[Name of the Writer]

[Name of Instructor]

[Subject]

[Date]

NAFTA Trade Agreement

NAFTA is one of the most integral trade agreements that one gets to see between United States, China and Mexico. The agreement came into effect during 1994 and the purpose of the agreement was to make sure that the organizations that tend to exist across these three countries are able to carry out cross border business in a much easier manner. The idea was to ensure that certain level of economic integration must be allowed so that regional cooperation increases, and the economic prosperity increases. Off late, Trump has been a major advocate regarding what are some of the thing that are needed to be done to make sure that the NAFTA fulfills its purposes. The important thing that must be noted in this regard is that Trump can opt for the pullout from NAFTA without approval from the Congress. The reasons that NAFTA has been successful is due to the fact that how the production has moved to Mexico due to the way this agreement works out and as per some estimates, there are about 700,000 jobs that are lost in the United States due to this agreement. That does not consider the plant shutdowns as well as the mass layoffs that are quite common in such a situation. To be precise, it can be said that NAFTA has not been able to make sure that it implements its purpose and one of the reason that there are long term issues with respect to the way this whole agreement works is that United States is at the disadvantage in terms of the way this whole agreement is supposed to be working out. If United States pulls out of the agreement, both Canada and Mexico are going to be losing out on the production and the impact is going to be quite visible for Mexico as they are going to be facing production decline by 23.78 %.