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Lord Teverson
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Dear Robin

Thank you for our recent discussions at the hearing of the 16th October on No Deal Preparations. As promised, I am writing to you to provide more detailed information in those areas where you have requested further details.

Statutory Instruments

Our programme of Statutory Instruments to be laid will be reviewed in light of the change in circumstances following the extension agreed with the European Union.

Future Trade Agreements

Annex A contains Department for International Trade figures from gov.uk, as of 4th October, on trade with Trade Agreement Continuity target countries party to UK signed trade agreements and those agreed in principle.

Fisheries

Roscoff is an important port for fish/shellfish exports from the UK to the EU. If we leave the EU without a deal, fish/shellfish exports will need to enter the EU through a Border Inspection Post (BIP) with the relevant facilities to check the particular consignment, with the exception of direct landings which must be landed at North East Atlantic Fisheries Convention (NEAFC) designated ports.

On 11th October, the EU Commission's Standing Committee on Plants, Animals, Food and Feed (SCOPAFF) voted to approve 15 new EU Exit-related BIPs which would come into effect if the UK left the EU with no deal specifically on the 31st October, including Roscoff. However, these 'EU Exit' BIPs would only have become 'active' if EU law ceased to apply to the UK on 1 November 2019.

The extension to Article 50 until 31 January 2020 means that EU law will still apply to the UK on 1 November, so these 'EU Exit' BIPs have not become 'active' and will need to be reapproved for any future no-deal exit date by SCOPAFF as they previously were after the Article 50 extension in April.

In relation to questions 42 and 43, Defra continues to work closely with colleagues across Government and the Devolved Administrations to control access by non-UK vessels to fish in UK waters, and pursue a fairer share of fishing opportunities, for the benefit of the whole of the UK fishing industry.

The Royal Navy are growing their Offshore Patrol Vessels (OPVs) force from 4 to 8 ships over the next year. Currently 5 are operating at sea conducting enforcement and overseas tasking, with 4 in build or regeneration (1 will be decommissioned in Mar 20). Of these, at least 2 RN OPVs are always provided, subject to national tasking, to support fisheries enforcement. After leaving the EU, offshore fisheries enforcement in English waters will primarily be delivered by 2 OPVs from the RN, supported by provision from MMO chartered vessels.

Environmental Regulation

The establishment of the Office for Environmental Protection (OEP) will ensure that when we leave the EU and its institutions, environmental standards will be upheld. The OEP is expected to be operational in January 2021, dependent on the passage of the Environment Bill.

In the event of the UK leaving the EU without a deal, we will put in place a temporary, non-statutory, holding arrangement during the interim period between the date of our exit from the EU and the launch of the OEP. This will provide a mechanism for the OEP to receive a report of any perceived or claimed breaches of environmental law made during this interim period. This means that the OEP can consider any early action it may need to take upon its establishment.

The interim arrangements will involve non-statutory, temporary environmental governance mechanisms. This will not be a “shadow body”, in that we are not setting up a body that will later become the OEP. In addition, the Natural Capital Committee will continue to scrutinise the Government’s progress in delivering the ambitious goals in the 25 year environment plan.

Our priority is to ensure that every complaint will continue to be logged should the UK leave the EU without a deal. Whilst complaints cannot be investigated by the OEP until it is operational, the interim governance arrangements mean that they will be processed and considered in due course.

Chemicals

Although not a fully informed estimate of the number of companies who have either transferred or made adequate provision to transfer to EU entities, the following figures have been released by the European Chemicals Agency (ECHA):

1. An ECHA press release dated 03/04/2019 reported that the number of registrations for which a transfer was initiated from a UK-based registrant to an EU-based company was approximately 4,800 by the end of March 2018, out of around 12,000 UK registrations in total.
2. A communication dated 04/09/2019 between the European Commission and various EU bodies stated that: “In the area of chemical substances, only 52% of concerned

REACH registrants had transferred their registrations to the EU27 by mid-August 2019”.

3. The ECHA figure does not include the number of UK companies who have put in place legal measures to transfer their registrations to an EU entity, but who will not activate that measure until the point of exit. There is no way of accurately estimating this number.

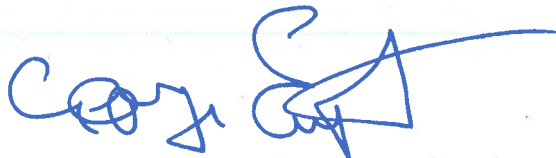
We cannot estimate what % of transferred registrations would be needed to maintain EU trade for several reasons:

1. Not all UK registrations will be ‘in use’, i.e. where a company no longer uses that substance, or has ceased trading, but the registration stays on the system; and
2. Not all may choose to keep their EU registration, for example, if their trade only covers intra-UK and/or RoW trade.

Data on the size of companies, beyond anecdotal evidence, is information only held by ECHA. For context, the UK chemicals industry comprised 2,900 businesses in 2018, 98% of which were SMEs employing less than 250 people. This gives an indication of the size of the companies that may have transferred or are considering transferral.

We have worked with 1,500 stakeholders in ‘no deal’ workshops, completed one business readiness campaign that targeted motor and paint sectors, and are conducting a second to target downstream users, UK industries, and EU companies. As part of this we have consistently flagged the relevant EU/ECHA guidance which sets out the actions UK companies need to take to maintain EU market access.

Thank you, once again, for your time and interest at the committee hearing.



GEORGE EUSTICE MP

Annex B - Trade with TAC target UK countries party to UK signed trade agreements and those agreed in principle

Department for International Trade, *UK trade with Trade Agreement Continuity (TAC) countries: statistical ad hoc release*, updated 4 October 2019

<https://www.gov.uk/government/publications/uk-trade-agreement-continuity-statistics-and-analysis/uk-trade-with-trade-agreement-continuity-tac-countries-statistical-ad-hoc-release>

Countries	UK agreements	Total UK trade with countries	Share of UK trade with all TAC countries (%)	Goods trade	Service trade	Total exports	Total imports	Share of total UK trade (%)	Share of total UK exports (%)
UK trade with TAC countries signed or agreed in principle		99,689	71.9	62,462	37,227	48,486	51,203	7.7	7.6
UK trade with all TAC target countries		138,668	100	87,780	50,888	68,774	69,894	10.7	10.8
UK trade with world		1,299,093	NA	839,395	459,698	634,062	665,031	100	100
Switzerland, Liechtenstein	Switzerland, Switzerland-Liechtenstein	30,647	22.1	13,831	16,816	19,669	10,978	2.4	3.1
Iceland, Norway	Iceland-Norway	29,746	21.5	24,533	5,213	7,004	22,742	2.3	1.1
South Korea	South Korea	14,574	10.5	10,487	4,087	9,782	4,792	1.1	1.5
Botswana, Lesotho, Mozambique, Namibia, South Africa, Eswatini (Swaziland)	Southern Africa Customs Union and Mozambique	9,700	7.0	5,696	4,004	4,847	4,853	0.7	0.8
Israel	Israel	4,011	2.9	2,145	1,866	2,318	1,693	0.3	0.4
CARIFORUM (see note 2)	CARIFORUM	2,770	2.0	684	2,086	1,213	1,557	0.2	0.2
Peru, Colombia, Ecuador	Andean countries	2,127	1.5	1,539	588	853	1,274	0.2	0.1
Chile	Chile	1,875	1.4	1,508	367	813	1,062	0.1	0.1
Madagascar (see note 1), Mauritius, Seychelles, Zimbabwe	Eastern and Southern Africa	1,690	1.2	415	1,275	753	937	0.1	0.1

Countries	UK agreements	Total UK trade with countries	Share of UK trade with all TAC countries (%)	Goods trade	Service trade	Total exports	Total imports	Share of total UK trade (%)	Share of total UK exports (%)
Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama	Central America	1,031	0.7	729	302	346	685	0.1	0.1
Lebanon	Lebanon	603	0.4	295	308	486	117	0.0	0.1
Tunisia	Tunisia	378	0.3	250	128	199	179	0.0	0.0
Faroe Islands	Faroe Islands	256	0.2	251	5	37	219	0.0	0.0
Fiji, Papua New Guinea	Pacific states	244	0.2	95	149	147	97	0.0	0.0
Palestinian Authority	Palestinian Authority	37	0.0	4	33	19	18	0.0	0.0

Note 1: Countries are approved in principle and expected to sign soon.

Note 2: The CARIFORUM countries are: Barbados, Belize, Commonwealth of Dominica, Grenada, The Republic of Guyana, Jamaica, St Christopher and Nevis, St Lucia, St Vincent and the Grenadines, Republic of Trinidad and Tobago, Dominican Republic, Antigua and Barbuda, Commonwealth of Bahamas (see note 1), Republic of Suriname (see note 1).