

The U.S. and Canada have reached a new trade deal, along with Mexico, to replace the current North American Free Trade Agreement (NAFTA), which U.S. President Donald Trump had pledged to either scrap or modify.

The United States-Mexico-Canada Agreement (USMCA) gives the U.S. greater access to Canada's dairy market and allows extra imports of Canadian cars. The [deal has 34 chapters](#) and governs more than US\$1 trillion in trade.

Until recently it looked as if Canada could be excluded from a final trade agreement to replace NAFTA which has been in place since 1994. The new USMCA is intended to last 16 years and be reviewed every six years.

Following the agreement, Trump tweeted that USMCA was a "great deal" for all three countries and solves the "deficiencies and mistakes" in NAFTA.

The deal came after a weekend of frantic talks to try and preserve a trade agreement that has stitched together the economies of Mexico, Canada and the U.S. but that was on the verge of collapsing.

After more than a year of tense talks and strained relations between President Trump and Prime Minister Justin Trudeau of Canada, negotiators from both sides came to a resolution just ahead of a midnight deadline set by the White House.

In a joint statement, U.S. Trade Representative Robert E. Lighthizer and Canada's foreign affairs minister, Chrystia Freeland, said the new deal "will give our workers, farmers, ranchers and businesses a high-standard trade agreement that will result in freer markets, fairer trade and robust economic growth in our region."