North American Trade with and without NAFTA

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How should we evaluate the impact of NAFTA?

- Total trade in North America
- Revealed comparative advantage in key industries
- Potential for future trade growth
North American Trade

Trade with NAFTA countries as % of GDP

% of GDP

Year


USA  Canada  Mexico
Revealed Comparative Advantage: Transportation Equipment
Revealed Comparative Advantage: Machinery and Electronics
Revealed Comparative Advantage: Resource Intensive Industries
Using Gravity Model to Predict Trade with, without NAFTA

Predicted US-Mexico Trade (Trillions of 2015 USD)

Predicted US-Canada Trade (Trillions of 2015 USD)
Using Gravity Model to Predict Trade with, without NAFTA

Predicted Canada-Mexico Trade
(Billions of 2015 USD)

Year

With NAFTA
Without NAFTA