WHITHER NAFTA?
Antonio Madero, Chair

It's always a privilege to chair this panel in these meetings, but it's now a very special privilege for me to chair this special panel on NAFTA with three such highly qualified persons — Frances, John and Luis.

NAFTA has been a success story in every way we want to see it because of the mission, the political will, and the coordination between Mexican, American, and Canadian businessmen.

I had the privilege of closely participating in the negotiating leading to NAFTA. From 1991 through 1993, I was chairman of the Mexican Businessmen's Council and a member of the Mexican delegation with the brilliant coordination of Jaime Serra and Herminio Blanco, present here, who were at that time the secretary of commerce and the under secretary of commerce for President Salinas's government. I can attest to how difficult it was at the beginning and all during the process to convince doubtful and influential minds.

How fears had to be buried with reasons, how people’s minds had to be opened to the novel idea, what does it mean, free trade agreement with Mexico and Canada?

What are you talking about?

To people in the three countries' parliaments, congresses, press, even academia. How the new U.S. government of President Clinton had to be convinced. It almost was like starting all over again after President Bush One had agreed, and it was all free sailing. But this was worthwhile and very important for the three countries. Many very important and influential people in the three countries played a key role. It was really a team effort, an example of what other things can be done, the three countries working together to obtain common benefits.

I should say that the impulse given by institutions like the Trilateral Commission, by the group that now John Manley heads in Canada, by the groups of businessmen in the United States, the Mexican Business Council, all of those businessmen played a very key role in supporting our government officers in the negotiations and convincing people and opening minds and the appeasement of unions in all the three countries.

Everybody thought that the world was going to fall apart in Mexico and that industry was going to be destroyed and the UAW and the Teamsters, et cetera, only to name a few, and the steelworkers in Canada thought they were going to be out of a job.

So it was a very important team effort that took place 20 years ago in 1991-93, and it has paid very important benefits.

Just a very brief comment about what this has done for Mexico, and I will not comment on Canada and the United States, because we have excellent representatives for both countries. For Mexico, foreign trade went from 20 percent of GDP to 50 percent of GDP. Manufacturing exports increased three-fold, automotive exports increased five times.

My company’s exports increased six times. I am in the automotive sector and we took advantage of
NAFTA very strongly. The total U.S. exports to Mexico went up to 20 percent of U.S. exports and now Mexico is the third client of the United States.

Twenty percent of U.S. exports go to Canada, as you know, and Canada is the number two partner of the United States. Fourteen percent of U.S. imports come from Canada and 11 percent of U.S. imports from Mexico. So we are number three and number four suppliers of the United States after China and the European Union. This has been a win-win for everybody.

But what we now have to ask is: where do we go from here? Do we just stay with success and continue working on it? Are there opportunities to move forward? We have open capital movement, we have open goods movement, can we think of open labor movements?

Can we think of opening more energy policies? Can we think of other ways to improve the benefits of the three countries working together making the North American Continent more competitive?

The NAFTA idea developed in 1991, when China was just emerging from the long sleep of the Communist government, when the Berlin Wall had just collapsed, and Eastern Europe was not a factor.

Since then, billions of people have come to the market and major new emerging countries and economies have come as competitors.

Now, we have to look into the future: How can we make our North American Continent more competitive than other areas of the world which were not competitive or even in the markets in 1991?

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