

USMCA trade agreement reached

The deal still needs to be ratified by all three countries.

Trade negotiators from the U.S., Mexico, and Canada have reached an agreement that makes changes to the enforcement of the United States-Mexico-Canada Agreement, multiple sources have told FOX Business.

A final deal could come together in the next 24 hours, according to sources, paving the way for ratification by all three countries. U.S. stocks were little changed on the developments.

Ticker	Security	Last	Change	Change %
I:DJI	DOW JONES AVERAGES	27868.21	-41.39	-0.15%
SP500	S&P 500	3134.47	-1.49	-0.05%
I:COMP	NASDAQ COMPOSITE INDEX	8623.880736	+2.05	+0.02%

House Democrats and Speaker Nancy Pelosi expressed concerns over enforcement and the need to make sure Mexico pays workers in auto plants an average of \$16 an hour. Mexico has rejected such an enforcement mechanism but has said it's willing to allow a "neutral" third party to accompany U.S. and Mexican regulators. There is also a process in case Mexico becomes noncompliant.

APPLE, BIG TECH FACE KEY TARIFF DEADLINE

On Sunday, Mexico's top trade negotiator, Jesus Seade, told Mexican lawmakers that U.S. Trade Representative Robert Lighthizer wanted to change the definition of what constitutes North American steel and aluminum.



Jesus Seade, Mexican Undersecretary for North America. (AP Photo/Patrick Semansky)

Mexico, which imports all of its aluminum, is not OK with changes to its definition but would be open to tighter rules for steel after five years.

The USMCA, which overhauls the Clinton-era North American Free Trade Agreement, commonly known as NAFTA, requires 75 percent of automobile components be manufactured in the United States, Canada, and Mexico in order to avoid tariffs, and that 40 to 45 percent of automobile parts be made by workers who earn at least \$16 an hour by 2023.

President Trump signed USMCA, commonly referred to as the “new NAFTA,” on Nov. 30, 2018, but Pelosi has yet to put the trade agreement on the House floor due to the Democrats’ enforcement concerns. Mexico ratified the original trade deal in June and Canadian Prime Minister Justin Trudeau has said he will bring the modified agreement up for a vote once it passes the U.S. House.



U.S. Trade Representative Robert E. Lighthizer, right, and Chairman Richard Neal, D-Mass. (Photo By Tom Williams/CQ Roll Call)

The delay has drawn the wrath of both the Trump administration and Republicans, who say not getting the deal signed before Congress adjourns for the year on Dec. 20 could put it in jeopardy, with 2020 being an election year.

CLICK HERE TO READ MORE ON FOX BUSINESS

Last month, Commerce Secretary Wilbur Ross said USMCA is “much better” on key issues than any trade deal in U.S. history while noting its delay has “cost the economy billions of dollars.”

FOX Business’ Maria Bartiromo was first to report the deal would come together this year.

Source: <https://www.foxbusiness.com/markets/usmca-agreement-reached-sources>
[Disclaimer]