

Free trade agreement negotiations (rest of world)

Lines to take

Scottish Government role

We are **ambitious about international trade** and it is going to play a key role in Scotland's economic recovery. We want to build on our strengths and grow Scottish exports in our target markets. Trade agreements should support those goals and provide benefits for Scottish companies, while doing no harm to our wider economic, social and environmental goals.

For these reasons, we will continue to press for a guaranteed role for the Scottish Government and Parliament in all stages of the formulation, negotiation, agreement and implementation of future UK trade deals to protect and promote Scottish interests and priorities.

US FTA

- The US will always be a close trading partner and we look forward to that continuing. Our exports to the US were £5.5bn in 2018 (16% of our international exports) and it is an important market for Scottish companies.
- However, the Scottish Government has been clear that the UK Government should prioritise a trade agreement with the EU.
- Concerned that the UK Government's rush to conclude a trade agreement with the US will mean lower standards, with food imports that are produced to standards unacceptable in the EU. We have also raised concerns that negotiations threaten the future of the NHS as a public service.
- We have called for the tariffs on a range of Scottish products (imposed as a result of the Airbus-Boeing dispute) to be removed as quickly as possible and not as part of the separate UK/US trade agreement negotiations.

Australia and New Zealand FTAs

- Trade volumes with both are currently low – but we are keen to see these increase in a way that is consistent with our overall priorities.
- We would have preferred this to happen as a member of the EU. Membership of the EU would not prevent us trading more with Australia or New Zealand – the EU is in the process of negotiating an FTA with both countries
- The scoping assessments that the UK Government published in advance of negotiations gave us some cause for concern. They showed that agriculture and semi-processed food are likely to see output decline as a result of these FTA. Scottish Government keen to ensure that these FTAs do not negatively affect our farming and food businesses.
- Protection of Geographical Indications (GIs) is a key priority for Scotland.

Trade agreement continuity programme

- Scottish companies are rightly worried about the potential impact of losing access to EU trade agreements, such as with Canada, at the end of December. Whilst we welcome the 21 agreements that have been concluded thus far, we remain concerned about those which remain outstanding.
- We call on the UK Government to provide full and timely guidance to businesses about the changes in the status of these agreements.

Japan FTA

- Japan is an important market for Scotland and one where we currently benefit from an existing EU trade agreement. It is crucial to have a deal in place before the end of the transition period to ensure that our companies do not lose access to those benefits
- The fact that the UK Government is having to spend so much time and energy trying to replicate the advantages of EU membership underlines what Scotland has lost by being taken out of the EU against its will.

Background

- **US FTA:** UK has concluded **5 rounds** of negotiations with US: there is currently a pause in negotiations due to the upcoming change of US administration.
- **Australia and New Zealand FTAs:** There have been **2 completed rounds** of negotiations with both Australia and New Zealand. A third round with Australia is **currently underway** (started 23 November).
- **Trade agreement continuity programme: 21 agreements** signed so far: (Andean countries, CARIFORUM, Central America, Chile, Cote d'Ivoire, Eastern and Southern Africa, Faroe Islands, Georgia, Israel, Jordan, Kosovo, Lebanon, Liechtenstein, Morocco, Pacific States, Palestinian Authority, Southern African Customs Union and Mozambique, South Korea, Switzerland, Tunisia, Ukraine). Mexico and Singapore are significant agreements for Scotland not yet rolled over.
- **Agreement in Principle** reached with Canada, Norway/Iceland, and North Macedonia. These three agreements should be in place by end of 2020.
- Signed agreements cover **6%** of Scotland's total goods and services exports. All of the agreements in the programme together cover **14%** of Scotland's total goods and services exports.
- **Japan FTA:** An agreement with Japan was signed on 23 October. It is currently going through the Parliamentary ratification processes in the UK and Japan.