



Faculty of Legal Sciences

School of International Studies

Effects of the Evolution of the North American Free Trade Agreement to the Agreement between Mexico, the United States and Canada on Exports of Tariff Heading 8703: Passenger Cars and Other Vehicles, from Mexico to the United States and Canada

Project prior to obtaining a Bachelor's Degree in International Studies

Author:

Danna Micaela Vizcaíno Cabrera

Advisor:

Antonio Fabián Torres Dávila

Cuenca – Ecuador

2026

With great consideration, I dedicate this work to my parents Edison and Ximena, for all their love, for always giving me their support and being that unconditional and fundamental pillar in my life. Thank you for each of your sacrifices, for believing in me at all times and for motivating me to keep going.

To my siblings and family, for giving me their support, company and their words of encouragement, which were fundamental, throughout this process.

Finally, I dedicate this work to myself, for the perseverance and effort, demonstrated every step of the way. For having overcome all doubts and difficulties, for not giving up and achieving this great achievement.

ACKNOWLEDGEMENTS

I wish to express my deepest gratitude mainly to my parents, for all their effort, dedication and sacrifices, which have allowed me to get this far and be who I am, this achievement is the reflection of all their love and perseverance.

To my siblings and family, for all their love, patience, understanding and for having accompanied me at all times.

To my friends and all the people I was able to meet throughout this process, thank you for all the laughter and sadness shared, thank you for all the memories, for reminding me that I was not alone and for making this path easier.

To my teachers, for sharing their knowledge and guidance, for motivating me to grow both academically and personally.

To all of them, my most sincere thanks.

Table of Contents

ACKNOWLEDGEMENTS	ii
Table of Contents	iii
List of Figures, Tables and Appendices	iv
List of Figures.....	iv
List of Tables.....	iv
List of Appendices.....	iv
ABSTRACT	v
RESUMEN.....	vi
1. Introduction	1
1.1 Motivation of the Research:	1
1.2 General Objective	1
1.3 Specific Objectives	1
2. Theoretical Framework.....	2
2.1 Concept of International Trade.....	2
2.2 Theories of International Trade	2
2.3 Importance of Trade Agreements in Foreign Trade	3
2.4 Impact of Trade Agreements	4
2.5 Concept and Levels of Economic Integration	4
2.6 Background to Economic Integration between Mexico, the United States and Canada	6
2.7 NAFTA.....	8
2.8 Effects of NAFTA	9
2.9 Objectives and Main Features	9
3. State of the Art.....	10
3.1 The Automotive Sector in Mexico, before NAFTA.....	10
3.2 The Automotive Sector Under NAFTA	11
3.3 The USMCA.....	12
3.4. Structural Differences between NAFTA and USMCA	12
3.5 NAFTA Renegotiation Process	13
3.6 The Automotive Sector Under the USMCA.....	14
3.7. Relevant Changes Introduced by the USMCA.....	16
3.8. Implications of the USMCA for the Region's Foreign Trade.....	17
3.9 Quantitative Analysis	20
3.10 Qualitative Analysis	22
5. Results	23
6. Discussion.....	38
7. Conclusions	40
8. References	43
9. Appendices	46

List of Figures, Tables and Appendices

List of Figures

Figure 1 Research Flow	20
Figure 2 Database	23
Figure 3 Econometric Model Test	26
Figure 4 Exports of Heading 8703, from Mexico to the U.S. and Canada, in FOB Values, in Billions, from 1993 to 2024.....	31
Figure 5 Exports of Heading 8703, from Mexico to the U.S. and Canada, in FOB Values, in Billions, from 1993 to 1994.....	33
Figure 6 Exports of Heading 8703, from Mexico to the U.S. and Canada, in FOB Values, in Billions, from 1995 to 2000.....	35
Figure 7 Exports of Heading 8703, from Mexico to the U.S. and Canada, in FOB Values, in Billions, from 2020 to 2024.....	37

List of Tables

Table 1 Regression Statistics Summary	24
Table 2 Analysis of Variance	25

List of Appendices

Appendix A Annex 300 - A Trade and Investment in the Automotive Sector NAFTA	46
Appendix B Chapter 4 USMCA Rules of Origin	46
Appendix C North American Free Trade Agreement (NAFTA)	46
Appendix D United States-Mexico-Canada Agreement (USMCA).....	46
Appendix E Statistical Analysis	46

Effects of the Evolution of the North American Free Trade Agreement to the Agreement between Mexico, the United States and Canada on exports of tariff heading 8703: "Passenger cars and other vehicles", from Mexico to the United States and Canada

ABSTRACT

This research analyzes the effects of the evolution of the North American Free Trade Agreement to the Agreement between Mexico, the United States and Canada, on exports of tariff heading 8703 of the Harmonized System: "Passenger cars and other vehicles", from Mexico to the United States and Canada. It focuses on understanding the institutional and regulatory changes resulting from the transition of both trade agreements and how this has influenced the development of Mexico's automotive sector and North America's foreign trade. The objectives of the research are to examine the main regulatory and structural changes introduced by the USMCA in comparison to NAFTA, to analyze the foreign trade statistics of the automotive sector in North America under the USMCA and to define the relationship between the changes of the agreement and their effects on the automotive sector, using a mixed methodology. with both a qualitative and quantitative approach, applying the least squares, multiple and linear regression estimation method. The results of the research showed that trade agreements had a positive influence on exports of goods under tariff heading 8703 of vehicles from Mexico to the United States and Canada. It is concluded that the USMCA has changed the dynamics of exports and encourages production with greater regional content and better working conditions, this in turn influences the strategies of the Mexican automotive sector in the North American market.

Key words: Automotive Sector, Economic Integration, Foreign Trade, North America, Protectionism, Regional Cooperation.

Efectos de la Evolución del Tratado de Libre Comercio de América del Norte al Tratado entre México, Estados Unidos y Canadá en las exportaciones de la partida arancelaria 8703: “Automóviles de turismo y demás vehículos”, desde México a Estados Unidos y Canadá

RESUMEN

La presente investigación analiza los efectos de la evolución del Tratado de Libre Comercio de América del Norte al Tratado entre México, Estados Unidos y Canadá, en las exportaciones de la partida arancelaria del Sistema Armonizado 8703: “Automóviles de turismo y demás vehículos”, desde México a Estados Unidos y Canadá. Se centra en entender los cambios institucionales y normativos como resultado de la transición de ambos tratados comerciales y cómo esto ha influido en el desarrollo del sector automotriz de México y en el comercio exterior de América del Norte. Los objetivos de la investigación son, examinar los principales cambios normativos y estructurales introducidos por el T-MEC en comparación con el TLCAN, analizar las estadísticas de comercio exterior del sector automotriz en Norteamérica bajo el T-MEC y definir la relación entre los cambios del acuerdo y sus efectos en el sector automotriz, usando una metodología mixta, con enfoque tanto cualitativa como cuantitativa, aplicando el método de estimación por regresión de mínimos cuadrados, múltiple y lineal. Los resultados de la investigación mostraron que los tratados comerciales influyeron positivamente en las exportaciones de las mercancías de la partida arancelaria 8703 de vehículos desde México a Estados Unidos y Canadá. Se concluye que el T-MEC a cambiado la dinámica de las exportaciones e incentiva la producción con mayor contenido regional y mejores condiciones laborales, esto a su vez influye en las estrategias del sector automotriz mexicano en el mercado norteamericano.

Palabras clave: América Del Norte, Comercio Exterior, Cooperación Regional, Integración Económica, Proteccionismo, Sector Automotriz.