Government promises boost for Scottish business with new trade deal

This week the Prime Minister announced a new deal to join the trade bloc in the Indo-Pacific – the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

The government says that the deal will offer access to some of the world's fastest growing economies to more than 800 businesses in Scotland who exported £2.1 billion of goods to CPTPP countries in 2021. It promises that it will "slash red tape" and that UK companies will no longer require to have a local office or resident involved.

The CPTPP bloc has a population of more than 500 million people with a total GDP of £11 trillion when the UK joins. It is made up of 11 Pacific nations including Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

Prime Minister Rishi Sunak said: "We are at our heart an open and free-trading nation, and this deal demonstrates the real economic benefits of our post-Brexit

freedoms. As part of CPTPP, the UK is now in a prime position in the global economy to seize opportunities for new jobs, growth and innovation.

"Joining the CPTPP trade bloc puts the UK at the centre of a dynamic and growing group of Pacific economies, as the first new nation and first European country to join. British businesses will now enjoy unparalleled access to markets from Europe to the south Pacific."

UK Government minister for Scotland, Lord Offord, said: "Finalising this trade deal is great news for Scottish business – CPTPP countries already represent a large part of the Scottish export market. It lifts the red tape for items from whisky to textiles and produce, opening new markets and increasing the global appetite for Scottish goods and services.

"Key Scottish exports such as whisky could also benefit from the removal of tariffs as a result of the agreement, with the UK having exported over £1.1 billion worth of whisky to CPTPP countries in 2022 in current prices. Tariffs of around 80% will be eliminated on UK exports of whisky to Malaysia over 16 years, improving market access for Scottish exporters."

Edinburgh-based Cyacomb provides digital forensics software to help law enforcement, social media and cloud companies find and block harmful content many times faster than before, doing in minutes what can currently take days. Cyacomb are currently growing their exports to CPTPP member Canada, and actively working on expanding into Australia and Singapore – and the UK joining the trading bloc will help these efforts.

Ian Stevenson, CEO of Cyacomb, said: “As a growing business offering disruptive technology, time spent navigating the complexities of international trade is time not spent on delivering value to customers or advancing our mission.

“CPTPP will simplify doing business and remove economic barriers in working with our customers in Canada, and in other markets we’re working to enter including Australia and Singapore.”

Scotch Whisky Association Chief Executive, Mark Kent

(photographed above) said: "Exports of Scotch Whisky to the CPTPP countries have grown significantly in the past decade, collectively reaching more than £1.1bn in 2022. The UK's accession to CPTPP will open up new opportunities for Scotch Whisky and other UK products in key markets in the region, including the phased elimination of Malaysia's import tariff. With the potential for more countries to join CPTPP in the coming years, Scotch Whisky will benefit from further liberalisation in the region.

"We now look forward to continuing to work with the UK government to build on this progress and ensure Scotch Whisky can continue to thrive in priority markets around the world. This starts with achieving a good deal in the UK-India FTA, from which a reduction of the 150% tariff could see exports of Scotch Whisky grow to over £1bn in five years, benefiting both Scotch Whisky producers, as well as businesses and communities in India.

"As we look to continue growing our global markets, we remain disappointed that the UK government are failing to deliver on their promise to ensure our tax system is supporting Scotch Whisky, and instead chose to impose a 10.1% tax hike at the Spring Budget. A tax rate that was already the highest in the G7."