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# USMCA: WHAT IS IT AND HOW WILL IT IMPACT BELGIUM?

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The Agreement between the United States of America, Mexico, and Canada, also known as the USMCA, is a free trade agreement between Canada, Mexico, and the United States. The Agreement stems from a 2017–2018 renegotiation of the North American Free Trade Agreement by its member states, which informally agreed to the terms on September 30, 2018, and formally on October 1. Most importantly, this new agreement will support mutually beneficial trade leading to freer markets, fairer trade, and robust economic growth for the three countries.

President Donald Trump first proposed the agreement and it was signed by President Trump, Mexican President Enrique Peña Nieto, and Canadian Prime Minister Justin Trudeau on November 30, 2018 on the margins of the 2018 G20 Summit in Buenos Aires. Following the signing, the agreement moved to the legislatures of each nation for ratification.

Negotiations centered mostly on auto exports, steel and aluminum tariffs, and the dairy, egg, and poultry markets. When compared to NAFTA, USMCA increases environmental and working regulations, and incentivizes more domestic production of cars and trucks. The agreement also provides updated intellectual property protections, gives the United States more access to Canada's dairy market, and imposes a quota for Canadian and Mexican automotive production. Lastly, it includes new elements regarding stringent, enforceable and binding labor and environmental elements and the harmonization of digital trade.

In regards to trade with the European Union, and in particular Belgium, this agreement would have several impacts. The USMCA is isolationist in that trade between the neighboring countries is favored over that with international partners. There are specific USMCA provisions regarding rules of origin, geographic indications and voluntary export restraints that may affect EU carmakers, food and drink exporters and dairy producers in particular.

As part of the deal, both Canada and Mexico have been given a generous allowance of automobile imports to the United States that would be guaranteed to enter free of any future tariffs that the Trump administration may decide to place on foreign cars for national security reasons.

As for Mexico, the USMCA contains an exception for geographical indications protected under international agreements. This would mean that European geographical indicators under the Canada Europe Trade Agreement or EU-Mexico Agreement would still be protected.

The Trump Administration may use the USMCA as a model for future potential trade agreements with the United Kingdom, the European Union and other countries. It is also possible that the USMCA would set precedents for future US trade policy, which varies from policies of the past that followed key principles of international trade.

Sources:

<https://atlanticcouncil.org/blogs/new-atlanticist/how-the-usmca-impacts-transatlantic-trade-policy/>  
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