

Brexit Update

Research Briefing

October 2018



The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

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National Assembly for Wales
Senedd Research

Brexit Update

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Introduction

This paper provides an update on the most recent developments on Brexit of relevance to Wales. It includes sections on the work of the Assembly and Welsh Government; EU; UK; and Scotland and Ireland. The period covered is 26 September – 9 October 2018, although reference is made to later events where information is available at time of final drafting.

Developments in Wales

National Assembly for Wales

External Affairs and Additional Legislation Committee

The External Affairs and Additional Legislation (EAAL) Committee is the lead Committee in the Assembly for co-ordinating the Brexit-related activities of Committees.

The EAAL Committee is currently undertaking an inquiry into **Wales' Future Relationship with the EU and the World- Part two** and an inquiry into **EU law in Wales: What happens during the Brexit Transition?**

The most recent sessions of the EAAL Committee were:

- 1 October: The committee took evidence from Sir Emyr Jones Parry, Auriol Miller and Walter May on Wales' future relationship with Europe and the world – part two. **Transcript.**
- 8 October: The committee held three evidence sessions on Preparing for Brexit with representatives of the ports, health and food sectors.
- 11 October: The committee held a scrutiny session with Robin Walker MP, Parliamentary Under-Secretary of State for Exiting the EU.

On 1 October EAAL considered correspondence from:

- Mick Antoniw, Chair of the Constitutional and Legislative Affairs Committee to Lesley Griffiths, Cabinet Secretary for Energy, Planning and Rural Affairs regarding the UK Government Agriculture Bill.**

On 8 October EAAL considered correspondence from:

- Mark Drakeford, Cabinet Secretary for Finance to Llyr Gruffydd, Temporary Chair of the Finance Committee regarding the draft budget 2019-20.**

Other

25 September: Written Statement - **Launch of the Business Wales Brexit Portal.**

2 October: Plenary Statement by the Cabinet Secretary for Finance: **The Draft Budget 2019-20.**

2 October: Written Statement - **Draft Budget 2019-20 – A Budget to build a better Wales.**

3 October: Debate on a **People's Vote.**

25 October: Interparliamentary forum on Brexit in Cardiff.

The Research Service's own blogs are published on **In Brief.** The latest Brexit blogs are: **What are the next steps for regional investment in Wales?; Assembly asked to change procedures for Exiting the EU legislation; What's in a name? The future is unclear for Welsh protected food names after Brexit; What does the UK Agriculture Bill mean for Wales?; Brexit Monitoring Report- Environment September 2018; Replacing EU funding streams: The case for future funding for Wales;**

On 25 September the Finance Committee published its report into **Preparations for replacing EU funding for Wales.** The report made 11 recommendations, including those in key areas such as ensuring that Wales is 'not a penny worse off' after Brexit, and on funding and devolution of major post-Brexit funding sources such as the UK-wide Shared Prosperity Fund and agricultural support.

The Climate Change, Environment and Rural Affairs Committee published its report into UK common frameworks on agriculture and environment in July 2018. The Welsh Government **responded** to the Committee's report in September 2018. The Committee published its report **Environmental governance arrangements and environmental principles post-Brexit** on 27 June, and the Welsh Government **responded** in September 2018. The Committee has also responded to the Department for Environment, Food and Rural Affairs consultation on **'Health and Harmony: the future for food, farming and the environment in a Green Brexit'**. The Committee is currently drafting its report on its inquiry into the **Impacts of Brexit on Fisheries in Wales**, having held a **formal evidence session** and a stakeholder workshop in July, and it has **published the written evidence that it has received.**

The Children, Young People and Education Committee is carrying **out an inquiry** into the **Impact of Brexit on Higher and Further Education.** The Committee has recently finished taking oral evidence, holding sessions on 12 July (**transcript**), 18 July (**transcript**) and 20 September (**transcript**). It has also **published the written evidence it has received.**

The Constitution and Legislative Affairs Committee publish reports on Subordinate Legislation relating to the UK's exit from the EU. They can be found on the [Committee's webpages](#). The Committee [published its report into The Powers in the EU \(Withdrawal\) Bill to make subordinate legislation - operational matters](#) in July 2018, with the [Welsh Government responding](#) in September 2018. On 8 October the committee published its report [Scrutiny of regulations made under the Trade Bill](#).

Welsh Government

24 September: Written Statement - [Over £25 million now committed to help Welsh businesses and public services prepare for Brexit](#).

24 September: [App to support Welsh food and drink businesses post-Brexit launched](#).

25 September: [New Brexit Portal to support business](#).

26 September: [Further £3m support for fisheries, environment and food industry to prepare for Brexit](#).

27 September: [£2.7m of EU funds to grow social businesses in Wales](#).

29 September: [PM must stop misleading the public with false Brexit claims](#) - First Minister Carwyn Jones issues stark warning to Theresa May as Brexit deadline looms.

4 October: [£119m EU funding secured to progress South Wales Metro](#).

8 October: [Benchmarking project to help red meat sector prepare for Brexit gets underway](#) - A new £2.15m initiative to help beef and sheep farmers identify improvements to their businesses and prepare for Brexit.

News

25 September: [Welsh tenant farmers consider potential implications of Welsh Government proposals](#) (NFU Cymru)

25 September: [Brexit no-deal would be 'devastating' for Welsh farming](#) - The notices suggest that it could take a minimum of six months for the UK to be approved by the EU as an exporter and in that time the EU would not accept animals and animal products from the UK (NFU Cymru)

27 September: [Future Welsh Government policy must ensure the continued supply of top quality PGI Welsh Beef & Lamb](#). (NFU Cymru)

1 October: [Brexit and Civil Society funding in Wales – The path travelled so far and where we are now](#). (WCVA)

1 October: [Parliament Set to Chart the Course of UK Agriculture Policy for the First Time in a Generation](#) (Tenant Farmers Association)

4 October: [Agriculture Bill 2nd Reading: Detail needed now on longer-term funding, says CLA](#).

8 October: [Perfect Time for Government to Address Long-Standing Tenanted Farm Issues](#). (Tenant Farmers Association)

8 October: [NFU Cymru Meirionnydd members meet to discuss 'Brexit and Our Land' consultation](#).

8 October: [NFU Cymru welcomes Red Meat Benchmarking Project](#).

EU Developments

European Council

27 September: **Address by President Donald Tusk to the 73rd United Nations General Assembly.**

1 October: **Better protection for farmers against unfair trading practices: Council agrees its negotiating position.**

4 October: **Remarks by President Donald Tusk after his meeting with Taoiseach Leo Varadkar.**

9 October: **Climate change: Council adopts conclusions.**

9 October: Consultation: **EU Single Window environment for customs** (closes 16 January)

European Commission

The Commission has published 66 '**Brexit preparedness notes**' on the legal and practical implications of the withdrawal of the United Kingdom from the European Union - subject to any transitional arrangement that may be contained in a possible withdrawal agreement.

26 September: **Joint Statement on Trilateral Meeting of the Trade Ministers of the United States, Japan, and the European Union.**

27 September: **Canada and the European Union hold the inaugural meeting of the CETA Joint Committee.**

3 October: **Speech by Vice-President Ansip at the European Parliament plenary session for the debate on the Future of Europe with Estonian Prime Minister Jüri Ratas.**

4 October: **European Court of Auditors signs off EU accounts for 11th time in a row.**

European Parliament

26 September: Research for TRAN Committee - **BREXIT: transport and tourism - the consequences of a no-deal scenario.**

26 September: **EU Budget 2019: MEPs increase funding on youth, migration and research.**

1-4 October: **Plenary in Strasbourg.** Agenda includes:

- Preparation of the European Council meeting of 18 and 19 October 2018, Council and Commission statements.
- Debate with the Prime Minister of Estonia, Jüri Ratas, on the Future of Europe.

1 October: **Fairer food supply chain: Agriculture MEPs clamp down on unfair trading.**

2 October: **Brexit and migration dominates the debate on October's EU summit.**

3 October: **Green light for VAT overhaul to simplify system and cut fraud.**

9 October: **EU Budget 2019 to focus on young people.**

News

Brexit preparation websites in English:

- **Are you ready for BREXIT?** (German Chambers of Commerce)
- **The Netherlands government's Brexit websites.**

26 September: **France says it would be 'suicidal' to accept Theresa May's Brexit proposals** (Business Insider)

2 October: In the ongoing process of preparing for the UK withdrawal from the Union [European Aviation Safety Agency] **EASA will start to process some applications for Third Country approvals from existing UK approval holders.**

4 October: **Annual reports concerning the financial year 2017** (European Court of Auditors) **2017 EU Audit in brief.**

UK Developments

UK Government

24 September: Update: **How to prepare if the UK leaves the EU with no deal.**

- **Exporting animals and animal products if there's no Brexit deal:** The EU would require the UK to be a listed third country. In the unlikely event of a 'no deal' scenario, the UK would apply for this status but cannot be certain of the EU response or its timing. Without listed status no exports to the EU could take place.
- **Producing food products protected by a 'geographical indication' (GI) if there's no Brexit deal:** The UK Government anticipates that all UK geographical indicators will continue to be protected by the EU's scheme. However, if this is not the case, UK producers wishing to regain the protection offered by EU GI status, and the right to use the EU GI logo, would need to submit their applications to the European Commission as 'third country' producers.
- **Commercial road haulage in the EU if there's no Brexit deal:** Hauliers should consider whether they need permits to haul goods internationally. Up to 984 annual Euro 6 ECMT permits, 2,592 monthly Euro 6 ECMT permits and 240 monthly Euro 5 ECMT permits are available. ... We expect demand for ECMT permits will significantly exceed supply.
- **Regulating chemicals (REACH) if there's no Brexit deal:** Maintaining or securing EEA market access. ... Existing UK registrants would, for example, need to transfer their registrations to an appropriate EEA-based entity (such as an affiliate or an OR) or develop new working relationships with their EEA customers. This would require action before the UK leaves the EU.
- **Flights to and from the UK if there's no Brexit deal:** In this scenario the UK would envisage granting permission to EU airlines to continue to operate. We would expect EU countries to reciprocate in turn. It would not be in the interest of any EU country or the UK to restrict the choice of destinations that could be served, though, if such permissions are not granted, there could be disruption to some flights.

24 September: **Prime Minister Theresa May held a meeting with Guy Verhofstadt MEP.**

26 September: **PM speech at the Bloomberg Global Business Forum.**

26 September: **Dominic Raab met with Chief Minister Fabian Picardo to discuss how we will work with Gibraltar for the best possible outcome on Brexit.**

4 October: **Joint statement from Prime Minister May and Prime Minister Rutte.**

4 October: **Consultation on establishing UK Geographical Indications (GI) schemes after exit** - closes 1 November (DEFRA)

House of Commons

9 October: Statement by Dominic Raab on **EU Exit Negotiations.**

Committees

Environment, Food and Rural Affairs:

17 October: Evidence Session - Scrutiny of the Agriculture Bill.

Exiting the EU:

10 October: **Brexit preparedness and business contingency planning examined.**

Home Affairs:

9 October: **Migration Advisory Committee discuss EEA migration report.**

Procedure:

10 October: Evidence session with Ministers on the Government's White Paper Legislating for the Withdrawal Agreement and on the prospective European Union (Withdrawal Agreement) Bill.

Public Accounts:

2 October: Correspondence Jon Thompson, HMRC on the **Customs Declaration Service.**

15 October 2018: Evidence Session - Exiting the European Union: Defra.

 Scottish Affairs:

15 October: Evidence Session on Scotland and Brexit: Trade and Foreign Investment.

 Welsh Affairs:

16 October: Evidence Session on Brexit, trade and customs: implications for Wales.

 House of Lords

9 October: First Reading of the **Act of Union Bill**.

9 October: Statement on **Brexit: Negotiations**.

 Committees

 EU Energy and Environment Sub-Committee:

10 October: **Minister questioned over nitrate levels in UK rivers**.

17 October: **Defra's readiness for a 'no deal' Brexit explored by Committee**.

23 October: **Minister quizzed on BEIS readiness for a 'no deal' Brexit**.

 EU Financial Affairs Sub-Committee:

10 October: **City Minister gives evidence on financial services after Brexit**.

17 October: Evidence Session on Brexit: European Investment Bank.

 EU Home Affairs Sub-Committee:

9-10 October: The Sub-Committee visited Brussels.

 EU Internal Market Sub-Committee:

11 October: **What does the future look like for the UK-EU rail sector arrangements?**

18 October: Evidence Session on Future UK-EU transport arrangements.

 News

17 September: **David Owen highlights wrong advice being given to the Prime Minister on the details of the EEA Agreement** (Lord Owen)

24 September: **No-deal plans are a recipe for post-Brexit chaos** (Road Haulage Association)

26 September: **World trade's top court close to breakdown as U.S. blocks another judge** (Reuters)

26 September: **UK appoints food supplies minister amid fears of no-deal Brexit** (Guardian)

26 September: **Government's immigration proposal is bad for road haulage** (Road Haulage Association)

27 September: **No-Deal Brexit to Cost \$12 Billion in Food Tariffs, Study Says** (Bloomberg)

28 September: **Six months to Brexit: Major new BCC survey finds investment and recruitment would be cut in the event of 'no deal'** - A fifth of businesses surveyed (21%) will cut investment if there is 'no deal', 20% will move part or all of their business to the EU and 18% will cut recruitment – but in the event of a status quo transition these numbers fall dramatically. 62% of firms still haven't completed a Brexit risk assessment. (British Chambers of Commerce)

28 September: **No-deal Brexit could trigger 14 days of road chaos, Highways England reveals** - Exclusive: Kent lorry traffic plan would take two weeks to implement, FoI request shows (Guardian)

1 October: **UK manufacturers cut spending plans as Brexit fears rise** - Only one-third of companies expecting to increase their investments, says report (Guardian)

2 October: **Don't pull the rug from beneath the feet of the UK haulage industry, says RHA**.

4 October: **Nissan becomes latest manufacturer to warn against hard Brexit** - The Japanese carmaker Nissan has warned the government that serious disruption will be caused to its huge manufacturing operation in the north-east of England if the UK fails to secure a deal with the EU that avoids a hard Brexit.

4 October: **Brexit: Challenges Ahead for Cross-Channel Ferry Ports** (Maritime Executive)

8 October: **BCC Quarterly Economic Survey: Uncertainty bites as survey shows UK economy is stuck in a rut.**

8 October: **Plan for no-deal Brexit crunch, defence body urges Hammond** - Emergency measures may be needed to avert a manufacturing cashflow crisis after a no-deal Brexit, says a letter seen by Sky News.

Scotland

Scottish Parliament

Scottish Parliament Brexit Update: **4 October.**

Scottish Parliament Information Centre: **Preparing for a no-deal Brexit: environmental standards; Preparing for a no-deal Brexit – public procurement; Stopping the rot? The UK seasonal agricultural workers pilot scheme; Preparing for a no-deal Brexit: driving in the EU and vehicle insurance; Preparing for a no-deal Brexit: EU funding; Brexit and attracting and retaining migrants in Scotland.**

25 September: Environment, Climate Change and Land Reform Committee: European Union (Withdrawal) Act 2018. - **Ionising Radiation (Basic Safety Standards) (Miscellaneous Provisions) (Amendment) (EU Exit) Regulations 2018.**

25 September: Debate on **UK Trade Arrangements: Scotland's Role.**

26 September: Statement on the **Common Agricultural Policy.**

26 September: Debate on **European Atomic Energy Community (Impacts of Leaving).**

26 September: Health and Sport Committee: European Union (Withdrawal) Act 2018 - **Tobacco Products and Nicotine Inhaling Products (Amendment) (EU Exit) Regulations 2018.**

2 October: Economy, Energy and Fair Work Committee: European Union (Withdrawal) Act 2018 - **Insolvency (Amendment etc) (EU Exit) Regulations 2018.**

2 October: Health and Sport Committee: European Union (Withdrawal) Act 2018 - **Human Tissue (Quality and Safety for Human Application) (Amendment) (EU Exit) Regulations; Quality and Safety of Organs Intended for Transplantation (Amendment) (EU Exit) Regulations; Blood Safety and Quality (Amendment) (EU Exit) Regulations.**

Scottish Government

26 September: [Brexit impact on food safety and standards.](#)

29 September: [Six months until Brexit](#) - Terms of departure still not agreed.

30 September: [Valuing EU health and social care staff](#) - Letter to reassure workforce ahead of Brexit.

7 October: [Advice service for EU citizens.](#)

Northern Ireland

The Assembly publishes a ['Brexit Brief' newsletter and Brexit information.](#)

[Brexit Brief Newsletter September 2018.](#)

The Assembly's Research and Information Services has a [Brexit Hub](#) with information and links to resources on the subject of Brexit and Northern Ireland.

28 September: [Time running out to have your say on Future Agricultural Policy Framework.](#)

2 October: [Results of migrant labour survey completed for the NI agricultural sector.](#)

8 October: [Consultation on new UK Geographical Indications \(GI\) Scheme now open.](#)

UK-Ireland relations

25 September: Questions on the [British-Irish Council](#) of 22 June in Guernsey.

4 October: The Minister for Foreign Affairs answered questions on [Brexit Negotiations](#), [Brexit Issues](#), [Brexit Negotiations](#), [Brexit Issues](#), and the [British-Irish Intergovernmental Conference](#).

Reports published

Houses of Commons and Lords Libraries

9 October: [The Agriculture Bill](#).

8 October: [Future trade with the EU: Mutual recognition](#).

4 October: [Leaving the European Union: The Arts](#).

4 October: [Leaving the European Union: Impact on the Good Friday Agreement](#).

26 September: [Brexit Unknowns \(update\)](#) - What do we still not know about the Brexit process or the withdrawal agreement with the EU that is currently being negotiated? This paper looks at some of the main unknowns.

24 September: [Brexit and chemicals regulation \(REACH\)](#).

The Conversation

[Chequers vs Canada-plus Brexit trade plans – seven key differences explained](#)

[How the special migration rules in free trade deals work](#)

UK in a Changing Europe

[Estimating the trade effects of the Brexit announcement shock](#)

[The real Brexit deadline is not when you think](#)

[Brexit and the future of fisheries policy in Northern Ireland](#)

[What would a no-deal Brexit mean? both experts and voters could be in for a shock](#)

[Women have been excluded from the Brexit debate](#)

[Brexit's changes to the UK constitution](#)

[Would women suffer most from a 'bad' Brexit?](#)

LSE Brexit

Other EU countries must reach out to the Britons living there

Long read: let's ditch the stereotypes about Britons who live in the EU

Brexit and migration: Why do rocket scientists pick strawberries?

Race, class and Brexit: how did we get here?

Londoners and the rest: how and why geography divides Britons' political influence

The end of 'Social Europe'? Brexit poses many dangers for employment relations in the UK

Lessons from Norway: The case for a second referendum on Brexit

The dismantling of the state since the 1980s: Brexit is the wrong diagnosis of a real crisis

Negotiating Single Market access with the EU: institutional lessons from Switzerland

A rational backlash against globalisation

Lessons from South Korea: What would a hard Brexit mean for British manufacturers?

The IEA's Plan A+ for 'free trade' is the product of fanaticism

Will the Brexit cloud have a silver lining for conservationists?

Other

Digesting the Salzburg Summit (Bruegel)

Discussing Brexit: In Conversation with Dominic Raab (Open Europe)

Brexit negotiations [What Think Tanks are thinking] (European Parliamentary Research Service)
