



## NAFTA: a mixed success at 10—abrogated at 15?

This report reviews the results of the first ten years of NAFTA, and asks if the agreement in its present form will reach a 15<sup>th</sup> anniversary. NAFTA provides a framework for annual and semi-annual policy consultations between trade officials, but the authority of trade officials to bring about change is slight. As measured, regional trade expansion has been substantial, but wages are flat or declining. There is a dispute mechanism, but few are satisfied with the results of arbitration. Some controversies, like trucking, energy and softwood lumber, defy resolution. Mexican industry is generally opposed to any further opening of the economy. Is regional convergence of the kind seen in Europe an option? If so, the premises and terms of NAFTA will need to be replaced by a broader vision.

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July 26, 2004

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