

European Scrutiny Committee

House of Commons, London, SW1A 0AA

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From: Sir William Cash MP

21 May 2020

Rt Hon Greg Hands MP
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**Enhancing trade in the Euro-Mediterranean region: changes to
preferential rules of origin
(Council document 13169/19 + ADD 1) (40897)**

Thank you for your prompt response to my [letter of 23 April 2020](#) requesting further information on the Government's approach to the PEM Convention during and after the post-exit transition period provided for in the EU/UK Withdrawal Agreement. The European Scrutiny Committee has considered your [letter of 5 May 2020](#) and notes that the Government expects to take a decision on UK participation "later this year", following the completion of "a wide range of analysis" which will include the merits of existing trade structures for the UK post-transition.

We have no further questions to raise on the EU position on possible changes to the PEM Convention, as set out in the European Commission's [proposal for a Council Decision](#), but we retain a keen interest in the Convention itself and the factors which will inform the Government's decision on UK participation, as well as the UK's wider approach to trade relations with third countries after transition. For this reason, we ask you to provide us with a summary of the analysis and consultation you are currently undertaking, once completed, as well as details of the decision you reach on UK participation in the PEM Convention and the reasons informing that decision.

If the Government decides that the UK should not participate in the PEM Convention after transition, we note that the Convention would nonetheless continue to apply to and in Northern Ireland under the [Protocol on](#)

[Ireland/Northern Ireland](#) which forms an integral part of the EU/UK Withdrawal Agreement.¹ We trust that the analysis and consultation being undertaken by the Government will take into account the special position of Northern Ireland under the Protocol. In any event, we ask you to ensure that your response includes an explanation of the legal and practical implications of applying the Convention in one part of the UK customs territory (Northern Ireland) but not the rest.

We note that work continues to conclude bilateral trade continuity agreements with EU trading partners so that the preferential market access terms contained in these agreements continue to apply to the UK after transition. We welcome your offer to provide an update on progress. We consider that an update every two months would be appropriate to track progress.

We are copying this letter to the Chair (Angus MacNeil MP) and Clerk (Joanna Welham) of the International Trade Committee; the Chair (Simon Hoare MP) and Clerk (Nick Beech) of the Northern Ireland Affairs Committee; the Chair (Hilary Benn MP) and Clerk (Gordon Clarke) of the Committee on the Future Relationship with the European Union; the Chair (the Earl of Kinnoull) and Clerk (Christopher Johnson) of the EU Select Committee in the House of Lords; your Departmental Scrutiny Coordinators, Edwina Osborne and Stephen Booth; and Les Saunders and Donald Harris in the Cabinet Office.

CHAIR

¹ See Article 5(4) of the Protocol and Annex 2, point 4, final indent, which provides that “Obligations stemming from the international agreements concluded by the Union, or by Member States acting on its behalf, or by the Union and its Member States acting jointly, insofar as they relate to trade in goods between the Union and third countries” will apply “to and in the United Kingdom in respect of Northern Ireland”.