



Department for
Business & Trade

Lord Johnson of Lainston CBE
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11 March 2024

Dear Peter,

Signature of UK-Texas Statement of Mutual Cooperation (SMC) on Economic Development and Trade Relations between the Government of the United Kingdom of Great Britain and Northern Ireland and the state of Texas in the United States of America

I am writing to give you notice of our intention to sign a Statement of Mutual Cooperation (SMC) on economic development and trade relations with the US state of Texas. The SMC builds on our strong pre-existing engagement with Texas and will be the eighth arrangement of this nature between the UK and a US state.

I enclose a confidential near-final draft copy of the SMC, which we plan to sign in London on 13 March. This draft is strictly embargoed and must not enter the public domain. SMC text is subject to non-substantive changes pursuant to concluding discussions with Texas. The final version will be published on gov.uk following signature.

The Secretary of State for Business and Trade is writing in similar terms to the Rt Hon Liam Byrne MP, Chair of the Business and Trade Committee.

A tool for economic cooperation

The arrangements which the UK is concluding with individual US states serve as tools to strengthen bilateral trading relationships by helping to unlock opportunities for UK businesses to export and attract investment. As the State of Texas does not use Memoranda of Understanding (MoUs) as instruments for arrangements with international partners, but rather frames such arrangements as Statements of Mutual Cooperation (SMCs), this arrangement follows Texan precedent. It should therefore be understood as functionally equivalent to the UK's seven previous MoUs with individual US states, and as a continuation of the UK's state-level MoU programme. The SMC with Texas is a non-legally binding arrangement, which will create a framework for enhanced economic cooperation.

Benefits of the SMC

The SMC seeks to strengthen the UK's already significant trading relationship with Texas, building on bilateral trade in goods worth £14.7bn in 2023.

The objectives of the SMC include promoting and advancing bilateral trade and investment between the UK and Texas, identifying and addressing barriers to trade and investment, identifying opportunities to improve supply chain resilience, fostering innovation, strengthening business links, and encouraging regulators and professional bodies interested in pursuing recognition arrangements for professional qualifications.

The SMC specifies priority areas for cooperation including new and emerging innovative energy solutions (including hydrogen and carbon capture, utilisation, and storage), chemicals, health and life sciences, supply chains and critical minerals, advanced technologies, aerospace, infrastructure, transport services (including intercity light and high-speed rail, and rail freight), and professional business services including financial and legal. It also contains provisions to support both increased private-sector participation in government procurement markets, where mutually acceptable, and the resolution of market access barriers, including recognition of professional qualifications. The SMC establishes a formal working group that will meet within six months of signature and thereafter annually to coordinate the implementation of its provisions.

Future arrangements with US states

Our work at state level is key to our trade objectives in the United States, and we look forward to making continued progress. We are in active working discussions towards Memoranda of Understanding (MoUs) with states including Illinois, Colorado, and California. We hope to conclude further MoUs soon, and I will write to you in advance of future signatures.

Best wishes,

A handwritten signature in blue ink, appearing to read 'D. Johnson', with a horizontal line underneath.

Lord Johnson of Lainston CBE

Minister for Investment and Minister for Regulatory Reform
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