

The United-Mexico-Canada Agreement (USMCA)

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The United States-Mexico-Canada Agreement (USMCA) represents a turning point for the North American steel and aluminum industries, employees, and supply networks. This pact can have an important economic consequence on both the steel and aluminum industries in the three member countries: United States, Mexico, and Canada. First, the USMCA will aid in the establishment of a solid framework for mutually advantageous trade in North America. It will boost the profitability of all three trade partners while also accelerating the growth of North America's internationally competitive modern industrial sector, notably for steel and aluminum producers. This shall be done by the entry into force of reinforced rules of origin and improved regional value content standards (Hosoe, 2022). For the last few decades, the interconnected North American aluminum supply chain has been a critical component of the US aluminum industry's capacity to invest and develop. Increased movement of aluminum within North America will therefore boost the US aluminum industry as producers migrate to USMCA compliance.

Moreover, the USMCA agreement will provide clear economic advantages for North American steel and aluminum manufacturers, as well as increase the use of local steel in industrial production. The current deal will guarantee that North American steel and aluminum are used in automotive production and will keep North American manufacturing supply networks robust. The origin standards will aid in the continued growth of the local business through regional sourcing inside both the steel and aluminum mills (Ciuriak, Dadkhah, and Xiao, 2020). Manufacturing the components that are developed and utilized in automobiles will assist to continue to create employment and encourage growth in all of North America's economies. Because of fewer imports, the USMCA agreement shall aid improve the production capacity of domestic steelmakers in the US, and the steel sector is probably stronger now than it has been in a long time. Steel

demand has been strong, and the USMCA agreement shall help safeguard US steel manufacturers from cheap imports.

The USMCA shall benefit all three nations because it shall promote mutually advantageous trade, that promotes open trade, equitable trade, and vigorous economic expansion in North America. The pact shall lower costs, simplify and predict cross-border transfers. Free trade agreements can improve trade and investment possibilities, so contributing to the economic growth of member countries. For instance, in 2021, the Canadian steel sector hired over 23,700 people and contributed \$2.8 billion to the country's GDP. During the same year, the Canadian aluminum sector hired around 11,000 people and generated \$3.4 billion for the Canadian economy (Government of Canada, 2022). The steel and aluminum sectors in Canada and the United States (U.S.) are intimately interconnected, supporting continental supply networks that boost the North American economy's worldwide competitiveness. Canada is a historically safe and secure supplier of steel and aluminum to the U.S. defense sector.

Yet, while 70% of steel and aluminum output must be obtained in Canada, Mexico, or the United States, the USMCA offers a significant edge over rivals for North-American steel and aluminum manufacturers, but the deal has dangers that might jeopardize its effective implementation. The danger that needs to be handled is the tariffs that remain in place after the USMCA's adoption. On May 31, 2018, the United States imposed tariffs of 25% on imports of Canadian steel and 10% on imports of Canadian aluminum, taking effect on June 1, 2018 (Government of Canada, 2022). The United States has slapped similar levies on Mexican goods. In addition, Canada replied by imposing comparable trade-restrictive sanctions on up to \$16.6 billion in US imports of steel, aluminum, and other items. Although the agreement establishes

limits for car manufacturing inside the three nations, this production will be primarily constrained within the borders of each country, with little commerce taking place if tariffs stay in place.

To resolve such a barrier, all three nations must agree to remove or significantly reduce tariff rates. Since Adam Smith, economists have recognized that free trade is the best policy (Lloyd and Marin, 2022). The reduction of US tariffs would stimulate the removal of retaliatory tariffs against the US, boosting US exports and expanding economic growth even more. According to Dasgupta and Singh (2007), nations with more open trade had greater per capita incomes as well as quicker rates of productivity growth. Economists have long recognized that trade restrictions, while presented as a strategy to support domestic labor, invariably significantly harm domestic consumers. Because 95% of worldwide consumers live outside of the United States, the freedom to freely export is important to American businesses. Lawmakers must continue to underline the significant losses that would occur and consider levying tariffs on crucial sectors of the US economy, such as agriculture. President Trump's support for the "America First" labor policy is a significant hindrance to the agreement's usability and runs opposed to the aims and scope of the pact.

To that end, the United States should renounce its futile tariffs and go the other way, hard: it should abolish all tariffs, even if the global community does not. Christians acknowledge that everything belongs to God. As stewards of the riches God has given us, our fidelity to Christ and love for God are demonstrated in how we conduct our financial affairs. Stewardship is viewing all we own as a transient property to be used for kingdom objectives. As such, in God's kingdom, Christians discover a new motive for the plenty that transcends selfish prosperity and happiness. In Christ, our motive is such that our management of resources might be beneficial to the development of the kingdom. Labor highlighted the dignity of humans and pointed to the grandeur

of God as creator and preserver under the Old Covenant. Under the New Covenant, God now employs financial methods to spread the Gospel to every corner of the globe.

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