Press Release

How The USMCA Affects Digital Trade

ANDREW EVANS | OCTOBER 24, 2018

The proposed replacement for NAFTA, the United States-Mexico-Canada Trade Agreement (USMCA), includes provisions governing digital trade. Specifically, the agreement requires the unrestricted flow of digital information between countries. As AAF's Director of Technology and Innovation Policy explains, this provision could create a conflict with Europe's new privacy law, which restricts the flow of information to countries without similar privacy policies.

An excerpt:

> *Regardless of the reason for them, data localization efforts [such as Europe's] are costly. Researchers Martina Ferracane and Erik van der Marcel recently estimated that "if countries lifted their restrictions on the cross-border flow of data, the imports of services would rise on average by five percent across all countries." … Other provisions within the USMCA will get more attention, but the digital trade section of the agreement highlights how regional regulations can impact an international trade platform such as the Internet.*

Read more here.