Dear Lord Boswell,

Thank you for your correspondence of 8 February 2019 regarding the scrutiny of Brexit-related international agreements by the House of Lords EU Select Committee. I welcome the opportunity to feed into the committee’s scrutiny of the recently signed Economic Partnership Agreement between the Eastern and Southern African States (ESA States) and the UK and an agreement establishing an Association between the UK and Chile.

Welsh Government believes it is imperative that the UK Government engages comprehensively and effectively with the devolved institutions on the development of trade policy. Whilst we accept that the regulation of international trade is a reserved matter, observing and implementing international obligations of the UK which fall in areas of devolved competence is not a reserved matter under the devolution settlements (a point which was underscored by the Supreme Court in its judgment on the Scottish Continuity Bill¹).

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 trade policy does not adequately take into account the needs of Welsh stakeholders.

The Welsh Government has continued to press the case for effective engagement between UK Government and devolved governments on all trade agreements: in particular we have called for a Joint Ministerial Committee on International Trade. I see the recent announcement from UKG Ministers in the House of Lords of their intention to create a Joint Ministerial Forum as a very positive step. I also welcome the regular engagement that now takes place between myself and the Minister for Trade Policy, George Hollingbery as well as the effort being made to formalise how the Department for International Trade and Devolved Administrations will work together for the UK’s future trade agreements with third countries after EU exit. Welsh Government officials and their counterparts in the Department for International Trade are also in regular contact in relation to Trade Agreement Continuity more generally – receiving weekly updates on the status of these agreements with more detailed conversations held between senior officials on this specific topic every three weeks.

In relation to your specific question, the Welsh Government has repeatedly argued that as a minimum it should have sight of the draft text of any rolled forward agreement (before it is signed) which relates to devolved competence or which could impact directly on the economy and people of Wales; for example, in relation to tariffs, Tariff Rate Quotas and Rules of Origin. This has not been the case with regard to the two agreements you ask about – the Economic Partnership Agreement between the Eastern and Southern African States and the UK and an agreement establishing an Association between the UK and Chile.

Whilst we understand that the intention of Trade Agreement Continuity is to preserve the current arrangements and therefore should not involve changes to devolved policy, we would argue that our involvement has fallen very short of our expectations and it is essential that this way of working does not set a precedent for the future handling of future Free Trade Agreements.

Yours sincerely,

Eluned Morgan AC/AM
Gweinidog y Gymraeg a Chysylltiadau Rhyngwladol
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