

## NAFTA renegotiation – 7<sup>th</sup> round ended with three new chapters

- The seventh round of negotiations of the North American Free Trade Agreement (NAFTA) ended today
- One of the highlights was that three chapters were finished, which included good regulatory practices, sanitary and phytosanitary measures, and administration and publication
- In addition, there was significant progress in the chapters regarding telecommunications, e-commerce, technical barriers to trade, state-owned enterprises, financial services, and energy, which according to comments made by Secretary Guajardo, could materialize in the eighth round
- Moreover, the sectorial annexes on chemicals and food formulas and patents were completed
- The US Trade Representative, Robert Lighthizer, emphasized that *“...we have not made the progress that many had hoped in this round”*
- In addition, he also mentioned that it would be desirable to speed the process up, given that the three countries will hold elections during the year
- Lighthizer also mentioned that the US would like to achieve a trilateral agreement. However, he does not rule out bilateral agreements in case of failed negotiations
- Regarding the measures announced by the US to tax steel and aluminum imports, Minister Freeland commented that restrictions on Canadian steel would be unacceptable. She also mentioned that *“we will always stand up for Canadian workers and Canadian businesses. Should restrictions be imposed on Canadian steel and aluminum products Canada will take appropriate responsive measures to defend our trade interests and our workers”*
- Our base case continues to be that of a successful negotiation
- However, we expect the negotiations to extend beyond the second half of the year, mingling inevitably with Mexico’s electoral processes

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