Trade

Love in the Time of Cholera

“Florentino Ariza read: ‘Love becomes greater and nobler in calamity.’

Beatriz Leycegui
San Diego, February 27, 2017
Florentino Ariza  Fermina Daza  Juvenal Urbino
Mexico - A Look at the Fiancée

205 year old country searching for love

Seeking: From monogamy to an open relationship ship

Relationships: 46 countries through 11 FTA's

Size: 15th economy in the world
Address: Privileged location, south of U.S., with coasts to the Pacific and the Atlantic Ocean
Activity: Global manufacturer-12th exporter and importer and 13th food provider in the world
Family: 118 million
Shortcomings: Not grown sufficiently, slow to change, need to democratize trade.
Mexico- A Look at the Fiancée

Relationship: In a marriage of convenience with the U.S.

In 2015, Mexico was the second export market and the third largest supplier of the US.

- 17% of US imports are sourced from Mexico
- 15.5% of US exports are bought by Mexico

Mexicans second to most visit the U.S.
Americans the 1st that most visit Mexico
### Marital vows- Possible Scenarios

**Untouched**
- e.g. rules of origin, infrastructure, regulatory cooperation, trade facilitation.

**Limited Changes**
- e.g. dispute settlement, side agreements anti-corruption, currency manipulation, labor and environment.

**Substantial Changes**
- e.g. substantial revision of NAFTA- existent text and introduction to new changes. (e.g intellectual property, government procurement, electronic commerce.

**Divorce**
- U.S. withdraws from the agreement, WTO rules prevail.
Possible scenarios

Trade war- Mexico has the capacity to retaliate

US-Mexico Trucking Dispute

- Consequences of the retaliatory measures that Mexico applied to the US:
  - **25,600 U.S. jobs** were lost,
  - exports of **81% of the products** included in the retaliation list contracted, and
  - volume of affected imports-2.4 (first list) to 2.6 million USD (second list)
NAFTA Renegotiation - US Constraints

Congress
- May not want to vote on NAFTA.

AFL-CIO Demands
- Specific requests. Withdrawal is not one.
- Less disruptive than Administration initiatives.

Trade Promotion Authority
- Trump cannot divert from objectives:
  - e.g. eliminate existent barriers to trade, improve dispute settlement mechanisms, labor and environment, TPP objectives
As Gabriel García Márquez acknowledged:

"The most important thing in a good marriage is not happiness, but stability."

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Beatriz Leycegui
blg@sai.com.mx