International Post Corporation

FedEx Welcomes the U.S.-Mexico-Canada Agreement

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FedEx Corp. (NYSE: FDX) today recognizes the entry into force of the U.S.-Mexico-Canada Agreement (USMCA/T-MEC/CUSMA). This agreement will benefit all three economies and make them more competitive around the world.

At FedEx, trade is our business, and expanding global trade is essential to our customers, our workers and our company. USMCA replaces the twenty-six-year-old North American Free Trade Agreement (NAFTA), helping to streamline trade across the North American market, which is of critical importance to FedEx and our customers.

"We applaud the governments of the United States, Mexico and Canada for working together to approve and implement an agreement that simplifies trade for the highly integrated North American supply chains," said FedEx COO Raj Subramaniam. "Modernizing and expanding global trade through free trade agreements like USMCA breaks down trade barriers, creates new job opportunities and helps our customers reach new markets."

USMCA makes North American trade easier and addresses issues including e-commerce and the protection of intellectual property. When it comes to day-to-day shipping for FedEx customers, USMCA offers several advantages:

The de minimis, or duty and/or tax exemption threshold agreed to by the three governments, increases for imports into Canada and Mexico, potentially reducing overall shipping costs.
Simplified clearance value limits increase, reducing the amount of documentation necessary. As a result, volumes of formal clearance decrease, lowering costs and increasing efficiencies.
Quicker clearance for more shipments will result in higher customer satisfaction.
The agreement is recognized in Mexico as the Tratado entre Mexico, Estados Unidos y Canada (T-MEC) and in Canada as the Canada-United States-Mexico Agreement (CUSMA).

Source: FedEx