

Building Partnership with Mexico



E. Anthony Wayne
Career Ambassador (ret.)

Public Policy Fellow, Wilson Center

waynea@gmail.com

 @EAnthonyWayne

www.eawayne.com

American Academy of Diplomacy, March 2019



Building a Partnership with Mexico



- **U.S.-Mexico ties touch more U.S. lives daily** than any other country via trade, border connections, tourism, and family ties as well as, sadly, illicit flows. The same is true for Mexico.
- An estimated **35 million U.S. citizens are of Mexican heritage.**
- The shared **1990-mile border** (3,201 km) creates overlapping security, economic and environmental interests.
- In recent years, government-to-government collaboration has been unprecedented. Security-related cooperation has grown immensely.

US-Mexico Trade



Exports

\$276 Billion



Imports

\$340 Billion



2017 Trade in goods and services:

\$ 616 Billion

US trades over
1 million dollars per minute
with Mexico



US-Mexico Trade

Mexico is the US':

- 2nd largest export market
- 3rd largest trading partner
- 3rd largest **Ag** export market: \$19 billion in 2017
- 1st or 2nd export market for 28 U.S. States
- 1st export market for **U.S. Southern Border States**



US-Mexico Border Crossings

Each day there are over

1 million

border crossings





Areas of U.S.-Mexico Bilateral Work



- Trade Facilitation
- Economic competitiveness
- Energy
- Border management and migration
- Public security and justice collaboration
- Fighting drug trafficking & organized crime
- Counter-terrorism
- Central America, the region, international
- Consular Issues for US and Mexican citizens
- Health issues
- Education, Innovation
- Environment
- Human rights

Trilateral Work: Canada, Mexico and the U.S.



- Finalizing USMCA
- Energy & Environment Cooperation
- Regional and global priorities
- Trilateral Trusted Traveler Program
- Countering Illicit Drugs



Serious Challenges to Address

U.S. drug demand and cross-border criminal networks

Migration & border Management

Finalizing USMCA

Surging Criminal Violence in Mexico

Strengthening Mexican law enforcement institutions and bilateral cooperation

Negative public perceptions

Potential Terrorism

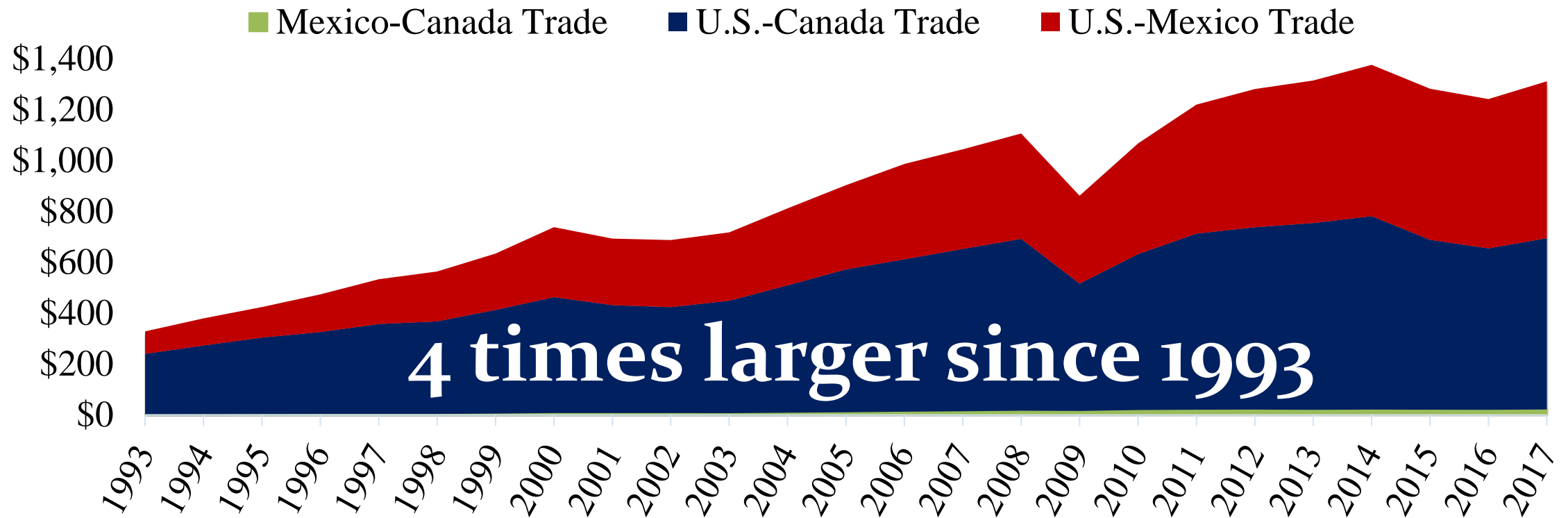
Countering Corruption

Central American migrants

Reducing poverty in Mexico



North American Trade in Goods and Services



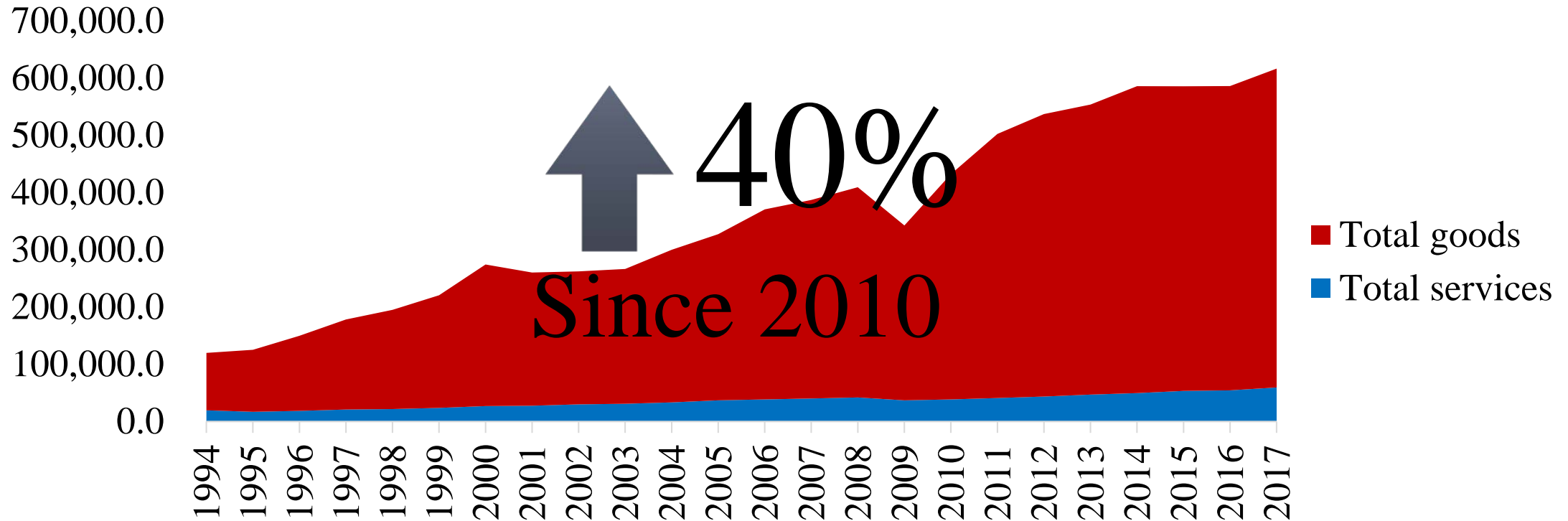


North American Trade

- Canada, Mexico and the US trade **\$1.3 trillion a year**.
- **\$3.6 billion a day**, reflecting major shared production networks.
- More than US trade with all the **European Union** and **1.9 times** more than with **China**.
- **14 million US jobs** are supported by trade with both neighbors.
- **50 percent** of NAFTA trade is **intermediate goods**.

U.S. Trade with Mexico has multiplied by 6 since 1993

- The U.S. sells **more** to Mexico than to all the **BRICS** countries together





Rank Order: Top US States' Trade with Mexico 2017

State	Volume \$USD (Billions)	State	Volume \$USD (Billions)
Texas	187	Indiana	9.8
California	73.1	Florida	9.7
Michigan	65.5	Pennsylvania	9.5
Illinois	22	Louisiana	8.6
Arizona	15.5	North Carolina	8.3
Ohio	14.7	Kentucky	7.7
Tennessee	11.7	New Jersey	7.4
Georgia	10.4	New York	6.4



U.S.-Mexico and North American Investment



Mexico's FDI in the US
\$17 billion



US FDI in Mexico
\$88 billion

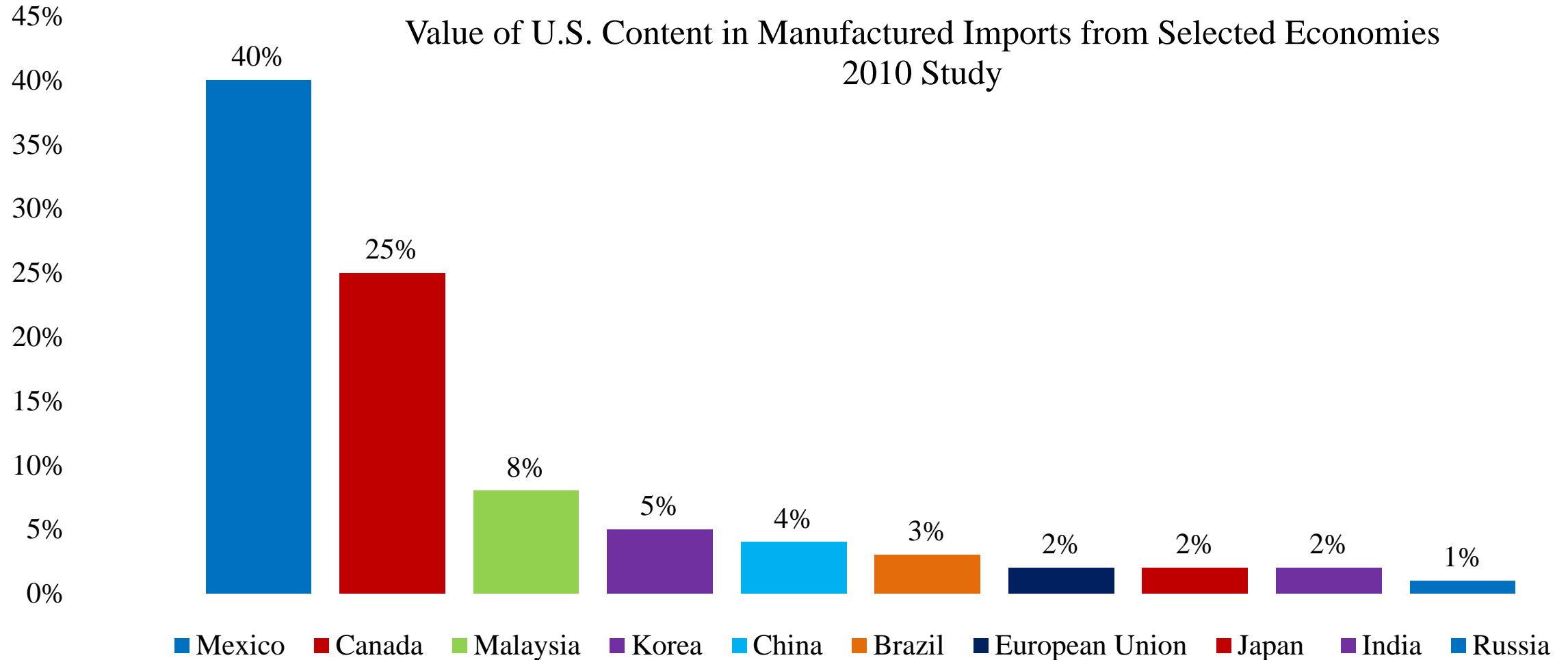


In 2015, Canada's and Mexico's FDI in the US reached **\$388 billion**

The US had **\$452 billion** FDI in Canada and Mexico.



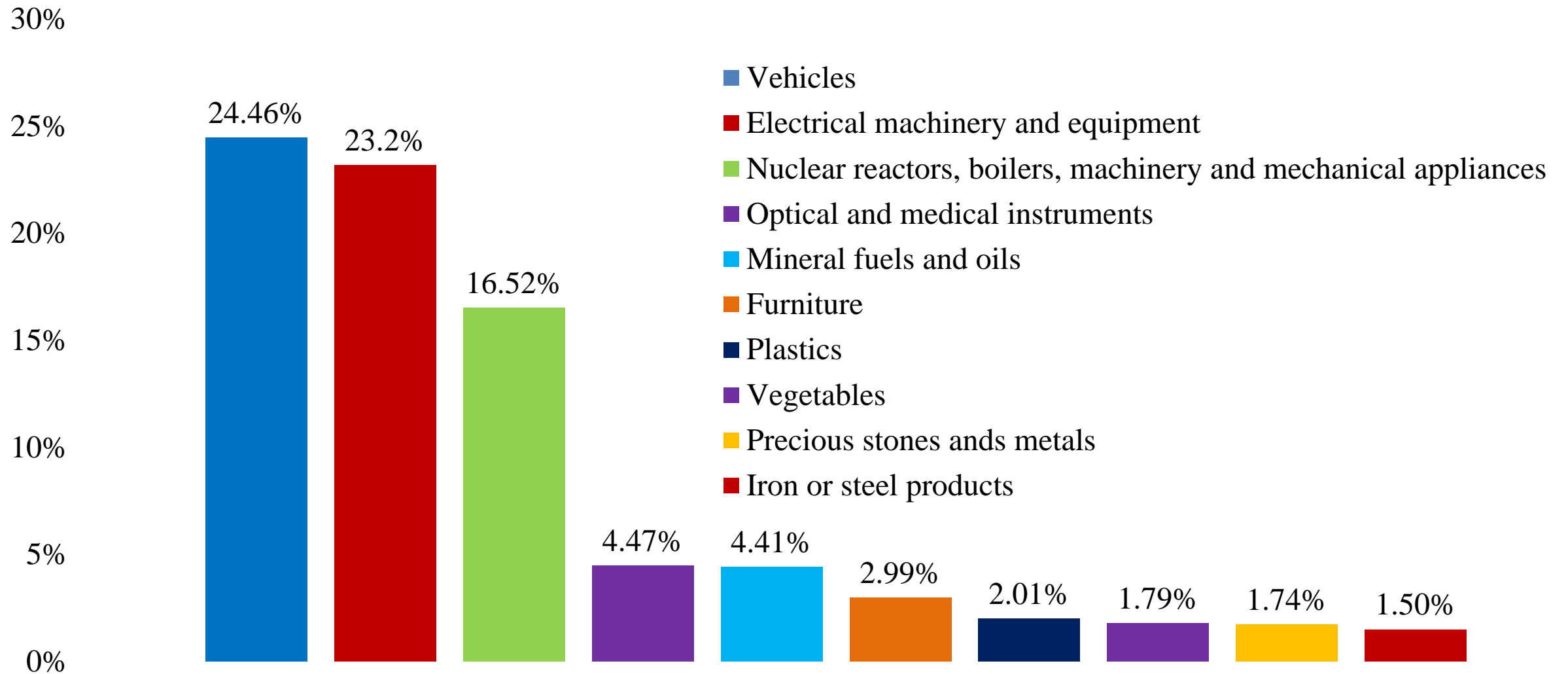
More U.S. Content in Imports from Mexico and Canada





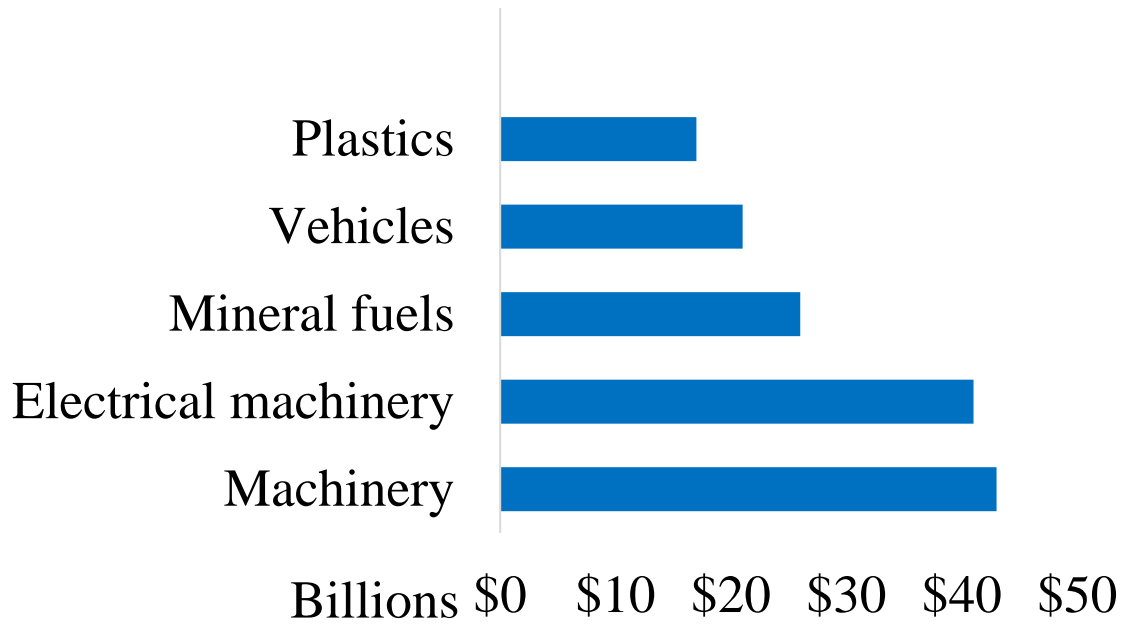
Leading Mexican Products Exported to the US

Manufactured Goods Dominate 2015

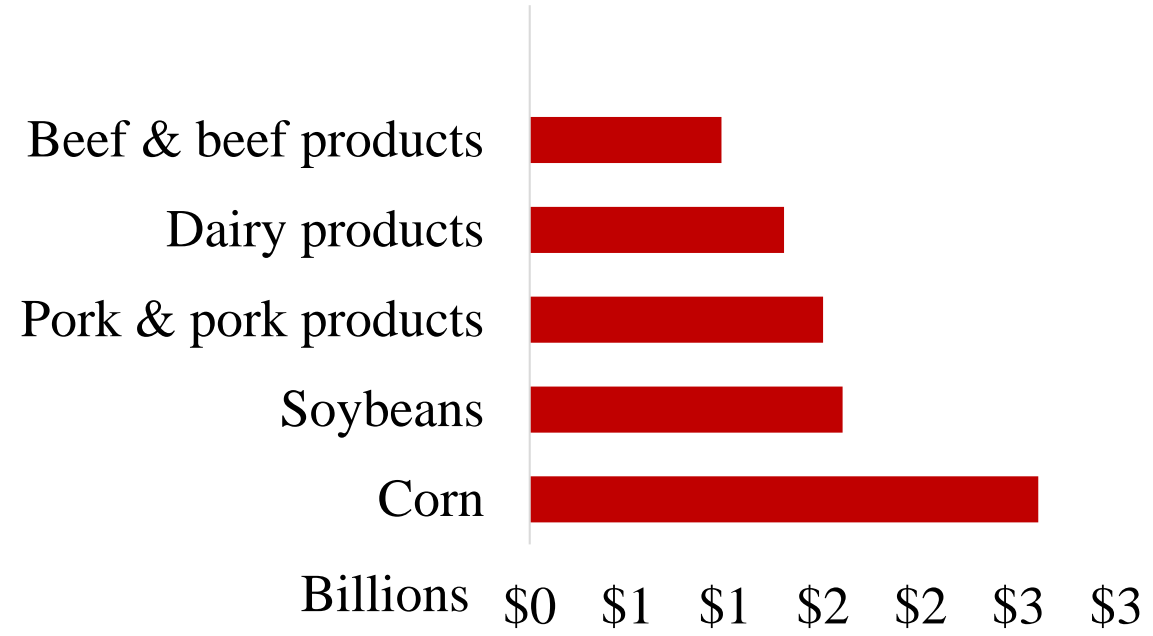




Leading U.S. Products Exported to Mexico 2017



Leading U.S. Agricultural Exports to Mexico 2017



Where have the manufacturing jobs gone?

Competition from China

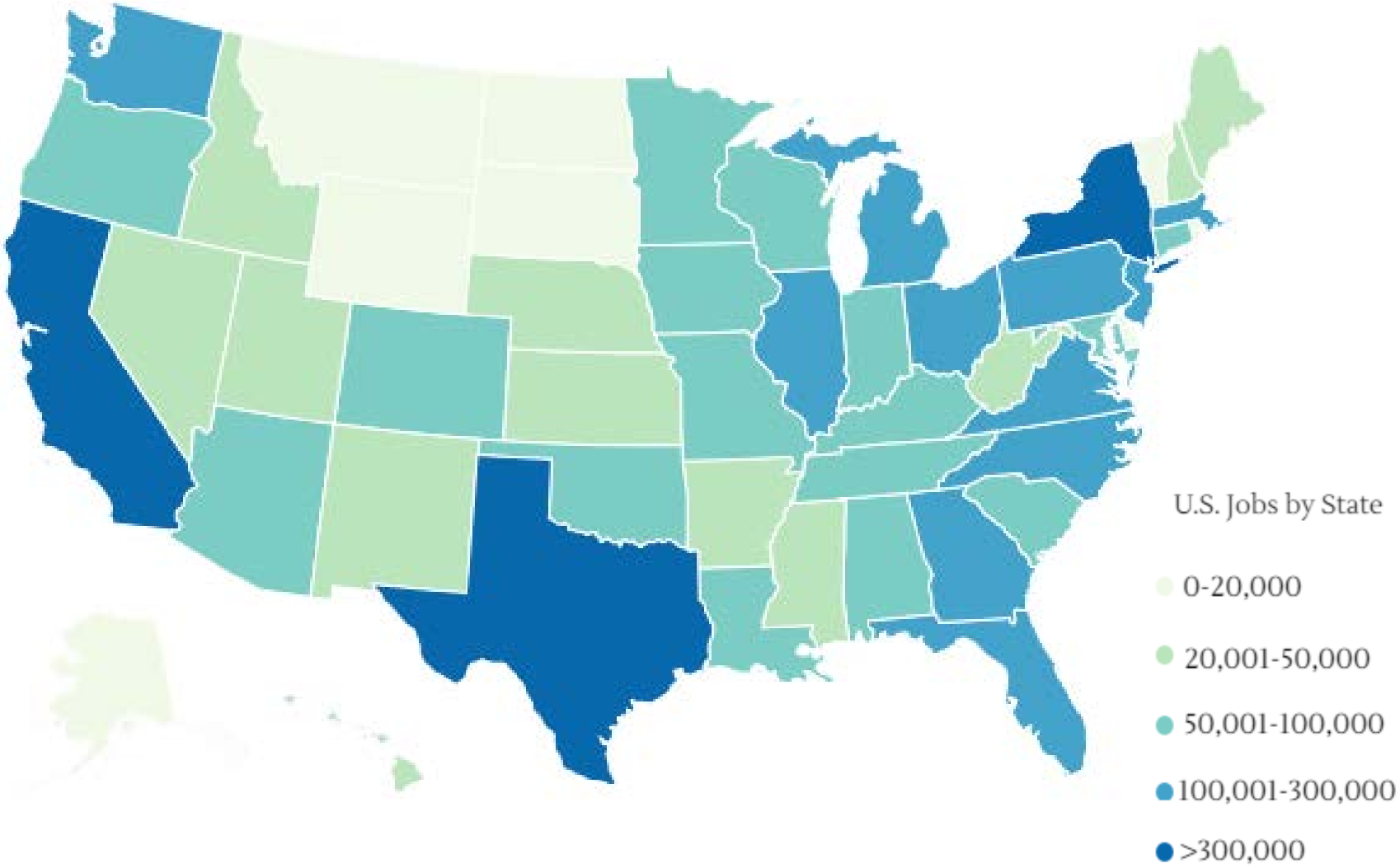
2 - 2.4 million

New Technology

4.7 million



Mexico trade supports some 5 million jobs

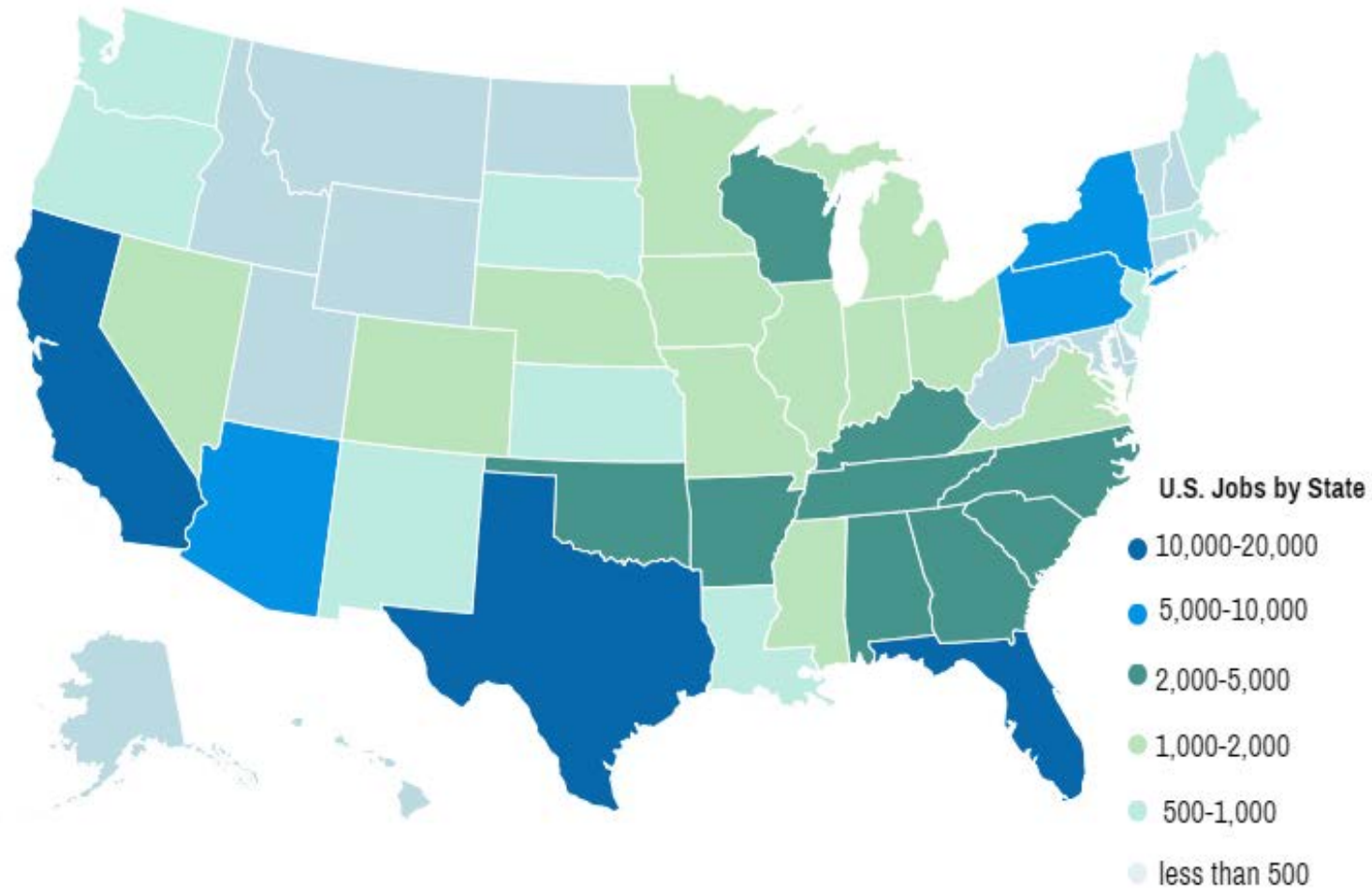


Some 5 million US jobs depend on trade and investment ties with Mexico (2015), compared to an estimated 700,000 jobs in 1993.

Source: The Wilson Center, 2016; Clinton Administration Statement on the NAFTA, 1993.

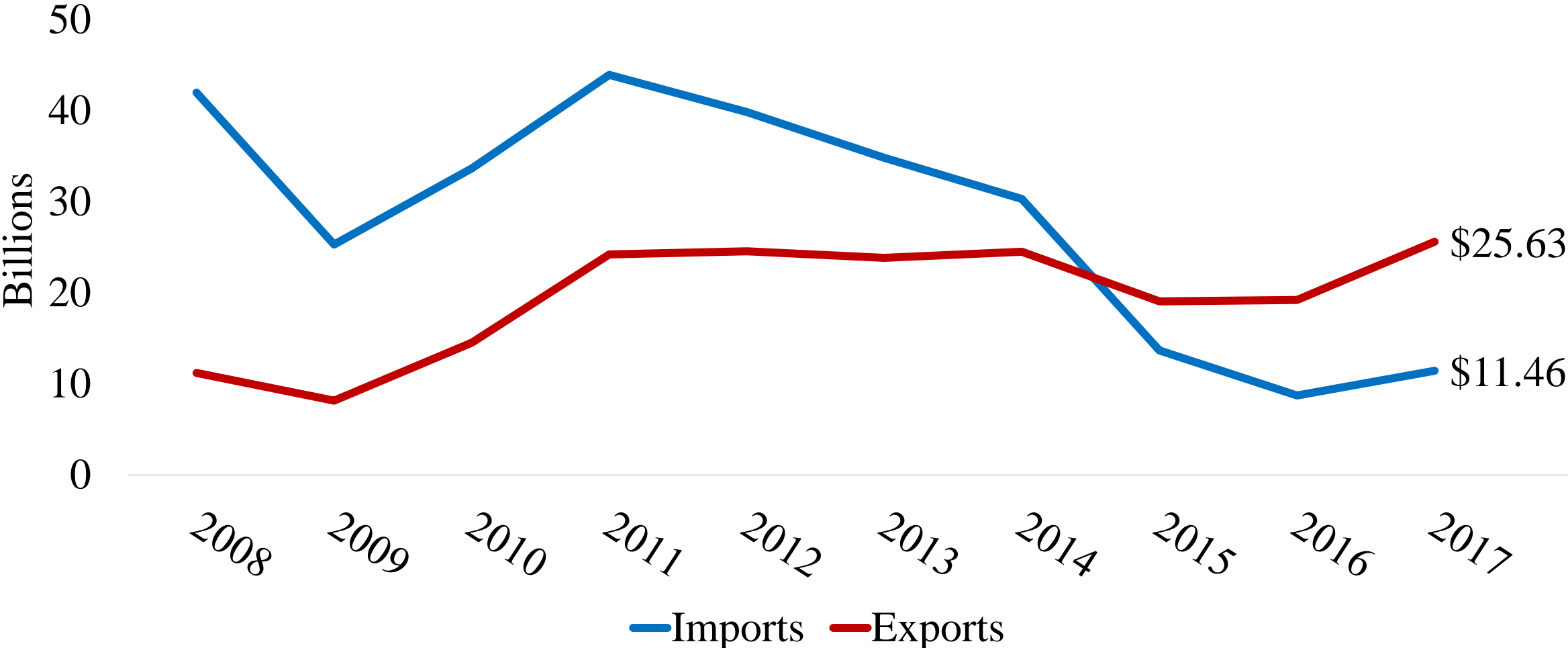
U.S. Jobs Created by Mexican Investment₂₀₁₆

- Mexican investment supports **123,000 US jobs.**



Energy and the Environment

U.S. Energy Trade Surplus with Mexico



Source: US Census Bureau, 2017



Energy Investment and Cooperation

- Pemex has signed **joint operating agreements** with Exxon, Chevron, Shell, etc.
- Exxon Mobil plans to **invest \$300 million in Mexico** over the next 10 years.
- Sempra Energy is investing **\$800 million**: \$500 million in a pipeline project between Texas and the Mexican Gulf port of Tuxpan.
- **U.S. energy equipment exports** enhanced via new investment.
- In 2017, U.S. and Mexico authorities agreed to work on expanding cross-border energy **infrastructure, including in electricity**.
- North American energy cooperation, investment & trade help **ensure reliable low-cost energy to power manufacturing** across region and build **Energy Security**.
- AMLO seeks to **increase energy independence, strengthen PEMEX**, and invest in refineries: is questioning additional private sector investment and cooperation.

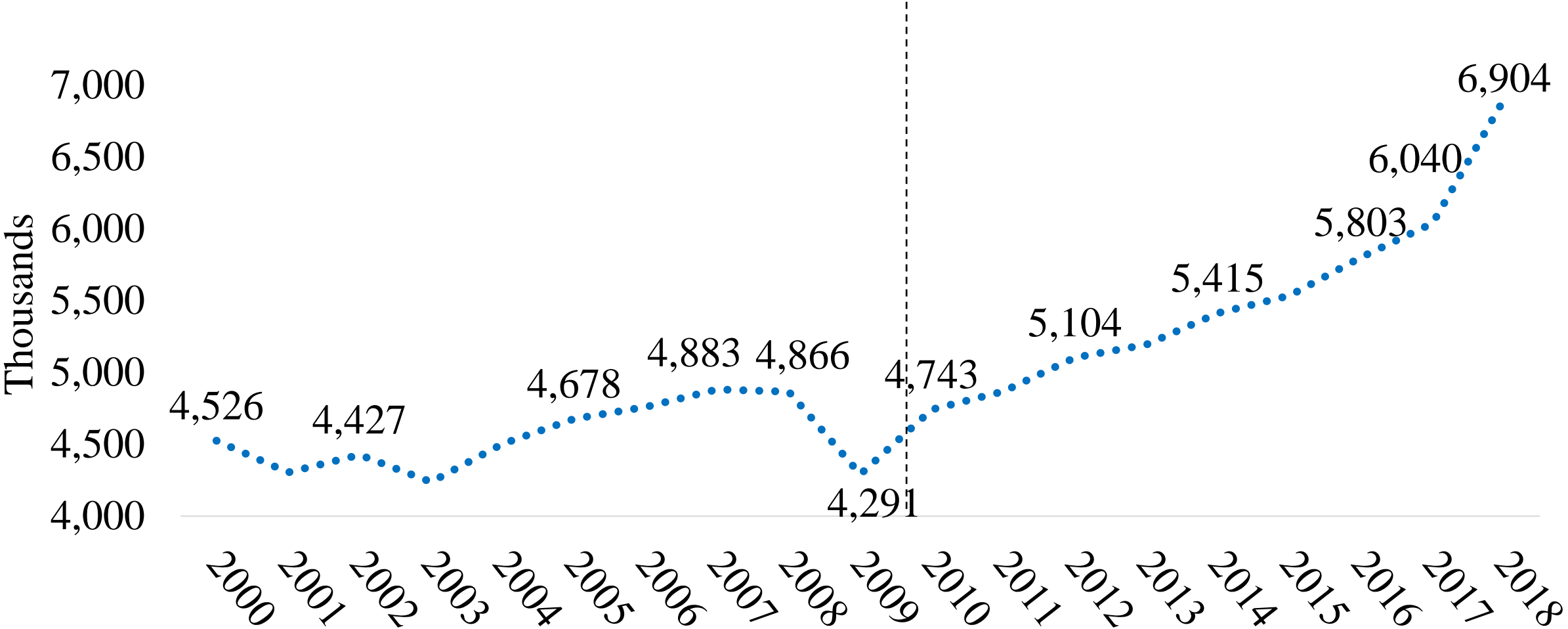
Border Management: Licit and Illicit Flows

Moving toward Co-Management of the Border





Trucks Crossing the US-Mexico Border



Source: Bureau of Transportation Statistics, 2017



2012-2016 from blame to “shared responsibilities”

- Making the border more open to legitimate travel and commerce.
- Working to align customs regulatory frameworks; increase joint use of customs facilities on the border.
- New mechanisms to communicate, coordinate and more effectively counter illicit trade and travel: drugs, guns, money and people.
- Steps to increase security and reduce cross-border violence.
- New programs to share information on potential border crossers.
- Working to create a Trilateral Trusted Traveler Program.
- Cooperation slowed in 2018 and in flux in 2019.



Americans' Views towards Border Wall

	Total	Democrat	Republican	Independent
Support building a wall along the US-Mex border	40%	15%	74%	25%
Agree that building a wall along the US-Mex border wastes taxpayer money	60%	81%	35%	57%
Support separating families who cross the border illegally as a deterrent.	28%	11%	52%	25%

Border: Migrant Flows

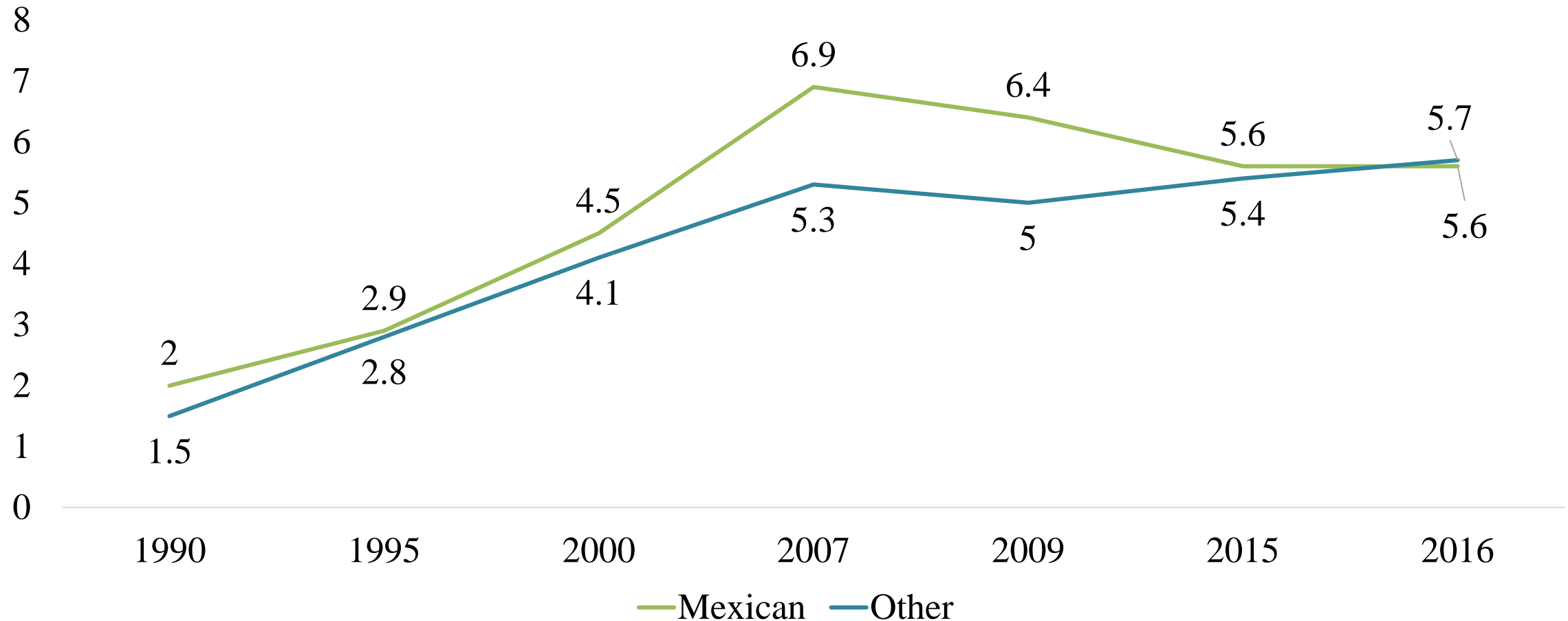
Migrant Flows

- The flow of Mexican immigrants to the U.S. is at the **lowest levels** since the 1990s.
- The number of Mexican immigrants in the U.S. **has been dropping** since 2007.
- In FY 2017, apprehensions of Mexican unauthorized immigrants declined **31.22%** from FY 2015.



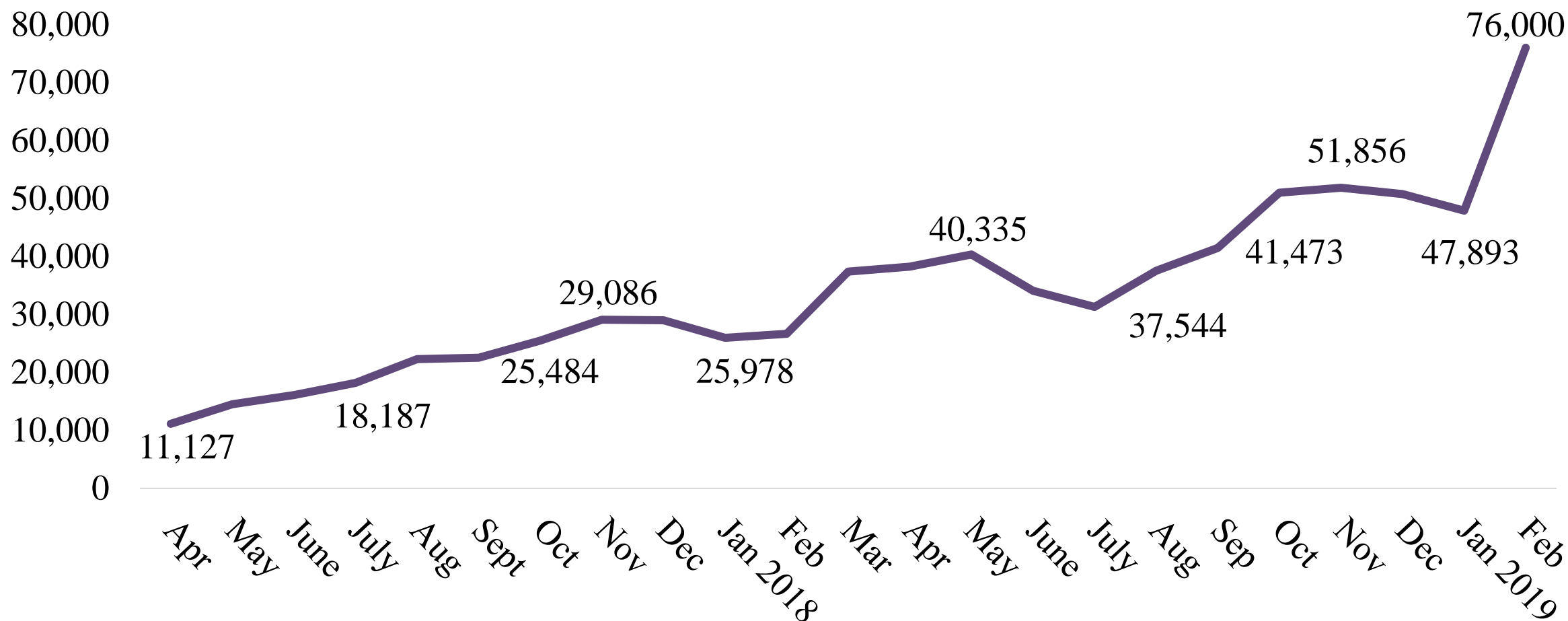


Number of Unauthorized Immigrants in the U.S.





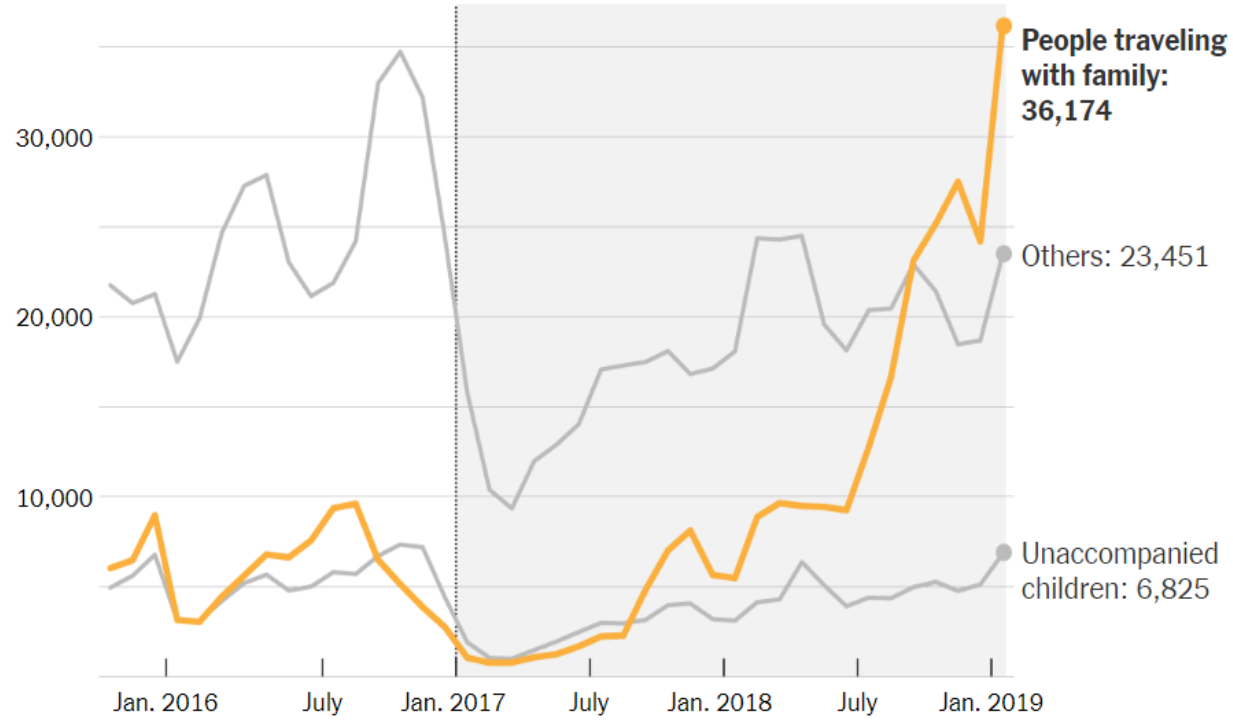
USBP Southwest Border Monthly Apprehensions



Source: U.S. Border Patrol Monthly Apprehensions (FY 2017 - FY 2018)

U.S.-Mexico border apprehensions increased in 2019

Apprehensions at the southwestern border 2016 - 2019



- 2018 was the year with the most apprehensions since 2012.
- In 2018, there were nearly **467,000 apprehensions** at the U.S.-Mexico border.
- In **2019**, the number of migrant families crossing the southwest border has broken records - unauthorized entries nearly doubling January 2018 numbers.
- More than **76,000** unauthorized migrants crossed **in February**.



Addressing Central American Migration

The US and Mexico enhanced cooperation in response to the 2014 surge of child and family migrants, **including work at Mexico's southern border against smuggling of people & drugs.**

In June 2017, the US and Mexico hosted a **Conference on Prosperity and Security in Central America** in Miami. Commitments include:

- U.S. FY 2018 budget request for **\$460 million** for the Northern Triangle (NT).
- Create a **migration observatory** to study and share information on regional migration flows.
- **Improved cooperation** to combat **transnational criminal organizations.**
- **\$53 million from Mexico** for three **NT infrastructure projects.**

Mexico's Senate condemned U.S. policies in June 2018 and called the government to end security and immigration cooperation.

In **December**, the US and Mexico **announced a new strategy** to be implemented in 2019.

Bilateral Cooperation Against Crime

US-Mexico Law Enforcement/Security Cooperation

Mérida Initiative Programs &
Agency-to-Agency Cooperation

Defense Dialogues & Cooperation

Security Coordination Group

US-Mexico Mérida Initiative: Evolving

1. Disrupting the operational capacity of **organized crime**.
2. Institutionalizing reforms to sustain the **rule of law** and respect for **human rights** in Mexico.
3. Creating a “**21st Century Border**”.
4. Building strong and resilient **communities**.

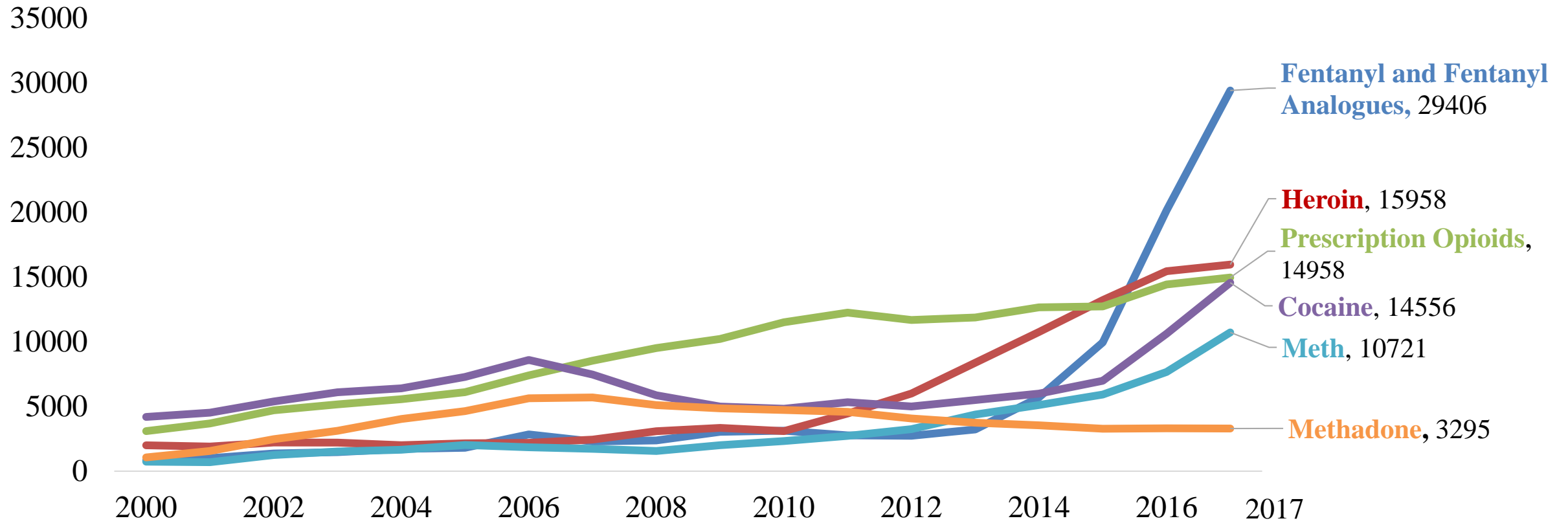
\$2.9 billion appropriated by the US since 2008.

\$1.6 billion already spent on training and equipment via over 100 programs to bolster Mexican capacity.

Mexico has spent over **10** times more.



Urgency: US Drug Overdose Deaths 2000-2017

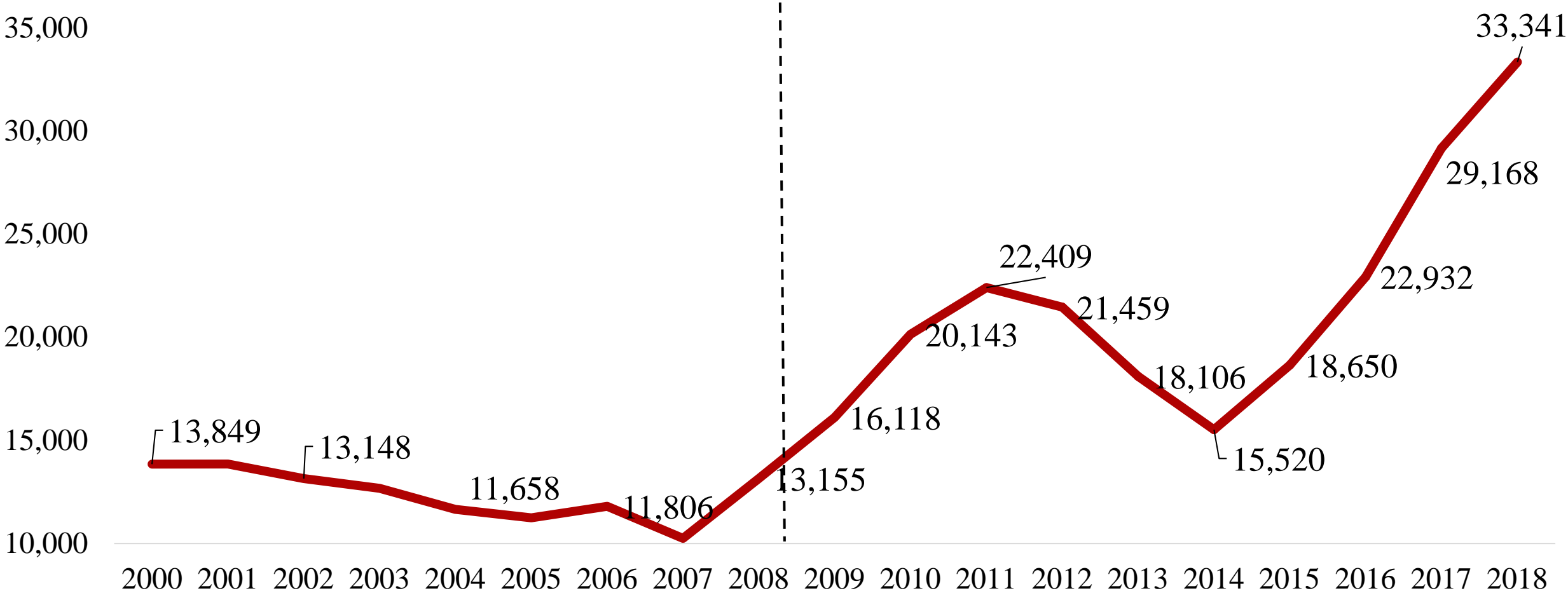


2017 US-Mexico Agreements on Illicit Drugs

- **Partner** against criminal organizations – “**Unprecedented**” cooperation.
- **Address the demand** for illicit drugs among US citizens.
- **Necessary tools:** physical barriers, technology, patrolling, eradication, enhanced law enforcement cooperation, anti-addiction programs.
- Go after **all elements in the chain:** means of production, cross-border distribution networks, flows of profits, weapons procurement.
- In 2018, AMLO ordered **a review of Mexican policies & cooperation with the U.S.**



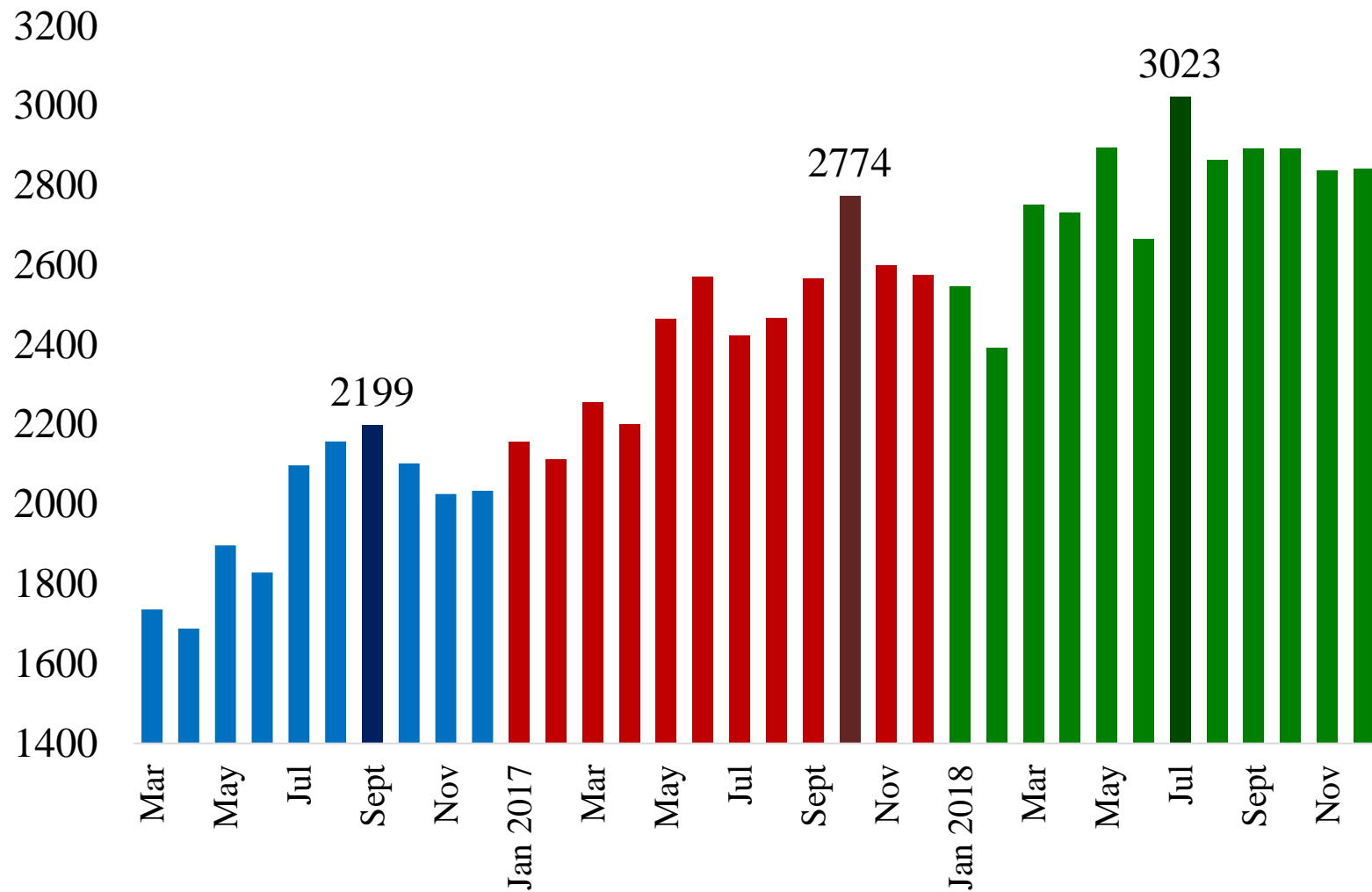
Urgency: Homicides in Mexico



Source: Secretaria Ejecutiva de Seguridad Nacional, 2000-2018



Homicides in Mexico: Criminal Insurgencies?



33,341 homicides in **2018**; with an average of **90 homicides a day**.

July 2018: most violent month since 1997.

Law enforcement and judicial process overwhelmed.

Cartels fighting, but types of crime expanded & affects more states.

Crime cost up to 17.6% GDP.

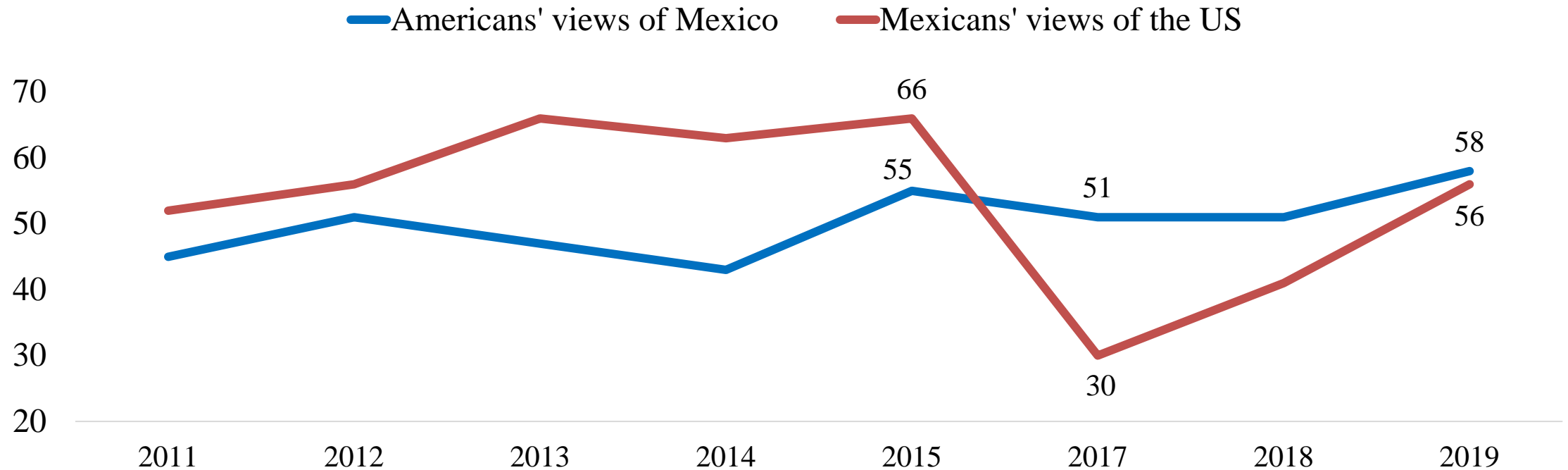
U.S. travel warnings for resorts.



Perceptions of Bilateral Relations and NAFTA

Americans' and Mexicans' Perceptions of each other (per cent favorable)

- Mexico reversed its perception of the United States since AMLO's election.
- In 2019 polling, a **majority in Mexico (56%)** had a **favorable view of the United States**; while **58% of Americans** had **positive views of Mexico**.
- **Mexicans** now **view bilateral relation as stable**.

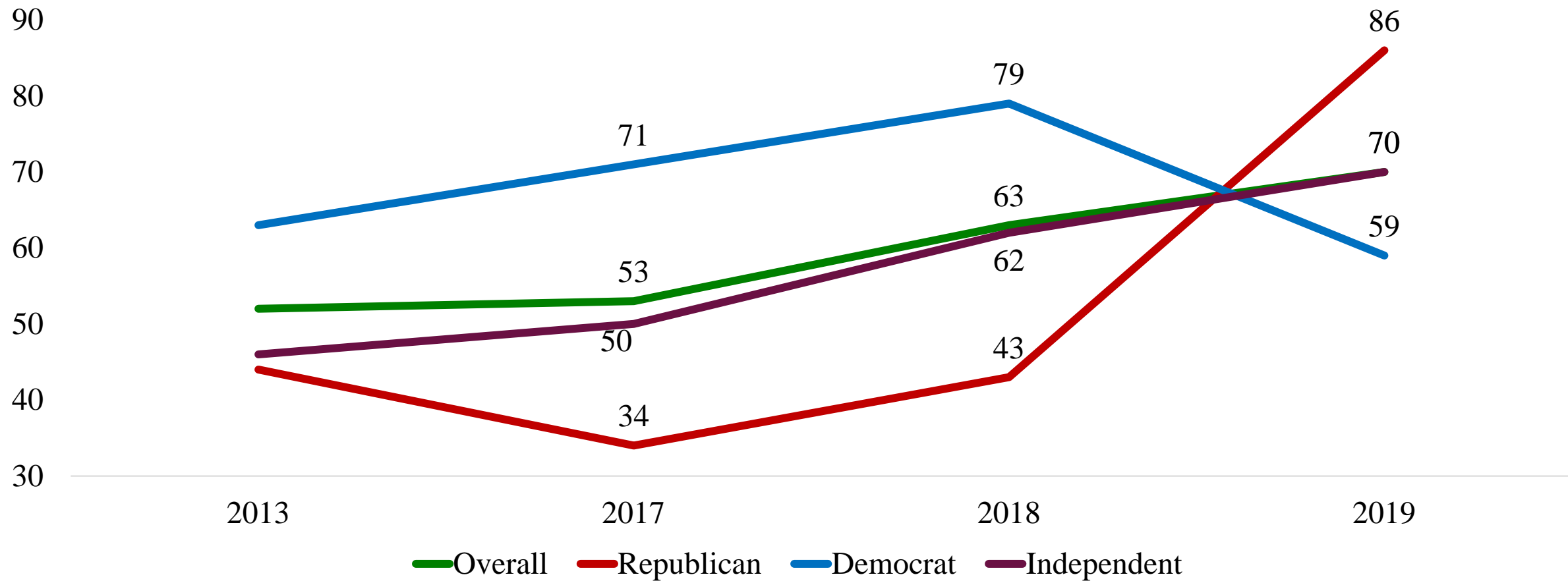




US Opinion: Is NAFTA/USMCA Good for the US Economy?



Overall, Is NAFTA Good for the US Economy? (% Good)



Trade Negotiations

NAFTA/USMCA

From NAFTA to USMCA

- The **USMCA (United States-Mexico-Canada Agreement)**, or T-MEC in Mexico, is replacing the 1993 North American Free Trade Agreement trade or NAFTA.
- President Trump, Mexican President Pena Nieto and Canadian Prime Minister Trudeau signed the new agreement on **November 30, 2018** in Argentina during the G-20 summit.
- It now needs to pass legislatures in all three countries.



What's at Stake?

\$ 1.3 trillion of North American Trade

Nearly 14 million U.S. jobs & millions more in Mexico and Canada

\$452 billion U.S. investment in NAFTA partners & their \$388 billion in the U.S.

46,000 U.S. trucking jobs supported by cross-border trade; \$137 billion in annual vehicle and parts exports to neighbors and the world.

\$43 billion worth of food and ag goods exported to Mexico and Canada

\$88 billion in U.S. services exports & \$31.5 billion services trade surplus



Main elements of the USMCA (T-MEC)

- **Rules of Origin for Vehicles**
 - 75% of the value of a vehicle to be produced in the region (up from 62.5%).
 - 40%-45% percent of auto content produced by workers earning over \$16 per hour.
- **Dispute Settlement**
 - Maintains NAFTA's dispute-settlement provision over unfair trade practice allegations (Chapter 19) and state to state differences of treaty interpretation (Ch. 20), but limits investor dispute (ISDR) options to key sectors U.S.-Mexico investment, eliminates coverage for U.S.-Canada issues.
- **Successfully Updated Treatment of IPR, Internet-related issues, Labor, Environment ...**
 - Achieved or exceeded most of modernization goals sought, including stronger labor rights provisions, IPR protections, inclusion of electronic commerce and data issues, anti-corruption, among others.
- **Sunset Clause:**
 - 16-year lifetime for the agreement, with a review every six years and possible 16 year renewal.
- **Dairy**
 - Addressed some U.S. concerns over Canada's dairy policies and restrictions.

Serious questions about the vehicle Rules of Origin

1. Will measuring wage rates and content in the supply chain be workable? How costly and accurate will it be? Who will enforce it?
2. How much will the new rules raise the prices of North American vehicles for U.S. consumers and for export?
3. Will manufactures move production out of North America?
4. Will some manufacturers forgo the NAFTA benefit and pay a tariff instead?
5. Will the U.S. auto industry be less competitive?
6. Will the new rules create or destroy jobs?
7. A much bigger impact if Trump imposes higher “national security” tariffs.



Approval of USMCA

Mexico and Canada:

- No ratification problems expected, but want U.S. steel and aluminum tariffs lifted.

United States:

- Unclear when a Congressional vote might take place.
- Democrats pondering requests to strengthening enforcement in labor, environment, etc.
- On February 8th, U.S. administration submitted to Congress a relatively short list of laws that will need to be changed under USMCA.
- Trump has threatened withdrawal from NAFTA to force congressional approval.

Costs of Withdrawing from NAFTA

From 256,000 low skilled jobs lost up to 1.2 million jobs lost (3-5 years).¹

95,000 workers would have to relocate to other sectors (3-5 years).¹

GDP decline up to 0.64% (\$120 billion).¹

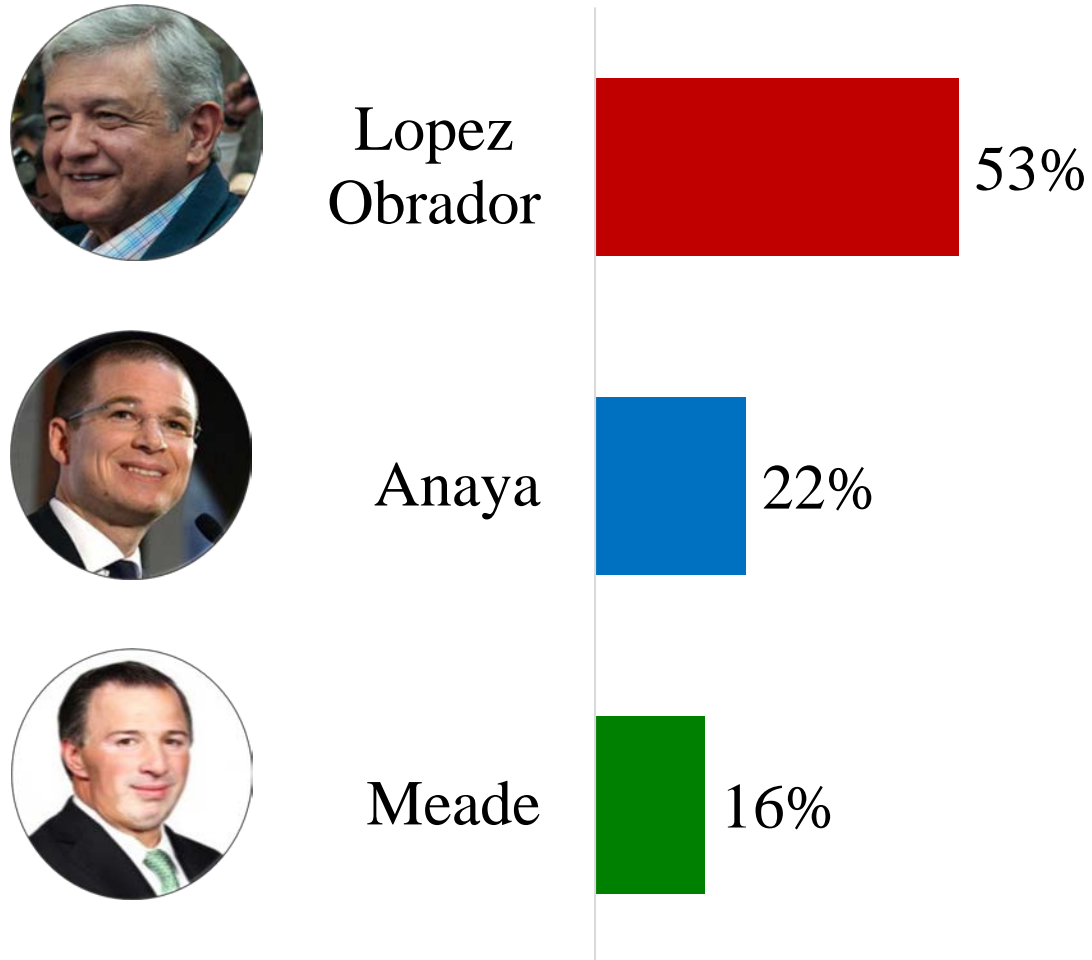
Hard hit sectors: agriculture/livestock/food; motor vehicles; machinery; other manufactured; services; transportation and logistics; textiles.³

Investors see U.S. growth slowed and harm to specific sectors and equity markets.²

Strategic dangers: reduced cooperation against drug trafficking and on migration; move back to "*distant neighbors*" with revived anti-Americanism.

Mexico's 2018 Elections

Presidential Results



July 1 voter turnout: 63.5%

Over 60% of the Mexican population is **satisfied** with the election's results.

Andres Manuel Lopez Obrador's party, Morena, **won big majorities on Congress.**

AMLO took office December 1.



Issues that Mexicans care about & influenced votes

Corruption
Violence and Security
Unemployment

Poverty and Low Wages
Public Health
Inflation

AMLO's Policy Proposals and Early Actions



Poverty:

- Increase minimum wage.
- Launch new youth jobs programs.
- Subsidize inputs for small farmers.
- Provide universal health coverage.



Corruption and Government Efficiency:

- Better supervision of public spending; increase penalties for using public money for personal gain.
- Cut public-officials salaries, perks and reduce staff.
- Name independent Anti-Corruption prosecutor; autonomy of the new “fiscal general.”
- Use plebiscites to consult with the people.



Trade:

- Finish and implement USMCA. Focus on expanding trade with others.

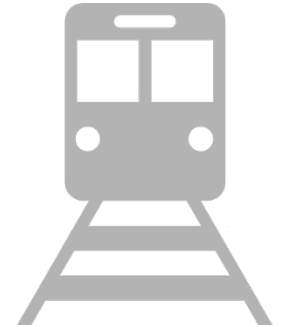


AMLO's Policy Proposals and Early Actions



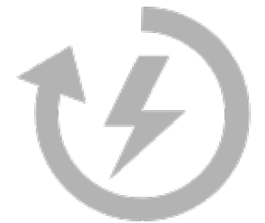
Economic Policy:

- Focus on developing Mexico's internal market.
- Infrastructure (Ex. Yucatan and isthmus railways).
- Redirect government spending to social programs; won't raise taxes or increase debt.
- Lower taxes in border cities with the U.S.



Energy:

- Strengthen energy independence.
- Strengthen the role of national oil company PEMEX and electricity authority, CFE.
- Postpone new oil exploration auctions for at least two years.
- Limit gasoline prices and decrease prices in several years.
- Build new refineries to meet that need.



AMLO's Policy Proposals and Early Actions



Education:

- Eliminate key parts of Education Reform.
- Launch new youth scholarships, universities.



Security: Multi-pronged strategy

- Eradicating corruption and achieving effective law enforcement.
- Promoting employment, education and social efforts, prioritizing youth.
- Respecting and enforcing human rights by police, soldiers and others.
- Promoting civic culture, family values and ethics.
- Reframing drug policies to include legalization and more addiction treatment.
- Promoting “demobilization” and ”reinsertion” of individual involved in crime.
- Substantial prison reform.
- Creating a new Secretariat of Public Security and a militarized National Guard to deploy locally.



AMLO's Challenges



- **Lack of experience** governing, examples:

- Shocks to the market by the Airport decision.
- Gasoline shortages from decision to end pipeline theft.
- Concerning messages about PEMEX & private companies.



- Having **enough capable staff, resources** and income to carry out reforms without increasing taxes.

- Developing policies & assuring **good implementation**, e.g. public security & anti-corruption.

- Meeting **high popular expectations**



AMLO's Critics and Concerns



Backward-looking agenda: Bigger economic role for the State? Over-centralize power?

Fiscal Responsibility vs new Social Programs: Increase public investments, social programs and subsidies without tax and debt increases and while shrinking staff and cutting salaries?

Education: How to improve public education?

Energy: How to increase PEMEX production?

Corruption: Effective plan to institutionalize improvements?

Public Security: Can the plan reverse violence?

US-Mexico Bilateral relationship: Finalize trade deal? Avoid clashes over migration, border management, & anti-drug policy? Non-interventionist foreign policy vs U.S. human rights concerns, e.g. Venezuela.

Leadership style: Good communicator but more authoritarian and populist?





AMLO's *Consultas*/Plebiscites: Critics Concerned



- The **10 projects** were all approved via a “consulta” in November 2018 (Tabasco Refineries, Isthmus of Tehuantepec, Plant Trees, Pension, Scholarships).
- Only 925,000 people voted, **less than 1%** of Mexico’s population. All received more than 90% approval, except Maya Train (89.9%).

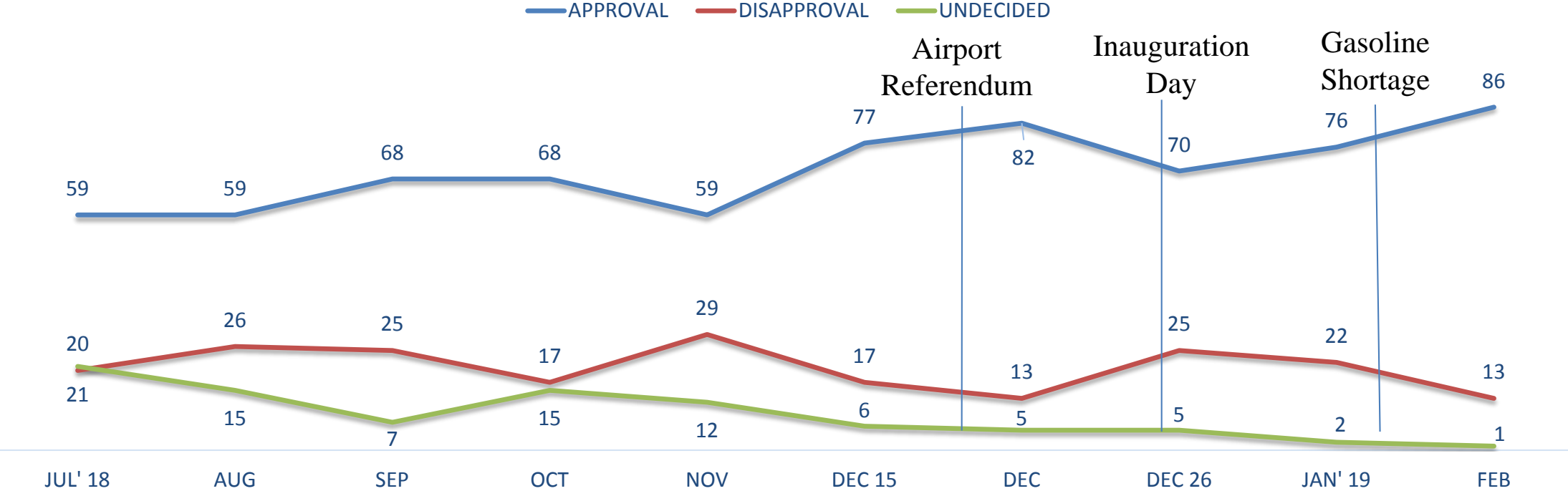


- First “Consulta”**: cancelled Mexico City’s airport projects; only 1 million voted; markets negative.
- Another important “consulta” on National Guard and whether AMLO should indict past corruption may be held in March 2019.

AMLO Remains Popular



AMLO'S POPULARITY CHART



AMLO's current approval level is higher than any of the last three Presidents of Mexico

Source: El Financiero, 2019

Maintaining a Partnership with Mexico?

New U.S.-Mexico Migration Strategy



Migration is the most urgent area for U.S.-Mexican cooperation.

- Could have **another incident**, as when migrants rushed the border near Tijuana and tear gas was used by U.S.

Dealing with the Roots of the Problem in **Central America**

- On **December 18**, the Mexican and U.S. governments announced an **ambitious strategy to address the root causes of Central American migration**, taking up AMLO's earlier offer.
- They propose to **invest billions of dollars to encourage economic growth**, job creation and private investment in the Northern Triangle (Guatemala, Honduras and El Salvador) and in southern Mexico.
- Agreed to **senior level meetings for 2019** to implement these – missed the first one planned for January.

Serious Challenges at the common border:

- **Still to be agreed** is how **cooperation at the northern border** will work with those seeking asylum.
- The U.S. sought a formal agreement for asylum seekers to remain in Mexico. Those seeking asylum after crossing the border from Mexico would have to await a decision on their asylum claims inside Mexico.
- **Significant burdens** for Mexico and serious concerns about **migrant's welfare while waiting**.
- Mexico has suspended issuing humanitarian visas for Central American migrants and **border migrant shelters are full**.

U.S.-Mexico Relations

Trade:

- Complete USMCA ratification; end steel and aluminum tariffs; begin implementation.
- Enhance facilitation of trade and travel.

Bilateral Security Cooperation:

- Avoid further deterioration in cooperation.
- Better manage together migration; integrate AMLO's development ideas.
- Deepen support for Central America to address root causes of migration.
- Review/Renew cooperation against organized crime (attacking production, distribution, logistics, finance networks, arms smuggling, and addiction/demand) and support Mexico's efforts to reduce crime and violence.
- Continue close cooperation against terrorism.

Improve Competitiveness:

- Identify and revive a bilateral and North American agenda to enhance economic competitiveness.
- Invest in programs, including workforce development and education, to further develop the complimentary nature of the two economies, to create jobs for the Fourth Industrial Revolution, and to outperform global competitors.

Rebuilding Confidence:

- Take steps to rebuild deteriorating trust, or risk becoming "Distant Neighbors" again.



Building Partnership with Mexico



E. Anthony Wayne
Career Ambassador (ret.)

Public Policy Fellow, Wilson Center

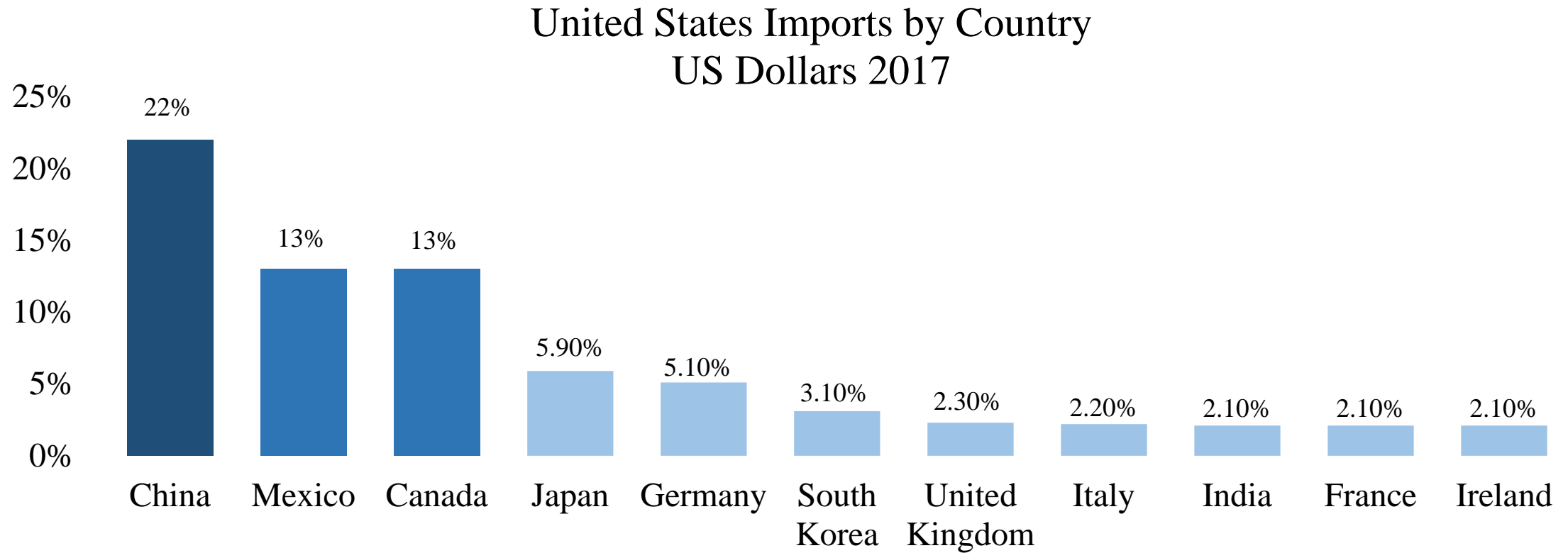
waynea@gmail.com

 **@EAnthonyWayne**

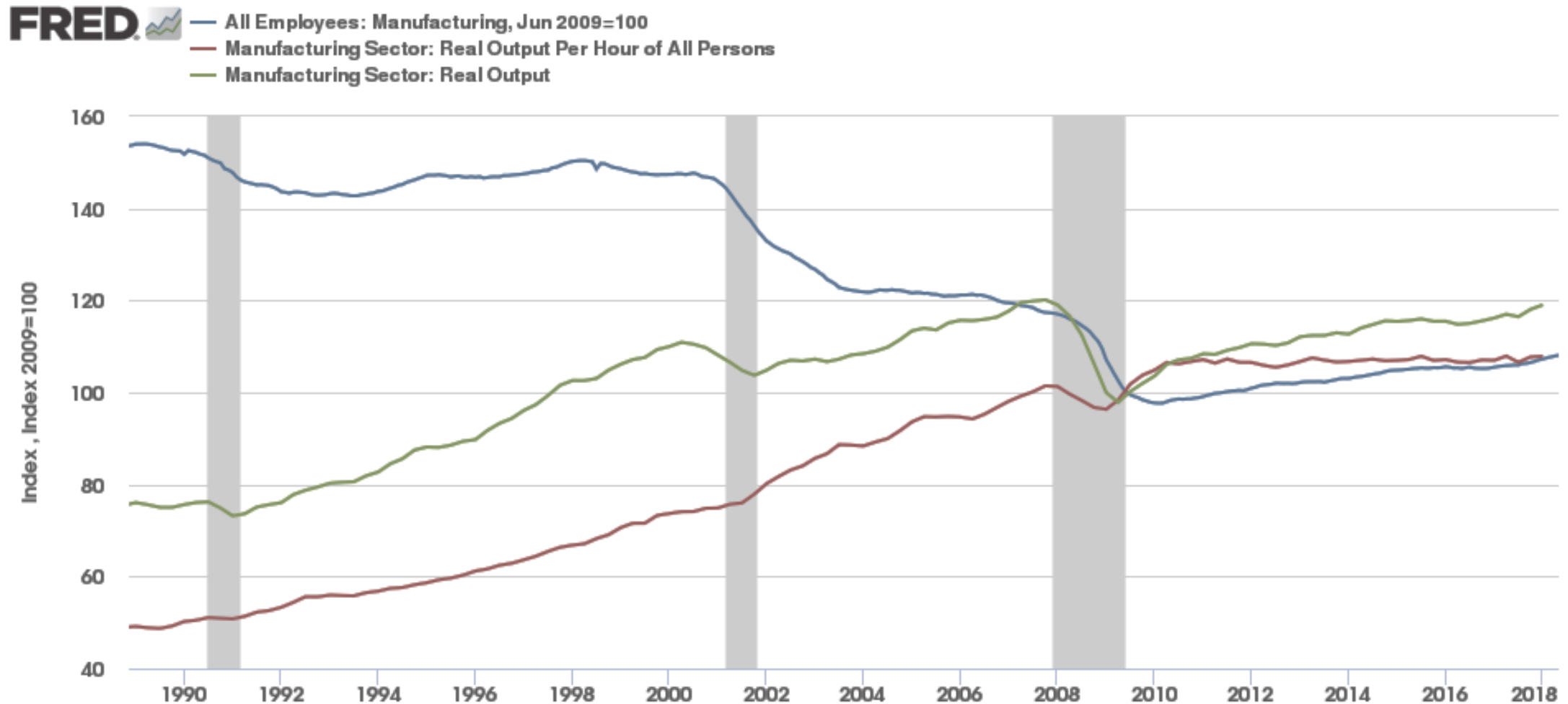
www.eawayne.com



Leading US Imports: China on the rise



U.S. Manufacturing Employment and Output



Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics





myf.red/g/k51D

U.S.-Mexico Border States

- In 2017, the U.S.-Mexico Border States' GDP reached **\$5.07 trillion**
- GDP from both sides of the border would constitute the **3rd economy in the world** and represents over **25% of both countries total GDP.**



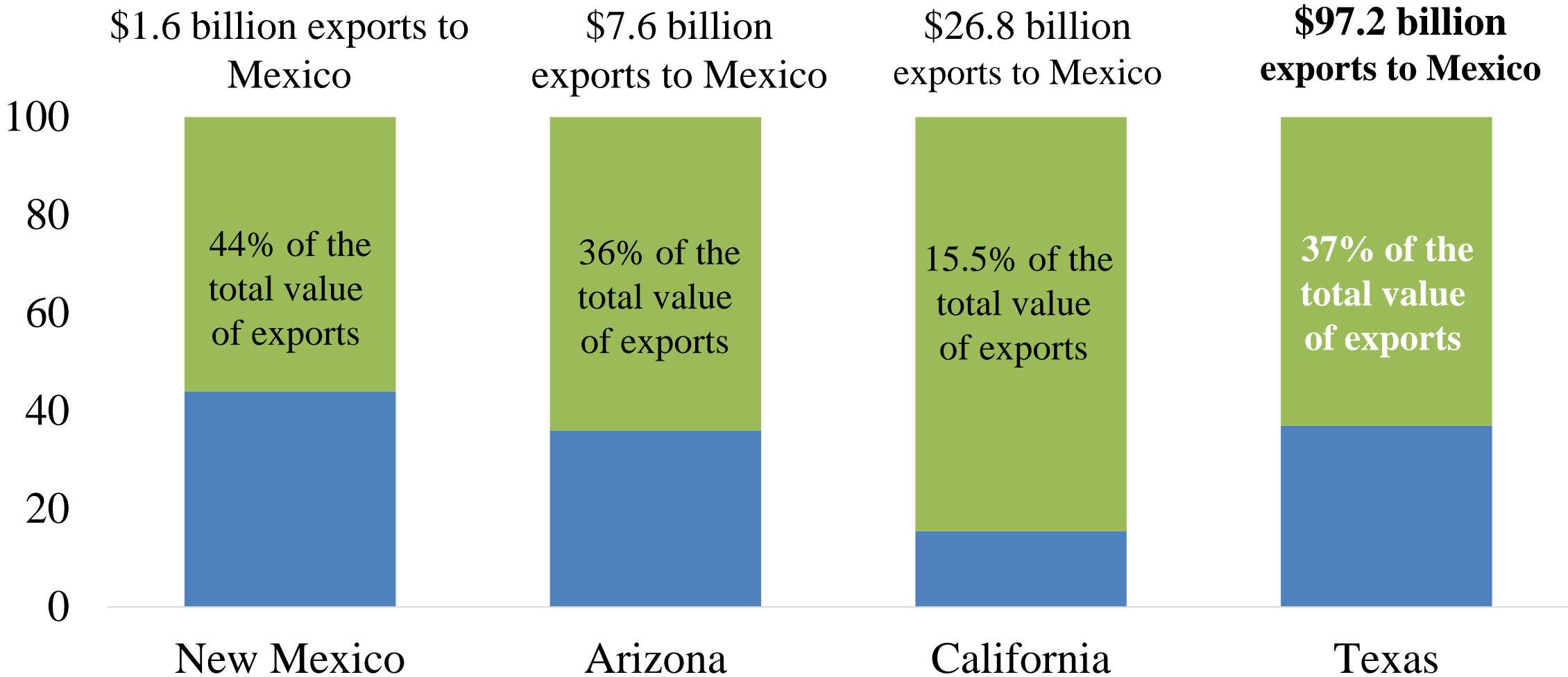
Largest economies in the world (2017)

	United States: \$19.49 trillion
	China: \$12.01 trillion
	Japan: \$4.87 trillion
	Germany: \$3.7 trillion



US Border States Exports to Mexico

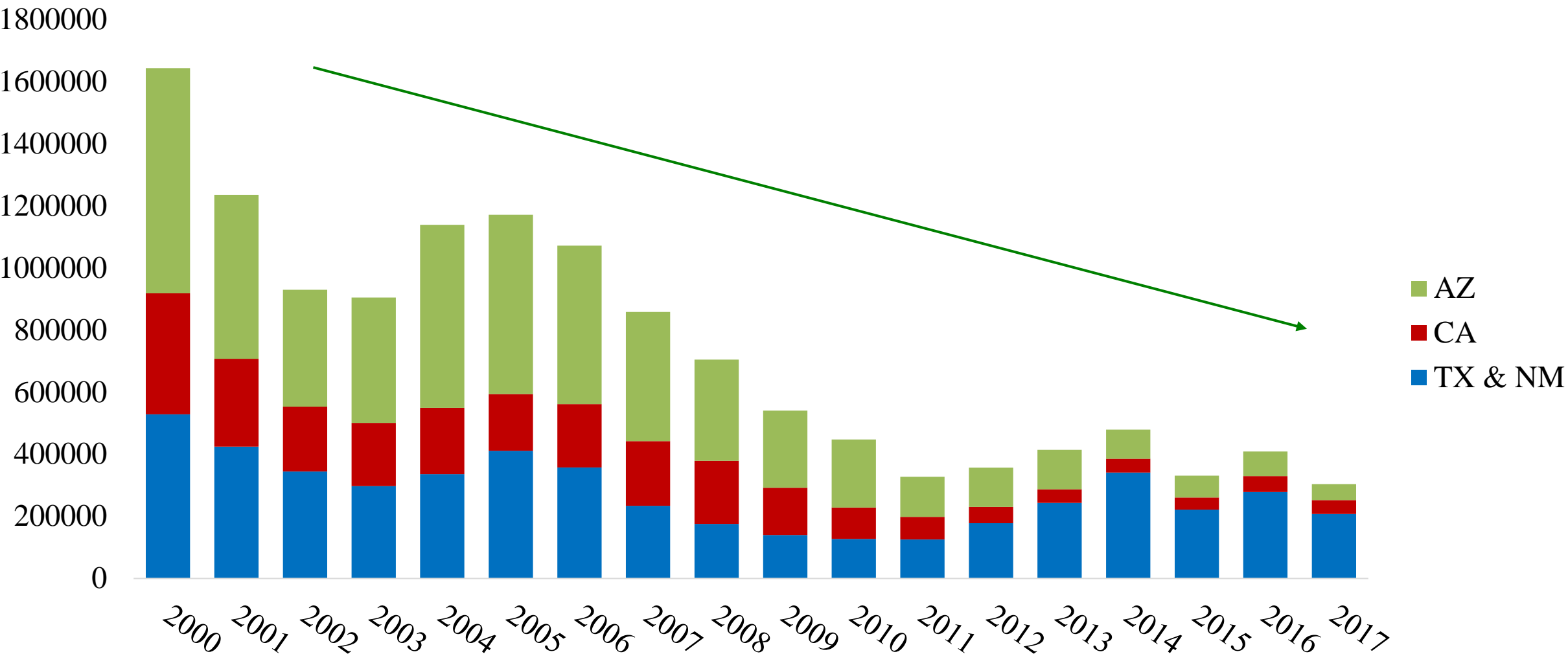
Texas is the top exporting U.S. state to Mexico (2017)



Source: United States Census Bureau, 2017; US Department of Commerce, 2018

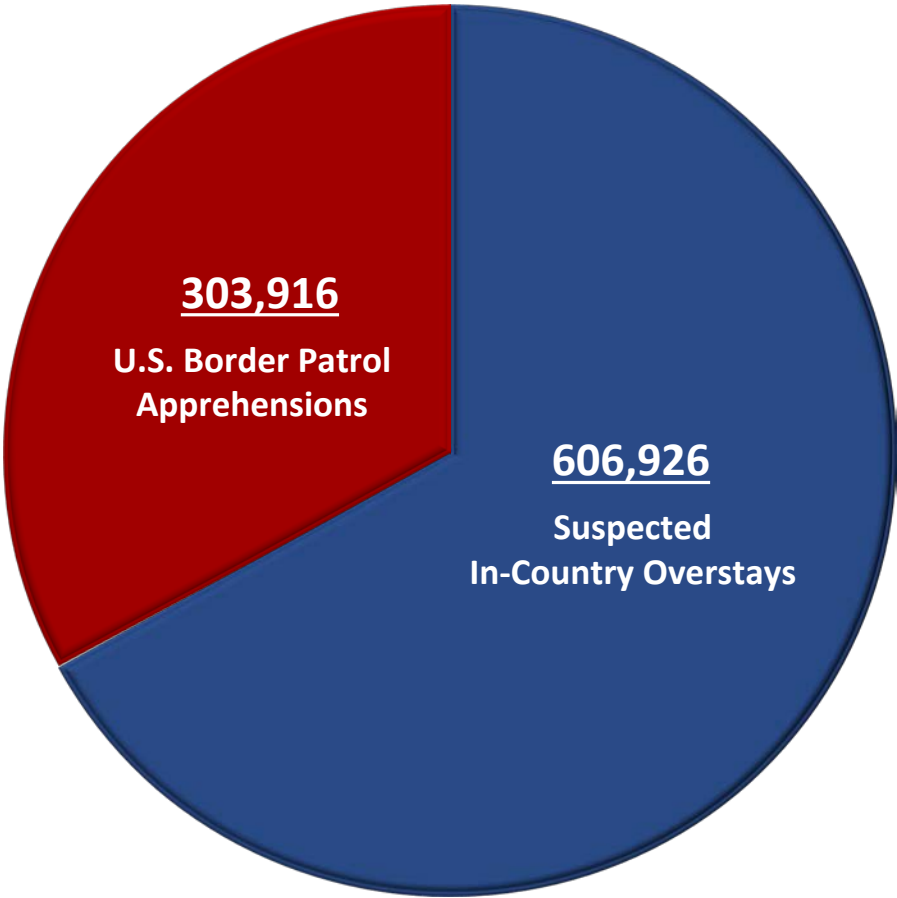


Southwest Border Apprehensions by State



Source: U.S. Border Patrol FY2000 - FY2017

Visa overstays exceeds illegal border crossing in 2017



Source: U.S. Border Patrol FY 2017

AMLO's Proposals to Trump – July 12 Letter

TRADE

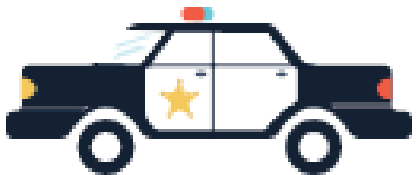


Finish **NAFTA renegotiation.**

Relocate Mexican customs inland from the border.

Establish a free trade zone on the northern border of Mexico: decrease the VAT rate, the income tax rate & energy prices, and increase minimum wage.



SECURITY



Establish **development plans** between the U.S., Mexico, and Central America to finance economic development.
Allocate 25% of investments to **security and border control.**

Each government will control its borders and combat trafficking of drugs and weapons.

AMLO's Proposals to Trump – July 12 Letter

<p>MIGRATION</p> 	<p>Improve economic opportunities to keep Mexicans in Mexico.</p>	<p>Migration cooperation based on the respect for human rights.</p>	<p>Development plans to mitigate poverty and avoid migration.</p>	
<p>DEVELOPMENT</p> 	<p>Encourage tourism with high-speed train from Cancun to Palenque.</p>	<p>Create an economic and commercial corridor in the Isthmus of Tehuantepec.</p>	<p>Reactivate Mexico's agricultural sector.</p>	<p>Urban development plan in border cities.</p>



Steel and Aluminum Tariffs

June 1	The U.S. imposed 25% tariff on imported steel and 10% tariff on imported aluminum from Mexico, Canada and the European Union.
June 6	Mexico imposed 15%-25% tariffs on \$3 billion worth of U.S. products (e.g. pork, steel and cheese).
June 22	The European Union imposed 25% tariffs on \$3.4 billion worth of U.S. goods (motorcycles, cranberry juice, cigarettes, denim and peanut butter).
July 1	Canada imposed 25% tariff on U.S. steel imports and 10% tariff on aluminum and other U.S. goods. Tariffs cover up to \$12.6 billion worth of U.S. goods.



Costs of Steel and Aluminum Tariffs

Over 400,000 U.S. jobs lost¹

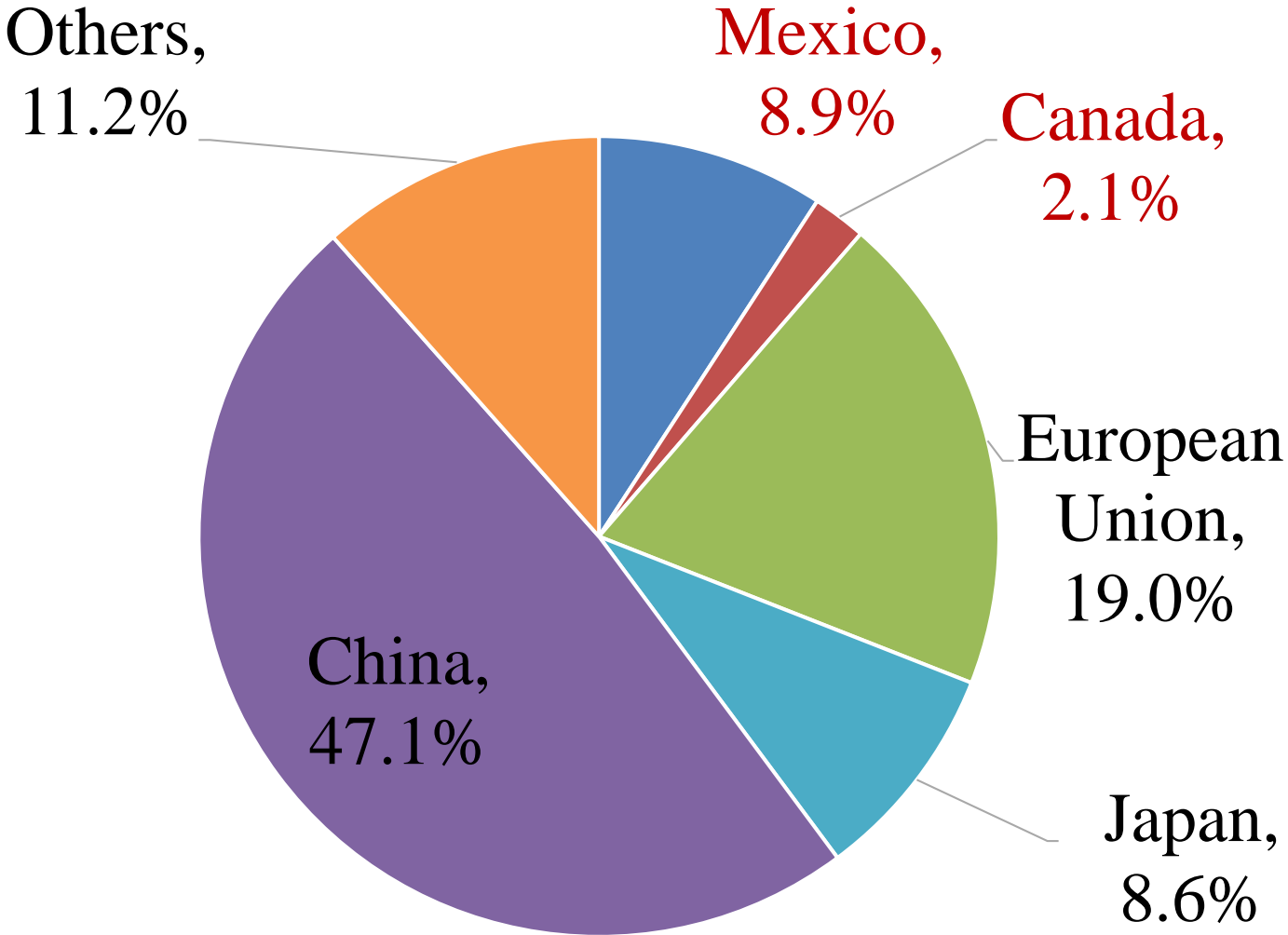
GDP decline of 0.2%
(\$36 billion)¹

16 U.S. jobs lost for every 1 gained¹

Decline of 2% in all imports
and 1% in all exports¹

Costs to U.S. Consumers: \$7.5 billion a year, before retaliation from the European Union, Mexico and Canada²

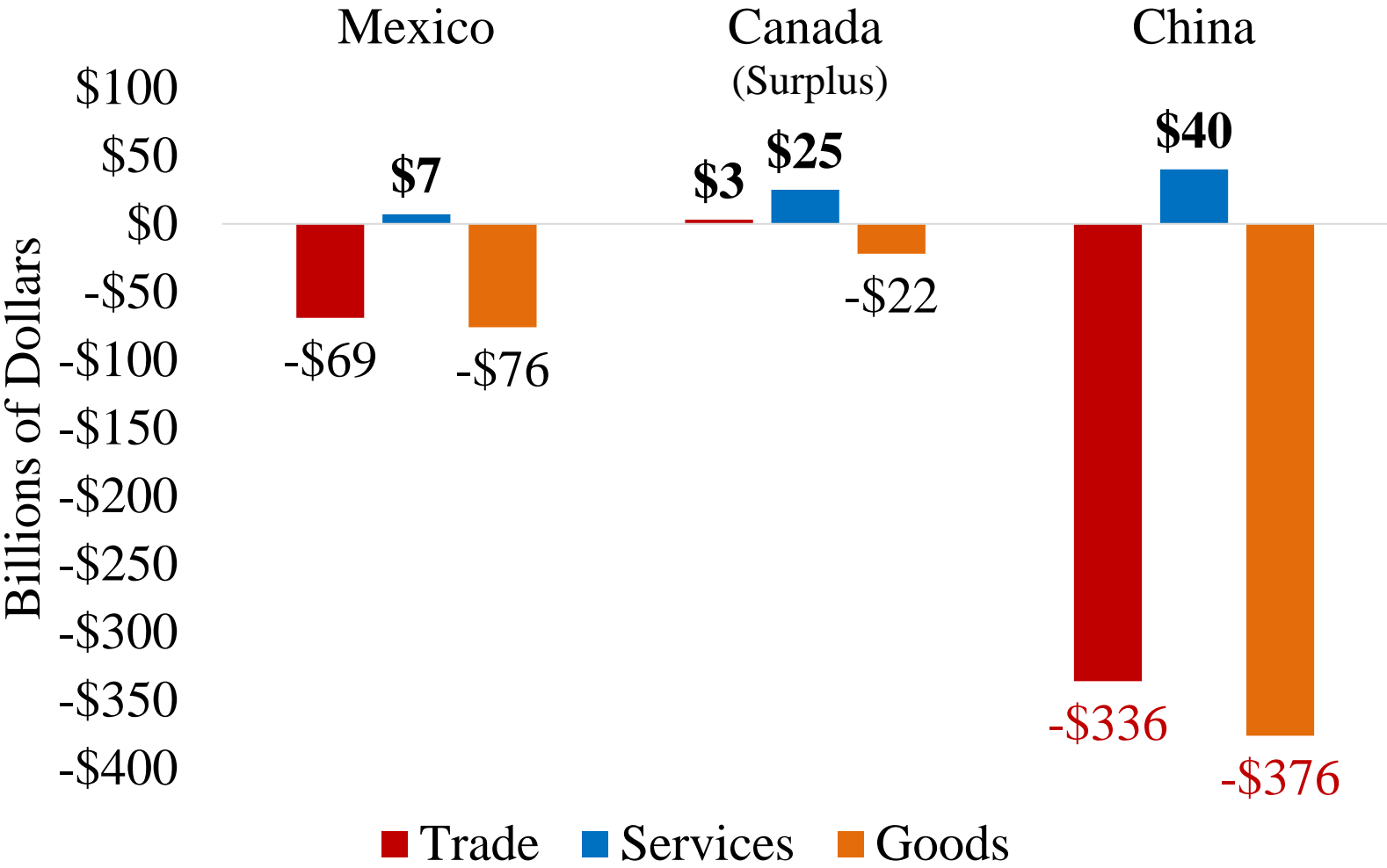
US Trade in Goods Deficit but Service Surplus



U.S. Trade Deficit with Mexico dropped **2.7%** as a portion of Total U.S.-Mexico Trade between 2010-2017

Source: BEA, 2017

US Trade in Goods and Services 2017



\$25 billion surplus in services & \$3 billion total trade surplus with Canada

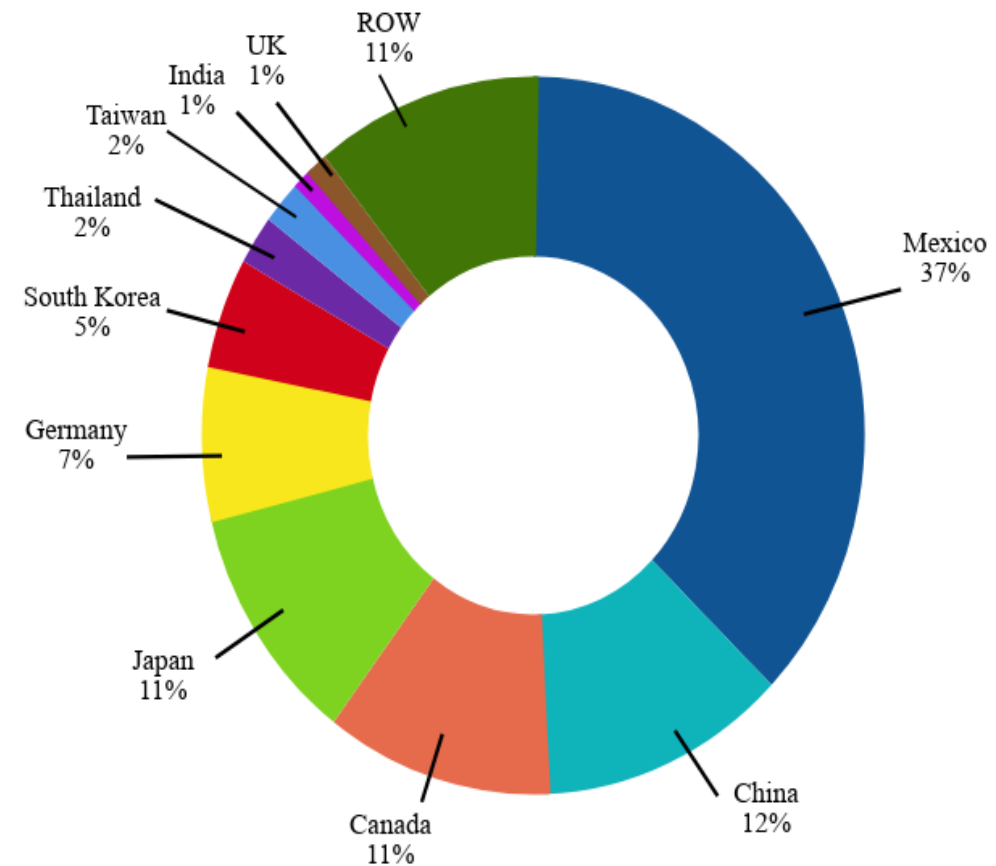
\$7 billion surplus in services with Mexico

Source: BEA, 2017

The Automobile industry: Sourcing of U.S. Motor Vehicle Parts Imports 2017



- The North American light-and medium-duty motor vehicle is estimated to be worth **USD 728 billion** annually – representing 28 percent of the global market for new vehicles.
- In 2018, the U.S. **produced over 11 million** light vehicles, while **17.3 million** were sold.
- In 2017, **48 percent** of all vehicles sold in the U.S. **were imported** with 25 percent imported from Mexico (14%) and Canada (11%).
- Imports from Canada and Mexico **support many U.S. jobs** as the share of the Canadian-Mexican vehicle built content is greater than any other non-NAFTA country.
- According to CAR’s estimates the typical Mexican-assembled vehicle – sold in the U.S. – includes **20 and 30 percent** U.S. and Canada content.
- In contrast, the average vehicle imported from outside the region has only **3.5 percent** North American content.

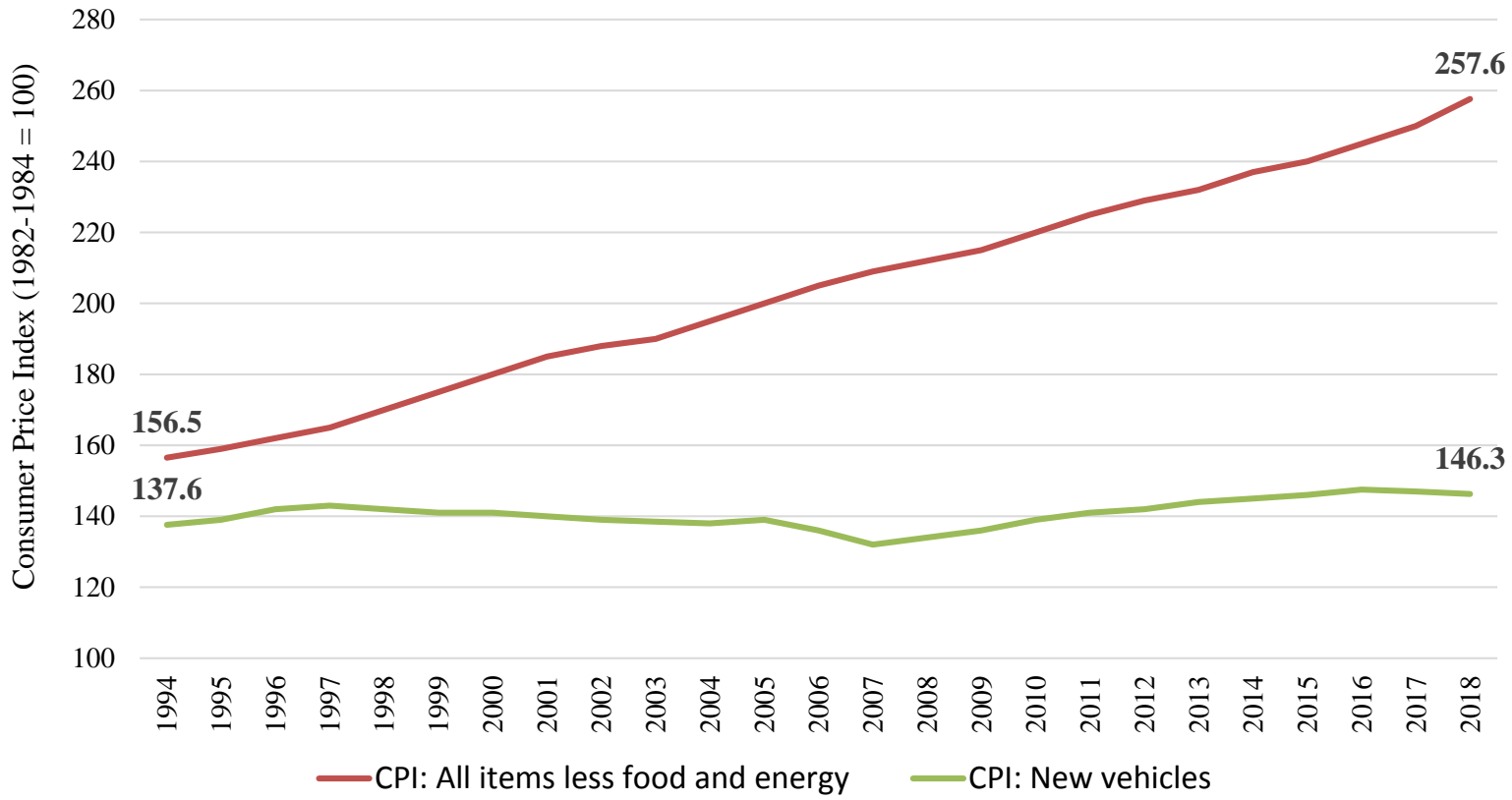


Source: Center for Automotive Research, 2019

Consumer Prices vs New vehicles prices



While consumer prices have risen **64 percent** since the start of NAFTA in 1994, new vehicle prices have gone up by **only 6 percent** over the same period of time



Source: Center for Automotive Research, 2019; U.S. Bureau of Labor Statistics, 2018