

Cross Party Group on the USA

Thursday 19 June 2025, 6:00pm – 7:30pm

How should Scotland approach tariffs?

Minutes

Present

MSPs

Daniel Johnson
Michelle Thomson
Liam Kerr

Non-MSP Group Members

Alastair Ross
Ally Steel
Ben McFadzean
Charandeep Singh
Daniel Cohen
David McGrory
Graham Cameron
Ian Houston
Jacqui Watt
James Coggs
Mateo Urquijo
Olivia McLaren
Patrick Colquhoun
Peter Hourston
Roger Fenske
Scott Johnstone
Scott McQuarrie
Steve Kerr
Zach Helzer

Apologies

Alan Johnston
Allan Hogarth
Ben Rose
Clare Reid
Emma Harper MSP
Grace McGill
Graeme Littlejohn

Joanne Davidson
Karen Andre
Kenneth Good
Kenneth Shand
Kevin Havelock
Laurence Heron
María José Kong
Nora Rothrock
Pam Gosal MSP
Sandy Begbie
Stuart Patrick

1. Welcome and Introductions

Daniel Johnson MSP (DJ MSP) welcomes everyone to the meeting. As chair, the order of the agenda was swapped to allow Michelle Thomson MSP (MT MSP) to depart before the end of the meeting.

The meeting approves the minutes of the meeting of Thursday 14 January 2025.

2. Michelle Thomson MSP – Tartan Week in New York and Scotland's cultural cachet

MT MSP updates the meeting following her visit to New York on behalf of the Scottish Parliament for Tartan Week. The Parliament had set up a number of meetings in New York, and other meetings were organised around them to make the most of the visit.

Reflections were that the Tartan Week was all quite formalised and perhaps reflected a Scotland looking back rather than forward at times. There is some way to go to reach the full potential, and deepening connections is crucial to that.

Charandeep Singh (CS) attended and fed opportunities back to the members of the Chambers of Commerce. Organised parallel work on investment and export opportunities for their membership, while also meeting customers and suppliers.

Also engaged with NY Chambers of Commerce and US Chambers of Commerce and shared policy concerns around tariffs.

Special thanks given to Lolita Jackson who helped in a voluntary capacity.

MT MSP closes by pointing to research she undertook with Roger Mullin showing that there is much sympathy for Scotland and Scots among North American businesses.

3. Update from the U.S. Consulate General, Consul General Kathryn Porter

Kathryn Porter (KP) alerts the CPG to the appointment of Warren Stephens as US Ambassador to the UK. She notes that he is passionate about golf and spent a lot of

time in Scotland, and that she was looking forward to welcoming him to Scotland in the near future.

KP also notes the UK-USA tariffs deal. Notes that aluminium and steel are still subject to negotiations.

Keen to strengthen trade between USA and Scotland, and would be interested to hear the reaction from MSPs and businesses on the impact so far.

KP also held an event with the First Minister and key industries in Scotland, highlighting the foreign direct investment is strongest in Scotland of all areas outside of London, with the US the largest investor.

Notes America 250 campaign next July, which will be marked by a Scottish Parliamentary reception in January 2026.

The ambassador is keen to visit Scotland, and we will build trip plans for him to consider including around the Festival and USA v Scotland Rugby.

Q&A

Q1: Liam Kerr MSP (LK MSP) asks whether first visit might be to Aberdeen, given Oil and Gas industry and golf.

A1: KP suggests first visit is likely to be Edinburgh, but that future visits would be considered. He is focused on energy sector and energy transition. LK MSP offered assistance to help organise and make introductions.

C (Comment) 1: Jackie Watt (JW) notes the steady number of US investors coming to North East Scotland on AI, machine learning and other industries.

C2: MT MSP notes there are opportunities too at Grangemouth, and again offered assistance.

4. Filippo Fontanelli (University of Edinburgh) and David Bell (University of Stirling) – “Trade Disruption: potential impact on Scotland and the UK”

Following the presentations by Filippo Fontanelli (FF) and David Bell (DB), DJ MSP opens up for questions and answers.

Q1: DJ MSP asks how we can make the most of the advantages we have, and what we can learn from the pre-free trade era.

A1: FF notes there was still much to be negotiated, and that Scotland should pitch for goods that are important to it. There may be a tension between UK and Scotland – Scotland has many goods with short supply routes, compared to English cars for example.

C1: MT MSP says people may play games with countries of origin, and that there would be a cost and time delay with data on origins.

R (Response) 1: DB says there would be overheads that would have an impact on prices, e.g. components for renewables.

Q2: A question on the apparent violation of international law – what are the consequences for the US and UK?

A2: FF says that this is a constitutional matter, which can be challenged in domestic courts. WTO has no effective dispute resolution system. For the UK, likely to drag our feet, with little risk from non-compliance with WTO.

C2: DJ MSP notes that there were questions about legality, but also a bit of game theory needed.

R2: FF replies that game theory absolutely valid, with some countries choosing to retaliate and others choosing to make deals.

Q3: Peter Houston (PH) from Prosper calls for better coordination with the Scottish Government on this issue. Asked about inflationary/deflationary impact of tariffs.

A3: DB says that it would be inflationary in US, but opportunities in UK such as reductions in barriers with the rest of the world may end up being net positive.

C3: CS discusses the wider economic effect of tariffs, and the need to find new customers across the world, with new active trade missions, including five between now and March.

C4: Alastair Ross (AR) notes that there would also be big impacts from the Big Beautiful Bill, for example on services such as specialist insurance.

DB notes that the exchange rates could offset tariffs somewhat.

FF discusses how negotiation of the deal is in two halves – offensive interest (more market access to US), and defensive interest (preventing US market access in sensitive areas e.g. ethanol).

C5: MT MSP notes a theme of all the discussions is around trust.

R5: DB acknowledges that mistrust and uncertainty is causing a global slowdown in investment.

5. Close (Daniel Johnson MSP)

DJ MSP thanks group members, makes final remarks, and closes the meeting.