

## Jeremy Miles AS/MS

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Llywodraeth Cymru  
Welsh Government

Committee Clerk  
External Affairs and Additional Legislation Committee  
Senedd Cymru  
Cardiff Bay  
CF99 1NA

27 April 2021

Dear Committee Clerk,

I am writing to thank the Committee Chair for his letter of 30 March. I have outlined below information on the international agreements that he requested clarification on.

### Review Clauses

Welsh Government are in close contact with the Department for International Trade (DIT) on their Free Trade Agreement programme.

As you point out a number of the continuity agreements (Continuity Negotiations Co-ordination Programme) that were rolled over from the EU have clauses in them to re-open negotiations. These countries include Canada, Mexico, South Korea, Switzerland and Turkey.

Our preparations for these negotiations are underway and we are engaging with our stakeholders through the Trade Policy Advisory Group, virtual meetings with individual businesses and with policy leads across Welsh Government. This work is informing our assessment of Wales' main interests and priorities for each negotiation.

The level of engagement we expect from DIT will depend on the extent to which the agreements are likely to change. For example, where negotiations are likely to re-open in significant areas, such as with Canada and Mexico, we would expect engagement to follow the precedent set by the Japan and EEA EFTA negotiations. This engagement involved the UK Government sharing draft text of chapters relating to devolved matters with the Welsh Government throughout the negotiations and before finalisation and then all legally agreed text after it had been 'legally scrubbed'. Welsh Government lawyers and policy officials also had the opportunity to consider aspects of these chapters throughout those negotiations.

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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.

Where changes to agreements are minor in nature, we would expect a lower level of engagement from DIT, for example, through regular verbal and written updates, as we received in relation to the Continuity Negotiations Co-ordination negotiations in 2020.

DIT invited the Devolved Governments to provide information on their main areas of interest/concern in respect of the Canada and Mexico negotiations at the Ministerial Forum for Trade (MFT) on 18 March 2021. We expect the regular update meetings between the Devolved Government officials and the Chief Negotiators for Canada and Mexico which were established during last year's negotiations to continue.

### **Free Trade Agreement between the United Kingdom of Great Britain and Northern Ireland and the Republic of Turkey**

The aim of the UK/Turkey Free Trade Agreement, which was signed on 29 December and provisionally applied from 1 January, was to preserve EU-Turkey trading arrangements and Rules of Origin (RoO) arrangements as far as possible. DIT have always stated that parts of the agreement will need updating to align with the EU-UK Trade and Co-operation Agreement, namely Technical Barriers to Trade (TBT) and RoO chapters.

The review clause states that a review of the Agreement must take place no later than two years after the date of entry into force, i.e. by 2022. The renegotiation presents an opportunity for the UK to go beyond the continuity agreement in terms of reducing barriers to trade. DIT have advised that they will engage with us on the negotiating mandate in due course once other priority negotiations have concluded.

DIT has made us aware of some initial implementation issues that have arisen at the Turkish border because the agreement has not been ratified, which has affected some British businesses. Ratification processes are now complete on the Turkish side and are pending completion on the UK side. We are not aware of any particular issues that have affected Welsh businesses at the Turkish or British borders pending completion of ratification processes. However, given that Turkey accounts for 2.7% of Welsh goods, and recognising the importance of Turkey to our automotive industry, we will continue to engage closely with our key stakeholders, including the Welsh Automotive Forum, to ensure that our representations to DIT are informed by the views and concerns of Welsh businesses. We are also aware of anecdotal evidence of difficulties with meeting RoO requirements for automotive exports to the EU where Turkish components have been used in UK products. This, of course, highlights the increased barriers to trade created by the restrictive RoO approach adopted in the Trade and Cooperation Agreement with the UK, since products which do not comply with these rules are liable to tariffs. This could render such businesses' exports to the EU uncompetitive.

### **Agreements between the UK and other countries concerning Air Services**

It is my understanding that these agreements are intended to secure continued access for flights between the UK and Norway and Iceland, though this is less comprehensive than used to be the case through the European Common Aviation Area. As with wider trade agreements, we would expect the UK Government to be continuously keeping under review whether our range of international aviation relationships best serves the needs of the whole of the UK, or whether additional agreements should be pursued or existing agreements need to be updated.

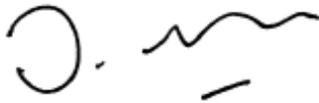
UK Government officials have informed Welsh Government officials about the conclusion of these agreements but there has been little other discussion of them. Whilst aviation is a reserved matter, our view is that a more formal process should be put in place to ensure that Welsh Ministers are fully consulted on these kinds of international agreements and that

they have the opportunity to ensure Wales' interests are sufficiently considered and accounted for in the UK Government's policy approach and negotiating strategy.

This links to my final point. While in general terms the relationship with DIT is relatively good, and there is considerable sharing of detailed information – including draft treaty text on matters clearly within devolved competence, I continue to press DIT Ministers to provide equivalent access in terms of elements of trade negotiations which are themselves reserved but which nevertheless have very important implications for Welsh businesses and Welsh jobs – for example, proposals on tariffs and Tariff Rate Quotas (TRQs).

I urge the Committee in the sixth Senedd to keep up the pressure in this regard.

Yours sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a series of wavy lines and a short horizontal stroke at the end.

**Jeremy Miles AS/MS**

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