

# International trade monitoring report

September 2024

## 1. Introduction

This monitoring report provides an update on recent key policy developments related to the trade remit of the Economy, Trade and Rural Affairs Committee (“the Committee”). This includes outlines of the new UK Government and Welsh Government’s approaches to trade policy, following the UK election. It also provides an overview of all ongoing free trade agreement negotiations, the UK Government’s intention to ‘reset’ of the UK-EU relationship, and the upcoming Trade and Cooperation Agreement implementation review.

## 2. UK Government

### Ministerial appointments

Following the UK general election in July 2024, the below ministerial appointments were made:

- **Jonathan Reynolds MP** - Secretary of State for Business and Trade and President of the Board of Trade;
- **Rt Hon Douglas Alexander MP** - Minister of State in the Department for Business and Trade;
- **Sarah Jones MP** - Minister of State in the Department for Energy Security and Net Zero and the Department for Business and Trade;



- **Justin Madders MP** - Parliamentary Under-Secretary of State in the Department for Business and Trade;
- **Gareth Thomas MP** - Parliamentary Under-Secretary of State in the Department for Business and Trade;
- **Baroness Jones of Whitchurch** - Parliamentary Under-Secretary of State in the Department for Science, Innovation and Technology and the Department for Business and Trade;
- **David Lammy MP** - Secretary of State for Foreign, Commonwealth and Development Affairs; and
- **Rt Hon Nick Thomas-Symonds** - Minister for the Cabinet Office (Minister for the Constitution and European Union Relations).

### UK Government's approach to trade

The new UK Government set out its trade commitments in its [election manifesto](#) including to publish a trade strategy and to “seek targeted trade agreements aligned with our industrial strategy and economic strengths”. Alongside free trade agreements (FTAs), it said it would “seek to negotiate standalone sector deals, such as digital, or mutual recognition agreements, to promote our services exports”.

The manifesto also said UK trade negotiators would work with devolved governments to promote businesses and services internationally. On working with the Welsh Government specifically, the manifesto stated the UK Government:

*will harness the UK's diplomatic and trade networks, working with the Welsh Government to champion Wales across the world.*

In July, newly appointed Secretary of State for Business and Trade, Jonathan Reynolds MP, [announced his intention](#) to restart a number of trade negotiations. This is to begin initially with the Gulf Cooperation Council (GCC), India, Israel, South Korea, Switzerland and Turkey.

The statement also reiterated the manifesto commitment to bring forward a trade strategy “which aligns with our industrial strategy, enhances our economic security and supports our net zero ambitions”. The statement also mentioned

that, alongside the trade strategy, “resetting our relationship with the EU” would also help to support jobs and communities.

The statement does not give a timeline for the publication of the trade or industrial strategies. However, it did state that the first round of trade talks under the new government are expected to start in autumn.

## Inter-Ministerial Group for Trade

The IMG for Trade provides the “primary forum” for discussions between the UK Government and devolved governments on the UK’s international trade agenda.

On 22 April, former Cabinet Secretary for Economy, Energy and Welsh Language, Jeremy Miles MS, wrote a letter to the Committee and the Legislation, Justice and Constitution Committee, informing them that he attended the IMG for Trade on 16 April.

The issues discussed at the meeting included the ongoing negotiations with the GCC and India. It also discussed outcomes from the World Trade Organisation’s 13th Ministerial Conference (MC13), which is the “topmost decision-making body of the WTO” and where decisions can be taken on matters concerning multilateral trade agreements. The MC13 was held in Abu Dhabi and published a full list of all ministerial decisions and declarations.

The meeting was also attended by:

- Greg Hands, former Minister of State, UK Department for Business and Trade;
- Conor Murphy, former Minister for the Economy, Northern Ireland Executive;
- a senior Scottish Government official; and
- representatives from the Wales, Northern Ireland and Scotland Offices.

## Ongoing trade negotiations

This section outlines the new UK Government’s plans in relation to the UK’s ongoing FTA negotiations.

### India

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[Negotiations between the UK and India](#) opened in January 2022, with the thirteenth round concluding in December 2023. Former Minister of State for Trade Policy, Greg Hands MP, [issued a written statement](#) on progress and outlined the areas of focus including goods, services, and investment. However, the [Guardian reported](#) that negotiations had been paused until after India's general election, following the closure of the fourteenth negotiation round which did not produce an agreement. The [result of India's election](#) was announced on June 4, with Prime Minister Narendra Modi re-elected for a third term.

The new UK Government [has stated its intention to restart negotiations](#) and in a [call to newly elected Prime Minister Modi](#), Keir Starmer said "he stood ready to conclude a deal that worked for both sides". Newly appointed Secretary of State for Foreign, Commonwealth and Development Affairs, David Lammy MP, also visited the country and [a report from the BBC](#) described trade as a "primary focus" during his meeting with Prime Minister Modi.

In 2023, [Wales' imports from India](#) totalled £343.2m and its exports totalled £187.4m. India ranks 18<sup>th</sup> for good exports and 17<sup>th</sup> for good imports among Wales' trading partners, with the largest export being power generating machinery and equipment at £93.3m. A Senedd Research article on [Wales-India relations](#) contains further information on trade, and highlights that India is identified as a priority target market in the Welsh Government's International Strategy's [Export Action Plan](#).

The potential for a UK-India FTA was highlighted by former First Minister, Mark Drakeford MS, [in a letter](#) to the Culture, Communications, Sports, Welsh Language and International Relations Committee (CCWLSIR). The letter was on the [Year of Wales in India](#) and outlined some of the planned events for the year, including an Indo-Welsh conclave, trade and invest events in August, and a multi-sector trade mission in May.

The letter explained an additional £22,330 from the £3.75m Export, Trade and Inward Investment BEL was allocated to fund the trade mission in May. The Committee's [scrutiny report on the Welsh Government 2024-25 draft budget](#), noted there had been a 10.5% reduction in this BEL, which the former First Minister noted in the letter, saying:

*whilst the budget for export support, including trade missions, has been reduced for 2024-25, we have prioritised the delivery of a trade*

*mission from Wales to India, as part of the overall Wales in India programme.*

In May, former First Minister, Vaughan Gething MS, travelled to India for meetings with Tata. In a press release, the Welsh Government said the former First Minister made “the case for avoiding hard redundancies across the company’s Welsh sites”.

### **Gulf Cooperation Council (GCC)**

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The GCC represents six states (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates). The UK currently does not have a FTA with any of these states. Negotiations launched in 2022 and the sixth round of negotiations took place between 29 January - 9 February.

In a statement after the negotiation launch, the Welsh Government said it wanted a trade deal to include transitioning arrangements for all parties away from oil production.

In its election manifesto, the new UK Government said:

*we will deepen our co-operation with partners across the Gulf on regional security, energy and trade and investment.*

Following the UK general election, Asharq Al-Awsat, an international Arab newspaper, reported GCC Secretary-General Jasem Mohamed Albudaiwi as saying “GCC and United Kingdom are in agreement over the importance of proceeding towards finalising negotiations for a free-trade agreement”, following a meeting with Secretary of State for Business and Trade, Jonathan Reynolds MP. The report also stated that an agreement could be signed this year.

In August, the Prime Minister met with the Prime Minister of Bahrain, Crown Prince Salman Bin Hamad Al Khalifa, to “set out his personal commitment to the UK-Bahraini bilateral relationship”. The accompanying UK Government press release said the:

*leaders looked forward to strengthening areas of shared cooperation, including trade, investment and security and defence.*

### **Türkiye**

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Negotiations were launched in March 2024 to update the existing UK-Türkiye agreement which largely replicates the EU- Türkiye agreement. Under the former UK Government, the first round of negotiations were expected to start in summer 2024.

The Secretary of State for Business and Trade, Jonathan Reynolds MP, listed Türkiye among those initial countries with whom the UK Government wish to restart trade talks.

In 2023, Türkiye was ranked 11<sup>th</sup> for exports from Wales, which were valued at £358.7m. It was also ranked 11<sup>th</sup> for imports to Wales, at a value of £617.7m. The top product exported from Wales was power generating machinery and equipment, with an export value of £166.9m.

### Israel

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Negotiations were launched in July 2022 to update the existing UK-Israel agreement which largely replicates the EU-Israel agreement. The former UK Government confirmed a fourth round of negotiations took place between 19 - 29 February.

In July 2022, the Welsh Government issued a statement when negotiations launched, saying it intended to engage with stakeholders to understand the impact of a deal. It also stated that it “recognises the sensitive political climate within which these talks will be undertaken”. Following the initiation of the war in Gaza, there has been calls from the TUC to stop trade talks.

In 2023, Israel was ranked 62<sup>nd</sup> for imports to Wales, with a value of £25.2m. For exports, it was ranked 39<sup>th</sup>, with a value of £54.6m. The top product exported from Wales was plastics in non-primary forms, such as liquids and pastes, with an export value of £12.5m.

Israel was one of the initial countries listed by Secretary of State for Business and Trade, Jonathan Reynolds MP, with which the UK Government intends to restart trade talks.

### South Korea

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Negotiations were launched in November 2023 to update the existing UK-South Korea agreement which largely replicates the EU-South Korea agreement. Reuters reported that the second round talks started in March 2024.

In 2023, South Korea was ranked 13<sup>th</sup> for imports to Wales, with a value of £485m. For exports, it was ranked 17<sup>th</sup>, with a value of £249.2m. The top product exported from Wales was power generating machinery and equipment, with an export value of £114.5m.

South Korea was one of the initial countries listed by Secretary of State for Business and Trade, Jonathan Reynolds MP, with which the UK Government intend to restart trade talks.

## Switzerland

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Negotiations were launched in May 2023 to update the existing UK-Switzerland agreement which largely replicates the EU-Switzerland agreement. After the fourth round, the former UK Government said they “provisionally closed the chapter on Small and Medium Enterprises”. Under the previous UK Government, the fifth round of negotiations were expected to start during early summer 2024.

The new Secretary of State for Business and Trade, Jonathan Reynolds MP, has listed Switzerland among those initial countries with which the UK Government wish to restart trade talks.

In 2023, Switzerland was ranked 36<sup>th</sup> for imports to Wales, with a value of £96.1m. For exports, it was ranked 23<sup>rd</sup>, with a value of £130.2m. The top product exported from Wales was power generating machinery and equipment, with an export value of £43.4m.

## Mexico

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Negotiations were launched in May 2022 to update the existing UK-Mexico trade agreement which largely replicates the EU-Mexico agreement. In November 2023, the former UK Government agreed an extension to arrangements with Mexico which allowed UK manufacturers to access lower or zero tariffs when selling their products to the country. It said the extension will apply “until the entry into force of new, permanent rules as part of a new, enhanced free trade agreement with Mexico”. However, Mexico was not among the list of countries with which the new UK Government intends to initially restart trade talks.

The Welsh Government issued a statement after the negotiation launch, saying it intended to engage with stakeholders to understand the impact of a deal.

In 2023, Mexico was ranked 65<sup>th</sup> for imports to Wales, with a value of £20.7m. For exports, it was ranked 43<sup>rd</sup>, with a value of £42.9m. The top product exported from Wales was iron and steel, with an export value of £10.5m.

### USA

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Negotiations started on May 2020 but didn't continue beyond October 2020. An agreement is not expected soon, with Politico reporting that President Biden had "shelved" plans for a foundational agreement until after the 2024 US presidential election. In March 2024, the former UK Government did sign a trade pact with the state of Texas and a memorandum of understanding with the state of Florida. The Welsh Government has also signed an international friendship pact with the city of Birmingham, Alabama.

In 2023, the USA was ranked 1<sup>st</sup> for imports to Wales, with a value of £3.7bn. For exports, it was also ranked 1<sup>st</sup>, with a value of £2.9bn. The top product exported from Wales was petroleum, petroleum products and related materials, with an export value of £1bn.

In a response to a written question by Sam Rowlands MS on the UK agreement with Texas, the Welsh Government said it would "support businesses to prepare for and maximise opportunities from any new trade agreements". The response went on to say this includes overseas trade missions, with one currently scheduled to Texas in March 2025.

The USA was not among the list of counties with which the new UK Government intends to initially restart trade talks.

### Canada

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Negotiations for a new UK-Canada trade agreement were launched in March 2022 but were suspended in January 2024 due to disagreements over access to agricultural markets. The Welsh Government issued a statement after the negotiation launch, saying it had raised concerns around ensuring a level playing field for agricultural producers.

In 2023, Canada was ranked 24<sup>th</sup> for imports to Wales, with a value of £217.6m. For exports, it was ranked 10<sup>th</sup>, with a value of £360.1m. The top product exported from Wales was petroleum, petroleum products and related materials, with an export value of £183.7m.

Canada was not among the list of countries with which the new UK Government intends to initially restart trade talks.

## Existing agreements: implementation update

### Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

The CPTPP is an FTA between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore and Vietnam. The former UK Government signed an accession protocol to the CPTPP on 16 July 2023, which will enter into force in the UK after all parties have completed their domestic procedures for UK accession or after 15 months providing that six CPTPP members complete their domestic procedures (it will enter into force 60 days thereafter). Vietnam recently ratified the UK's protocol of accession, making it the fifth member to do so. The agreement was mentioned in the UK Government's manifesto, where it said:

*“we will lead international discussions to modernise trade rules and agreements so they work for Britain, promoting deeper trade and co-operation including through the World Trade Organisation and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.”*

In his July statement, Secretary of State for Business and Trade, Jonathan Reynolds MP also said:

*the Government is also committed to the CPTPP trading group, using our membership in the UK and her allies' interests and ensuring businesses can take advantage of the deal when it enters into force.*

The Welsh Government published its perspective on the UK's accession to the CPTPP. The document stated that the Welsh Government:

*do not agree that gaining access to the CPTPP market should be of the greatest priority, given the EU remains our more important trading partner.*

It also argued that the “potential benefits” would be limited due to the number of existing bilateral FTAs with individual CPTPP members.

The Committee has monitored CPTPP and reported on its implementing legislation, the [Trade \(Comprehensive and Progressive Agreement for Trans-Pacific Partnership\) Bill](#). In March, the Senedd granted and withheld consent for different clauses of the Bill. The Committee has agreed to keep a watching brief on CPTPP's entry into force. An [overview of the CPTPP and its implications for Wales](#) has been published by Senedd Research.

### 3. Welsh Government

#### Welsh Government Ministers

Following Eluned Morgan MS' appointment as First Minister on 6 August, the [responsibility for](#) international trade policy resides with the Cabinet Secretary for the Economy, Energy and Planning, Rebecca Evans MS. Oversight of borders policy, including the Border Target Operating Model and Border Control Posts, resides with the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs, Huw Irranca-Davies MS.

#### Border Target Operating Model (BTOM)

The BTOM has been phased in since 31 January, with the second phase starting on 30 April and the third on 31 October. Goods arriving from the island of Ireland are on a different timetable, with two phases in January and October. More information is available in the Senedd Research articles, [Wales and the UK's new trade border model](#), and [Why does Wales need Border Control Posts?](#)

On 7 February, the Committee received [evidence from former Minister of State at the Cabinet Office](#), Baroness Lucy Neville-Rolfe, about the BTOM. Both the former Minister and the [Welsh Government's former Minister for Economy](#), Vaughan Gething MS, have confirmed to the Committee that an ongoing dispute over border control post costs was not resolved. During draft budget scrutiny, [the Welsh Government advised](#) it had to use £6.4m of reserves to cover costs it says the UK Government previously agreed to cover.

The former Minister for Economy, Vaughan Gething MS, also issued a written statement, [announcing Welsh Government had signed a contract](#) with Kier Construction to begin construction work on the Border Control Post (BCP) at Holyhead. He said preparatory work is continuing at Fishguard and Pembroke Dock, with construction work expected to be completed at all three sites by late Spring 2025.

Speaking at a [general scrutiny session on 6 March](#), he said the first phase of the introduction of controls had gone “pretty well”, and that:

*traders are generally meeting the rules. Ninety per cent of cases checked have an export health certificate attached, and, of those, 87 per cent were correct. So, there's both a high level of getting things ready, but also a high level of getting things right. But the fact that some of those are not right does show that there is certainly a need to run the checks.*

During [the scrutiny session held on 26 June](#), with former Cabinet Secretary of Economy, Energy and the Welsh language, Jermy Miles MS, the Committee discussed the establishment of the Holyhead BCP. The former Cabinet Secretary said that construction was on track for “spring of next year” but described the implementation of full checks on imports from Ireland by spring 2025 as “very ambitious at this point”.

A Welsh Government official also confirmed that no “additional analysis” had been done to determine costs to Welsh traders from the changes to border controls. They noted that:

*most of our products, actually, are coming through England rather than coming from Ireland, so we don't think there's a particularly different cost in Wales than in Great Britain as a whole.*

## **Safeguarding the Union**

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Former Minister for Economy, Vaughan Gething MS, discussed the publication of the Safeguarding the Union paper during [a general scrutiny session](#) with the Committee on 6 March. He expressed concerns that the Cairnryan BCP will no longer go ahead, saying he did not want to see a:

*trade diversion to Cairnryan, both on biosecurity grounds as well as loss of trade, and I don't want to see more people simply making a choice to avoid coming through GB at all and rerouting themselves directly into continental Europe.*

## Welsh Government's approach to trade policy

Speaking to the Committee on 26 June as part of a general scrutiny session, former Cabinet Secretary of Economy, Energy and the Welsh Language, Jermey Miles MS, outlined the Welsh Government priorities around non-EU trade discussions:

*the focus that we've had to date is making sure that those agreements don't remove our capacity to regulate in our own country and our devolved competencies, that we shouldn't place domestic sectors at risk of unfair international competition [...] And, specifically, we seek, in every instance, the highest possible commitments to sanitary and phytosanitary measures, to animal welfare standards, to antimicrobial resistance.*

The former Cabinet Secretary also confirmed that a Welsh Government approach to trade policy was being developed and this was published on 11 July.

The Welsh Government's approach to trade policy is grounded in the Well-being of Future Generations (Wales) Act 2015, and states that trade policy also "needs to complement our International Strategy".

It said that, while only the UK Government has the power to conclude international agreements:

*any trade agreement will likely have long-term impacts on the economic and social well-being of Wales and, therefore, the link between the [Act's] well-being goals and international trade policy is significant.*

The document describes how trade agreements "could contribute" to all seven of the Wellbeing Goals. It also outlined how the Welsh Government would apply the five ways of working in its influencing of UK Government trade positions and how it expects the UK Government to apply them in trade negotiations.

On 9 September, the Welsh Government published key findings of a feasibility study into whether further research into the potential cumulative impacts of UK free trade agreements (FTAs) on Welsh agriculture would be feasible. The study concluded that the overall cost of the most insightful modelling would be "significant" and that data preparation would be "crucial". It said this:

*would need to be carried out before undertaking an FTA analysis study. A key aspect of this would involve data compilation at the Wales level, including input-output tables and robust intra-UK trade data.*

## Trade Policy Advisory Group

The Welsh Government's Trade Policy Advisory Group met on 14 March, where it discussed the following updates on trade deals under negotiation by the former UK Government:

- the pause in FTA negotiations between the UK and Canada;
- the UK-India negotiations and cross-analysis with the recently agreed FTA between India and the European Free Trade Association, which includes the states of Norway, Iceland, Liechtenstein and Switzerland.
- the UK-Gulf Cooperation Council FTA negotiations;
- implementation and utilisation of FTAs; and
- the Memorandums of Understanding between the UK and individual states of the USA.

The meeting minutes also stated:

*that the Welsh Government is engaging with the UK government and inputting into discussions on international trade policy and trade negotiations.*

No further information on Welsh Government's engagement with the former UK Government was provided in the meeting summary.

## International relations annual report 2023-24

The Welsh Government publishes annual overseas network reports, which outline the its overseas offices' activities and progress against the ambitions in the International Strategy. This includes information on trade-related activities. The network consists of 20 overseas offices in 12 countries, including a London office.

There have been two reports published as 'overseas network reports' but the latest report for 2023-24 has been renamed the 'international relations annual report'.

The 2023-24 report stated "the USA, Germany, Ireland, France and the Netherlands all retained their positions as Wales' five largest export destinations".

The Welsh Government's interactive dashboard on international goods trade for 2023 shows the export values for these countries are as follows:

USA £2.9bn (largest export: Petroleum, petroleum products and related materials - £1bn)

1. Germany £2.7bn (largest export: Other transport equipment - £1.4bn)

2. Ireland £2.5bn (largest export: Petroleum, petroleum products and related materials - £1.5bn)

3.

France £1.7bn (largest export: Other transport equipment - £0.6bn)

4.

5. Netherlands 1.3bn (largest export: Petroleum, petroleum products and related materials - £0.2bn)

The report also noted that France had been named as Wales' number one export destination for food and drink. According to the dashboard, the export value for food and drink to France during 2023 was £153m.

In Germany, activity has been focused on North Rhine-Westphalia and Baden Württemberg, which had been visited by the former Minister for Economy, Vaughan Gething MS.

The Welsh Government's Dublin office has also been:

*focused strongly on trade and investment opportunities and supported Welsh businesses at the Dublin Aviation Summit, World Offshore Wind Conference, Dublin Tech Summit and ARVR conferences.*

The report also outlined the "variety of markets" which trade missions had visited, such as the USA, Middle East and Australia.

## Upcoming overseas events

The following table provides details on Business Wales' upcoming overseas market events, including exhibitions and trade shows.

Event	Date	Location	Sector
Export Market Visit to Sweden and Denmark	15 September 2024 - 20 September 2024	Gothenburg, Sweden & Copenhagen, Denmark	Multi-sector
Innotrans	24 September 2024 to 27 September 2024	Berlin, Germany	Transport technology
Export Market Visit to Spain	20 October 2024 to 25 October 2024	Barcelona, Spain	Multi-sector
MRO Europe 2024	22 October 2024 to 24 October 2024	Barcelona, Spain	Aviation
ADIPEC 2024	2 November 2024 to 8 November 2024	Abu Dhabi, United Arab Emirates	Clean Energy
Medica 2024	10 November 2024 to 15 November 2024	Dusseldorf, Germany	Life Science, MedTech
Arab Health 2025	25 January 2025 to 31 January 2025	Dubai, United Arab Emirates	Life Science, MedTech
Export Market Visit to Dubai & Abu Dhabi, UAE	25 January 2025 to 31 January 2025	Dubai & Abu Dhabi, UAE	Multi-sector
Export Market Visit to Singapore & Malaysia	15 February 2025 to 22 February 2025	Singapore & Malaysia	Multi-Sector
Gulfood 2025	17 February 2025 to 21 February 2025	United Arab Emirates	Food and Drink
Foodex 2025	11 March 2025 to 14 March 2025		Food and Drink

Export Market Visit to the Bay Area, San Francisco	16 March 2025 to 22 March 2025	San Francisco, USA	Multi-sector
Games Developer Conference (GDC) 2025	16 March 2025 to 22 March 2025	San Francisco, USA	Game Developer

## 4. European Union

### Relationship reset

Following the general election, Secretary of State for Foreign, Commonwealth and Development Affairs, David Lammy MP, undertook visits to Poland, Sweden and Germany as part of a relationship “reset” with the EU. The [BBC also reported](#) that Minister for the Constitution and European Relations, Nick Thomas-Symonds MP, aims to start formal negotiations with the EU on an agri-food agreement early next year.

Nick Thomas-Symonds MP, [also visited Brussels on 15 July](#) to meet with European Commission Executive Vice President, Maroš Šefčovič. The UK Government’s accompanying press release said the meeting:

*aims to set the ground for further discussions between the UK and EU as the UK seeks to reset its relationship with the bloc and build closer cooperation on shared issues.*

The new [UK Government’s manifesto](#) stated that there:

*will be no return to the single market, the customs union, or freedom of movement. Instead, Labour will work to improve the UK’s trade and investment relationship with the EU, by tearing down unnecessary barriers to trade. We will seek to negotiate a veterinary agreement to prevent unnecessary border checks and help tackle the cost of food; will help our touring artists; and secure a mutual recognition agreement for professional qualifications to help open up markets for UK service exporters.*

Speaking to the Committee about the significance of trade with the EU as part of a [general scrutiny session](#) on 26 June, former Cabinet Secretary of Economy, Energy and the Welsh Language, Jerney Miles MS, said:

*I think about almost 59 per cent or so of our export trade in particular is with the European Union still, so that remains, by a very large margin, the most significant trading agreement that we have, which is why so much of our focus is on what we can do to improve that, frankly, over time.*

This was echoed in a previous [general scrutiny session on 6 March](#), with former Minister for Economy, Vaughan Gething MS, who said “stability in our trading relationship is so important because [...] this is the biggest trading bloc for Wales”. He also commented on UK engagement with devolved governments around the UK-EU trading relationship, saying:

*I do think that the UK Government of whatever shade it is should look again at the way that devolved Governments are and aren't involved.*

The Prime Minister also met with German Chancellor, Olaf Scholz, and President, Frank-Walter Steinmeier, during a trip to Berlin. The [UK Government's accompanying press release on 17 August](#) said the visit would:

*launch negotiations on a new bilateral treaty, which is expected to boost business and trade, deepen defence and security cooperation, and increase joint action on illegal migration.*

It is expected that the Prime Minister's negotiating team will “spend the next six months agreeing the new treaty, with both sides wanting to agree the new partnership in early 2025”.

Nils Schmid, the foreign affairs spokesman for Germany's Social Democratic Party, [spoke to the BBC](#), saying

*there is a constant push by the German government to bring the UK closer to Europe [...] And then, of course, there's also the idea of not only preparing the ground for a EU-UK agreement, but also to strengthen the bilateral ties between Germany and Great Britain.*

## Trade and Co-operation Agreement (TCA) implementation review

The TCA contains a commitment to review its implementation five years after coming into force, with the first review due to take place by 2026.

The implementation review was discussed during the Culture, Communications, Welsh Language, Sport and International Relations (CCWLSIR) Committee's annual international relations scrutiny session with former First Minister, Vaughan Gething MS, on 19 June. He said:

*So, our starting point with the TCA review is not just looking at the governance structures, but looking to understand the approach that whoever the new UK Government is wants to take around the TCA, and we want to see barriers to trade removed.*

Former Cabinet Secretary for Economy, Energy and Welsh Language, Jeremy Miles MS, and former Cabinet Secretary for Culture and Social Justice, Lesley Griffiths MS, wrote to the CCWLSIR Committee on 20 June after they gave evidence as part of the CCWLSIR Committee's inquiry on culture and the new relationship with the EU on 15 May.

In the letter, they listed the Welsh Government's four priorities for the TCA implementation review:

- the need for a veterinary and plant health (SPS) agreement to minimise administrative burdens and non-tariff barriers to trade;
- addressing issues relating to mobility of workers and provision of services, such as the new barriers faced by touring artists;
- the need for improved arrangements on the Mutual Recognition of Professional Qualifications to facilitate economic activity in key service sectors, such as research; and
- exploring options to re-join EU programmes such as Erasmus and Creative Europe.

They added "further priorities will be developed, as we move closer to the time of the review".

## Interministerial Group on UK-EU Relations

The [Interministerial Group on UK-EU Relations](#) met on 6 March 2024 where upcoming meetings of the TCA's Partnership Council and Withdrawal Agreement Joint Committee, expected in "early 2024", were discussed. The meeting was attended by the former Minister for Economy, Vaughan Gething MS, who called on the UK Government to include the devolved governments in TCA meetings and their preparation. He also raised the need for a UK-EU mutual recognition agreement on conformity assessment and the Welsh Government's continuing concerns on EU import rules affecting Welsh exports of bivalve molluscs.

### Dispute mechanism

The EU [requested talks with the UK Government](#) under the TCA's dispute settlement mechanism. The dispute follows the UK Government's prohibition on sand eel fishing within the North Sea and Scottish waters, restricting EU vessel entry to the fishery. If no satisfactory agreement was reached within 30 days, the EU may request the establishment of an arbitration tribunal. The original deadline has passed but no further update on this issue has been published.

[Senedd Research's guide to the TCA and fisheries](#) is also available.

## 5. Written questions

This section provides a list of relevant written questions tabled by Members and the Welsh Government responses. These have been arranged in chronological order, from newest to oldest.

[Q. Delyth Jewell MS](#) (tabled on 24/07/2024): What assessment has the Welsh Government made of the economic impact on Wales from being removed from the European single market and customs union?

*A. Cabinet Secretary for the Economy, Transport and North Wales – Ken Skates MS* (answered on 05/08/2024): I will write to you with a substantive response and a copy of the letter will be published on the internet.

[Q. Paul Davies MS](#) (tabled on 19/07/2024): Will the Cabinet Secretary provide an update on the development of the Celtic Freeport?

*A. Cabinet Secretary for the Economy, Transport and North Wales – Ken Skates MS (answered on 26/07/2024):* The Celtic Freeport's Outline Business Case (OBC) was submitted in January 2024, following which a joint assessment was carried out by the UK Government and Welsh Government. Feedback was provided to the Freeport consortium, who resubmitted their OBC in April to address areas requiring improvement.

The general election delayed the final sign-off of the OBC by both governments and the subsequent legislative processes for designation of tax sites. We hope to restart this process with the new UK Government soon, following which the Freeport will be formally asked to produce a Full Business Case (FBC). Agreement of the FBC is expected to lead to the signing of a Memorandum of Understanding and the release of up to £25m seed capital.

**Q. Sam Rowlands MS (tabled on 18/07/2024): Will the Cabinet Secretary provide a list of members of the trade policy advisory group?**

*A. Cabinet Secretary for the Economy, Transport and North Wales – Ken Skates MS (answered on 26/07/2024):* The Trade Policy Advisory Group advises the Welsh Government on trade policy matters. The core membership of the Trade Policy Advisory Group is published on our website and includes:

- ACCA Cymru Wales
- Aerospace Wales
- Cardiff University
- CBI Wales
- Chamber Wales
- Fair Trade Wales
- FinTech Wales
- Food and Drink Industry Board Wales
- FSB Wales
- Hybu Cig Cymru
- Institute of Export and International Trade

- Make UK
- MediWales
- Public Health Wales
- RDP Law
- TUC Cymru
- Unite the Union
- Welsh Automotive Forum
- Women Equality Network Wales

Q. Andrew RT Davies MS (tabled on 15/07/2024): What assurances will the Cabinet Secretary provide that the benefits of Wales's Freeports won't be in doubt in light of the UK Government's decision to ban North Sea oil drilling?

*A. Cabinet Secretary for the Economy, Transport and North Wales – Ken Skates MS* (answered on 22/07/2024): We are looking forward to working with the new UK Government on the development of Wales's Freeports with a focus on green energy that will create jobs and bring investment to Anglesey, Neath-Port Talbot, Pembrokeshire, and Wales as a whole.

Q. Gareth Davies MS (tabled on 21/06/2024): How is the Welsh Government collaborating with UK and international authorities to better track the entry and exit of non-Welsh fishing vessels from Welsh inshore waters?

*A. Cabinet Secretary for Climate Change and Rural Affairs – Huw Irranca Davies MS* (answered on 01/07/2024): The Welsh Fisheries Monitoring Centre (WFMC) based at Milford Haven monitors all fishing activity within the Welsh zone, and works closely with other Fisheries Administrations in the UK, and the Marine Management Organisation, as well as with other Flag States.

Every commercial fishing vessel operating within the UK is subject to a fishing licence regime which also extends to foreign vessels. There are no third country vessels licenced to fish within the Welsh inshore (6 nautical mile (nm)) limit.

Non-Welsh (UK) vessels which are allowed within the 6nm limit are subjected to the same restrictions around Wales as the Welsh fleet. As such, they are monitored daily as above and are also required to have fitted a Vessel Monitoring System (VMS) unit which records the vessel's position. This requirement extends

to the entire Welsh zone and in addition to its position, the speed, course and date / time stamp must also be included.

Catch and VMS data from all UK vessels is received automatically to the shared with the UK fisheries data hub. Data exchange systems are in place to send and receive data from third country vessels.

Any vessel not fishing but transiting the Welsh zone, and which might include entry and exit of the inshore 6nm limit, is closely monitored and checked as above.

**Q. Samuel Kurtz MS (tabled on 13/05/2024):** What steps is the Welsh Government taking to speed up the approvals of harbour revision orders?

*A. Cabinet Secretary for Economy, Energy and Welsh Language – Jeremy Miles MS (answered on 21/05/2024):* Early pre-application stage consultation, engagement with Welsh Government officials and discussions with key stakeholders are vital parts of the process for Harbour Revision Orders (HRO), as is set out within the procedural HRO guidance [Procedural harbour order guidance for Wales 2018 \(gov.wales\)](#).

It is important that we scrutinise fully and fairly all draft orders and review the consultation exercises that all applicants are required to hold as part of the HRO process. We also need to ensure that any objections that are raised are considered fully before Welsh Ministers decide whether or not to make an order.

My officials continue to work closely with the British Ports Association's Welsh Ports Group to identify and prepare for upcoming HROs. Where objections to a HRO are raised, my officials liaise directly with existing applicants and objectors to endeavour to resolve challenges in a mutually acceptable manner, as we recognise the importance of concluding HROs in a timely manner.

**Q. Samuel Kurtz MS (tabled on 13/05/2024):** What steps is the Welsh Government taking to improve planning and consenting for the ports sector?

*A. Cabinet Secretary for Economy, Energy and Welsh Language – Jeremy Miles MS (answered on 22/05/2024):* I recognise the importance of planning and consenting for the ports and businesses looking to invest in port side infrastructure, particularly around marine energy opportunities. We have spent considerable time reviewing the consenting process and the steps we can take to deliver a modern and speedier consenting regime.

You will be aware the Senedd has passed stage 4 of the Infrastructure (Wales) Bill (and is awaiting Royal Assent), which will establish a new consenting process for major infrastructure projects in Wales, including significant energy, waste, water and transport, projects.

This bill will streamline the decision-making process, helping to support port investment and development, to ensure that our ports are ready to take advantage of opportunities such as offshore wind projects.

**Q. Paul Davies MS (tabled on 10/05/2024):** Will the Cabinet Secretary provide an update on his latest discussions with the ports industry in west Wales?

*A: Cabinet Secretary for Economy, Energy and Welsh Language – Jeremy Miles MS (answered on 22/05/2024):* I am looking forward to engaging with the ports industry in west Wales, particularly around opportunities for green jobs from investment in offshore renewable energy.

The ports industry in West Wales makes a critical contribution to our economy by providing jobs and access to trade routes to the Republic of Ireland. Welsh ports have an opportunity to be at the forefront of supporting the generation of renewable marine energy, which is an essential step towards creating a low carbon economy.

**Q. Paul Davies MS (tabled on 10/05/2024):** How much funding has the Welsh Government provided to ports in west Wales to improve their infrastructure?

*A: Cabinet Secretary for Economy, Energy and Welsh Language – Jeremy Miles MS (answered on 22/05/2024):* We are providing £1 million of matched funding to Milford Haven Port Authority, under the Marine Energy Programme, to help them draft the plans for improving and strengthening port infrastructure to take advantage of the growth of floating offshore wind.

Under the Growth Deal we have invested £60 million into the Pembroke Dock Marine programme, which supports zero carbon marine energy innovation whilst also helping tackle climate change.

**Q. Paul Davies MS (tabled on 10/05/2024):** Will the Cabinet Secretary provide an update on the progress made on its supporting Welsh ferry ports report?

*A: Cabinet Secretary for Economy, Energy and Welsh Language – Jeremy Miles MS (answered on 22/05/2024):* The aim of the [Supporting Welsh ferry ports \(5 point plan\)](#) is to guide thinking and articulate the priority issues facing the

logistics surrounding Welsh ports. Progress continues with UK Government on a range of port-related issues including floating offshore wind, border control posts and the Freeports programme.

The Freeports Programme in Wales aims to regenerate ports, foster economic growth and promote sustainability and fair work. Last year the Welsh and UK Governments jointly announced two prospective Freeports in Wales: the Celtic Freeport in Neath Port Talbot and Pembrokeshire and the Ynys Mon / Anglesey Freeport. Both have now submitted outline business cases and proposed tax sites which are in the final stages of assessment by both governments. Agreement of outline business cases will lead to the designation of tax sites and an invitation to submit a full business case to release up to £25m of capital seed funding. These prospective Freeports are focused on boosting the distinct strengths that both sites boast, exploiting opportunities from offshore wind and marine energy to advanced manufacturing and innovation.

Further assessment of the five-point plan will be fed into the future Maritime Strategy, which is a commitment under Llwybr Newydd, the Wales Transport Strategy.

Q. Peter Fox MS (tabled on 29/04/2024): Will the First Minister outline what inward investments have come as a direct result from the work of the Welsh envoys?

Q. Peter Fox MS (tabled on 29/04/2024): What export opportunities have come as a direct result of the work of the Welsh envoys?

*A: First Minister - Vaughan Gething MS (answered on 08/05/2024) (the same response was provided for both questions):* Welsh Government envoys are a small cohort of successful individuals who utilise their close connections to Wales alongside their own international profile to support and secure opportunities for Wales in the Middle East and the US.

It is not possible to directly attribute any export or investment results to their work as their roles are more facilitatory in nature. In their voluntary and unpaid capacity, the envoys support our export and inward investment ambitions and also play a wider role in raising awareness of Wales, promoting areas of Welsh excellence and, more recently, our equality agenda.

Q. Paul Davies MS (tabled on 26/04/2024): Further to WQ92511, will the Cabinet Secretary provide a breakdown of the £150,000 spent on projects to support the Irish Sea Framework in the last financial year?

*A: Cabinet Secretary for Economy, Energy and Welsh Language – Jeremy Miles MS (answered on 07/05/2024):* In March 2023 Agile Cymru launched a specific funding initiative to encourage economic co-operation in the Irish sea space and support the Irish Sea Framework. This has supported the following nine projects: [A full list can be found here.](#)

**[Q. Paul Davies MS](#)** (tabled on 26/04/2024): Further to WQ92511, will the Cabinet Secretary confirm how much funding the Welsh Government intends to spend on projects to support the Irish Sea Framework in this financial year?

*A: Cabinet Secretary for Economy, Energy and Welsh Language – Jeremy Miles MS (answered on 09/05/2024):* [Substantive response](#)

**[Q. Sam Kurtz MS](#)** (tabled on 25/04/2024): What is the total value of inward investment to Wales since May 2021?

*A: Cabinet Secretary for Economy, Energy and Welsh Language – Jeremy Miles MS (answered on 29/04/2024):* Figures for inward investment to Wales are collated on a financial year basis. Since April 2021, we have recorded 150 investments into Wales from companies headquartered overseas and elsewhere in the UK, creating and/or safeguarding 12,226 jobs.

The associated capital investment for these projects is at least £1.8 billion; however, for reasons of commercial confidentiality, companies do not always disclose the capital investment value of investments, so this figure is a minimum rather than the whole value.

**[Q. Samuel Kurtz MS](#)** (tabled on 23/04/2024): Will the Cabinet Secretary provide an update on the progress of Wales's two freeports?

*A: Cabinet Secretary for Economy, Energy and Welsh Language – Jeremy Miles MS (answered on 03/05/2024):* [Substantive response](#)

**[Q. Sam Kurtz MS](#)** (tabled on 22/04/2024): How is the Welsh Government promoting Wales as a location for business and investment?

*A: Cabinet Secretary for Economy, Energy and Welsh Language – Jeremy Miles MS (answered on 25/04/2024):* As part of our Economic Mission and International Strategy, the Welsh Government, in collaboration with key partners, is actively promoting Wales internationally as a prime destination for investment. We are highlighting areas of the economy where Wales has international class capabilities (including cyber, compound semiconductors, fintech, life sciences

and renewable energy), showcasing these as opportunities for potential investors. Moreover, we maintain strong relationships with existing investors, providing support to ensure their continued presence and growth within Wales.

Q. Luke Fletcher MS (tabled on 20/03/2024): How is the Welsh Government monitoring the compliance of Welsh exports with the sanctions against Russia, Belarus and the Russian-occupied territories of Ukraine?

Q. Luke Fletcher MS (tabled on 20/03/2024): How does the Welsh Government account for the £11.7million worth of Welsh exports to Russia in 2023?

Q. Luke Fletcher MS (tabled on 20/03/2024): How does the Welsh Government account for the £1.6million worth of imports to Wales from Russia in 2023?

*A. First Minister – Vaughan Gething MS (answered on 27/03/2024) (the same response was provided for all questions):* Sanctions on Russia and associated countries and territories is a reserved matter for the UK Government. The Welsh Government does not directly monitor compliance with sanctions against Russia, Belarus, and Russian-occupied territories of Ukraine. However, it provides guidance to Welsh businesses to ensure that they understand the impact of sanctions and take the necessary compliance measures.

Welsh export support programmes do not facilitate trade with Russia or Belarus. The Business Wales platform offers further advice with links to UK Government resources for businesses to check if specific products are subject to export bans. The UK Government's Export Support Service addresses inquiries about the impact of sanctions on UK businesses operating in these countries and regions.

Q. Sam Rowlands MS (tabled on 13/03/2024): What is the Welsh Government doing to help Welsh businesses and exporters take advantage of the Statement of Mutual Cooperation between the United Kingdom and Texas?

*A. First Minister – Mark Drakeford MS (answered on 19/03/2024):* The Welsh Government Export Action Plan for Wales details the comprehensive programme of support for Welsh businesses to develop their exports, and is delivered working in partnership with key stakeholders, including the Department for Business and Trade.

Through the Plan, we will continue to support businesses to prepare for and maximise opportunities from any new trade agreements. This includes supporting businesses in Wales to understand trading conditions, regulations and opportunities in target export markets, including those where trade

agreements are in place; and, through our programme of overseas trade events to key markets which includes a number of planned trade visits to the USA in 2024/25 (including a trade mission to Texas in March 2025).

**Q. Paul Davies MS (tabled on 18/04/2024): Will the Cabinet Secretary provide an update on the progress of the Irish Sea Framework?**

*A. Cabinet Secretary for Economy, Energy and Welsh Language – Jeremy Miles MS (answered on 25/04/2024):* The Welsh Government continues to drive forward the Irish Sea Framework, working closely with relevant stakeholders and governments across and around the Irish Sea space. In the last financial year, we invested over £150k in projects supporting the Framework through our Agile Cymru programme, supporting co-operation in priority areas such as the marine economy, life sciences, culture and language. Agile Cymru will continue to fund co-operation in the Irish Sea space during this financial year.

The Welsh Government is also a key partner in an application for Peace Plus funding with the Irish Southern Regional Assembly, Northern Ireland Executive and Scottish Government. If successful, the project will support the Framework's aims, deepening existing links and developing new ones. We are also aware of other funding proposals which will align with the Framework.

We are continuing our discussions with the Irish Government at an official level, and progress on the Irish Sea Framework will be discussed at the next Ireland-Wales Joint Ministerial Forum.

**Q. Paul Davies MS (tabled on 18/04/2024): Will the Cabinet Secretary provide an update on the development of the Celtic Sea Freeport?**

*A. Cabinet Secretary for Economy, Energy and Welsh Language – Jeremy Miles MS (answered on 26/04/2024):* The UK and Welsh Governments have jointly assessed the Outline Business Case (OBC) submitted by the Celtic Freeport consortium. Formal feedback was provided to the consortium on 3 April, setting out some critical actions to be addressed to allow for the approval of the OBC. Responses to these actions were received on 22 April and are now being assessed by both governments.

Once the OBC is approved, the UK and Welsh Governments will work together on the legislation required to formally designate the Celtic Freeport tax sites. The timings for tax site designations will be confirmed with the UK Government once final approval of the OBC has been granted.

Following approval of the OBC, the Freeport will be invited to develop and submit a Full Business Case, which will lead to the release of seed capital funding.

Q. Luke Fletcher MS (tabled on 05/03/2024): What assessment has the Minister made of the impact that reductions to the apprenticeship programme will have on inward investment?

*A. Minister for Economy – Vaughan Gething MS (answered on 15/03/2024):* The Strategic Integrated Impact Assessment (SIIA) outlines the impacts of budget decisions, which is available at [WG SIIA Draft Budget 2024 to 2025](#). Alongside this, responses of individual Ministers to their respective policy committees with the associated consideration of impacts is available at [WG Draft Budget 2024-25 web page](#). The Strategic Integrated Impact Assessment was undertaken for the Draft Budget; £5.25m was reallocated to apprenticeships in the Final Budget.

Q. Sam Rowlands MS (tabled on 04/03/2024): Will the First Minister provide a list of meetings held by Welsh Government Ministers and officials regarding the Wales in India programme?

Q. Sam Rowlands MS (tabled on 04/03/2024): Will the First Minister provide a list of planned meetings by Welsh Government Ministers and officials for the Wales in India programme for the rest of 2024?

*A: First Minister – Mark Drakeford MS (answered on 12/03/2024) (the same response was provided for both questions):* It is not possible to provide a list of every meeting held by Welsh Government Ministers and officials about Wales in India 2024. The answer can only be provided at disproportionate cost.

However, I can confirm that I have held planning discussions with officials since June 2023 to discuss Wales in India 2024, and my successor will continue to receive regular updates as the Wales in India programme develops across the year.

The programme for Wales in India, as with all of our “Wales in...” years, has been designed with flexibility in mind. Events later in the year, or led by our strategic partners, are in the process of being finalised but examples of key events taking place are provided below. The programme centres around our three offices in Mumbai, New Delhi and Bengaluru; other cities and regions in India also feature, as well as some events in Wales.

- May – Multi-sector trade mission (Mumbai and Bengaluru)

- May / June – Focus on Indian literature (Hay Festival)
- June – Pride month (Mumbai)
- July – Diaspora event (Mumbai)
- August – Indo-Welsh conclave trade and invest events (pan-India)
- August – Indo-Welsh Music (Eisteddfod Genedlaethol and Green Man)
- September – NHS visit (Kerala)

Q. Cefin Campbell MS (tabled on 06/02/2024): Will the Minister provide a breakdown of grants awarded by Agile Cymru to businesses and organisations to support activities and projects to promote co-operation in the Irish Sea region?

*A: Minister for Economy – Vaughan Gething MS (answered on 12/02/2024):* Through the Agile Cymru programme, the Welsh Government has, to date, delivered two specific funding initiatives to encourage economic cooperation with Ireland and partners around the Irish Sea space. In 2021, Agile Cymru launched a call for organisations in Wales to increase Irish Sea cooperation and/or to maximise engagement in Horizon Europe. The following eight projects involving cooperation with Ireland were selected for funding: [A full list can found here](#)