



Trump Crosses the Pond:

Challenges and Opportunities for
the US-UK “Special Relationship”



Portland



Overview

On 5 March 1946, UK Prime Minister Winston Churchill told an audience at Westminster College that “neither the sure prevention of war, nor the continuous rise of world organization”, could be gained without a “special relationship” between Britain and the United States.

Since then, the term “special relationship” has come to represent US-UK ties and encompass the close political, diplomatic, cultural, economic, military and historical relations between both nations.

Fast facts



Both countries are members of international organizations including: NATO, the UN, the UN Security Council, the World Bank, the World Health Organization, the International Monetary Fund, Interpol, the Nuclear Non-Proliferation Treaty, the Group of Eight, the International Court of Justice, the British-America Project and more.



July 2018 will be the **5th** meeting between Trump and May, but only the **2nd** meeting not on the sidelines of a larger international event

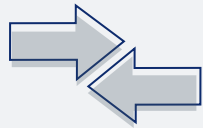


Donald Trump will be the **12th** US President to meet Queen Elizabeth II



1 million Americans go to work for British companies every day

US exports to UK total **\$56 billion**



UK exports to US total **\$53 billion**



The US and the UK are each other's **single largest** foreign investors



Nearly **1.4 million** Britons are directly employed by US affiliates



British companies have invested more than **\$480 billion** in the US



Over **42,000** American firms export to the UK and more than **7,500** have operations in the UK



Signed in March 1946, the UKUSA Agreement is without parallel in the Western intelligence world and formed the basis for cooperation between the **two countries** throughout the Cold War and beyond



The UK hosts over **8,000** US military personnel

DEFENSE

The UK and the US cooperate closely on defense and security issues. The 1958 US-UK Mutual Defense Agreement is a bilateral treaty between both countries allowing for the exchange of nuclear materials, technology and information. The 2009 US-UK Defense Trade Cooperation Treaty allows both countries to trade defense articles without an export license or other written authorization.

The UK has a storied history of joining the US in military action, from support during conventional wars to modern-day strikes against non-state actors and terrorist groups. Currently, UK armed forces participate in the US-led coalition efforts against the Islamic State, and the UK hosts about 8,700 US military personnel. They are also key bilateral partners in defense cooperation and defense sales, and are engaged in more than 20 joint equipment programs.

TRADE AND INVESTMENT

The trade and investment partnership between both countries – worth over \$200 billion a year – has created a million jobs on both sides of the Atlantic. One million Americans go to work for British companies every day, and vice versa.

The US and the UK are each other's single largest foreign investors. British companies have invested more than \$480 billion in the US, accounting for more than 15 percent of all inbound foreign direct investment. The US is also the largest investor in the UK, with American firms investing nearly \$600 billion into the British market – nearly a quarter of their total investment in Europe and more than 12 percent of all US foreign direct investment worldwide.

FOREIGN POLICY

The UK is perceived to be the leading voice in shaping US foreign policy debates, and the UK's status as a close US ally has enhanced its global influence. In turn, British support for the US has helped advance America's international credibility and weight.

The diplomatic principle of cooperation, with both nations regarding each other as their closest and most reliable ally, has been accepted by all British prime ministers and US presidents. Although the relationship has fluctuated according to current affairs, personalities or policies, the ties between the US and UK are deemed closer than any amongst major world powers.



Trump, May, and the Future of the Special Relationship

The UK's decision to leave the EU, coupled with the elections of US President Donald Trump and UK Prime Minister Theresa May, has created a new chapter in the special relationship – one that finds relations just as critical as ever, but at times more strained.

The Brexit vote and the election of Trump took place within a few months of each other, and will likely be linked in history – both described as shifts towards populism that appealed to similar constituencies.

May was the first world leader to meet Trump at the White House, arriving in Washington in January 2017. During the meeting, Trump pledged to “renew our deep bond with Britain” and promised America’s “lasting support”.

Trump was subsequently promised to be invited to the UK for a full state visit, which never transpired. He additionally canceled a working visit to the UK this past January to open the new US Embassy in London, which media attributed to “fear of mass protests”.

Although no official reason for the cancellation was given, Trump took to Twitter to state: “[The] reason I canceled my trip to London is that I am not a big fan of the Obama Administration having sold perhaps the best located and finest embassy in London for ‘peanuts’, only to build a new one in an off location for 1.2 billion dollars. Bad deal”.



The G7 meeting that convened heads of state in June 2018 was, according to May, “difficult” due to Trump clashing repeatedly with other world leaders. Nonetheless, May stated that the UK intended to fully honor its commitment to the joint statement signed at the summit, although Trump disowned the agreement hours after leaving the multilateral meetings.

Despite increasingly strained ties, Trump will make a working visit to the UK on July 12, immediately following a NATO summit meeting in Brussels that will include bilateral talks with May. Trump will most likely not get the honors of a traditional state visit when he arrives, but is expected to meet with May as well as Queen Elizabeth II. Trump will be the 12th US president to meet the monarch.

There are clear challenges and opportunities in the strategic relationship that will likely be addressed during Trump’s visit. Both Trump and May are plagued with unpopularity at home and abroad, and the two leaders have disagreed on a number of foreign policy issues. This being said, both leaders at least publicly believe that Brexit provides the opportunity to strengthen economic ties through a post-Brexit trade agreement.

CHALLENGES:

Public Perception and Foreign Policy Disagreements

As Trump arrives in the UK, public perception of both leaders as well as high-profile foreign policy disagreements will likely remain points of tension in the bilateral relationship.

Trump is unpopular in the UK, and May's efforts to maintain the special relationship are coupled with eroding support from the public. As a result, there is expected to be significant public backlash to Trump's arrival.

London Mayor Sadiq Khan has said that Trump's visit would result in mass public protests. Amnesty International UK's director, Kate Allen, said: "When Donald Trump arrives on these shores, we and thousands of our supporters will very definitely be making our voices heard".

May's leadership position has been weakened after she triggered an early election in June 2017, which resulted in the Conservatives losing their absolute majority in the 650-seat House of Commons. She currently presides over a government that is too weak to deliver a legislative program of any significance.

Both Trump and May grapple with perception issues at home, and their respective foreign policy outlooks also often come to head. While the election of Trump and the Brexit vote have been viewed as shifts towards populism, Trump's pursuit of an isolationist and "America First" foreign policy are at odds with May.

Trump's decisions to re-impose sanctions on Iran, pull out of the Paris agreement and ignite a trade war with America's closest allies have been viewed as contrary to the liberal international order. May, on the other hand, has stood beside other Western heads of state in addressing global challenges.

May has to walk a fine line in her interactions with Trump. If she gets too involved in criticizing US foreign policy and decision making, her relationship with Trump will be further strained at a time when the UK is seeking a future economic agreement with the US following Brexit. On the other hand, if she lends her support to Trump and is perceived to be capitulating, her public support – already at risk – will likely further erode.

OPPORTUNITIES:

Trade Deals and Security Cooperation

Since deciding to leave the EU, the UK has sought to reinforce its close ties with the US and reaffirm its place as a leading country in NATO. Trade and security cooperation will thus likely be areas where the US and the UK are looking to deepen ties.

The UK government needs to demonstrate it can establish meaningful bilateral trade deals for Brexit to have any credibility. Indications that a fair UK-US trade deal sits on the other side of Brexit will prop-up collapsing negotiations and provide stability to financial markets.

While there is some uncertainty due to Trump's tariffs threat, there is no doubt the US-UK economic ties will continue to be robust. The Trump administration's comments surrounding Brexit are in sharp contrast to former President Barack Obama's warning before the Brexit vote, which was that the UK would be at the "back of the queue" for a trade deal if it voted to leave the EU.

Although the UK cannot formally negotiate trade agreements until it leaves the EU, a likely future agreement with the US could bolster the UK's position in negotiations with the EU in terms of Brexit. In January, Trump talked up the prospect of a post-Brexit US-UK trade deal – predicting "tremendous increases" in trade between both countries. In April, the US laid out its annual trade wish list which could influence negotiations – with agriculture, for example, likely to play an important role.

The UK hopes to strengthen its security cooperation with the US as it relates to the future of NATO. The American decision to withdraw from the Iran nuclear deal has increased focus on Trump's comments and commitments to NATO. Additionally, there are concerns in the UK around Trump's approach to relations with Russia, especially following the poisoning of a Russian dissident in the UK early this year and another poisoning attack just last week.

The US is concerned that the EU plans for closer defense ties between the EU and the UK risks to undermine NATO, so will likely try to bolster cooperation amongst NATO allies and increase military spending. The UK is one of only a handful of countries that pays the stipulated 2 percent of its GDP towards the alliance, and urging other countries to meet their financial responsibilities can be leveraged as a point of common interest.

Despite statements by Trump concerned that NATO is a "bad deal" for the US, there are many signs that both countries will continue to invest in the alliance. US tanks have returned to Western Europe, positive opinions about NATO are on the rise, the NATO advise-and-assist mission is continuing in Afghanistan, and it is still taking in members – Montenegro will be present at this summer's NATO meeting for the first time.

May and Trump will meet at NATO shortly before Trump travels to the UK, and conversations begun during the NATO talks will likely continue into the visit.

Conclusion

Brexit and relations between May and Trump have altered the landscape of US-UK relations – leading to new challenges and opportunities within the bilateral relationship.

Garnering public support, for both leaders, will undoubtedly remain difficult. However, Trump and May can move forward with positive messaging on the issues where they are and have been aligned.

Close US-UK cooperation will remain strong in economic issues and the future of NATO. Despite domestic pressures and foreign policy disagreements, Trump and May will likely capitalize on areas of common interest and find mechanisms by which they move the relationship forward.

About Portland

We are pioneers in integrated communications campaigns and continue to expand our areas of expertise. We help clients manage their reputation, improve their visibility and media coverage – and deliver global communications campaigns across multiple platforms. Teams of experienced and multilingual consultants invest time to understand clients from the inside out, work with them to set clear strategic direction, and then bring the whole of Portland’s abilities to bear to deliver their objectives.

BREXIT

Portland works with organizations to help them understand the implications of Brexit for both British and international entities operating in the UK and around the world. This varies from top-level insight and advice on the political, economic and regulatory implications of Brexit, through to developing a corporate position, and engaging employees, government and media around the settlement.

WASHINGTON, DC

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NOAH BLACK, PARTNER

noah.black@portland-communications.com

T: 202 302 3790

AL JACKSON, PARTNER

alfred.jackson@portland-communications.com

T: 202 791 8607

Twitter:
@PortlandComms

LinkedIn:
company/portland-communications

Website:
www.portland-communications.com

LONDON
NEW YORK
WASHINGTON, D.C.
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