Mexicans, Americans Share Positive Views of USMCA Trade Agreement

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The Trump administration's push to renegotiate the North American Free Trade Agreement, along with the imposition of steel and aluminum tariffs, has strained an already tense relationship between the United States and Mexico. Despite those tensions, polls conducted by the Chicago Council on Global Affairs and Buendía y Laredo find broad public agreement on trade on both sides of the border. Majorities of both Mexicans and Americans agree that their economic relationship is important, are concerned about a trade war hurting their local economy, see international trade as having a positive impact on their nation's economy, and expect the newly-signed US-Mexico-Canada Agreement on trade to be good for their nation's economy.

Key Findings

- Asked after the agreement was signed in November 2018, majorities of both Mexicans (80%) and Americans (70%) think that the new US-Mexico-Canada Agreement on trade will be good for their country's economy.
- This level of support is even higher than the already-strong support for NAFTA. Surveyed before the new trade agreement was reached, majorities of Mexicans (78%) and Americans (63%) both say NAFTA is good for their country's economy, marking all-time highs in both countries.
- Majorities of Mexicans and Americans say international trade is good for their nation's economy, for creating jobs, and for consumers like them.
- Both publics are concerned that a trade war between the two countries would hurt their local economy, with more Mexicans (86%) concerned about a trade war than Americans (52%).

Americans, Mexicans Say New US-Mexico-Canada Agreement Beneficial

The new US-Mexico-Canada Agreement on trade (USMCA, or T-MEC as it is known in Mexico) was signed in November 2018 and currently awaits legislative approval in

each country. When asked about the new agreement in a January 2019 Council survey, Americans responded positively, with seven in ten (70%) saying it will be good for the US economy (while 24% think it will be bad).[1]

Mexicans are similarly upbeat: according to a November 2018 Buendía & Laredo poll, eight in ten Mexicans (80%) think the new trade deal will be a good thing for the Mexican economy, with relatively few (12%) expecting it to be bad for the economy. The Mexican public also expects the deal will benefit people like them (63%), with few expecting to be harmed by it (19%).[2]

American and Mexican Views on USMCA

Mexico: As you may know, the governments of Mexico, the United States, and Canada announced a new trade deal. Overall, do you think the new deal will be a good or bad thing for the Mexican economy? (%)

US: As you may know, the United States recently concluded a new free trade agreement with Canada and Mexico called the US-Mexico-Canada Agreement, also known as USMCA. Do you think this new agreement will be good or bad for the US economy? (%)

■ Mexicans ■ Americans

Good
Mexicans: 80
Americans: 70

Bad
Mexicans: 12
Americans: 24
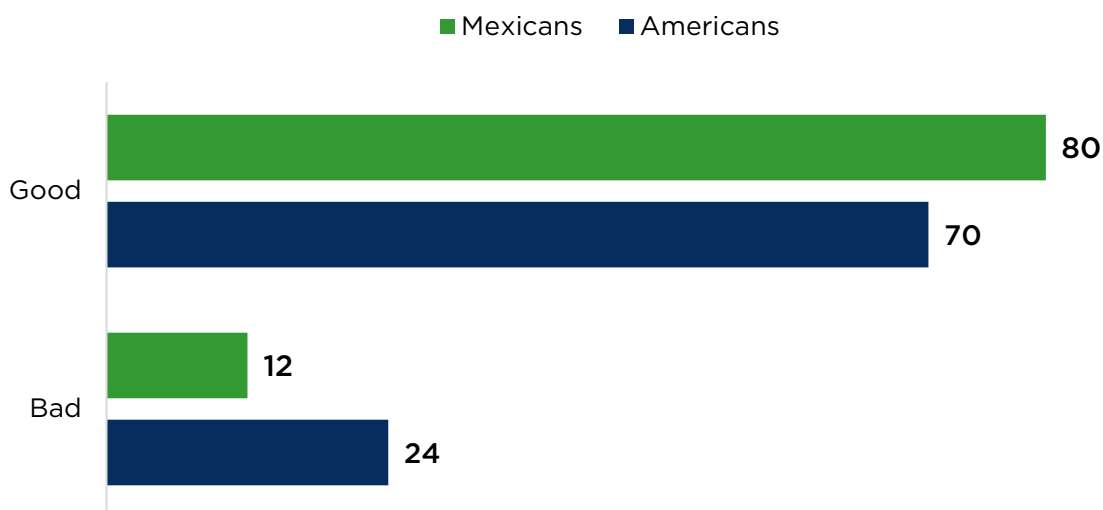
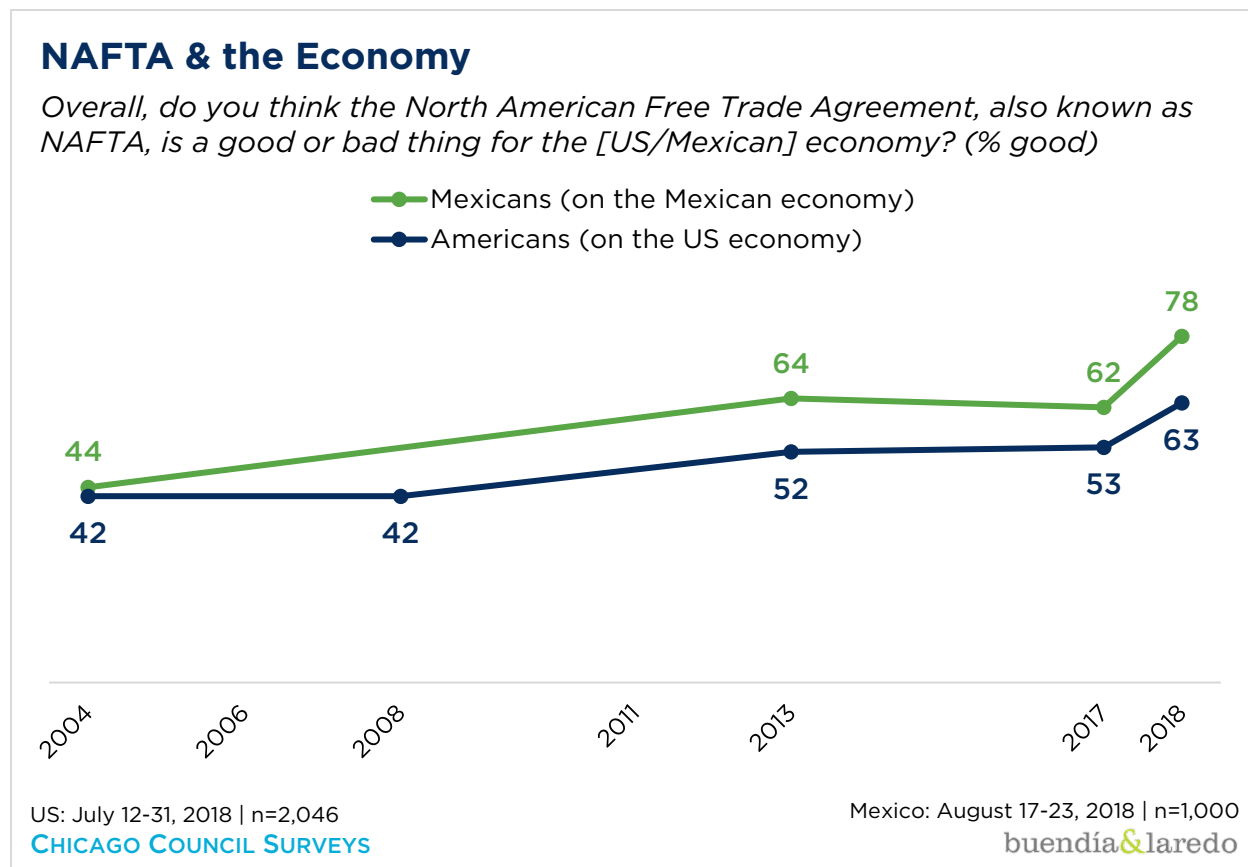US: January 11-13, 2019 | n=1,019
CHICAGO COUNCIL SURVEYS

Mexico: November 15-20, 2018 | n=1,000
buendía&laredo

These strongly positive views of USMCA build on already-positive evaluations of the North American Free Trade Agreement (NAFTA). In surveys conducted during the re-negotiation of NAFTA last year, views of NAFTA as being good for the national economy hit new highs in both the United States and Mexico. Nearly eight in ten

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[1] For more, see "Under AMLO, Mexican Views of the US Rebound from All-Time Low." Dina Smeltz, Craig Kafura. Jorge Buendía, and Esteban Guzmán Saucedo, Chicago Council on Global Affairs. March 6, 2019.
[2] An additional seven percent volunteered that the deal would neither benefit nor harm people like them.

Mexicans (78%) and two-thirds of Americans (63%) said NAFTA is a good thing for their nation's economy, both double-digit increases compared to views in 2017.

NAFTA & the Economy

Overall, do you think the North American Free Trade Agreement, also known as NAFTA, is a good or bad thing for the [US/Mexican] economy? (% good)

— Mexicans (on the Mexican economy)
— Americans (on the US economy)

Mexicans: 44 (2004), 64 (2013), 62 (2017), 78 (2018)
Americans: 42 (2004), 42 (2008), 52 (2013), 53 (2017), 63 (2018)

2004 2006 2008 2011 2013 2017 2018

US: July 12-31, 2018 | n=2,046
CHICAGO COUNCIL SURVEYS

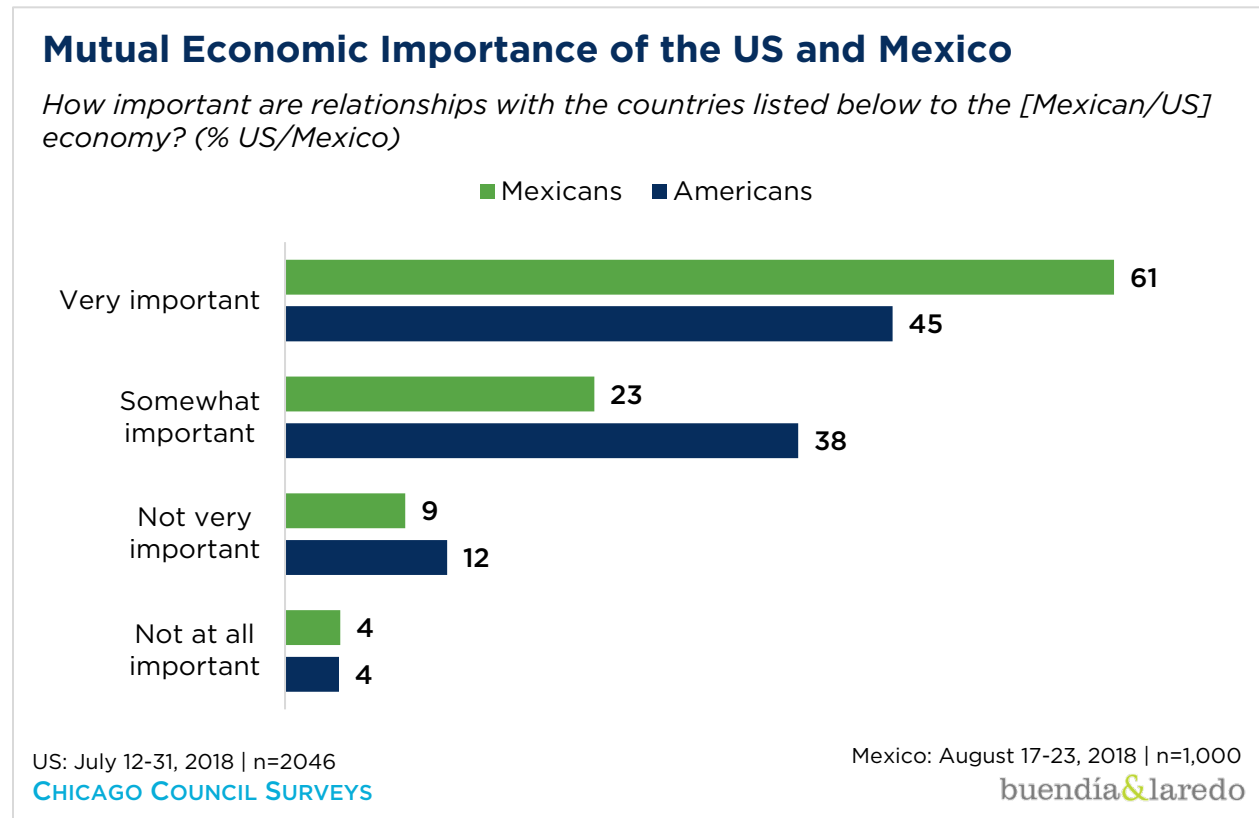Mexico: August 17-23, 2018 | n=1,000
buendía&laredo

To Varying Degrees, Both Americans and Mexicans See US-Mexico Relationship as Important

President Trump's March 2019 threat to close the US-Mexico border and halt all cross-border trade raised alarm in both countries, and particularly in Mexico: while majorities of Mexicans and Americans alike say that the US-Mexico economic relationship is important, Mexicans place a higher importance on the US for their economic interests than Americans do for Mexico. A majority of Mexicans (61%) say the US-Mexico economic relationship is very important to the Mexican economy, and an additional 23 percent say it is somewhat important. That places the United States above all other countries asked about, such as Canada (58% very important) or China (50% very important).

Though a majority of Americans see the US-Mexico relationship as important to the US economy, only a plurality (45%) say it is very important. This means that for Americans, Mexico comes in behind other nations such as China and Canada (57% each). This difference in emphasis reflects the relative balance of trade between the two nations. While Mexico is an important source of imports for the United States and a valuable export destination for American companies, it is one among many

markets for American goods and services.[3] For Mexico, however, the United States vastly outstrips other trading partners: the United States is responsible for over half of imports to Mexico and is the destination for nearly three-quarters of Mexican exports.[4]

Mutual Economic Importance of the US and Mexico

How important are relationships with the countries listed below to the [Mexican/US] economy? (% US/Mexico)

■ Mexicans ■ Americans

	Mexicans	Americans
Very important	61	45
Somewhat important	23	38
Not very important	9	12
Not at all important	4	4

US: July 12-31, 2018 | n=2046
CHICAGO COUNCIL SURVEYS

Mexico: August 17-23, 2018 | n=1,000
buendía&laredo

Binational Agreement on Benefits of Trade and Goals for Trade Policy
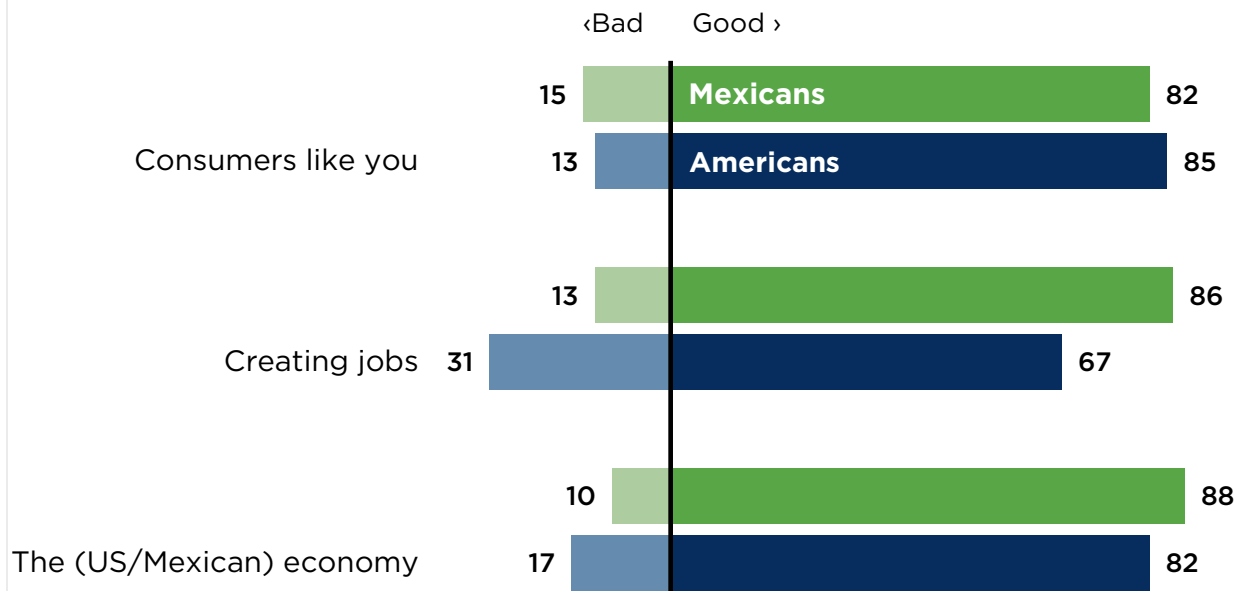
Americans and Mexicans also express similar views on the benefits of international trade more generally. Majorities in both countries say international trade is good for consumers like them (82% of Mexicans, 85% of Americans) and good for their nation's economy (88% of Mexicans, 82% of Americans). While there is a gap between American and Mexican perceptions of international trade's impact on job creation, majorities of both publics see it as mostly good (86% of Mexicans, 67% of Americans).

[3] For the most recent US trade estimates, see: https://www.census.gov/foreign-trade/statistics/highlights/top/top1902yr.html
[4] Import and Export data via Banco de México, Sistema de Información Económica.

American and Mexican Views on International Trade

Overall, do you think international trade is good or bad for: (%)

‹Bad   Good ›

Consumers like you

| Mexicans | 15 | 82 |
| Americans | 13 | 85 |

Creating jobs

| Mexicans | 13 | 86 |
| Americans | 31 | 67 |

The (US/Mexican) economy

| Mexicans | 10 | 88 |
| Americans | 17 | 82 |

Mexicans Very Concerned About US-Mexico Trade War

Given Mexican views of the United States as a very important trade partner, and their positive views of international trade's impact on Mexico, it follows that disruptions to that trade would be a cause of grave concern. A majority of Mexicans (59%) are very concerned that a trade war with the United States would hurt the local economy in their area, and an additional 27 percent are somewhat concerned. Americans, perhaps as a result of their relatively lower importance placed on Mexico as a trading partner, are less concerned about the effects of a trade war. A narrow majority are concerned (19% very concerned, 33% somewhat concerned), though nearly half say they are not very (32%) or not at all concerned (13%).

US-Mexico Trade War

If the United States gets into a trade war with Mexico, how concerned are you that this would hurt the local economy in your area? (%)
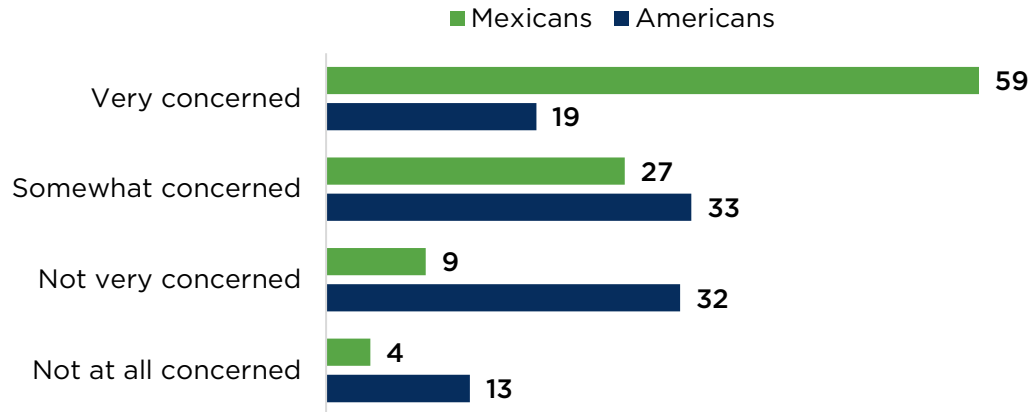
■ Mexicans   ■ Americans

	Mexicans	Americans
Very concerned	59	19
Somewhat concerned	27	33
Not very concerned	9	32
Not at all concerned	4	13

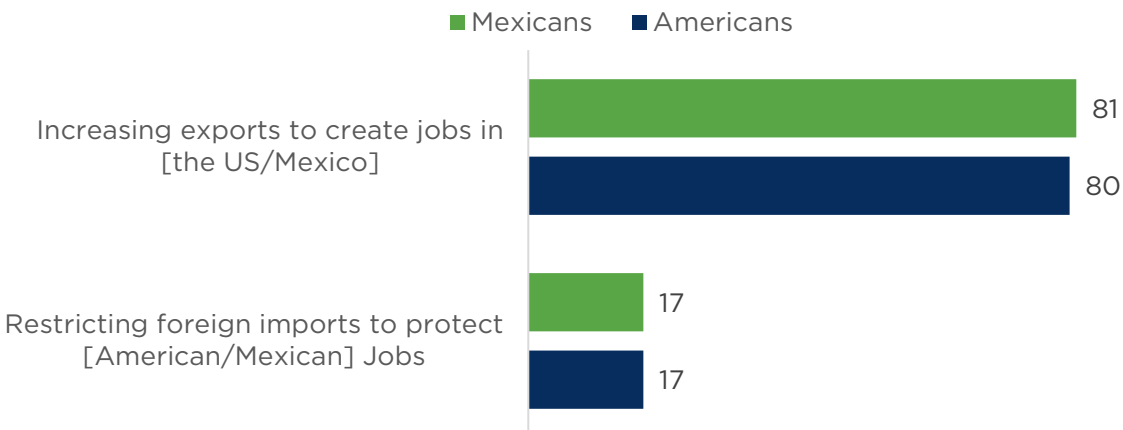US: July 12-31, 2018 | n=1,023

Mexico: August 17-23, 2018 | n=1,000

Shared Priorities for Trade Policy

Americans and Mexicans also hold very similar views of the goals of their nations' trade policy: eight in ten in both countries say their nations' trade policy should aim to increase exports to create jobs in their country. Less than one in five Americans and Mexicans (17% of each) say the goal of trade policy should be to restrict foreign imports in order to project jobs.

American and Mexican Views on Trade Policy

In your opinion, which should be the larger goal for [the US/Mexico]'s trade policy: restricting foreign imports to [the US/Mexico] to protect [American/Mexican] jobs, or increasing [American/Mexican] exports to other countries to create jobs in [the US/Mexico]? (%)

■ Mexicans   ■ Americans

	Mexicans	Americans
Increasing exports to create jobs in [the US/Mexico]	81	80
Restricting foreign imports to protect [American/Mexican] Jobs	17	17

US: July 12-31, 2018 | n=2046

Mexico: August 17-23, 2018 | n=1,000

Conclusion

Though both American and Mexican publics share positive views of trade's impact on their countries and expect USMCA to have a positive impact on their country's economy, the new agreement governing trade between the two has yet to go into effect. Each country must first ratify the agreement through their respective legislatures and clear the remaining obstacles in both countries.

In Mexico, President Andrés Manuel López Obrador just signed a labor reform measure passed by Congress granting workers the legal right to collective bargaining via independent labor unions. This legislation marks a first step towards ratifying USMCA in the United States, as the Democratic-controlled House has pledged they will oppose ratification absent promised Mexican labor reforms and their implementation.[5]

Tariffs present another barrier to USMCA's passage. Mexican officials as well as Republicans in Congress have been clear that they will not move forward with ratification unless the Trump administration lifts the steel and aluminum tariffs imposed in 2018.[6,7]

Whether the Trump administration will be able to satisfy all parties involved to get to a successful ratification remains to be seen. With the 2020 presidential election campaign moving into full gear, Democrats are unlikely to want to give the president an issue he can point to as a success on the campaign trail. It is also unclear how long President Andrés Manuel López Obrador of Mexico will be able to avoid engaging directly with US provocations over trade and other border issues.[8]

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[5] "White House on collision course with Democrats over labor issues in new NAFTA." *POLITICO*. March 13, 2019.
[6] "Mexico says it won't ratify USMCA with Trump's steel, aluminum tariffs still in place." *The Globe and Mail*. March 3, 2019.
[7] "'Quit thinking like a New Yorker': GOP smacks Trump on trade." *POLITICO.* May
[8] "Mexico's AMLO Says He'll 'Act Prudent' To Border Closing." *TelesurEnglish*. April 2, 2019.

US Methodology

This report's analysis of support for USMCA are based on data from interviews conducted January 11-13, 2019 by Ipsos Public Affairs using their large-scale, nationwide online probability panel, the KnowledgePanel OmniWeb. A total of 1,019 interviews were completed among a weighted national sample of adults 18 years of age or older, living in all 50 states and the District of Columbia. The margin of error on weighted data is ±3 percentage points for the full sample.

Additional results come from the 2018 Chicago Council Survey of the American public on foreign policy, a project of the Lester Crown Center on US Foreign Policy. The 2018 Chicago Council Survey was conducted by GfK Custom Research using their large-scale, nationwide online research panel July 12-31, 2018 among a weighted national sample of 2,046 adults, 18 years of age or older, living in all 50 US states and the District of Columbia. The margin of sampling error for the full sample is ±2.37, including a design effect of 1.1954.

For both surveys, partisan identification is based on respondents' answer to a standard partisan self-identification question: "Generally speaking, do you think of yourself as a Republican, a Democrat, an Independent, or what?"

The 2018 Chicago Council Survey was made possible by the generous support of the Crown family, the John D. and Catherine T. MacArthur Foundation, the US-Japan Foundation, the Korea Foundation, and the Robert R. McCormick Foundation.

Mexico Methodology

Results reported from Mexico are based on two different surveys conducted by Buendía & Laredo. The first nationwide face-to-face survey was conducted from August 17 to August 23, 2018. The second nationwide face-to-face survey was conducted from November 15 to November 20, 2018. Both surveys are based on a weighted national sample of 1,000 Mexican adults, 18 years of age or older, who reside in housing units within the national territory. Assuming a design effect (deff) of 1.3, the sampling margin of error of both surveys is ±3.53 percentage points. For more details, please contact us at contacto@buendíaylaredo.com

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