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Insights: Alerts

3 Key Takeaways: Doing Business in Mexico – NAFTA Renegotiations

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Written by

Kilpatrick Townsend partner **Marc Lieberstein** recently moderated a panel at the annual "Doing Business in Mexico" seminar which was offered by the Association of Corporate Counsel and Kilpatrick Townsend. Marc, joined by Alejandro Luna, a partner at Olivares, and also a member of the Mexico team representing AMIIF — the industry association for R&D pharmaceutical companies who do business in Mexico — discussed the legal and business issues concerning ongoing NAFTA renegotiations.

Marc's takeaways from the presentation include:

- The NAFTA re-negotiations between the USA, Canada & Mexico are very complex, and one must look at many different trade categories to assess the impact of any free trade agreement among the three countries.
- Although the United States has formally withdrawn from the Trans-Pacific Partnership (TPP), it has apparently proposed to use many of the same TPP agreement terms for the renegotiation of NAFTA, including the increased intellectual property protection provisions from the TPP agreement.
- Mexico and Canada are not in the same position they were back in 1993-1994 when NAFTA was first signed, and there are trade areas where those countries could provide more value to the United States. And while there is no way to erase the trade imbalance amongst the three countries, a free trade agreement could address those imbalances, provide incentives going in both directions to tolerate such imbalances, and overall serve to benefit all three countries and their respective economies