



El valor de un trueque está
en lo que compartimos, no
en lo que entregamos.



**HAGAMOS
UN TRUEQUE**




8

La Nueva era del USMCA

Mtro. Antonio Ávila

Socio de Comercio Exterior JA DEL RÍO
-Presidente de comité de Comercio
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4:00 PM

Hora Noroeste





Political and Economic Thought

1. Reducing Dependence on Other Countries; China
2. Priority to American Workers
3. Protecting and Rebuilding the Industrial Base
4. Fair Trade vs. Free Trade
5. Sovereignty and National Security

Tariffs

Scenarios

Conclusions

HAGAMOS
POLÍTICA

Political and Economic Thought

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Donald J. Trump
45th & 47th President of the U.S.



Howard Lutnick
Secretary of Commerce



Robert Lighthizer
Former USTR



Oren Cass
Founder, American Compass



Peter Navarro
Senior Advisor to the President



Stephen Miller
Senior Advisor to the President

Tariffs as a Catalyst for Growth and a Negotiation Tool.

Deficits, China, Exchange Rate, Sovereignty, and "Fair Trade."

Industrial Policy and Labor Market.

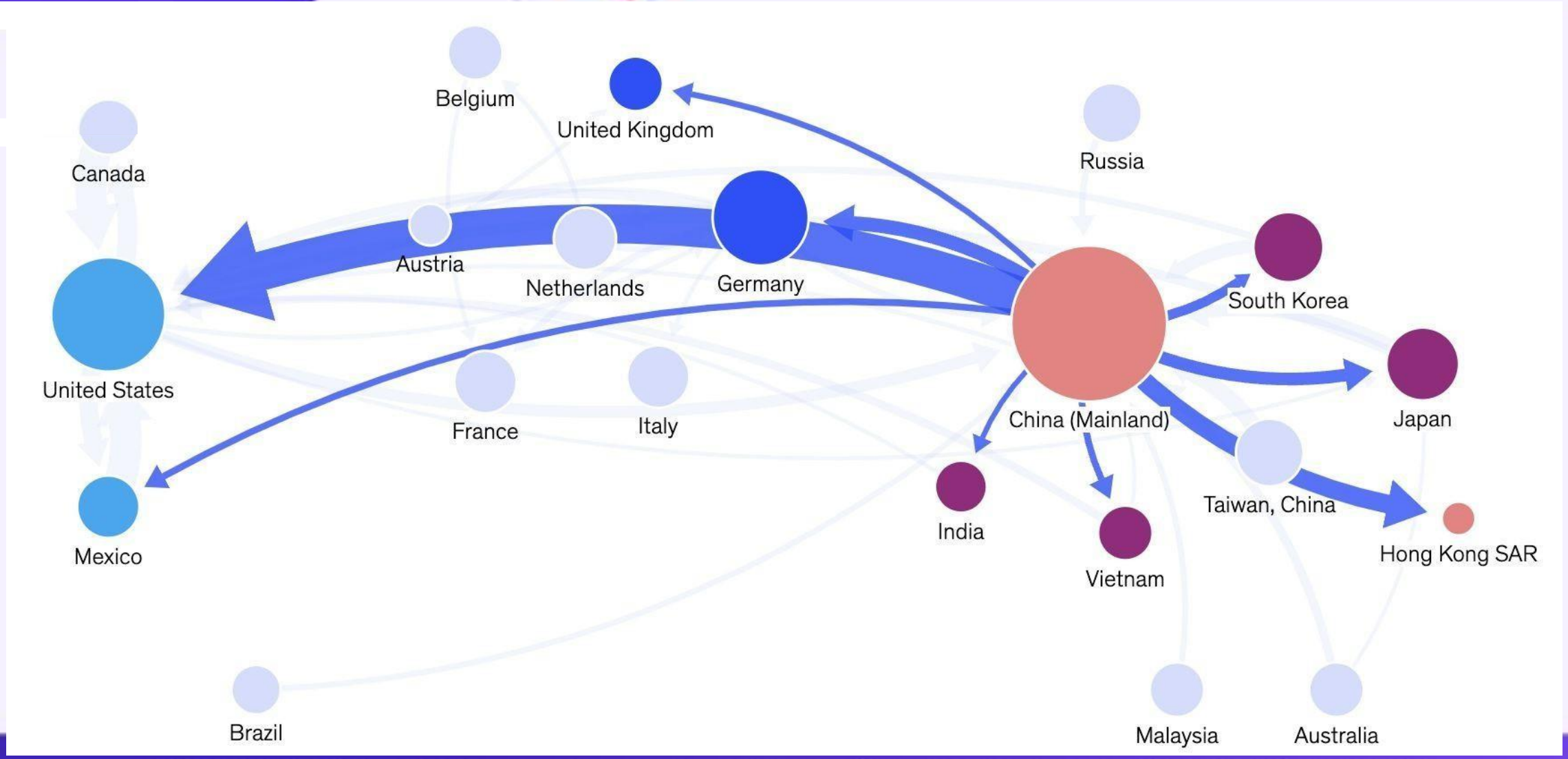
China as the Main Threat, Industrial Policy.

Protection of Workers, National Security, Cultural and Political Fragility.

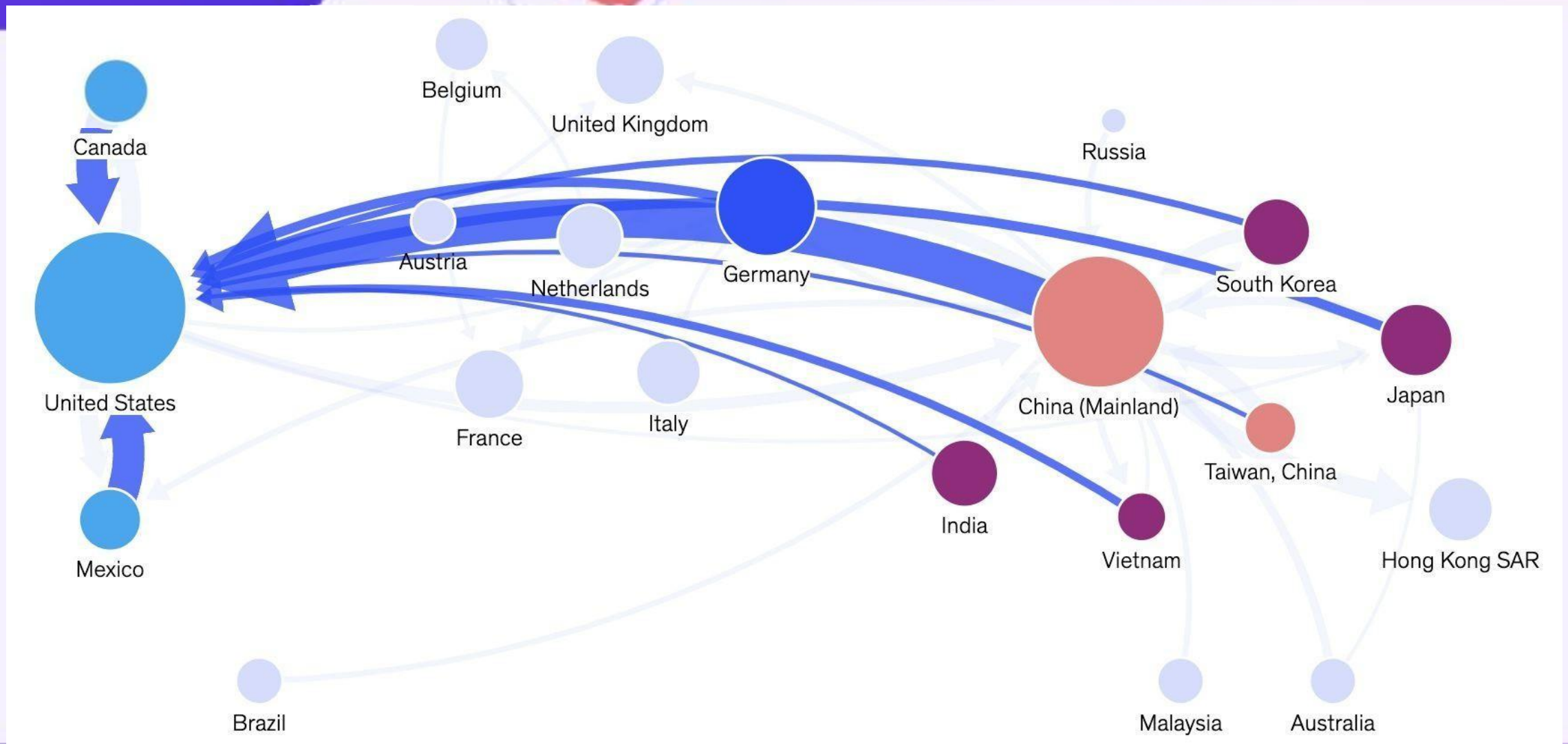


1. Reducing Dependence on Other Countries; China
2. Priority to American Workers vs. Migrants and Consumers;
Supply-Side Economics vs. Demand-Side Economics
3. Protecting and Rebuilding the Industrial Base
4. Fair Trade vs. Free Trade
5. Sovereignty and National Security

Chineses Global Exports (% , 2022)



Global U.S. Imports (%), 2022



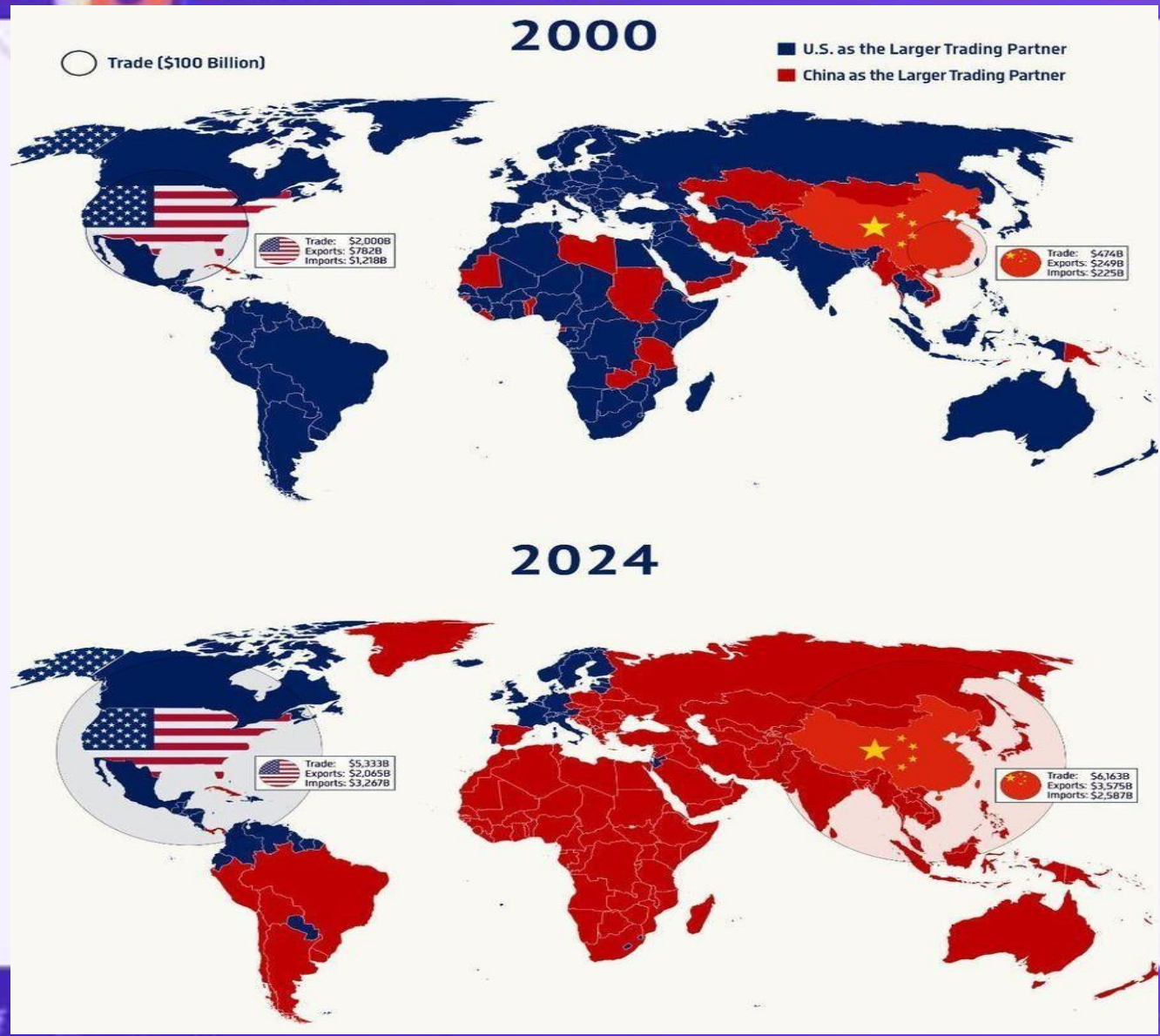
Total Traded Goods (2023)

In just over two decades, **China** has surpassed the United States to become **Latin America's top trading partner...**



Source: Wall Street Journal

... and most of the **World**

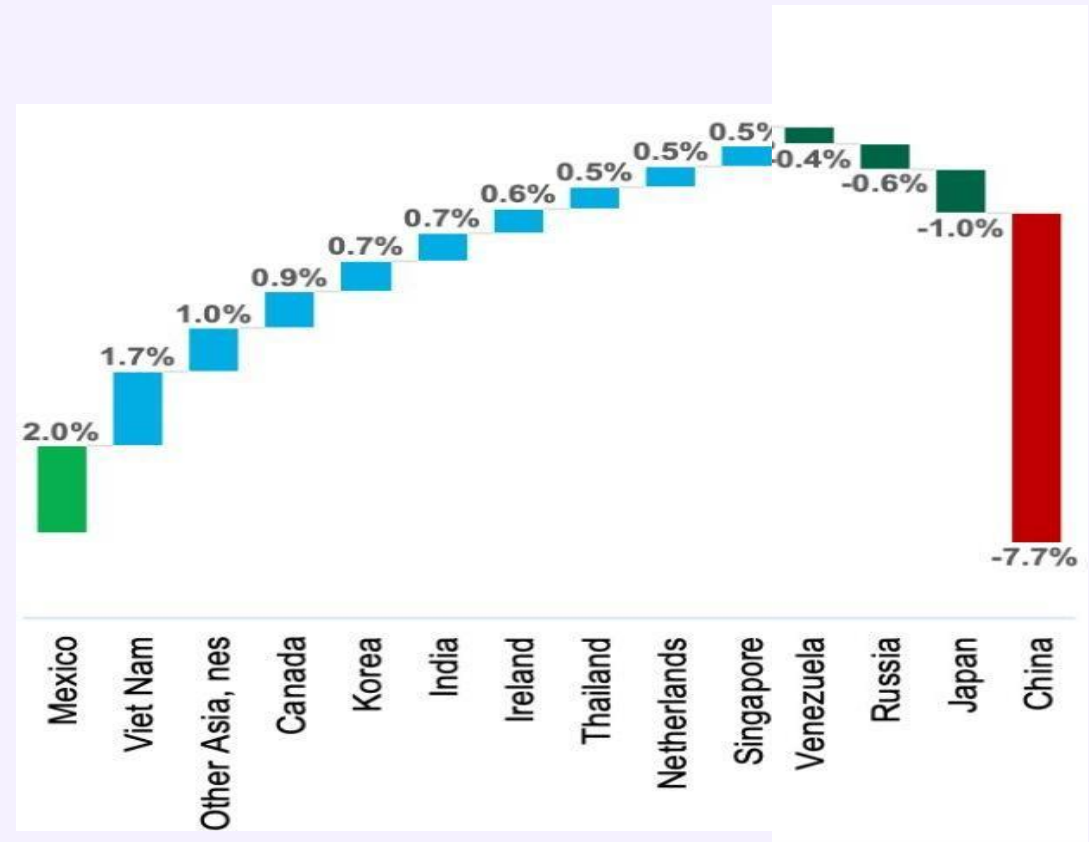




In 2023, **Mexico** became the top trading partner of the U.S., capturing the majority of the market by taking advantage of the **decline** in **U.S.** imports from **China**.

This substitution (*nearshoring*) phenomenon is expected to continue intensifying, along with the U.S. trade deficit with Mexico.

Change in the Share of U.S. Imports (2017-2023))



Source: Comtrade



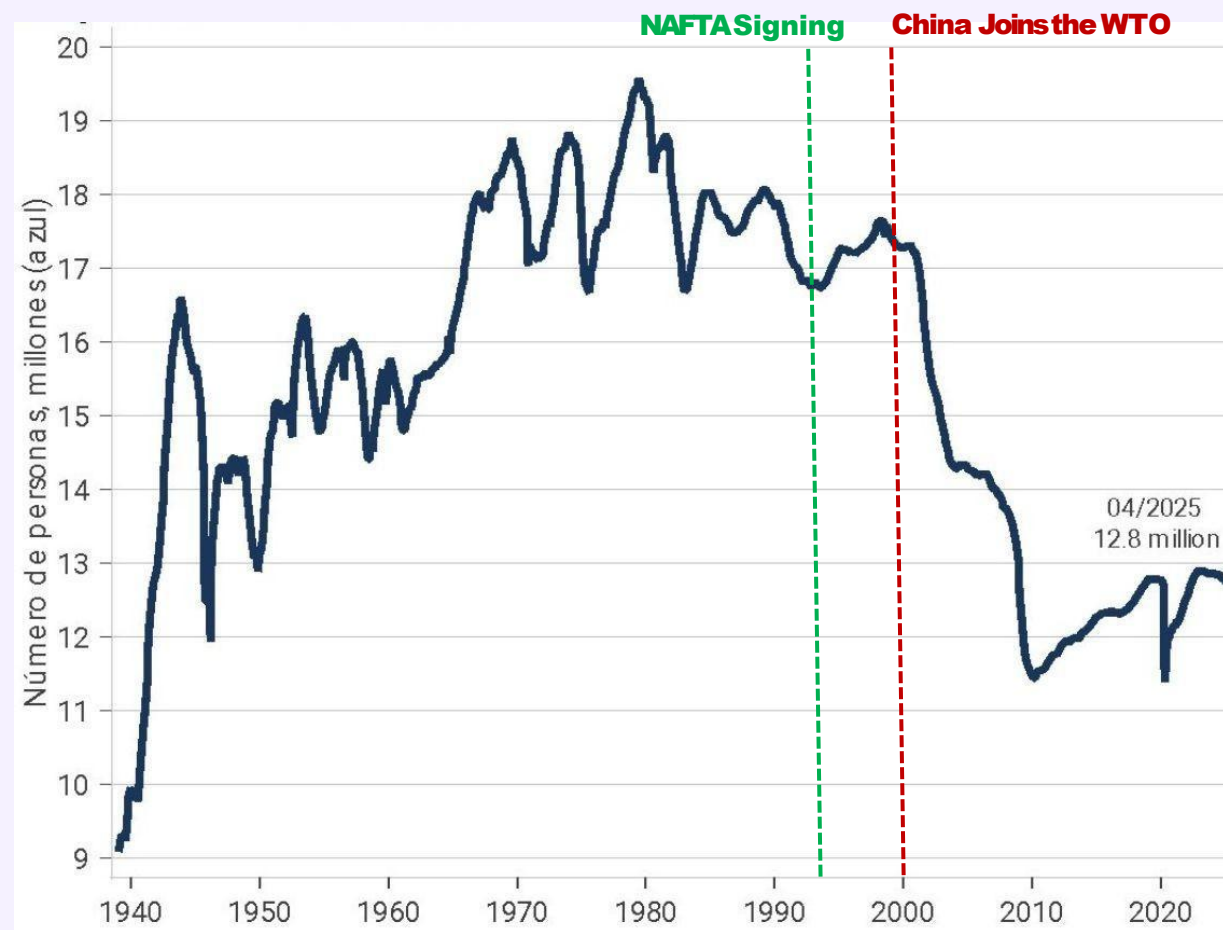
Context

- Globalization brings more products and cheaper ones for consumers.
- Trade alliances generate greater national and global security; 'you are not going to bomb your partner.'

Opportunity cost?

- Outsourcing part of production and jobs
- Weakening of the social fabric; dignity of work
- Downward pressures vs. labor benefits and wages

Manufacturing jobs in the U.S.

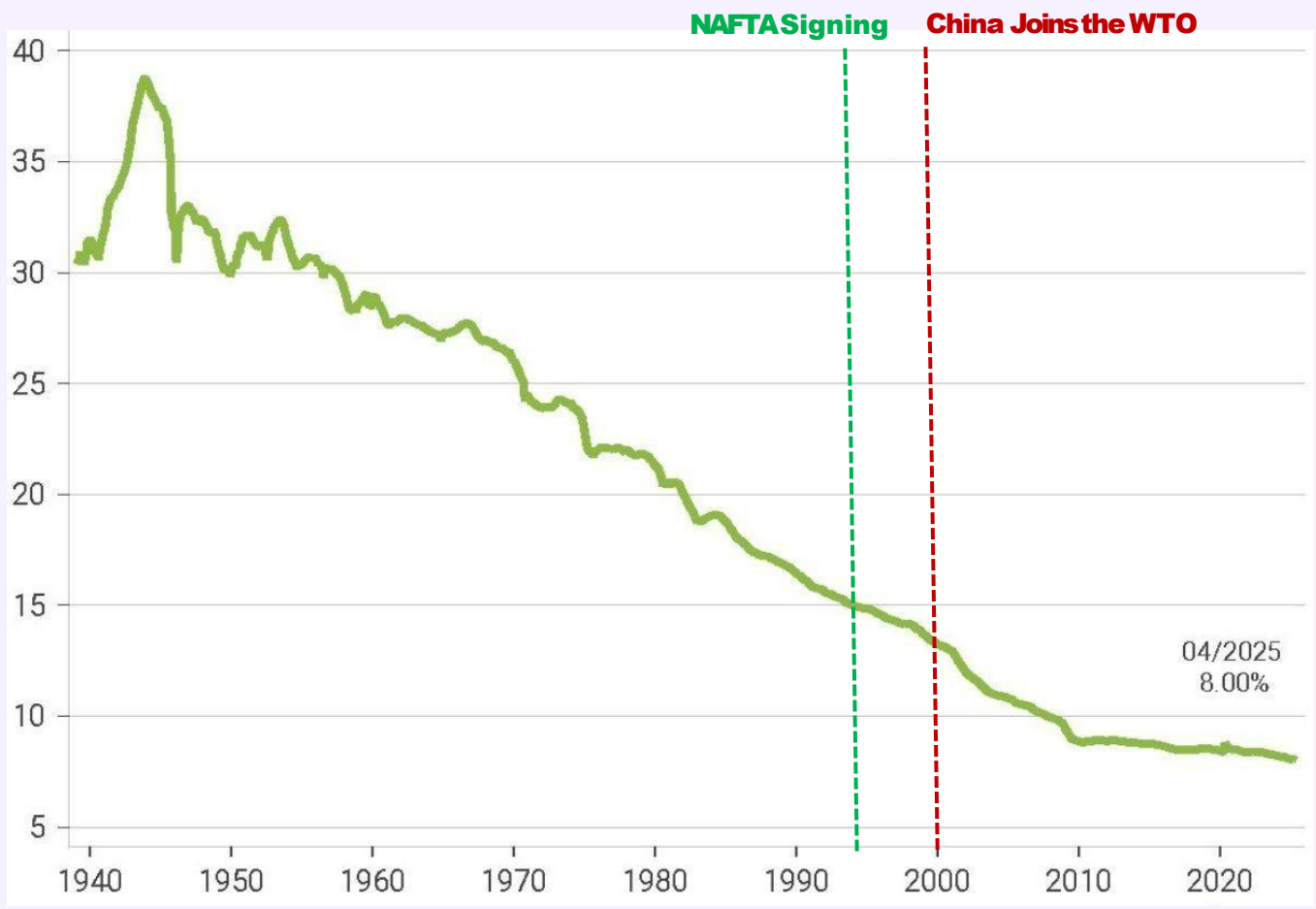


Source: US Bureau of Labor Statistics



Is NAFTA/USMCA Responsible? **No...**

Manufacturing Share (%) of Total U.S. Employment.



Source: U.S. Bureau of Labor Statistics



Annual Change in Manufacturing Employment

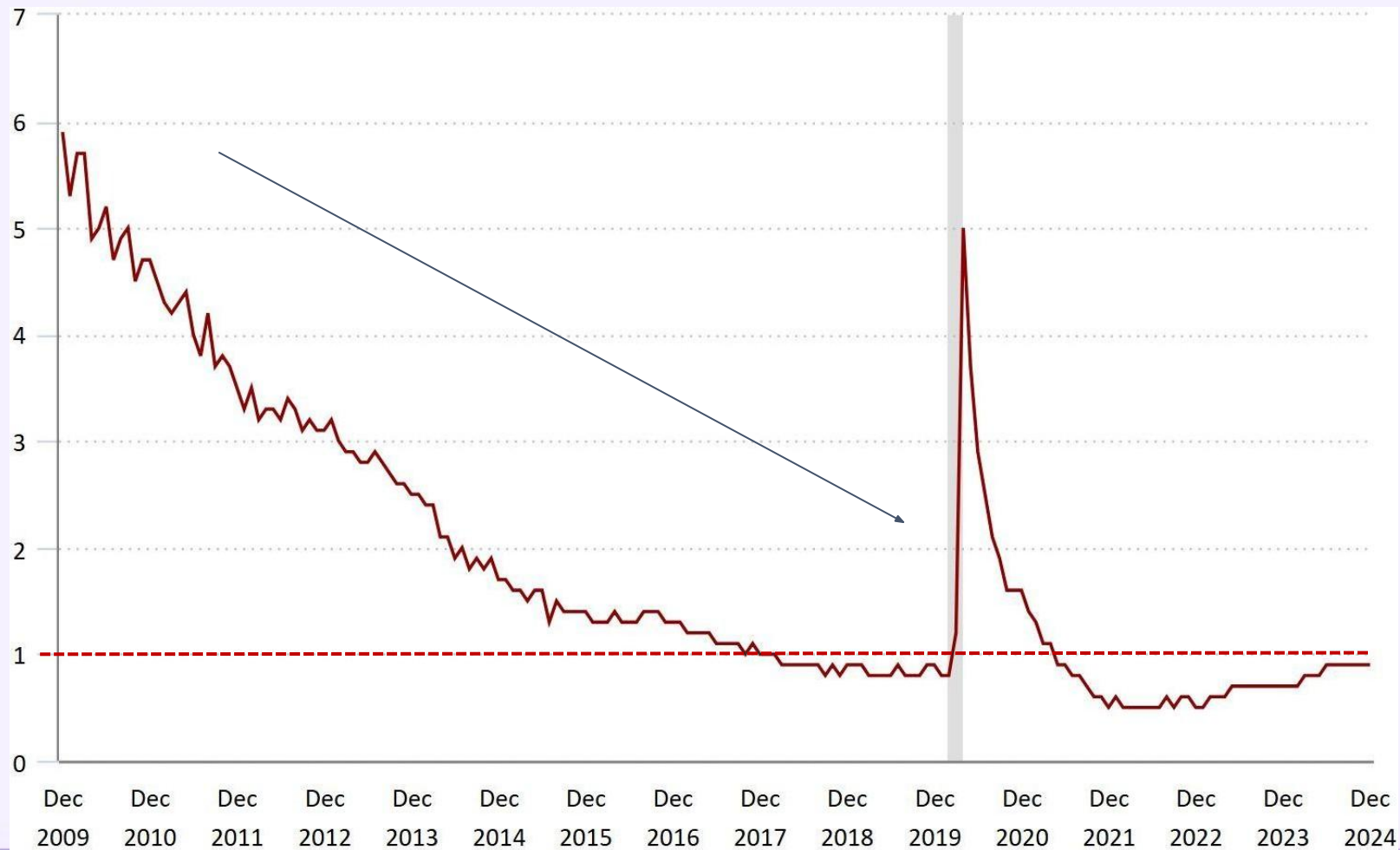
A new Manufacturing Job in Mexico
Is Closely Correlated with a New
Manufacturing Job in the U.S.



Prepared by: Luisde la Calle. Source: FRED,IMSS

U.S. Labor Market Below Its
Potential; **More Job Vacancies
Than People Looking for Work.**

Unemployed People / Job Vacancies



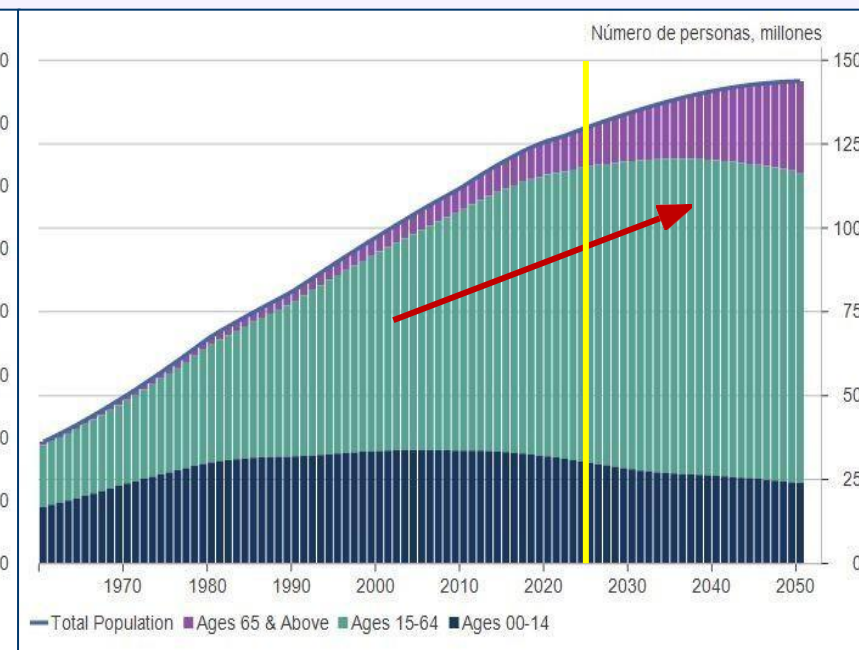
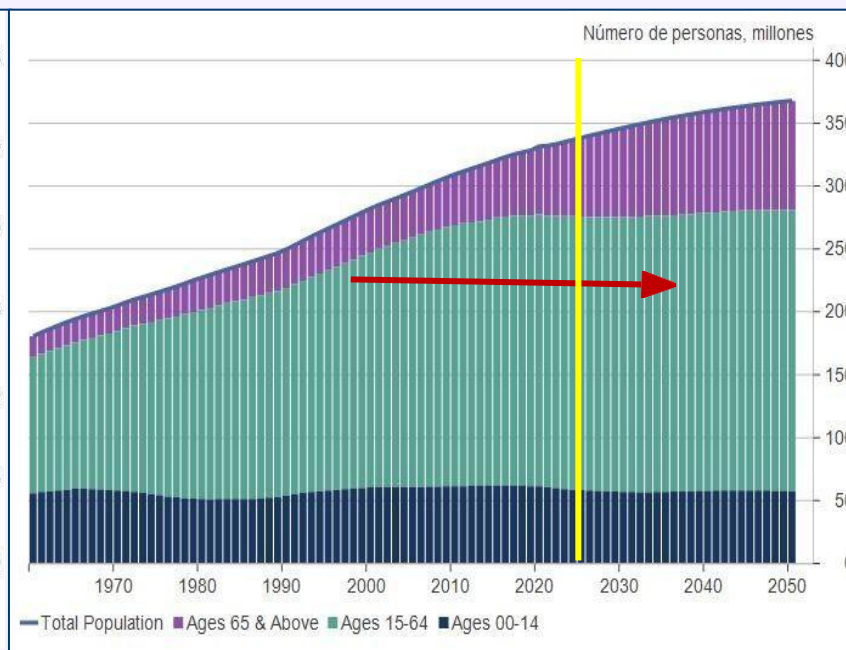
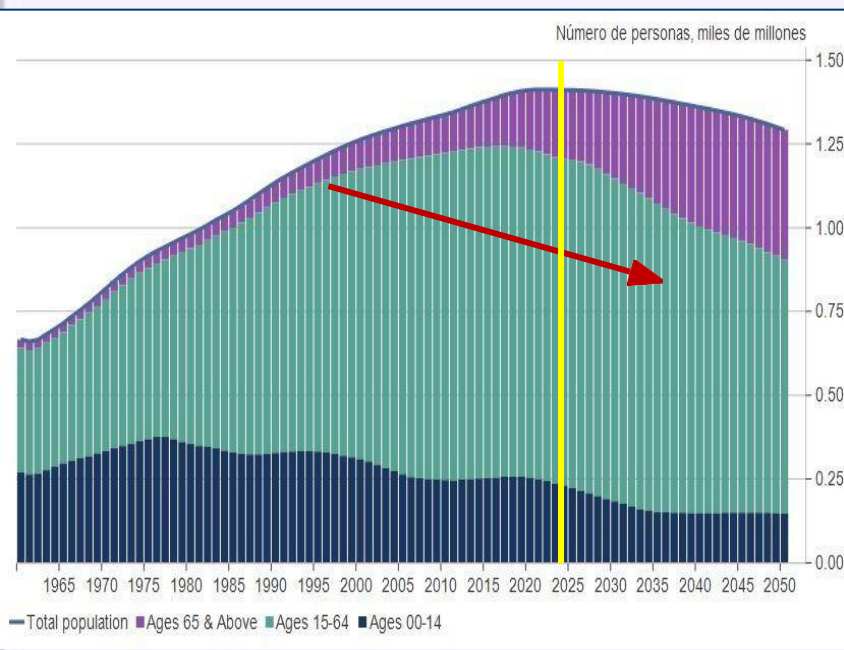
Source: Bureau of Labor Statistics



China

United States

México



China reports a **70%** decrease in the birth rate since 2017.

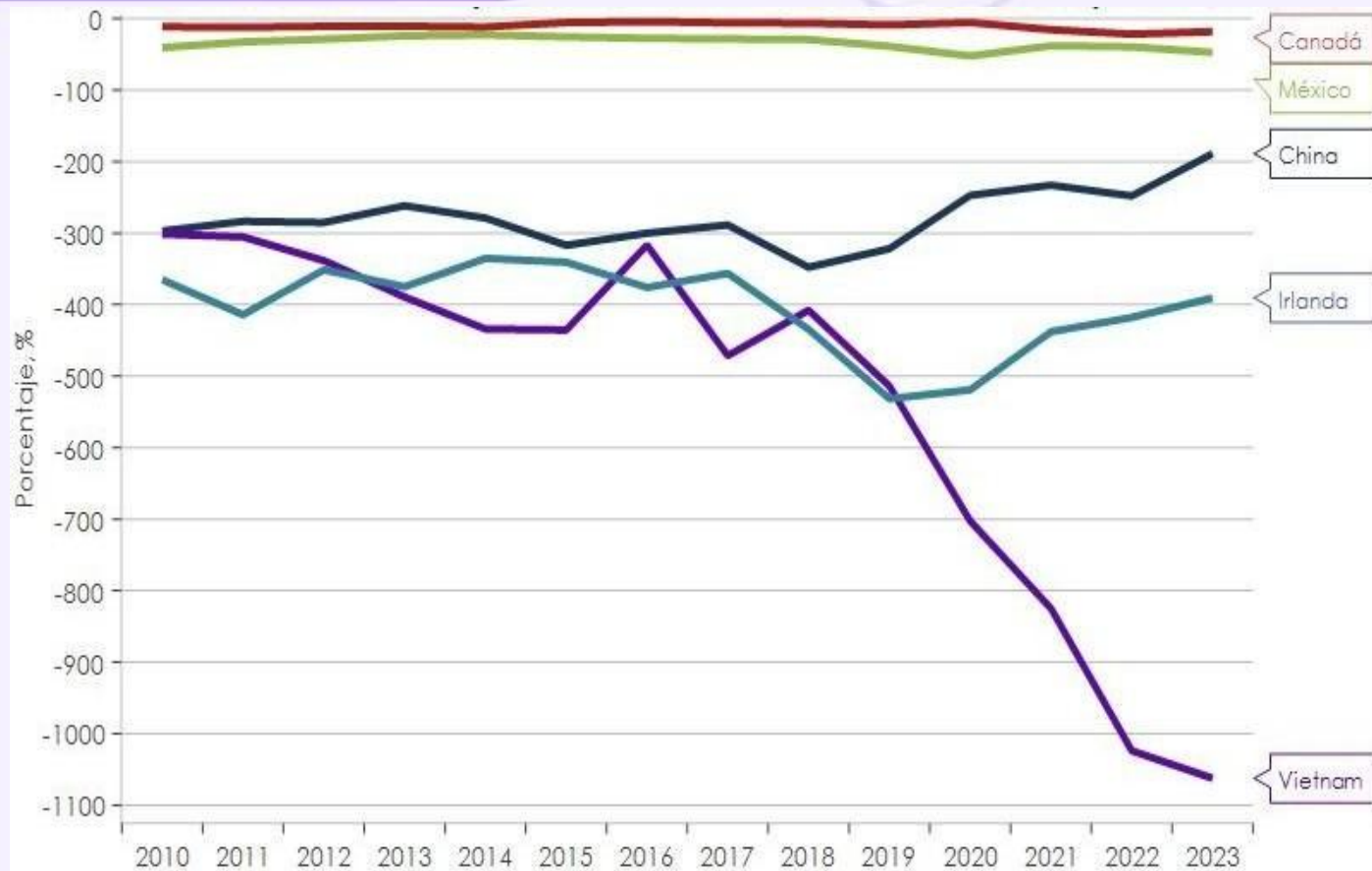
Productive capacity in **constant decline**.

The population of the USA is **aging**.
Why?
Baby Boomers (Largest generation; outgoing) - **Gen Z** (Smallest generation; incoming) = Reduction of the labor force by **450K people per year**

Mexico could have a demographic composition similar to the USA in the **1990s** or to that of China currently, by **2050**. Mexico will enjoy a **"healthy" population pyramid** for the next **30 years**.



Trade Balance as a Percentage of Total Goods Exports, U.S. with Select Countries

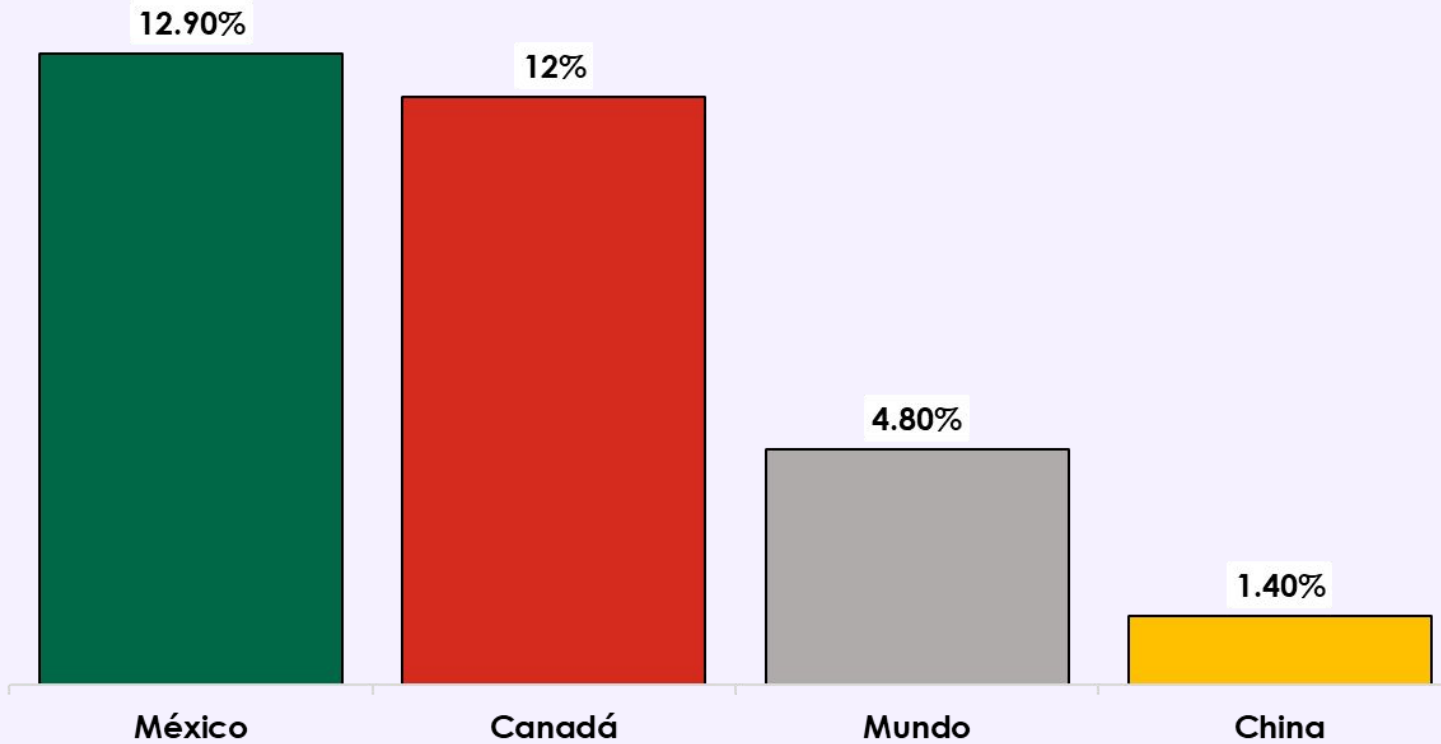


It is possible to evaluate the **opportunity cost of the U.S. trade relationships** based on its trade balances relative to its export levels with each country.

For **2024**, with **China**, the high dependence on imports creates a **significant structural challenge**, with the trade relationship at -205.78%, while with **Mexico**, it is more **balanced**, at -51.43%.

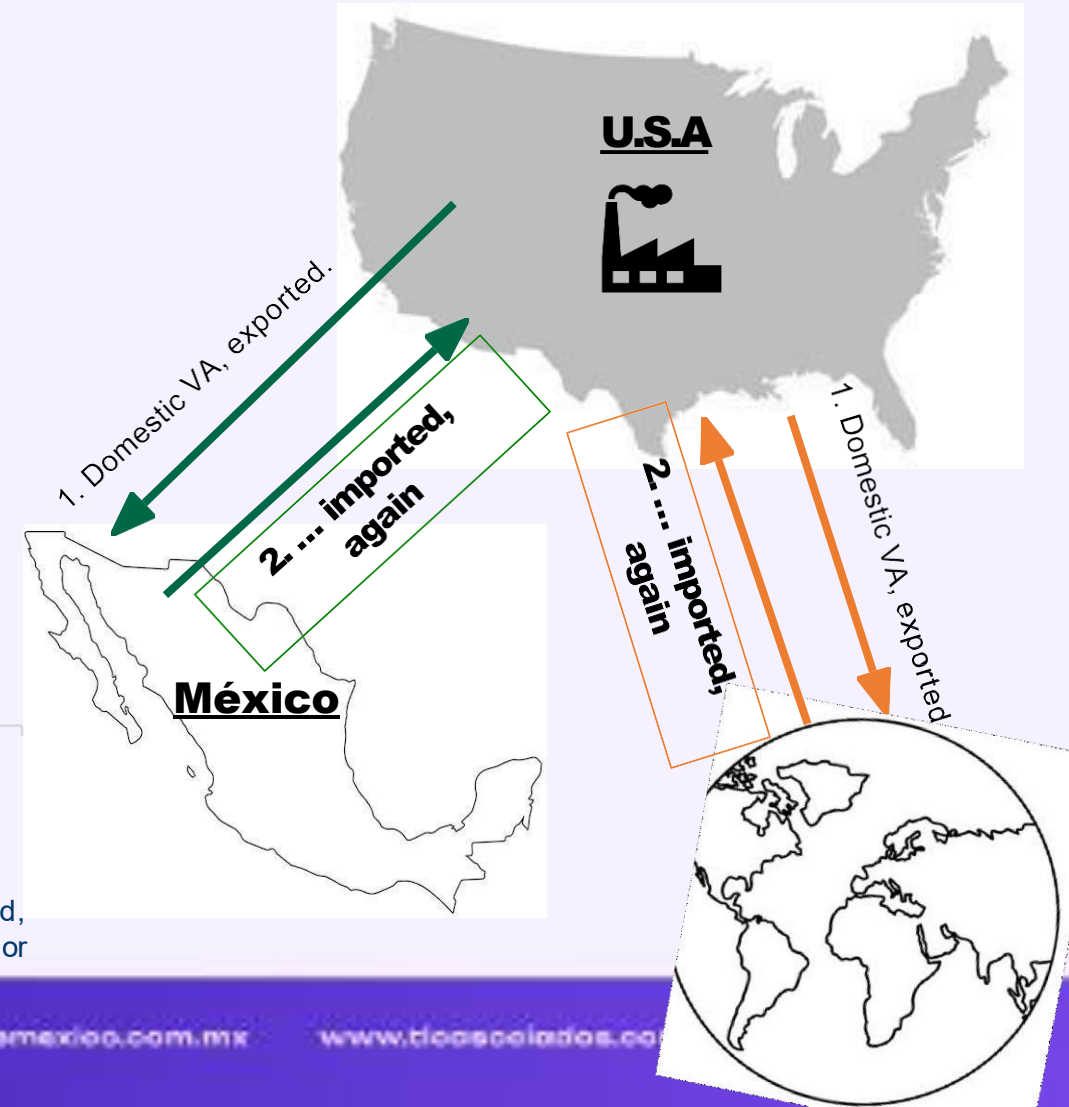
Produced by AMCHAM/Mexico. Source: USCensus Bureau

Percentage of U.S. Domestic Value Added in Gross Imports with the World and Select Countries, 2020



Prepared by AMCHAM/Mexico. Source: OECD. Trade in Value Added (TiVA) 2023 edition: Principal Indicators, shares.

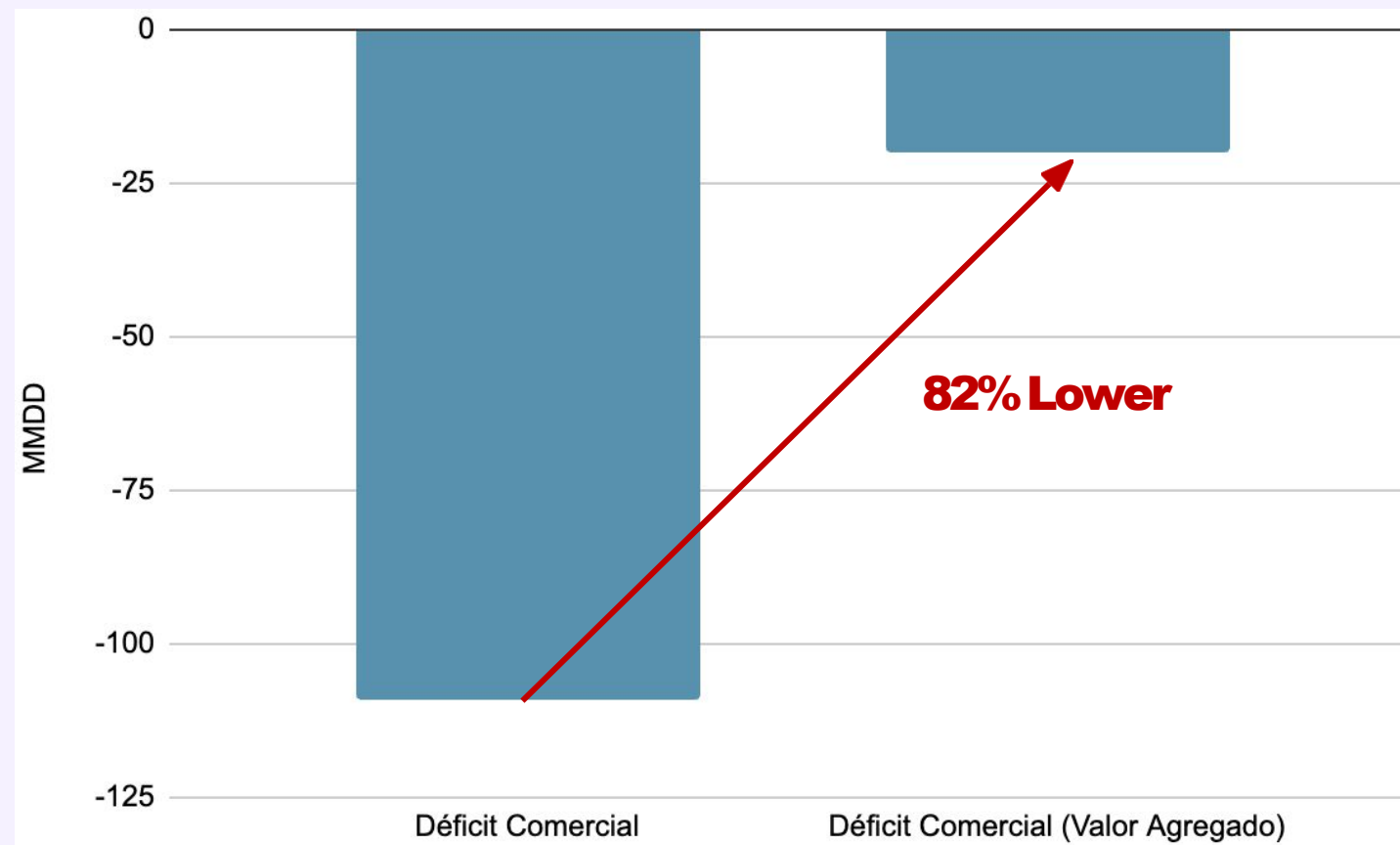
Domestic Value Added in Gross Imports: Measures how much of the domestic value added, previously exported, returns to the national economy through the importation of final or intermediate goods and services, after passing through regional or global production chains.





Traditional Trade Deficit vs. Value Added

Due to the Coproduction System—unique within North America—the **Traditional Measurement of the Trade Deficit** is insufficient.



Source: OECD and Bank of Mexico



Argument: The World “Is Taking Advantage of the United States” and Competing Unfairly.

Tariff Barriers

Non-Tariff Barriers

- VAT Refund
 - De facto Tariff on U.S. Exports
 - Subsidy to Foreign Producers
 - Trade Distortion
 - Encourages Offshoring
- Industrial Policy
- Rule of Law

Country	Simple Average MFN Tariff	VAT
European Union	5.2%	21.8%
China	7.5%	6-13%
Mexico	7.1%	16%
Canada	4.0%	5%
USA	3.4%	0%*

Source: IOM, Global VAT Compliance

U.S. has a sales tax ranging from 2.9% to 7.25%.

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Tariffs



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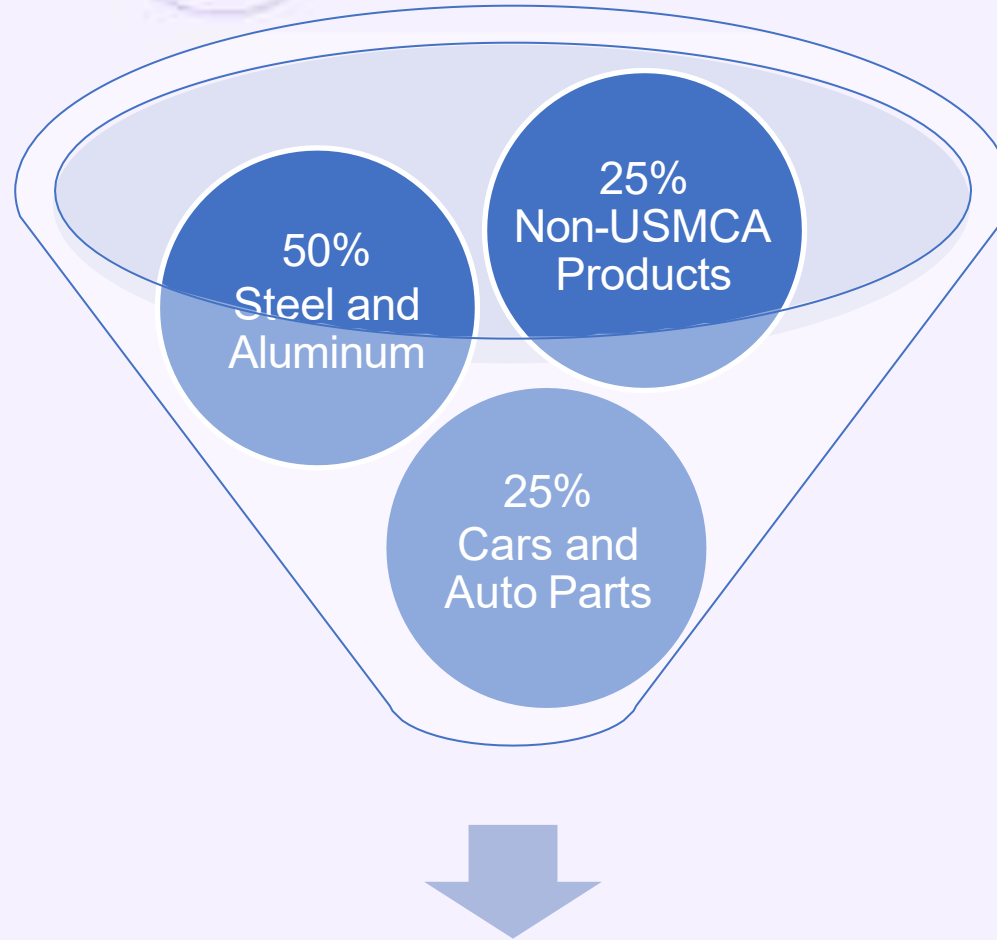


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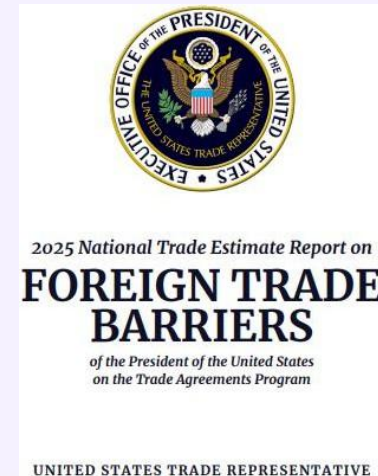


- Canadá: 25 al 35% IEEPA
40 % para bienes que intenten evadir el arancel mediante triangulación o transbordo a través de terceros países.
- Brasil: 40% IEEPA (salvo excepciones Aeronaves, etc)
- Unión Europea 20% Arancel recíproco a 15% (excepciones)
- China 90 días – 10 de noviembre
- Eliminación de Minimis y aumentos de productos con aranceles acero y aluminio.

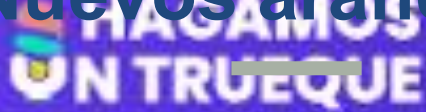


México – 90 días (30%)

- Inicio del periodo: 1 de agosto de 2025
- Duración: 90 días naturales (post puesto)
- Barreras No arancelarias (promesa)



Nuevos aranceles publicados y próximos a publicarse



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Investigaciones por USA Sec. 232 (including federal register citations)

- 90 FR 11359 (Timber / Lumber) - **Ya publicado White House**

House

- 90 FR 16437 (Critical Minerals)
- 90 FR 15950 (Pharmaceutical and Ingredients) – **Mencionado en Redes %**

- 90 FR 15951 (Semi-Conductors)
- 90 FR 17371 (Medium & Heavy-Duty Trucks, Parts, & Derivatives) -

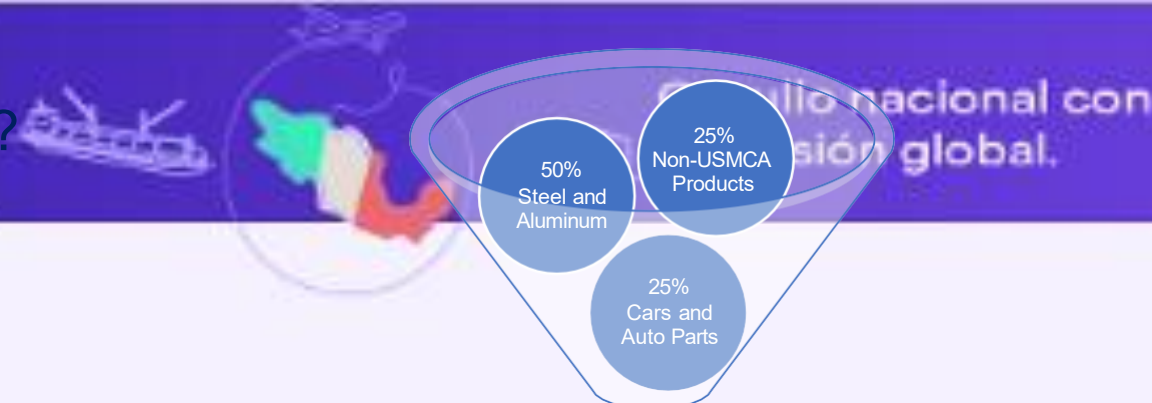
Ya publicado White House

- 90 FRN 20273 (Comercial Aircraft and Jet Engines)
- 90 FRN 31955 (Polysilicon and Derivatives)
- 90 FRN 31958 (Unmanned Aircraft Systems)
- 90 FRN 41380 (Wind Turbines, Parts, Components)
- _ FRN _ (Robotics and Industrial Machinery) (anunciado)
- _ FRN _ (Medical Equipment / PPE / Consumables / Devices) (anunciado)

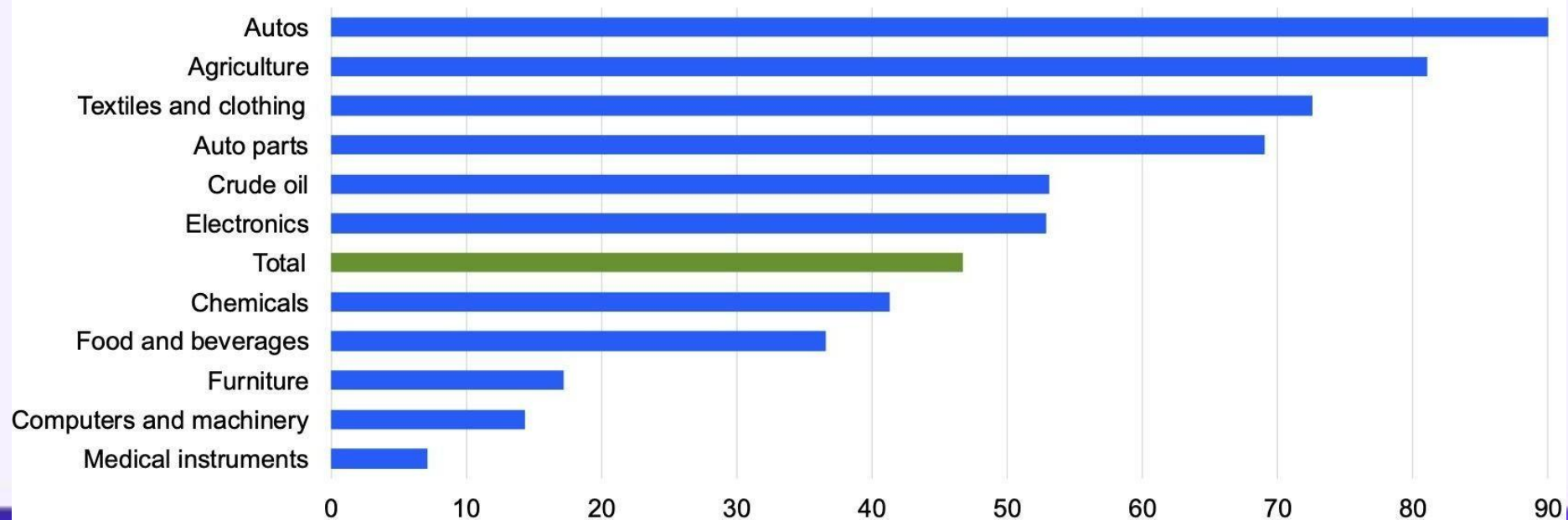
+ Otros Películas ... **Mencionado en Redes %**

Fuente: https://www.whitehouse.gov/presidential-actions/2025/03/addressing-the-threat-to-national-security-from-imports-of-timber-lumber/?utm_source=chatgpt.com
https://www.whitehouse.gov/fact-sheets/2025/04/report-to-the-president-on-the-america-first-trade-policy-executive-summary/?utm_source=chatgpt.com
https://www.whitehouse.gov/presidential-actions/2025/04/ensuring-national-security-and-economic-resilience-through-section-232-actions-on-processed-critical-minerals-and-derivative-products/?utm_source=chatgpt.com

Where we are now?

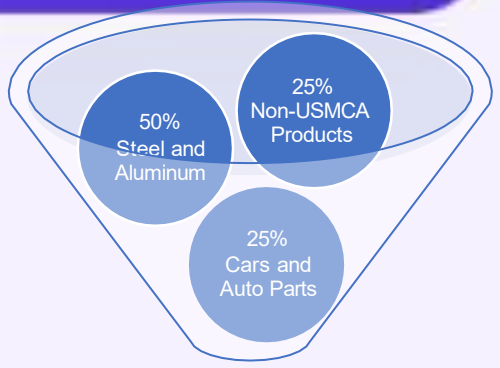


U.S. imports from Mexico, selected goods categories, % compliant with USMCA, Mar-May 2025



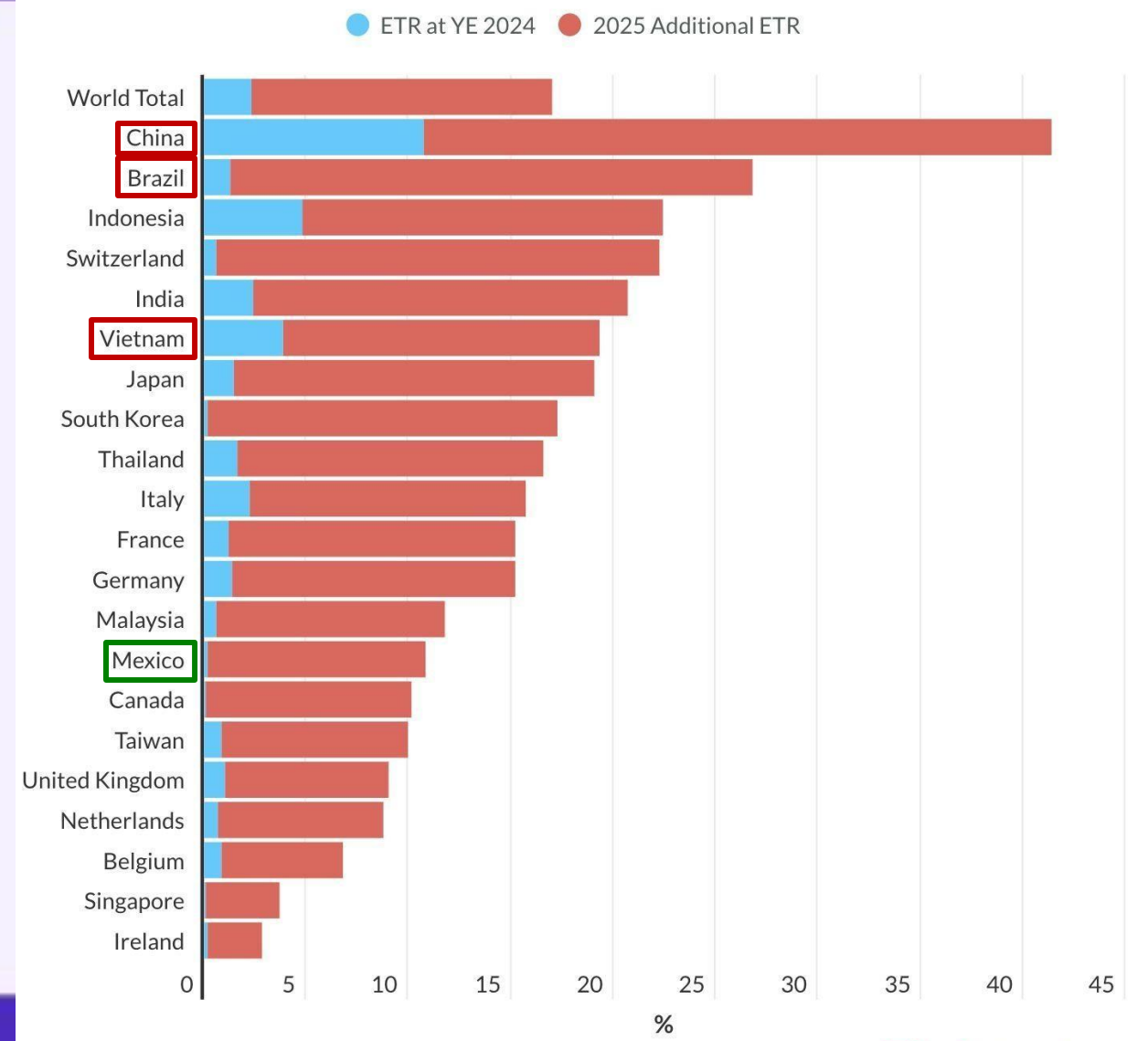
Sources: U.S. Census Bureau, Moody's Analytics

Where we are now?



Effective Tariff: 13.5%

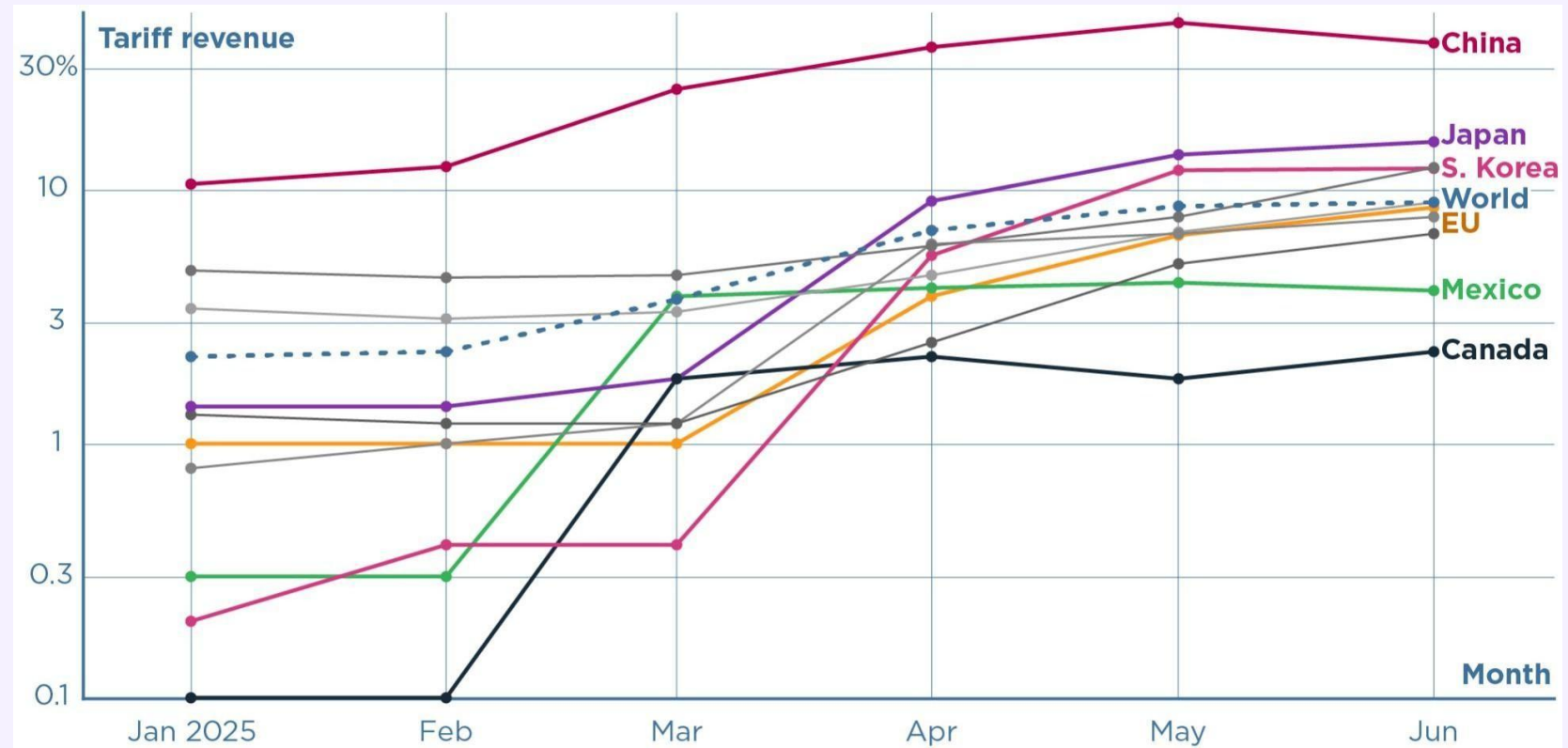
- USMCA Non-Compliant: 7.8%
- Cars and Auto Parts: 4.3%
- Steel and Aluminum: 0.7%
- Aluminum Cans: 0.4%





Tariff Revenue

In Absolute Terms, **Mexico** Is
Among the Countries That Have
Paid the Least “Tariffs to the U.S.”



Source: PIIIE

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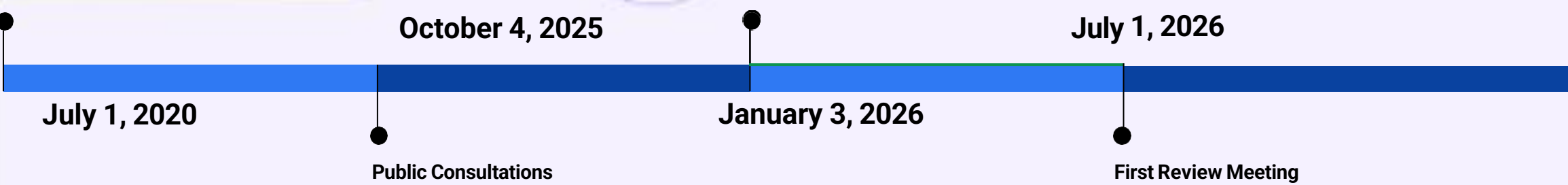
USMCA Comes into Effect
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16-Year Period, with Automatic Review Periods Every Six Years.



Submission of Results

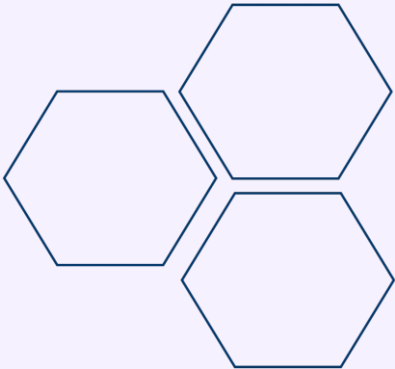
The USTR must submit a report to the U.S. Congress with its assessment, recommendations, and position regarding the extension of the USMCA.

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270 days before the start of the tripartite review; as a result of the consultations, the USTR must hold at least one hearing.

First formal meeting of the USMCA Council for review, according to the review clause (Art. 34.7).



USMCA Review

- I **Decision on Renewal or Termination**
During the review, the three parties may decide to extend the treaty for an additional 16 years (until 2042).
- II **Post-2026 Scenarios**
If the treaty is not renewed in 2026, there will be annual reviews for 10 years. At any point during that period, the three parties may agree to extend the treaty for an additional 16 years. If no consensus is reached after the annual reviews, the treaty will terminate on July 1, 2036.
- III **The process repeats every six years.**
If consensus is reached in 2026, the next review will be in 2032, to extend the treaty until 2048.

HAGAMOS Conclusions



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Conclusions

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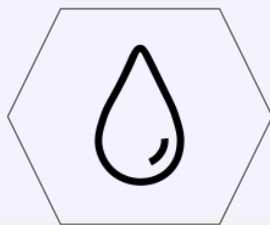


1. If the U.S. wants to reduce its dependence on China, it needs Mexico to compete (natural resources, workforce, infrastructure, AI, and more).
2. To prioritize American workers, as well as to protect and rebuild the industrial base, it relies on Mexico as an enabler and amplifier of the U.S. economy.
3. The USMCA is and will remain the foundational treaty on which the U.S. will deepen its trade alliances worldwide, serving as an example of what the U.S. considers fair trade.
4. Sovereignty and national security cannot be understood without the coproduction system with Mexico and cooperation in security.

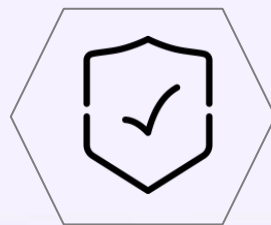
The next century will be marked by a deeper integration of North America.

We have to do our homework—and do it well.

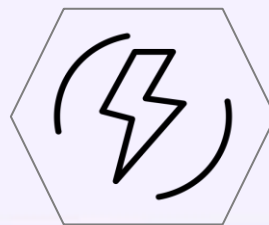
Investment Enablers



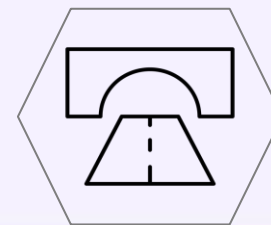
Water



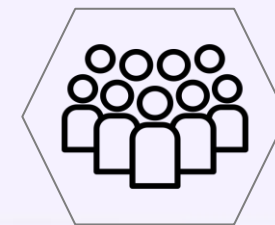
Security and Rule
of Law



Energy



Infrastructure



Human Capital



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