



Biden to host Canadian, Mexican leaders at first 'Three Amigos summit' since 2016

November 17th, 2021

The first meeting in five years between the leaders of the United States, Canada and Mexico to boost North American economic integration will take place on Thursday.

The so-called 'Three Amigos Summit' to be held at the White House comes in the backdrop of dispute over proposed electric vehicle (EV) tax credits and "Buy American" policies of the Biden administration.

Launched in 2005 as part of the Security and Prosperity Partnership, the trilateral summit aims to improve information sharing and cooperation.

The last summit was held in 2016. When the three leaders meet on November 18th, the issues on the table would go beyond the original stated objectives.

US President Joe Biden has revived the summit that his predecessor Donald Trump left in 2017.

The three-party meeting seeks advancement of North American economic cooperation, but Canada and Mexico have both expressed concern about Biden's 'Buy American' provisions and a proposed EV tax credit that is likely to favor unionized, US-based manufacturers.

Washington is the largest trading partner for both Mexico and Canada, and cars and trucks are the most traded manufactured goods among the three countries, Colin Robertson, a former Canadian diplomat at Canada's Global Affairs Institute think tank, was quoted as saying by Reuters.

"The North American automotive industry is deeply integrated and competing as one block in building a world-class e-vehicle and the battery industry makes good economic sense for all three countries," said Robertson.

Canada and Mexico both seek equal share in the business as they compete to woo companies to set up plants for EV supply chains in their countries.

At the same time, the United States is looking for alternative suppliers of critical minerals used in batteries to China, which Canada can provide.

In addition to the EV tax credit, Canadian premier Justin Trudeau is likely to raise the issue of Enbridge Inc. (ENB.TO) Line 5 pipeline, which Michigan is looking to close owing to environmental concerns.

A report in Reuters said Biden could present a controversial plan to Mexican President Andres Manuel López Obrador during their meeting, seeking to change the constitution to give priority to Mexico's state-owned power company in the electricity market at the expense of private investment.

In a blog on Cato Institute website, analysts Inu Manak and Carrillo Obregon stated that the North American Leaders Summit will likely present a number of significant obstacles.

“The renegotiation of the North American Free Trade Agreement (NAFTA) has left a bad taste in the mouths of our closest trading partners. Its successor, the United States-Mexico-Canada Agreement (USMCA), has run into several implementation challenges, some of which are likely to be brought up in this week's meeting,” they wrote.

“Unless Biden can reassure Canada and Mexico that he is turning the page on the America First trade policy approach embraced by President Trump and his U.S. Trade Representative Robert Lighthizer, this week's meeting may be little more than a photo-op,” they added.