

NAFTA 2.0

Trade Progress Update



The Leaders & the Laggards at May 21, 2018

Issue	Progress	Distance to Settlement	Volatility Level
Anti-Corruption	Good	Closed	Low
Competition	Good	Closed	Low
Administration & Transparency	Good	Closed	Low
SPS	Good	Closed	Low
SMEs	Good	Closed	Low
Regulatory Good Practice	Good	Closed	Low
TBT	Good	Closed	Low
Telecommunications	Good	Closed	Low
Competitiveness	Good	Closed	Low
Trade Facilitation/ Border Measures	Good ¹	Near	Low/Moderate
Aboriginal People	Constructive ²	Mid	Low/Moderate
Data Localization	Good ³	Mid	Moderate
Digital Modernization	Good ⁴	Mid	Moderate
Energy	Discussions in early stages	Far	Moderate
Agriculture	Mixed ⁵	Far	Mixed
Intellectual Property	Little movement ⁶	Far	High
Auto Rules of Origin (ROOS)	Constructive not complete	Far	High
ISDS (Chapter 11)	Poor	Far	High
Other Dispute Settlement (Chapters 19 & 20)	Poor	Far	High
Sunset Clause	Poor ⁷	Far	High
Government Procurement/Buy American	Poor ⁸	Far	High

1 Good agreement on new border clearance technologies but Canada is holding out against raising the de minimus threshold.

2 Little agreed-upon detail.

3 Discussions continue for financial services sector.

4 Except for divided views on third-party liability/ safe harbor.

5 Good in some sectors; poor in others. Canadian supply management and Mexican produce will be sticking points.

6 Some elements may be brought over from the TPP but U.S. is adding pressure on copyright, drug prices/patents.

7 Canada and Mexico agree to mandatory review but no dissolution of the agreement.

8 US proposing dollar for dollar reciprocity. Canada will not accept.