
*The Cross Party Group USA meeting
Update on UK-USA Free Trade Agreement opportunities
With the participation of Robert Johnson, USA Ambassador to the UK*

Location: Virtual
Date: Friday, 10th July 2020
Time: 10:00-11.00am

Speakers:

- Robert Johnson, USA Ambassador to the UK
- Ellen Wong, Principal Officer, U.S. Consulate General Edinburgh
- Dean Lockhart, MSP, Scottish Parliament
- Graeme Jones, CEO, Scottish Financial Enterprise
- Liz Cameron, CEO & Director, Scottish Chambers of Commerce
- Scott Johnstone, CEO, Scottish Life Sciences Association
- Will McGarrigle, Principal Policy Adviser, Confederation of British Industry
- Calum Moultrie, Public Affairs Associate, Standard Life Aberdeen
- Stuart Hamilton, Business Development Specialist, Scottish Chambers of Commerce
- Alexia Haramis, Head of Corporate and International Development, Edinburgh Chamber of Commerce

Attendees:

Alan Johnston, Professor Emeritus, Architecture and Landscape Architecture, Edinburgh University
Alan Mitchell, Chief Executive, Fife Chamber of Commerce
Alastair Ross, Assistant Director, Head of Public Policy, Association of British Insurers
Andrew Liddle, Programs & Engagement Manager, U.S. Department of State
Andrew McCornick, President, NFUS
Angus Johnstone, Relationship Director, Royal Bank of Scotland
Bill Bowman, MSP, Scottish Parliament
Cat Hay, Policy and Industry Liaison Manager, Food and Drink Federation Scotland
Emma Harper, MSP, Scottish Parliament
Emma Thomas, Director, Mapix Technologies Ltd
Graeme Rose, Public Affairs Manager, The Association of the British Pharmaceutical Industry
Iain Hall, Apprentice, Weber Shandwick
Ian Smith, Head of Corporate Relations, Diageo
Karen Betts, CEO, Scotch Whisky Association
Karin Gidlund, Travel Trade Sales Manager, Rabbits Tours
Kate Nowakowska, Corporate Executive, Edinburgh Chamber of Commerce
Lesley-Anne Campbell, Parliamentary Assistant, Scottish Parliament
Lola Nicolas, Corporate & International Executive, Edinburgh Chamber of Commerce
Martin Bell, Deputy Director of Trade, Scotch Whisky Association
Monica Lennon, MSP, Scottish Parliament
Neville Wylie, Deputy Principal for Internationalisation, Stirling University
Nicole Lombardo, Policy Officer, Napier University

Nora Rothrock, Group Managing Director, US Tax & Financial Services
Olivia McLaren Principal, Attorney and Board member and American-Scottish Foundation, Inc.
Paul Hunt, Trade Director Scotland, The Royal Bank of Scotland Group
Philip Knight, Managing Associate, Womble Bond Dickinson
Russell Dalgleish, Founder and Managing Partner, Scottish Business Network
Steve Kerr, Chairperson, The Kerrs
Trevor Stone, Director, AECOM
Ulrike Peter, Senior Policy Officer International, Universities Scotland
Cameron D (Donald), MSP, Scottish Parliament
Kenneth Shand, Senior Partner, Dentons
Emily Mackintosh, Scottish Parliament

Apologies

Craig J Lemmon, Founder and Director, Miigen
David Kelly, Policy Manager, Scottish Council for Development & Industry
Hannah Ormston, Policy and Development Officer, Carnegie UK Trust
James Macsween, Founder, Macsween
James Withers, CEO, Scotland Food & Drink
Julia McIntyre, Scottish Parliament
Karen Betts, CEO, Scotch Whisky Association
Paul Collins, Senior Vice President, Franklin Templeton
Professor Neville Wylie, Deputy Principal (Internationalisation), University of Stirling

Facilitator

Dean Lockhart, MSP, Scottish Parliament, Mid Scotland and Fife

1. Welcome and introductory remarks

Dean Lockhart MSP (DL) welcomed everyone to the fifth meeting of the Cross Party Group on the USA, thanked everyone for joining and highlighted this meeting will focus on the Free Trade Agreement and Virtual Trade Missions between Scotland and the USA.

Robert Johnson, USA Ambassador to the UK (ARJ) thanked DL and everyone for joining. ARJ talked about how UK companies have diversified due to COVID-19, for example Plexus Manufacturing, which have produced ventilators and Honeywell Int, which produce PPE. ARJ talked about the importance of the Free Trade Agreement, as well as eliminating barriers, it will reduce costs and tariffs and help companies, such as SMEs, to grow and develop trade and investment between Scotland and USA. ARJ is hopeful of a resolution with the Boeing - Airbus dispute after Brexit is concluded, ARJ highlighted how crucial it is for everyone to support the FTA so it is a win-win situation for both Scotland and the USA.

DL agreed with ARJ by noting that the US is the single largest FDI and export market for Scotland and the Agreement would make the current strong relationships even stronger. DL then opened up the Q&A session.

2. Q&A with Ambassador Robert Johnson, chaired by Dean Lockhart

Question 1 - Graeme Jones, CEO, Scottish Financial Enterprise (GJ) asked what the Ambassador felt companies could/should be doing, to increase their profile even further to boost trade between Scotland and the US, and wanted to find out more about the immigration issues and relaxation of freedom of movement for both UK nationals and US citizens.

Answer 1 - ARJ advised that with the strong Scottish heritage in the US there is a very positive approach to opening up to opportunities between Scottish and US businesses and all means of linking should be utilised. ARJ mentioned it is important to get a better understanding of where a business is interested to start the talks and benefit from different states competing on various levels. Regarding ARJ suggested connecting up with alumni groups as a good way to encourage bilateral investment opportunities. The immigration issues, are at the moment on hold, however negotiations are ongoing.

Question 2 - Liz Cameron, CEO & Director, Scottish Chambers of Commerce (LC) agreed on Scotland and US being great allies. LC asked what steps should Scottish businesses take now to position themselves for the various outcomes that might result from the UK/US Free Trade Agreement, in order to ensure continued growth in trade between our two countries and asked about how might the UK and US come together to find an urgent resolution to the issue of imposed tariffs, for the benefit of Scottish SMEs and their US export ambitions.

Answer 2 – ARJ answered that businesses need to anticipate opportunities, jumpstart and lay out potential scenarios, as well as get strategic plans in place, including finances and operations. The changes will open up huge opportunities for commerce, says ARJ. Regarding the tariffs, ARJ is hopeful that a resolution will come when the UK leaves the EU.

Question 3 - Scott Johnstone, CEO, Scottish Life Sciences Association (SJ) noted the importance of the freedom of movement between the UK and the USA, and indicated that Scotland has an extremely high proportion of USA citizens. The USA is their target market and it would be beneficial for their Scottish representatives over there to build on their US operations. SJ talked on how virtual meetings opened up and broadened the dialogue from one state to many others.

Answer 3 – ARJ said there will be a new dynamic after COVID-19 and Brexit, as well as new opportunities and the need for different ways of funding. The key is to find what is in the best interest

for both the USA and the UK and how to be innovative. Brexit could bring positive aspects, for instance help the UK with becoming more competitive.

Question 4 - Will McGarrigle, Principal Policy Adviser, Confederation of British Industry (WM) wanted to find out where the Ambassador sees potential for regions (and devolved nations) of the UK and US partnering to strengthen trade and investment, and how the trade deal can put the framework to support SMEs in place to allow for that and if the FTA could be completed by November?

Answer 4 – ARJ replies that the work being done on the FTA is challenging and time consuming, especially for the legal side for both Governments. However ARJ is optimistic that the FTA will be completed as soon as possible as good progress has been made so far. There are currently a lot of restrictions, particularly for SMEs and less tariffs and regulations will help reduce barriers and risks and this should assist in driving both economies forward.

Question 5 - Calum Moultrie, Public Affairs Associate, Standard Life Aberdeen (CM) asked if the Ambassador sees the agenda for UK-US financial services being increasingly focused on environmental, social and governance (ESG) factors.

Answer 5 – ARJ agrees ESG factors will be crucial for businesses; however it will be left to businesses and customers, rather than to the government to impose regulations in these areas. ARJ thinks that there is an opportunity for young people to gain leadership in this area and ARJ is receptive to hear about how the UK will be dealing with ESG factors going forwards.

3. Remarks virtual trade missions:

Stuart Hamilton (SH), Business Development Specialist, Scottish Chambers of Commerce (SCC) gave an update on the international work the Scottish Chambers of Commerce are carrying out across Scotland to support the Scottish Government's Trading Nation, to increase exports from the Scottish business community. The US is Scotland's number one priority market and the network have 29 planned virtual trade missions including B2B meetings planned over the next few months. With various missions planned to the US. The Virtual trade missions are now more accessible for more businesses.

Alexia Haramis (AH), Head of Corporate and International Development, Edinburgh Chamber of Commerce (ECC) gave an update on the virtual trade mission to Philadelphia and the great feedback from attendees which joined 25 B2B meetings and briefings from local officials. Future virtual missions to the US include the Pacific North-West and the state of Washington and Oregon later on this year. There has been considerable interest from the Technology, Drinks and Health industry in attending this next virtual mission.

4. Dean Lockhart MSP and Ambassador Johnson vote of thanks

DL thanked ARJ and agreed that it's crucial to keep building on existing ties.

ARJ agreed that the relation with Scotland is second to none and thanked everyone.

5. Ambassador departs and remarks by other attendees begin

Ian Smith, Head of Corporate Relations, Diageo (IS) was pleased to hear that tariffs had been raised at the meeting as the potential impact on the Gin industry is significant, as Scotland produces a substantial proportion of Gin the production for the UK. IS asked other members of the group if they are able to help address this issue.

Ellen Wong, Principal Officer, U.S. Consulate General Edinburgh (EW) informed that there is an opportunity to comment and influence the decision-making process until the end of July, by submitting comments on why that would be damaging to US companies and advised to find stakeholders and encourage them to comment and influence the policy makers.

LC advised it would be highly beneficial if companies could collectively comment with the support from the Scottish Government.

Martin Bell (MB), Deputy Director of Trade, Scottish Whisky Association (SWA) added that the SWA will be submitting a report to United States Trade Representative to show how detrimental the proposed increase in tariffs will be to the US businesses particularly SMEs in the hospitality industry.

DL was happy to follow up on a collective and joined up effort to address the potential increase in tariffs. DL thanked all for attending.

6. Closing remarks by Dean Lockhart and AGM begins

Lesley Campbell (LC), Parliamentary Assistant to Dean Lockhart MSP, and DL proposed that DL continue as Convener with Alexander Burnett MSP and Anas Sarwar MSP continue in their roles as Deputy Conveners. It was also proposed that the Edinburgh Chambers of Commerce would continue as Secretariat. Bill Bowman MSP seconded this proposal.

7. AOB

DL, EW and AH agreed it was a productive and interesting conversation, and all agree that the virtual meeting element will open up to more future group members attending CPG meetings.