

Repercussions of the global economic crisis caused by the Covid-19 pandemic on economic blocs – The new NAFTA as a model

تداعيات الأزمة الاقتصادية العالمية التي سببتها جائحة كوفيد-19 على التكتلات الاقتصادية – اتفاقية نافتا الجديدة أمودجا

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Abstract:

This study seeks to clarify the repercussions of the global economic crisis caused by the Covid-19 pandemic on economic blocs, using the New North American Free Trade Agreement, i.e. NAFTA New, as a model, and this economic bloc includes the United States of America, Canada, and Mexico. It was first established on January 1, 1994, to be resurrected in a new format under the name of the new NAFTA, although there were other designations that the study mentioned in some detail.

After presenting an economic evaluation of the impact of this agreement on member states in light of the Covid pandemic, the study was concluded by highlighting the effects of the economic crisis of the Covid pandemic on each member state, and how the bloc contributed to reducing it.

Key words: Economic crisis; Economic blocs; The new NAFTA; COVID-19.

ملخص:

تسعى هذه الدراسة إلى توضيح تداعيات الأزمة الاقتصادية العالمية التي سببها جائحة كوفيد-19 على الكتل الاقتصادية، باستخدام اتفاقية التجارة الحرة لأمريكا الشمالية الجديدة، أي NAFTA

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الجديدة، كنموذج، وهذه الكتلة الاقتصادية تشمل الولايات المتحدة الأمريكية، وكندا، والمكسيك. تم تأسيسها لأول مرة في 1 يناير 1994، ليتم إحيائها في شكل جديد تحت اسم نافتا الجديدة. ومع ذلك، كانت هناك تسميات أخرى ذكرتها الدراسة بشيء من التفصيل. وبعد تقديم تقييم اقتصادي لتأثير هذه الاتفاقية على الدول الأعضاء في ضوء جائحة كوفيد، اختتمت الدراسة بإبراز آثار الأزمة الاقتصادية لوباء كوفيد على كل دولة عضو وكيف ساهم التكتل في الحد منها.

الكلمات المفتاحية: الأزمة الاقتصادية؛ التكتلات الاقتصادية؛ النافتا الجديدة؛ كوفيد-19.

Introduction:

The victorious Allies in World War II sought to lay the foundations for a new international order that would serve their interests. The most important pillars of this new world order were the establishment of many political and economic institutions. If the most important political institutions for this new system were the United Nations and the International Court of Justice, then the most prominent economic institutions were creating two institutions, the World Bank and the International Monetary Fund. At the global trade level, a global trade system was established by the advanced industrial countries known as the General Agreement on Tariffs, GATT. In return for this, the developing countries resorted to calling for forming a corresponding organization, the United Nations Conference on Trade and Development, known as UNCTAD.

The world economy has gradually become more open. The total international trade value has grown rapidly, as the General Agreement on Trade and Tariffs (GATT). Then the World Trade Organization (WTO) played an important role in opening up the global economy. They worked to break many trade barriers and expand the volume of trade exchange in the world. In practice, many countries of the world, whether developed or developing,

signed the Qat Agreement before, or today they are a member of the World Trade Organization. . Indeed, many countries of the world have established economic blocs in which many obstacles and barriers to the movement of goods, goods, and individuals have been lifted, such as the European Union on the eastern bank of the Atlantic, and as a reaction to this bloc appeared the North American Free Trade Agreement bloc, i.e., NAFTA, on the West Bank of the Atlantic, and includes each of the states USA, Canada, and Mexico. However, this agreement was replaced on November 30, 2018 by a new agreement called NAFTA 2.0, or the new NAFTA, or other designations that we will refer to when dealing with its definition, even if the new name NAFTA as stated in the title is the adopted in this study that seeks to discuss the importance of clusters Economic support and strengthening the economy of member states to be able to face various global economic crises, taking the current crisis resulting from the large spread of Covid 19, and the accompanying public health measures necessary to contain the spread of the virus, such as school closures, emergencies, physical distancing measures, and the imposition of closures in Some countries, due to a significant negative impact on the global economy, which brought to mind the specter of the Great Depression (1929-1933), and the last financial crisis 2008, although the current crisis differs in terms of causes, focusing our study on the New Nafta bloc as a model for the study, through an attempt The answer to the main question:

What are the implications of the current financial crisis resulting from the Covid-19 pandemic on the New NAFTA (US-Mexico-Canada Agreement)?

To answer this question, we believe that it is necessary at the outset to shed light on the concept and nature of economic blocs while providing models for these clusters as an entrance through which we enter the North American bloc that is the subject of this study, this bloc, which we will present the historical background of its establishment, and then we try to understand its concept and shed light According to its nature and objectives, as we refer to the most important difficulties and challenges surrounding it, and after we present an economic evaluation of the impact of this agreement on member states, we conclude this study by highlighting the effects of the financial crisis of the Covid pandemic on each of the member states, and how the bloc contributed to reducing it.

1- Economic Blocs:

Today, there are many economic blocs, although these blocs vary in size (the number of countries and the number of people) or terms of formulas and patterns. Among the most famous of these regional blocs is the economic bloc of the European continent, which is known as the European Union UE, and the Association of Nations Southeast Asia ASEAN, and the North American continent, which is known as the North American Free Trade Agreement, as well as many regional economic blocs spread across the world, but these three economic blocs are considered the most important globally due to the size of their impact on the global economy.

Despite the different nature of the relationships between the various economic blocs around the world, the terms of trade exchange between members, in general, are distinguished by being better than those prevailing with countries outside the bloc. In light of this global economic system, it has become necessary

to belong to a group that belongs to a group. To ensure that there are opportunities to develop the economy.

We will briefly touch on each of the European Union bloc and the ASEAN group, with a single independent component of the NAFTA bloc being the focus of this study.

1.1- The European Union Economic Community:

It consists of a group of European countries committed to pursuing economic unity and close political integration. The European Union developed from the economic cooperation that began between Western European countries in the early 1950s, but the real breakthrough for it in the way it is now was on January 1, 1993 AD, as the twelve European Community sought to expand cooperation fields to include the application of justice and internal affairs, in addition to adopting a unified foreign and security policy. Justice and Home Affairs are concerned with cooperation in areas such as law enforcement and immigration policies; Whereas, a unified foreign and security policy is concerned with military and other foreign policy matters. Areas of cooperation are considered as the pillars of the union. (*Le site web officiel de l'Union européenne*, 2011)

1.2-ASEAN EconomicCommunity:

The Association of Southeast Asian Nations was established on 08/08/1967 in Bangkok by five countries: Indonesia, Malaysia, the Philippines, Singapore, and Thailand. The Sultanate of Brunei joined AD on 01/01/8 1984, Vietnam on 07/28/1995, Laos and Myanmar on 07/23/1997, and Cambodia 1999.04.30 The Association occupies a total geographical area of 4.5 million square kilometers. With a total population of 558 million according to 2005 statistics, and a total GDP of 876 billion US dollars according to the same year 2005.

During the seventies and eighties, the five founding countries of the ASEAN achieved tremendous economic growth, described as a miracle. The ASEAN countries are among the world's largest exporters of at least five agricultural commodities, like Thailand and Vietnam export 60% of the world trade in rice. Indonesia, Malaysia, and Thailand exported more than 80% of the Global rubber trade in 1995, either the GDP of the ten countries is estimated at 737 billion dollars. This association knew a financial crisis that nearly plagued it at the end of the nineties of the last century (*The Official Website of the Association of Southeast Asian Nations*, 2011).

1.3-North America Free Trade Agreement:

The NAFTA agreement entered into force on January 1, 1994, after particularly arduous negotiations before the US Congress and the various issues of discussion that were raised at that time focused on political issues related to the sovereignty of the signatory countries, the protection of workers' rights, and issues related to the preservation of the environment, in addition to Discussing the economic effects of the agreement on the United States of America.

1.3.1- Historical background to the establishment of NAFTA:

The history of free trade in North America has a long history, especially between the United States and Canada. The Free Trade Agreement of the United States and Canada, known as CUSFTA, came as the culmination of those efforts. This agreement, i.e., the CUSFTA Agreement, led to the growth of trade exchanges between The two countries, where the rate exceeded the average growth rate in both countries, even if many sectors were excluded in this agreement (Secord, 2002, p.5). The

CUSFTA Agreement was signed in 1988 and entered into force on January 1, 1989(Azuelos, 2004, p.7).

The CUSFTA agreement's success was a reason for thinking about its expansion, as the United States of America absorbs about 80% of Canadian exports and provides them with imports by 65%, which represents 19% of the total US imports and 21% of its total exports. In light of the American economy's huge magnitude, the value of their exchanges on the North American continent is very significant, as it is estimated at 30% of all exports and 26% of all imports. (Secord, 2002, p.7).And it was CUSFTA that was the precursor to the birth of NAFTA(Secord, 2002, p.5) . It was signed by the American President (George Bush) (father), the Mexican President (Carlos Salinas), and the Canadian Prime Minister (Brian Mulroney). After its ratification by the parliaments of the three countries, it was signed. On its entry into force on January 1, 1994, it was signed by the United States President (Bill Clinton) (Azuelos, 2004, p.7).

Many external motives were behind the establishment of NAFTA, perhaps the most important of them being a reaction to both the European Union and the economic blocs in Asia, foremost of the ASEAN Union, and the concentration of trade around Japan or the so-called Asian tigers. NAFTA came during a period when the GATT treaty was very weak and the US was exposed to large waves of illegal immigration.

And although the opening of the Mexican economy is relatively recent that it has a great relationship with the United States, as more than 80% of Mexican exports go to the United States, while the United States provides Mexico with imports that represent 70% of all Mexican imports (Secord, 2002, p.5).

Historically, both Canada and Mexico have strong ties with the United States, but their relations with each other are characterized by being weak, and even under the NAFTA agreement, the growth of trade ties between them is very slight.

Generally speaking, the NAFTA agreement, which was launched on January 1, 1994, came to formalize, whether from a legal or realistic point of view, markets that had already begun to integrate between them (Secord, 2002, p.5).

1.3.2-Definition of NAFTA:

This agreement includes a package of agreed clauses, and the merger includes not only trade in goods but also the liberalization of the services sector and the regulation of investment, however, agricultural trade between Canada and the United States of America was not part of the NAFTA negotiations, despite the considerable size of this type of exchange, unlike for each of the United States of America and Mexico that are bound by a bilateral agreement related to agricultural products, many of the national sensitivities of the contracting countries have been included in the agreement, and each country has a timetable for reservations or exceptions related to the provisions of the various chapters, and the NAFTA treaty confirms the rights and obligations of each party. It transcends those related to the GATT, for example, the dispute resolution mechanisms stipulated in the NAFTA agreement have been given priority over those stipulated in the GAT agreement, and NAFTA is in many ways a three-sided hybrid model of the free trade agreement. The provisions of the NAFTA agreement had an immediate effect on both tariff and non-tariff barriers relating to trade. Although the bilateral agreements between the United States of America and Canada had removed many

customs barriers before NAFTA, the NAFTA agreement came to give greater impetus and mobility to the industry and services sector (Secord, 2002, p.5), and the NAFTA treaty includes more open texts (Secord, 2002, p.6).

Article 102 of the NAFTA agreement defined the objectives of this agreement as follows (Secord, 2002, p.32):

A- Removing barriers to trade and facilitating the cross-border movement of goods and services between the territories of member states.

B- Enhancing conditions for fair competition in the free trade zone.

C- Significant increase in investment opportunities in the territories of the States Parties.

D- Providing adequate and effective protection for intellectual property rights in the territories of all member states.

E- Establish effective procedures for the implementation and implementation of this agreement, for its joint administration and for the settlement of disputes.

F- Establishing a framework for more tripartite, regional and multilateral cooperation to expand and increase the benefits from this agreement.

The new NAFTA countries' population in 2020 reached 505,623,540 people, more than half a billion people. Canada has 38,190,321 million people (Canada's population clock, 2020), and Mexico has 136,773,949 million people (Countrymeters Mexico Population, 2020), while the United States has 330,659,270 million people (U.S. and World Population Clock, 2020). The three new NAFTA members' GDP in 2020 has reached more than 24.5 trillion; the United States' share alone is 21.4 trillion.

1.3.3-Challenges to NAFTA:

Among the challenges that the agreement faced is the disparity between the agreement countries, which are fundamentally different from each other in several aspects, and this difference is not only in terms of history, culture and language, but the most important difference between these countries is related to the nature of institutions, and the nature of the political and social system. For each country, as well as the trends of each country, some of these differences led to an unprecedented expansion of the scope of NAFTA discussions to include negotiations on both the environment and labor standards. Also, some issues related to social aspects such as health care financing and human rights were the subject of extensive discussion. The extreme disparity in terms of economic strength remains the biggest characteristic of NAFTA countries.

1.3.4-Assessing the impact of NAFTA on the economies of member states:

It is difficult to measure precisely the impact of NAFTA on the economies of member states, given the complications associated with determining the direct causal relationship between NAFTA implementation and economic transitions, and experts at the Peterson Institute for International Economics (Jeffrey J. Schott) and (Gary Clyde Hufbauer) have indicated In their book NAFTA Revisited: Achievements and Challenges, at the grassroots level, NAFTA's impact on North American companies is evident. NAFTA is designed to promote economic growth by stimulating competition in local markets and encouraging investment in light of domestic and foreign sources. And the two experts believe that this has actually been achieved, and they confirm that North American companies are now more

efficient and productive than they were before the agreement was established. In this section, we will attempt to trace the impact of NAFTA on the economies of member States (Teslik, n.d.).

1.3.4.1-Mexico:

Mexico's trade with its two partners in NAFTA has increased significantly since the birth of the agreement. For example, Mexico's exports to the United States and Canada more than doubled in the period 1993-2002. Mexico's trade with its two partners increased in the framework of the NAFTA agreement from 25% of its GDP in 1993 to 51% in 2000, and nearly 90% of Mexico's exports in 2002 went to its two partners in the NAFTA region. While its import from them exceeded 65%. The growth in the volume of Mexican exports for the period after the signing of the agreement is among the highest in the world, as it was the third for the period 1993-2002 after South Korea and Turkey. On the other hand, we find that Mexico's import rate is the highest compared to its two partners in the NAFTA region for the same period (Teslik, n.d.).

The industry sector is among the sectors that have witnessed a great recovery under the NAFTA agreement, which contributed to the acceleration of its development. The percentage of exported manufactures increased from 37% for the period preceding the agreement (1980-93) to more than 80% for the period 1994-2002 (Teslik, n.d.).

Despite these positive repercussions of the agreement on the Mexican economy, there are negative repercussions, including (Teslik, n.d.).

1- The NAFTA agreement did not help the Mexican economy to keep pace with the increasing demand for work. Although trade has witnessed unprecedented progress, and despite the

provision of foreign direct investment in jobs that reach about 500,000 jobs in the field of manufacturing between 1994 and 2002, the agricultural sector, which With over a fifth of the Mexican workforce, it lost 1.3 million jobs for the same period.

2- The wages of the majority of Mexicans today are lower than they were before the Nafta Agreement came into effect.

3- NAFTA was unable to stop the flow of poor Mexican immigrants seeking employment in the United States of America. The period following the signing of the agreement witnessed a dramatic increase in the number of immigrants towards the United States, despite unprecedented border control measures, and despite the most important reasons for the flow of immigrants to the United States Due to reasons unrelated to NAFTA, such as the peso crisis, and attractive job opportunities, what is taken from NAFTA is that it did not provide any treatment for this phenomenon.

In fact, the intensification of the wave of immigration from Mexico to the United States was predicted by the opponents of the establishment of NAFTA in the United States of America, who emphasized that the opening of the Mexican market and the lifting of protection for the agricultural sector in it would lead to the collapse of this sector, which includes a large proportion of workers in Mexico.

The preceding phase of the establishment of NAFTA in 1994 was marked by the fact that Mexico, which joined Qat in 1986 and pledged to implement a package of reforms to liberalize its trading system, the economy was in the final stages of stabilizing and reaping the fruits of the reform program that began in the late 1980s. This program was similar to those adopted in the 1990s, the most important characteristics of

controlling inflation, reviewing the exchange rate, and market opening procedures, especially in the financial sector. Still, the challenges of maintaining this program in Mexico have increased with time, and unwise policies have led to taxation. In addition to the excessive reliance on external loans to weaken the financial situation.

The NAFTA agreement came against the backdrop of Mexico's economic background, which was suffering from major macroeconomic imbalances, and the state's large financial shortfall resulted in the deficit in the face of strong domestic spending (Kose et al. 2004).

NAFTA has gradually removed barriers to trade and money flow in the region. Although NAFTA decided to create a package of tariff and non-tariff reductions, most tariffs and tariff barriers were gradually removed.

1.3.4.2-Canada: In 1998, the total trade trio between Canada, Mexico, and the United States increased to about 752 billion dollars. The share of trade exchange between Canada between its two partners in NAFTA was estimated at 484 billion dollars. Trade exchanges between Canada and each of the United States of America and Mexico experienced a great recovery after NAFTA's establishment. It rose by 80% with the United States and doubled with Mexico. Trade exchanges between Canada, especially the United States, witnessed a remarkable development in light of this agreement for which the Kasfta agreement was established., as 1988 refers to the previous phase of the signing of CASFTA. .

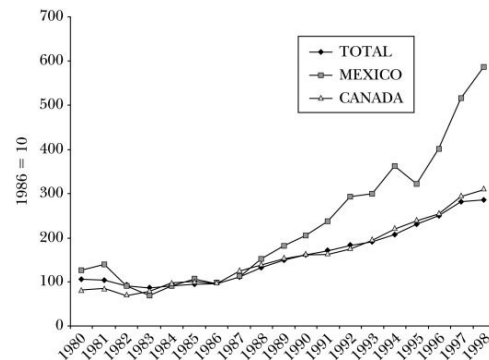
1.3.4.3-United States of America :The GDP of the United States of America experienced a slight decline in the period 1990-1991, but it grew steadily from 1992 and especially after

1994, in conjunction with the implementation of the NAFTA agreement, and the increase in the GDP contributed to an increase in the demand for imports from various regions of the world. The next phase of the implementation of the NAFTA agreement was marked by the recovery of the dollar against the rest of the currencies, especially the Asian countries, at the end of the nineties in light of the Asian currency crisis, which reflected positively on the growth of American imports, and encouraged trade reform at the level The global process of economic integration of the United States of America with its NAFTA partners, as well as the ratification of the Uruguay Agreement in 1994. All these factors contributed to the prosperity of US trade at the end of the nineties.

Figures 1 and 2 highlight the reality of the import and export operations of the United States of America, with Mexico and Canada.

The United States' trade with Mexico developed rapidly under the NAFTA agreement, although it had experienced a decline in the year 1995 due to the peso crisis. As for trade relations with Canada, the NAFTA agreement came as an extension of the Cassta agreement, which was established in 1989, so the pace of trade relations accelerated. Between Canada and the United States has been less acceleration than that of US-Mexico relations.

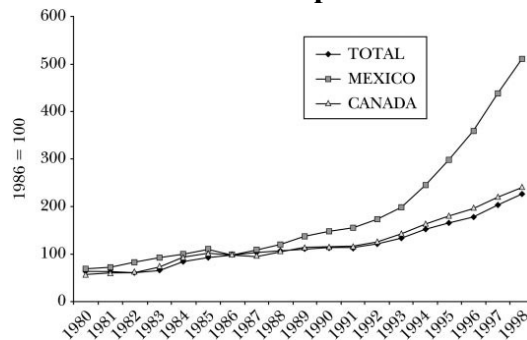
Fig 01 Graphical representation of the US export index for its NAFTA partners



Burfisher, M. E., et al, Op. Cit. ,, p128.

Fig 01 shows a noticeable increase in US exports to each of its NAFTA partners (Canada and Mexico). The vertical axis indicates the volume of trade exchange in billions of dollars. Exports have increased significantly, especially after 1994, the date of the entry into force of the NAFTA agreement; this graph shows a large increase in the volume of US exports to Mexico.

Fig 02 Graphic representation of the US import index for its NAFTA partners



Burfisher, M. E., et al, Op. Cit. ,, p129.

Fig 2 shows a noticeable increase in US imports from its NAFTA partners (Canada and Mexico), and the import curve shows a noticeable rise, especially after 1994, the date of the entry into force of NAFTA.

2-The Birth of the New NAFTA:

The New NAFTA is a trade agreement between the United States, Canada, and Mexico that came as a revision of the NAFTA that was established in the 1990s. . This agreement is called several names such as the new NAFTA, NAFTA 2.0, and USMCA for the Americans, which is an abbreviation for the US-Mexico and Canada agreement, unlike the Canadians who call it Canada, the United States, and Mexico agreement, i.e., CUSMA, so in this study, we prefer to use the name NAFTA New because it is more expressive of the meaning, from our point of view.

Signed on the sidelines of the G20 leaders 'summit in Buenos Aires in November 2018, the agreement preserves key elements of the three-member countries' long-term trade relationship. It includes new and updated provisions that seek to address trade issues in the twenty-first century and enhance opportunities for more than half One billion people representing the three countries' population. The agreement entered into force on July 01, 2020. (John, 2020).

3- The impact of the current global economic crisis caused by the COVID-19 pandemic on New NAFTA:

We knew the meaning of the economic bloc in general, and we touched on what is meant by NAFTA, then what is meant by NAFTA, and in this element, we try to shed light on the impact of the current economic crisis on the new NAFTA.

The impact of the current global economic crisis on member countries:

In this section, we will attempt to address the impact of the current economic crisis on Member countries of New NAFTA.

3.1-The impact of the current global economic crisis on Mexico:

Mexico has a population of 136,773,949 million and is among the 15 largest economies in the world and the second-largest in Latin America. The country has strong macroeconomic institutions and is open to trade. The COVID-19 pandemic is causing demand and supply shocks to the Mexican economy with profound impacts on businesses, employment, and households. The combination of a global recession (including reduced US production, Mexico's main trading partner), disruptions in global and domestic supply chains, measures to reduce contagion, financial turmoil, and an aversion to investment risks are likely to have a negative impact on key components of demand. Overall (The world Bank, 2020). All the previous factors have caused a major contraction in the Mexican economy for the year 2020

The COVID-19 pandemic has also caused total tourism consumption in Mexico to decrease by about 1.6 trillion MXN in 2020. According to the May 2020 forecast, spending on domestic tourism could drop 1.4 trillion MXN. In contrast, international tourism losses could reach 245 billion MXN, while the contribution of tourism to Mexico's GDP could drop to less than five percent in 2020. From 2010 to 2018, the tourism sector accounted for an average of 8.5 percent of Mexico's GDP.

3.2-The impact of the current global economic crisis on Canada:

Canada has a population of 38,190,321 million people, and the Canadian economy is the tenth-largest economy in the world and

the second-largest in North America by GDP. According to the International Monetary Fund, the country's GDP was about \$ 1.73 trillion in 2019, a growth of 1.5% in the fourth quarter of 2019 compared to the same quarter of 2018. By the end of March 2020, more than 8,500 cases of COVID-19 had been recorded, About 100 deaths were recorded in the country. Economically speaking, the epidemic caused a major disruption to every industrial sector's economic activities. TSX Composite Index, the benchmark Canadian index, is down more than 30% by March 16, 2020, compared to February 20, 2020(Statistics Canada, Covid 19, 2020)

As a result of the widespread measures taken to contain the spread of COVID-19, the Canadian economy contracted by 11.6% in April, after a 7.5% decline in March, and real GDP grew by 1.2% in August, the fourth consecutive monthly increase which continued to offset the largest decline. Absolutely the Canadian economic activity is observed in March and April. Nevertheless, overall economic activity remained about 5% below the pre-pandemic level in February. With the end of May 2020, many companies have begun to adapt to the new reality by switching to remote work, reducing working hours, laying off employees, and applying for the government. Financing or requesting an exemption from rent.

3.3-The impact of the current global economic crisis on United States:

The population of the United States of America is 330,659,270 million, which is only about 4.25% of the world's population, but nevertheless, we find that the death rate due to Covid 19 represents 20% of all Covid-19 deaths at the global level(Patton, 2020) . The epidemic has had a catastrophic impact

on the American economy, as the United States, which according to the International Monetary Fund alone represents nearly a quarter of the global output, as the United States' GDP is estimated at 21.4 trillion, compared to the global GDP of 87.2 trillion dollars (International Monetary Fund, 2020). The American economy is growing very well. Unemployment was at its lowest level in 50 years, and inflation was also below the Fed's 2.0% target. However, the measures to prevent the Corona epidemic have resulted in real damage to the American economy, as the gross domestic product decreased in 2020 compared to 2019 by 31.40%. In addition to the emergence of a setback for the US economy, which was reflected in numbers not witnessed since the Great Depression.

4-The New NAFTA and the Covid-19 epidemic:

The epidemic has devastated the regional and global economy, as a result of the outbreak of the epidemic, stay-at-home orders were issued, and companies and factories closed, which resulted in high unemployment rates. Consumers also choose to stay at home and to spend money only on the necessities of life because they avoid public places as their incomes dry up. These stalled activities have led to severe economic downturns across the region (Antonio, 2020). The application of social distancing as the only way to limit the spread of the epidemic (Benharzallah, 2020), has left a very debilitating effect for the new Nafta countries.

Despite the aforementioned negative repercussions on the economy of each of the New Nafta member states, the companies of these countries have begun to struggle for resilience. Although the three countries that formed the new NAFTA bloc have now entered a recession, expectations are bleak, according to the

expectations of the majority of companies, that there will be Growth in the coming months. The source of this optimism is based on the belief that banks will continue to provide credit and mitigate the effects of weak cash flow. Although the Covid-19 virus has affected the way companies operate, it also creates additional opportunities. Whereas COVID-19 has been a catalyst to accelerate digitization and automation. In this regard, it awaits faster adoption of artificial intelligence and robotics, greater penetration of e-commerce, and growth in the Internet of Things, blockchain technologies, cybersecurity, and communications. Of course, there are also opportunities and an increase in demand in the life sciences sector, including bioprocessing, technology transfer, research and development, and the provision of healthcare tools and supplies, such as personal protective equipment. The impact of COVID-19 on supply chains has underscored the need in some areas, particularly in the healthcare sector, to bring production closer to home.

Within the TCS network of New NAFTA in Mexico, they have dedicated Trade Commissioners who can help clients navigate the local market and identify specific opportunities. They are already present in the markets that Canadian companies want to grow their business. They also provide customers or investors with answers to questions, including those related to the new NAFTA, and provide information on everything related to the market. In response to the COVID 19 pandemic's hurdles, the adoption of new tools, including virtual meetings and digital platforms for virtual trade fairs, has been rapidly adapted to continue serving customers. Nafta's new TCS network in Mexico also worked with developing a new 12-week virtual Canadian technology acceleration program in Mexico City, which had its

first batch in September 2020. It focused on technologies and solutions for smart cities. In addition to seeking to hold a second group, focusing on agricultural technology, in early 2021. (Government of Canada, 2020).

Although the time of the economic crisis has prolonged due to the absence of a useful vaccine for the Corona pandemic, it is noticeable that there is solidarity between the countries of the bloc in addition to the attempt to adapt and the requirements of the stage.

Conclusion :

Although the new NAFTA was put into effect on July 1, 2020, and although it came in light of the Covid 19 pandemic, it actually contributed to significantly reducing the negative effects on member states' economy. This agreement came in light of an assessment of the strengths and weaknesses of the agreement. The previous NAFTA, through which its creators wanted to avoid the previous agreement's lapses, seek to make the new NAFTA a mechanism to encourage investment, create new jobs, and enhance consumer welfare in North America. The United States also sees it as a shield to confront the trade war with China. Although the agreement experts have already put in place many mechanisms after the epidemic, they have worked on developing cooperation in light of adapting to this global pandemic.

We conclude from this study that economic blocs remain the reliable bulwark and a protective shield against any economic shocks, provided that they are based on achieving the common interests of all countries. Still, if they are under the umbrella and domination of one or more countries, they become a constraint

that restrains weak states and makes them prey. To exploit the powerful nations.

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