



The US has shown signs indicating progress in the USMCA ratification process; however, labor remains one of the most critical issues, the Mexican and American governments held meetings to present addendums. The WTO is under heavy pressure by the US to conduct an internal reform, in order to reduce the number of countries designated as "developing countries," and clarify binding provisions on judicial matters. Impeachment process in the US was approved at the House of Representatives, thereby supporting inquiry rules; and thus, public hearings will be held before the House Intelligence Committee. ECLAC reported that Mexico had a significant increase in exports, as a result of the trade diversion caused by tensions between China and the US. The United Kingdom will hold elections earlier on December 12, in order to end the political stalemate caused by Brexit. As part of Mexico's trade diversification agenda, the Senate proposes outreach to Japan. Alberto Fernández, Argentina's President-elect will visit Mexico to strengthen economic and trade relations. Competition authorities from Canada, the US and Mexico held the annual meeting to discuss an effective implementation of the competition policy.



The US has shown signs indicating progress in the USMCA ratification process. In Mexico, demands made by Democrats regarding implementation of the labor law amendments are starting to come to fruition.



This week, the Mexican House of Representatives approved the Organic Law of the Federal Center for Labor Conciliation and Registration, the first step to eradicate Conciliation Boards and allow, among other processes, freedom of association.



Jesús Seade, Deputy Minister for North America of the Ministry of Foreign Affairs, noted that Mexico is negotiating with American officials and lawmakers to **present USMCA complements (addendums), including labor issues, controversy settlements, as well as environmental and pharmaceutical (intellectual property) matters.** He hopes document will be ready in the coming weeks, thus Mexico would acquire new commitments that must be reviewed by the Federal Government



Nancy Pelosi, speaker of the US House of Representatives, said the USMCA may be passed once it's ready "I wouldn't rule it out next year. Hopefully we can do it sooner, but I said when it's ready we'll do it." She also believes the deal could serve as a template for future trade agreements.



A relevant topic is that some Democratic lawmakers and union leaders are against the trade agreement ratification, at least until labor inspections are not agreed to.





WTO

The World Trade Organization (WTO) was created to oversee and administer multilateral trade rules, serve as a forum for trade liberalization negotiations, and resolve trade disputes; however, on December 10, the **Appellate Body**, a second instance in dispute settlements, would be paralyzed by the US refusal to replace missing members.



This stance is a measure to put pressure on the WTO to generate an internal reform, intended to reduce representation of countries designated as "developing countries," and to clarify binding provisions on judicial matters.

This is assumed given the trade war context with China

INTERNATIONAL TRADE



Latin America and the Caribbean's exports and imports will fall 2 and 3% in 2019, while Mexico will have increases of 2.8 and 0.5%, respectively and at annual rates, according to the Economic Commission for Latin America and the Caribbean (ECLAC)



Unlike South America, Central America, the Caribbean and Mexico will record increases in their export values and volumes of 2019. This reflects their lower dependence on commodities and their greater trade exchange with the US, whose demand for imports has shown greater resilience than that of the other main export markets in the region.



Mexico had a significant increase in exports, mainly as a result of the trade diversion caused by tensions between China and the US, which has favored shipments from manufactures to that country. In fact, since February 2019, Mexico became its main trading partner.

TRADE DIVERSIFICATION

The Senate held the discussion group "Mexico on the road to diversification, potential for the future with Japan: An Ally for Mexico in its diversification strategy", in order to pose ideas that allow to continue strengthening relations with the Asia - Pacific region



Yasushi Takase,
Japanese
Ambassador to
Mexico

He indicated there are several areas of opportunity to increase bilateral relations. One of them is the agri-food sector, mainly for the pork, beef and avocado industries.



He said that Japan's interest in Mexico is the oil sector, renewable energies (wind, solar and geothermal), gas thermal stations, refineries, mining, medical and pharmaceutical sector, as well as infrastructure.





IMPEACHMENT



The US House of Representatives approved Thursday impeachment rules against President Donald Trump, with 232 votes in favor and 196 against (all Republicans)

This decision formally opens the next steps in the impeachment inquiry, pursued after the telephone conversation on July 25 between Trump and the President of Ukraine, Volodymyr Zelenskyy, was disclosed, where he asked for a "favor": to investigate a Democratic rival (Joe Biden).



First, the House approved a resolution of procedures, and then passed the resolution to formalize inquiry rules. From now on, Democrats expect one or two more weeks of closed-doors statements, and then public hearings will begin before the House Intelligence Committee.



Process will probably take months, possibly until the first weeks of the 2020 election year.

BREXIT



The United Kingdom will hold elections earlier on December 12. The British Parliament (House of Commons) approved early elections, in order to end the country's political stalemate caused by Brexit.



Prime Minister Boris Johnson expects new lawmakers from elections will give majority to the Conservative party, and break the deadlock that has paralyzed the UK separation from the European Union

It is worth noting that the EU granted a three-month extension to Brexit this week

ARGENTINA'S ELECTIONS



The Mexican government congratulated Alberto Fernández for his victory in the presidential elections held in Argentina on Sunday, October 27.



Alberto Fernández will visit Mexico on his first trip abroad as Argentina's president-elect. Although there were no more details on the agenda or the trip's specific days, sources said that Alberto Fernández "would meet" with President López Obrador.



Argentina's ambassador to Mexico, Ezequiel Sabor, said his country will take advantage of the new Mexican administration's foreign policy, in order to have a representative trade between the second and third Latin American economy. He reported that **both countries are working on updating the economic complementation agreement to improve their trade relations, which is expected to close this year.**





Competition authorities from Canada, the US and Mexico held the annual meeting to discuss work so far, in order to ensure the effective implementation of the competition policy in North American markets, as well as of cooperation opportunities among the three countries



Among issues addressed, a topic discussed was the application of antitrust laws in digital markets, as well as the latest developments of agencies, and challenges faced when enforcing the law.



Meetings are based on cooperation agreements for implementing competition laws. With these agreements, authorities have committed to work together to make their antitrust policies and their implementation of respective laws to be as consistent and effective as possible.

