

## Changes Coming to NAFTA?

by Danielle Leonard - Monday, March 27, 2017



Looking back, it took nearly four years of negotiations for the North American Free Trade Agreement (NAFTA) to enter into force in 1994. Now, after 23 years of free trade, tensions are high and the discussion of whether the U.S. will renegotiate or withdraw completely from NAFTA continues.

President Trump's view on NAFTA is clear. He has [named it](#) "one of the worst trade deals ever in history," and has demanded to have the agreement renegotiated. If NAFTA cannot be improved to his satisfaction, he has [publicly announced](#) that he will withdraw from the agreement all together.

### Canada and Mexico

So how do Canada and Mexico feel about renegotiating NAFTA? During an [interview](#) with NBC News, Canadian Prime Minister Justin Trudeau was optimistic about renegotiating and said that there are always opportunities to make the agreement better and "NAFTA's been improved a dozen times over the past 20 years."

Mexican Economy Minister Ildefonso Guajardo [mentioned](#) his hope to renegotiate NAFTA into "a very

good agreement that will be a win-win for the three countries.” However in the same interview, Guajardo threatened to walk away from NAFTA if the U.S. places duties or quotas on Mexican products. Each country seems eager to improve the trade deal but negotiations on how to do that fairly will be the next obstacle.

## **Talks of Bilateral Trade**

The Trump Administration believes in free and fair trade, as stated in the [President’s 2017 Trade Policy Agenda](#), but they are focusing on bilateral rather than trilateral or multilateral negotiations. It is their belief that one-on-one negotiations will be more beneficial for the U.S. than trade deals consisting of multiple countries. National Trade Council Director Peter Navarro alluded that NAFTA could be transformed into bilateral deals in an interview [declaring](#) that, “the North American area can be a tremendous powerhouse in the global economy under the right set of bilateral trade agreements.” As of now, it is a waiting game to see if the renegotiation will convert the trilateral trade deal into two separate bilateral trade deals.

## **How soon could we see revisions to NAFTA?**

On March 10, Commerce Secretary Wilbur Ross [told reporters](#) that in “the next couple of weeks we will be issuing the 90-day letter,” which will notify Congress of President Trump’s intent to revise NAFTA. In the same interview, Ross also stated that official negotiations are expected to occur later this year. Even if negotiations begin by the end of 2017, Gordon Ritchie, a Canadian negotiator of the Canada-U.S. Free Trade Agreement has [mentioned](#) that modernizing NAFTA could take three to seven years. With that being said, although negotiations are expected to start by the end of 2017, it is likely to be years until we see concrete changes to NAFTA.



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