



Falkland Islands Government

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Lord Boswell of Aynho
Chair, European Union Committee
House of Lords
London
SW1A 0PW

Dear Lord Boswell,

Thank you for sharing with the Falkland Islands the reply to your letter from the Secretary of State for Exiting the European Union, dated the 19th of February.

Further to your request for any observations that the Falkland Islands would wish to convey to the committee, please find below our response.

The Falkland Islands welcome the positive and constructive tone of the Secretary of State's letter. In particular, the Falkland Islands welcome the fact that the UK is "actively considering the interests of the Overseas Territories" in its preparations for the next phase of the withdrawal negotiations.

As a current recipient of EDF and other EU funds, the Falkland Islands welcome confirmation that the EU will remain party to the EDF until the closure of the 11th EDF in 2020.

The fisheries industry accounts for between 35% and 48% (2017) of the Falkland Islands' GDP, and the EU is the destination for 88% of the Falkland Islands' fisheries exports (2017). The Falkland Islands' therefore wishes to retain its current tariff/quota free access to EU markets for Falkland Islands' fisheries and meat products. Anything other than this would have a detrimental impact on both the income of the Falkland Islands' Government and the wider economy.

When dealing with any future trading relationship between the UK and the EU, the Falkland Islands welcome the acknowledgement that the UK's negotiations extend to the Overseas Territories. Based on this, the Falkland Islands wish to clarify whether or not the Falkland Islands would be included in any final deal that the UK agrees with the EU.

In relation to opportunities arising from Brexit, the Falkland Islands welcomes the UK's desire to "strengthen and enhance" their trading relationships with the Overseas Territories. The Falkland Islands also welcomes the acknowledgement that the UK will continue to take account of the Overseas Territories' priorities in future trade negotiations. Does this mean that the Overseas Territories will be included, or have the opportunity to be included, in any future trade deals the UK negotiates with countries outside of the EU27?

In a situation where the UK is unable to achieve a “deal” with the EU and leaves in March 2019 with no transition or implementation period, the Falkland Islands would expect to require financial adjustment from the UK, particularly to help industry adapt in the short – medium term. Effects on the revenue of the Falkland Island’s Government are as yet unknown, but a reduction due to reduced fishing activities could have an impact on our infrastructure and social and economic development investments, which are to provide the Falkland Islands with a sound basis for sustainable, long-term growth and prosperity. The Falkland Islands therefore welcomed the UK’s commitment, made at the November JMC, to share information regarding contingency planning, should the need arise, with the Overseas Territories at the earliest opportunity.

The Falkland Islands’ status as an Overseas Territory of the UK is currently recognised by the EU, most recently, through Article 198 of the Lisbon Treaty. The EU’s continued recognition of this status is of critical importance. It was therefore encouraging that the Secretary of State has made clear that leaving the EU “does not change the position on UK sovereignty of the Overseas Territories.” To clarify, does this actually refer to the EU’s continued recognition; post Brexit, of the Falkland Islands’ status as an Overseas Territory of the UK?

Thank you, once again, to you and your committee, for your continued insistence that the impact of Brexit on the Overseas Territories is at the forefront of the Government’s thinking as it negotiates the UK’s withdrawal from the EU.

If your committee requires any further information from the Falkland Islands we remain ready to provide it.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Teslyn Barkman', written in a cursive style.

Hon. Teslyn Barkman MLA
On behalf of the Legislative Assembly