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Perspectives on NAFTA Negotiations Round 5

November, 2017

Agenda

- **Current situation**
- **The good news**
- **The bad news**
- **Political climate**
- **What if...?**
- **Key dates**
- **Key takeaways**



Current situation

- **Extended timeline**
- **Canada/Mexico will not walk away**
- **Challenging political climate**
- **Canada-U.S. trade irritants continue**
- **Pro-NAFTA camp in the U.S.**
- **Do no harm?**



The Good (not so bad) News

- Progress is happening
- A path for a successful outcome
- No clear plans for U.S. withdrawal
- U.S. business community mobilized



“There is no active process for withdrawing”

“I’m going to focus very much on working men and women and farmers. That’s what I was hired to do”

- Ambassador Robert Lighthizer, U.S. Trade Representative

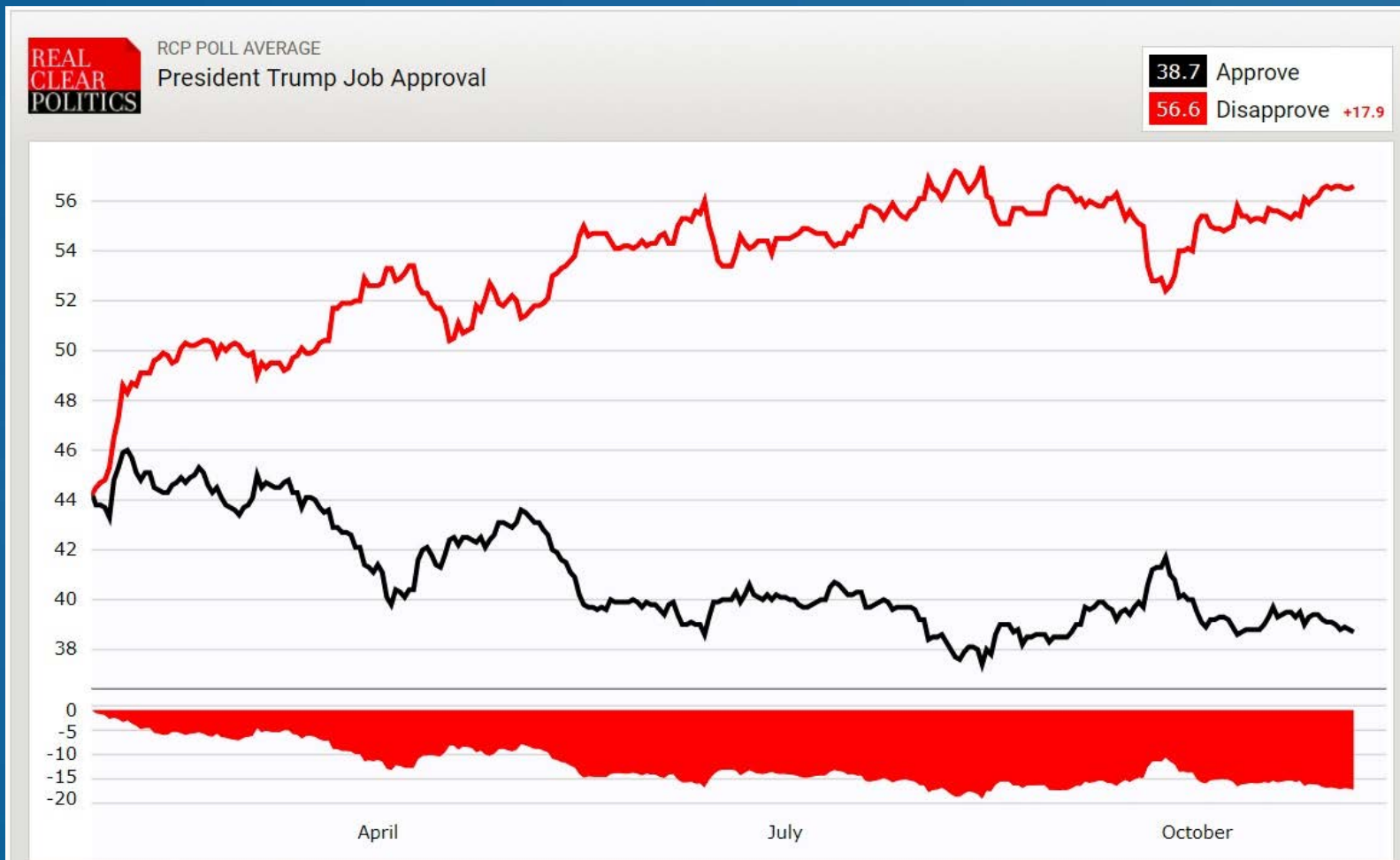


The Bad News

- **Uncertainty = Anxiety**
- **Trump Administration objectives**
- **Objectives are clear but proposals are incongruent**
- **Anti-trade sentiment**



Political climate



What if...?

- **NAFTA Article 2205: Withdrawal**

A Party may withdraw from this Agreement six months after it provides written notice of withdrawal to the other Parties. If a Party withdraws, the Agreement shall remain in force for the remaining Parties.

- **NAFTA 2205 ≠ EU Lisbon treaty**

“I think we'll end up probably terminating NAFTA at some point”

- President Trump



Key dates

- **Nov 15-21: 5th NAFTA round**
- **Dec: NAFTA round without Ministerial; Tax vote?**
- **Jan, Feb & March 2018: NAFTA rounds in Canada, Mexico & USA**
- **April 2018: President Trump must request extension of Trade Promotion Authority (TPA)**
- **July 2018: Mexico Presidential elections**
- **July 2018: TPA due to expire**
- **November 2018: U.S. Midterm elections**



Key takeaways

- **Businesses must speak up**
- **A new game plan**
- **Prepare for the medium-long term**



Thank you

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