



# Potential Costs of Withdrawing from NAFTA

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# Potential Costs of Withdrawing from NAFTA: Net Job Losses

STUDY	IMPACT ON EMPLOYMENT
Impact Econ	<p><b>Unskilled Workers: auto, ag/food, textiles, services sectors suffer most (3-5 years)</b>  <b>U.S.:</b> loss of 256,000 jobs, with 95K more workers that would have to relocate  <b>Mexico:</b> loss of 951,000  <b>Canada:</b> loss of 125,000</p> <p><b>Skilled and Unskilled Workers (3-5 years)</b>  <b>U.S.:</b> loss of 1.4 million jobs  <b>Mexico:</b> loss of 1.5 million  <b>Canada:</b> loss of 497,000</p>
PIIE	<p><b>U.S.:</b> 180,000 exporting jobs lost, <b>most affected: auto, ag/food, &amp; manufacturing sector</b></p>
Oxford Economics	<p><b>U.S.:</b> 300,000 fewer jobs by the end of 2019</p>
Trade Partnership Worldwide	<p><b>U.S.:</b> 1.8 to 3 million jobs lost (3-5 years)  <b>U.S.:</b> 200,000 to 700,000 fewer jobs over the longer term  <b>Canada:</b> 1.2 million jobs lost  <b>Mexico:</b> 2.3 to 10.3 million jobs lost</p>

# Potential Costs of Withdrawing from NAFTA: GDP Costs

STUDY	IMPACT ON GDP
Impact Econ	<p><b>Real GDP Short to medium run (3-5 years)</b>  <b>U.S.:</b> -0.09 % to - 0.64 % (\$16 billion to \$120 billion)  <b>Mexico:</b> -0.88 % to - 1.48 % (\$9 billion to \$15 billion)  <b>Canada:</b> -0.48 % to - 1.81 % (\$7 billion to \$28 billion)</p>
CD Howe	<p><b>Real GDP by 2023</b>  <b>NAFTA region:</b> - 0.225 % (\$48 billion)</p>
Trade Partnership Worldwide	<p><b>U.S. GDP</b>  Short to medium term impact: - 0.6% to - 1.2% (\$120 billion to \$231 billion)  Long term impact: - 0.2% - 0.5% (\$36 billion to \$99 billion)</p>
AAF	<p><b>Cost to U.S. businesses and farmers:</b> \$15.5 billion in new tariffs a year  <b>Cost to U.S. consumers:</b> \$7 billion in additional costs a year</p>

# Potential Costs of Withdrawing from NAFTA: Trade Shrinks

STUDY	IMPACT ON TRADE
Atlantic Council	<p><b>Loss of U.S. Exports yearly to Mexico: - \$ 12.8 billion</b>  <b>Ag: – 4.1 billion</b>  <b>Non Ag: – \$8.7 billion</b></p> <p><b>Loss of U.S. Imports from Mexico: - \$ 13 billion</b>  <b>Ag: – \$2.9 billion</b>  <b>Non Ag: – \$10.1 billion</b></p>
CD Howe	<p><b>NAFTA: Reduced Trade in the NAFTA Region: – \$122 billion (8.6%) by 2023</b></p> <p><b>US: Drop in Total Exports: – \$40 billion (1.5%)</b></p> <p><b>Canada: Drop in Total Exports: – \$20 billion (2.8%)</b></p> <p><b>Mexico: Drop in Total Exports: – \$25 billion (4.4%)</b></p>
Trade Partnership Worldwide	<p><b>Short to Medium Term (1-5 Years)</b></p> <p>Drop in U.S. Exports to the World: – 2.5% to – 5%</p> <p>Drop in U.S. Imports from the World: – 3.6 to – 7.5%</p> <p><b>Longer Term (10 years)</b></p> <p>Drop in U.S. Exports to the World: – 4.4% to – 10%</p> <p>Drop in U.S. Imports from the World: – 2.6 to – 6.3%</p>

# Winners if NAFTA is Ended

STUDY	IMPACT ON EMPLOYMENT & GDP
Trade Partnership Worldwide	<p><b>Short to medium term (3-5 years)</b></p> <p><b>China</b> Employment: +1.7 million to +2 million GDP: +0.07% to +0.16%</p> <p><b>Korea</b> Employment: +146,000 to +151,000 GDP: +0.33% to +0.35%</p> <p><b>Japan</b> Employment: +291,000 to +793,000 GDP: +0.24% to +0.64%</p> <p><b>Germany</b> Employment: +123,000 to +308,000 GDP: +0.20% to +0.52%</p>

# Sources

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- ImpactECON: [“Reversing NAFTA: A Supply Chain Perspective”](#), October 2017
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- PIIIE: [“Withdrawing from NAFTA Would Hit 187,000 US Exporting Jobs, Mostly in Heartland”](#), November 2017
- The Atlantic Council: [“What if NAFTA Ended? The Imperative of a Successful Renegotiations”](#), October 2017



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