

2021 MARCH SKYMINDER NEWSLETTER

FROM NAFTA TO USMCA



MARKET



WORLDWIDE TRADE



SKYMINDER SOLUTION



NAFTA and USMCA overview

The United States, Mexico, and Canada have reached an agreement to modernize the 25-year-old NAFTA into a 21st century, high-standard agreement. The new United States-Mexico-Canada Agreement (USMCA) will support mutually beneficial trade leading to freer markets, fairer trade, and robust economic growth in North America.

Chapters with Key Achievements include:

- Intellectual Property
- Digital Trade
- De minimis
- Financial Services
- Environment

The United States-Mexico-Canada Agreement (USMCA) entered into force on July 1, 2020. (Source:Office of the United States Trade Representative)

North American Free Trade Agreement (NAFTA) established a free-trade zone in North America; it was signed in 1992 by Canada, Mexico, and the United States and took effect on Jan. 1, 1994. NAFTA immediately lifted tariffs on the majority of goods produced by the signatory nations. It also calls for the gradual elimination, over a period of 15 years, of most remaining barriers to cross-border investment and to the movement of goods and services among the three countries (Source:US Customs and Border Protection).

The North American Free Trade Agreement (NAFTA) was implemented to promote trade between the U.S., Canada, and Mexico. The agreement, which eliminated most tariffs on trade between the three countries, went into effect on Jan. 1, 1994. Numerous tariffs—particularly those related to agriculture, textiles, and automobiles—were gradually phased out between Jan. 1, 1994, and Jan. 1, 2008.

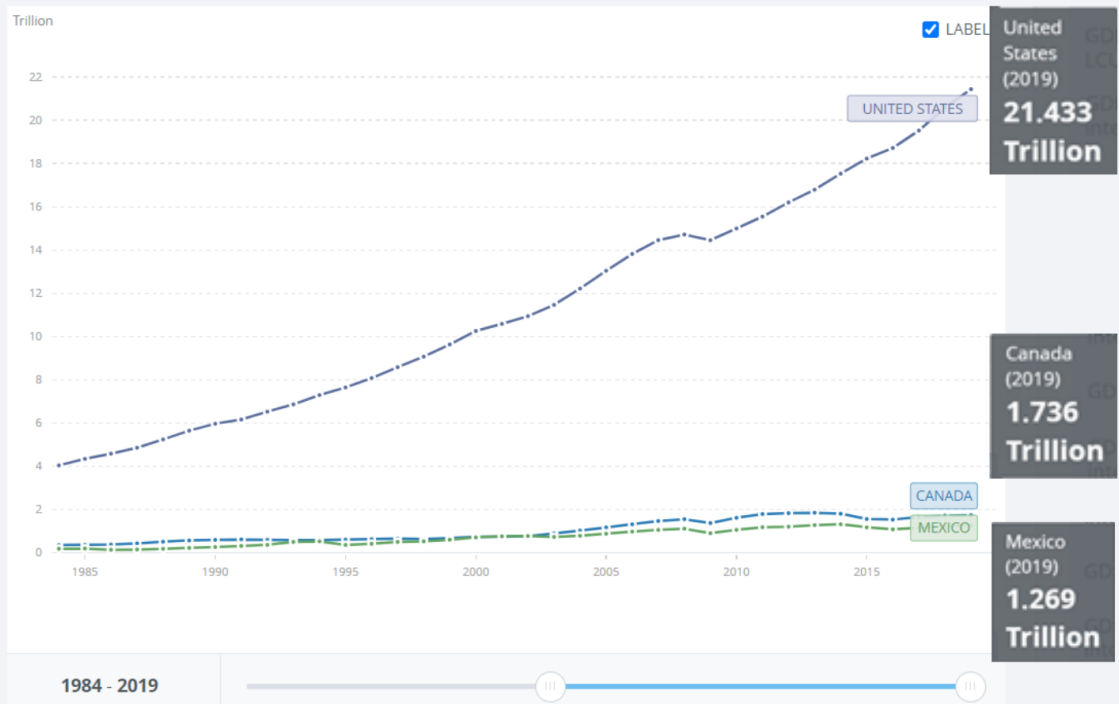
Proponents of NAFTA considered that it would benefit the three nations involved by promoting freer trade and lower tariffs among Canada, Mexico, and the United States. Former President Donald Trump, however, campaigned on a promise to repeal NAFTA and other trade agreements he deemed unfair to the United States.



GDP Indicators and Trends

GDP (current US\$) - Canada, Mexico, United States

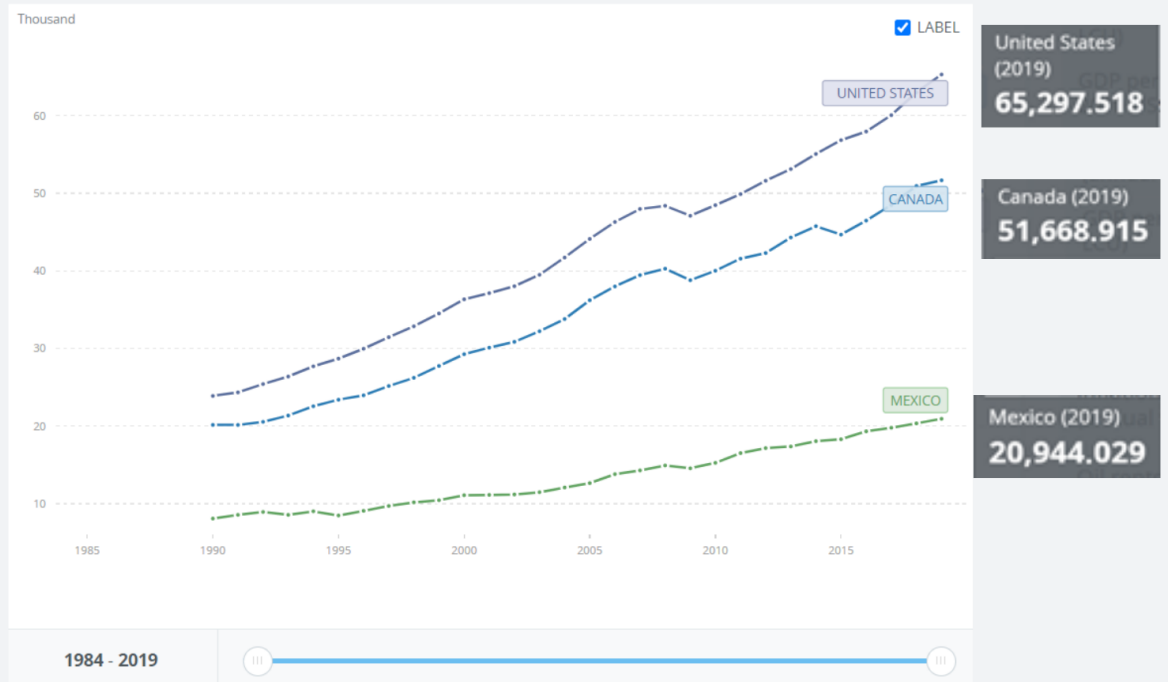
World Bank national accounts data, and OECD National Accounts data files.



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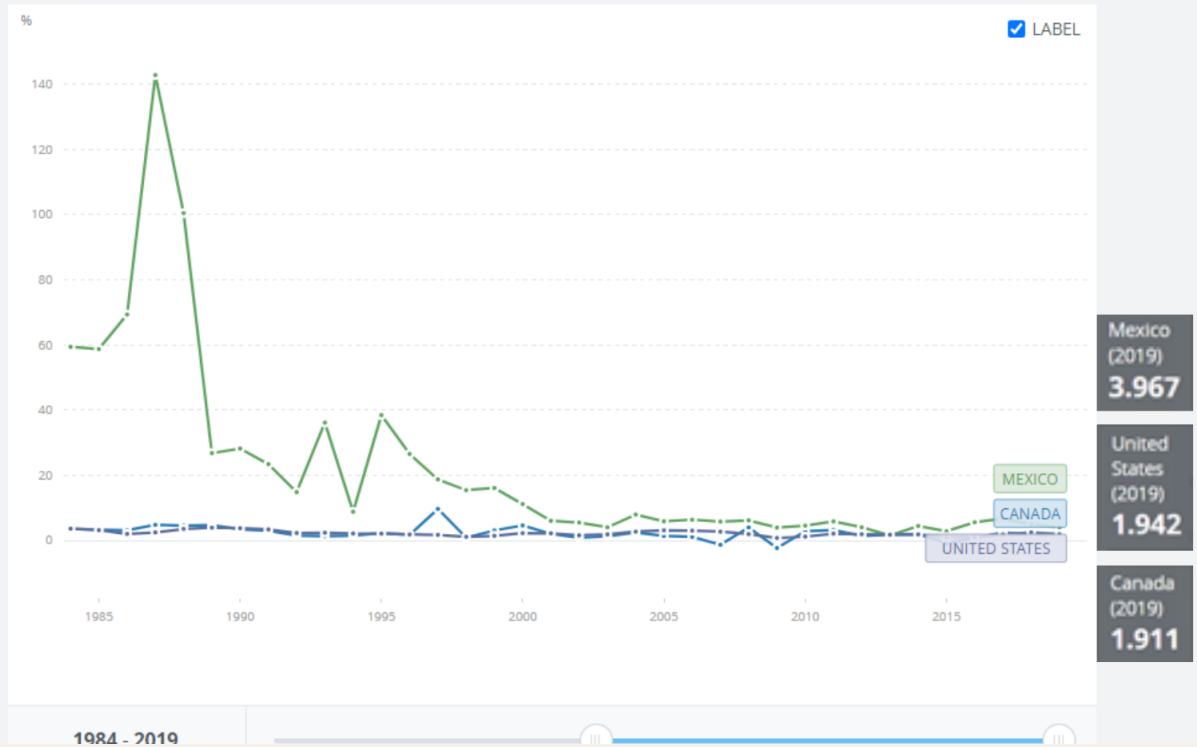
GDP per capita, PPP (current international \$) - Canada, Mexico, United States

International Comparison Program, World Bank | World Development Indicators database, World Bank | Eurostat-OECD PPP Programme.



Inflation, GDP deflator (annual %) - Canada, Mexico, United States

World Bank national accounts data, and OECD National Accounts data files.





NAFTA (currently USMCA) import-export overview

USMCA COUNTRIES IMPORT - EXPORT INTERNAL FLOWS

US



Export: total value \$1.44T

- Mexico: 16.4% (1st country), + 26.6% (last 5 years)
- Canada: 13.3% (2nd country), -19.7% (last 5 years)

Import: total value \$2.41T

- Mexico: 16.4% (1st country), + 26,6% (last 5 years)
- Canada: 13.3% (2nd country), -19.7% (last 5 years)

CANADA



Export: total value \$431B

- US: 72.8% (1st country), - 3.03% (last 5 years)
- Mexico: 1.62%, -12.1% (last 5 years)

Import: total value \$369B

- US: 51.5% (1st country), -19.7% (last 5 years)
- Mexico: 4.95%, -24.1% (last 5 years)

MEXICO



Export: total value \$441B

- US: 77% (1st country), + 23.6% (last 5 years)
- Canada: 4.14%, -24.1% (last 5 years)

Import: total value \$416B

- US: 56.9% (1st country), + 26.6% (last 5 years)
- Canada: 1.68%, -12.1% (last 5 years)

Source: The Observatory of Economic Complexity (OEC)

US to/from Canada flows

Export: \$190B

- 1) Cars: 7.81%
- 2) Refined Petroleum: 6.1%
- 3) Delivery Trucks: 6.08%
- 4) Crude Petroleum: 5.13%
- 5) Spark-ignition engines: 1.86%

Import: \$314B

- 1) Crude Petroleum: 20.3%
- 2) Cars: 10.3%
- 3) Refined Petroleum: 3.45%
- 4) Vehicle Parts: 3.18%
- 5) Petroleum Gas: 3.11%

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Canada from/to US flows: transform above export data into import and import data into export

SOURCE Observatory of Economic Complexity (OEC)

US to/from Mexico flows

Export: \$237B

- 1) Refined Petroleum: 12.1%
- 2) Vehicle Parts: 7%
- 3) Office Machine Parts: 4.83%
- 4) Petroleum Gas: 2.69%
- 5) Low voltage protection equipment: 1.41%

Import: \$340B

- 1) Cars: 10.2%
- 2) Computers: 7.74%
- 3) Vehicle Parts: 7.37%
- 4) Delivery Trucks: 6.56%
- 5) Insulated Wire: 3.72%

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Mexico from/to US flows: transform above export data into import and import data into export

SOURCE Observatory of Economic Complexity (OEC)

Canada to/from Mexico flows

Export: \$6.99B

- 1) Vehicle Parts: 13.6%
- 2) Rapeseed: 7.82%
- 3) Raw Aluminium: 4.46%
- 4) Wheat: 3.8%
- 5) Other steel bare: 3.31%

Import: \$18.3B

- 1) Cars: 17.8%
- 2) Vehicle Parts: 9.09%
- 3) Delivery Trucks: 8.58%
- 4) Tractors: 4.85%
- 5) Spark-Ignition Engines: 3.97%

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Mexico from/to Canada flows: transform above export data into import and import data into export

SOURCE Observatory of Economic Complexity (OEC)

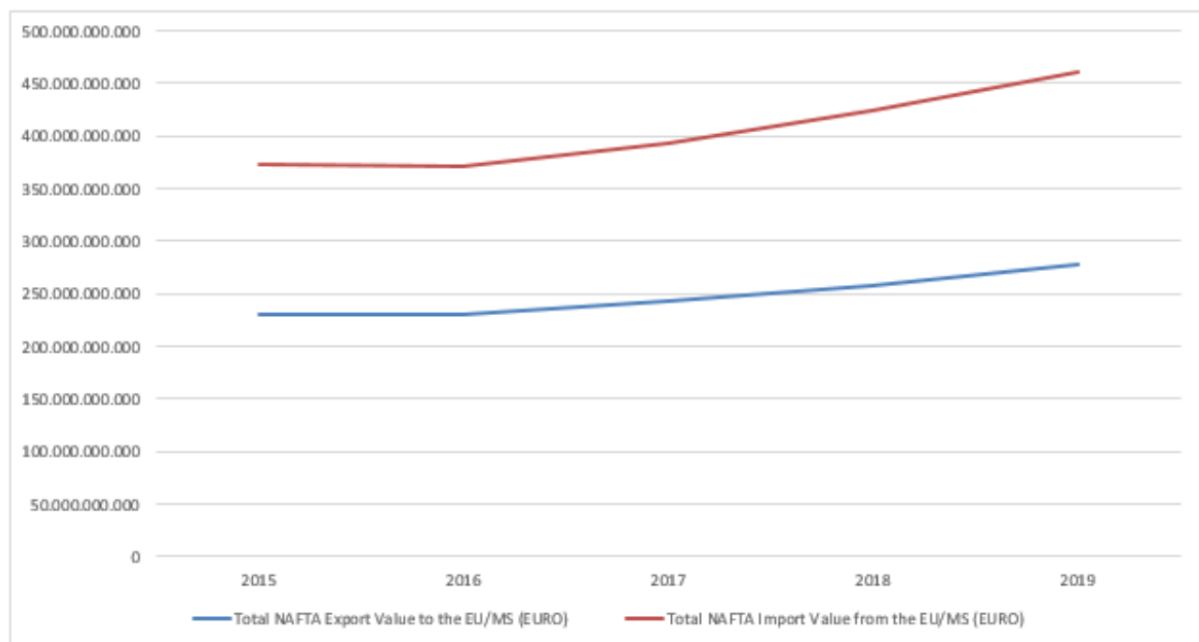


NAFTA (currently
USMCA)
import-export
overview:

focus on EU
countries

NAFTA Countries Import/Export Value from the EU/MS (EURO) 5 years trend

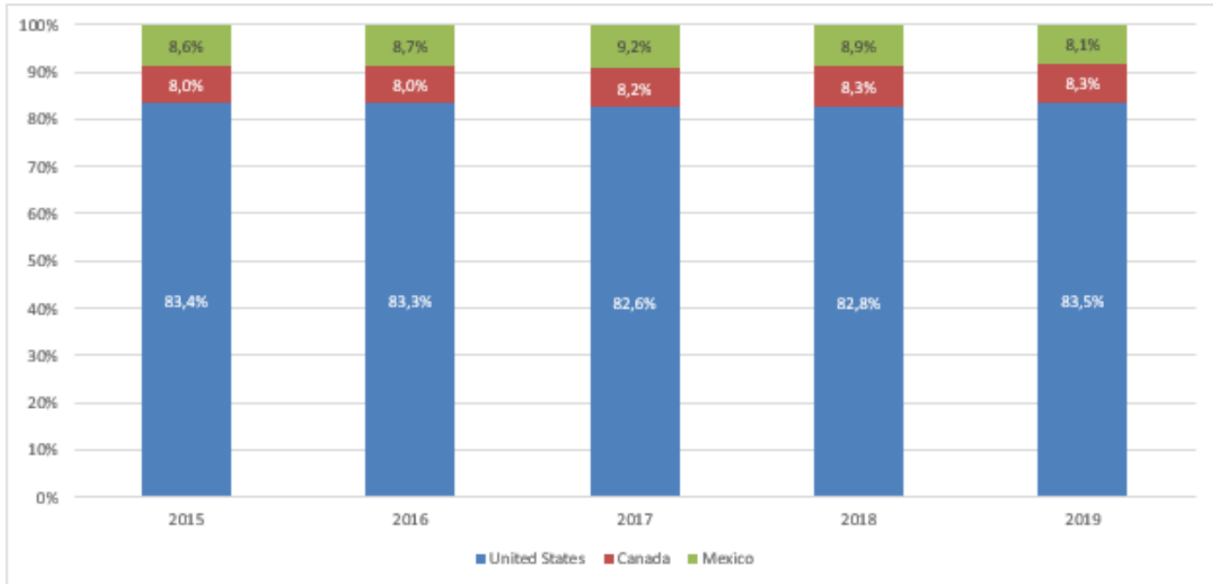
	2015	2016	2017	2018	2019
Total NAFTA Export Value to the EU/MS (EURO)	231.084.074.265	230.414.177.231	243.343.806.687	258.020.713.991	277.877.593.770
Total NAFTA Import Value from the EU/MS (EURO)	372.599.882.916	370.810.440.939	392.487.112.263	424.102.016.498	460.128.881.736



SOURCE EUROSTAT

NAFTA Countries Export Value to the EU/MS (EURO)

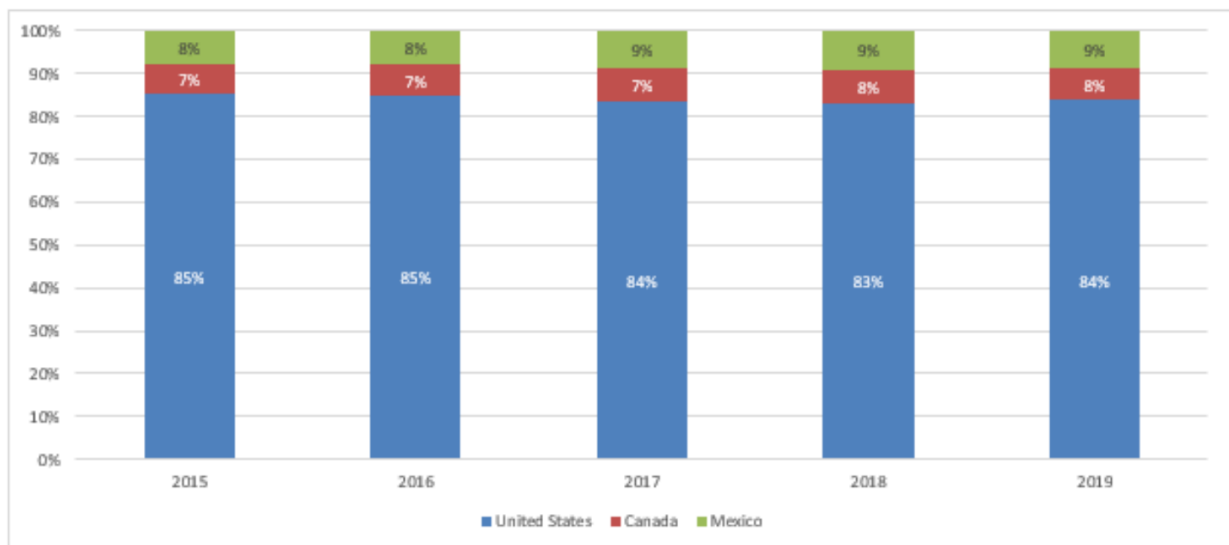
	2015	2016	2017	2018	2019
United States	83,4%	83,3%	82,6%	82,8%	83,5%
Canada	8,0%	8,0%	8,2%	8,3%	8,3%
Mexico	8,6%	8,7%	9,2%	8,9%	8,1%
	100,0%	100,0%	100,0%	100,0%	100,0%



SOURCE EUROSTAT

NAFTA Countries Import Value from the EU/MS (EURO)

	2015	2016	2017	2018	2019
United States	85%	85%	84%	83%	84%
Canada	7%	7%	7%	8%	8%
Mexico	8%	8%	9%	9%	9%
	100%	100%	100%	100%	100%



SOURCE EUROSTAT

Focus on US: top EU countries

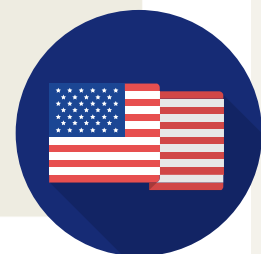
US Export Value to the EU/MS (%) - Considering overall Canada export to EU

- 1- Germany: 23%
- 2- Netherlands: 19%
- 3- France: 14%
- 4- Belgium: 14%
- 5- Italy: 7%
- 6- Spain: 6%
- 7- Ireland: 5%
- 8- Poland: 2%
- 9- Austria: 2%
- 10- Sweden: 2%

SOURCE EUROSTAT

US Import Value from the EU/MS (%) - Considering overall Canada import from EU

- 1- Germany: 31%
- 2- Ireland: 12%
- 3- Italy: 12%
- 4- France: 11%
- 5- Netherlands: 8%
- 6- Belgium: 6%
- 7- Spain: 4%
- 8- Sweden: 3%
- 9- Denmark: 3%
- 10- Austria: 3%



Focus on Canada: top EU countries

Canada Export Value to the EU/MS (%) - Considering overall Canada export to EU

- 1- Germany: 23%
- 2- Belgium: 15%
- 3- Netherlands: 14%
- 4- France: 13%
- 5- Italy: 8%
- 6- Spain: 7%
- 7- Latvia: 3%
- 8- Finland: 3%
- 9- Ireland: 3%
- 10- Sweden: 2%

SOURCE EUROSTAT

Canada Import Value from the EU/MS (%) - Considering overall Canada import from EU

- 1- Germany: 28%
- 2- Netherlands: 12%
- 3- Italy: 12%
- 4- France: 10%
- 5- Belgium: 10%
- 6- Spain: 5%
- 7- Ireland: 4%
- 8- Poland: 4%
- 9- Austria: 3%
- 10- Sweden: 3%



Focus on Mexico: top EU countries

Mexico Export Value to the EU/MS (%) - Considering overall Canada export to EU

- 1- Germany: 31%
- 2- Spain: 18%
- 3- Belgium: 16%
- 4- Netherlands: 15%
- 5- France: 7%
- 6- Italy: 4%
- 7- Hungary: 1%
- 8- Czech Republic: 1%
- 9- Ireland: 1%
- 10- Poland: 1%

SOURCE EUROSTAT

Mexico Import Value from the EU/MS (%) - Considering overall Canada import from EU

- 1- Germany: 37%
- 2- Spain: 11%
- 3- Italy: 10%
- 4- France: 10%
- 5- Netherlands: 7%
- 6- Ireland: 4%
- 7- Belgium: 4%
- 8- Austria: 4%
- 9- Hungary: 2%
- 10- Czech Republic: 2%



Focus on overall NAFTA countries: top EU countries

NAFTA Export Value from the EU/MS (%) - Considering overall Canada export to EU

- 1- Germany: 24%
- 2- Netherlands: 18%
- 3- France: 13%
- 4- Belgium: 13%
- 5- Italy: 7%
- 6- Spain: 7%
- 7- Ireland: 5%
- 8- Poland: 2%
- 9- Austria: 2%
- 10- Sweden: 2%

SOURCE EUROSTAT

NAFTA Import Value from the EU/MS (%) - Considering overall Canada import from EU

- 1- Germany: 26%
- 2- Ireland: 10%
- 3- Italy: 10%
- 4- France: 10%
- 5- Austria: 7%
- 6- Belgium: 7%
- 7- Netherlands: 6%
- 8- Spain: 3%
- 9- Denmark: 3%
- 10- Sweden: 2%



SKYMINDER FOR USMCA KEY BENEFITS

SkyMinder is the worldwide CRIF platform helping you to take decisions based on high quality information. If you are required to evaluate a business partner in USMCA area, former NAFTA (US, Canada, Mexico), or in country dealing with companies in USMCA, a customer or a supplier, during a risk evaluation process or for compliance requirements or a cyber risk assessment, SkyMinder is the right solutions. As well if it's required to know more about USMCA countries economic scenario.

Requirement	SkyMinder Solution	Description
Know business partners and risk level <ul style="list-style-type: none">- have on board new suppliers- understand in depth customers creditworthiness	Credit Report	Information related to all companies in the world, including firmographics, credit limit, risk indicator, management, shareholders, negative events etc.
Understand overall risk	SkyMinder Dashboard	Analyze Business Partners by risk level, identifying critical situations at a glance.
Track changes affecting companies	Planned Revision	Scheduled revision with updated report including company's changes if applicable
Company ownership overview	KYC Report (Mexico)	List of shareholders to understand company's structure
Compliance requirements and fraud checks	Compliance Report (Mexico, Canada), Extended Check Report	Anti Bribery and Money Laundering lists checks related to financial crimes.
Risk of Cyber attack	Cyber Risk Report	Assess the level of risk related to a business partner in being involved in a cyber attack
Analyze risk and outlook related to a country	Country Report and Country Risk Report	Based on financial, banking and economic information, assess a country risk and future outlook
Understand overall value of intangible assets of a company	Patent Due Diligence Report	Patent Asset Overview with geographical coverage, remaining life of active patent assets, high-value patent assets, technology and patent deployment, technology timeline, peer comparison, key inventors.