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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

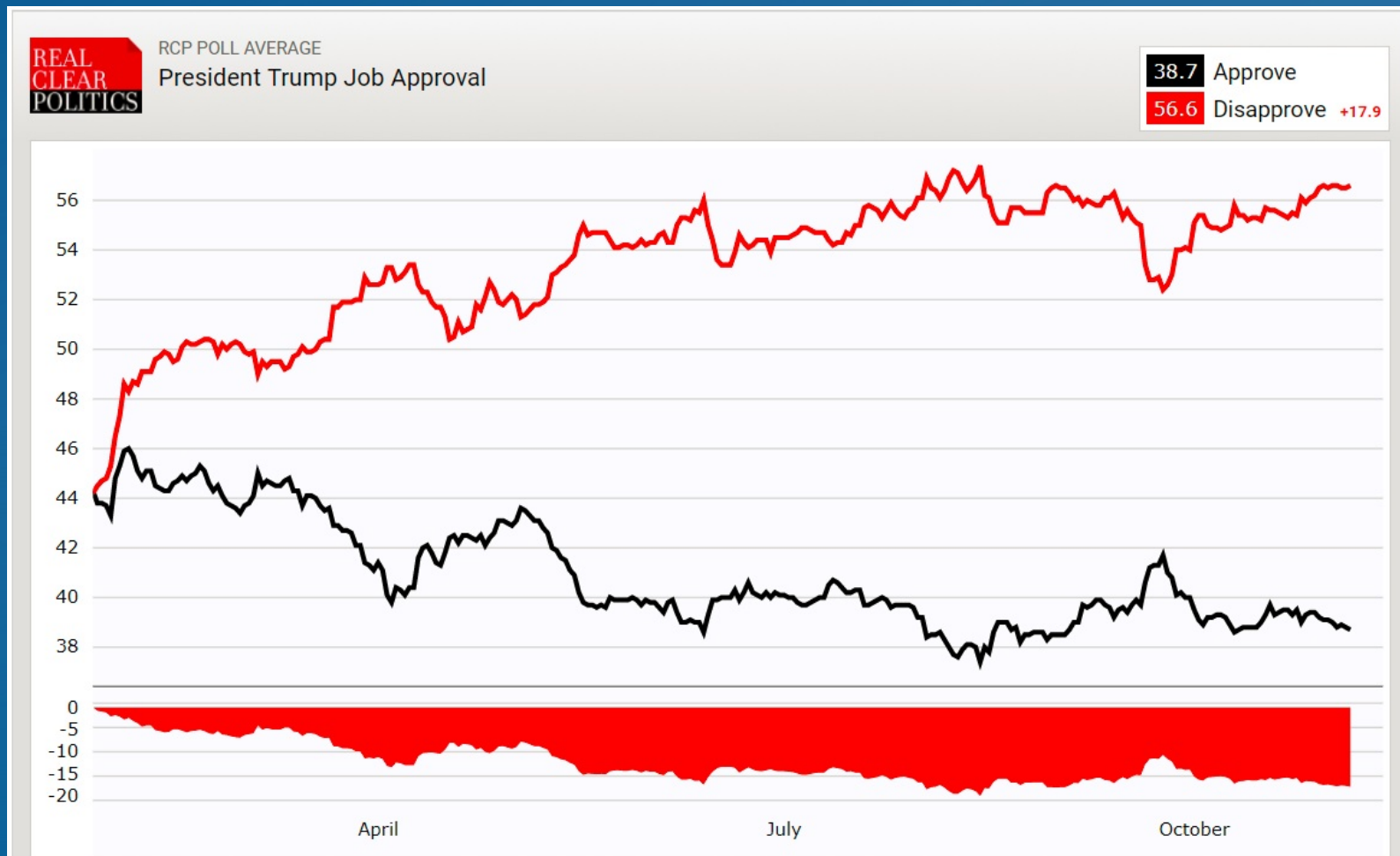


# The Bad News

- **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: 5<sup>th</sup> 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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