

## The US Senate swiftly approves the USMCA trade agreement

- Today, the US Senate approved the USMCA trade agreement with 89 votes in favor and 10 against. As a result, the only requirement left for the agreement to become law in the US is the signature of President Trump, which is expected to happen next week
- We should mention that support for the agreement was even higher than NAFTA in 1993 (61 in favor, 38 against), and also surpassed the free trade agreement with Morocco, which had been the most favored until now (85-13)
- In line with our expectations, the treaty was approved without further delay, even when political tensions between Republicans and Democrats are very elevated due to the impeachment process
- It should be remembered that modifications to USMCA were signed by representatives from the three countries on December 12<sup>th</sup>, 2019, laying the groundwork for its approval today in the US. For further details see [“Final details of USMCA agreed on, paving the way for approval”](#)
- With this event, Canada remains the only partner who has not ratified the agreement. However and according to press reports, its approval is a priority for this country’s government, leading us to believe that there shouldn’t be any further problems on the matter
- In this context, the Canadian Parliament will resume sessions on January 27<sup>th</sup>. Given the missing requirements in that country, we expect approval to happen in March
- The agreement will become binding on the first day of the third month following the notification of approval from the last partner to the remaining counterparties. Given the relative delay of Canada, we expect USMCA to come into effect between June and July this year
- In our opinion, this developments are positive for the Mexican economy as they help reduce uncertainty, especially for the investment outlook in a context of elevated geopolitical and trade tensions around the world

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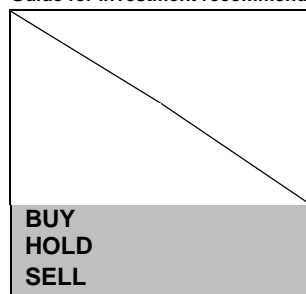
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