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From the Triangle Business Journal:

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## Exclusive: North Carolina targets economic growth with the UK through new trade agreement

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As the race to replace Prime Minister Boris Johnson continues in London, officials there have finalized a trade agreement they say will boost both the U.K. and North Carolina.

In recent days there have been a lot of moving parts – complicated by the politics of a leadership shift - but Wednesday morning it was official, an agreement had been signed by trade officials in both the U.K. and North Carolina Gov. Roy Cooper’s administration.

It is the second trade and economic agreement the U.K. has signed with a U.S. state. It signed a similar agreement with Indiana in May. As described by U.K. officials, the goal is to “tackle unnecessary barriers to trade, cut costs and slash paperwork so British and North Carolinian businesses can work together more efficiently.”

According to officials in the U.K., North Carolina Commerce Secretary Mabelle Sanders was on hand to shake hands



GOODSHOOT

North Carolina and the United Kingdom have signed a new trade agreement.

personally. Sanders was in the region for an aerospace industry conference.

The U.K. in the wake of Brexit has been pursuing formal economic ties with individual states without a bilateral agreement with Washington.

In an interview, Emma Wade-Smith, U.K. trade commissioner for North America, said the agreement, which aims to promote more partnership between the U.S. and the U.K., is a long time coming.

The U.K. had been working with the U.S. administration on a free trade agreement. When work on the effort was put on pause following the change in administration, “we didn’t want to wait and do nothing,” Wade-Smith said.

So U.K. officials turned to the states to discuss the trade relationship. Last year, Dame Karen Pierce, the United Kingdom’s ambassador to the U.S., met with Gov. Cooper – and conversations between their teams continued, leading to the agreement.

“The conversation that our ambassador had with the governor has led to the framework that the MOU sets out for us today, really around driving trade and investment opportunities.”

The memorandum of understanding is designed to build on the relationship between the U.K. and North Carolina, she said.

Already, the U.K. is the fifth largest export destination for North Carolina's products and services. Wade-Smith imagines even more business opportunities.

“We think we could do better,” she said. “The MOU is a manifestation of that ambition to drive more business flows between North Carolina and the U.K.”

The U.K. and the Triangle, in particular, have a lot of similarities. Specifically, both are growing in key areas of life sciences and technology. While the Triangle has the Research Triangle Park, the U.K. has what it calls the Golden Triangle – formed by the university cities of Cambridge, London and Oxford.

And the U.K. has a particular prominence in offshore wind, an area Cooper’s administration has bullishly been prioritizing. Both the U.K. and the state have set aggressive net zero targets – and collaborating can help both reach their goals, she said.

Wade-Smith said the U.K. is also a business opportunity – and one CEOs in the region should explore.

“The U.K. is a world-class destination for investment and a fantastic place from which entrepreneurs and bigger companies can internationalize their business,” she said. “It’s a fantastic gateway to the rest of the world in terms of time zone, being very central for whatever global ambitions that business owners have.”

And it also has a research and development-savvy talent force Triangle businesses can tap into as they expand, she said.

In the meantime, the U.K. is planning to sign similar agreements with Oklahoma and South Carolina in the coming months – even as it continues to push for trade agreements at the federal level.

Recently, the U.K. was successful in removing restrictions on selling Welsh lamb and Scottish beef in the U.S. The countries also resolved a trade dispute resulting in the removal of 25 percent tariffs on British steel.

“Our state-level work shows we can be dynamic and creative with our trade partners,” U.K. Minister of State for International Trade Penny Mordaunt said in a statement. “Whilst we continue engaging with Washington, D.C., we’re speaking to businesses and political leaders right across America – from North Carolina to California – to grow our already £200bn trade relationship.”

North Carolina has had a string of successes out of the U.K., such as Ineos Automotive, a British carmaker that recently picked Raleigh for its North American headquarters. And recently, American Airlines (Nasdaq: AAL) brought back its nonstop flight to London out of Raleigh-Durham International Airport.

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