JOURNAL
OF EUROPEAN ECONOMY
Vol. 19. № 4 (75). October–December 2020
Publication of West Ukrainian National University

International Economics

Nadiia KRYVENKO

TRADE AND ECONOMIC COOPERATION BETWEEN US, CANADA AND MEXICO IN THE CONTEXT OF NAFTA AND USMCA AGREEMENTS

Abstract

The development of the USA, Canada and Mexico is studied taking into account the signing of the new USMCA Agreement, and some differences from the previous NAFTA are presented in accordance with modern challenges. The foreign trade of the association and its separate member states is analysed, their shares in the general trade are determined, and basic indicators of international trade are calculated. The main directions of trade flows and the importance of partner countries with regards to each other are identified. Exports are analysed taking into account the periods before and after the conclusion of the Agreement, while changes of intra-regional trade between the partner countries are investigated.

Particular attention is paid to the study of foreign trade in agricultural products. Its share in total trade in goods is defined, the basic indicators are analysed, features concerning directions are determined. Trade trends taking into account North-South integration are considered, and the corresponding features are revealed. The importance of the agricultural sector in the new USMCA

Kryvenko Nadiia, Candidate of Economic Sciences, Senior Researcher, National Scientific Centre «Institute of Agrarian Economics», Ukraine. ORCID: https://orcid.org/0000-0003-3439-432X Email: kryvenn@ukr.net

Agreement is presented as a result of the consideration of trade policy for agricultural products. It is proposed to take into account certain provisions of USMCA when concluding regional trade agreements of Ukraine in the future, as well as the possible impact on trade with Ukraine.

Key words:

international economic integration; NAFTA; USMCA; foreign trade; development; agricultural products.

JEL: F10, F13, F15, F53, Q17.

Problem Statement

The significant increase in the number of integration groups in the world is caused by the expectation of positive consequences resulting from integration. It is expected that the volume of trade will increase, and more investments will be attracted, and the products will be more competitive, and the global influence will grow, and so on. In addition, integration has achieved significant results not only in the EU but also in North America – through NAFTA. Of particular note is the fact that countries differ in the level of economic development, with the now known integration of the type «North-South», a free trade area includes significant producers and exporters and has been operating successfully for about 20 years with a clear leading country. However, a number of difficulties have led to the conclusion of a new USMCA agreement.

Literature Review

Issues of international economic integration have been studied for decades, and NAFTA deserves special attention. Thus, D.A. Gantz (2016) researches the conclusion of US Free Trade Agreements with individual countries, noting a significant amount of trilateral trade as one of the reasons for the importance of NAFTA. In addition, the Agreement addressed issues of intellectual

property, public procurement and others. B.J. Condon (2018) analyzing the cooperation of NAFTA countries, outlines the importance and innovation of USMCA. M. Bessonova (2019) highlights the main features of the integration between the United States, Canada and Mexico: longevity of economic cooperation, which started in the early years of their independence; issues of labour protection and environmental protection; implementation of cooperation at the level of communities and various local initiatives, rathers than merely at the level of governmental structures; comprehensive cooperation within NAFTA and new agreements. N. Komar (2016) studies the peculiarities of FTA creation and the impact on economic development of countries, while A. Fatullayeva (2009) investigates their role in global integration processes. N. V. Bezrukova and N. V. Dzhurka (2018) note the positive impact on all member states, stating that the peculiarity of the North American economic group is that its members are in different starting conditions. G. M. Kostyunina (2015), analysing the main benefits and costs of integration, highlights the increase in investment attractiveness, stimulating employment growth, dynamic increase in mutual trade. D. F. Vagapova (2011) considers the impact of integration on the competitiveness of countries, emphasizing that due to integration, as the pace of industrial production increases, so does the share of science-intensive products in it, although admittedly to different extents in the member countries. E. Komkova (2019), having analysed of the new Agreement between the countries of the group in her research, claims that the direction of economic integration in North America remains strong. A. V. Darkina (2010) examines the impact of NAFTA on the operation of banking systems, as well as the development of the agricultural sector.

The aim of the article

Scholars have made a significant contribution to the study of international economic integration, and NAFTA in particular, however it is advisable to further deepen the study of foreign trade, as well as intra-regional flows before and after the conclusion of the agreement. At the same time, special attention should be paid to the analysis of trade in agricultural products, taking into account its features, the relevance of food security, as well as the fact that member states are significant producers and suppliers. The study of the peculiarities and consequences of the Agreements concluded between the United States, Canada and Mexico can serve as an example for Ukraine in signing regional trade agreements in the future, and is important for developing cooperation with these countries, especially with Canada with which the Free Trade Agreement has already been signed.

Main Research Findings

Although NAFTA has had positive effects in various areas for all its member countries, on November 30, 2018, they concluded a new CUSMA (Canada-United States-Mexico Agreement), also known as USMCA, United States-Mexico-Canada Agreement (International Trade Administration, n.d.). In general, USMCA corresponds to NAFTA, in particular for duty-free market access, but additionally it includes updated and new sections on current trade issues and opportunities. (Government of Canada, n.d.). Indeed, E. A. Wayne (2018) noted that the United States has a great opportunity to enter into a modern trade agreement with its neighbours and major customers, and among other things stressed the inclusion of technological advances in trade. Thus, in the Agreement, there are sections on digital trade, anti-corruption, participation of small and medium enterprises in foreign economic activity, macroeconomic policy and exchange rate (Komkova, 2019). The issues of wages in mechanical engineering, trade policy for agricultural products, including dairy products, chicken, eggs, etc. are also included. Cooperation in the fields of trade, agriculture, car trade, energy, environment, intellectual property, dispute resolution, and culture is also considered, including the rights of indigenous peoples. Furthermore, USMCA requires a review of the agreement at least every six years after its entry into force. The review should help ensure that the agreement remains effective and relevant to North American workers, help resolve issues before they become serious, and ensure stability for manufacturers and businesses. The agreement is valid for 16 years, but after the regular review the Parties may extend it for another 16 years (Government of Canada, n.d.). Incidentally, it is possible to trace many changes concerning a number of questions, in particular trade policy, through development of integration of separate trade blocs. It is important to note that although NAFTA countries differ significantly in the level of economic development, positive effects are observed in all partner countries, i.e. not only in the United States and Canada, but also, of course, in Mexico.

Each country, concluding the Agreement, had its own goal, for example the United States aimed to diversify their growing market to the South (Komar, 2016). A. Fatullayeva (2009) notes that the United States set the goal of free movement of its goods and services, protection of intellectual property rights, combining its investments and new technologies with natural resources of Canada and Mexico and cheap labour, as well as increasing competitiveness. Canada mainly sought to join the production of knowledge-intensive products, increase revenues, and ensure stable access to the Mexican market. Mexico planned to rapidly accelerate the pace of development, successfully implement reforms and move closer to industrialized countries in terms of development in 10-15 years. However, there were also concerns from Mexican companies regarding competition from partner countries, especially in agriculture even though

a new export market and sources of investment opened up for Mexico through Canada's participation (Fatullayeva, 2009). That is, all countries sought to increase their exports and investment inflows, but some goals also differed in view of the advantages of partner countries, as well as their risks.

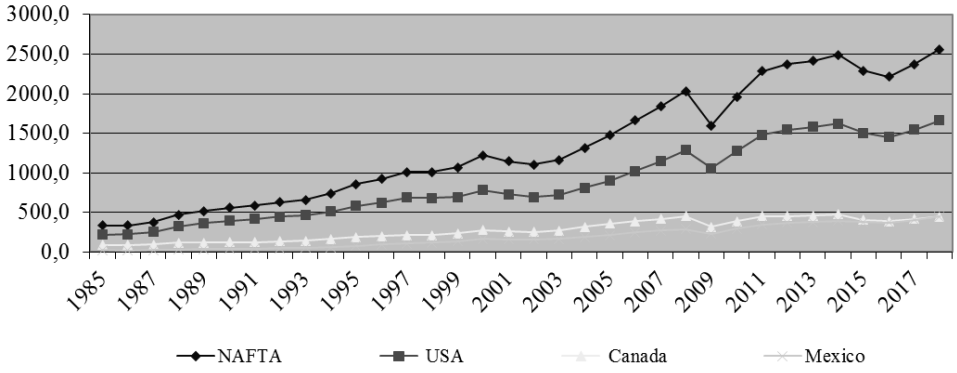
Examining the features of NAFTA and USMCA, B. J. Condon (2018) notes that relations in NAFTA countries, in particular economic ones, were bilateral in nature. The author notes the elements of UMSCA, which reflect the bilateral nature of North American relations. Moreover, Mexico initially offered a bilateral free trade agreement with the United States. In addition, according to E. A. Wayne (2018), NAFTA had difficulties, in particular, issues related to trade in dairy products, sugar, fresh fruit, meat were not agreed upon, as well as freight, temporary work permits, labour rights, etc. Thus, some predicted the development of trade, economic growth, noted an increase in access to consumer goods at lower prices, the creation of more efficient production processes, improving living standards and working conditions. However, others believed that the FTA would cause large job losses in the United States due to the relocation of production to Mexico, and that wage cuts in the United States would not sufficiently improve labour standards and environmental conditions outside the United States. N. Komar (2016) notes that NAFTA has led to increased investment between countries, greater openness to trade, although predictions of significant economic benefits and large job losses have not come to pass. No wonder D. V. Vagapova (2011) argues that NAFTA is a shining example of successful integration between countries with different levels of economic development. It can be an example for existing groups, as well as for countries seeking to integrate under appropriate initial conditions.

A. Fatullayeva (2009) notes that trade and economic relations between the three countries have been and remain a major factor in the development of the North American economic complex. On the subject, M. Villarreal and I. Fergusson (2017) note that the overall economic impact of NAFTA is difficult to measure, as trade and investment are also affected by economic growth, inflation, and exchange rate fluctuations. However, even with the negative aspects of NAFTA, it is difficult to overestimate the importance of integration for North America. (Liventsev, 2006). In four years, a clear organizational structure has been developed to implement the provisions of the agreement, and the main trends that led to its conclusion were reflected not only in the field of free trade, but, as V. M. Vishnyakov (2009) notes, in the extension of the underlying NAFTA principles to other areas of the economy in the North American region. At the same time, it is difficult to disagree with M. Lyzun (2020), who believes that the main tasks of any form of regional integration include the expansion of mutual trade, removal of obstacles to the free movement of capital and labour, and industrial and scientific cooperation, which lead to accelerating rate of economic growth, balanced and sustainable economic development. Therefore, the analysis of foreign trade is one of the indicators of integration.

By the way, according to the data of World Trade Organization (n.d.), exports of NAFTA goods in 2018 increased almost 4 times compared to 1993, more than 4 times since 1992, and more than 7 times when compared to the total exports of member countries in 1985. Even compared to the previous year (2017), the increase amounted to 7.9%. That is, both for the group as a whole and for each member state, the exports have shown the trend towards growth (Fig. 1). At the same time, in 2009 there was a decrease in exports, and this was observed in all NAFTA countries, which was to some extent caused by the global crisis. Moreover, from 1985 to 1992, the absolute annual increase in exports of the group did not exceed 50.6 billion USD (1989), with the exception of 1988 (90.3 billion USD). Since 1992, this figure has increased significantly, for example, it was $156.7 billion in 2004, $188.3 billion in 2006, $176.6 billion in 2007, $161.5 billion in 2017, and $188.0 billion in 2018. However, it is worth noting the decreases in 1998, 2001, 2002, 2009, 2015 and 2016. At the same time, the growth rate of NAFTA exports since 1992 has not exceeded 22.6% (2010), although in 1988 this figure was 23.8%. Therefore, over the period of NAFTA's enactment there were reductions, that is, there were both increases and decreases in trade, even if the size of changes differed. While one of the main reasons for this was trade liberalization, there were also a number of other factors.

Figure 1

Total exports of NAFTA goods



Note: calculated and created by the author using the data of World Trade Organization (n. d.).

For example, the NAFTA Agreement regulated issues of trade in cars and spare parts, protection of intellectual property rights, settlement of disputes between investors and the host country, and others. The mere existence of 22 sections of the Agreement (Komkova, 2019) indicates a significant range of issues. Thus, from 1985 to 1993 and from 1993 to 2018, the average absolute increase in exports amounted to 41.8 and 76.1 billion dollars, respectively, the average growth rate – 1.9 and 3.9 billion dollars, (exports grew by 9 and 6%). While the group's exports of goods in 2018 was 7.6 and 4.1 times the amount of 1985 and 1992, the numbers varied by member-countries. For the United States it was 7.6 and 3.7 times, for Canada – only 4.9 and 3.3 times, while for Mexico it was 16.8 and 9.8 times (Table 1).

Table 1

Ratio of NAFTA exports of goods in 2018 to individual years

Year of comparison	NAFTA	USA	Canada	Mexico
1985	7,6	7,6	4,9	16,8
1992	4,1	3,7	3,3	9,8
1993	3,9	3,6	3,1	8,7
1994	3,5	3,2	2,7	7,4
2000	2,1	2,1	1,6	2,7

Note: calculated by the author using the data of World Trade Organization (n.d.).

Several conclusions can be made based on this analysis. First, all member countries of the group experienced an increase in exports in 2018. Second, the indicators of the USA practically correspond to the indicators of the group, which indicates the country's significant share in the operations of the latter. Third, during this period, Mexico's exports grew the most compared to the other two NAFTA member countries, which can be explained by lower exports and the development of integration processes, including the removal of trade barriers. Fourth, Canada's exports grew more slowly than those of Mexico and the United States did, although they were much smaller than the US volumes.

The calculation showed that the United States had predominant share in total exports of NAFTA goods, and this was true throughout the period of 1985-2018. The figure ranged from 61.1 billion USD in 2005 to 71.3 billion USD in 1991 and 1992. In 2018, compared to 1985, the share has not changed, and compared to 1992, when the agreement was concluded (and in 1993) even slightly decreased. The situation is opposite with regards to Canada, whose

share in the total exports of countries in 1985 was 27.0%, in 1992 (1993) – 21.4% (21.9%), and despite a slight increase in 2005 (24.4%), fell to 17.5% in 2018. Moreover, the decrease in 2018 is in line with situations in 1985, 1992 and 1993. It is worth paying special attention to the positive trend of Mexico, whose share in 2018 was 17.6% and was 2.2 times higher than in 1985, 2.4 times higher than in 1992 (7.3%), and 2.2 times higher than in 1993 (7.8%) (Fig. 2).

Moreover, such an increase in the share of Mexico was gradual throughout the period of integration (Fig. 3).

It follows that in the case of South-North integration, the member states with the lowest level of economic development benefit the most, and while the leading countries do not lose their positions, the results may be less noticeable for them.

However, it is worth analysing trade given the importance of the agricultural sector, the peculiarities of production, trade in agricultural products, as well as agricultural trade policy. On this subject, G. M. Kostyunina (2015) notes that integration into NAFTA has contributed to an increase in export-oriented agricultural production, rather than agricultural production focused on domestic consumption.

The group's exports of agricultural products from 1993 (as well as from 1992) to 2017 increased 3 times, and from 1985 – 5 times, meaning the increase in these exports was less than that of all goods. The trend of agricultural exports is shown in more detail in Fig. 4.

Thus, the figure shows that both total and agricultural exports are led by the United States, followed by Canada and Mexico, whose their volumes differ less.

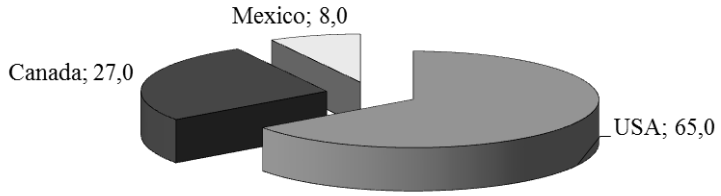
Moreover, both absolute increases and decreases in exports of agricultural products were registered during 1985-2017, ranging from -31.4 in 2009 to +37.9 in 2011. Notably, both the highest and the lowest values were observed post integration. Thus, the group's exports during 1985-2017 increased by 215.6 billion dollars. At the same time, the chain growth rate was the highest in 1988 (24.4%).

The calculated data show that the average level of exports of agricultural products until 1993 amounted to 73.9 billion dollars, and from then on until 2017 to 170.4 billion dollars. In these periods, the average absolute growth of exports was 5.2 and 7.5 billion dollars, respectively, with the annual growth rate of 8% and 5%. That is, although in general exports increased, their annual growth decreased, but this can be explained by the fact that there were significant fluctuations in exports in some years, including 2009 (-31.4 billion USD) and 2015 (-22.7 billion USD) (Table 2).

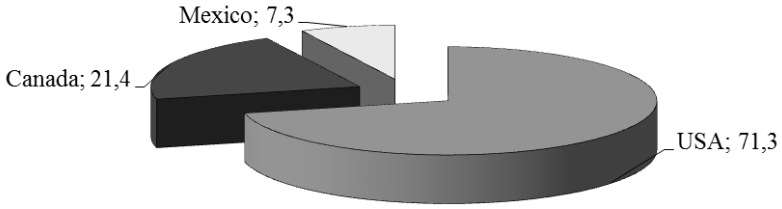
English Edition. Vol. 19. № 4 (75). October–December 2020.
ISSN 2519-4070

Figure 2

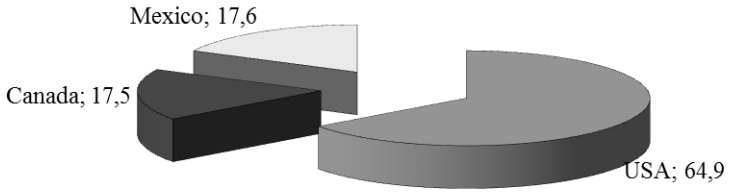
The share of the United States, Canada and Mexico in total exports of goods in 1985, 1992 and 2018



Share of the United States, Canada and Mexico in total exports of goods in 1985, %



Share of the United States, Canada and Mexico in total exports of goods in 1992, %

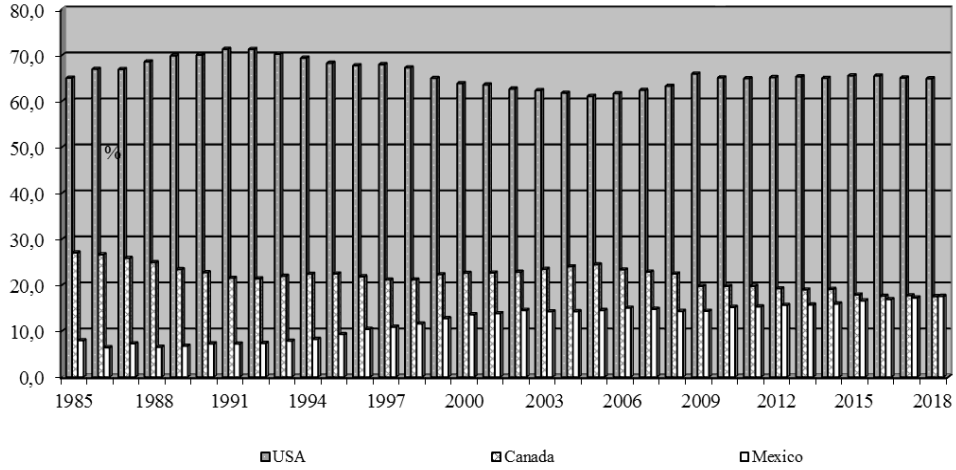


Share of the United States, Canada and Mexico in total exports of goods in 2018, %

Note: calculated and created by the author using the data of World Trade Organization (n.d.).

Figure 3

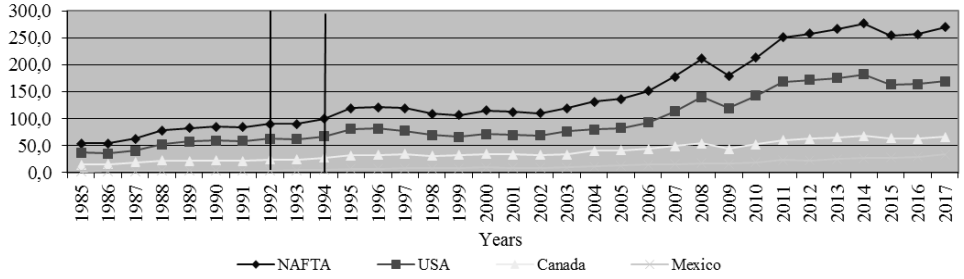
The share of the United States, Canada and Mexico in total exports of goods during 1985-2018



Note: calculated and created by the author using the data of World Trade Organization (n.d.).

Figure 4

NAFTA export of agricultural products



Note: calculated and created by the author using the data of World Trade Organization (n.d.).

Table 2

Indicators of changes in NAFTA foreign trade in agricultural products

Arithmetic mean until 1993	73,9	Average absolute increase in production until 1993	5,2	Average growth until 1993	1,08	Average growth rate until 1993, %	8
Arithmetic mean after 1992	170,4	Average absolute increase in production after1992	7,5	Average growth after 1992	1,05	Average growth rate after 1992, %	5

Note: calculated by the author using the data of World Trade Organization (n.d.).

The group's exports of agricultural products have been growing steadily. In particular, the 2017 indicator was 3 times the amount as that of 1992 (3 times compared to 1993, 2.7 times to 1994 and 2.3 times to 2000 respectively). Since 1985, it has grown by five. Such ratios for the USA were 2.7 (to 1992) and 4.6 (to 1985); they were 2.8 and 4.4 respectively for Canada, while for Mexico the ratios were 8.6 and 16.8. That is, there was an increase in exports in all member countries, but this indicator changed most significantly for Mexico. Therefore, the trend here is the same as in total exports of goods, i.e. the United States has the closest values to the group indicators, while Mexico has experienced the largest growth. This gives grounds to argue the positive impact of integration for the least developed countries of the group in terms of trade in agricultural products. At the same time, comparing the ratios of exports from 1990 to 1985, that is even before the conclusion of the agreement, the figures were 1.6 (NAFTA); 1.6 (USA); 1.5 (Canada) and 1.8 times (Mexico), meaning that for Mexico they were already higher. However, if this ratio for Mexico (in 1990 compared to 1985) exceeded the corresponding indicators of the United States and Canada only 1.1 and 1.2 times, in 2017 compared to 1992 the difference was respectively 3.2 and 3.1 times. However, the calculation shows that integration has had a greater impact on Mexico, and although this can be explained by the smaller volumes of its exports compared to the other two countries, Canada's exports are significantly smaller than those of the US, yet the growth of the first country is mostly greater (Table 3).

Table 3

Comparison of changes in exports of agricultural products of NAFTA and individual member countries of the group

Compared years	NAFTA	USA	Canada	Mexico	The ratio of changes in Mexican exports to changes in exports of	
					USA	Canada
2017 to 1985	5,0	4,6	4,4	16,8	3,7	3,8
2017 to 1992	3,0	2,7	2,8	8,6	3,2	3,1
2017 to 1993	3,0	2,7	2,8	7,5	2,7	2,7
2017 to 1994	2,7	2,5	2,4	6,5	2,6	2,7
2017 to 2000	2,3	2,4	1,9	3,6	1,5	1,9
1991 to 1985	1,6	1,6	1,4	2,0	1,2	1,4
1990 to 1985	1,6	1,6	1,5	1,8	1,1	1,2

Note: calculated by the author using the data of World Trade Organization (n.d.).

As in the total exports, the largest share of agricultural exports belongs to the United States, Canada's share is lesser, while Mexico's share is the smallest (Fig. 5).

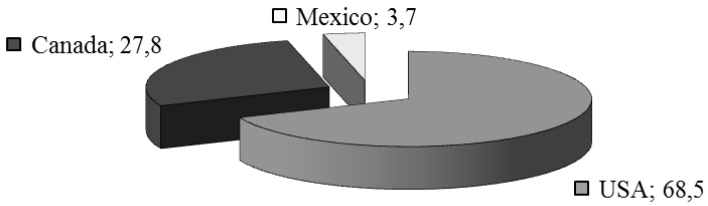
The share of the United States has not changed much: in 1985 it was 68.5%, then in 1992 and 2017 – 69.6% and 63.0%, respectively. However, Canada's share has decreased – 27.8%, 26.2% and 24.7%, while Mexico's share has grown – 3.7%; 4.2% and 12.3%. The trends in changes of the shares in total exports of agricultural products are shown in Fig. 6.

The figure shows some fluctuations in the share of the United States, a slight decrease for Canada and an increase for Mexico, although the former and the latter continue to hold the maximum and minimum shares, respectively. That is, although Mexico exports the least, its share is growing, and if we compare 2017 with 1985 and 1992, the growth of the share in exports of agricultural products is unique to Mexico (Table 4).

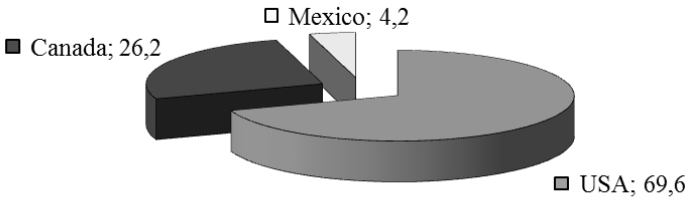
However, this does not seem significant, as Canadian exports were twice as large as Mexican ones in 2017, but in 1985 the ratio was much higher – 7.6 times. Therefore, if this trend continues, significant changes may occur. This also confirms the impact of integration on member countries with lower levels of economic development.

Figure 5

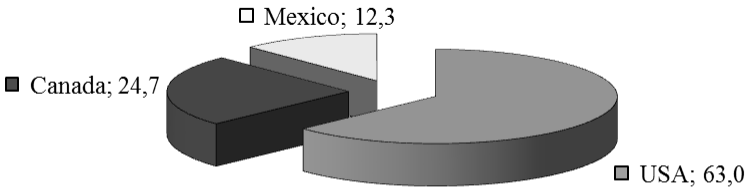
Share of the United States, Canada and Mexico in their total exports of agricultural products in 1985, 1992 and 2017



Share of the United States, Canada and Mexico in total exports of agricultural goods in 1985, %



Share of the United States, Canada and Mexico in total exports of agricultural goods in 1992, %

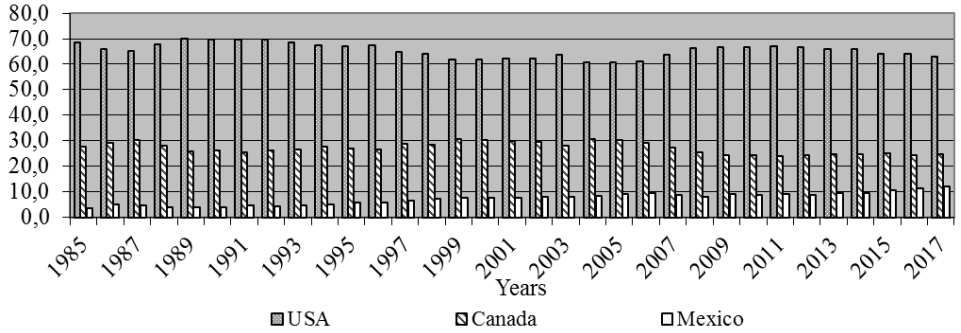


Share of the United States, Canada and Mexico in total exports of agricultural goods in 2017, %

Note: calculated and created by the author using the data of World Trade Organization (n.d.).

Figure 6

Share of the United States, Canada and Mexico in total exports of agricultural products, 1985-2017



Note: calculated and created by the author using the data of World Trade Organization (n.d.).

Table 4

Change in the share of NAFTA member countries in their total exports of agro-food products, times

Compared years	USA	Canada	Mexico
2017 to 1985	0,9	0,9	3,4
2017 to 1992	0,9	0,9	2,9
2017 to 2016	1,0	1,0	1,1

Note: calculated by the author using the data of World Trade Organization (n.d.).

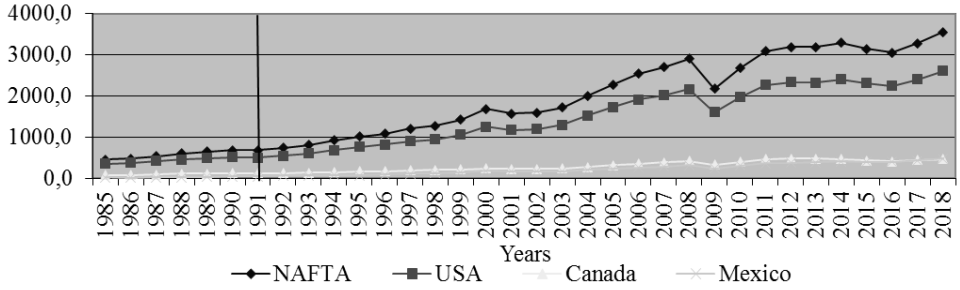
It should be noted that imports of all NAFTA goods also increased significantly (Fig. 7).

The figure shows that US imports significantly exceed imports of Canada and Mexico, which, especially in recent years, are at about the same level.

Thus, imports of NAFTA goods in 2018 compared to 1992 and 2000 increased by 4.8 and 2.1 times, respectively, almost repeating the values for the United States (4.7 and 2.1 times), the lowest growth was observed for Canada – 3.6 and 1.9 times, while the biggest jump was made by Mexico – 7.4 and 2.7 times. Therefore, the trends for imports is similar to the exports trend (Table 5).

Figure 7

Imports of all NAFTA goods, including the United States, Canada and Mexico during 1985-2018



Note: calculated and created by the author using the data of World Trade Organization (n.d.).

Table 5

Change in imports of goods by NAFTA countries in 2018 compared to select years

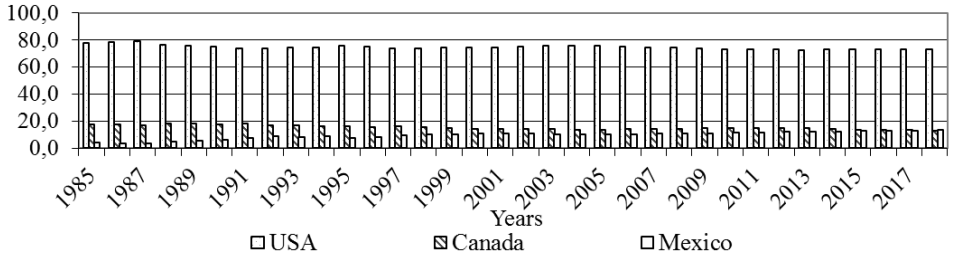
Compared years	NAFTA	USA	Canada	Mexico
2018 to 1985	7,9	7,4	5,8	24,9
2018 to 1992	4,8	4,7	3,6	7,4
2018 to 1993	4,4	4,3	3,4	7,1
2018 to 1994	3,8	3,8	3,0	5,8
2018 to 2000	2,1	2,1	1,9	2,7

Note: calculated by the author using the data of World Trade Organization (n.d.).

Compared to 1985, imports from the United States, Canada and Mexico increased by 7.4; 5.8 and 24.9 times. We believe that this is due to the development of trade relations between the United States and Canada before the creation of NAFTA. At the same time, the share of the United States in total imports predominates, but while Canada was in second place until 2018, the share of Mexico increased significantly from 4.2% in 1985 (8.6% in 1992) to 13.4% in 2018, when it exceeded Canada (Fig. 8).

Figure 8

Share of the United States, Canada and Mexico in total imports of goods, 1985-2017



Note: calculated and created by the author using the data of World Trade Organization (n.d.).

The figure shows a slight fluctuation in the share of the United States, and equalization of Canada's and Mexico's shares. Thus, while in 1985 and 1992 the shares of the United States, Canada and Mexico in total imports were 77.9%; 17.8%; 4.2% and 74.1%; 17.3%; 8.6%, then in 2000 and 2018, they were 74.8%; 14.5%; 10.7% and 73.4%; 13.2% and 13.4% respectively (table 6).

At the same time, the overall trend and the short-term fluctuations differ. For instance, when comparing to 1985 and 1992, the shares of the USA and Canada have shrunk, while Mexico's share has grown. However, when comparing to 2017, the case of United States is reversed – it has slightly increased.

It is worth noting a significant increase in imports of agricultural products by NAFTA countries (Fig. 9).

Table 6

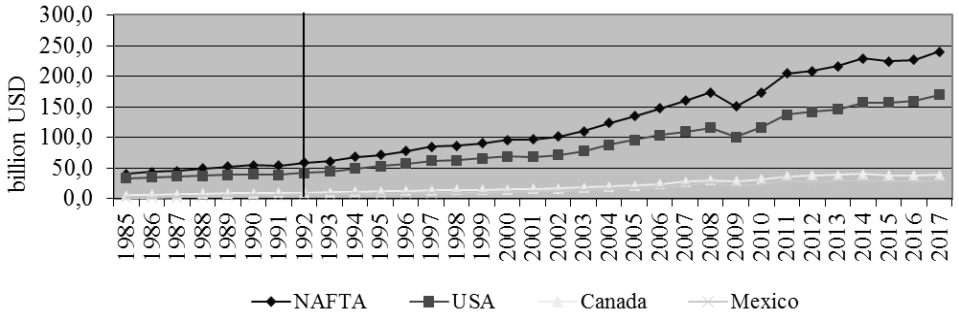
Share of the USA, Canada and Mexico in total imports, percent

Year	USA	Canada	Mexico
1985	77,9	17,8	4,2
1992	74,1	17,3	8,6
2000	74,8	14,5	10,7
2018	73,4	13,2	13,4

Note: calculated by the author using the data of World Trade Organization (n.d.).

Figure 9

Imports of agricultural products by NAFTA and by individual member countries, billion dollars



Note: calculated and created by the author using the data of World Trade Organization (n.d.).

Figure 9 shows that US agricultural imports, as well as total imports and exports, significantly exceed Canadian and Mexican imports, which have also increased, especially the latter.

Thus, from 1985 to 2017, imports of the United States increased by 5.2 (from $32.9 billion to $169.7 billion); Canada's imports have grown 6.7 times (from $5.8 billion to $39.1 billion); and Mexican imports skyrocketed by 16.3 times (from $1.8 billion to $29.2 billion), although the absolute volumes of the latter still remain the smallest in the group. The corresponding changes from 1992 (after the conclusion of the agreement) to 2017 are 4.0 times for the USA, 4.1 times for Canada and 4.2 times for Mexico, respectively.

This additionally means that the gap between NAFTA members is growing smaller. If in 1985 the imports of the USA and Canada exceeded the Mexican ones by 18.3 and 3.2 times, respectively, in 1992 the difference was only 6.0 and 1.4 times, and in 2017 it shrunk to 5.8 and 1,3 times respectively.

At the same time, the increase in imports of agricultural products in Mexico in 2017 compared to 1985 exceeded the United States and Canada by 3.1 and 2.4 times, almost the same changes when comparing 2017 to 1992, 1993, 1994 and 2000 (Table 7). A greater difference was observed in comparison with 1985 – 1991 and 1990.

Evidently, the share of imports of US agricultural products is also much higher than the volumes of its partner countries (Fig. 10).

Table 7

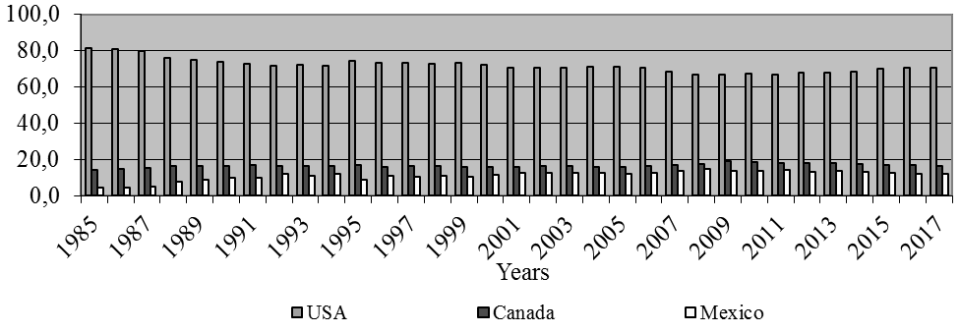
Comparison of changes in imports of NAFTA and individual member countries, times

Compared years	NAFTA	USA	Canada	Mexico	The ratio of changes in Mexican imports to changes in imports of	
					USA	Mexico
2017 to 1985.	5,9	5,2	6,7	16,3	3,1	2,4
2017 to 1992	4,1	4,0	4,1	4,2	1,0	1,0
2017 to 1993	3,9	3,8	3,8	4,3	1,1	1,1
2017 to 1994	3,5	3,5	3,5	3,5	1,0	1,0
2017 to 2000	2,5	2,5	2,6	2,7	1,1	1,0
1991 to 1985	1,3	1,2	1,6	2,9	2,5	1,9
1990 to 1985	1,3	1,2	1,6	3,0	2,5	1,9

Note: calculated by the author using the data of World Trade Organization (n.d.).

Figure 10

Share of imports from the United States, Canada and Mexico in total imports of agricultural products during 1985-2017



Note: calculated and created by the author using the data of World Trade Organization (n.d.).

We can also observe that Mexico has reduced the lag of its imports compared to its partners, for example in 1985 the Mexican share of import was 18.3 times smaller than the American one and 3.2 times smaller than the Canadian ones, but in 1990 the same ratios were 7.4 and 1.7, in 1992 – 6 and 1.4, in 1995 – 8.5 and 1.9, in 2000 – 6.3 and 1.4, and finally in 2017 the ratio to Ameri-

can imports was 5.8 and to Canadian imports – 1.3 (Table 8). Thus, we see a significant increase in the share of Mexico, which, as comparison shows, has begun even before the conclusion of the Agreement.

Table 8

Share of the United States, Canada and Mexico in total imports of agricultural products

Year	USA, %	Canada, %	Mexico, %	USA to Mexico, times	Canada to Mexico, times
1985	81,2	14,3	4,4	18,3	3,2
1990	73,5	16,6	9,9	7,4	1,7
1992	71,7	16,3	12,0	6,0	1,4
1993	72,2	16,6	11,2	6,5	1,5
1994	71,4	16,4	12,2	5,9	1,3
1995	74,2	17,0	8,8	8,5	1,9
2000	72,2	16,0	11,5	6,3	1,4
2017	70,8	16,3	12,2	5,8	1,3

Note: calculated by the author using the data of World Trade Organization (n.d.).

Thus, the analysis shows that both total trade and trade in agricultural goods have a number of common trends, namely: increase in NAFTA exports; increase in the exports of each individual member state; increase in NAFTA imports; increase in imports of each individual member country; the largest share is accounted for by US exports and imports; Canada's share in both exports and imports is declining; Mexico's share in total exports and imports is growing.

It is worth considering the resulting indicators of the international trade development of NAFTA and its separate member countries. Thus, in 2018, compared to 1992, the foreign trade turnover (FTT) of NAFTA, and in particular the United States, Canada and Mexico increased from 1376.2 billion dollars, (1002.1, 263.7, and 110.4 billion dollars accordingly) to $6124.4 billion, (4278.4, 918.8, $927.1 billion) 2018, that is 4.5 times (4.3, 3.5, and 8.4 times respectively). Therefore, Mexico has shown the most significant increase, which is admittedly true for the country even before integration in 1990, the growth rate when compared to 1985 was 1.6 times for NAFTA, 1.6 times for the USA, 1.5 times for Canada, and 1.8 times for Mexico. That is, although the increase in FTT before and after integration is greatest for Mexico, in the first case the growth of Mexico was greater than that of the United States by 1.1 times and in the second it was almost 2 times (Tables 9, 10).

Table 9

Change in the foreign trade turnover of NAFTA, in particular the United States, Canada and Mexico (all products), times

Compared years	NAFTA	USA	Canada	Mexico
2018 to 1985	7,8	7,5	5,4	20,2
2018 to 1992	4,5	4,3	3,5	8,4
2018 to 1993	4,2	4,0	3,2	7,8
2018 to 1994	3,7	3,6	2,9	6,5
2018 to 2000	2,1	2,1	1,8	2,7
1991 to 1985	1,6	1,6	1,5	2,1
1990 to 1985	1,6	1,6	1,5	1,8

Note: calculated by the author using the data of World Trade Organization (n.d.).

Table 10

Resulting indicators of international trade development of NAFTA countries

Year	Export/import coverage ratio				FTT			
	NAFTA	USA	Canada	Mexico	NAFTA	USA	Canada	Mexico
1985	74,4	62,1	112,8	140,0	788,7	571,3	171,6	45,9
1990	82,2	76,1	103,6	93,5	1245,7	910,6	250,9	84,3
1992	84,1	80,9	104,0	71,9	1376,2	1002,1	263,7	110,4
1993	81,7	77,0	104,4	76,8	1471,9	1068,2	284,2	119,4
1994	79,8	74,4	106,6	74,3	1665,2	1201,8	320,4	142,9
1995	84,5	75,9	114,1	106,9	1870,2	1355,6	360,6	154,0
2000	72,8	62,1	113,0	92,7	2908,5	2041,2	521,4	345,8
2010	73,2	64,9	96,2	96,2	4646,4	3247,7	790,2	608,5
2011	73,9	65,4	97,3	96,8	5374,1	3748,5	915,0	710,6
2012	74,3	66,2	95,7	97,4	5565,4	3882,2	931,9	751,2
2013	75,7	67,8	96,3	97,2	5613,7	3908,7	934,1	771,0
2014	75,6	67,2	100,4	96,4	5792,3	4033,1	950,7	808,5
2015	72,8	64,9	95,5	93,9	5443,1	3817,9	839,4	785,8
2016	72,4	64,5	94,4	94,1	5275,9	3701,2	803,2	771,5
2017	72,4	64,2	95,2	94,7	5659,3	3954,7	863,0	841,6
2018	72,0	63,7	95,9	94,5	6124,4	4278,4	918,8	927,1

Note: calculated by the author using the data of World Trade Organization (n.d.).

Given the significant volumes of NAFTA exports and imports, and of each member country, it should be noted that during 1985-2018, i.e. before and after the conclusion of the Agreement, the group's balance was negative, ranging from -995.4 (2018) to – 93.3 (1991) billion dollars, with the indicator worsening after 1997. For the United States, this figure is also consistently less than zero – the minimum value was -950, 2, and the maximum -86.6 billion dollars, a significant decrease is typical after 1997. However, the situation is slightly different for Canada and Mexico, in particular the balance of the former was positive until 2009 and the maximum value was 38.1 billion dollars (2005), but it later became negative (excepting 2014 – $1.9 billion), although the minimum amount was registered at -23.1 billion dollars in 2016. In Mexico, exports exceeded imports in 1985-1988, 1995 and 1996, and in all other years the situation was opposite; the minimum and maximum values of the indicator were -27.0 (2008) and 7.9 (1987) billion dollars, respectively. That is, the trade balance of NAFTA, and especially the United States, during this period was constantly passive, Mexican and, with the exception of a few years, Canadian balance was active, but since 2009 the situation has changed.

Researchers note that the absolute size of the balance allows only to rank countries, and because of their different economic and export potentials, it is inappropriate to compare the size of their balance, so they suggest using the ratio of export/import coverage:

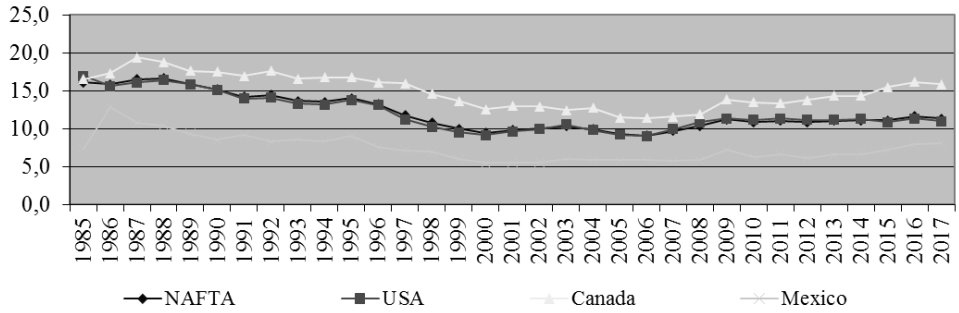
$$I_{i/e} = \frac{E}{I} * 100\% \quad (1)$$

If the ratio exceeds 100, the trade balance has a positive balance and vice versa (Tsyhankova et al., 2003). The ratio of import coverage by exports for NAFTA was in the range of 64.6% – 86.4 % during 1985-2018. This indicator was 52.0% – 83.0% for the United States in the same time period, i.e. the trade balance was negative. Canada's ratio fluctuated between 94.4% and 115.1%, while the marginal values for Mexico were 71.9% and 140.1%. The highest values of the indicator are typical for Mexico, but most often they exceeded 100% for Canada, as the trade balance was positive until 2009 and in 2014. The calculations are given in part in Table 10. Incidentally, the proportion of agricultural products in total exports of NAFTA, the US, Canada and Mexico in 2017 amounted to 11.4%, 11.0%, 15.8%, and 8.1% respectively, so the largest share was observed in Canadian exports. During 1985-2017 it varied between 9.1-16.6% (NAFTA countries together), 9.0-16.9% (USA), 11.4-19.4% (Canada), and 5.5-12.8% (Mexico).

The indicators of the USA decreased most noticeably during these years, which was caused by an increase in exports of industrial products (Fig. 11).

Figure 11

Share of agro-industrial products in total exports of NAFTA, USA, Canada and Mexico in 1985-2017, %



Note: calculated and created by the author using the data of World Trade Organization (n.d.).

It should be noted that in 2017, compared to 1992, the share of agricultural exports in total exports decreased both as a whole for NAFTA and for each member state (the ratio was 0.79; 0.78; 0.9 and 0.98), a similar situation can be observed when comparing to 1994. However, in 1992 compared to 1985 there was an increase in both Canadian and Mexican values (respectively 1.07 and 1.12), but in 2017 compared to 1985 the increase was only observed for the latter (Table 11).

Table 11

Ratio of the share of agro-industrial products to total exports of NAFTA. USA, Canada and Mexico for individual years

Compared years	NAFTA	USA	Canada	Mexico
2017 to 1992	0,79	0,78	0,90	0,98
2017 to 1994	0,84	0,84	0,95	0,97
2017 to 1985	0,71	0,65	0,96	1,10
1992 to 1985	0,90	0,83	1,07	1,12

Note: calculated by the author using the data of World Trade Organization (n.d.).

In summary, the share of agricultural products in total exports of NAFTA and the United States slightly decreased, as did Canada's share, though to a lesser extent, but Mexican agricultural products have seen an increase. Nevertheless, in general fluctuations in this indicator are insignificant.

In 2017, the foreign trade turnover in agricultural products of NAFTA, the USA, Canada and Mexico increased by 3.4, 3.2, 3.2 and 5.7 times compared to 1992, meaning that the greatest increase was observed in Mexico (Table 12). This trend has started prior to integration in 1990 as evidenced by the indicators since 1985, however, the indicators and differences between them were much smaller – respectively 1.5, 1.4, 1.5 and 2.3 times. The biggest difference can be seen when comparing 2017 and 1985 – 5.4, 4.9, 5.1 and 16.5 times. It should be noted that the volume of FTT (Table 13) of Mexico was much smaller than the American and Canadian values both in 1985, 2017 and throughout the intervening time.

Table 12

Change of foreign trade turnover in agricultural products of NAFTA, USA, Canada and Mexico

	NAFTA	USA	Canada	Mexico
2017 to 1985	5,4	4,9	5,1	16,5
2017 to 1992	3,4	3,2	3,2	5,7
2017 to 1993	3,4	3,2	3,1	5,5
2017 to 1994	3,0	2,9	2,7	4,7
2017 to 2000	2,4	2,4	2,1	3,1
1991 to 1985	1,5	1,4	1,5	2,4
1990 to 1985.	1,5	1,4	1,5	2,3

Note: calculated by the author using the data of World Trade Organization (n.d.).

Canada's FTT exceeded Mexico's indicator 5.5 times in 1985, 3.1 times in 1992, and less than twice (1.7 times) in 2017.

The calculation of indicators of international trade in agricultural products showed slightly different results than calculation of the corresponding indicators for all goods (Table 13).

Table 13

Resulting development indicators of international trade in agricultural products of NAFTA countries

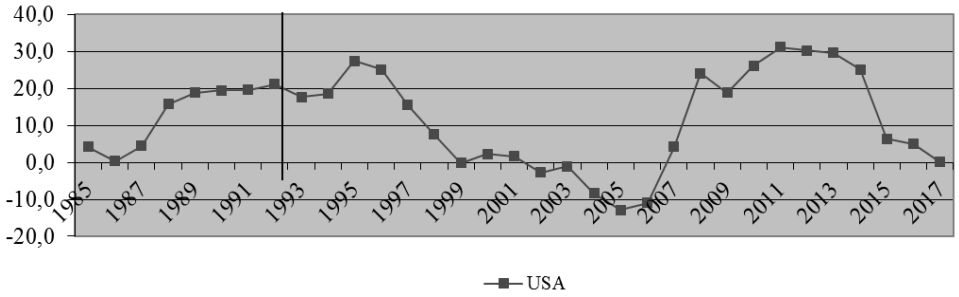
Years	Balance, billion USD				Export/import coverage ratio,%				FTT, billion USD			
	NAFTA	USA	Canada	Mexico	NAFTA	USA	Canada	Mexico	NAFTA	USA	Canada	Mexico
1985	13,6	4,2	9,2	0,2	133,5	112,7	258,6	109,9	94,5	69,9	20,8	3,8
1990	30,9	19,4	13,3	-1,9	156,8	148,6	248,0	64,5	139,6	99,4	31,3	8,8
1991	30,5	19,6	12,3	-1,4	156,8	150,0	233,6	73,5	137,8	97,9	30,7	9,2
1992	32,0	21,1	14,1	-3,2	154,6	150,1	247,6	54,7	149,2	105,1	33,3	10,9
1993	29,1	17,6	13,9	-2,4	147,6	139,8	236,6	65,1	151,5	106,0	34,2	11,3
1994	31,8	18,6	16,5	-3,2	146,7	138,2	247,3	61,1	168,3	116,1	38,9	13,4
1995	48,3	27,4	20,0	0,9	167,5	151,6	264,0	114,6	191,5	133,6	44,4	13,5
2000	19,6	2,3	19,5	-1,9	120,5	103,3	227,8	82,8	211,0	140,5	50,1	20,1
2005	2,0	-12,9	19,8	-3,9	101,5	86,6	192,2	76,3	271,4	178,7	62,6	29,0
2010	40,0	26,1	20,2	-4,7	123,0	122,4	163,1	79,8	387,0	259,0	84,1	42,3
2011	46,6	31,1	23,7	-6,3	122,8	122,7	165,0	78,5	456,1	305,4	96,6	52,2
2012	49,0	30,2	25,0	-4,3	123,5	121,3	165,8	84,0	466,5	314,0	100,8	49,8
2013	50,2	29,6	26,9	-4,1	123,2	120,2	169,4	85,9	482,3	321,9	104,4	54,3
2014	47,8	25,1	28,0	-3,7	120,9	116,0	169,8	87,8	505,9	339,2	108,3	56,4
2015	29,9	6,3	25,3	-0,3	113,3	104,0	166,2	99,0	478,5	319,9	101,7	55,0
2016	30,7	5,0	25,4	1,8	113,5	103,1	167,2	106,6	483,6	323,6	100,8	57,2
2017	30,0	0,1	27,6	3,9	112,5	100,0	170,5	113,4	509,5	339,6	105,7	62,4

Note: calculated by the author using the data of World Trade Organization (n.d.).

Thus, during 1985-2017, the balance of NAFTA was positive, in particular in the range of 2 billion USD (2005) and 50.2 billion USD (2013), in contrast to the values of the indicator of total trade. The US trade balance was also active (with the exception of 1999, 2002-2006, Fig. 12), although trade in all goods was passive for the same period. The balance varied from -12.9 billion USD (2005) to 31.1 billion USD (2011) and it is possible to distinguish distinct stages: from 1987 to 1995 – growth; from 1996 to 1999 – fall; from 2000 to 2001 – insignificant growth; from 2002 to 2006 – significant decline (the balance became negative); from 2007 to 2011 – growth; from 2012 to 2017 – reduction.

Figure 12

US trade balance in agricultural products during 1985-2017

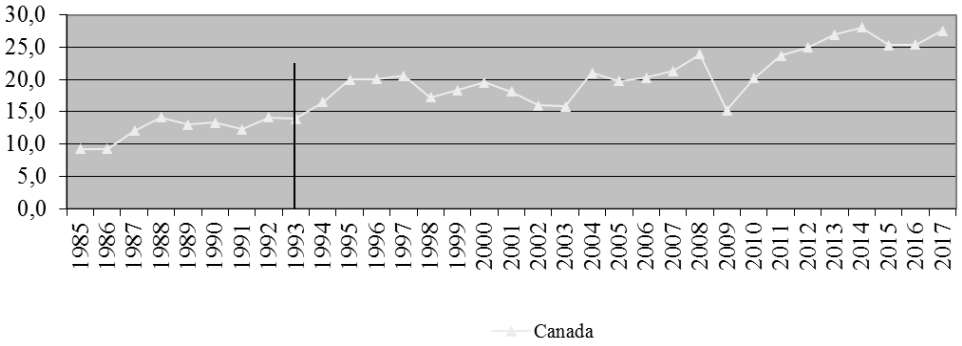


Note: calculated and created by the author using the data of World Trade Organization (n.d.).

During this period (1985-2017), Canadian trade balance was constantly active, the balance fluctuated between 9.2 billion USD (1985) and 28.0 billion USD (2014). Moreover, the overall trend was towards growth, despite reductions in some years (Fig. 13).

Figure 13

Canada's trade balance in agricultural products during 1985-2017

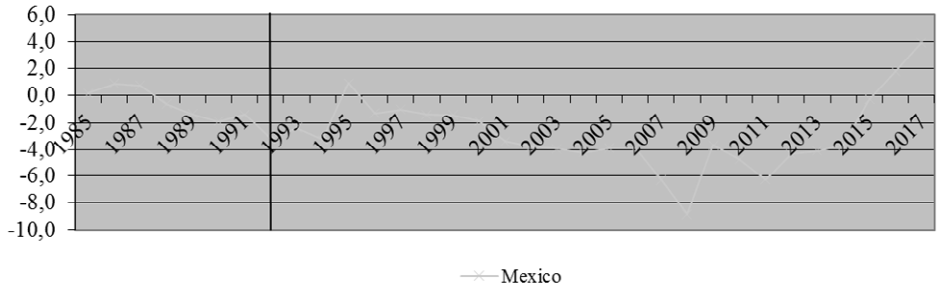


Note: calculated and created by the author using the data of World Trade Organization (n.d.).

Mexico imported more agricultural products than it exported, the balance was positive only in 1985-1987 and 1995 and did not exceed 0.9 billion dollars, however, in 2016 and 2017 it amounted to 1.8 and 3.9 billion. In 2008, the indicator had the lowest value of -8.8 billion dollars (Fig. 14).

Figure 14

Mexico's trade balance in agricultural products during 1985-2017



Note: calculated and created by the author using the data of World Trade Organization (n.d.).

Thus, among NAFTA countries, the trade balance in agricultural products was passive mainly in Mexico. Regarding the ratio of import coverage by exports, the minimum values were 101.5 (NAFTA), 86.0 (USA), 153.6 (Canada) and 54.7 (Mexico), while the maximum values were 167.5 (NAFTA), 151.6 (USA), 278.6 (Canada), and 145.8 (Mexico). Therefore, there was a constant surplus and the ratio of import coverage by exports was the highest for Canada, although the grouping index also consistently exceeded 100% during this period.

It is known that while NAFTA is one of the largest trading partners in the world market, intra-regional trade is quite important for the member countries of the group. For example, from 2000 to 2016, the share of US exports to the group ranged from 31.6 to 36.8% (Table 14), which is almost half the Canadian and Mexican values, which were 74.7-88.1% and 80.7-90.3% respectively. Although compared to 2000, the share of the United States, Canada and Mexico decreased by 2.6, 9.9 and 6.5% respectively, exports increased 1.7, 1.3 and 2.1 times.

Table 14

Exports of all goods and the share of NAFTA member countries in the group

Year	US exports, billion USD	Share of US exports, %	Canadian exports, billion USD	Share of Canadian exports, %	Mexican exports, billion USD	Share of Mexican exports, %
2000	288,1	36,8	241,7	87,4	150,2	90,3
2005	331,5	36,8	305,0	84,6	188,1	87,8
2010	412,9	32,3	294,3	75,9	249,5	83,6
2011	479,5	32,3	337,3	74,7	285,4	81,6
2012	508,4	32,9	343,7	75,4	299,1	80,7
2013	526,8	33,3	351,3	76,7	309,9	81,5
2014	552,6	34,1	370,1	77,7	329,4	83,0
2015	516,3	34,4	318,8	77,8	319,8	84,0
2016	496,9	34,2	302,3	77,5	313,4	83,8
2016 to 2000	1,7	0,9	1,3	0,9	2,1	0,9
Min	265,2	31,6	221,6	74,7	139,6	80,7
Max	552,6	36,8	370,1	88,1	329,4	90,3

Note: calculated by the author using the data of World Trade Organization (n.d.).

The table shows that about 80% of Canadian exports and more than 80% of Mexican exports go to the group. Moreover, Canada mainly sells to the United States, the lowest share of exports was 73.5%, and the largest in 2000 and 2001 – 87.4%, while the share of selling to Mexico did not exceed 1.5% (2016).

The situation is similar with Mexico, which mainly exports products to the United States, with the smallest share being 77.7% (in 2012) and the largest – almost 89% (88.6%, 2004). The corresponding figures for trade with Canada are 1.5% and 3.6% (Table 15). From 2000 to 2016, US exports to Canada increased one and a half times, to Mexico – more than doubled; export from Canada to the United States has grown 1.2 times, and to Mexico – 3.2 times; Mexican exports to the United States have increased 2.1 times and have grown almost three times (2.9) to Canada. Thus, the largest increase in trade of the United States and Canada was in the direction of Mexico, while the latter most increased exports to Canada. It is worth noting the following: first, the volume of trade between the United States and Canada was much higher, and second, these countries had integrated even earlier; third, the development of trade with Mexico was influenced by the conclusion of a Free Trade Agreement. Thus, the maximum share of Mexican exports to Canada was 3.6% (and a minimum of 1.5%), but in

2016 compared to 2000, exports to the latter increased almost threefold (2.9 times) from 3.6 billion dollars to $10.4 billion. In turn, the share of US exports to Canada did not exceed 23.5% in 2000-2016, but was not less than 18.3%. It is worth noting that Mexico is also a significant market for the United States, which accounted for from 11.8% (2008) to almost 16% (2016) of US exports during this period.

Table 15

Volumes and share of exports (total products) between NAFTA member countries in 2000-2016

Year	US export			Excess of US exports to Canada over exports to Mexico	Canadian export			Excess of Canadian exports to the USA over exports to Mexico	Mexican export			Excess of Mexican exports to the USA over exports to Canada
	% to Canada		% to Mexico		% to USA		% to Mexico		% to USA		% to Canada	
2000	22,6		14,3	1,6	87,4		–		88,1		2,2	40,9
2005	23,5		13,3	1,8	83,8		0,8	108,6	85,8		2,0	43,4
2010	19,5		12,8	1,5	74,7		1,3	59,5	80,1		3,6	22,4
2011	19,0		13,4	1,4	73,5		1,2	60,0	78,6		3,1	25,7
2012	18,9		14,0	1,4	74,2		1,2	62,7	77,7		2,9	26,4
2013	19,0		14,3	1,3	75,5		1,2	65,6	78,8		2,7	28,8
2014	19,3		14,8	1,3	76,6		1,1	71,4	80,3		2,7	29,7
2015	18,7		15,7	1,2	76,5		1,3	60,3	81,3		2,8	29,3
2016	18,3		15,9	1,2	76,0		1,5	51,5	81,0		2,8	29,1
2016 до 2000*	0,8		1,1	0,7	0,9				0,9		1,3	0,7

Note: calculated by the author using the data of World Trade Organization (n.d.).
Note*: for Canada, the ratio of 2016 to 2001

Although trade is conducted mainly in the US-Canada and US-Mexico destinations, if in 2000 US exports to Canada were 1.6 times higher than to Mexico, in 2016 it was only 1.2 times. The difference between Canadian exports to the US and to Mexico has reduced even more significantly – from 127.7 times in 2001 to 51.5 times in 2016. Same phenomenon on a smaller scale was observed for Mexican exports, which were directed to the USA 40.9 times more often than to Canada in 2000, but the same figure for 2016 was only 29.1. That is, the above shows a certain reduction in the difference in exports between the member countries of the group, although it continues to be quite significant.

Thus, the analysis shows that in the group: the largest trade flows are between the United States and Canada, as well as the United States and Mexico; the difference in trade between the leading country and other partner countries is reducing, although it remains significant.

Under the new Agreement, the most significant changes were made to the rules of trade in cars, as well as parts of their production, mainly at the expense of Mexico; the system for resolving trade and investment disputes has also been changed (Komkova, 2019). This also indicates a certain impact, challenges and possible changes in trade. Incidentally, from 2000 to 2017, exports of agricultural products from the United States to Mexico increased (from 7.7 to 20.8 billion dollars) 2.7 times, and its share increased from 10.8 to 13.3%, i.e. has not changed significantly. At the same time, the share of exports from Mexico to the United States is much higher and for the last 10 years was not lower than 73.9% (2012), and in 2015 reached even 78%. That is, Mexico mainly exports goods (agricultural and total goods) to the United States, and from 2007 to 2017 it more than doubled (2.1 times) its volumes from 12.1 to 25.6 billion dollars. Thus, in trade in agricultural products between the leading country and the country with the lowest level of economic development, exports are observed in both directions, the countries are important markets for each other (especially the United States for Mexico), and the volume of exports is growing.

It is worth noting that the tariff restrictions in NAFTA were lifted before the beginning of 2008, but this did not apply to flour, sugar, eggs and dairy products. Customs duties, export taxes, export and import restrictions were also eliminated (Bezrukova & Dzhurka, 2018). Additionally, according to USMCA, Canada has agreed to partially open the milk market for US imports (at 3.59% of Canada's domestic market) and eliminate the 7th, lower, «ingredient» class of milk from processing into cheeses and yogurts (initially introduced in early 2017). Moreover, Canada has pledged to gradually increase duty-free import quotas for chickens, turkeys and eggs from the United States, with the latter increasing import quotas for dairy and sugar products from Canada (Komkova, 2019). This confirms the importance of the agricultural sector in this group, as well as its significant protection by member countries. However, M. Lyzun (2020) aptly noted that economic integration is becoming perhaps the most important process that contributes to the sustainable development of the world's leading and developing countries. At the same time, the role of regionally integrated territories is growing,

i.e. those that meet both the criterion of concentration of more intensive economic relations between states and the criterion of institutional coordination on the basis of long-term common norms.

Furthermore, the USA, Canada and Mexico have also concluded regional trade agreements with countries outside NAFTA (WTO, n.d.). In particular, the USA has signed agreements with Israel, Australia, Peru, Korea, etc., Canada – with Chile, Israel, Peru, EFTA, EU, Ukraine, Korea, etc., Mexico – with Chile, Brazil, Argentina, the EU, and others. It should be noted that the EU is one of the main exporters and importers for these three countries, but trade within the group remains much more important, especially for Canada and Mexico with the United States.

Conclusions

Although NAFTA is one of the most developed integration groups, a new USMCA Agreement was signed between its member countries in 2018, which contains some differences from the previous one. Therefore, over time, new problems and challenges arise even in developed associations, which require new rules and regulations.

The group is a significant supplier on the world market, and the exports of all its member countries increased in 2018, but the most significant volumes are typical for the United States; Mexico's exports grew the most, but were smaller. While trade liberalization between the United States and Canada had begun earlier, the benefits for countries with the lowest levels of economic development in North-South integration are undeniably evident.

Given the importance of the agricultural sector, it should be noted that the United States accounts for the bulk of agricultural exports, with Canada and Mexico having smaller shares. Mexico's share of the group's total exports and imports is growing both in terms of all goods and agricultural exports. The trade balance of NAFTA and, in particular, the United States in all commodities was constantly negative, while Canada and Mexico experienced some years with a positive balance. The largest values of the export/import coverage ratio were observed for Mexico.

The share of agricultural products in the group's total exports was 11.4%, and it was the highest for Canada – almost 16%, but the figure decreased compared to 1992. In contrast to trade in all commodities, the agricultural trade balance during 1985-2017 was active for NAFTA and Canada, as well as for the United States excepting a few years, but for Mexico the opposite was true, as the balance was positive only in some years. It should be noted that intra-regional trade is important for each of the member states, for example, for the United States it exceeded one third of total trade turnover, and for Canada and Mexico – 74.7% and 80.7%, respectively. The main trade flows are mainly in the directions

of USA-Canada and USA-Mexico, and although the difference in volumes in the presented directions has begun to decrease in comparison with Canada-Mexico, it nevertheless remains significant. In addition, there has been an increase in trade in agricultural products between the United States and Mexico. Thus, the group is important for each member state, trade between them is growing, and special attention is paid to its intensification and new requirements and needs.

There may be fears that Canada's increasing access to US agricultural products will reduce the prospects for increasing Ukrainian exports to this country, but the access is partial, and tariff quotas for agri-food products have been set for Ukraine, so the focus should be on improving the quality of domestic goods. On the other hand, there is a greater prospect for Ukrainian products to enter the American market, provided the requirements for the quality, degree of processing, and a number of other factors are met.

When concluding free trade agreements in the future, Ukraine may also emulate certain provisions of UMSCA, in particular, clauses typical for modern challenges – e-commerce, protection of intellectual property; special attention should be paid to trade policy on agri-food products, the right to work in partner countries, minimum wage.

References

Bessonova, M. (2019). The peculiarities of the integration interaction of the North American countries in the framework of free trade agreements NAFTA and NAFTA 2.0 [in Ukrainian]. *Zaporizhzhia Historical Review*, *1*(53), 189-194. https://doi.org/10.26661/zhv-2019-1-53-39

Bezrukova, N. V., & Dzhurka, N. V. (2018). Economic relations of NAFTA member states: Evaluation of the cooperation results [in Ukrainian]. *Efektyvna ekonomika*, *12*, 1-10. https://doi.org/10.32702/2307-2105-2018.12.79

Condon, B. J. (2018). From NAFTA to USMCA: Two's company, three's a crowd. *Latin American Journal of Trade Policy*, *1*(2), 30-48.

Darkina, A. V. (2010). Integration within the framework of NAFTA: the dynamics of the development of unification processes in the 1990s-2000s (economic content) [in Russian]. *Regionalnyye issledovaniya*, *2*. https://sites.google.com/site/regionalnyeissledovanija/arhiv/vyp-2/a-v-darkina-integracia-v-ramkah-nafta

Fatullayeva, A. (2009). The role of nafta in world globalization processes [in Ukrainian]. *Naukovyi visnyk UzhNU Politolohiia. Sotsiolohiia. Filosofiia*, *12*, 188-191. https://dspace.uzhnu.edu.ua/jspui/handle/lib/10347

Gantz, D. A. (2016). Introduction to US Free Trade Agreements. *British Journal of American Legal Studies*, *5*(2), 299-314.

Government of Canada. (n.d.). *North American Free Trade Agreement (NAFTA)*. https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/nafta-alena/fta-ale/index.aspx?lang=eng

International Trade Administration. (n.d.). *United States-Mexico-Canada Agreement*. US Department of Commerce. https://www.trade.gov/usmca

Komar, N. (2016). Features of the formation of a free trade zone in North America [in Ukrainian]. *The Herald of Ternopil National Economic University*, *1*, 110-117.

Komkova, E. (2019). USMCA instead of NAFTA [in Russian]. *Mirovaya ekonomika i mezhdunarodnye otnosheniya*, *63*(4), 50-58. https://doi.org/10.20542/0131-2227-2019-63-4-50-58

Kostyunina, G. M. (2015). North American Integration after 20 Years [in Russian]. *MGIMO Review of International Relations*, *2*(41), 231-241.

Liventsev, N. N. (Ed.). (2006). *International economic integration: Textbook* [in Russian]. Ekonomist.

Lyzun, M. (2020). Development trends of regional economic integration: Methodological aspect. *Journal of European Economy*, *19*(1), 82-98. https://doi.org/10.35774/jee2020.01.082

Tsyhankova, T. M., Petrashko, L. P., & Kalchenko, T. V. (2003). International trade: Textbook [in Ukrainian]. KNEU.

Vagapova, D. F. (2011). NAFTA: Impact of integration on the competitiveness of member countries [in Russian]. *Russian Foreign Economic Journal*, *10*, 94-108.

Villareal, M., & Fergusson, I. F. (2017). *The North American Free Trade Agreement (NAFTA)*. Congressional Research service.

Vishnyakov, V. M. (2009). *Development strategy of international economic integration processes in Ukraine: Monograph* [in Russian]. Feniks.

Wayne, E. A. (2018, January 30). *'The Economic Relationship Between the United States, Canada, and Mexico': Earl Anthony Wayne Testifies before the U.S. Senate Committee on Foreign Relations*. Wilson Center. https://www.wilsoncenter.org/article/the-economic-relationship-between-the-united-states-canada-and-mexico-earl-anthony-wayne

World Trade Organization. (n.d.). *International trade and Market Access Data* [Data set]. https://www.wto.org/english/res_e/statis_e/

WTO. (n.d.). *Regional Trade Agreements*. http://rtais.wto.org/UI/ PublicMaintainRTAHome.aspx

Received: June 1, 2020.
1st edit: June 14, 2020.
Accepted: September 23, 2020.