

FISHER HUDSON BROWN HORTON

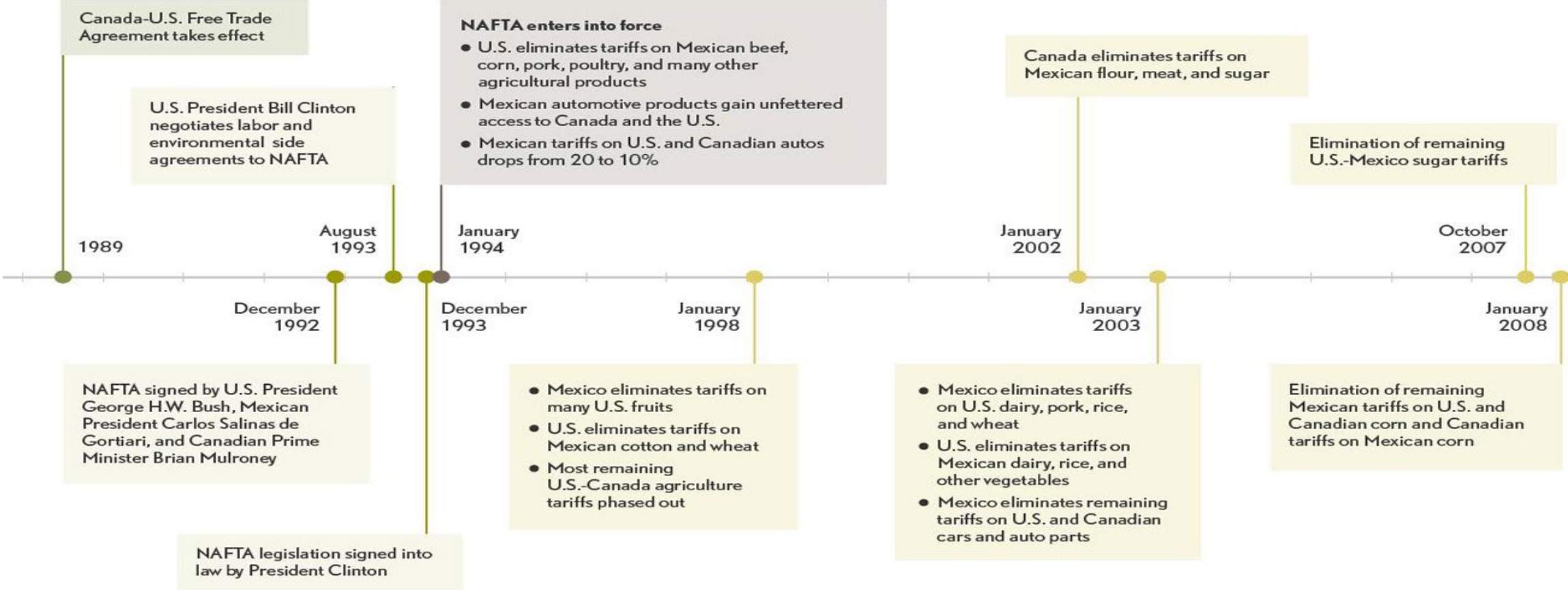
AFTA NAFTA: THE USMCA AND CURRENT STATE OF BUSINESS AND TRADE IN MEXICO

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NAFTA

- 1994 Landmark Trade Agreement
- US/Mexico/Canada

NAFTA MILESTONES



Sources: "Nafta Revisited" (Hufbauer/Schott), NAFTA treaty text, US Trade Representative, The Wilson Center

Credits: James McBride, David Foster

NAFTA HISTORY/POLITICS - US

- George HW Bush (Rep) negotiated the deal (1991)
- Passed by Dem controlled congress
- Implemented under Bill Clinton
- Results?



USMCA

- US – Mexico – Canada Agreement
- Effect July 1, 2020
- Expires 2036 unless extended

AFTA NAFTA – WHAT USMCA CHANGED:

- Rules of origin for auto industry tightened – i.e., 75% of each vehicle must originate in member countries (up from 62.5%), Labor Rules – 40% of each vehicle must come from factory paying at least \$16/hr
- IP protection expansion - Copyright protection extension, no tariffs on digital IP (music, media, etc)
- Mexico Labor Reform (Unions, Outsourcing Labor and more)
- [USMCA vs NAFTA \(trade.gov\)](https://www.trade.gov/usmca-vs-nafta)



MEXICO'S LABOR REFORM

EXTINCTION OF WHITE UNIONS

- Unions in Mexico
- What were White Unions?
- Union Reform
- Increase control by US in enforcement of Labor laws (new complaint process)

INCREASED BENEFITS FOR EMPLOYEES

- Higher wages
- Reduced workweek from 48 to 40 (coming)
- More paid vacation

NEW RULES FOR MEXICO

- Secret Voting for Union representation
- At least 30% of EEs must vote for Union representation
- If Union chosen, it will negotiate with Employer
- No interference by Employer in forming or administration of Unions
- No mandatory duty for EE to join a Union
- No discrimination against EE and supported by Union for EEs that Union has rejected for any reason
- No forced recognition of a Union by an employer when another has been certified



CLOSING THOUGHTS...



THANK YOU

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