



# TRADE & MARKET INTELLIGENCE NOTE:

## NI – USA



### EASE OF DOING BUSINESS



**6th**

out of 190  
countries  
(World Bank,  
2019)

### CURRENCY



**US Dollar**

### BUSINESS LANGUAGES



**English**

### GDP PER CAPITA



**\$69,375**

UK is \$46,200  
(IMF, projected  
figures, last  
updated: October  
2021)

### ECONOMIC GROWTH



**6.0%**

(IMF, projected  
figures, last  
updated: October  
2021)

### TIME ZONE

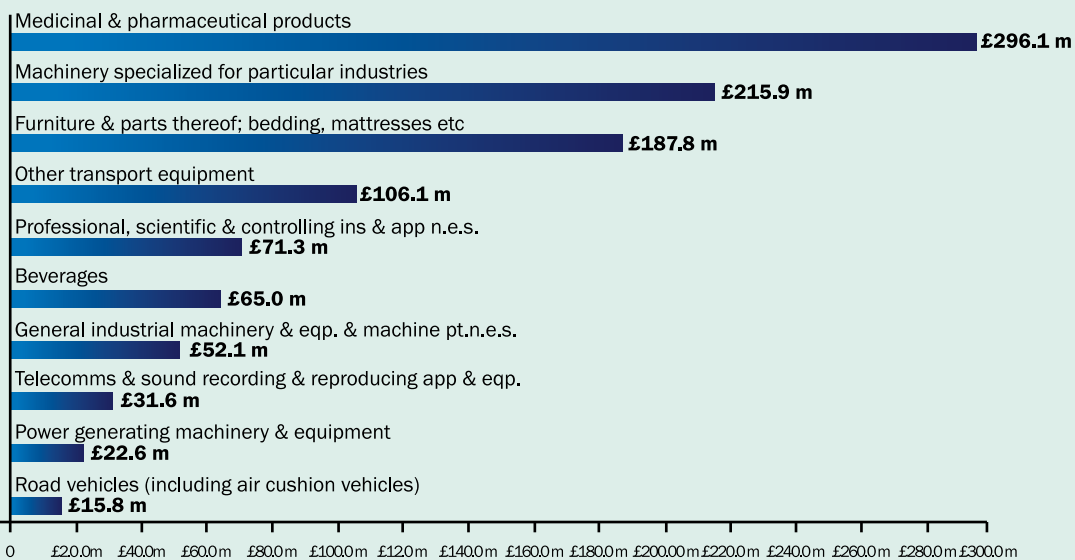


**GMT -4  
(Eastern)**

Other timezones  
are GMT -5  
(Central), GMT -6  
(Mountain) and  
GMT -7  
(Pacific)

- ▶ In 2019, NI bilateral trade in goods with the United States of America (USA) was worth £2.0 billion.<sup>1</sup>
- ▶ This breaks down into £1.2bn worth of goods exports and £785.8m of goods imports.
- ▶ USA was Northern Ireland’s 2<sup>nd</sup> largest market for goods exports in 2019 and our 2<sup>nd</sup> largest goods import partner.
- ▶ Over the period 2015 to 2019, USA has consistently remained Northern Ireland’s 2<sup>nd</sup> largest export market, and our 2<sup>nd</sup> biggest import partner.
- ▶ Northern Ireland’s exports to USA can be considered relatively low when compared to the UK average. NI accounts for around 3% of the UK population, but our exports to USA in 2019 accounted for only 2.2% of all UK exports.<sup>2</sup>
- ▶ Northern Ireland’s trade intensity index<sup>3</sup> with USA averaged 1.16 (for goods) over the period 2015 – 2019, which indicates that a strong trading relationship exists.
- ▶ The graphs below show the breakdown of Northern Ireland’s goods export and import activity with USA in 2019:

### Northern Ireland Top 10 Exports to USA (SITC2) 2019



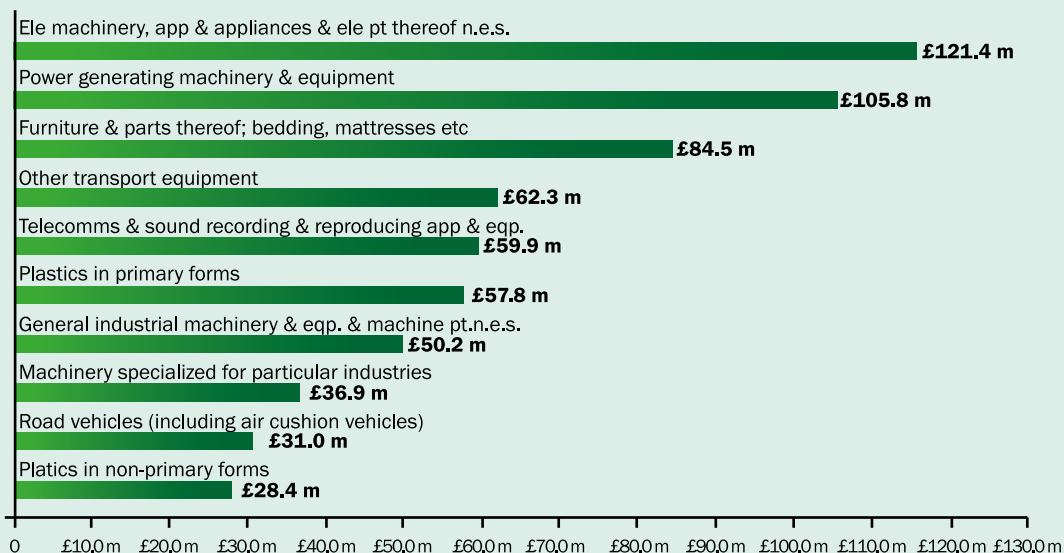
Source: NISRA / HMRC

1 [UK Regions Imports and Exports of Goods by Country and World Region \(nisra.gov.uk\)](https://www.nisra.gov.uk/regions-imports-and-exports-of-goods-by-country-and-world-region)

2 [Regional trade data table - UK Trade Info](#)

3 Trade intensity measures the volume of trade between two partners versus what would be expected based on their overall trading profile – a score above 1 indicates that the partners are trading more than expected, whereas a score below 1 indicates less trade than would be expected.

## Northern Ireland Top 10 Imports from USA (SITC2) 2019



Source: NISRA / HMRC

- Northern Ireland's sectoral trade profile with USA, to a degree, reflects both Northern Ireland's current and future 10X strengths. However, it is important that our businesses are aware of current and future market opportunities in USA for Northern Ireland's exporters and investors.
- The following sectors have potential opportunities for exporting to USA: Food and drink; Technology; Artificial Intelligence; and Life and Health Sciences.
- Other issues facing the US economy that may be of interest to Northern Ireland businesses are:
  - The US is an attractive market due to its large, affluent and diverse population. There is a relatively stable economy and established infrastructure. There are relatively low regulatory barriers and manageable tariffs which is encouraging for trading relationships.
  - Cheese and gin are emerging categories in the US with high growth potential. The US also offers potential opportunities for high-value, differentiated, niche, and on-trend products.

- The US is reported as the largest tech market in the world, representing 31% of the global market, and totalling approximately \$1.6 trillion (~ £1.3 trillion)<sup>4</sup> in 2019 (CompTIA IT Industry Outlook, 2019). Rich with early adopters, the size, affluence and sophistication of the US market provides an ideal test bed for innovative products and services. Northern Irish businesses operating in the Advanced Manufacturing and Engineering priority cluster could therefore investigate potential export opportunities in this sector.
- Furthermore, the US government is encouraging companies to deploy 5G networks and to modernize digital opportunity for all Americans (US Federal Communications Commission, 2019). The Internet of things (IoT) and Smart Cities are strong focuses at local government levels. This may therefore provide opportunities for Northern Irish firms operating in the Digital, ICT and Creative Industries clusters identified in the 10X strategy.
- Similarly the US market has an appetite across industry, government, and university level to build excellence and cross-collaboration in artificial intelligence (AI). Potential export opportunities may arise for NI businesses with expertise in the AI sector.
- The USA is reported as the world's biggest spender on healthcare, medical products, and health research and development (OECD, 2019). In 2017, the US spent \$3.5 trillion (~ £2.83 trillion)<sup>5</sup> on healthcare, and spending is projected to almost double in the next decade (Centres for Medicare and Medicaid Services, 2019). This may provide opportunities for NI businesses operating in the Life and Health Sciences cluster, particularly those who specialise in, for example, health care or medical devices. This may also be of interest to educational institutions that train individuals and encourage the creation of knowledge in this sector.
- Equally, the US is home to a large number of biotech and pharma companies that offer many opportunities for UK companies to sell into their supply chains. The US pharmaceutical market is the world's largest (International Trade Administration, 2016). Therefore Northern Irish businesses operating in the Life and Health Sciences sector may want to investigate the opportunities which exist in US supply lines.

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4 Foreign exchange rate calculation correct as of 5th May 2022 , with a valuation of 1 GBP = 1.2372 USD. Given the nature of floating exchange rates, this valuation should be treated as an approximation. For further information on exchange rate fluctuations over time, please visit <https://www.exchangerates.org.uk/GBP-USD-exchange-rate-history.html>

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- US hospitals and healthcare organisations are keen to deliver healthcare more efficiently with artificial intelligence and other innovative technologies. This growing market is ripe for UK medtech companies that offer data analysis solutions. This desire to combine data analytics and medical devices may therefore create opportunities for NI businesses operating in the Digital, ICT and Creative Industries priority cluster as well as those operating in the Life and Health Sciences priority cluster.
- In the 12 months ending September 2021, UK exports of goods to the US were £47.0 billion (ONS, Q3 2021). UK products are in demand in the US and have a strong reputation for quality.
- UK services are also highly valued in the US. In the 12 months ending September 2021, UK companies exported £83.7 billion worth of services to the US (ONS, Q3 2021).
- In reference to Northern Ireland's current 10X trade profile, USA provides opportunities to Northern Ireland in the areas of: Advanced Manufacturing and Engineering; Digital, ICT and Creative Industries; Biotechnology and Pharmaceuticals, and, Life and Health Sciences.

### Potential Barriers for Northern Ireland – USA Trade in Goods and Services

- The 2021 STRI of the United States is below the OECD average and low compared to other countries, indicating an open regulatory environment for trade in services.<sup>6</sup>
- The OECD Services Trade Restrictiveness Index (STRI) database records restrictions to international trade in services. The index covers 22 sectors with scores from 0 (completely open) to 1 (closed to international trade). The sectors with the greatest restrictions to international trade in services are Air Transport (0.53); Courier (0.36), Maritime Transport (0.35) and Insurance (0.29)<sup>7</sup>. Areas with a higher restriction to trade of services may present a potential obstacle for NI firms seeking to export their services.
- The sectors with the least restrictions to international trade in services are Distribution (0.13), Motion Pictures (0.14) and Computers (0.14). Areas with a lower restriction to trade of services may present a potential opportunity for NI firms seeking to export their services.
- There are some potential trade barriers for the export of Northern Ireland goods to USA<sup>8</sup>;
  - Complex tests may lead to delays for UK imports of poultry meat and egg to the United States, which affects UK exporters of poultry products to the United States. The Food Safety and Inspection Service (USDA-FSIS) has a lengthy process to allow imports of poultry meat and egg products into the United States. The application procedure is complex and contains multiple steps where several US departments are involved.

6 <https://www.oecd.org/trade/topics/services-trade/documents/oecd-stri-country-note-usa.pdf>

7 <https://stats.oecd.org/Index.aspx?DataSetCode=STRI#>

8 <https://www.check-international-trade-barriers.service.gov.uk/barriers/?resolved=0&location=us>

- Restrictions surrounding the importation of sheep and goat meat into the US exist, however proposals are ongoing in removing this trade restriction.
- Professional qualification requirements affecting service exports from the UK to the United States may affect exporters of services to the United States, particularly the medical, legal, engineering, architectural and accountancy professions. Certain professions in the United States require licensing, usually through state level bodies. Different states and different professions often have differing requirements.
- Businesses exporting services which involve the processing of data should be aware that for cross-border transfers of personal data to take place, adequate levels of data protection should be ensured, or, in the absence of this, appropriate safeguards (e.g. binding corporate rules or standard data protection clauses) should be in place.
- A local benefit requirement exists for offshore wind procurement in the US. NI firms who specialise in the provision of offshore wind energy, as well as engineering firms and consultancies bidding for work in the US may encounter barriers as state governments lead on the procurement of offshore wind projects and often attach local economic benefit or content requirements to their tenders. Setting up a presence in the US may resolve this, as may a joint venture.