



United Kingdom, Ireland, Denmark, Finland, Norway and Sweden

Business Opportunities for PA Exporters

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Bringing the World to PA 2020

Declan Barry | Belfast, Northern Ireland

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Dia duit agus Fàilte / Hello & Welcome

1. Trade relationship between US and Ireland, United Kingdom and Nordic regions respectively
2. Specifically examine the relationship between Pennsylvania and the UK.
3. Snapshot: BREXIT & how it can impact US/UK Business
4. Snapshot: COVID-19, the current situation and opportunities arising.
5. Sectoral Focus for particular opportunities

Approx. 35 minutes.

UNITED KINGDOM – FACTS & FIGURES



2nd Largest economy in continental Europe

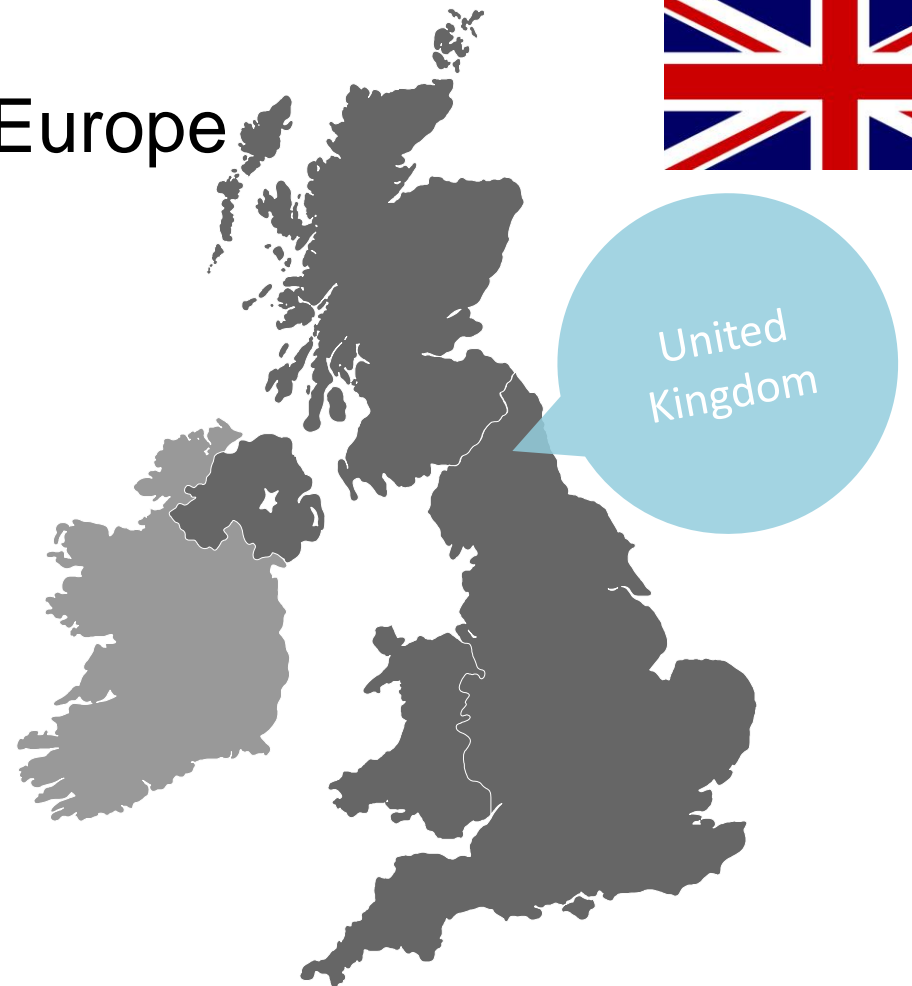
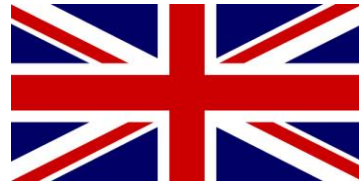


6th Largest economy in the world



Population of **66M**

Key business cities are London,
Manchester & Birmingham



IRELAND FACTS & FIGURES



Fastest growing economy in the EU



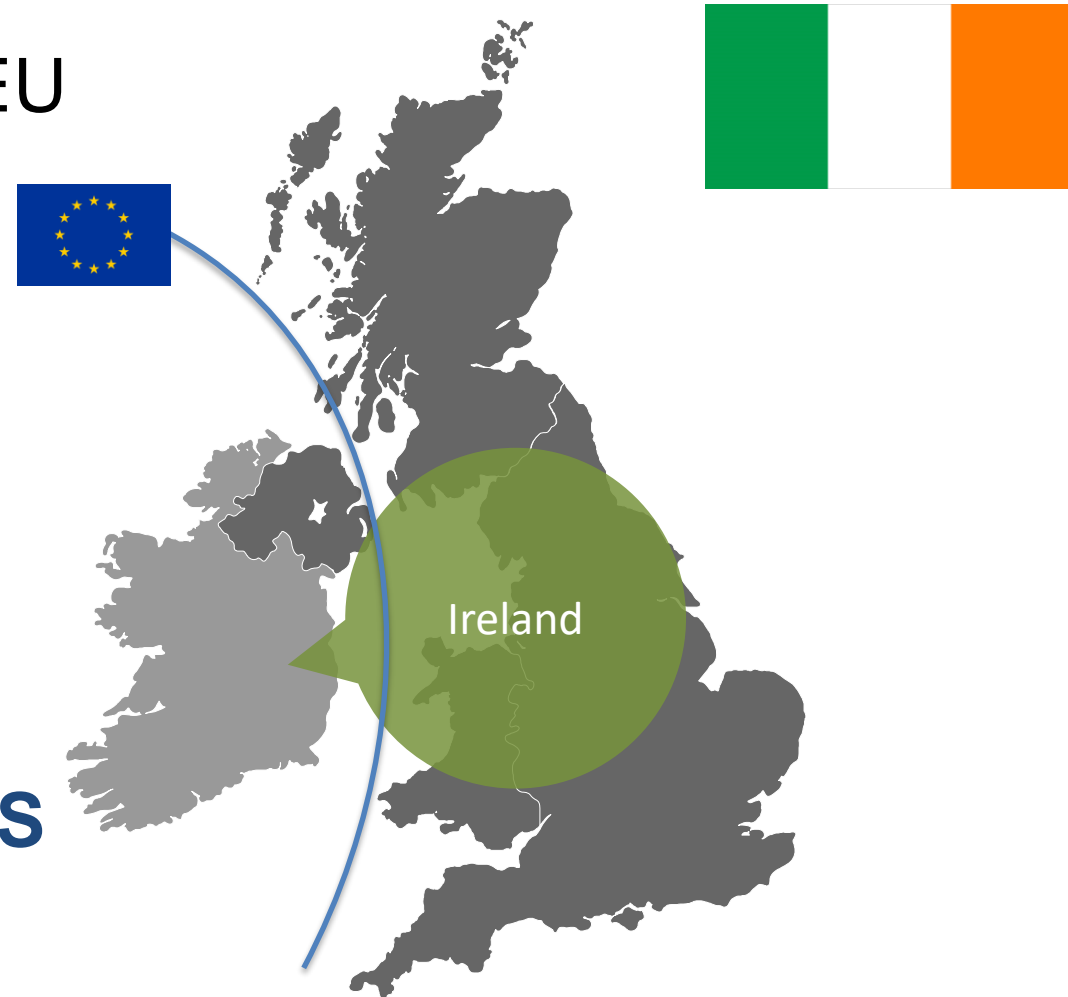
The **ONLY** English-speaking EU member country.



Population of **4.9M**



Irish firms employ **MORE in the US** than US firms employ in Ireland.



THE NORDICS: FACTS & FIGURES



Three countries, only Sweden & Finland being **EU member states**.



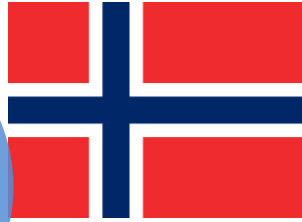
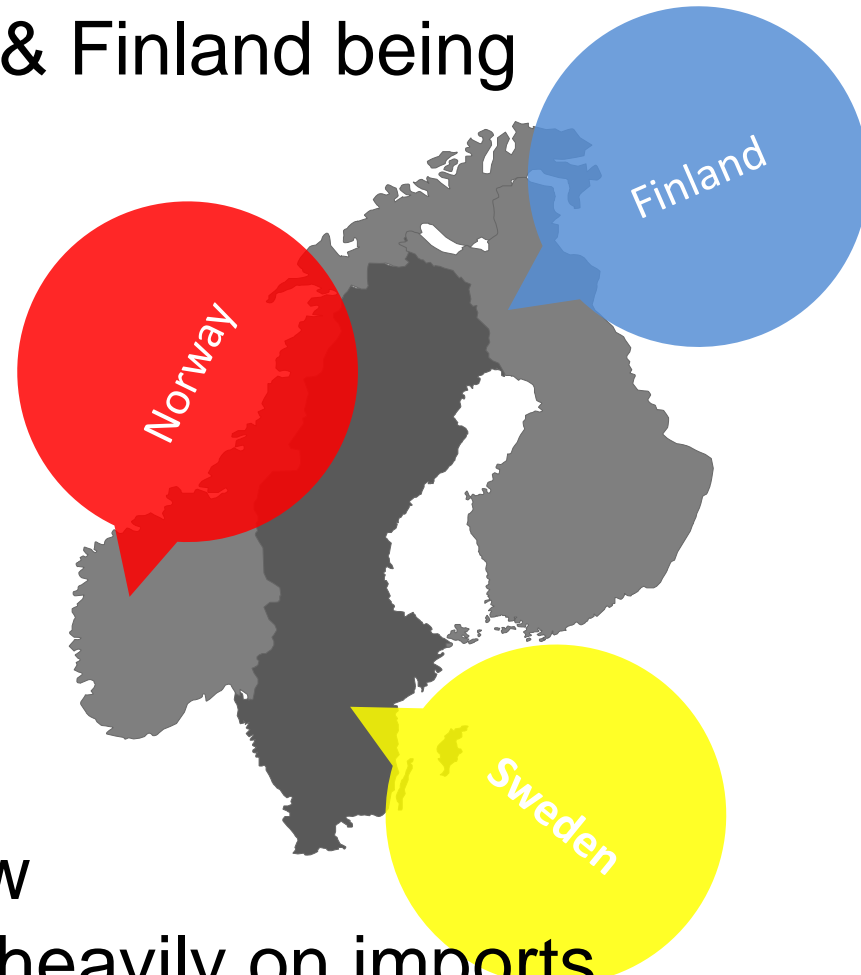
Annually place between **10-13** in European rankings.



Combined population of **21M**



Despite valuable exports of raw materials, the region depends heavily on imports



US – UK TRADE RELATIONSHIP

- 5th Largest export partner for the US globally (\$261.9 billion)
- 7th Largest source of imports for the US globally (\$121.5 billion)

Exports		
Goods	Agriculture	Services
1) Aircraft (\$12 billion)	1) Wine & Beer (\$261 million)	1) Financial Services
2) Precious Metals (\$8.5 billion)	2) Tree Nuts (\$197 million)	2) Travel
3) Machinery (\$6.7 billion)	3) Prepared Food (\$168 million)	3) Intellectual Property (Production Licenses)



PENNSYLVANIA – UK IN FOCUS

- **5th** Largest Export Market for Pennsylvania
- Goods exported to the UK from PA, valued **\$1.9 billion**
- Services exported to the UK from PA, valued **\$2 billion**

Top Pennsylvania goods exports to the UK	\$US
Pharmaceuticals and medicines	\$509 million
Nonferrous metal products	\$142 million
Basic chemicals	\$141 million
Medical equipment and supplies	\$76 million
Motor vehicle parts	\$72 million

Top Pennsylvania services exports to the UK	\$US
Management and advisory services	\$556 million
Travel	\$282 million
Insurance Services	\$167 million
Equipment installation, maintenance and repair	\$140 million
Telecommunications	\$118 million

US - IRELAND TRADE RELATIONSHIP

- US is the 2nd largest exporter of goods and services to Ireland
- Ireland exports more to the US than any other country

Top US Exports to Ireland	Top Irish Exports to the USA <i>*27 percent of all Irish goods exports go to the United States</i>
Pharmaceutical products	Pharmaceutical products
Electrical Components and Equipment	Organic Chemicals
Computers and Peripherals	Optical/Medical Instruments
Aircraft	Beverages
Optical/Medical Instruments	Intellectual Property / Services



*Northern Ireland firm ALMAC, as part of an ongoing global growth strategy to increase its workforce, pumped £20m into its US site in Pennsylvania, creating 312 jobs.

US – SCANDINAVIA TRADE RELATIONSHIP

- The USA is Scandinavia's 2nd largest trading partner, behind Germany.

Top Export Goods	Top Import Goods
Industrial Machinery	Industrial Machinery
Motor Vehicles & Parts	Oil & Mineral Fuels
Electrical Machinery	Motor Vehicles & Parts
Oil & Mineral Fuels	Electrical Machinery
Paper	Plastics



UK & BREXIT

- BREXIT = Britain's Exit From the European Union
- 31st January 2020, (after a few delays, they left).
- Initial Withdrawal Agreement in place.
- **Future Relationship Agreement?**
- 31st December 2020 deadline in effect to agree a deal.

However.....



BREXIT CONTINUED

“if the U.K. violates its international agreements and Brexit undermines the Good Friday accord, there will be absolutely no chance of a U.S.-U.K. trade agreement passing the Congress.”

Speaker Pelosi



CORONAVIRUS – UK & IRELAND

Country	Total Cases	Fatalities
United Kingdom	382,000	41,705
Ireland	31,779	1,788

- Both countries are currently rolling out regionalized restrictions, due to a spike in new CV cases, there has been a significantly lower proportion of deaths.
- Both countries are enforcing 14-days quarantines from the USA, Canada and multiple EU countries, Travelers from mainland GB must observe a 14-day quarantine when travelling to Ireland.
- 134,000 workers made redundant in the UK so far, with a projection for another 379,000 post-furlough (October 31st).

IMPACT OF COVID-19

As of today, it is difficult to outline the exact impact, but we can examine the potential outcomes.

Potential Opportunities	Potential Challenges
Innovation: As people and companies adjust in the pandemic, new services and distribution methods are being rolled out, this is creating opportunity in every sector.	Travel: New ways of engaging with clients will have to be tested and become familiar with, while business travel is being discouraged and in Europe there is a very low appetite to travel among workers.
Diversification: Particularly in medical, pharma and supply chain for PPE many companies have been able to alter their product mix to cater to new demands.	Labour: Furlough and labour support schemes are currently masking the levels of people made unemployed during covid in Europe, and those who have made cuts are finding it difficult to restaff.
Sustainability: As a by-product in the reduction of travel and pressure on the supply chain, the overall theme of sustainability has become fundamental, in particular to procurement at scale.	Supply Chain: Previously celebrated global supply chains have been crippled by recent restrictions, this added to existing pressure in the UK, post-Brexit.
Fresh Starts: Alongside significant redundancies and closures of businesses, we have seen new start-ups aiming not to make the same mistakes and bringing new, innovative ideas to the market.	Economic Limitation: At this point we have no clear vision of the health of the economy, in coming months we will see the true impact, however we know that companies are running well below capacity, with a severely limited workforce.

SECTORAL IMPACT – EUROPEAN REGION

Focus should be placed on food and drink, value-added Agri, and the high-value services sector, including R&D.

Sector	Supply Chain Disruption	Corona-Period Demand Change	Overall
Food & Beverage	High	High Increase	Low Risk
Manufacturing	Medium	Decrease	At Risk
Defense	Low	Increase	Low Risk
Financial Services	Low	Increase	Low Risk
Creative/Media	Medium	Increase	Low Risk
Life Sciences	Medium	High Increase	Low Risk
Retail	High	Decrease	At Risk
BioTech	Medium	Increase	Low Risk
Automotive	High	Decrease	At Risk
Enviro-Tech	Medium	No Change	Low Risk
Renewables	Medium	No Change	Low Risk

Source: FDI Markets



SECTORAL OPPORTUNITY

- Aerospace
- Service Sectors
- ICT
- Robotics
- Fintech
- Wellness



FOCUS ON ICT

- Fintech
- Telehealth
- Industry/Supply Chain 4.0
- Robotics
- Remote Working



KEY POINTS

- 1. All bets are off:** Existing supply chains have been compromised, and actively under review – new opportunities will be created due to the need for risk reduction.
- 2. SME mortality is high:** The level of competition locally is decreasing as supply chain companies close, the next six months will start to show the new gaps.
- 3. Price is less important:** Reliability and resilience are key aspects for buyers, price can be offset if sustainability and relationships are secure.
- 4. Quality** is the primary metric.

Declan Barry
Authorized Trade Representative
Belfast, Northern Ireland

Theresa Brennan
Program Manager, Export Development
Office of International Business Development
Harrisburg, PA USA
thebrennan@pa.gov | +1-717-720-7412

Regional Export Network (REN)
<http://dced.pa.gov/REN>