

*Le Mexique face à la renégociation de l'ALÉNA: les enjeux  
économiques et géopolitiques  
Table Ronde: La présidence Trump et l'ALÉNA*

*Université de Laval*

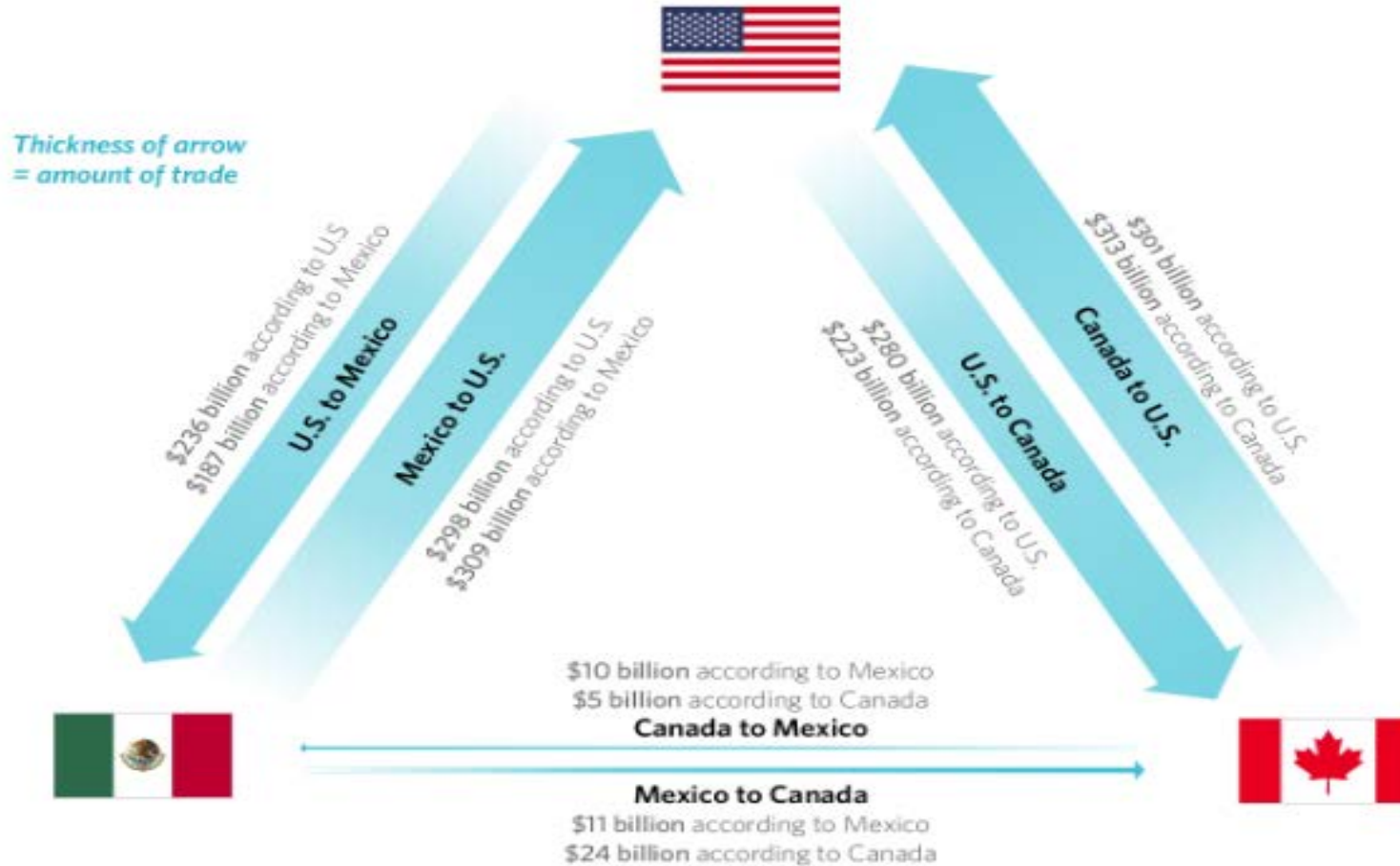
*Québec, 17mars 2017*

**Isidro Morales**

**Escuela de Gobierno y Transformación Pública**

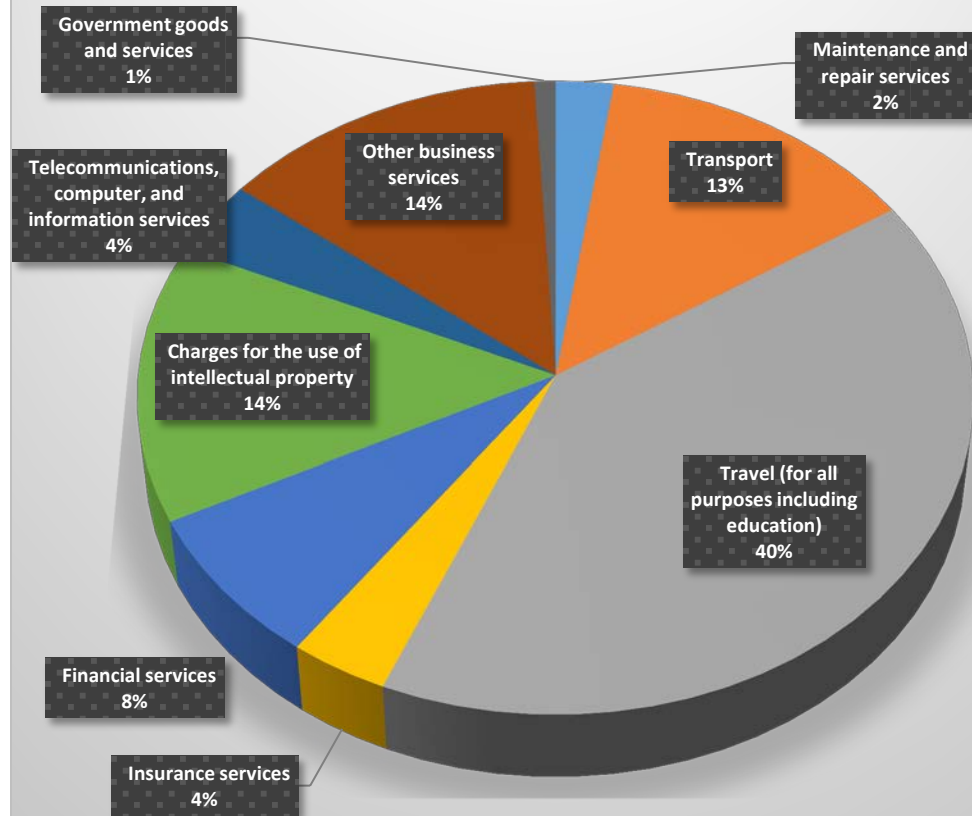
NAFTA was a trilateral deal through which Canada and Mexico assured their access to the US market. It was also the frame under which diplomatic and strategic relationships among the three partners were built during more than 20 years.

### Trade Between NAFTA Members



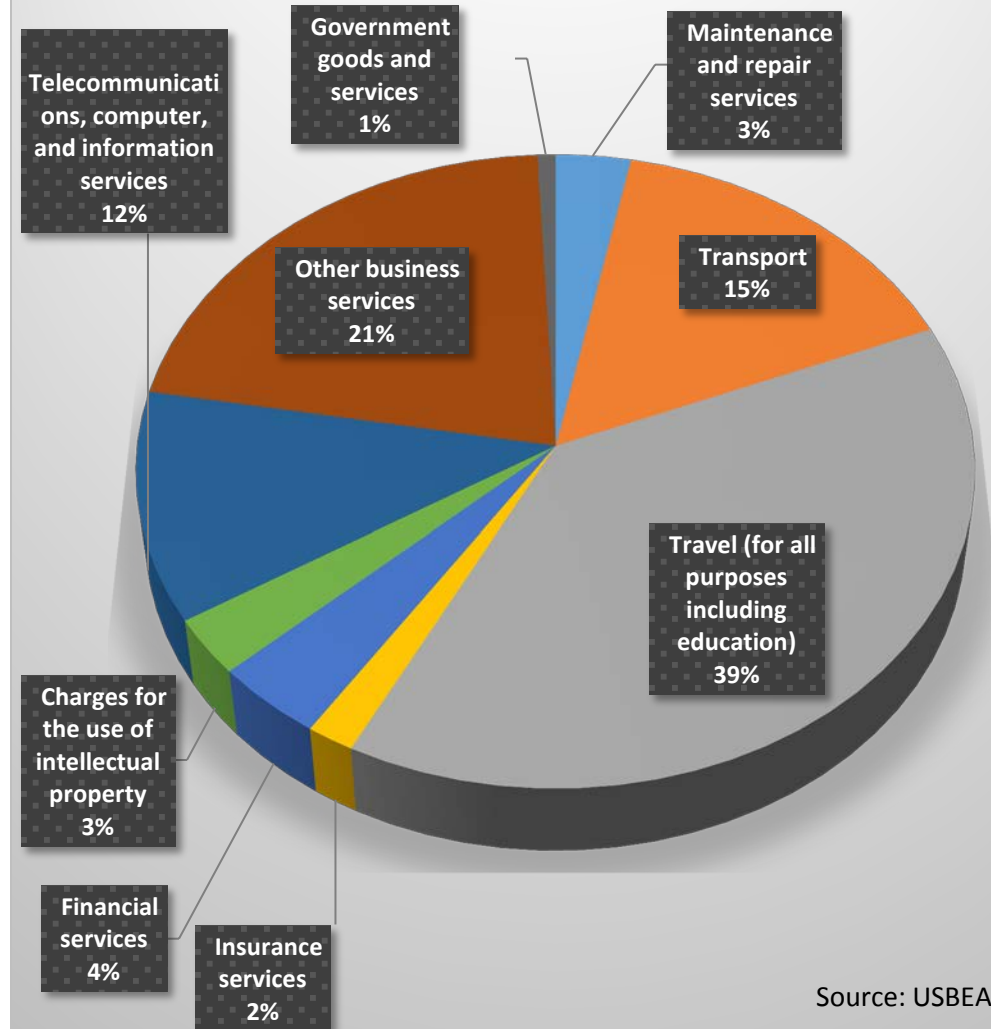
NAFTA is also about trade in services. Both Mexico and Canada have a deficit with the US in their respective trade balances.

**US exports of services by sectors to Canada and Mexico. 2013**



Source: USBEA

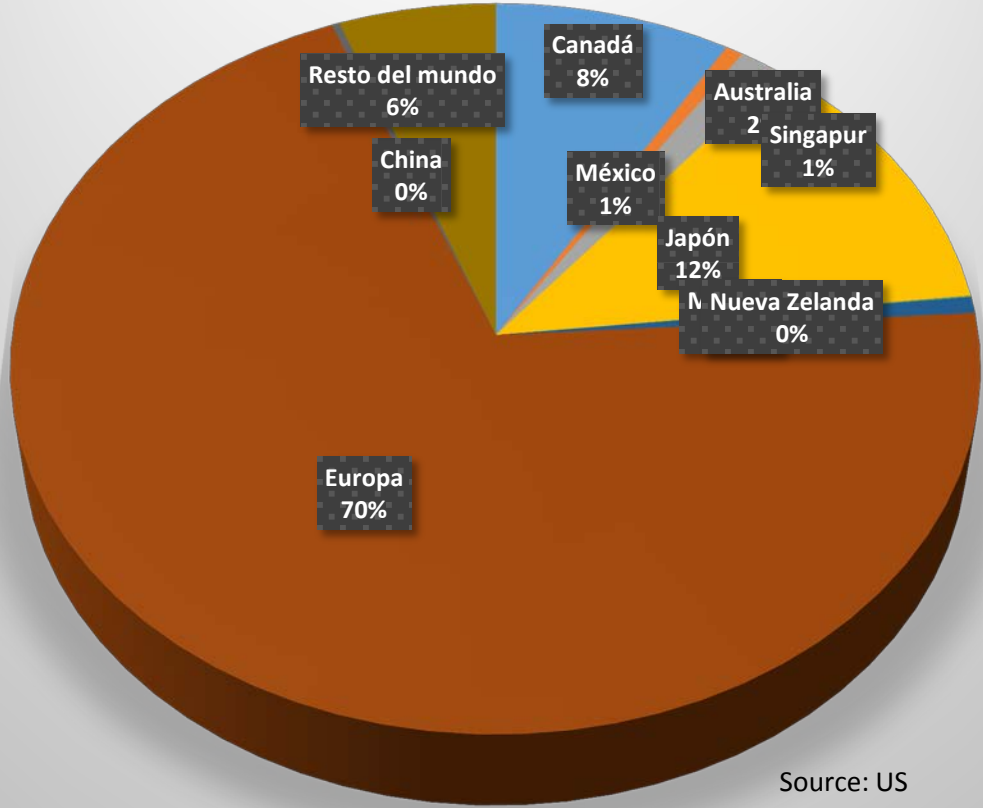
**US imports of services from Canada and Mexico. 2013. Shares**



Source: USBEA

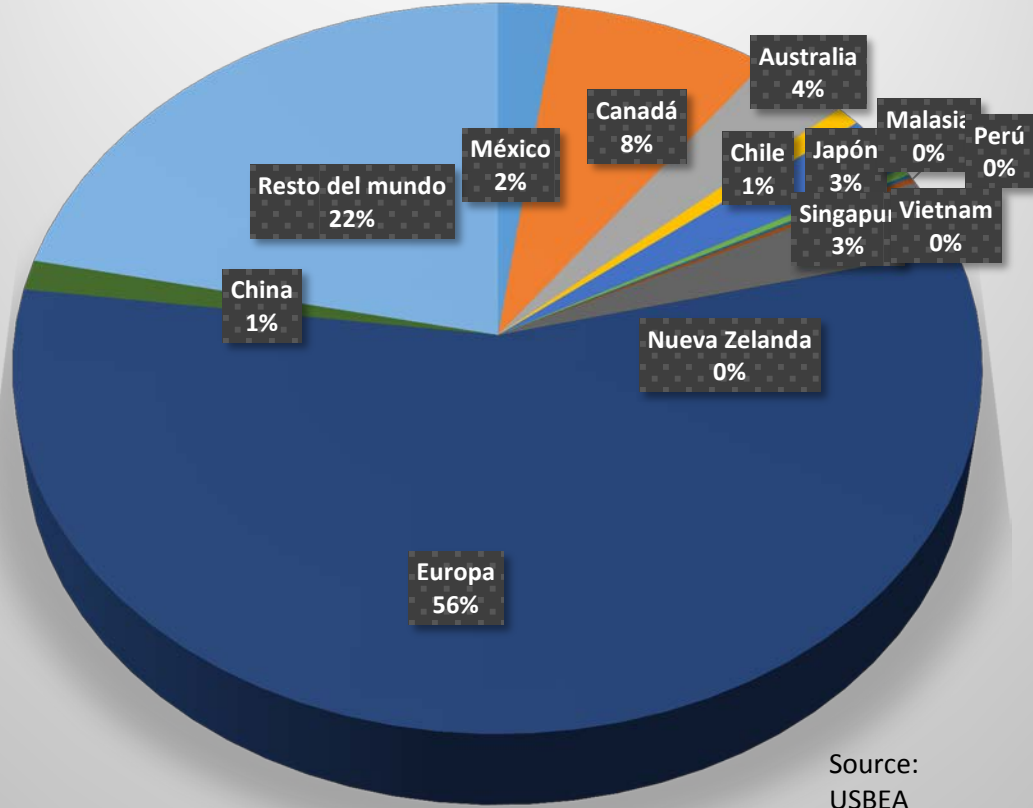
NAFTA is also about the free flow of investments and the protection of firm's assets and property rights.

**US. FDI inward stock from selected countries. 2013. Shares.**



Source: US

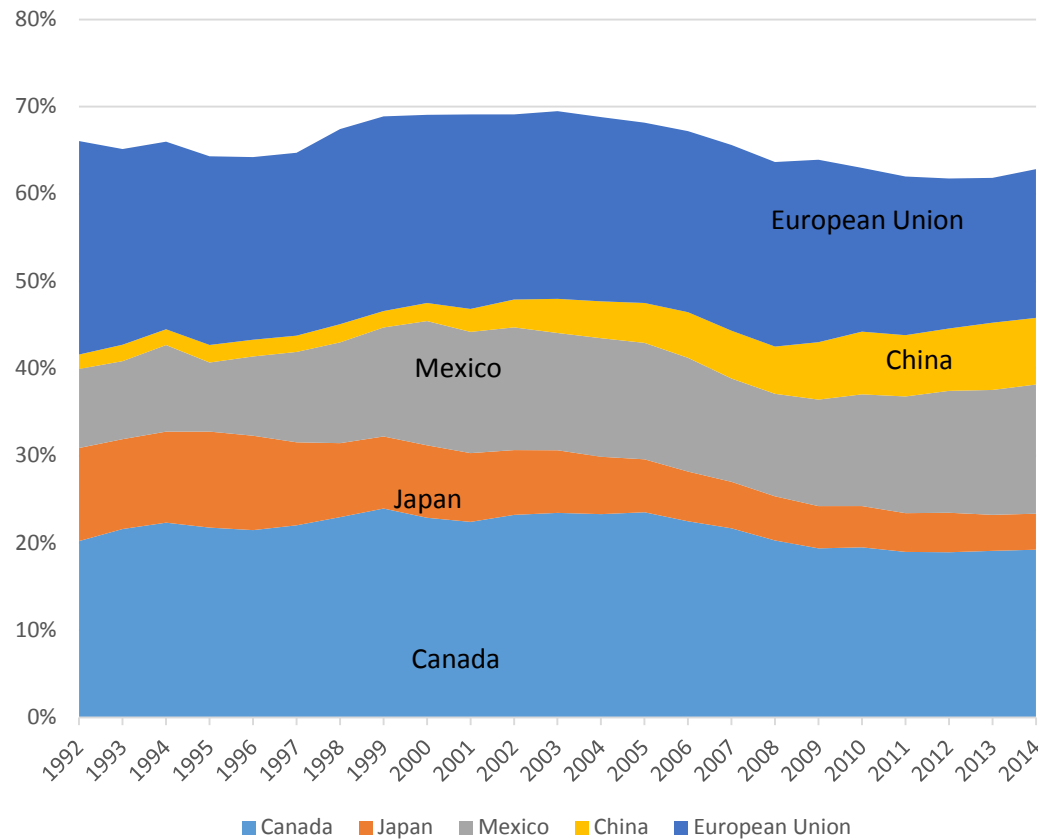
**US. FDI outward stock with major partners and regions. 2013. Shares.**



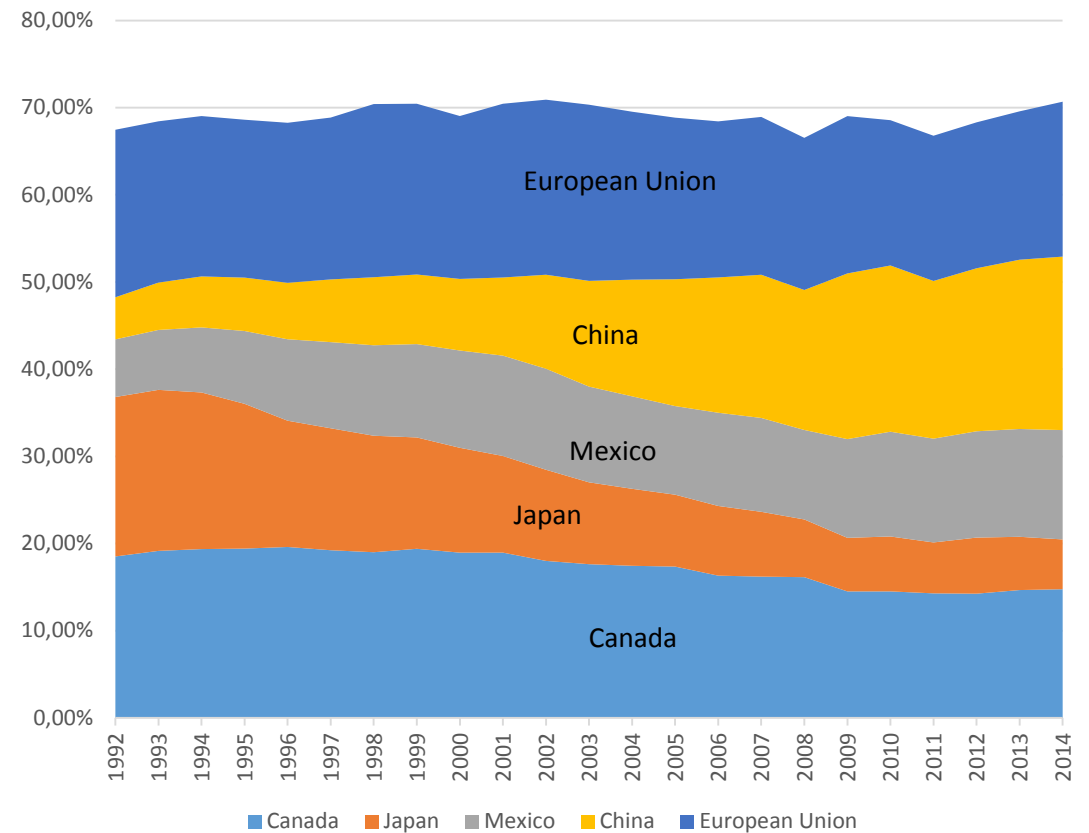
Source: USBEA

NAFTA has strengthened the continentalization of key industries. Canada remains the major US trade partner though coping with tight competition coming from China. Mexico remains the third US partner. The European Union also remains a key regional partner of the US.

US exports to major partners  
1992-2014. Shares

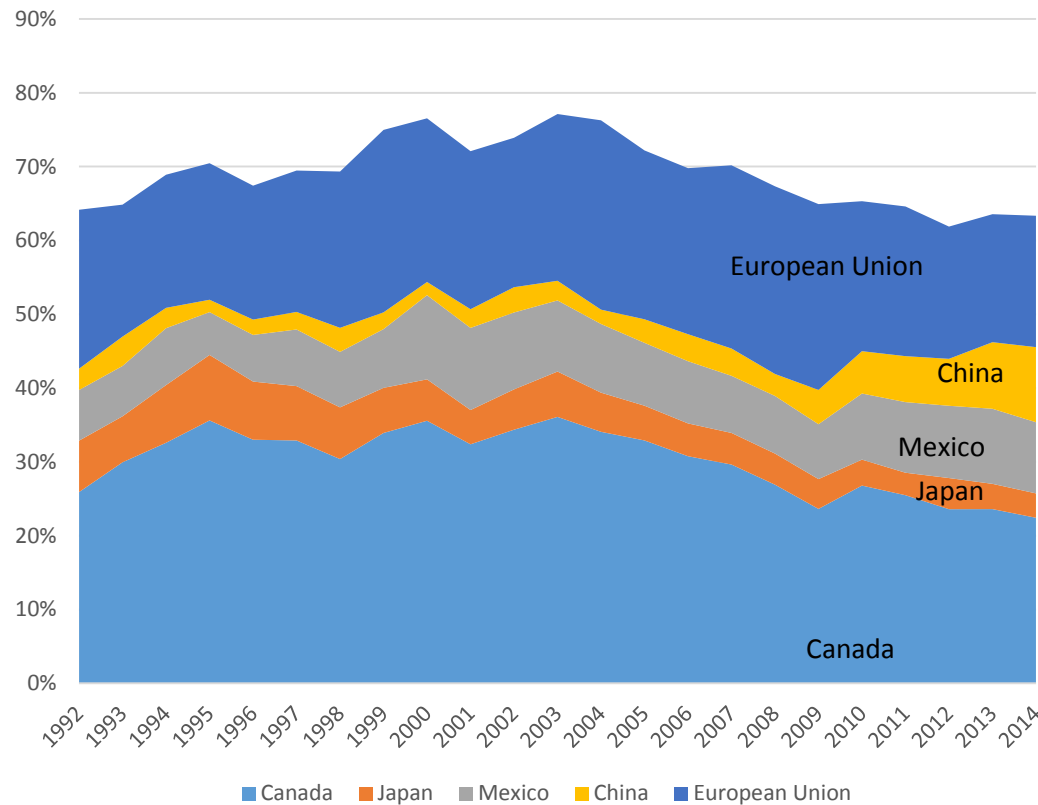


US imports from major partners  
1992-2014. Shares

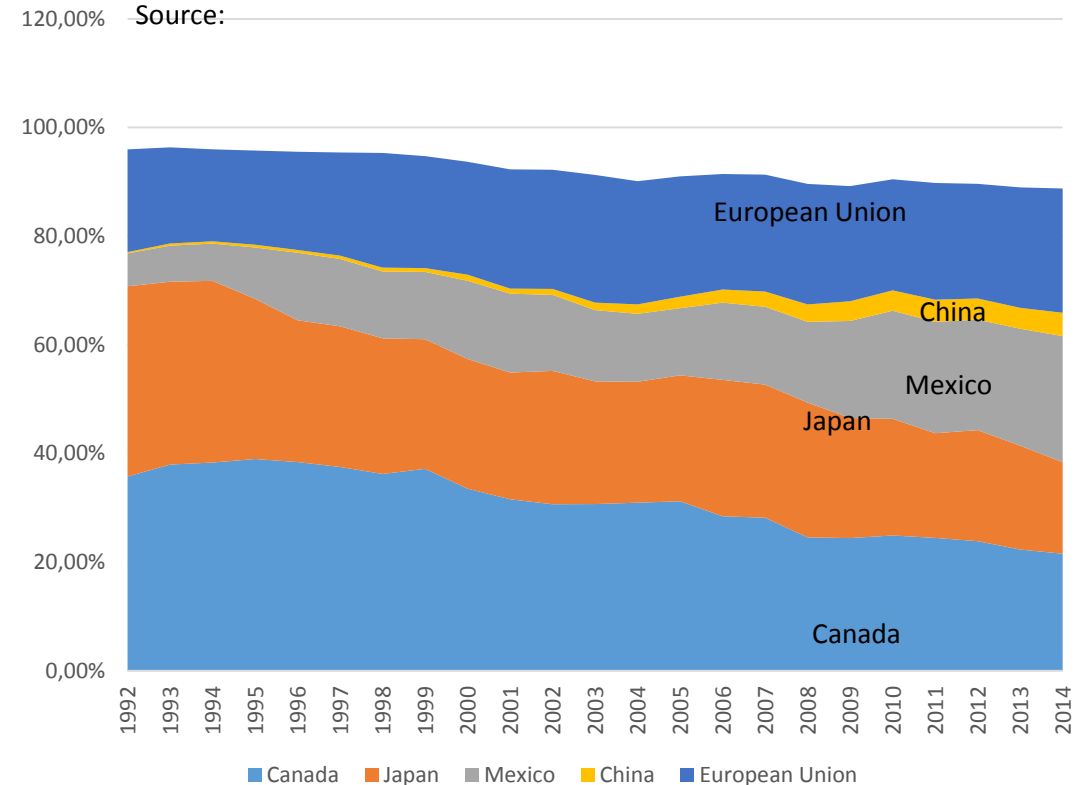


FDI and global value chains explain US trade in the automotive and transport sector. Canada and Mexico remain key spaces for the localization of value chains to supply the US market. Japanese exports and European trade is also explained by the activities of their respective automobile industries.

US exports of vehicle and transports goods from major partners  
1992-2014. Shares.

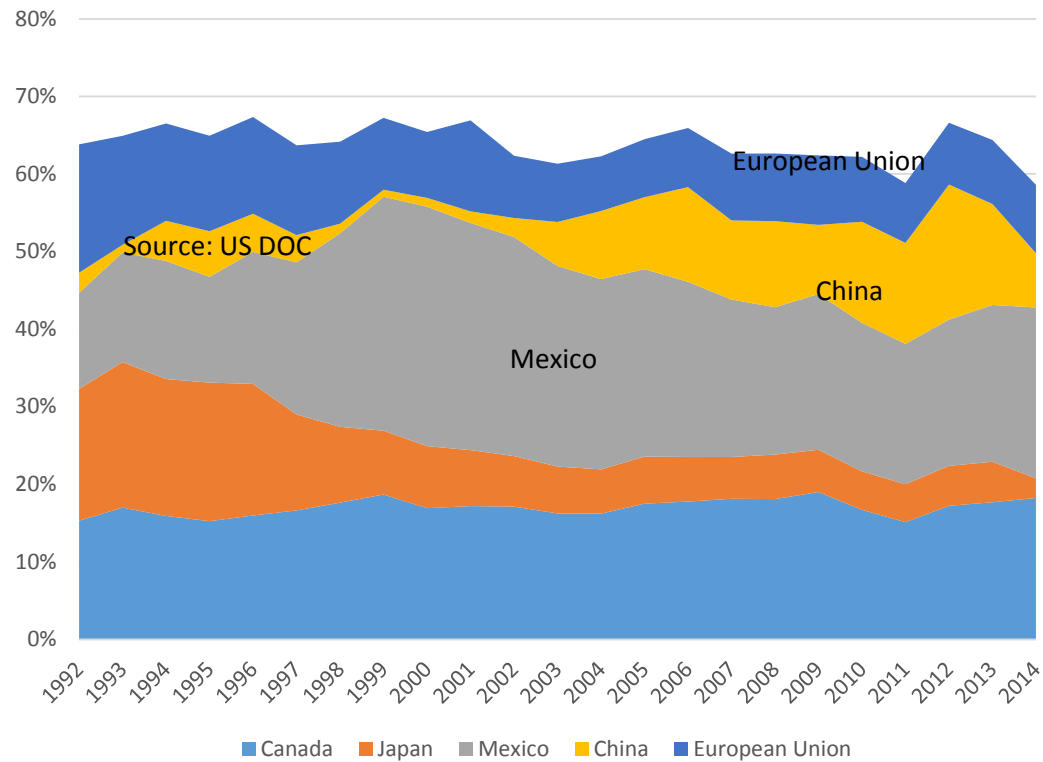


US imports of vehicle and transports goods from major partners  
1992-2014. Shares.

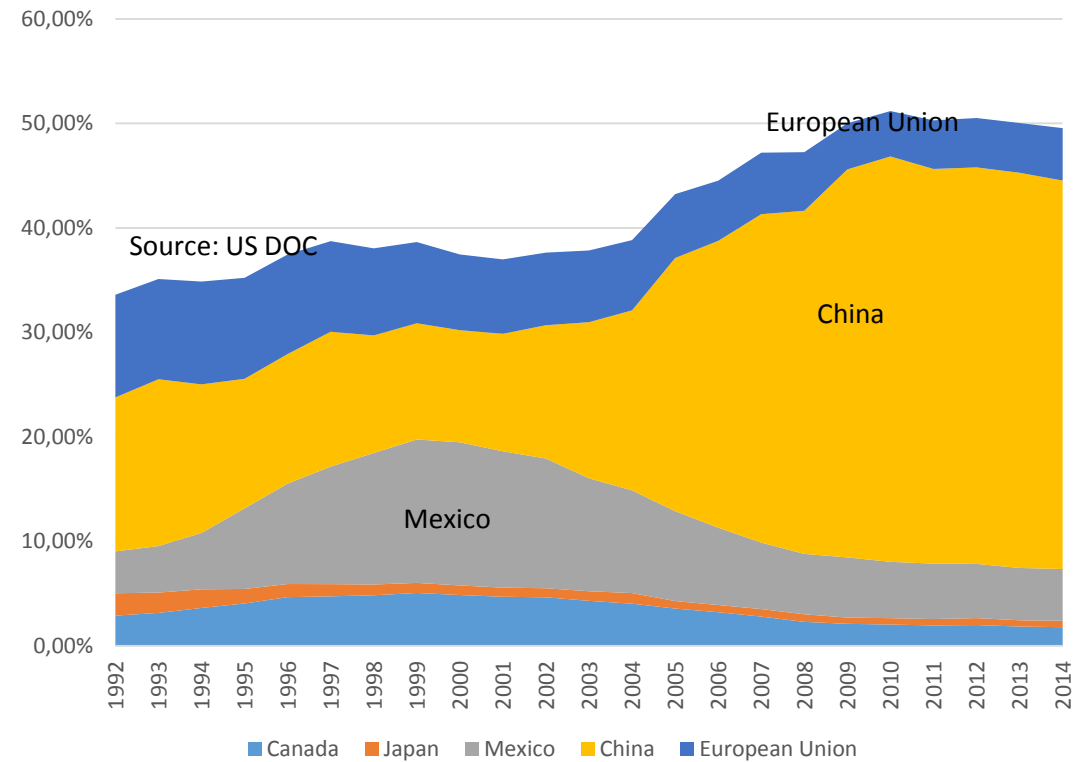


China has however displaced Mexico in the US market in key labor intensive industries, such as textile and apparel...

US exports of textile and apparel  
1992-2014. Shares

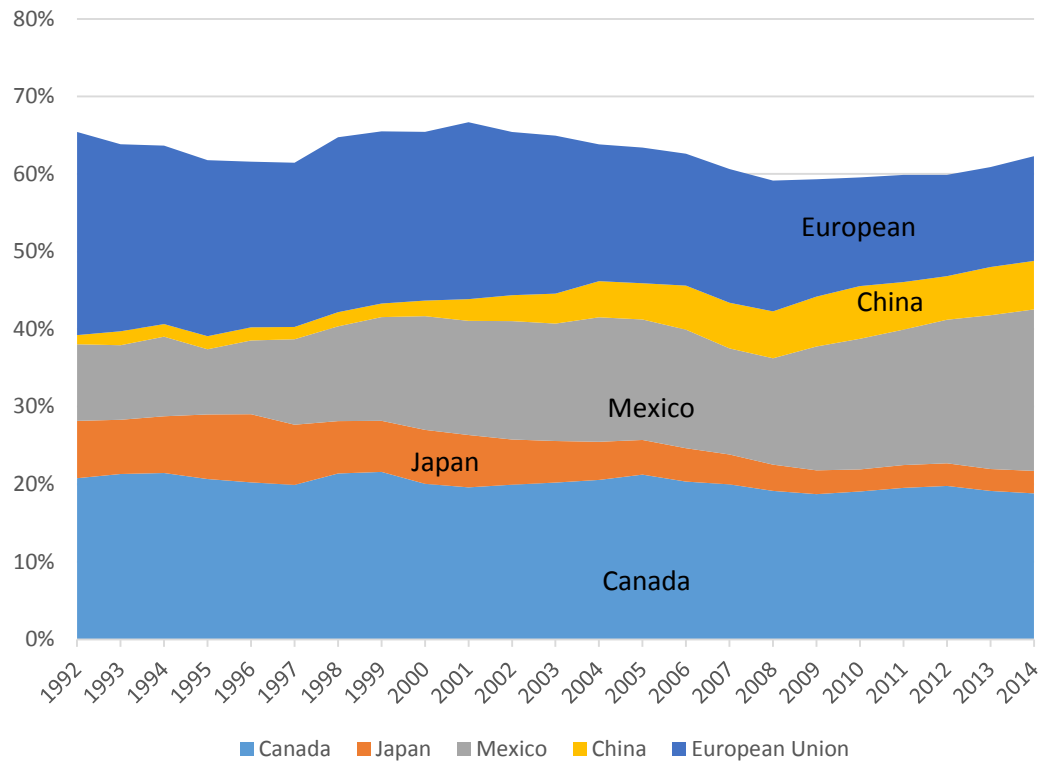


US imports of textile and apparel  
1992-2014. Shares

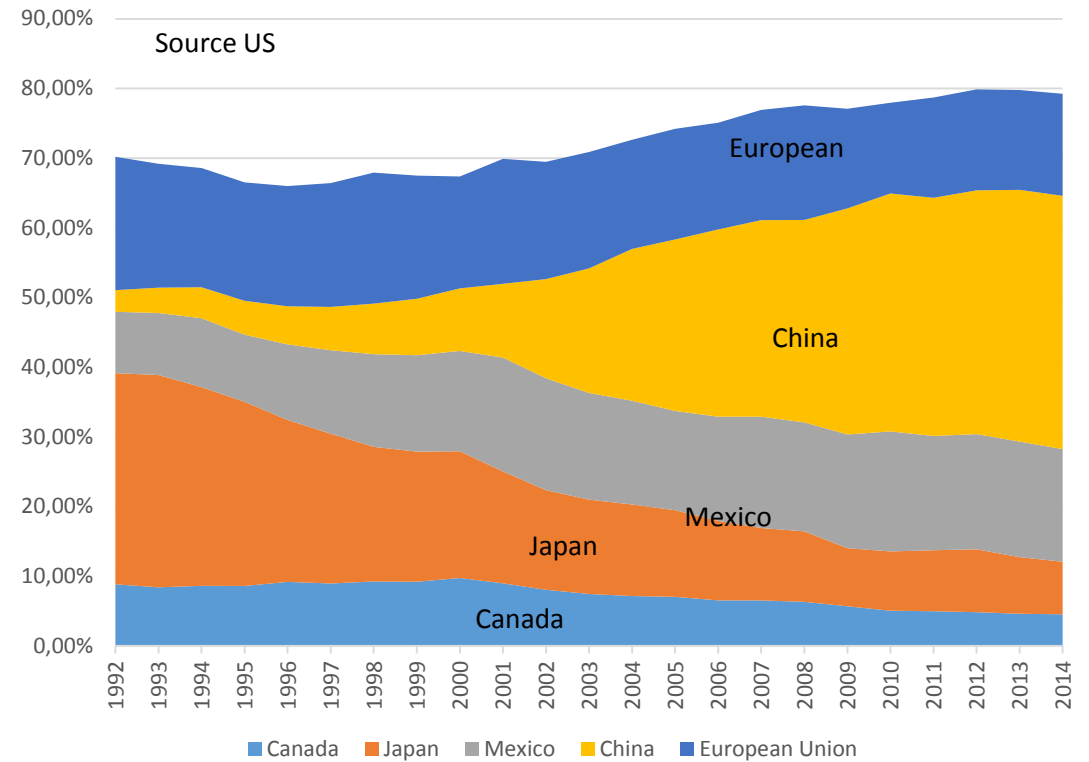


...and in some medium-tech-industries such as machinery and electric equipment.

US exports of machinery and electric equipment  
1992-2014. Shares



US imports of machinery and electric equipment  
1992-2014. Shares





## Canada and Mexico: will they renegotiate NAFTA with Trump on a bilateral basis?

The Trump NAFTA agenda:

To renegotiate NAFTA on a bilateral basis.

Tactics: Mexico bashing and the threat to leave the Agreement.

Goals: to delete or weaken some “nasty” NAFTA chapters (XIX?), to give “teeth” to the labor and environmental side agreements, and to add some chapters consistent with the failed TPP agreement (e-commerce, state enterprises, anti-corruption clauses, etc.).

Some possible byproducts: managed trade agreements in the automotive, agriculture, and other key sectors, and/or tougher rules of origin. Potential tensions in cross-border gas trade between Mexico and the US.

Canada and Mexico should negotiate together in areas where they have common interests.



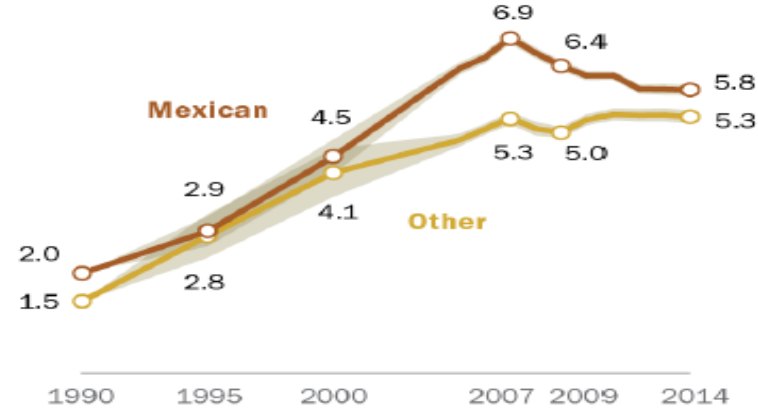
Canadian Prime Minister Justin Trudeau (R) will not likely team with Mexican President Enrique Peña Nieto to present a united



Mexico is the weakest partner in NAFTA. The “Mexico bashing” will remain associated to illegal migration coming from the southern border (constructed as criminals and rapists)....

**Among unauthorized immigrants, a decline from Mexico but rise from elsewhere since 2009**

*In millions*



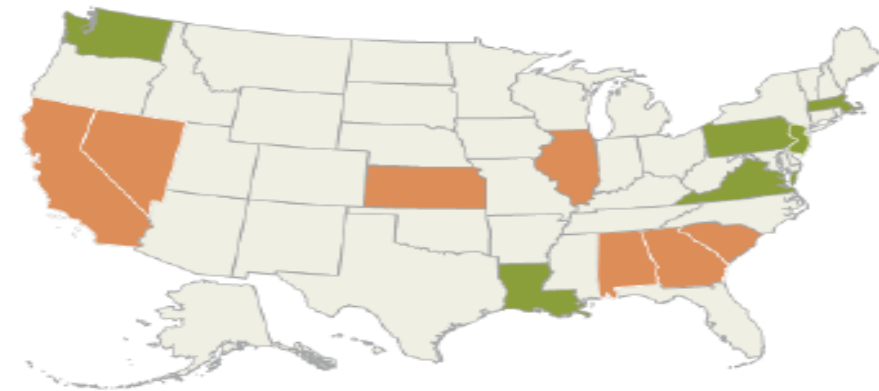
Note: Shading surrounding lines indicates low and high points of the estimated 90% confidence interval. The differences in 1995 and 2000 between Mexican and Other are not statistically significant at 90% confidence interval.

Source: Pew Research Center estimates for 2005-2014 based on augmented American Community Survey data (IPUMS); for 1995-2004 based on March Supplements of the Current Population Survey. Estimates for 1990 from Warren and Warren (2013). “Overall Number of U.S. Unauthorized Immigrants Holds Steady Since 2009”

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**Estimated unauthorized immigrant populations grew in six U.S. states, declined in seven from 2009 to 2014**

■ INCREASED ■ DECREASED ■ NO CHANGE



Note: Changes shown based on 90% confidence interval. Populations may have changed in additional states but these changes cannot be detected because they fall within the margin of error for these estimates.

Source: Pew Research Center estimates for 2009-2014 based on augmented American Community Survey (IPUMS). “Overall Number of U.S. Unauthorized Immigrants Holds Steady Since 2009”

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...and to the failure of the “Mexican war” against organized crime.

