

Former USMCA chief negotiator for Mexico visits Laredo

BY JULIA WALLACE
LAREDO MORNING TIMES

Kenneth Smith Ramos, former chief negotiator for the USMCA for Mexico, stopped by the Gateway City a couple of weeks ago at the invitation of the insurance company Borderless Coverage.

While he was here, he also spoke with a lot of shipping companies and the people “in the trenches” in trade operations, he said.

“It’s very useful for us to come to the border and see how things are developing. And (see) what are the real, everyday, day-to-day obstacles that people are facing,” Ramos said.

The economist worked on this agreement under former Mexico President Enrique Peña Nieto, and left the position when the president did in December.

Mexico’s Senate approved the updated trade agreement in June, and Canada is expected to in September before their October elections.

“The big ‘if’ is will the U.S. Congress be able to get it approved. ... There’s a few concerns there, I think. The negotiations between Democrats and the White House is pretty tough, as you know,” Ramos said.

When the future of this trade agreement was less certain a few years ago, Laredo was pinned as a potential future Rust Belt, with so



Photo by Cuate Santos/Laredo Morning Times

Kenneth Smith Ramos, economist for AGON and former chief negotiator for the U.S.-Mexico-Canada Agreement for Mexico, stopped by Laredo Morning Times a couple of weeks ago for an interview with reporters and editors.

much of its economy dependent on trade with Mexico. But Ramos does not believe Laredo has more at stake than other border cities such as El Paso and Nogales, and even Midwestern states dependent on agriculture.

“These key strategic entry points into the U.S. and into Mexico, really the livelihoods depend on having the USMCA ratified,” Ramos said. “But it happens in other areas of the country.

“I can tell you, traveling through other areas of the U.S., a lot of the Corn Belt and the central states, they’re very concerned with ensuring that in addition to the USMCA, that relations between the U.S. and

Mexico remain cordial, and that we don’t have a situation like we did a couple of months ago on the issue of the threat of tariffs imposed on Mexico.”

U.S. negotiators came to the table with a long list of things they wanted to resolve, Ramos recalled. They wanted to address the trade deficit, which translated into this effort to tighten the rules of origin in the automotive sector, Ramos said. And based on the “America First” concept, the U.S. said they no longer want impartial dispute settlement panels to oversee the decisions of the U.S. executive branch or U.S. courts. They believed they should just rely

on their own domestic decisions, he said.

“And of course that’s problematic. It’s been one of the pillars of NAFTA throughout its entire life. It made sure that whenever there is any doubt as to whether a country is complying with the NAFTA commitments, that you have the ability to challenge that in an impartial court, and you’re able to get an expedited decision,” Ramos said.

Mexico’s negotiators explained that if they made the rules of origin to strict and the requirements too onerous, it would not force further investment in the U.S. In fact, companies would leave North Ameri-

ca for China, Thailand and Eastern Europe.

Ramos said it was a long, drawn out negotiation that led to something good. They preserved free trade in automotive products and ensured Mexico and Canada would be excluded from any security measure the U.S. would take on Section 232, which imposed tariffs on steel and aluminum.

“The U.S. came to the table saying we have to fix something that is hurting the U.S. economy. Even though there was no empirical evidence to show that, it’s still their position, and it’s something you couldn’t discard,” Ramos said.