

**CLIENT ALERT**

**Key Insights from the Government of Canada's  
2025 Public Consultations on the USMCA**



**February 16, 2026**

On February 6, 2026, the Government of Canada released a [report](#) summarizing feedback gathered during its second round of public consultations on the United States–Mexico–Canada Agreement (USMCA, referred to as CUSMA in Canada), conducted from September 20 to November 3, 2025. As in the 2024 consultations, stakeholders were invited to share their views and experiences with the operation of the CUSMA and to propose improvements to its implementation. Input was collected primarily through written submissions and complemented by targeted engagement with businesses, industry associations, Indigenous groups, and provincial and territorial governments.

Engagement in the 2025 consultations increased substantially compared with the initial consultation phase in 2024, reflecting heightened interest amid a more uncertain and volatile global trade environment. In total, the Government of Canada received 5,143 submissions (up from 137 in 2024), representing a broad range of stakeholders across the country. These included 184 businesses; 238 industry associations, councils, and labor unions; 4,670 individuals; 10 provinces and territories; 8 public-sector organizations; 26 civil society, NGOs, and policy groups; and 7 Indigenous groups.

Overall, the 2025 CUSMA consultations showed strong stakeholder support for preserving predictable, tariff-free North American market access and maintaining CUSMA as a cornerstone of regional economic stability amid growing global trade uncertainty. At the same time, participants called for modernizing and simplifying customs procedures, strengthening supply-chain resilience and trilateral value chains, improving dispute-settlement enforcement, and ensuring the Agreement keeps pace with digital-economy and innovation-related issues, the significantly higher level of participation in 2025 underscored growing awareness of CUSMA's importance in safeguarding economic stability and competitiveness in a changing global trade landscape.

Monarch analyzed the results of the two public consultations conducted by the Government of Canada and identified the main chapters, themes, and industries referenced, as outlined below:

Chapter / Area	Specific Mentions	Implications
Rules of Origin (ROO / origin)	6	ROO is central but discussed in a focused manner; complexity lies in application, not renegotiation.
Customs & Trade Facilitation	5	Border processes, documentation, and consistency across ports are operational priorities.
Labor (incl. RRLM)	5	Labor enforcement is clearly framed as a trade-risk issue.
Environment	4	Environmental obligations are referenced as increasingly enforceable.
Digital Trade	4	Digital trade modernization is explicitly acknowledged, especially for advanced manufacturing.
Temporary Entry / Mobility	3	Mobility challenges are recognized but not a central focus.
Dispute Settlement	3	Preserving dispute mechanisms is viewed as a safeguard, not a reform priority.
Investment / ISDS	2	Limited appetite for expanding investment protections; focus is on certainty.

ISDS = Investor-State Dispute Settlement  
RRLM = Rapid Response Labor Mechanism

Theme	Specific Mentions	Implications
Supply chain / value chains / resilience	6	Supply-chain resilience is an explicit policy concern; firms are expected to manage sourcing risk and continuity.
Unilateral tariffs / trade actions	4	Persistent concern over unilateral measures reinforces the need for contingency planning.
Digitalization / digital trade / digital tools	4	Digital trade facilitation and modernization are concrete expectations, not aspirational.
Anti-circumvention / origin verification	3	Heightened scrutiny of origin claims increases documentation and audit risk.
SMEs / proportionality / inclusion	3	Policymakers seek simplified frameworks, affecting compliance design across value chains.
Tariff-free market access	3	Market access is assumed but framed as conditional on compliance and enforcement.
Predictability / stability / certainty	2	Regulatory and border certainty remain important but are not dominant themes.

SME = Small and Medium-sized Enterprises

Industry	Specific Mentions	Implications
Manufacturing (general)	7	Manufacturing is treated as the backbone of CUSMA integration.
Automotive & Auto Parts	5	Automotive remains highly exposed to ROO and traceability requirements.
Electronics / ICT	4	Complex component sourcing raises compliance and origin challenges.
Clean Tech / Energy	4	Circular economy, recycling, and energy transition themes are present but not dominant.
Agrifood / Forestry	4	SPS measures and origin verification remain relevant.
Services & Investment	3	Services are discussed mainly through the lens of regulatory certainty.

ICT = Information and Communications Technology  
SPS = Sanitary and Phytosanitary Measures

*Methodology note: As the Government of Canada released summary reports rather than individual consultation submissions, Monarch analyzed the text of the 2024 and 2025 consultation reports and conducted a keyword-frequency review to identify the agreement chapters, industries, and themes most frequently referenced.*

The table below summarizes the key subjects addressed in the Government of Canada’s 2025 consultations report, the overall sentiment associated with each, and the supporting signals identified in the recommendations.

Subject	Overall Sentiment	Supporting Signals in the Government of Canada's 2025 Consultations Report
CUSMA / USMCA	Positive / Constructive	Repeated characterization of CUSMA as “working well,” emphasis on preserving tariff-free access, strengthening (not reopening) the agreement, and maintaining dispute settlement mechanisms.
United States	Mixed / Cautious	Explicit concerns regarding unilateral tariffs, Section 232 actions, Buy America policies, aggressive enforcement, and unpredictability in trade policy. At the same time, recognition of the U.S. as an indispensable economic partner.
Mexico	Pragmatic / Mixed	Recognition of Mexico’s central role in manufacturing and regional value chains, alongside concerns related to labor enforcement, regulatory certainty, energy policy, and compliance implementation.

The following section provides a concise overview of the key implications for U.S. manufacturers operating in Mexico under the CUSMA/USMCA 2026 review, based on feedback submitted to the Government of Canada as part of the review process.

- **Higher compliance scrutiny:** Stronger labor, environmental, and anti-circumvention enforcement will increase audits, documentation requirements, and operational scrutiny.
- **More complex Rules of Origin:** ROO will remain central and are likely to become more technical as they are modernized to reflect advanced manufacturing, recycling, and remanufacturing.
- **Supply-chain resilience as policy:** Diversification, traceability, and Tier 1–Tier 2 visibility are increasingly expected, not optional.

- **Tariff-free access tied to compliance:** Market access will depend on demonstrable compliance amid the ongoing risk of unilateral trade actions.
- **Customs digitalization matters:** Investment in digital trade tools and standardized customs processes will be critical to reducing friction and delays.
- **Persistent mobility constraints:** Limited progress on temporary entry requires stronger local talent strategies and planning for visa delays.
- **Mexico remains strategic but increasingly scrutinized:** Mexico remains a key manufacturing platform, but with heightened expectations around labor, regulatory certainty, energy policy, and policy execution.

## Conclusion and Implications for Business in Mexico

The 2025 CUSMA consultations showed strong support for preserving predictable, tariff-free North American trade and maintaining CUSMA as a pillar of regional economic stability amid global uncertainty. Stakeholders also called for modernized customs procedures, stronger supply-chain resilience, improved enforcement mechanisms, and alignment with digital and innovation trends. The higher level of participation in 2025 underscores the growing recognition of CUSMA's importance for competitiveness and economic security.

Input received by the Government of Canada from Canadian companies indicates that CUSMA 2026 is increasingly about how companies operate within the agreement, rather than reopening market access. For U.S. manufacturers operating in Mexico, this means that compliance discipline, supply-chain transparency, and operational resilience will matter more than cost advantages alone.

Monarch Global Strategies can support your business by delivering end-to-end strategic advisory services, including supply-chain diversification and site-location analysis, government relations and advocacy, continuous monitoring of USMCA negotiations, scenario planning for potential tariff or rules-of-origin changes, trade intelligence to assess financial and pricing impacts, and structured stakeholder engagement across trade, economic, and legal dimensions of the Agreement.

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