The State of Trans-Atlantic Relations

Risks and opportunities for multinationals and policymakers on both sides of the Atlantic

NOVEMBER 2022
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Daily tracking of political attitudes in 44 global markets

Morning Consult conducts 30,000 surveys on key political issues across 44 countries every day, making it the largest unified data set on political attitudes globally.

Every day, we gauge public opinion of world leaders and international organizations, their performance, and views of other countries to provide customers with data at the scale and speed needed to navigate the changing global political landscape in real-time.

Daily syndicated tracking of political attitudes in the following markets:

- United States
- China
- Japan
- Germany
- United Kingdom
- France
- India
- Italy
- Brazil
- Canada
- South Korea
- Russia
- Australia
- Spain
- Mexico
- Argentina
- Chile
- Colombia
- Peru
- Austria
- Belgium
- Czech Republic
- Ireland
- Netherlands
- Norway
- Poland
- Romania
- Sweden
- Switzerland
- Nigeria
- South Africa
- Egypt
- Israel
- Pakistan
- Saudi Arabia
- Turkey
- UAE
- Bangladesh
- Indonesia
- Malaysia
- Philippines
- Singapore
- Thailand
- Vietnam
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About this Report

The trans-Atlantic economic relationship is the world’s largest in dollar terms, and arguably the deepest and most complex when it comes to the range of issues involved.

This report leverages Morning Consult’s public opinion data on trans-Atlantic relations among adults in the European Union, the United States and the United Kingdom to better understand the drivers of trans-Atlantic trade flows, regulatory policymaking, cooperation on salient technology issues and economic statecraft.

This edition of the report focuses on four key areas:

1. European views of the United States and vice versa, both sides’ views of NATO, and their drivers.

2. Public perceptions of the need for U.S.-European policy cooperation, focused particularly on commercial and regulatory issues involving trade and technology.

3. How U.S. and European attitudes toward specific trade and supply chain issues differ, and what this means for policy cooperation in these areas.

4. Public opinion toward sanctions on Russia and the implications for the war in Ukraine.
Executive Summary

Shared values remain the basis of the trans-Atlantic relationship, with bilateral favorability rising and falling in response to major political developments

The most important influence on trans-Atlantic favorability in 2022 was Russia’s invasion of Ukraine. U.S. domestic political issues like gun violence also coincided with swings in European sentiment. Major regional differences in Europeans’ views of the United States have implications both for U.S. policymakers building issue coalitions with the European Union post-Brexit and for U.S. investors and exporters to Europe (and vice versa). U.S. adults view the European Union as America’s second most important trading partner after China, even though U.S.-E.U. trade is larger by dollar value. China’s product ubiquity drives its importance in the minds of U.S. adults, who see the economic relationship with Europe as driven more by “shared values” like democracy, human rights and the rule of law.

U.S. and European priorities overlap, with some notable differences

U.S. and European adults jointly prioritize cooperating on energy, the environment, consumer safety and humanitarian action. The former more highly prioritize expanding U.S.-E.U. trade and cooperating on export controls and China policy, while Europeans place greater weight on scientific cooperation and promoting labor rights. U.S. adults’ highest and lowest priorities have remained relatively stable over the past six months. Some of their lowest-ranked concerns, such as the digital transformation of small businesses, would yield major benefits for the trans-Atlantic economy. But to the extent that they are guided by public opinion, governments are unlikely to prioritize these concerns in the near term.

Trans-Atlantic coordination on two key geopolitical developments — the war in Ukraine and China’s growing assertiveness — will be fraught. More U.S. adults say they are “very concerned” about China compared with Russia, while the opposite is the case in Europe. This misalignment will lead to difficult discussions in the coming months as U.S. officials seek to gain European buy-in for shared policies to constrain China, like broad, tech-oriented export controls. In the United States, partisanship starkly colors Americans’ prioritization of cooperation on climate change, certain supply chain issues and disinformation. A newly GOP-controlled Congress could disrupt cooperation on these issues come January.

Public support for sanctions against Russia is robust, but hinges on inflation

In the United States, support for energy sanctions has steadily slipped since Russia invaded Ukraine in February 2022, with Republicans consistently trailing independents and Democrats. Pluralsities of Europeans only support sanctions if they don’t cause prices to rise, and even the most hawkish European countries only support them unconditionally at the same rate as U.S. Republicans. Secondary sanctions are among the least popular, while an oil price cap to limit Russian President Vladimir Putin’s ability to finance the war resonates the most. Public aversion to paying higher energy prices has already resulted in some E.U. governments engaging in inflationary energy subsidies. There is a risk that more will follow. If so, it would only extend the European Central Bank’s current round of tightening. As the G-7’s price cap on Russian oil is set to take effect Dec. 1, toggling implementation to avoid major price increases will be key.

The public supports using economic statecraft to enhance national security

Industrial policy has been at the forefront of both global and trans-Atlantic relations in 2022, vis-à-vis Russia’s invasion of Ukraine and as part of the United States’ growing efforts to manage China’s rise. U.S. and European adults strongly support cooperation on technology-oriented supply chain issues that have dominated recent policy discussions. A sizable majority of U.S. adults support inbound investment screening, and smaller majorities support controls on exports and outbound investments. While solid majorities in the United States and Europe also favor trans-Atlantic free trade agreements, their support stems from an interest in protecting domestic industry and upholding shared values more than leveraging trade as a tool of foreign policy. Nevertheless, support for reshoring and “friend-shoring” is picking up steam. Multinationals are poised to benefit on both accounts if public willingness to pay more for friend-shored and reshored goods continues to trend upward.
Bilateral Perceptions of the Trans-Atlantic Relationship & Its Drivers
Section 1: Key Takeaways

Geopolitical and U.S. domestic developments drive bilateral favorability

While Europeans’ views of the United States improved dramatically amid the country’s strong efforts to support Ukraine after Russia invaded, the upswing in sentiment was more durable in U.S. adults’ views of Europe. The latter is still above pre-invasion levels, but favorability toward NATO has sunk fast on the back of U.S. fatigue with the conflict (see subsequent section on sanctions). U.S. domestic political developments, meanwhile, coincided with downswings in European sentiment in late spring. Europeans’ views of the United States have partially rebounded since. But generally speaking, the rally around the flag effect has begun to wear off.

Europeans’ divergent views of the United States signal policy and market opportunities for American leaders and businesses

Sentiment toward the United States varies across Europe. Countries on NATO’s eastern flank have extremely favorable views of the United States, which they see as an indispensable source of security against Russia. Views in Western Europe are more moderated but still generally positive. For U.S. businesses, this data suggests which European consumer and labor markets will be more likely to welcome them. For U.S. policymakers struggling to replace the United Kingdom as America’s go-to partner for addressing issues in Europe, whether political or economic, subregional differences are a helpful road map for constructing like-minded coalitions.

To U.S. consumers, shared values are a European advantage relative to China

When presented with a list of the United States’ top six trading partners for goods and services by dollar value, the largest share of U.S. adults said China is America’s most important partner. The European Union came in second, even though the U.S.-E.U. trade relationship is larger in dollar terms. U.S. adults who said China was more important did so primarily because of its perceived market size and the presence of Chinese products in their everyday life. Those who chose the European Union similarly noted its market size, but they also overwhelmingly emphasized shared values as underpinning the relationship. This presents opportunities for companies to educate the public on the size and importance of the trans-Atlantic economic relationship, and to market European brands to U.S. consumers by associating their products with values like democracy, human rights and equal treatment under the law.
Trans-Atlantic cooperation on Russia’s invasion of Ukraine sharply increased U.S. favorability toward the E.U. and NATO, but the public’s views have since moderated.

*Net favorability is the share with a favorable view minus the share with an unfavorable view.

Source: Morning Consult Political Intelligence. Daily reports are based on pooled 7-day moving averages of U.S. adults, with a margin of error of +/-2 percentage points.
Western Europeans’ views of the U.S. became more positive amid its support for Ukraine, only to sink following major domestic news events, in contrast to persistent favorability toward NATO.

Average net favorability* of NATO and the United States among Western Europeans

*Net favorability is the share with a favorable view minus the share with an unfavorable view.

Source: Morning Consult Political Intelligence. Daily reports are based on pooled 7-day moving averages of adults in Germany, France, Italy, Spain and the United Kingdom, with margins of error of less than +/-1 percentage point.
Europeans’ views of the U.S. vary widely by country, suggesting trans-Atlantic deal-making involving E.U. coordination will remain cumbersome

Average net favorability* of the United States in Europe (March 1-Oct. 31)

*Net favorability is the share with a favorable view minus the share with an unfavorable view.

Source: Morning Consult Political Intelligence. Data reported is based on aggregates for all countries shown, with country-specific margins of error of +/-1 percentage point each.
Although the U.S.-E.U. trade relationship is America’s largest in dollar terms, U.S. adults view China as their most important trading partner.

Respondents were asked to identify the United States’ most important trading partner from a list of its six largest trading partners by transaction value:

- China: 25%
- European Union: 15%
- Canada: 9%
- United Kingdom: 8%
- Japan: 6%
- Mexico: 5%

Survey conducted Oct. 29-31, 2022, among a representative sample of roughly 2,200 U.S. adults, with an unweighted margin of error of +/-2 percentage points. Responses of “Don’t know/No opinion” not shown.
U.S. adults perceive both China and the E.U. as large markets. China holds a comparative advantage on product ubiquity, but the E.U. benefits from perceptions of shared values.

Respondents who selected each of the following as the United States’ most important trading partner were asked why they did so:

- **China**:
  - Its shared values with the U.S.: 25%
  - The size of its market: 25%
  - I buy many products that come from there: 33%
  - It produces high-quality products: 7%
  - It is a financial hub: 9%
  - Its reputation for being pro-business: 8%
  - It helps create jobs in my country: 6%

- **European Union**:
  - Its shared values with the U.S.: 35%
  - The size of its market: 21%
  - I buy many products that come from there: 12%
  - It produces high-quality products: 15%
  - It is a financial hub: 6%
  - Its reputation for being pro-business: 8%
  - It helps create jobs in my country: 6%

- **Canada**:
  - Its shared values with the U.S.: 49%
  - The size of its market: 7%
  - I buy many products that come from there: 7%
  - It produces high-quality products: 15%
  - It is a financial hub: 8%
  - Its reputation for being pro-business: 9%
  - It helps create jobs in my country: 6%

- **United Kingdom**:
  - Its shared values with the U.S.: 45%
  - The size of its market: 6%
  - I buy many products that come from there: 6%
  - It produces high-quality products: 10%
  - It is a financial hub: 8%
  - Its reputation for being pro-business: 9%
  - It helps create jobs in my country: 9%

Survey conducted Oct. 29-31, 2022, among a representative sample of roughly 2,200 U.S. adults, with an unweighted margin of error of +/-2 percentage points. Responses of “Other,” “None of these” and “Don’t know/No opinion” not shown.
Democracy, human rights, rule of law and the free market underpin U.S. perceptions of trade with Europe. These are areas where China would be hard-pressed to outcompete the E.U.

Respondents who selected each of the following as the United States’ most important trading partner on the basis of shared values were asked which specific values they had in mind (selecting up to three):

<table>
<thead>
<tr>
<th>Value</th>
<th>European Union</th>
<th>Canada</th>
<th>United Kingdom</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is a democracy</td>
<td>31%</td>
<td>32%</td>
<td>26%</td>
</tr>
<tr>
<td>It respects human rights</td>
<td>29%</td>
<td>25%</td>
<td>24%</td>
</tr>
<tr>
<td>It has a free-market economy</td>
<td>29%</td>
<td>24%</td>
<td>14%</td>
</tr>
<tr>
<td>It has a similar rule of law to my country</td>
<td>20%</td>
<td>21%</td>
<td>20%</td>
</tr>
<tr>
<td>It has a shared history with my country</td>
<td>11%</td>
<td>17%</td>
<td>22%</td>
</tr>
<tr>
<td>It has a shared cultural heritage with my country</td>
<td>10%</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>It has similar religious values to my own</td>
<td>10%</td>
<td>6%</td>
<td>11%</td>
</tr>
<tr>
<td>It speaks the same language as my country</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Survey conducted Oct. 29-31, 2022, among a representative sample of roughly 2,200 U.S. adults, with an unweighted margin of error of +/-2 percentage points. Responses of “Other,” “None of these” and “Don’t know/No opinion” not shown.
Policy Priorities & Coordination
Section 2: Key Takeaways

U.S. and European adults’ policy priorities overlap substantially but differ in important ways

U.S. and European adults’ priorities for trans-Atlantic cooperation overlap in notable ways. Both sides prioritize environmental protection, securing energy supplies, joint humanitarian action and consumer safety. U.S. adults, however, more highly prioritize increasing trade and cooperating on China policy and export controls for critical technologies, while E.U. countries emphasize scientific cooperation and labor rights.

U.S. adults’ highest- and lowest-ranked priorities are relatively stable, while their mid-range priorities have proved volatile due to partisanship

The issues that U.S. adults identify as their highest- and lowest-ranked priorities for trans-Atlantic cooperation have remained roughly stable over the last six months. Several mid-ranked issues tend to be highly politically polarized (see slide 19), which appears to be part of what drives their volatility. To multinationals’ detriment, some items that are consistently at the bottom of the pack, such as biotechnology agreements and the digital transformation of small and medium-sized businesses, would yield major efficiencies for trans-Atlantic economies. As it stands, competing priorities make progress in these areas unlikely in the near term.

After the midterms, a GOP-controlled Congress could shift U.S. engagement

Partisanship strongly colors U.S. adults’ views of which issues should be prioritized. There are notable divides in the areas of environmental protection, labor rights, investment screening and supply chain resilience. Republicans are both more hawkish on China and more in favor of controls on critical technologies, whether through investment screening, export controls or semiconductor supply chain resilience. As such, a GOP-controlled congress would be well-placed to push the Biden administration to tighten critical tech controls on China, and to pressure European allies to do the same.

U.S. and European adults are concerned about inflation and climate change, but disagreement on geopolitical challenges is the elephant in the room

Unsurprisingly, inflation and climate change are on people’s minds on both sides of the Atlantic. But cracks emerge when it comes to two key geopolitical challenges: the war in Ukraine and China policy. To the detriment of trans-Atlantic cooperation, more U.S. adults say they are “very concerned” about managing relations with China than with Russia, while the reverse is true of Western Europeans. This will complicate efforts made by both sides’ governments to coordinate economic statecraft: European policymakers are likely to focus primarily on Russia in the coming months, while U.S. policymakers are increasingly poised to focus on China.
U.S. and European adults’ policy priorities overlap substantially on energy, the environment and export controls but are misaligned on trade, labor rights and China

### U.S. and E.U. adults' top seven priorities for trans-Atlantic cooperation as of July 2022, ranked by share

<table>
<thead>
<tr>
<th>UNITED STATES</th>
<th>EUROPEAN UNION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Securing supplies of oil and gas</td>
</tr>
<tr>
<td>2</td>
<td>Export controls</td>
</tr>
<tr>
<td>3</td>
<td>Environmental protection (e.g., combating climate change)</td>
</tr>
<tr>
<td>4</td>
<td>Standards for consumer products</td>
</tr>
<tr>
<td>5</td>
<td>Coordinating humanitarian aid to other countries</td>
</tr>
<tr>
<td>6</td>
<td>Increasing bilateral trade in goods and services</td>
</tr>
<tr>
<td>7</td>
<td>Encouraging China to be a good international actor</td>
</tr>
</tbody>
</table>

Surveys conducted July 7-8, 2022, among a representative sample of 2,210 U.S. adults, with an unweighted margin of error of +/-2 percentage points, and July 12-16 in France, Germany, Italy, Spain and the Netherlands among representative samples of 1,000 adults per country, with unweighted margins of error of +/-3 percentage points.
U.S. adults’ top priorities for cooperation with the E.U. are relatively stable, showing consistent but limited interest in customer data transfer, social media moderation and biotech

<table>
<thead>
<tr>
<th>Policy Priorities &amp; Coordination</th>
<th>Jun 10</th>
<th>Jul 8</th>
<th>Aug 6</th>
<th>Sep 8</th>
<th>Oct 7</th>
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<tr>
<td>Securing supplies of oil and gas</td>
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<td>1</td>
<td>1</td>
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<tr>
<td>Environmental protection (e.g., combating climate change)</td>
<td>2</td>
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<td>Export controls</td>
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<td>3</td>
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<tr>
<td>Coordinating humanitarian aid to other countries</td>
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<tr>
<td>Standards for consumer products</td>
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<tr>
<td>Scientific cooperation</td>
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<tr>
<td>Supply chain resilience, incl. access to semiconductors</td>
<td>9</td>
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<td>Promoting labor rights globally</td>
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<td>Norms around biotechnology</td>
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</table>

Surveys conducted June-November 2022, among representative samples of 2,210 U.S. adults each, with unweighted margins of error of +/-2 percentage points.
Partisanship colors U.S. adults’ policy priorities: Democrats and Republicans diverge sharply on environmental protection, supply chain resilience and disinformation

Republicans prioritize coordinating with Europe on national security-related issues, including investment screening and supply chain resilience for critical technologies like semiconductors, somewhat more than either Democrats or independents. Energy security, enforcement of export controls and encouraging China to play a constructive role in international affairs are all bipartisan issues, with both Republicans and Democrats roughly aligned on where each falls in their list of priorities.

Democrats, for their part, give greater weight to cooperation on labor rights, humanitarian aid and fighting disinformation. Independents and Democrats align closely with each other — but not with Republicans — on prioritizing environmental protection.

Survey conducted Oct. 29-31, 2022, among a representative sample of 2,210 U.S. adults, with an unweighted margin of error of +/-2 percentage points.

### U.S. adults’ priorities for cooperation with Europe, reported by party affiliation

<table>
<thead>
<tr>
<th>Priority</th>
<th>Adults</th>
<th>Democrats</th>
<th>Independents</th>
<th>Republicans</th>
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<tbody>
<tr>
<td>Securing supplies of oil and gas</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Environmental protection (e.g., combating climate change)</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>15</td>
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<td>Export controls</td>
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<tr>
<td>Promoting labor rights globally</td>
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<tr>
<td>Scientific cooperation</td>
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<td>Encouraging China to be a good international actor</td>
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</tr>
<tr>
<td>Encouraging Russia to be a good international actor</td>
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<tr>
<td>Fighting disinformation</td>
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<td>Norms around biotechnology</td>
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<tr>
<td>Promoting digital transformation in small business</td>
<td>18</td>
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<td>18</td>
<td>16</td>
</tr>
</tbody>
</table>
Inflation and climate change figure prominently among U.S. and European adults’ most pressing concerns, but their views diverge on Russia and China

Shares who said they are “very concerned” about each of the following:

**UNITED STATES**

- The rising prices of food, energy and goods: 66%
- Climate change: 44%
- Domestic terrorism: 42%
- China’s growing influence as a global superpower: 41%
- Russia’s growing influence as a global superpower: 35%
- Russia’s invasion of Ukraine: 35%
- The coronavirus pandemic: 26%

**WESTERN EUROPE**

- The rising prices of food, energy and goods: 65%
- Climate change: 48%
- Russia’s invasion of Ukraine: 44%
- Russia’s growing influence as a global superpower: 38%
- China’s growing influence as a global superpower: 31%
- Domestic terrorism: 27%
- The coronavirus pandemic: 21%

Surveys conducted Sept. 1-3, 2022, among a representative sample of 2,210 U.S. adults, with an unweighted margin of error of +/-2 percentage points, and Aug. 31-Sept. 1, 2022, among representative samples of 1,000 adults each in Germany, France, Spain, Italy and the United Kingdom, with unweighted margins of error of +/-3 percentage points.
THE STATE OF TRANS-ATLANTIC RELATIONS

Issue Spotlight: Russia and Sanctions
Section 3: Key Takeaways

U.S. support for sanctions on Russia has trended inversely to inflation over the past several months, with especially low support among Republicans

U.S. adults’ support for energy sanctions — even if they cause prices to rise — has slowly slipped from a post-invasion high of 56% of voters to 44% as of Oct. 23. Republicans have been more skeptical of sanctions on Russia since the start of the war in Ukraine. Currently, only 35% of Republicans support sanctions resulting in higher prices, compared with 52% of Democrats and 45% of independents.

Europeans’ support for sanctions is more conditional, placing even the most enthusiastic among them on par with Republicans

Pluralities of European adults say they would only support sanctions on Russia if they didn’t cause prices to rise. And among the most hawkish European audiences when it comes to sanctions — Spain and the United Kingdom — the shares who unconditionally support sanctions are in line with equivalent shares of Republicans in the United States at 35%. Skyrocketing European energy costs are likely the main reason. In light of this, talk of wavering U.S. resolve on sanctions is overblown, and the most probable outcome is that sanctions will continue at least at the current level well into 2023, barring a major change in the conflict in Ukraine.

U.S. and European adults’ attitudes toward sanctions differ by type and country

U.S. adults’ hawkishness on sanctions relative to Western Europeans is also visible when public attitudes are broken down by sanction type. U.K. adults are more in favor of sanctions of various kinds relative to their continental allies, while Italians tend to be the most reluctant. Among several types of sanctions either enacted or discussed, secondary sanctions — sanctioning those who circumvent existing sanctions — and restricting European companies from supporting Russian oil exports are the least popular on average, while an oil price cap to limit Russian state revenue is the most popular.
U.S. voters’ support for sanctions on Russian energy has declined amid rising inflation, but a plurality still support them even if prices rise, including 35% of Republicans

Shares who say “My government should impose sanctions on exports of Russian oil and natural gas even if it causes the price of goods to rise in my country”

Surveys conducted weekly among representative samples of roughly 2,000 registered U.S. voters, with unweighted margins of error of +/-2 percentage points.
Americans support sanctions at higher rates than Europeans: Only 28% to 35% of the latter support sanctions that cause prices to rise, while pluralities support them if prices remain stable.

**Shares of adults who say they support energy sanctions on Russia**

<table>
<thead>
<tr>
<th>Country</th>
<th>Even if prices rise</th>
<th>Only if prices don’t rise</th>
<th>No sanctions</th>
<th>Don’t know/No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>28%</td>
<td>37%</td>
<td>16%</td>
<td>19%</td>
</tr>
<tr>
<td>Germany</td>
<td>28%</td>
<td>35%</td>
<td>24%</td>
<td>13%</td>
</tr>
<tr>
<td>Italy</td>
<td>26%</td>
<td>33%</td>
<td>23%</td>
<td>18%</td>
</tr>
<tr>
<td>Spain</td>
<td>35%</td>
<td>36%</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>35%</td>
<td>36%</td>
<td>9%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Surveys conducted Aug. 31-Sept. 1, 2022, among representative samples of 1,000 adults per country, with unweighted margins of error of +/-3 percentage points. Figures may not add up to 100% due to rounding.
RUSSIA AND SANCTIONS

Secondary sanctions and restrictions on European companies are the least popular, while oil price caps are the most; continental Europeans are more skeptical of sanctions across the board.

Shares of adults who support each of the following types of sanctions, minus the corresponding shares who oppose them:

- Banning European companies from helping export Russian oil
- Secondary sanctions
- Travel bans and asset freezes on individuals
- Sanctioning private banks
- Freezing government assets
- Setting a price cap on Russian oil

Surveys conducted Sept. 7-8, 2022, among a representative sample of 2,210 U.S. adults, with an unweighted margin of error of +/-2 percentage points, and Aug. 31-Sept. 1, 2022, among representative samples of 1,000 adults each in France, Germany, Italy, Spain and the United Kingdom, with unweighted margins of error of +/-3 percentage points.
Issue Spotlight: Trade & Supply Chains
Section 4: Key Takeaways

U.S. adults prefer investment screening over outbound controls
Among a core set of policies intended to help secure America’s critical supply chains, the public supports inbound investment screening at higher rates than controls on either exports or outbound investments. When it comes to trans-Atlantic cooperation, U.S. adults nevertheless prioritize export controls over investment screening. This preference has already manifested in policy, with U.S.-E.U. cooperation on investment screening processes significantly less developed than cooperation on export controls.

Trans-Atlantic nations are on board with free trade, with some caveats
The Biden administration’s reluctance to engage in formal trade negotiations, particularly during election season, has often been attributed to supposed negative public opinion toward trade openness. Au contraire: Public support for U.S.-U.K. and U.S.-E.U. free trade agreements remains high on all sides. When asked what should underpin trans-Atlantic trade relationships, large shares of U.S. and European adults cited labor and environmental standards as well as the protection of domestic industries, reinforcing our finding about shared values underpinning the economic relationship (see Section 2 of the report).

Efforts to avoid subsidy battles with allies will be complicated by protectionist impulses
U.S. and European adults strongly favor cooperation on critical supply chain issues, which should imply strong public support for coordinating on subsidies. But the public’s desire to protect domestic industries (see Section 3 of the report) will put U.S. and European companies and policymakers at cross purposes: Domestic companies stand to benefit from subsidies and will characterize them as necessary for supply chain resilience, while policymakers and companies in partner countries will object to perceived protectionism.

Friend-shoring trails reshoring in commanding a premium, but opportunities for multinationals to offset related supply chain costs are rising
Friend-shoring refers to sourcing key inputs from allies to enhance critical supply chain resilience. Across the United States and Europe, around 1 in 4 adults say they would pay more for friend-shored goods, as opposed to roughly 1 in 3 for reshored goods. These findings are in line with prevailing public preferences for trade that protects domestic industries. Still, the amount that people are willing to pay for friend-shored goods — and to a lesser degree, reshored goods — has risen in recent months. This is a promising trend for multinationals looking to recoup some of the costs of near-shoring their supply chains.
Among key policies to secure supply chains, larger shares of U.S. adults prefer inbound investment screening to controls on exports and outbound investments.

<table>
<thead>
<tr>
<th>Policy</th>
<th>Strongly support</th>
<th>Somewhat support</th>
<th>Don't know/No opinion</th>
<th>Somewhat oppose</th>
<th>Strongly oppose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screening investments by other countries into U.S. critical technology companies</td>
<td>34%</td>
<td>28%</td>
<td>28%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Limiting exports by U.S. critical technology companies to other countries</td>
<td>27%</td>
<td>29%</td>
<td>31%</td>
<td>10%</td>
<td>4%</td>
</tr>
<tr>
<td>Limiting investments by U.S. financial institutions in critical technology companies overseas</td>
<td>25%</td>
<td>28%</td>
<td>31%</td>
<td>12%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Survey conducted Oct. 29-31, 2022, among a representative sample of 2,210 U.S. adults, with an unweighted margin of error of +/-2 percentage points. Figures may not add up to 100% due to rounding.
U.S. and European adults strongly favor cooperation on securing critical supply chains, potentially providing ammunition to trans-Atlantic efforts to avoid reshoring subsidy battles

Surveys conducted May 9-12, 2022, among a representative sample of roughly 2,200 U.S. adults, with an unweighted margin of error of +/-2 percentage points, and May 31-June 7, 2022, in France, Germany, Italy, Spain and the United Kingdom among representative samples of 1,000 adults per country, with unweighted margins of error of +/-3 percentage points.
TRADE & SUPPLY CHAINS

Support for trans-Atlantic free trade deals is nevertheless high on all sides, suggesting an emphasis on shared values and protecting domestic industry could drive an agreement

<table>
<thead>
<tr>
<th>Negotiating an U.S.-E.U. FTA</th>
<th>SUPPORT</th>
<th>Oppose</th>
<th>Don’t know/No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>64%</td>
<td>9%</td>
<td>27%</td>
</tr>
<tr>
<td>E.U. countries</td>
<td>66%</td>
<td>13%</td>
<td>20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Negotiating an U.S.-U.K. FTA</th>
<th>SUPPORT</th>
<th>Oppose</th>
<th>Don’t know/No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>69%</td>
<td>6%</td>
<td>25%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>73%</td>
<td>8%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Surveys conducted July 7-8, 2022, among a representative sample of 2,210 U.S. adults, with an unweighted margin of error of +/-2 percentage points, and July 12-16, 2022, among a representative sample of 1,000 adults each in France, Germany, Italy, Spain and the United Kingdom, with unweighted margins of error of +/-3 percentage points. Figures may not add up to 100% due to rounding. Values reported for “E.U. countries” represent simple averages of data from the four E.U. countries.
Leveraging trade as a foreign policy tool resonates the least among U.S. and European adults, which could pose a challenge for negotiations in the coming years.

### Shares of adults who think trade relationships should...

<table>
<thead>
<tr>
<th>Basis of Trade</th>
<th>Europe</th>
<th>United States</th>
<th>Support</th>
<th>Oppose</th>
<th>Don’t know/No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>be based on shared values (e.g., labor rights and environmentalism)</td>
<td>72%</td>
<td>69%</td>
<td>14%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>protect domestic industries</td>
<td>69%</td>
<td>69%</td>
<td>15%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>be purely commercial</td>
<td>58%</td>
<td>53%</td>
<td>18%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>be a foreign policy tool</td>
<td>54%</td>
<td>44%</td>
<td>18%</td>
<td>27%</td>
<td></td>
</tr>
</tbody>
</table>

Surveys conducted May 9-12, 2022, among a representative sample of 2,210 U.S. adults, with an unweighted margin of error of +/-2 percentage points, and Aug. 31-Sept. 1, 2022, among representative samples of 1,000 adults each in France, Germany, Italy, Spain and the United Kingdom, with unweighted margins of error of +/-3 percentage points. Figures may not add up to 100% due to rounding. Values reported for “Europe” represent simple averages of data from the five European countries.
Trans-Atlantic friend-shoring — securing supply chains by sourcing from allies — doesn’t resonate like reshoring, as evidenced by consumers’ willingness to pay more for the latter.

Adults were asked if they would be willing to pay more for the following:

- **Reshored goods**
- **Friend-shored goods**

### Trade & Supply Chains

<table>
<thead>
<tr>
<th>Country</th>
<th>Reshored goods</th>
<th>Friend-shored goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>38%</td>
<td>28%</td>
</tr>
<tr>
<td>France</td>
<td>36%</td>
<td>25%</td>
</tr>
<tr>
<td>United States</td>
<td>33%</td>
<td>28%</td>
</tr>
<tr>
<td>Germany</td>
<td>32%</td>
<td>26%</td>
</tr>
<tr>
<td>Italy</td>
<td>32%</td>
<td>25%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>31%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Surveys conducted June 8-10, 2022, among a representative sample of roughly 2,200 U.S. adults, with an unweighted margin of error of +/-2 percentage points, and May 31-June 7, 2022, among representative samples of 1,000 adults each in France, Germany, Italy, Spain and the United Kingdom, with unweighted margins of error of +/-3 percentage points.
TRADE & SUPPLY CHAINS

Shares of U.S. adults willing to pay at least 15% more for friend-shored goods and 6% to 10% more for reshored goods are trending up, pointing to the potential for modest cost offsetting.

Shares of U.S. adults reporting how much of a premium they would pay for friend-shored and reshored goods, among those who said they were willing to pay more.

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Surveys conducted June 10-Oct. 31, 2022, among representative samples of 2,210 U.S. adults each, with unweighted margins of error of +/-2 percentage points. Responses of “Don’t know/No opinion” not shown.
Methodology

Sampling and Data Collection

This report relies on data collected through Morning Consult's proprietary survey research capabilities. Interviews are conducted online.

All U.S. data aside from the country favorability series derives from recurring monthly surveys conducted among representative samples of roughly 2,200 U.S. adults or 2,000 registered voters each, with unweighted margins of error of +/-2 percentage points. Data are weighted to approximate representative samples of U.S. voters or adults. U.S. country favorability data comes from Morning Consult Political Intelligence. Country favorability data is based on pooled seven-day moving averages of U.S. adults and has an unweighted margin of error of +/-2 percentage points. Morning Consult last updated its weights for U.S. adults on April 1, 2022.

All European data aside from the country favorability series derives from surveys conducted among representative samples of 1,000 adults per country, with unweighted margins of error of +/-3 percentage points each. Data are weighted to approximate representative samples of adults in each country. European country favorability data comes from Morning Consult Political Intelligence. Daily reports are based on pooled seven-day moving averages of adults in France, Germany, Italy, Spain and the United Kingdom, each with an unweighted margin of error of less than +/-1 percentage point. The favorability map for Europe (see Slide 11) reports eight-month aggregates with sample sizes ranging from roughly 8,700 to 96,000 adults per country, with unweighted margins of error of +/-1 percentage point each.

Dates indicated in all line charts correspond to the last day of survey fielding for each wave.

Weighting and Representativeness

Data is weighted to approximate representative samples of adults in each country surveyed. Weighting parameters vary by country.

The target population for all countries is the adult (18+) internet-using population.
Sonnet Frisbie leads Morning Consult’s geopolitical risk offering for Europe, the Middle East and Africa

With over a decade living and working overseas in markets ranging from Central Europe to the Middle East, Sonnet provides Morning Consult clients with real-time data and insights to inform their decision-making. Her analysis and commentary have been featured in The New York Times, Axios, the Financial Times, Politico and more.

Before Joining Morning Consult, Sonnet was a career member of the Foreign Service in the U.S. State Department, specializing in issues at the intersection of politics and economics.

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