

Discover Thomson Reuters

Directory of sites Login Contact Support



Commerce chief says 'some sort' of NAFTA deal will reach Trump

U.S. government approaches 18 staff fight 4 P&T Time Warner Co.

#BUSINESS NEWS NOVEMBER 14, 2017 / 2:19 PM / 2 DAYS AGO

Commerce chief says 'some sort' of NAFTA deal will reach Trump

David Lawder

3 MIN READ



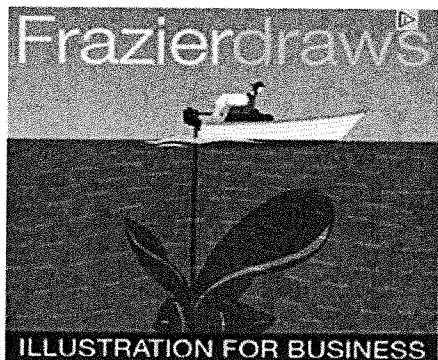
WASHINGTON (Reuters) - U.S. Commerce Secretary Wilbur Ross said on Tuesday that he believes NAFTA negotiations will produce "some sort" of a deal for President Donald Trump to evaluate but repeated his warnings that the United States will walk away from the trade pact if key problems are unresolved.

U.S. Commerce Secretary Wilbur Ross, speaks at the Confederation of British Industry's annual conference in London, Britain, November 6, 2017. REUTERS/Mary Turner

Ross, speaking before the start of a fifth round of talks this week to modernize the North American Free Trade

Agreement, said Mexico and Canada would suffer far more than the United States if the pact is dissolved.

SPONSORED



"I would certainly prefer them to come to their senses and make a sensible deal," Ross told a Wall Street Journal CEO forum.

"In any negotiation if you have one party that is not in fact prepared to walk away over whatever are the threshold issues, that party is going to lose," Ross added.

Trump has relentlessly criticized NAFTA for draining U.S. manufacturing jobs to Mexico, calling it "the worst trade deal ever made" and threatening to scrap it unless it can be improved to reduce U.S. trade deficits with Mexico and Canada.

Ross said Trump's "general point of view is that no deal is better than a terrible deal," but added that he does not know how Trump will evaluate a deal resulting from negotiations.

"Some sort of a draft will land on his desk. So it will be a binary decision in that sense," Ross said.

At negotiations resuming in Mexico City on Thursday, Mexico and Canada are expected to respond to tough demands from the United States such as a five-year sunset clause that would effectively trigger frequent renegotiations as well as a controversial U.S.-specific content rule for automotive products and far higher regional automotive content.

Ross gave no indication that U.S. negotiators would soften their stance on these topics, which the U.S. Chamber of Commerce counts among “poison pill” demands that could sink the talks.

Asked whether the content demands that 85 percent of a car’s value be produced within the region and 50 percent in the United States would simply drive auto and parts production to Asia, as industry executives have warned Ross said: “We don’t think so. We believe there will be a different thing because of all the other changes that we’re making.”

He said Republican tax reform efforts including lower rates and immediate expensing of capital expenditure costs and regulatory changes would lower the cost of doing business and keep the United States attractive for automotive investment.

Trump has wanted a five-year sunset clause for trade agreements since he began campaigning for president Ross said, to ensure that they deliver promised benefits.

“The reason we want it is that the tragic truth is that forecasts that were made when trade agreements were entered into, never have been achieved, at least in the case of the U.S.”

Reporting by David Lawder; Editing by Lisa Shumaker

Our Standards: [The Thomson Reuters Trust Principles.](#)

[Apps](#) [Newsletters](#) [Reuters Plus](#) [Advertising Guidelines](#) [Cookies](#)
[Terms of Use](#) [Privacy](#)



All quotes delayed a minimum of 15 minutes. See [here](#) for a complete list of exchanges and delays.

© 2017 Reuters. All Rights Reserved.