



NAFTA 101

The U.S. automotive industry makes significant contributions to the U.S. economy, and the North American Free Trade Agreement (NAFTA) has helped the U.S. auto industry remain competitive in the global marketplace. General Motors supports modernizing NAFTA in a way that builds on North America's success as a manufacturing powerhouse and helps us compete with the rest of the world. In doing so we will work alongside other companies and federal officials to preserve the NAFTA provisions that support U.S. competitiveness.

Today, the U.S. automotive industry is manufacturing, selling, investing, exporting and growing jobs in the United States at or near record levels. The duty-free trade generated through NAFTA has played an important role in the competitiveness of the North American automotive sector and the success the industry is currently experiencing.

The U.S. automotive industry makes significant contributions to the U.S. economy, with FCA US, Ford Motor Company and General Motors Company representing the largest portion of the following 2016 economic contributions.

- Directly employing/supporting more than 7.3 million American jobs - including manufacturers of auto parts, steel, glass, plastics, rubber and semi-conductors;
- Exporting \$137 billion in vehicles and parts, more than any other U.S. industry sector;
- Manufacturing 12.2 million cars and trucks;
- Investing \$8 billion in U.S. plants/equipment and nearly \$20 billion in R&D; and
- Selling a record 17.5 million cars and light trucks.

Retaining a dynamic, open and mutually beneficial trade relationship with our NAFTA trade partners is critical to the continued success of the U.S. domestic automotive industry. Key issues that will be debated in the renegotiation process include:

Duty-Free Access to Mexican and Canadian Markets

NAFTA provides U.S. automakers duty-free access to the Canadian and Mexican auto markets. Duty free access allows US automakers to be competitive in the Canadian and Mexican markets, export vehicles and auto parts globally, and continue to invest in U.S. facilities, products, and jobs.

Automotive Rule of Origin (RoO)

NAFTA's auto rules of origin, which refer to product specific rules to qualify a product for NAFTA benefits, includes a 62.5 percent minimum regional value content (RVC) requirement; the highest RVC requirement in any trade agreement in the world. The Trump Administration has expressed a strong interest in increasing the RoO rating on autos during the renegotiation process. However, it is important to stress that significant modifications to the rules of origin or origin procedures could have unintended consequences for the North American auto industry.

Want to learn more about GM's positions on NAFTA? Listen to our recent GM CAR Tele-Town Hall on NAFTA [here](#).

Information is current as of: November 6, 2017