

Obama says this is not the time to reopen NAFTA

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WASHINGTON (Reuters) - President Barack Obama said on Friday that given the weakened state of the U.S., Mexican and Canadian economies, this is not the time to reopen the NAFTA treaty for negotiations.

Ahead of a summit in Guadalajara, Mexico, with Mexican President Felipe Calderon and Canadian Prime Minister Stephen Harper, Obama said it was important to stabilize each country's economy.

Obama as a presidential candidate last year expressed a desire to reopen the North American Free Trade Agreement to include enforceable labor and environmental standards in the pact.

Speaking to Hispanic reporters, Obama said he still believed side agreements on labor and environmental protections should be incorporated into the core of the agreement.

"But I will be honest with you: at a time when the economy has been shrinking drastically and trade has been shrinking around the world, at a time when Mexico has suffered a double-digit blow because not only of a declining economy but because of the effects of H1N1 on tourism, we probably want to make the economy more stabilized in the coming months before we have a long discussion around further trade negotiations."

Obama, who departs on Sunday for Mexico for talks Sunday night and Monday, said his top priority at the moment is to make sure the economies of all three nations are strong.

"In terms of refining some of our agreements, that is not where everyone's focus is right now because we are in the middle of a very difficult economic situation," Obama said, while adding that he was still interested in learning where the treaty can be improved.