



David Rees AM

Chair of the External Affairs and  
Additional Legislation Committee

15 May 2018

Dear David

Thank you for your letter of 18 April regarding Trade policy after Brexit and the implications for Wales.

May I begin by restating that the Welsh Government believes it is imperative that the UK Government engages comprehensively and effectively with the devolved institutions 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.

Wales is an outward-looking, globally trading nation and we have a significant interest in trade. 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 industry. It is vital that Welsh Government is involved early in the process of negotiating any future free trade agreements so we can effectively share information and influence outcomes. As you note, *Trade Policy; the issues for Wales* calls for the setting up of Joint Ministerial Committee on International Trade as an interim measure to provide a forum for discussing and reaching consensus in issues relating to international trade.

Turning now to your specific questions; as you will be aware, the EU and UK agreed a transition period (conditional on both sides agreeing a final withdrawal treaty) which will run from 29<sup>th</sup> March 2019 until 31<sup>st</sup> 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 a number of Trade Working Groups with a range of third countries, Australia being one of these countries. The Department for International Trade (DIT) has not, so far, invited Welsh Government officials

to take part in its Australia-UK Trade Working Group, consulted us on its work or shared the outputs from its work with myself or my officials.

I will continue to press DiT Ministers about the role of Welsh Government in any formal negotiations which get underway during the transition period. Although I did not have any formal discussions with the Australian Government on the future trading relationship between the UK and Australia during my visit last month, I did take the opportunity to meet informally with stakeholders to discuss areas of mutual interest.

My colleague, the Cabinet Secretary for Energy, Planning and Rural Affairs regularly attends Quadrilateral meetings with the Secretary of State for Environment, Food and Rural Affairs and colleagues from the other Devolved Administrations, to ensure that the interests of Welsh agriculture are considered by the UK Government. Officials are also working closely with colleagues in Defra where they flag up cross-cutting issues such as the potential impact of trade negotiations.

As you are aware the Welsh Government's position is that we should maintain full and unfettered access to the EU's Single Market and remain in a customs union, 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 building new trading relationships should be a complement to the relationship with the EU, not a substitute. 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 Skates', written in a cursive style.

**Ken Skates AC/AM**

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