

**Minutes of
CPG on USA meeting
04.12.2020
Virtual**

List of attendees

Alan Johnston	James Macsween	Nora Rothrock
Alexia Haramis	Karin Gidlund	Olivia McLaren
Allan Hogarth	Kenneth Shand	Peter Mowforth
Andrew Liddle	Kevin Havelock	Rachael Hamilton
Anna Stella	Kevin Laing	Russell Dalgleish
Beatrice Morrice	Lesley Anne Campbell	Sahar Danesh
Carol Dew	Liam Kerr	Sandy Begbie
Dean Lockhart	Liz McAreavey	Sarah Drummond
Donald Morrice	Luke Skipper	Scott Johnstone
Ellen Wong	Lynn Blaikie	Steve Kerr
Emma Harper	Lynn Dickson	Will McGarrigle
Emma Thomas	Margaret Mitchell MSP	Yvette Jelfs
Frank Faraday	Martin Bell	Yvonne Munro
Graham Little	Monica Lennon	

Apologies

Adam Bowie	Heather Astbury	Kat Brogan
Alastair Ross	Jim Fox	Liz Cameron
Alexander Burnett	Jo Graham	Marion MacCormick
David Kelly	Jo Lochhead	Murdo Fraser
David Ross	Joyce Arbuckle	Richard Wells
Donella Beaton	Julie Bowyer	William Sleigh
Gregor Rankin	Karri Tough	

Agenda

10:00 am	Meeting to commence
10:05	Dean Lockhart MSP to open the meeting and introduce the panel of speakers to provide their comments on the results of recent US elections: <ul style="list-style-type: none"> • Scottish Chambers of Commerce – Liz Cameron, Chief Executive and Director • Scotch Whisky Association – Martin Bell, Deputy Director • Confederation of British Industry – Will McGarrigle, Principal International Trade Adviser • Scottish North American Business Council – Allan Hogarth, Executive Director
10:10	
10:15	
10:20	
10:25 am	Dean Lockhart to thank the panel of speakers and to introduce Peter Mowforth from Indez to talk about ecommerce
10:30 am	Peter Mowforth – Ecommerce trend and opportunities + Q&A
10:50 am	Dean Lockhart to thank the audience and handover to Ellen Wong for closing remarks
10:55 am	Ellen Wong to provide closing remarks
11:00 am	Meeting to finish

Minutes:

Welcome from Dean Lockhart MSP

Dean Lockhart MSP (DL MSP) opens the meeting and introduces the panel of speakers to provide their comments on the results of recent US elections and open discussion on ecommerce:

- Scotch Whisky Association – Martin Bell, Deputy Director (MB)
- Confederation of British Industry – Will McGarrigle, Principal International Trade Adviser (WMcG)
- Scottish North American Business Council – Allan Hogarth, Executive Director (AH)

DL MSP forwards apologies from Liz Cameron, Chief Executive and Director of Scottish Chambers of Commerce.

Panel Discussion

First question of the meeting goes to Allan Hogarth (AH), Executive Director, Scottish North American Business Council. DL MSP asks about the opportunities, success and challenges with virtual trade missions and asks about a comment regarding the US elections.

AH responds with information that the March 2020 Trade Mission to Philadelphia wasn't supposed to be virtual – nevertheless 80% of the secured meetings were saved and continued virtually. This will be the reality for the foreseeable future and a large number of companies that took part in the December 2020 Virtual Trade Mission to Pacific North West USA shows this can be done successfully. There are many advantages such as less time wasters, more direct conversations and very cost effective. AH updates about plans for next year with trade missions to Canada and Chicago. AH describes the virtual trade missions as an overall success. AH moves on to the second part of the questions regarding US elections stating they are not yet over as we await information on which party will control the Senate next year – this will be clarified when the two Georgia Senate seats choose Republican or Democrat. AH expects the Biden administration to have a more predictable approach.

DL MSP asks about the impact of travel restrictions on number of organizations attending the trade missions.

AH agrees that the costs are significantly lower however nothing beats face to face conversations. Time difference is a huge challenge, but also lots of work now can be done prior to the trade mission. The best way forward would be to take best features of both virtual and physical trade missions.

DL MSP moves on to asking Will McGarrigle (WMcG), Principal International Trade Adviser, Confederation of British Industry about future opportunities for Scottish businesses and the US election.

WMcG highlights that for the Biden administration the focus for now will be on repairing the core relationships, the Paris Agreement and US rejoining WHO as well as human rights and The Comprehensive and Progressive Agreement for Trans-Pacific Partnership. Before the focus on international matters, crucial domestic issues must be addressed. As Joe Biden is a foreign relations expert, WMcG expects a cooperative approach with a focus on rebuilding connections for instance by helping resolve the Airbus-Boeing WTO dispute. Overall the Biden win is expected to bring positive changes, UK/US free trade agreement not a priority but in time will set the course for decades of a

strong relationship but a lot of work needs to be done before this is agreed on several issues such as Digital, Data, Drug, Industry Standards and Agriculture.

DL MSP moves on to asking Martin Bell (MB), Deputy Director, Scotch Whisky Association about the trends in export and future opportunities.

MB recognizes the US market to be the single largest export market for Scotland (£1 billion in export in 2019) with £400 million lost due to tariffs. It has been a difficult year and globally the industry has not been immune to Covid19 pressures but the main impact on export has been the tariffs, particularly challenging for smaller businesses, but hopes for resolution are in sight due to Brexit which will give the UK more control.

DL MSP presents a question from Kenneth Shand (KS), Senior Partner, Scotland, Dentons, regarding the anticipated changes in overall attitude of US companies towards the UK.

AH replies that local connections crucial – US companies employ approximately 60,000 employees in Scotland thanks to an attractive and cost effective environment. Policy makers need to ensure this is secured and that the costs don't change.

WMcG answers that Biden administration will focus on environmental issues, climate change, sustainability and clean growth – which is top of the agenda for Scotland as well. This will hopefully bring opportunities and areas for potential collaboration.

MB agrees that there will be long-term opportunities with the Free Trade Agreement. The Biden administration shouldn't have much impact in this case, but on the WTO which may.

DL MSP brings Sandy Begbie (SB), Chief Executive, Scottish Financial Enterprise who asks about the Paris Treaty and further thoughts regarding opportunities around climate change.

AH highlights that Biden named John Kerry Climate Envoy which shows the importance of this matter to the administration. With focus on Smart Cities and the upcoming COP 26 there will also be great opportunities for city-level partnerships. US businesses will operate in Scotland for as long as they have access to highly skilled employees.

WMcG agrees there will be lots more momentum now and reminds the next G7 summit will be held in the UK as well.

MB also agrees that the sustainability piece is top priority for most now including the SWA with a commitment to mitigate the impact on the environment and their path to become carbon neutral. MB indicated the Biden administration may support a border adjustment mechanism and the carbon border taxation. According to MB less tariffs and collaboration consensus will be the key drivers for industries and growth.

Ellen Wong (EW) Principal Officer of the U.S. Consulate General in Edinburgh, Scotland, UK, added in the chat that US states send delegations to COP summits and expects engagement and participation on state, Senate and Congress levels.

Anna Stella (AS), Founder and Marketing Expert, BBSA Marketing continued the session by asking about forecast regarding immigration changes.

AH is hopeful that this will improve but noted that the Trump administration will leave a very strict, limited and restricted legacy.

WMcG agreed and added that a different Congress will also be a hurdle in this matter.

Scott Johnstone (SJ), Chief Executive, Scottish Lifesciences Association asked about regulations in the Food and Drink industry and the use of chlorine.

AH pointed out that civil servants in this area will remain the same and hopefully the Trade Agreement will bring positive changes.

WMcG agrees the work of the Congress will now be crucial for agriculture.

Emma Harper (EH), added that chlorine washes are present in the UK as well. The overall discussion led to a statement that concerns about chlorine-washed chicken are less around the actual use of chlorine, but more that these washes are used to clean up poor welfare and hygiene practices throughout the system. AH agreed that there are just different standards in different markets. EW added that now with different alternatives, chlorine is used less.

Rachel Hamilton (RH), thanked the panel and added a statement regarding the challenges and tariffs imposed on cashmere manufacturers. RH finds these discussions very important and believes these will bring a positive impact. Soft power and engaging young people will be crucial to repair.

AH agreed and added the importance, strength and depth of the Scottish diaspora – which is a card that could and should be played harder.

DL MSP also recognized the significance of these connections and what a great resource for collaboration they are.

Donald Morris (DM), asked how can the Government help support and grow ecommerce.

AH gave a few examples of companies such as SchoolCloud, eCom Scotland and docs24 who have made good connections in the US through the missions with the support also of Global Scots connections.

WMcG said that making customs procedures easier would be very helpful and that the Government should help promote opportunities.

MB continued that companies should step up and improve their operations within ecommerce. The pandemic has boosted this.

DL MSP wanted to know the percentage of sales via ecommerce however MB responded that this varies from market to market and is now growing rapidly.

Dean Lockhart MSP thanks the panel of speakers and introduces Peter Mowforth from Indez to talk about ecommerce

Peter Mowforth (PM), CEO, Founder and Owner, Indez, presents the value of commercialization of ecommerce and the new document Renewing Scotland's Full Potential in a Digital World: Updating the Digital Strategy for Scotland. According to PM the document is a disappointment and is not as

helpful as it should be. PM invites others to share their feedback on this document to collectively respond to the Scottish Government with concerns and remarks. Ecommerce should be at the center stage. PM informed the attendees that until 2014 Scotland was the largest ecommerce market in the World, with China, US and UK being on the first, second and third place. PM is happy to share reports and statistics on ecommerce. Since the pandemic retail ecommerce has grown by 40% (from 10% to 14% in the US) and from 20% to 30% in the UK. The total size of the ecommerce market in the UK is around £688 billion and it would be larger than the food and drink, energy and other major sectors. This market is mostly used for business to business operations. The Regional Comprehensive Economic Partnership in Asia depend on digital and electronic trade, whereas EU, UK and US haven't recognized the significance of it yet. Ecommerce should be the core strategic component for businesses and Scottish SMEs need to make better use of platforms such as eBay and Amazon – users are unaware of the many advantages of these website, for instance eBay sorting out tax challenges of these trades and Amazon being the most powerful tool for business to business and wholesale trade in the US. There are also great opportunities not only for producers but for merchants as well. PM also highlighted that there must be a greater focus from the Government and Education sector around skills regarding ecommerce – only just in 2019 Scotland has launched the first course on this subject.

DL MSP will be happy to continue the conversation on ecommerce and invites everyone to do so as well. DL MSP asks WMcG if ecommerce will drive productivity.

WMcG agrees that generally exports generate drive for productivity and that CBI will focus on this as well.

PM added that productivity should be measured not only by sales and volume of products/services but also sales of them.

DL MSP will circulate PM's contact details for further discussion and potential collaboration.

Dean Lockhart thanks the audience

DL MSP continues to thank all for attending and thanks EW as EW was unable to give remarks due to health reasons. DL MSP recognizes a huge deal of opportunities even with current challenges and invites everyone to continue these conversations. DL MSP confirms the date for the next meeting will follow shortly and closes the meeting.