# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **Trade Negotiations with Canada** |
| **DATE**  | **25 March 2022** |
| **BY** | **Vaughan Gething MS, Minister for Economy** |

On 24 March 2022 the UK Government announced its intention to launch trade negotiations with Canada. The UK and Canada agreed a UK-Canada Trade Continuity Agreement (UK–Canada TCA) last year, which will act as an interim deal until a comprehensive free trade agreement is in place.

There is already a significant amount of trade between the UK and Canada and the Welsh Government is supportive of measures to increase this further. In the year ending September 2021, Canada was the 10th largest export market for Wales, accounting for around 2.2% of Welsh goods exports, and the 14th largest import market with around 2.1% of Wales’ total goods imports coming from Canada.

The negotiations will provide the opportunity to secure new arrangements for trading, or continuity for existing arrangements that would otherwise expire over the coming years. Maintaining 100% tariff liberalisation on industrial goods, as well as the UK and Canada’s ability to cumulate EU materials and processing, would preserve arrangements currently in place that are being utilised by Welsh businesses in a wide variety of industries. We are also hopeful that the UK Government will be able to secure new arrangements that will allow continued market access for our cheese producers.

We have already raised some concerns with UK Government, particularly around the need to ensure that our agricultural producers are able to continue to compete on a level playing field when negotiating new Free Trade Agreements (FTAs). The Welsh Government fully supports the case for international trade and recognises the benefits that trade deals can bring. However, new FTAs must not lead to gains for other parts of the UK at the expense of losses for Wales.

We are currently engaging with a wide range of stakeholders to understand the impacts a trade deal may have on their sectors, as well as identifying potential opportunities for Welsh producers in the upcoming negotiations.