# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **Update on preparing for the end of the UK/EU Transition Period** |
| **DATE** | **17 September 2020** |
| **BY** | **Jeremy Miles MS, Counsel General and Minister for European Transition** |

This statement updates Members of the Senedd on our work to prepare for the end of the Transition Period (TP).

The TP ends on 31 December 2020, but as the negotiations between the UK Government and the EU continue there remains a great deal of uncertainty regarding the nature of the relationship between the UK and the EU which will exist from 1 January 2021. With less than four months until the end of the transition period and fundamental differences remaining between the UK Government and the EU, the risk of the UK trading with the EU under nothing more than the general terms of trade as set out by the World Trade Organisation remains uncomfortably high, particularly given the Prime Minister’s assertion that this would be a ‘good outcome’ for the UK.

We do however know that there will be significant changes under all possible scenarios, and we are working to prepare for these. These changes, of course, come at a time of significant pressure as we continue to respond to the global pandemic. The challenges of preparing for the end of transition at the same time a global pandemic cannot be overestimated.

We recognise that the Welsh Government cannot insulate Wales from all of the impacts of our exit from the TP, and we have continued to stress the need for the UK Government to work with the Devolved Governments on end of transition planning. We learnt from the no deal planning that effective joint work, joint decision making and sharing of all relevant information is essential for all parts of the UK to be as ready as possible for the changes in our relationship with the EU at the end of this year.

We have known since early this year that the UK Government has been developing a series of priority projects. However, we did not see even a subset of these projects until earlier in the summer, when UK Government provided details of around 70 of its preparedness projects which in its assessment we have a devolved interest. It is inexcusable that the UK Government did not share this information with us sooner and the lost four months simply cannot be regained. Whilst there had been departmental engagement of some of these projects previously, this information has enabled us to make contact with lead departments and seek to progress work at official level on the actions required of all governments of the UK.

We have continued to press for sight of other UK Government preparedness projects, as it is only by seeing the full set that we can be sure that we (and UK Government) understand the interdependencies between projects. Following sustained pressure by the Welsh Government and the other Devolved Governments, the UK Government has recently committed to sharing further information about its overall preparedness programme. In addition, the UK Government has now also confirmed that Welsh Government officials will be invited to all meetings of the UK Government’s Transition Readiness Portfolio Board; previously officials were invited only on a monthly basis.

I have also pressed for Welsh Ministers to be invited to the UK Government’s Cabinet sub-committee for end of transition planning (XO), and I was encouraged that the Chancellor for the Duchy of Lancaster has recently agreed that ministers from the Devolved Governments will in future be invited to relevant meetings of the XO sub-committee. To complement attendance at the XO Committee, the UK Government has also set up Quadrilateral meetings led by the Paymaster General to discuss readiness issues.

We welcome the commitments by the UK Government that it will step up its communication and engagement with us. We have seen an improvement in recent weeks, witha greater willingness to share information, but we need to see this deepened and accelerated further in the critical weeks and months ahead.

In addition to joint work on UK wide projects we have also been developing Welsh specific actions to help support our economy, our communities and public services through the end of the transition period. Much of this activity builds upon our planning for no deal in 2019; however, the unprecedented impacts on society, the economy and public services of the Covid-19 pandemic mean that some of the no deal actions intending to mitigate the forecast economic downturn and protect vulnerable communities from the impact of a no deal exit last year have already been deployed as part of the Covid-19 response.

Reflecting the circumstances we expect to face at the end of the transition period, work is underway to draw together into an end of transition plan the new and continuing actions that will be needed in addition to the UK wide interventions. The contents of this plan will need to reflect the nature of any agreement between the UK Government and the EU on the future relationship and complement existing Welsh Government policy including the Covid-19 recovery work. The outcome of the European Council in mid-October is likely to be significant in shaping aspects of this plan, and I therefore propose to publish an overview of the plan – as we did with our ‘no deal’ plan last year – in early November.

In the meantime, we will continue to keep working with partners in Wales to prepare for the end of the transition period, as well as engaging and communicating with businesses, communities and people across Wales to seek to enable them to access the best sources of advice and support. I will also continue to keep Members updated on this critical area of work.