

U.S., Mexico seek Nafta deal on auto trade, without Canada

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A worker is seen at the Volkswagen plant in Puebla, southeast of Mexico City.

Senior U.S. and Mexican officials on Thursday sought to hammer out new rules for the auto trade at the center of negotiations to overhaul the North American Free Trade Agreement, while Canadian officials sat out the latest talks amid persistent tension between Ottawa and Washington.

The talks with Mexico are part of the Trump administration's effort, not only to boost exports and narrow the trade deficit, but to chalk up victories that might justify the president's confrontational approach to trade. The administration also wants to enlist at least the tacit support of traditional allies — including Nafta members Mexico and Canada — in an increasingly tense standoff with China over trade issues.

Should Mexico and the U.S. reach an accord on autos, an important sector covered by Nafta, it could lead to a broader deal to revamp the pact for all three of its members, officials say. President Donald Trump is seeking to remake the 24-year-old agreement in ways that favor American manufacturing workers but has hit resistance from the other countries, business groups and lawmakers that back free trade.

The election last month of Andrés Manuel López Obrador as Mexico's next president has created an incentive of sorts. The talks have dragged on and blown through several deadlines, and officials are now seeking to get some sort of agreement by

late August, which would allow a deal to be signed formally before López Obrador takes office in December.

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