



All Assembly Members

03 August 2018

Dear Member

During Oral Assembly Questions on 04 July 2018 Steffan Lewis AM raised the issue of the extent of Welsh Government's involvement in the 14 Trade Working Groups established by the Department for International Trade (DIT). In my response I offered to write to all Assembly Members to clarify what engagement has taken place between the Welsh Government and the UK Government and, indeed, what engagement has taken place between the devolved administrations.

May I begin by restating that the Welsh Government believes it is imperative that the UK Government engages comprehensively and effectively with the Devolved Governments on the development of trade policy, on mandates for specific trade negotiations and on the negotiations themselves to ensure the future UK trade relationships work in the interests of the whole of the UK. Whilst we accept that international trade is a reserved matter, there are clearly devolved interests, such as agriculture, which intersect with UK trade policy and there are clear risks to Wales if the UK Government's future trade policy does not adequately represent the needs of Welsh industries.

As you will be aware, the EU and UK agreed a transition period (conditional on both sides agreeing a final withdrawal treaty) which would run from 29th March 2019 until 31st December 2020. Until we enter that transition period the UK Government remains unable to negotiate trade deals with third countries. In the meantime the UK Government has set up 14 Trade Working Groups across 21 countries, including Australia, New Zealand, China and the United States.

DIT has not, so far, invited the Welsh Government to take part in any of these Trade Working Groups, consulted us on their work (despite them covering areas within devolved competence) or fed back details of the meetings.

My officials are participating in policy roundtables alongside colleagues from the UK Government and other Devolved Governments to discuss trade policy issues. The first of these took place this week (16 and 17 July). These were very high level discussions and my officials continue to press for more meaningful and detailed engagement on discussions on future trade relationships.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

My officials are in regular contact with their counterparts in Scotland and Northern Ireland to discuss matters of mutual interest regarding the UK's future policy on international trade.

Looking to the longer term, we have repeatedly called for the establishment of a Council for Ministers, whose remit would include consultation on trade issues between the four administrations. In the meantime, and as an interim step, we have called for a Joint Ministerial Committee (JMC) on International Trade to be established to ensure the interests of Wales are effectively represented. DiT has remained silent on these proposals to date and has so far not put forward any proposals for a formal Ministerial forum to ensure trade policy development reflects the interests of the UK as a whole. This is in direct contrast to the Department for Environment, Food and Rural Affairs (Defra) for instance which established a Ministerial round table where my Cabinet colleague, the Cabinet Secretary for the Environment and Rural Affairs, has opportunity to discuss issues with the Secretary for State and other Devolved Governments.

As you are aware the Welsh Government's position is that we must maintain full and unfettered access to the EU's Single Market. We remain to be convinced that leaving the Customs Union with the EU is in our interests, at least for the foreseeable future, as this is where the majority of Welsh trade is transacted. We accept that there are significant trading opportunities outside of Europe and we are committed to promoting Wales abroad. However, to the extent that the UK Government succeeds in its ambition to have an independent trade policy post-Brexit, it is essential that there is fairness and transparency in how future trade agreements are reached: the Welsh Government will not support any trade deals that would result in Wales being worse off.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken', with a long, sweeping flourish above the name.

Ken Skates AC/AM

Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth
Cabinet Secretary for Economy and Transport