



Here's what is next for Nafta as U.S., Canada and Mexico fail to strike deal

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May 18, 2018

Talks between the U.S., Canada and Mexico on revamping the North American Free Trade Agreement are continuing but it appears unlikely there's enough time for the U.S. Congress to vote on a deal before the end of the year, analysts say.

"I don't think they're going to get a text to Congress at all within the next weeks or even months," said Laura Dawson, director of the Canada Institute at the Wilson Center in Washington.

On Thursday, U.S. Trade Representative Robert Lighthizer said the three nations are "nowhere near close to a deal" and cited major differences on issues ranging from intellectual property to labor rules. He said negotiations would continue.

Dan Ikenson, director of trade policy studies at the Cato Institute, said a May 17 date earlier set by House Speaker Paul Ryan wasn't an official deadline, and that "wobble room" exists for the current Congress to consider a deal in the lame duck session after the midterm elections. But he was skeptical.

"It would be setting a precedent to get this thing done so quickly," he said. "We don't know how close we are to resolving the issues."

President Donald Trump told voters he would renegotiate Nafta, saying repeatedly during the campaign and since that it's a bad deal for the U.S.

The current deal stays in place in the absence of a new agreement.

"The Nafta renegotiation is not necessarily dead," said Carl Weinberg, chief international economist at High Frequency Economics. "However, this Congress — Speaker Paul Ryan's

Republican-majority Congress — will not get to consider a new agreement. Nafta as it presently exists will remain in force for now,” he wrote in a note Friday.

Democrats are hoping to retake the House, Senate or both in the fall’s midterm elections. Such an outcome would deprive Trump of working with a Congress dominated by his own party, but it wouldn’t mean a Nafta deal he submits automatically dies, Dawson says.

“I don’t think it necessarily precludes that the deal would be accepted,” she said.