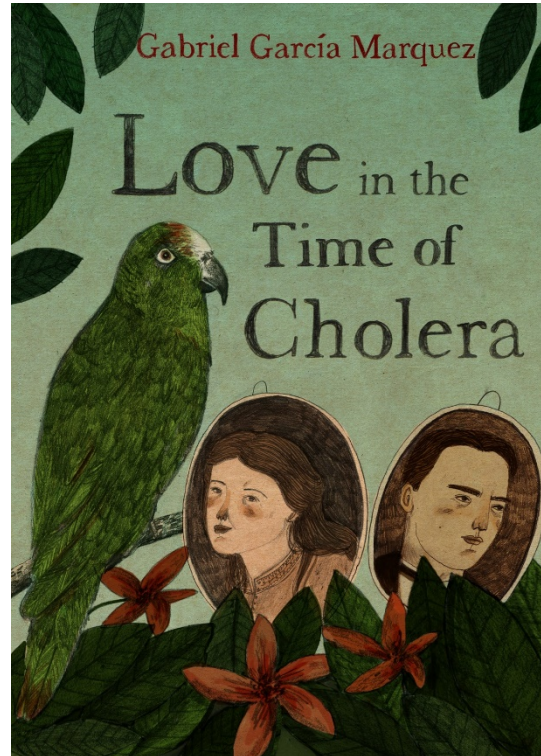


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Law & Economics

Trade

Love in the Time of Cholera



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



CENTER FOR U.S.-MEXICAN STUDIES
UC San Diego School of Global Policy & Strategy

Beatriz Leycegui

San Diego, February 27, 2017



Florentino Ariza

Fermina Daza

Juvenal Urbino

Mexico- A Look at the Fiancée

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Mexico Macroeconomic stability, big and young family, lives in a good neighborhood. FAVORITE HER

Her Story Photos Our History

Like

205 year old country searching for love

Seeking: From monogamy to an open relationship ship

Relationships: 46 countries through 11 FTA's

EMAIL HER WINK FOR FREE

Size: 15th economy in the world

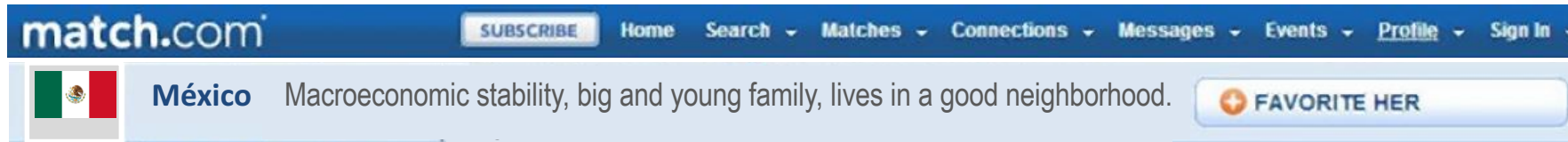
Address: Privileged location, south of U.S., with coasts to the Pacific and the Atlantic Ocean

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

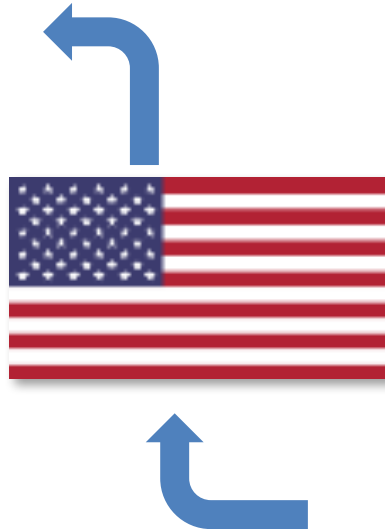


Relationship: In a marriage of convenience with the U.S.

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



15.5% of US exports are bought by Mexico



17% of US imports are sourced from 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.

(7)

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.

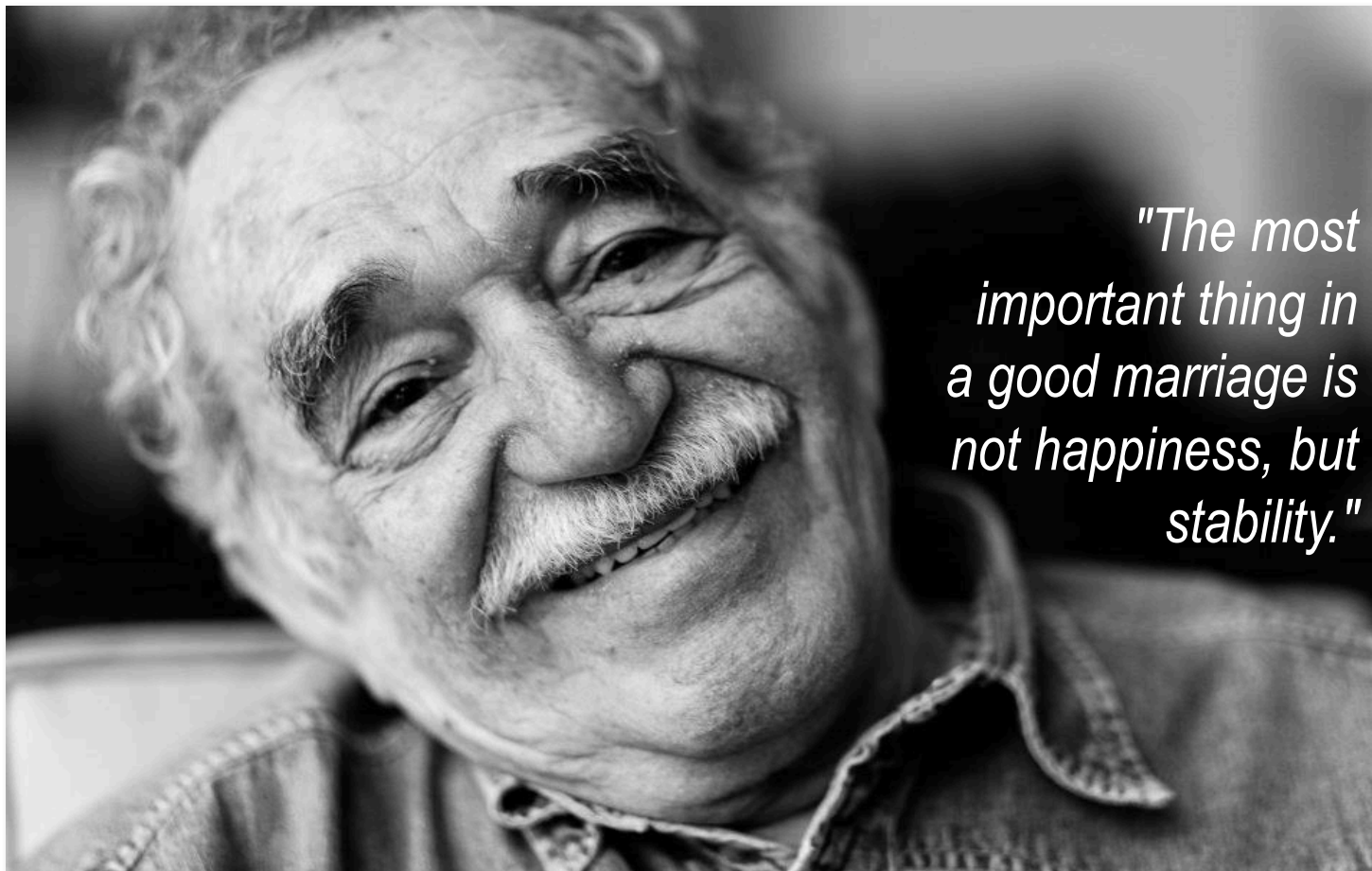
AFL-CIO Demands

- 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."

Love in the Times of Cholera

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