



January 8, 2023

President Andrés Manuel López Obrador
President Joseph R. Biden
Prime Minister Justin Trudeau

This week's North American Leaders Summit (NALS) – the second such trilateral meeting since the U.S.-Mexico-Canada Agreement (USMCA/T-MEC/CUSMA) entered into force on July 1, 2020 – represents a unique opportunity to enhance continental economic competitiveness. Recent events have significantly transformed international trade and investment flows, and North America has a limited window of opportunity to capitalize on its unparalleled competitive advantages.

Collectively our three countries account for almost a third of global economic activity. The United States, Mexico, and Canada represent a market of more than 500 million people, and the three countries are consistently one another's top trading partner. Close to half of North America's trade is now intra-regional.

On the eve of the last NALS meeting in November 2021, business groups across North America came together to underscore the need for the public and private sectors to work together to expand trade, effectively support SMEs, avoid supply chain disruptions, bolster economic competitiveness, uphold the rule of law, and comply with our shared USMCA/T-MEC/CUSMA commitments.

We recognize important efforts made over the past 14 months, as well as highlight that important work remains to achieve these goals. The USMCA/T-MEC/CUSMA is intended to facilitate closer economic cooperation and to provide legal certainty for cross-border trade and investment, with solid dispute settlement mechanisms. It is important to work on adequate policies that prevent the use of these mechanisms, which should be a last resort. We call on our governments to work towards a quick resolution of the USMCA/CUSMA/TMEC dispute settlement proceedings on energy, automotive rules of origin, and tariff-rate quotas for dairy products. We further encourage all three governments to negotiate, through dialogue and cooperation, resolution of ongoing challenges –such as the potential ban on genetically modified corn– in a manner that allows for dispute settlement procedures to be avoided. Our shared resilience, economic growth and job creation, as well as the wellbeing of our people, depend on continuing to take strategic actions for the benefit of North America.

More than 30 years ago, the architects of the original North American Free Trade Agreement laid the foundations for a continental supply chain platform that would enable businesses and workers in all three countries to trade and compete successfully with the rest of the world. One of the best examples of that is the highly integrated North American automotive industry. Today, we have an unprecedented opportunity to position North America as the world's leading producer of electric vehicles (EVs). But we will only succeed if we work together to overcome shortages of key raw materials, encourage investment in new manufacturing capacity, and make it easier for consumers to purchase EVs.

Across all sectors, North America's ability to compete with the rest of the world will depend significantly on continental energy security, and a transition plan that guarantees access to clean and reliable electricity and fuel at competitive prices, allowing investors to meet their business objectives as well as



their global environmental goals. The region must capitalize on the opportunity to be a reliable supplier of cleaner energy, critical minerals, and low-carbon technologies to global markets.

In the current global context of mounting food insecurity, compliance with our science-based North American trade commitments will enable us to meet the food needs of our populations and the world, improve our environment and advance the prosperity of the people working in our agriculture-related industries.

To achieve this vision of a competitive North American region, it's essential that our governments work together to develop strategies that reinforce the rule of law, ensure business certainty, and adhere to global best practices on transparency, predictability, stability, accountability, and due process.

We wish to emphasize once again the importance of preserving trade flows in emergency situations. At last summer's meeting of the USMCA/T-MEC/CUSMA Free Trade Commission in Vancouver, your governments pledged to establish a sub-committee that would cooperate during emergencies to maintain, re-establish, or otherwise address issues related to cross-border trade, as well as a working group that would develop a shared understanding of critical infrastructure priorities. As business organizations we offer our expertise and would welcome the opportunity to participate in discussions toward a trilateral protocol to reduce economic disruptions during future crises.

By committing to full implementation and compliance of USMCA/T-MEC/CUSMA, comprehensive programs to bolster SMEs, actions to prepare for emergencies and support resilient supply chains, strengthen democratic institutions, guarantee security for business, and upholding the rule of law, the three governments can create the conditions for greater competitiveness and new opportunities for companies of all sizes and from all sectors of the economy.

On behalf of the business communities of all three countries, we look forward to working with your governments to advance these recommendations and build a brighter future for people across North America.

Consejo Coordinador Empresarial
United States Chamber of Commerce
Business Council of Canada