

New North American trade pact

The U.S.-Mexico-Canada trade agreement (USMCA) has replaced the 26-year-old North American Free Trade Agreement (NAFTA), ending President Trump's threat to break apart the three-nation free trade zone

■ **Automotive:** To qualify for zero tariffs, carmakers must increase vehicle's content produced in North America to **75%**, up from **62.5%** under NAFTA. **70%** of vehicle's steel and aluminium must originate in North America. **40%-45%** of vehicle's value must come from **high wage** factories paying workers at least **\$16 an hour**



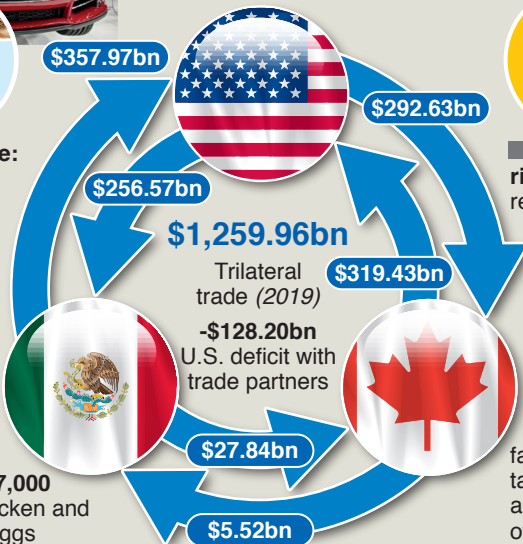
■ Agriculture:

U.S. dairy farmers to access about **3.5%** of Canada's **\$16 billion** annual domestic dairy market. U.S. to get tariff-free access to Canada for **57,000 tonnes** of chicken and **120 million** eggs



■ Workers' rights:

Labour reforms to give Mexican workers right to join unions and cast secret ballots. Factories violating labour rights face end of tariff-free access to other partners



■ Copyright:

Protection extended from **50 years** to **70 years** past author's death – in line with current U.S. law

■ Pharmaceuticals:

Deal aims to hold down drug prices by limiting some patent protections for pharmaceuticals



■ **Digital:** Pact prohibits duties on digital products including movies, e-books, music, games or videos, or other streaming material – a win for U.S. tech companies

■ **Sunset clause:** Requires partners to review after six years whether to remain in agreement. If any country decides not to continue with pact, USMCA will expire 16 years later

