

USMCA at the 2026 Review

What North Carolina Businesses Should Know

June 2026

Executive Summary

North Carolina exported a record \$43.8 billion in goods in 2025, with Canada and Mexico ranking among the Old North State's most important markets. Canada was North Carolina's largest export market at \$8.6 billion, while Mexico ranked third at \$5.3 billion. This trade supported as many as 142,000 jobs in 2023, with manufactured exports accounting for roughly 93 percent of that total. Chemicals lead the state's manufacturing export sectors at \$17.7 billion, and the broader export base spans machinery, transportation equipment, life sciences, agriculture, and advanced manufacturing. That profile makes the United States-Mexico-Canada Agreement (USMCA) review on July 1, 2026, a critical business matter as much as a policy one.¹

The USMCA can be extended for another 16 years if all three countries confirm in writing that they want the agreement to continue. If one country does not confirm extension, annual joint reviews begin and continue for the remainder of the agreement's original term through 2036.² That structure creates two competing considerations for business and policymakers. Annual reviews may preserve leverage for unresolved issues, including sector-specific concerns around import pressure, rules of origin, market access, and enforcement. They also create a recurring political deadline that can weigh on investment, sourcing, freight planning, and long-term customer commitments. President Trump's June 10 comments that he is "not looking to renew" the agreement make that annual-review path more than a theoretical possibility.³ The comments do not end USMCA or determine the outcome of the review, but they make clear that extension, annual review, and pressure for negotiated changes are all real possibilities.⁴

For the North Carolina business community, the immediate task is to understand what is at stake and what may happen next. The state has deep commercial and diplomatic relationships with Canada and Mexico, a manufacturing base tied to North American production, agricultural sectors exposed to cross-border access issues, and logistics assets that depend on predictable freight flows. No agreement is perfect, and USMCA will likely continue to draw pressure for changes. The question facing North Carolina business is how to evaluate the tradeoffs between stability, leverage, and targeted improvement as the review process unfolds.

North Carolina's Trade Exposure

North Carolina's exposure to USMCA is not limited to one industry. It runs through manufacturing, agriculture, logistics, and the supplier base that supports them. In 2025, the state exported a record \$43.8 billion in goods, of which \$41.5 billion was manufactured output. Canada absorbed \$8.6 billion of those exports, making it North Carolina's single largest destination market. Mexico took in \$5.3 billion. Together, these two markets accounted for roughly 32 percent of the state's goods exports and, through supply-chain connections, shaped production and investment decisions well beyond the direct shipment volumes.⁵

¹ USTR. "North Carolina." United States Trade Representative, 2026, <https://ustr.gov/map/state-benefits/nc>.

² United States. 19 U.S.C. § 4611. "Participation in Joint Reviews with Canada and Mexico Regarding Extension of the Term of the USMCA and Other Action Regarding the USMCA." Office of the Law Revision Counsel, <https://uscode.house.gov/view.xhtml?edition=prelim&num=0&req=granuleid%3AUSC-prelim-title19-section4611>

³ Stevis-Gridneff, Matina, Ana Swanson, and Tony Romm. "Trump Says He May Not Renew Canada-Mexico Trade Deal." The New York Times, June 10, 2026. <https://www.nytimes.com/2026/06/10/world/canada/trump-canada-mexico-trade-deal-usmca.html>

⁴ USTR. "Agreement between the United States of America, the United Mexican States, and Canada 7/1/20 Text." United States Trade Representative, 2020, https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/34_Final_Provisions.pdf;

⁵ USTR. "North Carolina." United States Trade Representative, 2026, <https://ustr.gov/map/state-benefits/nc>.



Export breakdown analysis shows where the state’s broader trade exposure is concentrated. Chemicals including pharmaceuticals, resins, plastics, and other industrial chemicals lead North Carolina’s manufacturing export categories at \$17.7 billion, followed by machinery at \$3.9 billion, transportation equipment at \$3.4 billion, computer and electronic products at \$2.3 billion, and electrical equipment and appliances at \$2.2 billion. Agricultural exports added \$4.5 billion in 2024, with tobacco, pork, broilers, and soybeans among the leading categories.⁶ Each of these sectors participates in North American supply and production networks where cross-border flows are routine. When trade rules are predictable, businesses can plan, price, and invest accordingly. When rules become uncertain, the effects show up in sourcing decisions, customer commitments, inventory policy, and capital budgets, often before any formal tariff change takes effect.



The state’s exporter population is as meaningful as aggregate dollar figures. In 2023, 10,986 companies exported from North Carolina locations, including 9,542 small or medium-sized businesses. Those small and medium-sized businesses accounted for 87 percent of the state’s exporters and more than 22 percent of its goods exports.⁷ Large multinationals can spread compliance, legal, and customs costs across many facilities and markets. Smaller exporters work with narrower margins, less administrative capacity, and more concentrated customer relationships. For those companies, stable landed costs and predictable border treatment can determine whether export relationships in Canada and Mexico remain commercially viable.

Foreign direct investment reinforces the picture. Foreign-controlled companies employed 347,000 workers in North Carolina in 2023. Investors deciding where to locate production in North America evaluate trade policy alongside workforce quality, infrastructure, utilities, sites, and operating costs. A stable USMCA framework helps North Carolina compete on what it already has: a strong manufacturing base, growing life sciences capacity, port and logistics assets, and access to major North American customers. A framework subject to annual political review changes that calculation in ways that are difficult to predict and nearly impossible to price into long-horizon capital plans.

Imports should be part of the same discussion. The national debate over USMCA is shaped in part by U.S. trade deficits with Canada and Mexico, and the administration has made those deficits a central part of its argument heading into the review. For North Carolina, however, imports are not simply a trade balance statistic. According to the U.S. Census Bureau, North Carolina imported roughly \$17 billion in goods from Mexico and more than \$8 billion from Canada in 2024, making the two countries among the state’s largest foreign suppliers.⁸ Import data can

⁶ Ibid.

⁷ Ibid.

⁸ U.S. Census Bureau. USA Trade Online. “State Imports by State of Destination: North Carolina Imports from Mexico and Canada, Annual 2024.” Accessed 15 June 2026. <https://usatrade.census.gov/>



be broken down by commodity category in much of the same way as exports, and doing so may help illustrate how deeply North Carolina's supply chains are tied to North American trade. Key import categories from our USMCA neighbors include transportation equipment, automotive parts, machinery, pharmaceuticals, medical products, plastics and chemicals, and ag products. These imports support production from advanced manufacturing and life sciences to food processing and retail distribution. They also include consumer products purchased by households across the state from North Carolina's array of box retailers. Sourcing from Mexico and Canada



helps North Carolina supply chain procurement in pricing and proximity.

For round-trip economics, the grail of port operations, NC Ports' infrastructure at Wilmington and Morehead City handle significant import volumes, containerized, bulk, breakbulk, and niche/project cargo. The lines that serve our two deep-

water ports make call decisions at the network level. Any consideration of the USMCA should consider how renewal or changes to the agreement might affect import dynamics for North Carolina.

How the USMCA Review Works

USMCA went into effect on July 1, 2020. Article 34.7 of the agreement requires a joint review on the sixth anniversary of entry into force. If all three parties confirm in writing that they want the agreement to continue, it extends automatically for a new 16-year term, with the next joint review following six years later. If one party does not confirm, annual joint reviews begin and continue for the remainder of the original term.⁹ The agreement does not disappear the next day, but its future becomes an annual negotiating question instead of a long-term operating assumption.

The formal review process is already moving forward with the office of U.S. Trade Representative's (USTR) Jamieson Greer stating in April that he would notify Congress of the administration's intentions to renew or not by June 1. Under 19 U.S.C. § 4611, the USTR must consult Congress and stakeholders before each joint review and "publish a Federal Register notice at least 270 days in advance, provide an opportunity for public comment and a hearing, and submit a report to Congress at least 180 days before the review date."¹⁰ If the 2026 review does not produce an extension, similar consultation and reporting obligations continue before later annual meetings. That process creates formal entry points for businesses, sectors, and states to raise concerns. Together, these requirements make the review less of a single-day event and more of a rolling process of formal notifications, stakeholder engagement, negotiating positions, and sector-specific pressure.

Recent public statements show just how quickly things are developing. In early June 2026, Mexico publicly backed a 16-year extension. Canadian officials pressed for renewal as well, warning that

⁹ USTR. "Agreement between the United States of America, the United Mexican States, and Canada 7/1/20 Text." United States Trade Representative, 2020, https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/34_Final_Provisions.pdf; US. 19 U.S.C. § 4611.

¹⁰ United States. 19 U.S.C. § 4611. "Participation in Joint Reviews with Canada and Mexico Regarding Extension of the Term of the USMCA and Other Action Regarding the USMCA." Office of the Law Revision Counsel.

<https://uscode.house.gov/view.xhtml?edition=prelim&num=0&req=granuleid%3AUSC-prelim-title19-section4611>



annual reviews could suppress investment across the region. President Trump’s June 10 comments signal the United States may not renew USMCA, citing trade deficits with Canada and Mexico and arguing that the United States has greater leverage than its North American partners.¹¹ At the same time, Reuters has reported that the United States is seeking tougher content requirements in North American vehicle production, suggesting that rules of origin, agriculture, and industrial sourcing may be central to any substantive negotiations.¹²

What Stability Provides

A stable North American trade framework has business value even when companies rarely describe it that way. Stability helps firms plan capital investment, manage supplier relationships, set prices, negotiate contracts, and decide where to place production. It also helps ports, railroads, trucking companies, warehouse operators, and air cargo providers plan capacity around trade flows that do not change direction every budget cycle.

North Carolina’s manufacturing base, particularly in chemicals and life sciences, depends on a functioning North American commercial framework in ways that headline export figures do not fully capture. Chemical inputs routinely cross borders multiple times before final processing and shipment. A stable rules-of-origin framework reduces the compliance burden at each stage, limits exposure to unexpected cost spikes, and allows procurement teams to make sourcing commitments with reasonable confidence about landed costs over a multi-year planning horizon. When that framework becomes uncertain, the disruption does not stay in the trade compliance department. It reaches plant utilization decisions, supplier negotiations, inventory strategy, and the pace of future capital investment.



Life sciences investment follows the same dynamic. Recent multibillion-dollar biomanufacturing commitments in the Research Triangle region show long-horizon investment decisions made on stable operating assumptions. Life sciences manufacturing projects require confidence that companies can source materials, move product reliably, and that the commercial rules aren’t

¹¹ Shepardson, David. “Trump Says US Might Not Renew North America Trade Deal.” Reuters, June 10, 2026. <https://www.reuters.com/world/trump-says-he-might-not-renew-usmca-2026-06-10/>

¹² Reuters. “Mexico Backs Extending USMCA Trade Pact for 16 Years.” Reuters, 2 June 2026, <https://www.reuters.com/world/mexico-backs-extending-usmca-trade-pact-16-years-2026-06-02/>; Reuters. “Canada Had a Positive Meeting with the US on Free Trade Talks, Canadian Minister Says.” Reuters, 2 June 2026, <https://www.reuters.com/business/canada-minister-responsible-us-trade-meet-with-ustrs-greer>

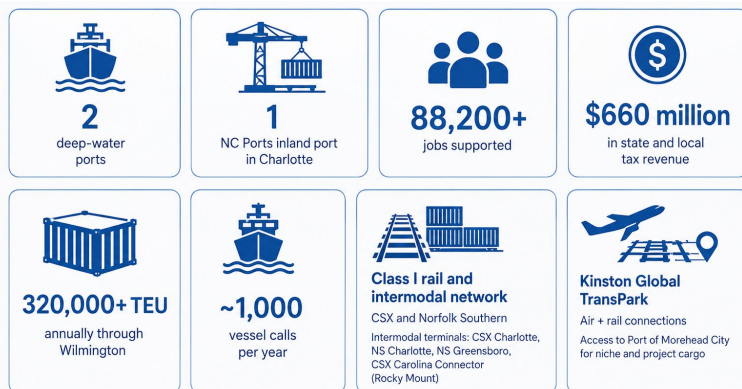


changing regularly. For North Carolina’s Research Triangle region and the statewide biomanufacturing base the USMCA is a competitiveness issue.¹³

Rules of origin are another example where USMCA raised regional-content requirements for passenger vehicles and light trucks from 62.5 percent under NAFTA to 75 percent and added labor-value requirements tied to higher-wage North American production facilities. North Carolina does not assemble passenger vehicles at scale, but its manufacturers supply nearly everything else that goes into them including machinery, electronics, plastics, chemicals, and precision components through regional automotive and industrial production systems in neighboring states. When North American content requirements are stable, North Carolina suppliers can identify which programs they are eligible to compete for and invest in the capacity to serve them.¹⁴ NC State University economist Dr. Michael Walden noted when USMCA was adopted that the state’s auto-parts supplier base was positioned to benefit from tighter regional-content rules. That logic extends to the broader industrial supplier community, including manufacturers whose end markets go well beyond the automotive sector.¹⁵

Agriculture also depends on stability. North Carolina’s ag exporters operate with thin margins and limited capacity to absorb sudden market disruptions. Major export categories, including tobacco, pork, broilers, and soybeans, move through markets where access problems can materialize quickly and hit farm and processing operations before firms have time to respond. Canada’s temporary import suspension in March 2025 from a North Carolina pork processing facility showed just how quickly a market access problem can become an operating problem.¹⁶ The situation was resolved, but the underlying exposure did not go away. Farmers do not have the luxury of waiting for a formal process to run its course. By the time a dispute mechanism produces an answer, the planting window has closed, or the processing contract has gone to a competitor.

North Carolina’s port and logistics network is part of the same story. NC Ports reports that port



activity supports more than 88,200 jobs and \$660 million in state and local tax revenue.¹⁷ The state’s system includes two deep-water ports, an inland port in Charlotte, connections to major interstate corridors, Class I rail access via CSX and Norfolk Southern, more than 320,000 TEU moving annually through Wilmington, and roughly 1,000 vessel calls each

¹³ Reuters. “Roche’s Genentech More Than Doubles Investment in North Carolina Facility to about \$2 Billion.” Reuters, 20 Jan. 2026, <https://www.reuters.com/business/healthcare-pharmaceuticals/roches-genentech-more-than-doubles-investment-north-carolina-facility-about-2-2026-01-20/>.

¹⁴ USTR. “U.S. Automotive Sector Impact Analysis.” United States Trade Representative, 2019, <https://ustr.gov/sites/default/files/files/Press/Releases/USTR%20USMCA%20Autos%20White%20Paper.pdf>

¹⁵ Walden, Mike. “You Decide: Will the Trade Deals Benefit North Carolina?” Agricultural and Resource Economics, NC State University, 4 Feb. 2020, <https://cals.ncsu.edu/agricultural-and-resource-economics/news/you-decide-will-the-trade-deals-benefit-north-carolina/>.

¹⁶ Reuters. “Canada Resumes Imports from Biggest U.S. Pork Plant Run by Smithfield Foods.” Reuters, 14 Mar. 2025, <https://www.reuters.com/markets/commodities/canada-resumes-imports-biggest-us-pork-plant-run-by-smithfield-foods-2025-03-14/>

¹⁷ North Carolina Ports. “Economic Contribution.” North Carolina State Ports Authority, <https://ncports.com/about-the-ports/economic-development/>



year.¹⁸ The Queen City Express service provides a daily intermodal link between Wilmington and the Charlotte Inland Port, designed to reduce truck miles and shorten first and last-mile delivery times.¹⁹ In July 2025, NC Ports reported record intermodal volume despite global trade uncertainty.²⁰

That infrastructure is planned and financed on long cycles. Vessel schedules, shipper contracts, and service commitments all require freight predictability, and that depends in part on stable commercial rules governing what moves through terminals and across which borders. Annual uncertainty works against the planning horizon that port and logistics investment requires.

What Some Sectors May Want Changed

The review is not only about whether USMCA stays in place. Some industries are using the process to raise concerns about how the agreement operates, where enforcement may be falling short, and whether certain rules need to be changed. That is a normal part of a major trade review. USMCA replaced NAFTA in 2020 with updated provisions on digital trade, labor, intellectual property, customs, small business, rules of origin, and other areas. Six years later, sectors with different exposures are looking at the agreement through their own operating realities.

While many specialty crop producers support renewal of the USMCA, preserving tariff-free access to North American markets, they have also raised concern about import pressure and seasonal competition. Other challenges like labor cost competitiveness, food safety standards and production costs reinforce some of these imbalances. For some growers the review represents a chance to address these issues through policy changes.²¹ Part of the challenge here is also that specialty crop issues vary across commodity and region so there's no one-solution.

Recent U.S.-Mexico talks show that these sector concerns are already shaping the review. Reuters reported in June that agriculture and energy were central topics in the second round of discussions, including farm market access, genetically modified corn, ethanol access in Mexico, Canada's dairy market, and Mexico's treatment of foreign energy investment.²²

Automotive and supplier networks are another example as they are watching rules of origin. Existing USMCA rules require high regional content for passenger vehicles and light trucks, and recent reporting indicates that the United States has explored stricter rules, including a U.S.-specific minimum content requirement for cars and trucks built in Mexico.²³ For North Carolina suppliers, the details are key. Stronger North American sourcing requirements can create opportunities for domestic suppliers, but poorly designed or unstable rules can also add compliance complexity and disrupt supplier planning.

¹⁸ North Carolina Ports. "Fast Facts." North Carolina State Ports Authority, <https://ncports.com/about-the-ports/fast-facts/>

¹⁹ North Carolina Ports. "Queen City Express." North Carolina State Ports Authority, <https://ncports.com/rail-connectivity/queen-city-express/>

²⁰ North Carolina Ports. "North Carolina Ports Provides Fiscal Year 2025 Recap." North Carolina State Ports Authority, 22 July 2025, <https://ncports.com/about-the-ports/news/north-carolina-ports-provides-fiscal-year-2025-recap/>.

²¹ Agri-Pulse Newsmakers. "Undersecretary Brashears: NWS Isn't a Food Safety Risk; Puglia on USMCA." Agri-Pulse, 12 June 2026. <https://www.agri-pulse.com/media/videos/play/1315-agri-pulse-newsmakers-undersecretary-brashears-nws-isn-t-a-food-safety-risk-puglia-on-usmca>

²² Reuters. "US, Mexican Officials to Discuss Agriculture, Energy as Trump Casts Doubt on Trade Deal." Reuters, 16 June 2026.

<https://www.reuters.com/world/china/us-mexican-officials-discuss-agriculture-energy-trump-casts-doubt-trade-deal-2026-06-16/>

²³ Reuters. "US, Mexico Launch Formal Trade Talks, Haggles over Automotive Content Rules." Reuters, 28 May 2026.

<https://www.reuters.com/business/autos-transportation/us-mexico-launch-formal-trade-talks-haggles-over-automotive-content-rules-2026-05-28/>



Agriculture and food producers have their own concerns, including inspection issues, perishable product windows, sanitary and phytosanitary treatment, technical barriers to trade, regulatory differences, and the practical speed of dispute resolution. A recent joint letter from food and agricultural organizations across the United States, Canada, and Mexico urged the three governments to commit to renewal, arguing that USMCA supports integrated agricultural markets, science-based standards, and the movement of food across the continent.²⁴ That perspective sits alongside other producer concerns about import pressure, unfair competition, and the need for stronger remedies in particular sectors. Small exporters are watching a different set of issues, including customs treatment, documentation, digital trade rules, and the cost of compliance. These concerns do not all point in the same direction. Some industries may favor extension as quickly as possible. Others may see the review as a chance to press for targeted changes. Many will want both stability and a way to address specific friction points.

Canada, Mexico, and U.S. Interests

The review will not be shaped by North Carolina alone. Canada, Mexico, and the United States each enter the process with their own economic and political priorities. The outcome may depend less on any single state's preferred position and more on how the three countries decide to balance certainty, leverage, and the desire for changes.

Mexico has publicly supported a 16-year extension. That position is understandable. Mexico benefits from the certainty of North American market access and has a strong interest in preserving the investment platform that has grown around regional production.²⁵ At the same time, Mexico will be watching any U.S. attempt to tighten automotive rules, adjust content requirements, or change the balance of obligations in ways that affect Mexican production.

Canada has also pressed for renewal and has warned about the investment consequences of annual reviews. Canada's concern is similar to North Carolina's in that recurring uncertainty affects capital decisions even if the agreement technically remains in force.²⁶ Canadian officials also have their own interests around autos, energy, agriculture, dairy, softwood lumber, digital trade, and dispute settlement. The U.S. relationship with Canada is not identical to the U.S. relationship with Mexico, and those differences may matter as negotiations unfold.

The United States may use the review to seek changes on rules of origin, industrial sourcing, agriculture, labor, trade deficits, customs enforcement, or economic security. President Trump's June 10 comments that he is "not looking to renew" USMCA make clear that the United States may be willing to use the review deadline as leverage rather than treating extension as the default outcome. Recent reporting on U.S.-Mexico talks over automotive content rules shows how quickly a review can move from extension mechanics into real industrial policy. For North Carolina, that means the review should be understood as both a stability question and a policy negotiation that could affect suppliers, exporters, producers, and logistics networks across the state.²⁷

²⁴ Ramírez-Santos, Hernando. "North American Food Groups Sound Alarm on USMCA Renewal." *Abasto*, 3 June 2026.

<https://abasto.com/en/news/north-american-food-groups-sound-alarm-on-usmca-renewal/>

²⁵ *Mexico Business News*. "Mexico Gains Leverage Ahead of 2026 USMCA Review." <https://mexicobusiness.news/automotive/news/mexico-gains-leverage-ahead-2026-usmca-review>

²⁶ Marroquín Bitar, Diego, Christopher Hernandez-Roy, and Earl Anthony Wayne. "USMCA Review 2026: Pathways, Risks, and Strategic Considerations for North America's Economic Future." Center for Strategic and International Studies, 18 August 2025. <https://www.csis.org/analysis/usmca-review-2026>

²⁷ Reuters. "Trump Says US Might Not Renew North America Trade Deal." Reuters, 10 June 2026, <https://www.reuters.com/world/trump-says-he-might-not-renew-usmca-2026-06-10/>; Reuters. "US, Mexico Launch Formal Trade Talks, Haggles over Automotive Content Rules." Reuters, 28



Annual Reviews: Leverage or Risk?

The annual review path has two sides. It could create leverage by keeping pressure on unresolved concerns and giving the United States, Canada, or Mexico repeated opportunities to press for changes. For sectors that believe current rules are not working, that leverage may be attractive. Specialty crop producers, automotive suppliers, and other affected industries may see continuing review as a way to keep their issues from being buried for another six years.



Uncertainty can change business behavior even while the agreement is active. Companies making decisions about sourcing, capital investment, contracts, and site selection don't want the region's trade framework opened each year to change. Companies can delay investment, relocate production, and demand higher contingency pricing, but over time, annual reviews become a yearly headache for businesses and supply chain planning.

The practical question is whether the value of annual leverage outweighs the cost of recurring uncertainty. For some unresolved issues, continued pressure may be useful. For North Carolina's broader business climate, annual review would add another variable to decisions that already include tariffs, energy demand, workforce availability, permitting timelines, freight costs, and site readiness. That is the tradeoff businesses and policymakers need to understand before treating annual review as either a useful negotiating tool or an unacceptable risk.

What North Carolina Should Watch

North Carolina should watch first whether the agreement is extended or moves into annual review. President Trump's June 10 comments made that choice more visible and less theoretical. A full extension would give businesses the clearest long-term operating environment. Annual reviews would keep the agreement alive while making its future a recurring policy question. We find ourselves somewhere between those straits.

The state should also watch whether agriculture and specialty crop concerns receive serious attention. The specialty crop letter shows that some producers see the review as a vehicle for addressing import pressure, seasonal competition, and regulatory cost differences. North Carolina has agricultural interests that depend on both stable export channels and fair treatment for domestic producers.

 Potential Value	 Potential Risk
<ul style="list-style-type: none">● Keeps pressure on unresolved concerns● Creates recurring opportunities for sector input● May support targeted changes on rules of origin, agriculture, enforcement, or market access	<ul style="list-style-type: none">● Adds annual uncertainty● Complicates capital planning● Affects sourcing, contracts, pricing, and site decisions● Makes the North American framework harder to treat as a long-term operating assumption

May 2026, <https://www.reuters.com/business/autos-transportation/us-mexico-launch-formal-trade-talks-haggle-over-automotive-content-rules-2026-05-28/>.



Rules of origin deserve close attention because they can affect supplier networks even in states that don't host final assembly.²⁸ North Carolina's industrial base includes companies that make components, materials, machinery, and specialized products tied to regional assembly activities. Changes to North American content requirements could create new opportunities, new compliance burdens, or both.

Canada and Mexico may also seek changes that affect Old North State exporters. Even where the state's main concern is U.S. access to those markets, others will bring their own priorities. Any changes that affect customs treatment, agricultural market access, regulatory cooperation, digital trade, or rules of origin could flow back into North Carolina business decisions.

Finally, North Carolina should watch whether uncertainty begins to show up in investment behavior. The signal may not be a company publicly blaming USMCA. It may be delayed capital spending, more cautious supplier commitments, added contingency language in contracts, or a slower pace of cross-border customer development. Those are the ways trade uncertainty often becomes real for business before it becomes visible in headline statistics.

Conclusion

The July 1, 2026, USMCA review is no longer a distant procedural checkpoint. It is an active North American trade negotiation with direct implications for North Carolina's competitiveness. North Carolina has strong commercial relationships with Canada and Mexico, a manufacturing and agriculture base tied to North American commerce, small and mid-sized exporters that depend on predictable rules, and logistics assets that work best when freight flows can be planned with confidence.

The review may produce a long-term extension. It may also move the agreement into annual review, giving leverage on unresolved issues while adding uncertainty for companies that make long-horizon decisions. Some sectors may press for changes, and some may prioritize stability. Both dynamics are real, and both relevant to North Carolina.

The best immediate step is to understand the process, recognize the tradeoffs, and watch closely as the review determines whether USMCA enters a period of long-term stability or recurring annual negotiation. North Carolina has the data, the business exposure, and the supply chain interests needed to understand the stakes. What happens next will shape the state's relationships with Canada, Mexico, and the North American production networks that connect them.

²⁸ Reinsch, William Alan, Madeleine Waddoups, Nadir Tekarli, and Jack Caporal. "The Impact of Rules of Origin on Supply Chains: USMCA's Auto Rules as a Case Study." Center for Strategic and International Studies, 4 April 2019. <https://www.csis.org/analysis/impact-rules-origin-supply-chains-usmcas-auto-rules-case-study>



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