



Centro de Derecho Económico Internacional



Foro:

***“MEXICO'S COMMERCIAL CHALLENGES
TO THE NEW INTERNATIONAL REALITY:
THE NAFTA RE-NEGOTIATION AND THE
FUTURE OF CHAPTER 19TH
(DUMPING ISSUES)”***

**Wednesday, 13th, 2017, 19:00 – 22:00 hours.
ITAM, RIO HONDO NO. 1**

BACKGROUND

Introduction

Mexico's Options against Trump's Proposed Border Tax: Is WTO a Viable Option?

U.S. President Donald Trump, has threatening to leave the NAFTA since the beginning of his political campaign. In the middle of the negotiations, U.S. President renewed his threat to scrap NAFTA and ripped on trading partners Canada and Mexico days before the three countries were scheduled to hold a second round of negotiations on rewriting the 23-year-old agreement. However, days after, Mexico and Canada dismissed U.S. President Donald Trump's latest threat to scrap NAFTA, describing it as a negotiating tactic aimed at winning the upper hand in talks to update one of the world's biggest trading blocs, example of this is the proposal of withdrawing Chapter 19 of NAFTA.

Do we have to rewrite the new agreement or rethink a new agreement? The new commercial reality facing Mexico requires understanding that the current challenges that cannot be solved with tools of the past. Not only are we obliged to consider the true relationship of industries, markets and governments of Mexico and the United States in order to separate reality from exaggerations, but we are also obliged to rethink the need and utility of diversifying trade flows in the future.

A new international reality.



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International trade involves many countries. Every country is expected to abide by certain norms, which govern the logistics in international trade. The economic condition, political make up of a particular nation is never constant. In the event of an unforeseen event, taking place in any country, the trading partners are also effected to a great extent.

Also, Multinational Corporate Tax Avoidance practice is making changes over all the applicable rules to the international commerce. Lawmakers will undoubtedly make changing the way the United States taxes foreign profits of U.S. multinationals a priority of tax reform. Over the past few months, more than 100 countries have signed on to the Inclusive Framework sponsored by the Organisation for Economic Cooperation and Development (OECD), which sets common rules for addressing base erosion and profit shifting.

It has been also pointed out a raise of the minimum wage. Both countries Canada and USA are pushing the negotiations to make Mexico increase its minimum wage, as told by Wilbur Ross, "The minimum wage in Mexico has barely changed in pesos for quite a few years. And the peso has depreciated quite a lot against the dollar," he told senators. "So on a purchasing power basis, the average Mexican worker is far worse off than he or she was five or 10 years ago. That was not the original intent of NAFTA."

Regarding electronic commerce, The US proposed to Mexico and Canada to raise the value of online purchases that can be imported free of tax at the level of USD 800, from current thresholds of USD 50 and CAD 20. Footwear, textiles and bricks-and-mortar retail industries in Mexico and Canada oppose though to the proposal.

Mexico's Options against Trump's Proposed Border Tax: Is WTO a Viable Option? What will happen with the Chapter 19 of Dumping and Subsidies?

After the analysis of the speeches, we should consider to continue following NAFTA or change to WTO

Why is this Report Useful? What is the purpose?

This conference theme translates into the fulfillment of some of the objectives pursued by the Chevening scholarship program as shown below:

Prosperity (which includes topics related with the finance and the economy management): To encourage greater cooperation on education including ELT, science and innovation, creative industries, economic and finance issues and to strengthen work on governance, transparency and anti-corruption/bribery, and to promote public policy and economic reform.



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o Human Rights: To strengthen respect, protection and enforcement of human rights. For example by preventing sexual violence in conflict, supporting the application of international standards in human rights and addressing impunity for human rights violations.

FOUNDED

This conference is going to gather the most respectable specialist on this matter. The auditory is going to be full by experts on financial and banking systems, so the A&Q section will also increase the knowledge spread in the conference.

AGENDA

Schedule	Topics	Speakers
19:00 - 19:15	Registro	
19:10 – 19:15	Welcome	Dr. Jorge Cerdio, Jefe del Departamento Academico de Derecho. ITAM
19:15 – 19:25	Introduction	Gabriel Farfán, PhD (LSE President)
19:30- 20:15	Programme Moderator: Fernando Lorenzo, Business Director MCAA	1. Claudia Ruiz Massieu (Former Foreign Affairs Minister) 2. PhD Gerardo Vazquez, (Trade Controversy and Dispute Resolution)



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		<p>expert, PWC Mexico)</p> <ol style="list-style-type: none">3. Dr. Amrita Bahri (Chevening and LSE alumni, current Professor at ITAM, International Trade law expert)4. Leonel Pereznieto Castro, ICC's Arbitration Commission, Arbitrator of the International Arbitration Court of the ICC Member of The London Court for International Arbitration.
20.15- 20.30	Questions	
20.30-20.40	Conclusions Dr. Antonio Herrera (MCAA Vice President)	
20.40-22:00	<i>Brindis Navideño</i>	