



Department for International Trade

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Angus Brendan MacNeil MP
Chair, International Trade Committee
House of Commons
London
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By email: macneila@parliament.uk

27th January 2022

Dear Angus,

Launch of FTA Negotiations with Greenland

I am pleased to inform you and your committee that the United Kingdom has today launched negotiations with the government of Greenland on a continuity free trade agreement to reduce the costs of trading and to identify areas of strategic interest for future cooperation. In 2020, total UK trade with Greenland amounted to £10 million, and DIT estimates that a further £49 million of coldwater shrimp coming into the UK predominantly originated from Greenland that same year¹. This accounted for an estimated 31% of our total cold water prawn consumption that year.

While we introduced temporary measures to secure some continuity of trade with Greenland after the end of the Transition Period, we never closed the door to securing a more permanent arrangement at an appropriate time.

The aim of these negotiations, as with our continuity trade agreements to date, will be to replicate as far as possible the terms of trade that the United Kingdom had with Greenland prior to 31st December 2020. This includes tariffs on Greenlandic products such as cold-water prawns and other seafood. This will help ensure stability and resilience of British supply chains and will support the food industry as well as the processing industries in Scotland, and the North of England. The negotiations will also lay the groundwork for potentially tackling market access barriers for British businesses in Greenland in the longer term, including by liberalising professional business services trade, facilitating inward investment, and agreeing mutual recognition and double taxation arrangements. These discussions can therefore pave the way to unlocking significant new opportunities for British exporters and investors looking to extend their presence across the Arctic in the future.

¹ The £10 million trade figure is based upon ONS UK Trade in goods and services data with Greenland. The £49 million refers to goods imports of coldwater shrimp from Denmark (based on HMRC UK trade in goods data), which are thought to predominantly originate from Greenland based on analysis of statistics provided by the European Market Observatory for Fisheries and Aquaculture Products (EUMOFA)

Additionally, Greenland is an important strategic partner, and these negotiations provide an opportunity to establish a dialogue through which we can advance broader long term strategic objectives, for example in climate change and critical minerals.

As the Arctic continues to grow in strategic importance, Greenland will be a key partner in ensuring a secure and sustainable future for the region.

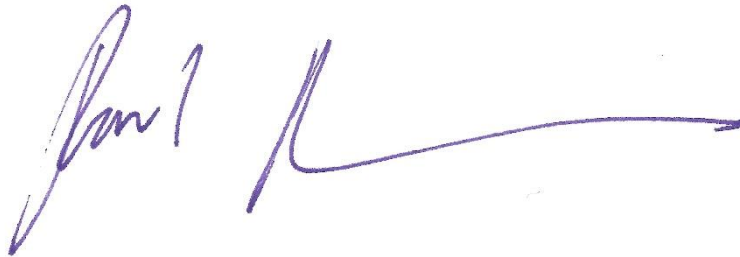
In parallel, we expect the Department for Environment, Food and Rural Affairs to enter into negotiations with Greenland on our access to Greenlandic fishing waters.

This agreement will constitute Greenland's first bilateral agreement with a third partner country, and we look forward to this opportunity to solidify and strengthen our trade and strategic relationship.

We will formally add Greenland to our list of continuity trade negotiations on GOV.UK and as with previous continuity negotiations will make sure Parliament is regularly updated on the progress of these negotiations.

With best wishes.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Ranil', followed by a long horizontal flourish.

RANIL JAYAWARDENA MP
Minister for International Trade