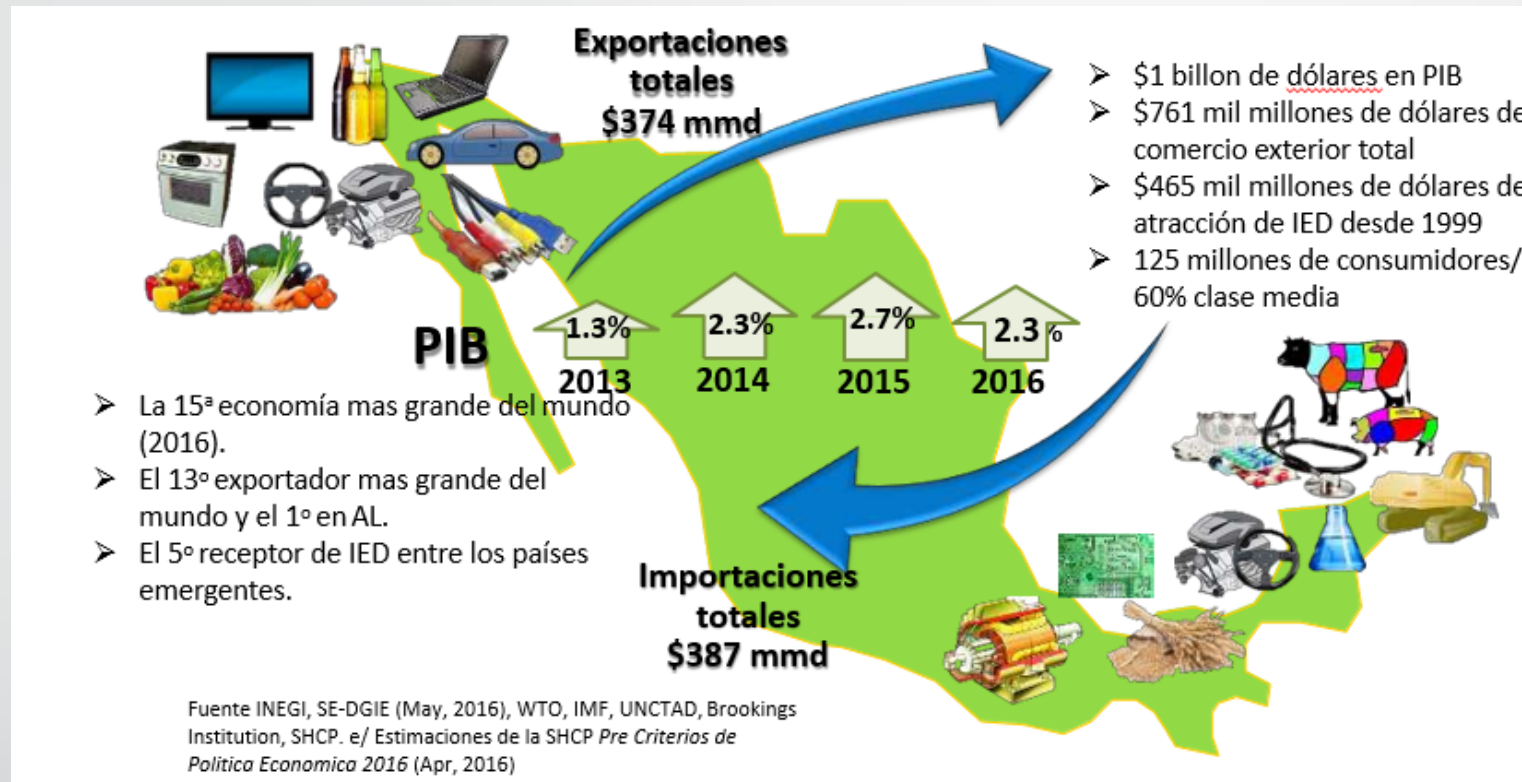


Updating Mexico-EU FTA

Improving Access

Brazil and Argentina

The future: Mexico as a G7 economy in 2050?



- Mexico is open to the world: FTA Network
- Implementation of structural reforms
- Strengthening the Rule of Law
- Guarantees for national and international investors

Thank you!

For additional questions please contact:



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