



NAFTA critic Andres Manuel Lopez Obrador holds big lead on eve of Mexican election

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June 29, 2018

Mexican voters are widely expected on Sunday to elect former Mexico City mayor and North American Free Trade Agreement critic Andres Manuel Lopez Obrador as its new president on Sunday, creating a potential new hurdle in the White House's efforts to renegotiate the 1993 trade deal. The next Mexican president may have even less interest to stick with NAFTA than President Trump.

Lopez Obrador has tried to downplay his controversial trade views throughout the campaign because NAFTA is quite popular in Mexico, but with his election looking secure, he has been more candid in recent weeks. In a presidential debate last month, he argued that the end of NAFTA "cannot be fatal for Mexicans (because) our country has a lot of natural resources, a lot of wealth," and therefore, trade wasn't that important.

Observers are keenly watching to see which path Lopez Obrador takes as president. "There's kind of two sides to it. On the one hand, you hear from him and his advisers that he understands that Mexico is part of the global economy and the North American economy ... and it needs a good relationship with its neighbors. On the other hand, he talks about Mexico being able to produce all of the food it needs and being self-sufficient," said Chris Wilson, deputy director of the Wilson Center's Mexico Institute.

The White House has until recently been negotiating NAFTA with officials from the Mexico's incumbent Institutional Revolutionary Party, which is expected to be ousted in the election. Both sides hoped to reach a deal in May but talks broke down over issues like when products could be labeled as "made in America" and wages for Mexican factory workers. Talks are still ongoing but any deal is expected to be on hold until Mexico has a new president.

That Lopez Obrador — who goes by nickname "Amlo," which comes from his initials — will be the next president seems assured. A poll by the Mexico City paper Reforma Wednesday had leading his nearest rival, conservative candidate Ricardo Anaya, by nearly 25 percent. Other polls have also shown him with large double-digit margins. He has consistently been in the lead for several months. Polling ended on Wednesday because the country requires that all campaigning halt five days before an election.

Whoever wins the election will not take office until December.

Lopez Obrador's lead comes in part from not attacking NAFTA since the deal is broadly popular in Mexico, many seeing the deal as crucial to their country's prosperity since it was signed in 1993.

"I've always been skeptical of Amlo's moderation regarding NAFTA," said Carlos Hidalgo, Latin American policy analyst for the free market Cato Institute. "He is a nationalist at heart, and nationalists don't have positive attitudes towards free trade. However, he is also a shrewd politician who has learned from past mistakes. A hostile attitude towards NAFTA during the campaign would've caused ripples in the market that would ultimately hurt his electoral chances."

Lopez Obrador tried to calm markets by announcing that several prominent trade economists would be his advisers and that he would go along with any deal negotiated by the outgoing Mexican administration. That has some fallen by the wayside since the talks themselves between Mexico and the White House stalled. Lopez Obrador has used that situation to argue that NAFTA is that important.

"Lately he has been, you could say, 'going with the flow' and trying not to make it sound like a huge defeat if NAFTA is terminated," said Gary Clyde Hufbauer, nonresident senior fellow at the Peterson Institute for International Economics. "He is doing what [Canadian Prime Minister Justin] Trudeau is doing and saying we can live without NAFTA."