

Snap | 28 August 2018

Trump's NAFTA overhaul, not a done deal yet

Although the Mexico deal may seem like a breakthrough, at first sight, the NAFTA overhaul or replacement would need Congressional approval which means it's far from a done deal yet



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The Trump administration announced a new deal with Mexico, named the US Mexico Trade Agreement, yesterday, the 27th of August.

President Trump said he would be terminating the North American Free Trade Agreement (NAFTA) such that Canada would have to join the new deal or face tariffs on all of its car exports to the US. Although this doesn't sound too good for Canada, the replacement of NAFTA isn't a done deal yet. Trump needs approval from Congress to change or replace NAFTA, and the Republicans are not eager to replace NAFTA with anything in which isn't Canada taking part. Also, the US Trade Representative Robert Lighthizer is expected to publish the specifics of the new deal by 31 of August, after which Congress will review the new deal over a period of 90 days.

However, this period will be after the midterm elections, which means that there is no guarantee there will even be a Republican majority to approve any trade deal proposed by the White House. So, although this all may seem like a breakthrough, at first sight, details are yet to be released, and

the overhaul or replacement of NAFTA is far from a done deal yet.