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Welsh Affairs Committee

Brexit and trade: implications for Wales

Fifth Report of Session 2019–21

*Report, together with formal minutes relating
to the report*

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Welsh Affairs Committee

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Summary

2020 has been a significant year for international trade and the UK. Having left the institutions of the European Union in January, the UK has been able to conduct its own trade policy for the first time since the early 1970s, it has also been engaged in negotiations with the EU for a trade agreement to take effect at the end of the Brexit transition period, and we note that the Welsh Government requested that the UK Government seek an extension to the transition period, citing the impact of the coronavirus pandemic. As a result, questions of who we trade with, what we trade and how economic interests are protected and promoted are of increasing significance for Wales.

In March 2020, we launched our inquiry into Brexit and Trade: implications for Wales. Our inquiry has sought to provide a focus not just on the UK-EU trade negotiations, which are undoubtedly important to Wales, but also on the UK's negotiations with non-EU actors. Our report covers four broad areas of particular significance to Wales:

- i) Intergovernmental relations
- ii) Future trade relations with the EU
- iii) Customs arrangements and ports of entry post-transition phase
- iv) Trade with non-EU countries.

Intergovernmental relations

Trade policy is a reserved matter for the UK Government. However, trade policy does intersect with certain areas of devolved powers, for example agriculture, environment, and economic development. During the course of our inquiry, we heard that relations between the Department for International Trade (DIT) and Welsh Government were generally positive, but that there was a more mixed picture of engagement with the UK Government regarding the UK-EU trade negotiations. Our report recommends that the devolved administrations should be routinely consulted in the development of UK-wide trade strategies.

Our report welcomes the positive relationship between DIT and the Welsh Government and expect DIT to finalise governance arrangements between itself and the devolved administrations by agreeing on a concordat by January 2021. In this vein, we also welcome the establishment of the Ministerial Forum for Trade as a mechanism for coordination between the UK and devolved administrations.

Future trade relations with the EU

The EU is the main international export market for Welsh goods and agricultural produce, with a higher proportion (61%) of goods from Wales exported to and imported from the EU compared to the level of exports to the EU at the UK level (43%). Securing a trade deal with the EU is therefore of particular importance for the Welsh economy. We heard consistently from trade specialists, academics and industry experts that a zero tariffs, zero quotas arrangement is of much greater benefit to the Welsh economy than trading on purely WTO terms.

With the outcome of the negotiations uncertain at the time of writing, our report concludes that a FTA with the EU would remove the immediate threat of damaging tariffs and lay a strong foundation for businesses in Wales to have a close post-Brexit trade relationship with the EU. It could also unlock important and much needed investment in the Welsh economy. In contrast, a ‘No Deal’ scenario risks having a disproportionately damaging impact on the Welsh economy. We do not accept that this would be a good outcome for the Welsh economy, or that a so-called ‘Australian style-deal’ is almost as good as the FTA that the UK is negotiating with the EU.

However, we also acknowledge that even with a deal, there will be important differences in the future trading arrangements between the UK and EU, as the UK will no longer be in the Single Market or Customs Union. These differences include new customs processes and procedures and will require businesses to adapt swiftly. For example, we are concerned about the implications of new processes and checks for just in time supply chains. We therefore recommend that the UK Government continues to work with the EU and business groups in 2021 to explore how non-tariff barriers, and additional burdens and costs can be minimised for Welsh producers.

In the event of a No deal scenario, we recommend that the UK Government write to us with evidence of preparations and proposals to mitigate any specific risks to the Welsh economy as a result of trading with the EU on WTO terms.

Customs processes and ports of entry post-transition phase

Trading with the EU from 1 January 2021 will require completing customs declarations for imports and exports and new customs processes and procedures. Implementing new border controls on imports coming into GB from the EU will happen in three stages up until 1 July 2021. However, while our report welcomes the phased introduction of checks and processes as part of the Border Operating Model, we are concerned about the readiness of Welsh ports, and the availability of infrastructure and capacity at or near ports, to deal with these new processes and requirements.

We pay particular attention to the Port of Holyhead. Holyhead is one of the most important ports in the UK and plays a key role in the Welsh and wider UK economy. While Stena Line told us that they were doing all they can to prepare for new trading processes and checks following the end of the transition period, our report expresses concern at the potential implications for the Port and wider region of a combination of new, and untested, IT systems and new, and potentially extensive, checks and processes.

As our report highlights, one of the major areas of uncertainty for Holyhead is the issue of where the inland clearance facility is located. While the decision to locate checks and customs processes away from port and at an inland facility was described to us as a ‘positive tick’, our report warns that there is a risk that this just results in significant congestion occurring only a few miles away from Port.

The potential impact of any congestion at the inland facility for both Holyhead Port and the island of Anglesey more generally depends, of course, on where the facility is located. We express deep concern in our report that, so close to the end of the transition period, and with not much time left until the staggered controls take effect in July 2021, the decisions on the location of the inland facility for Holyhead Port and the equivalent

facilities in South-west Wales have yet to be taken. Even with expedited planning permission, we warn that this leaves little time to build, and properly equip, sites which will need to be ready for potentially thousands of checks and processes per day.

Overall, we conclude that there is a significant and unacceptable risk that neither North nor South-west Wales will have appropriate inland facilities ready for July 2021. We therefore call upon the UK Government to publish its contingency plans for how checks will be conducted on goods arriving at Holyhead and Fishguard/Pembroke in the event that the inland facilities are not operational for July. The UK Government should also be clear whether its contingency plans include checks at port and detail the measures it will take to minimise the disruption such a step would entail.

Trade with non-EU countries

We conclude our report with an examination of the implications for Wales of the UK Government's trade negotiations with non-EU countries and actors. We welcome the progress of negotiations with non-EU countries, as well as the UK Government's intention to seek accession to the CPTPP partnership. However, we acknowledge that trade liberalisation offers risks as well as rewards for Welsh producers and call on the UK Government work with the Welsh Government and businesses in Wales to explore how best to promote Welsh produce globally.

We welcome the recently agreed UK-Japan Comprehensive Economic Partnership Agreement, the UK's first free trade agreement as an independent trading nation. We particularly welcome the level of consultation between the UK and Welsh Governments during the progress of the negotiations, and urge the UK Government to maintain and build upon this approach as it negotiates further FTAs, as well as the protected geographical indicators provided to 15 Welsh products in the UK-Japan FTA.

On food production and other regulatory standards, we welcome the fact that all current EU food production standards have been rolled into UK law and the strong assurances from UK ministers that these high standards will not be diluted. We conclude that it is essential that UK regulatory standards are not compromised in any future trade deals and warn that any move to unpick UK food production standards in order to secure free trade agreements with large agricultural exporters would be a betrayal of Welsh farming interests.

1 Introduction

1. International trade policy is a subject of increasing importance to Wales. With the end of the Brexit transition period approaching, the UK's future trading relationships with the EU and rest of the world are undergoing their biggest changes in more than forty years. New trading arrangements will have implications for key Welsh economic interests and, while some of these changes will be felt over the longer term, others are far more immediate with new EU border controls just weeks away.

2. On 4 March 2020, we launched our inquiry into [Brexit and trade: implications for Wales](#). We decided to look at not just the implications for the Welsh economy of the UK-EU trade negotiations, but also the potential impact of the UK Government's trade negotiations with non-EU countries and actors, building on the work of our predecessors on Brexit and Welsh agriculture in a previous parliament.¹

3. To inform our work we have taken evidence from a range of stakeholders, including academic and trade experts, industry representatives, port operators, as well as UK and Welsh Government ministers. We also received written evidence submissions from various organisations, and we would like to thank everyone that contributed to our inquiry. A full list of those who have provided oral and written evidence can be found at the end of this report.

4. Our report begins, in chapter 2, with an examination of intergovernmental relations between the UK and Welsh Governments in the field of trade policy. While the conduct of international trade negotiations and international trade policy are reserved matters, trade nonetheless has direct implications for devolved policy areas. Chapter 3 explores the UK-EU trade negotiations, including the importance of trade with the EU for the Welsh economy and the possible implications of a no deal scenario. In Chapter 4, we look at customs arrangements and ports of entry after the end of the transition phase, looking at the potential impact of new customs checks and processes for key Welsh ports, including Holyhead. Finally, Chapter 5 examines the implications of trade with non-EU countries for Wales, focusing on the agricultural sector and regulatory standards.

1 Welsh Affairs Committee, Second report of session 2017–19, [Brexit: priorities for Welsh agriculture](#), HC402, 9 July 2018

2 Intergovernmental relations

Trade policy and devolution

5. Trade policy is a reserved matter for the UK Government. However, trade policy does intersect with certain areas of devolved powers, for example agriculture, environment, and economic development.

6. A number of submissions to our inquiry underlined the importance of involving the devolved nations in trade policy. NFU Cymru suggested that devolved administrations and legislature should “at the very least” have some responsibility over the “application and oversight” of treaties relating to trade.² Teledwyr Annibynnol Cymru said that it is “very important” for the devolved administrations to have “significant involvement” in trade deals as they are familiar with the priorities of their own local economic sectors.³ The Federation of Small Businesses (FSB) stressed the need for Welsh interests and priorities to be built into FTAs “from the outset”, providing a “Wales specific voice” for sectoral issues. They stressed the need for cross-governmental working to be “fit for purpose” to incorporate the needs of Wales in implementing FTAs.⁴

7. Academic experts agreed that the UK Government should consider the views of devolved administrations in the process of trade negotiations. Professor Patrick Minford, Cardiff University, believed that the UK Government should “take account” of the views of the devolved administrations. Professor Nicholas Perdikis, Aberystwyth University, agreed that the UK Government should “take cognisance” of the views of devolved administrations. Professor Sangeeta Khorana, Bournemouth University, stated that commitments undertaken by the UK would have to be implemented on a devolved level, and therefore the UK Government should “take on board” their priority sectors.⁵

8. Select Committees in Westminster have also emphasized the importance of engaging with the devolved administrations in the conduct of trade policy and negotiations. In its report published in June 2020, the Committee on the Future Relationship with the European Union urged the UK Government to “take steps to improve the involvement of the devolved nations”.⁶ Our predecessor Committee in the last Parliament published a report in July 2018, argued that there should be “robust intergovernmental arrangements to ensure that Welsh interests, and the consequences of trade deals for devolved policy, are considered during negotiations”, and recommended that the UK and Welsh Governments make arrangements for “seeking the input and consent of the devolved institutions in Wales on trade deals”.⁷

9. In his evidence to our inquiry, Jeremy Miles MS, the Welsh Government’s Counsel General and Minister for European Transition, stressed the need to engage devolved

2 NFU Cymru ([BAT0002](#))

3 Teledwyr Annibynnol Cymru ([BAT0013](#))

4 FSB Wales ([BAT0009](#))

5 Q61

6 Committee on the Future Relationship with the European Union, First report of session 2019–21, [The need for progress in the negotiations](#) HC458, 19 June 2020 para. 29

7 Welsh Affairs Committee, Second report of session 2017–19, [Brexit: priorities for Welsh agriculture](#) HC402, 9 July 2018, para. 48

administrations where there are devolved competencies, but also where devolved interests “more broadly are impacted”, and therefore a UK-wide approach should be “collaborative and instructive”.⁸

10. Trade is a reserved policy competence and it is the role of UK Government to lead on negotiations over future trade agreements. Depending on how deep their provisions, new trade agreements may have direct implications for devolved policy areas. The devolved administrations therefore should be routinely consulted in the development of UK-wide trade strategies.

Joint working between the Welsh Government and UK Government on trade negotiations

11. The Department for International Trade (DIT) is responsible for all non-EU trade negotiations. Responsibility for the EU negotiations falls under the Cabinet Office.

12. We heard that relations between the Welsh Government and DIT were generally positive, but received a mixed picture of engagement with the UK Government on Brexit-related matters. Aerospace Wales stated that the interaction between DIT and UK regions has improved “dramatically” in recent years, and called for an ongoing “active dialogue” with associations and the devolved administrations. However, more generally, Aerospace Wales felt that there are “disturbing signs” that the UK Government is not engaging in “serious two way dialogue” with representative bodies and across devolved administrations.⁹

13. The Association of the British Pharmaceutical Industry called for more detail on how departments within the UK Government and across the devolved administrations are working together to ensure a “single, coherent and co-produced trade strategy and approach”. They urged the UK and devolved administrations to work “collaboratively and co-productively”.¹⁰

14. Jeremy Miles MS, the Welsh Government’s Counsel General and Minister for European Transition, stated that intergovernmental relations pose a “very inconsistent picture” in planning for the end of the Brexit transition period. He said that there was no “real central engagement” with the UK Government earlier in the year, “not any kind of structured systematic central dealing,” apart from departmental dealings. He told us that engagement had “dropped down significantly” this year, and that late engagement has “lost very significant periods of time”.¹¹

15. However, Mr Miles said that working relationships with DIT “remain positive”, but noted that after two years discussions were still ongoing on formalising the relationship through a concordat. He suggested that such agreeing a concordat was “essential” for finalising governance arrangements¹² and hoped it could become a “governing document in the future for these relationships and negotiations”.¹³ On the importance of long-term intergovernmental relations, he concluded:

8 Q241

9 Aerospace Wales Forum Ltd ([BAT0012](#))

10 ABPI ([BAT0011](#))

11 Q195

12 Jeremy Miles AS/MS, Welsh Government ([BAT0016](#))

13 Q196

[...] in the same way as we have argued throughout that we need more robust mechanisms in intergovernmental relations more broadly, but specifically more recently in the context of European negotiations, the reason we need those mechanisms and formalised arrangements is that these things absolutely should not be dependent on a particular view of a particular incumbent in a particular office. It needs to be capable of surviving changes of personnel and differences of approach. They are there to provide long-term, robust intergovernmental fora. I think there are examples of them working well, which is why it is frustrating that they are not applied more broadly across the board.¹⁴

He cited the example of the working relationship with DIT as a “good model to use for other negotiations” and that the Welsh Government had experienced a “positive set of engagement” with DIT in relation to non-EU negotiations.¹⁵

16. The Rt Hon Simon Hart MP, Secretary of State for Wales assured us that there has been an “ongoing relationship” between Jeremy Miles and Michael Gove, particularly, and Ministers from other devolved administrations throughout negotiations.¹⁶ He said that involving the territorial Secretaries of State and devolved administrations has happened in a “positive way”, with weekly and occasionally daily meetings on topics such as Brexit readiness and trade deals, “with probably a meeting or two a week at ministerial level”. He added that there are “countless engagements” at official level between the Wales Office, DEFRA, Home Office and Welsh Government counterparts.¹⁷

17. The Rt Hon Greg Hands MP, the Minister of State for Trade Policy at the Department for International Trade, told us that in general he has a “very good relationship” with the Welsh Government, and that he had a “good introductory meeting” with Jeremy Miles. He added that both governments work well together “while recognising the parameters of the devolved settlement”, and that he had “very frequent meetings” with Baroness Morgan, the previous Welsh Government Minister for International Relations and that he expects the same with Jeremy Miles.¹⁸

18. We welcome the positive relationship between DIT and Welsh Government and note that discussions are still ongoing about formalising joint working with a memorandum of understanding. We expect DIT to finalise governance arrangements by agreeing on a concordat by January 2021 and recommend that other UK government departments consider using this as a model for strengthening their relationships with the devolved administrations.

The Ministerial Forum for Trade

19. Although the devolved administrations have no formal role in the Brexit negotiations, the Joint Ministerial Committee (EU Negotiations) provides a forum for the Welsh Government to express their views. In February 2018, the Welsh Government published

14 Q212

15 Q196, 242

16 [Oral evidence taken on 10 September 2020](#), HC (2019–21) 96, Q122 [Rt Hon Simon Hart MP, Secretary of State for Wales]

17 [Oral evidence taken on 10 September 2020](#), HC (2019–21) 96, Q161 [Rt Hon Simon Hart MP, Secretary of State for Wales]

18 Q157

[Trade Policy: issues for Wales](#), which set out suggested mechanisms for cooperation between the UK Government and devolved administrations on trade. The document called for the establishment of a Ministerial Forum, which was established in 2020.

20. Several contributors to our inquiry spoke of the importance of having an intergovernmental mechanism, such as the newly established Ministerial Forum, to provide a voice for the devolved administrations in trade negotiations. NFU Cymru called for a Joint Ministerial Committee on International trade to represent Welsh interests in negotiation and “should help with the early identification of any negative impacts that could stem from proposed trade deals as regards their impact on Wales”.¹⁹ Shanker Singham, Competere, believed that devolved nations “need to have some mechanism in order to express their concerns”.²⁰

21. Written evidence from Jeremy Miles MS, the Welsh Government’s Counsel General and Minister for European Transition, expressed support for the Ministerial Forum that was established during 2020.²¹ In an oral evidence session on 19 November, he said that the Forum has been “productive”, and it has provided an opportunity to “understand the evolving negotiating position of the UK Government”. He told us that the Welsh Government’s involvement in the Japan trade agreement included the opportunity to look at negotiating positions and draft texts, and had an opportunity to “feed into that in a way that we would regard as positive and beneficial for Wales as well as for the UK”.²²

22. Written evidence from the Rt Hon Simon Hart MP, the Secretary of State for Wales referred to “constructive and useful discussions to date” with the Welsh Government, and that UK Government officials work closely with Welsh Government counterparts and engage in regular meetings. He added that the Ministerial Forum for Trade had met twice this year and would meet regularly as trade talks progressed.²³

23. On the ministerial forum, the Rt Hon Greg Hands MP, the Minister of State for Trade Policy at the Department for International Trade, told us that:

There is another one coming up later this month where I and the three devolved Administrations’ Trade Ministers or relevant Ministers sit down and discuss the issues in front of us. I also correspond with them very frequently whenever there is something significant coming up, for example the recent decision to put the Trade and Agriculture Commission on a statutory footing. I have written to the three Ministers with updates on the Japan deal and where we are on the latest round of talks with the US. There is frequent written correspondence between me and them as well.²⁴

24. *We welcome the establishment of the Ministerial Forum for Trade in 2020 as a mechanism for cooperation between UK Government and the devolved administrations. It is important that key Welsh interests are fully considered in trade talks.*

19 NFU Cymru ([BAT0002](#))

20 Q30

21 Jeremy Miles AS/MS, Welsh Government ([BAT0016](#))

22 Q196

23 Office of the Secretary of State for Wales ([BAT0005](#))

24 Q157

3 Future trade relations with the EU

The progress of negotiations

25. Trade negotiations between the UK and EU, which began formally on 2 March 2020, have been led by the Taskforce Europe team in the Cabinet Office. The Government has indicated its intention to seek a ‘Canada-style’ trade agreement with the EU to allow the UK to fully benefit from future trade agreements with non-EU countries.²⁵ At the time of writing, negotiations between the UK and EU remain live, but deadlocked. While there are suggestions that 95% of a proposed text has been agreed, there has yet to be agreement on the three remaining and critical issues of a level playing field (i.e. how to ensure minimum standards are maintained to avoid undercutting in a bid for competitive advantage), governance (principally about how to manage issues like disputes that arise following an agreement) and access to, and share of, fishing rights in the UK’s territorial waters.

26. The pace of the negotiations, and the implications of the talks running so close to the end of the transition period, has been the source of considerable frustration and concern to many witnesses to our inquiry. We note that the Welsh Government requested that the UK Government seek an extension to the transition period, citing the impact of the coronavirus pandemic. Several witnesses to our inquiry emphasized the lack of certainty that businesses have faced during the UK-EU trade negotiations. Professor Peter Wells of Cardiff University, who represented the automotive industry, said that the Brexit process has created a “massive amount of uncertainty” in terms of trading regimes in future. He said this has created a “considerable amount of disquiet” about potential outcomes, which has implications for the economy and investment in the industry.²⁶

27. Dr Richard Greville, Association of the British Pharmaceutical Industry, told us that uncertainty has been an “ongoing challenge” for the pharmaceutical industry, and has had implications for several areas such as planning, project management and investment.²⁷ Dr Kathryn Ringwald Wildman, steel industry analyst, agreed that “extra uncertainty has also posed a problem for the steel industry following a period of crisis in 2015–16, with wider decisions about investment being deferred as a result. She felt that “time is certainly running out” for the industry.²⁸

28. FSB Wales said that it has been “discouraging” to see the lack of progress during the transition period so far. They believed that certainty for business confidence in ongoing trade with the EU is “vitally important”, especially following the Covid-19 pandemic, and that a deal to keep trade as free as possible should be concluded urgently.²⁹ Teledwyr Annibynnol Cymru also expressed concern about how their industry would be supported after 31 December as the UK Government have decided not to remain part of the Creative Europe Media Programme.³⁰

25 International Trade Committee, [UK Trade Negotiations Background](#)

26 Q127

27 Q128

28 Q128

29 FSB Wales ([BAT0009](#))

30 Teledwyr Annibynnol Cymru ([BAT0013](#))

29. In oral evidence on 10 September 2020, the Rt Hon Simon Hart MP, Secretary of State for Wales confirmed that the UK Government’s intention to reach an agreement was still achievable, and commented on the progress of EU negotiations:

This thing will go to the eleventh and a half hour, just like every negotiation does, just like all the other EU dilemmas that we have had. There is going to be a significant amount of bluff, double bluff and triple bluff before we know how the story ends.³¹

On 5 November, the Secretary of State told us that it is “desirable, possible and likely” that sufficient time remains to strike a deal “that is largely to the satisfaction of everybody concerned in the available timescale”.³²

30. **While we note that the UK Government has launched an extensive information campaign to warn businesses of the need to prepare for new trading arrangements with the EU, we remain concerned that many Welsh businesses have either waited to see whether a deal was reached before beginning to make their preparations, or are unaware of the fact that even with a deal such preparations are essential. We therefore urge Ministers to continue to work with business groups and other stakeholders, including the devolved administrations, to ensure as many businesses and organisations are as prepared as possible. Such efforts should make full use of Welsh media outlets and be available bilingually.**

The importance of securing an FTA with the EU for Wales

31. According to the House of Commons Library, in 2019 the UK exported £294 billion of goods and services to EU member states. This was equivalent to 43% of all UK exports. 61% of exports of goods from Wales go to the EU—this is the highest proportion of any country or region in the UK, followed by the North East at 60% and Northern Ireland at 59%.³³

32. The majority of witnesses to our inquiry underlined the importance of securing a trade agreement with the EU, and emphasized the importance of EU trade for the Welsh economy.³⁴ Professor Sangeeta Khorana of Bournemouth University, for example, told us that a deal is “very important” for Wales as the Welsh economy is more reliant on the EU than the rest of the UK, and that the total value of Welsh exports to the EU is greater than for exports to non-EU countries.³⁵ Dr Ludivine Petetin, Cardiff University, added that two thirds of Welsh exports are sent to the EU, compared to a fifth to North America, stating that there is a “huge interest” for the Welsh economy to secure a deal. She outlined a “huge difference” between the UK economy, which is “mostly service based”, and the Welsh economy, which relies “mostly on goods and manufacturing”.³⁶

33. FSB also stated that Wales is “particularly reliant” on export, with the EU “by far the largest customer for Welsh goods exports”. They called for the “easiest and least

31 [Oral evidence taken on 10 September 2020](#), HC (2019–21) 96, Q116 [Rt Hon Simon Hart MP, Secretary of State for Wales]

32 Q165

33 M. Ward (10 November 2020), [Statistics in UK-EU trade](#), House of Commons Library Briefing Paper, pp. 4, 14

34 See, for example: Q10, 37; Logistics UK ([BAT0017](#)); FSB Wales ([BAT0009](#))

35 Q41

36 Q41

costly” access to the EU market for firms in Wales, with “flexibility and ease of EU trade” to be protected in particular for vulnerable sectors such as tourism, food exports and manufacturing.³⁷

34. Industry representatives agreed on the importance of the EU as a trading destination. Dr Richard Greville, Association of the British Pharmaceutical Industry, said that in 2019 just over 40% of the UK’s pharmaceutical goods were exported to the EU, with around 80% of imported pharmaceutical goods coming from the EU.³⁸ Dr Kathryn Ringwald Wildman, steel industry analyst, said that the EU is “certainly our largest export destination” in relation to steel, and that 69% of steel imports come from Europe.³⁹

35. NFU Cymru estimated that around one third of Welsh red meat production is exported out of the UK, and it is estimated that nine in ten export orders currently go to the EU, with red meat exports worth around £200m annually to Wales.⁴⁰ They added that Wales’ food and drink sector has a turnover of £7.473bn for 2019, and around three quarters of the food and drink which is exported, is exported to the EU.⁴¹ NFU Cymru believed that the trading relationship with the EU must be the “absolute priority” as the UK’s “most valuable export market”.⁴²

36. In terms of the implications of a no deal scenario for the agriculture sector in Wales, NFU Cymru suggested that tariff rates would be 48% for chilled lamb carcasses and 65% for fresh boneless beef, and cautioned of “costly and disruptive customs checks, processes and procedures”. NFU cited research by Hybu Cig Cymru that predicted a “disastrous drop” in market prices of 24% if the UK were to trade with the EU on WTO terms. They also raised concerns about the tariff schedule published by the UK Government in 2019, offering “very little tariff protection” for agri-food and “threatened to completely undermine the competitive position of our producers”.⁴³

37. In his evidence to our inquiry, Sam Lowe, Centre for European Reform, also emphasised the importance of a trade agreement with the EU, in particular for agriculture, as high tariffs would apply to beef, lamb and other areas if trading with the EU on WTO terms:⁴⁴

We just have to be blunt about it. The EU agreement is incredibly important to Welsh agriculture. If you look at where exports currently go, it is largely the European Union [...] If you look at some of the modelling on pricing, if there is a WTO Brexit you would expect the price of lamb the UK to collapse. That could be good for consumers in the short run, but that is because they are going to have difficulty selling into the EU, so it is going to get dumped on the UK market. Or to combat that you are going to have to just slaughter the sheep.⁴⁵

37 FSB Wales ([BAT0009](#))

38 Q121

39 Q123

40 NFU Cymru ([BAT0002](#))

41 NFU Cymru ([BAT0002](#))

42 NFU Cymru ([BAT0002](#))

43 NFU Cymru ([BAT0002](#))

44 Q10

45 Q24

Mr Lowe also outlined the implications of a no-deal scenario for regulatory checks on animals:

From a regulatory point of view, your product of animal origin will need to enter the EU via a border control post. It will be subject to 100% identity checks and 100% document checks. The rate of physical inspection is something that, in the event of no deal, could go up to be around 50% of some products. In the event of a deal, that could be vastly reduced to near 0% because this is what the EU has done with New Zealand, so that would be beneficial, as that is the main one that could hold things up.⁴⁶

38. Logistics UK indicated that a no-deal scenario would lead to road transport reverting to an “old-fashioned” permit system for trucks to cross the border, calculating that only 1 in 4 UK registered companies would be able to secure the permit. This would result in “significant reductions” in the movement of traffic at ports, especially at Holyhead, and would ultimately impact the port’s ability to invest in new resources.⁴⁷

39. Sector expert witnesses all agreed that failing to secure a deal with the EU would damage their respective areas of the economy. Professor Peter Wells of Cardiff University, an expert on the automotive industry, said that failing to reach an agreement with the EU would be “extremely bad news for the industry at many levels”. He stressed that tariffs on imported or exported vehicles would affect trade, production, sales and distribution in the UK,⁴⁸ adding that according to WTO rules a 10% tariff would be applied on finished cars and 4% on components.⁴⁹ Dr Kathryn Ringwald Wildman, steel industry analyst, failed to see how the UK could “stimulate the market” without a deal:

At the moment we have protection from Europe-wide measures that have been taken, but were we to leave without any sort of deal, that protection would not be there and the UK Government would have to put something in place to replicate that to protect our UK industry from the surplus steel flooding into the UK. That would need to be avoided.⁵⁰

Dr Richard Greville, Association of the British Pharmaceutical Industry, stated that the consequences of a no-deal Brexit are “particularly challenging” as it would introduce a “level of complexity” to medicine supply chains. He added that the “costs, delays and additional complexity” involved are “significant”.⁵¹

40. During an oral evidence session, the Secretary of State for Wales, the Rt Hon Simon Hart MP, sought to allay fears of a no-deal scenario (which has also described by the UK Government as an Australian-style agreement). He described how he was “quite struck” how businesses in Wales are “increasingly prepared for any outcome” during stakeholder engagement, but also saw “quite positive opportunities” arising from trading on WTO terms.⁵² He added that there is a constant dialogue between the Treasury and other Government departments on sectors that are at risk, and that the number of businesses that are prepared for the transition is increasing:

46 Q10

47 Logistics UK ([BAT0017](#))

48 Q127

49 Q132

50 Q127

51 Q127

52 Q153

There has been a little bit of a misunderstanding about the idea that this set of obstacles, challenges and opportunities will only occur in the event of a no-deal Brexit. Actually, there are significant changes that need to be put in place even in the event of a deal. The scenarios that exist between a deal and no deal all require readiness and preparation by pretty well every sector in Wales. Obviously, those that trade principally with the European Union are uppermost on that list.⁵³

41. The EU is the main international export market for Welsh goods and agricultural produce, with a higher proportion of goods from Wales exported to and imported from the EU compared to the rest of UK. Securing a trade deal with the EU is therefore of particular importance for the Welsh economy. A zero tariffs, zero quotas arrangement is of much greater benefit to the Welsh economy than trading on purely WTO terms. It would remove the immediate threat of damaging tariffs and could lay a strong foundation for businesses in Wales to have a close post-Brexit trade relationship with the EU. More than four years after the referendum, during which time businesses have faced considerable uncertainty and many have delayed long term planning and investment decisions, we hope that a deal will create a stronger investment climate in Wales and unlock important, and much needed, growth decisions.

42. In contrast, a ‘No deal’ scenario would result in tariffs when exporting Welsh goods to the EU. This could have a more negative effect on key sectors of the Welsh economy compared to the rest of the UK. We are deeply concerned about the impact of a no-deal scenario on industries in Wales that are heavily reliant on exports to the EU such as manufacturing, agriculture and services. We do not accept that a no-deal would be a ‘good outcome’ for Wales and that a so-called ‘Australian style deal’ is almost as good as the deal the UK is trying to strike with the EU.

43. However, even if there is a deal, there will be important differences in the future trading arrangements between the UK and EU as the UK will no longer be in the Single Market or Customs Union. These differences include new customs processes and procedures and will require businesses to adapt swiftly.

44. Should there be a deal then we urge the UK Government to continue working with the EU and business groups in 2021 to explore how non-tariff barriers and additional burdens and costs can be minimised for Welsh producers. For example, we are concerned about the implications of new processes and checks for just in time supply chains. In the event that a deal cannot be struck then we call on the UK Government to write to us with evidence of preparations and proposals to mitigate any specific risks to the Welsh economy as a result of trading with the EU on WTO terms.

4 Customs arrangements and ports of entry post-transition phase

Port infrastructure and capacity

45. Trading with the EU from 1 January 2021 will require completing customs declarations for imports and exports and new customs processes and procedures. Implementing new border controls on imports coming into GB from the EU will happen in three stages up until 1 July 2021. The UK Government has dedicated £85m to assist the customs intermediary sector, including £50m to recruit and train 50,000 new customs agents, along with building new IT systems.⁵⁴

46. The UK Government published an updated Border Operating Model on 8 October. The three stages of the model are as follows:

1. From January 2021: Traders importing non-controlled goods, covering everything from clothes to electronics, will need to prepare for basic customs requirements, such as keeping sufficient records of imported goods. Traders will also need to consider how they account for and pay VAT on imported goods. Traders will then have up to six months to complete customs declarations. While tariffs will be payable where due on relevant goods, payments can be deferred until the customs declaration has been made. UK Safety and Security declarations will not be required on imports for the first six months.

Full customs declarations will be needed from this date for controlled goods and excise goods like alcohol and tobacco products. There will also be physical checks at the point of destination or other approved premises on all high-risk live animals and high-priority plants and plant products, and a requirement to obtain the relevant documentation and pre-notify for certain movements, but they will not be required to enter GB via a point of entry with an appropriate Border Control Post (BCP).

Export declarations and UK exit Safety and Security declarations will be required for all goods. Traders importing and exporting goods using the Common Transit Convention will need to follow all of the transit procedures—these will not be introduced in stages. The Goods Vehicle Movement Service (GVMS) will be introduced from January only for transit movements.

2. From April 2021: All products of animal origin (POAO)—for example meat, honey, milk or egg products—and all regulated plants and plant products will also require pre-notification and the relevant health documentation. Any physical checks will continue to be conducted at the point of destination until July 2021.

3. From July 2021: Traders moving any goods will have to make full customs declarations at the point of importation and pay relevant tariffs,

54 UK Government, [Government accelerates border planning for the end of the transition period](#), 12 June 2020

delaying declarations will not be possible. Full S&S declarations will be required, while for commodities subject to sanitary and phytosanitary (SPS) controls, these must arrive at an established point of entry with an appropriate BCP and there will be an increase in physical checks and the taking of samples. SPS checks for animals, plants and their products will take place at GB BCPs. The GVMS will be in place for all imports, exports and transit movements at border locations which have chosen to introduce it.⁵⁵

47. According to the Welsh Ports Group, a branch of the British Ports Association, each year Welsh ports handle 9%, (around 53m tonnes) of UK freight. This includes significant volumes of ferry traffic, oil and gas, containers, steel, biomass and bulk cargo as well as other offshore renewable cargoes.⁵⁶ According to Welsh Government statistics for 2018, 84% of traffic at major ports in Wales was foreign traffic, with 60.1% being foreign imports. Richard Ballantyne, British Ports Association, indicated that ports provide around 11,000 jobs directly in Wales and facilitate nearly 50 million tonnes of freight through Welsh ports, accounting for around 10% of the UK's total for both employment and the tonnages dealt with. Around 32% of the Welsh traffic is EU-related, and there are around 600,000 ro-ro units.⁵⁷

48. On 6 November 2020, the National Audit Office published a report on the UK border's preparedness for the end of the transition period. It stated that it is "unlikely" that all traders, industry and third parties will be ready for the end of the transition period. The report warned of "widespread disruption", calling on the UK Government to respond quickly to minimise any impact. It also stated that despite the funding allocated by the UK Government on border operations, there remains "significant uncertainty" about completing preparations in time, as well as their potential impacts. The report concluded:

Some of this uncertainty could have been avoided, and better preparations made, had the government addressed sooner issues such as expanding the customs intermediary market, developing a solution for roll-on, roll-off (RORO) traffic, upscaling customs systems and determining the requirements for infrastructure to enforce a new compliance regime.⁵⁸

49. Many witnesses to our inquiry raised concerns about the level of checks required following the end of the transition period, the readiness of border control systems and the capacity of port infrastructure to conduct customs checks. Professor Sangeeta Khorana, Bournemouth University, stated that 11% of total UK trade by volume is handled through Welsh ports, and highlighted concerns about technological preparedness and "adequate, trained manpower" to ensure compliance with customs checks.⁵⁹ She concluded that the only solution to operating border checks successfully is "getting the right technology in place", and was concerned that it will not be "fully functional" by the end of the transition

55 HM Government, [The Border with the European Union: Importing and Exporting Goods](#), October 2020, pp.14–17

56 Welsh Ports Group, [Welsh ports](#)

57 Q73

58 National Audit Office, Session 2019–21, [The UK Border: preparedness for the end of the transition period](#), HC 371, 6 November 2020, para. 25

59 Q46

period. She suggested an implementation period to ensure that border technology and solutions are in place.⁶⁰ Dr Ludivine Petetin, Cardiff University, was concerned that such issues could impact food safety.⁶¹

50. Sam Lowe, Centre for European Reform, told us that the UK's current customs infrastructure "is not large enough yet to cope with the demand", and that there is "probably not quite enough time, if they want to deal with it themselves, to train up their own people."⁶²

51. Ian Davies, Stena Line, said that operating systems are not "fully developed", and not "fully integrated into the ferry companies' check-in systems", and therefore they are reliant on "speed of development and integration". He called for sufficient time to test the systems and communicate new processes to customers.⁶³ The Port of Milford Haven said that they are awaiting engagement on the technology aspects of moving goods vehicles.⁶⁴

52. The Port of Milford Haven stressed the need to understand the liability between the Port and any inland Border Control Post as well how checks will link to the system for vehicles moving goods. They added:

The key outcome required is to ensure that we as a Port and our stakeholders that use our services and flow goods are not penalised relative to other countries. We must ensure that checks and processes do not add cost and burdens to us, especially noting the fragile status of many Welsh businesses and Port users. It is also important that checks do not distort competition between Welsh Ports.⁶⁵

53. Andrew Harston, Associated British Ports, echoed these concerns, and asked for "real clarity" on the required documentation checks, physical checks and new systems to operate ports.⁶⁶ Richard Ballantyne, British Ports Association, agreed that the "port liability point" is "very interesting" to the sector as a means of determining the process of clearing goods at border.⁶⁷ He added that "there is still a lot to be done" on infrastructure decisions:

Across the UK, I would say that it is highly likely that all the infrastructure will not be ready in time—some of it will, of course—for the ro-ro ports particularly. It is something that the Government is going to need to accept. It is going to have to decide what it does and whether further mitigating measures are needed.⁶⁸

54. From an industry perspective, Dr Richard Greville, Association of the British Pharmaceutical Industry, said that they were awaiting critical guidance for the pharmaceutical industry in the border operating model, stating that the model was "not comprehensive" and that they are awaiting "those gaps to be filled".⁶⁹

60 Q48

61 Q46

62 Q21

63 Q81

64 Milford Haven Port Authority ([BAT0010](#))

65 Milford Haven Port Authority ([BAT0010](#))

66 Q79

67 Q83

68 Q83

69 Q128

55. Written evidence from Jeremy Miles MS, the Welsh Government’s Counsel General and Minister for European Transition, warned that new border arrangements between the EU and UK could cause “significant bureaucratic burdens” to businesses in Wales that trade with the EU.⁷⁰ He added that requirements are “particularly onerous” for agri-food products as these are subject to pre-notification and documentary checks and enter the UK through a designated Border Control Post (BCP), as well as other controlled goods which could have environmental impacts. The lack of BCPs in Wales at present “breaks new ground” for the Welsh Government, Local Authorities and several port owners.⁷¹

56. Mr Miles raised further concerns about the readiness of border infrastructure, and cautioned that ports would not be able to handle “certain products” if the required border infrastructure are not delivered on time. He said that delivering in time before 1 July 2021 is “incredibly tight” as planning and construction for this type of sites are “usually measured in years”. He called for “contingency measures” ahead of January 1 2021 and in the event that the required infrastructure is not up and running by 1 July 2021.⁷² He said that the Welsh Government was working with the UK Government on devolved responsibilities for animal checks. He was “very concerned” about the Welsh Government’s capacity to meet the deadline of July as they are “still waiting for some decisions from the UK Government on that”:⁷³

Our position is that it is everyone’s hope and aim to hit the deadline in July, for obvious reasons. Our ability to do that is very heavily dependent upon a decision about the selection of the sites, which is extremely urgent now. If it becomes clear that that is not physically possible, there will need to be contingency arrangements for July, but our ask at this point is for that decision to be made quickly so that we proceed.⁷⁴

He added that it is likely that two inland sites are required in Wales for sanitary and phytosanitary checks; one to serve the Port of Holyhead and one to serve Fishguard and Pembroke / Milford Haven.⁷⁵ He confirmed that the Welsh Government are leading work on inland sites for Fishguard and Pembroke, but that the UK Government is leading on plans for Holyhead Port as part of a UK-wide programme, as they have “an interest in the inland site there”. He stressed that selecting a site for north Wales is the “critical point in unlocking progress” for 1 January but also for 1 July.⁷⁶ He said that the Welsh Government had been “pressing for a decision for some time” from the UK Government as there are “dependencies” on decisions in north Wales in relation to selecting sites in south-west sites, decisions which have been held up by the “overall delay” in north Wales.⁷⁷

57. In oral evidence on 5 November, the Secretary of State for Wales, the Rt Hon Simon Hart MP, said that progress on border infrastructure had been “good”, and that there is an expectation that the deadline of July 2021 “can be met”. He added that three or four meetings a week are dedicated to discussing port infrastructure to minimise the risk of disruption, and that construction is “under way”. On Holyhead in particular, he

70 Jeremy Miles AS/MS, Welsh Government ([BAT0016](#))

71 Jeremy Miles AS/MS, Welsh Government ([BAT0016](#))

72 Jeremy Miles AS/MS, Welsh Government ([BAT0016](#))

73 Q215

74 Q220

75 Jeremy Miles AS/MS, Welsh Government ([BAT0016](#))

76 Q218

77 Q219

said that he was “as confident as I can be that that is going to be in place”.⁷⁸ He stressed that “significant changes” need to be implemented in the event of reaching a deal or no-deal, and these scenarios require “readiness and preparation by pretty well every sector in Wales”.⁷⁹

58. We welcome the phased approach of the Border Operating Model, however we are concerned about the readiness of Welsh ports, and availability of infrastructure and capacity at or near ports, to deal with new customs processes from January 2021. We are particularly concerned about the potential for delays at the Port of Holyhead. Any delays at ports could have a significant impact on the flow of goods. We are particularly worried that the required infrastructure to conduct border checks is not yet up and running, given the very limited time remaining before the end of the transition period.

59. The readiness of Welsh and UK ports for trade with the EU after the transition phase is a major undertaking. The UK Government needs to provide reassurances that digital and physical infrastructure will be up and running in time and that sufficient physical capacity at or near ports will be available before July 2021.

The implications of non-tariff trade barriers for Wales

Congestion at Welsh ports

60. Several witnesses warned about the possible disruption at ports as a result of new customs processes, post-Brexit, and the implications for logistics chains. Shanker Singham, Competere, felt that despite the UK’s Government’s intention to ensure frictionless trade, that “there is a whole ramification of things that flow from not being in the customs union”.⁸⁰ Professor Sangeeta Khorana, Bournemouth University, raised concerns about Holyhead and Fishguard in particular as introducing additional border controls would increase the amount of customs documentation to be processed.⁸¹

61. Port operators in particular outlined concerns about congestion due to increased border inspections. Andrew Harston, Associated British Ports, said that there will be “some hiccups” in the early period and “some impact” at each of the three stages documented in the Border Operating Model. He referred to the need to ensure the correct resources are available, the appropriate level of staff to deal with inspections, processing transactions and that there will “undoubtedly, potentially, be some systems issues”.⁸²

62. Richard Ballantyne, British Ports Association, acknowledged a “huge amount” of stakeholder engagement from HMRC and the Border Protocol Delivery Group. However he highlighted concerns about costs to logistics chains and operators as result of increased checks, and that new operations would have to be factored into their business model.⁸³

63. Many witnesses to our inquiry raised concerns about the potential impact any disruption at ports could have for supply chains, especially ‘just-in-time’ supply chains. Professor Khorana stated that congestion at ports could result in food shortages if “port

78 Q168

79 Q164

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handling capacity” was not increased “immediately”.⁸⁴ She added that a no-deal exit from the EU would cause “major supply chains disruptions”, which could impact perishable foods and the manufacturing sector in particular as they are reliant on just-in-time supply chains.⁸⁵ Dr Ludivine Petetin, Cardiff University, also highlighted the effects of border checks on supply chains:

There will be more checks and inspections at the border, more paperwork and more certification and licences for companies to export or import, depending on which side of the border they are. That will result in increased prices because it will take longer for products to travel, just because of the paperwork, which means that, with agricultural products and perishable products in particular, more products could be spoiled. Live animals could be more distressed. That would have to be taken into account and we would have to focus on how long it would take for products to cross the border between the UK and the rest of the EU. There would be a domino effect on the rest of the chain, and that needs to be considered.⁸⁶

64. Industry experts also had misgivings about the effects of any delays on supply chains. Professor Peter Wells, Cardiff University, was worried about the effect of increased bureaucracy and delay at ports on the “very tightly integrated, finely tuned machine” of automotive supply chains. He felt that the risk of delays puts the entire UK components industry “at a disadvantage” as the longer-term consequences are unclear.⁸⁷ Dr Kathryn Ringwald Wildman, steel industry analyst, felt that the steel industry is “well prepared” to deal with “immediate issues”, but additional costs could impact customers, and outlined a “realistic concern” that European customers could “buy closer to home” if delays occurred at ports.⁸⁸

65. In his evidence to our inquiry, Jeremy Miles MS, the Welsh Government’s Counsel General and Minister for European Transition, warned about the risks to Welsh ports and suggested that there was a “very significant delay” on engaging with the Welsh Government on questions relating to Holyhead and, in particular, the deliverability of SPS checks by July.⁸⁹ In terms of the implications of customs processes for supply chains, Mr Miles believed that the Border Operating Model and the phased introduction of checks will “make some difference”, but he warned that the risks of disruption at the border associated with a no-deal exit should not be underestimated. He added that delays at ports have “significant implications” for supply chains and traffic management around ports.⁹⁰ He felt that restrictions on food supply chains would be “unlikely”, but expressed concern about the “significant challenge” to vulnerable individuals that could arise from an increase in the cost of food post-Brexit.⁹¹

66. Written evidence from the Secretary of State for Wales, the Rt Hon Simon Hart MP stated that the UK Government was seeking to “minimise friction through customs

84 Q51
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facilitation and cooperation between regulators”.⁹² On 5 November, the Secretary of State for Wales told us that the UK Government are working alongside Welsh Government at official level to try to minimise any impact at ports from new processes and checks. He referred to the Department for Transport’s secured contracts for nearly £80 million with four ferry operators to assist with easy movement of goods from January 1 onwards.⁹³

67. We welcome the level of engagement between Welsh ports, HMRC and the Border Protocol Delivery Group. However, whether a deal is secured with the EU or not, we must accept that there will be friction at the borders. Congestion and delays at Welsh ports could have significant costs for the port operators and businesses and major implications for logistics chains. *The UK Government must redouble its efforts to work with business and port operators to provide confidence that the necessary systems and infrastructure will be in place, fully tested and functioning well in advance of July 2021. The UK Government should also maintain an ongoing dialogue with the EU, post January 2021, to monitor the impact of new processes and, where possible, work to ensure as frictionless trade as possible.*

Holyhead and inland clearance facilities

68. Holyhead is the second busiest roll-on roll-off (ro-ro) port in the UK after the Port of Dover. Ian Davies, Stena Line, told us that around 450,000 freight units pass through Holyhead every year.⁹⁴ In 2017, Mr Davies had warned the External Affairs and Additional Legislation Committee of the then National Assembly for Wales (now the Senedd Cymru—Welsh Parliament) that his port lacked the capacity for vehicles to be stopped and checked. According to Mr Davies, such a requirement would see the port and wider logistics industry “come to a grinding halt”.⁹⁵

69. When we took evidence from Mr Davies as part of our inquiry, he told us that he was less concerned now than he was in 2017. In part this was due to the decision taken to provide the inland facilities for checks at a site away from the port, “so traffic coming from Ireland will, relatively speaking, have free access through Holyhead port and to the inland facilities for checking”.⁹⁶

70. However, he noted that checks will take place in the Republic of Ireland and in particular those at Dublin port, where facilities are built at port. According to Mr Davies, about half of the goods that go through Dublin port per year go to Holyhead. He warned that if there is congestion at Dublin port it will “put out the schedules of the ferries that operate, which will then have a knock-on effect back in the Welsh ports, because when the freight goods check in at Welsh ports for export to Ireland, they have to meet the pre-clearance for the Irish regulations”. While Mr Davies said he was “not so worried about congestion caused by goods coming in from Ireland”, the consequential effects at Welsh ports in the event of disruption in Irish ports is a “concern”.⁹⁷

92 Office of the Secretary of State for Wales ([BAT0005](#))

93 Q170

94 Q71

95 National Assembly for Wales, External Affairs and Additional Legislation Committee, [Inquiry into the implications of Brexit for Welsh ports](#), August 2017, para. 39

96 Q90

97 Q90

71. Mr Davies also mentioned the level of SPS checks for goods which are travelling through Holyhead. He suggested that, based on market assumptions, there could be anywhere between 80,000 to 200,000 SPS checks for goods travelling through Holyhead. The level of these checks was identified by Mr Davies as one of his “greatest concerns”.⁹⁸

72. We heard that, in general terms, Stena Line (the operator of Holyhead Port) was “fairly confident in our own preparation [for post-Brexit trade], which is within our concern, and we are on target”. However, there were three areas of concern which remained:

- i) Border control system readiness. All ports and ferry companies on the Irish sea have chosen to operate the pre-boarding notification system, but as, Mr Davies explained, these systems “are not fully developed, are not fully integrated into the ferry companies’ check-in systems and have not been tested, so we are reliant on speed of development and integration”. Mr Davis also noted that they had to “look at the Irish and Dutch systems, to make sure we get integration into those as well”. This is cumulatively, he told us, a drain on their business and “as yet, we have been unable to check those systems”.
- ii) Infrastructure: as mentioned in para. 69, there will be an inland, rather than at-port facility required for customs and SPS checks for goods which have arrived at Holyhead. While Mr Davies suggested that the decision for an inland facility was a “positive tick”, he noted that “as yet those facilities do not exist and the site does not exist”.
- iii) Haulier readiness: Mr Davies expressed concerns about whether hauliers, who will have to be familiar with EU and new UK processes, will be fully prepared for 1 January.⁹⁹ We discuss this issue in more detail later in the Chapter.

73. Of the three issues identified above, there is perhaps the least certainty about the location of the inland facilities for Holyhead, as well for Fishguard and Pembroke. In the case of Holyhead Port, which the UK Government is leading the work on, an initial bid for a park and ride facility on the island to be used to host the facility was rejected by the local Council in September. In December, it emerged that the UK Government was in discussions to purchase a transport café near Holyhead for conversion to an inland clearance facility.¹⁰⁰

74. As for a South West Wales facility, Mr Davies suggested that Stena Line, which is also the operator for Fishguard Port, was “not getting the clarity that we need”. He said that there was not sufficient space at port for all the facilities that will be required post-Brexit and suggested that while Border Force acknowledges those constraints it nonetheless wished to undertake some functions at port. Stena Line’s preference, Mr Davies explained, was for a single facility which would be inland and “ideally, could facilitate goods from Fishguard and from Pembroke”. Such a facility, Mr Davies suggested “would be a more efficient and cleaner process” and would be easier to communicate to hauliers.¹⁰¹

98 Q90

99 Q81

100 BBC News, [Brexit: Holyhead port plans ‘shambles’ claim by first minister](#), 2 December 2020

101 Q81

75. The Welsh Government is leading on the inland facility or facilities for South-west Wales (this is due to a decision being taken for UK Government and HMRC responsibilities, e.g. customs, to be discharged at port).¹⁰² When we asked Jeremy Miles MS, the Welsh Government’s Counsel General and Minister for European Transition, about progress on the South-west Wales facilities, he confirmed that no sites in either North or South-west Wales had yet been selected, let alone been given planning consent, for either the Holyhead or South-west Wales inland facilities. In terms of the South-west Wales facilities, Mr Miles said that the Welsh Government had “contractors who have identified a range of sites in Pembrokeshire and Carmarthenshire, and we are working through those now”. As for whether either the North or South-west Wales facilities will be operational in time for July, Mr Miles said that it was “everyone’s hope and aim to hit the deadline in July, for obvious reasons” but that it was “heavily dependent upon a decision about the selection of the sites, which is extremely urgent now”.¹⁰³

76. The above discussion focusses on the customs and other checks for goods arriving from the EU. However, there will also be a need to check whether drivers arriving at port have completed the necessary paperwork for onward transit to the Republic of Ireland. Hauliers will need to have completed a pre-boarding notification without which they will be turned around at Holyhead. On 7 December, the Welsh Government published its updated contingency plans for minimising traffic disruption for vehicles seeking departure from the Port of Holyhead. Noting the UK Government’s reasonable worst case scenario of 40–70% of HGVs arriving at ports lacking the correct paperwork, the Welsh Government outlined its proposed measures which include a contingency of stacking lorries on the A55 in the event that no other site can be used.¹⁰⁴

77. Holyhead is one of the most important ports in the UK and plays a key role in the Welsh and wider UK economy. While we acknowledge Stena Line’s comments that they are doing all they can to prepare for new trading processes and checks after the end of the transition period, we remain concerned at the potential implications for Holyhead and the wider region of a combination of new, and untested, IT systems and new, and potentially extensive, checks and processes.

78. The decision to locate checks and customs processes away from port and at an inland facility was described to us as a ‘positive tick’, however there is a risk that this just results in significant congestion occurring only a few miles away from Port. The potential impact of any congestion at the inland facility for both Holyhead Port and the island of Anglesey more generally depends, of course, on where the facility is located.

79. We are deeply concerned that, so close to the end of the transition period, and with not much time left until the staggered controls take effect in July 2021, the decisions on the location of the inland facility for Holyhead Port and the equivalent facilities in South-west Wales has yet to be taken. Even with expedited planning permission, this leaves little time to build, and properly equip, sites which will need to be ready for potentially thousands of checks and processes per day. There is a significant risk that

102 Q218

103 Qq219–220

104 Welsh Government, [Update on Port of Holyhead contingency plans as EU deadline approaches](#), 7 December 2020

neither North nor South-west Wales will have appropriate inland facilities ready for July 2021, raising important questions about the level of contingency planning that is in place for such an eventuality.

80. *There is an unacceptable level of risk that inland facilities will not be ready in either North or South-west Wales for the full introduction of border checks and processes in July 2021. It has been clear since the beginning of the UK-EU trade talks, that regardless of a deal being reached or not, there would be new processes and requirements at the border, and it has also long been apparent that Holyhead, Fishguard and Pembroke lack the capacity to accommodate such checks on-site. If there is to be any chance of a North Wales and South-west Wales facility being operational before July 2021, then decisions on site locations must be confirmed before the end of December. As a precaution, the UK Government must publish its contingency plans for how checks will be conducted on goods arriving at Holyhead and Fishguard/Pembroke in the event that the inland facilities are not operational for July. The UK Government should also be clear whether its contingency plans include checks at port and detail the measures it would take to minimise the disruption such a step would entail.*

The preparedness of businesses in Wales for new customs arrangements

81. On 18 October, the UK Government began a [‘time is running out campaign’](#), calling for businesses to prepare for checks in moving goods between the UK and EU by the end of the transition period.

82. A number of witnesses to the inquiry underlined the importance of communication with businesses in preparation for any new trading arrangements. Shanker Singham, Competere, felt that firms in Wales should understand the border operating model and potential simplifications.¹⁰⁵ Spencer Birns, Cardiff Airport, reiterated the need for a “campaign of clear communications” ahead of January for customers and freight.¹⁰⁶ Sam Lowe, Centre for European Reform, was unsure whether businesses are prepared for new regulatory processes, and that the implications of the border operating model “has completely cut through”.¹⁰⁷

83. Jeremy Miles MS, the Welsh Government’s Counsel General and Minister for European Transition, suggested that the UK Government’s communications is “better than it has been”. Rather than outlining the potential opportunities ahead, he believed that the UK Government is now more focused on reinforcing the message that “You have to prepare for the end of this year, be alert to what the changes are, identify how it affects your business” and so on. He added that it is “much easier for us to share together as a set of communications”.¹⁰⁸

84. The Rt Hon Simon Hart MP, Secretary of State for Wales, stated that there are around 650,000 different enterprises in Wales that could be impacted by new changes - “some to a huge extent, and some to a very marginal extent”. As well as a UK-wide campaign to raise awareness of urgent requirements for businesses, he said that engagement through membership and representative organisations was also important.¹⁰⁹ He added that

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109 Q171

engagement with the ‘Time is running out’ campaign was “improving” and the people are “recognising what needs to be done and by when, and are reacting accordingly”. He also referred to attempts to identify certain areas of sectors where further understanding is needed of the required preparation.¹¹⁰

85. We welcome the improvement in the UK Government’s communications ahead of the end of the transition period and specifically the ‘Time is Running Out’ campaign. Preparedness for new processes is essential and it is imperative that as many businesses as possible are alerted to the changes which they will be required to make as a result of our new trading arrangements with the EU. We urge the UK Government to continue to invest significantly in this campaign in the run-up to 1 January and to continue to do so during 2021. This campaign should fully involve all relevant stakeholders in Wales to maximise its reach within Wales.

The logistics sector

86. On 23 September, the UK Government published its [Reasonable Worst Case Scenario](#), which contains assumptions on planning. It estimates that on 1 January 2021, 40–70% of trucks travelling to the EU might not be ready for new border controls.

87. We heard concerns about the readiness of freight hauliers in preparing for the end of the transition period, and the level of communication with businesses and the freight industry. Professor Sangeeta Khorana, Bournemouth University, highlighted the effect of space constraints at Welsh ports on delays for moving goods:

Having said that, the physical constraint that we have, which is that of space, cannot be managed, no matter what we do. To give you an example, off the top of my head, 400 units can be cleared from a ferry in an hour. Each one is roughly 16 metres, so if there were 400 of 16 metres in one hour, you can imagine the kind of traffic jams we are going to have on the A55.¹¹¹

88. Ian Davies, Stena Line, said that despite a good level of engagement, “sometimes the answers and clarity that we require are quite slow in coming through”, which impacts their ability to transfer any information to freight operators.¹¹² Richard Ballantyne, British Ports Association, questioned whether the haulage industry, the traders and the exporters are completely ready “remains to be seen”.¹¹³ Andrew Harston, Associated British Ports, highlighted the effect of any delays at ports on the logistics chain:

If those are delayed for 15 minutes or an hour, you have to make up all those hours on the many hundreds of thousands of vehicles that are being talked about. Ultimately, that would require more capacity being put into the system by everybody. Of course, that capacity has a cost and the end user is unlikely to want to pay for that, and that will apply pressure all the way through the system—the whole of the logistics chain—in an industry that clearly has had a very difficult period over the current year and that is taking on a significant requirement for cost.¹¹⁴

110 Q171

111 Q46

112 Q81

113 Q83

114 Q98

89. Logistics UK stressed the need for information and documentation to be ready in time for the industry to prepare, so that the “whole supply chain understands what is required” from 1 January onwards. They were disappointed that a ‘hauliers’ handbook’, containing guidance for hauliers on the required customs documentation to cross the UK-EU border, would not be ready to be “publicly issued” to hauliers by the UK Government until early December. They added that the delay will “significantly hamper industry’s ability to prepare for the changes that will occur on 1 January for exporters”.¹¹⁵

90. Once the transition period ends, considerable responsibility will fall on hauliers and individual drivers to be as prepared as possible for the additional checks and processes that will be at place at the border with the EU. We therefore share the disappointment of the sector at the delay in producing the guidance, including the hauliers handbook, that will be required for freight operators. *We call on the UK government to publish the outstanding guidance required for the logistics industry as a matter of urgency. In light of these delays, the UK Government should also explore what additional measures will be needed to effectively, and at such late notice, communicate this guidance to the sector and what additional financial support the sector may require.*

5 Trade with non-EU countries

91. This final chapter examines the implications for Wales of the UK Government's trade negotiations with non-EU countries and actors. In particular, the Government's intention of acceding to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the recently signed trade agreement with Japan, as well as the ongoing negotiations with the United States of America. This chapter will also explore the role of the Trade and Agriculture Commission (TAC) and the question of what impact FTA negotiations will have on existing regulatory standards in the UK.

92. *As part of its trade negotiation strategy, we call on the UK Government to publish a Wales-specific impact assessment of any trade agreements, including the recently signed agreement with Japan.*

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

93. The Department for International Trade (DIT) is responsible for negotiations with non-EU countries. The UK Government has stated its intention to negotiate FTAs with the US, Japan, Australia and New Zealand. Other trade partnerships include Canada, Singapore and the Gulf Cooperation Council.

94. On 17 June 2020, the UK Government announced their intention to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)—a free-trade agreement involving 11 Asia-Pacific countries including Canada, Australia, Japan, Vietnam and New Zealand.

95. The second negotiating round of a FTA between the UK and Australia took place between 21 September and 2 October. The UK Government stated that both countries are committed to removing trade barriers. The third round of negotiations was due to begin in November.¹¹⁶ The first round of negotiations took place between the UK and New Zealand between 13–24 July. A second round of talks was due to begin in October.¹¹⁷

96. Several witnesses to our inquiry were aware of potential opportunities for Wales in trading with non-EU countries, but also raised concerns about the potential impact on the Welsh agricultural sector and tariff liberalisation. Professor Nicholas Perdakis, Aberystwyth University, cautioned that “traditional industries” such as manufacturing could “find themselves in difficulties trading with the rest of the world” as they are no longer protected by the EU.¹¹⁸ He expressed the need for “more and wider” free trade agreements with the rest of world, calling for an element of consistency on issues such as dispute resolution, regulation and tariffs.¹¹⁹

97. Sam Lowe, Centre for European Reform, suggested that major exporters based in Wales were predominantly foreign owned and formed part of a pan-EU supply chains, and therefore sustaining this investment in Wales should be considered in future trade negotiations.¹²⁰ He added that New Zealand is currently not making use of some capacity

116 UK Government, [Negotiations on the UK's future trading relationship with Australia](#), 12 October 2020

117 UK Government, [Negotiations on the UK's future relationship with New Zealand](#), 29 July 2020

118 Q59

119 Q64

120 Q17

it has to export to the UK. He doubted a “big influx” of lamb would enter the UK from New Zealand in the event of securing a trade deal, which should allay the concerns of Welsh farmers that their produce would not be sidelined.¹²¹

98. Shanker Singham, Competere, believed that joining the CPTPP would provide access to a “much bigger market” and a “much more liberalising platform agreement”.¹²² He stressed the need for trade promotion activities and joint ventures with other countries to boost opportunities for the agricultural sector in particular.¹²³ He suggested lowering trade barriers with other countries, for example lifting the lamb ban in US trade negotiations.

99. NFU Cymru cautioned that new export markets for Welsh agri-food products are “often comparatively small either by volume or in terms of their appetite for our agri-food products”. They added that these markets are often geographically distant from the UK.¹²⁴ Volga Trader agreed that distance has a “strong impact” on trade potential.¹²⁵ The Welsh NHS Confederation stressed that FTAs should not “weaken or undermine” fundamental principles of the NHS, assessing their impact to ensure that “commercial advantage is not prioritised at the expense of human and economic health”. They advocated the exemption of healthcare service from liberalisation commitments.¹²⁶

100. Representatives of other sectors in Wales raised concerns about trading with non-EU countries. Dr Kathryn Ringwald Wildman, steel industry analyst, felt that steel is an expensive product to “take long distances”, and that the “best markets” are those closest to home.¹²⁷ She added that there is a surplus of steel on the global market, which renders it difficult to access the non-EU market. In this case, she felt that the UK Government would have to provide support measures to replace protection from the EU.¹²⁸ Professor Peter Wells, Cardiff University was sceptical about the benefits of automotive trade with non-EU countries:

I think the hope that you can offset the reduction in sales in Europe by reaching other markets is probably misplaced. I do not see that there is going to be enough opportunity in enough places of sufficient scale to offset the probable reduction in sales that we will have in Europe. That reduction in sales will come not just because of some future taxation regime but because of the change in sentiment towards UK-built vehicles. We have already seen evidence of this: news reports in the automotive industry and news sources talking about consumers not wanting to buy British. Because we have turned our backs on them, they will turn their backs on us. I do not see a lot of hope for a significant uptick in exports to non-EU countries arising in the next two, three or four years.¹²⁹

101. Dr Richard Greville, Association of the British Pharmaceutical Industry, encouraged the UK Government to secure “as many free trade agreements as they possibly can with the rest of the world”, but emphasised the need for mutual recognition agreements for

121 Q24

122 Q23

123 Q17

124 NFU Cymru ([BAT0002](#))

125 Volga Trader ([BAT0006](#))

126 Welsh NHS Confederation ([BAT0001](#))

127 Q124

128 Q127

129 Q124

the pharmaceutical industry.¹³⁰ Aerospace Wales stated that North America and the US in particular is the “biggest opportunity” for the aerospace sector, and that trade should be extended to include Mexico and Canada. They also identified Australia, New Zealand, India, Japan, Brazil and China as “key aerospace markets”.¹³¹

102. The British Standards Institution emphasised the need for trade agreements to adopt global international standards and maintain the independence of the standards system. They said that reducing technical barriers to trade is “significantly boosted” through the UK’s leadership in international standardising bodies and proposing new international standards. They felt that trade deals provided the opportunity for cooperation on standards, and welcome recognition and support for standards in trade negotiations.¹³²

103. Written evidence from Jeremy Miles MS, the Welsh Government’s Counsel General and Minister for European Transition, acknowledged that future FTAs with non-EU countries could provide opportunities for Welsh exporters in agricultural goods, food and drink and that FTAs could make provisions to remove barriers to trade. He added that barriers such as the rule on sheep meat in the US and the Australian beef ban could prevent access to these markets, and that the removal of these barriers would require a separate agreement that is not part of the FTA negotiations. He also raised concerns about the impact of trading with international actors on the agricultural sector in Wales:

On balance, our evidence shows that key agricultural sectors in Wales, including lamb, beef, poultry and dairy, are likely to face a disproportionate negative impact from any tariff liberalisation as a result of the UKG’s priority country negotiations. Countries such as Australia, New Zealand and the US are major agricultural exporters and have advantages from economies of scale in production. In such countries, there are also differences in production standards that could lead to cheaper costs when compared to the high regulatory standards in the UK. This could lead to overseas producers having an unfair competitive advantage over our own producers.¹³³

He also detailed the projected benefits of trade with countries outside the EU:

The UKG’s own analysis shows the estimated GDP impacts of agreements with Japan, US, Australia and New Zealand to be very small—0.07% for Japan, 0.07–0.16% for the US, 0.01–0.02% for Australia and 0.00–0.00% for New Zealand.¹³⁴

104. During his appearance before our Committee on 19 November, Jeremy Miles MS raised concerns about the impact of trading with non-EU countries on the agricultural sector, in particular the New Zealand and Australia trade agreements. He added that there are opportunities for steel and automotive as well as for agri-foods in trading with the US.¹³⁵ He added that the US, Australia and New Zealand are “significant agricultural exporters in their own capacity”, and therefore the risks to agricultural sectors, similar to steel, are “potentially significant”.¹³⁶

130 Q124

131 Aerospace Wales Forum Ltd ([BAT0012](#))

132 British Standards Institution ([BAT0015](#))

133 Jeremy Miles AS/MS, Welsh Government ([BAT0016](#))

134 Jeremy Miles AS/MS, Welsh Government ([BAT0016](#))

135 Q213

136 Q209

105. Written evidence from the Secretary of State for Wales, the Rt Hon Simon Hart MP indicated that the UK Government is “working closely” with stakeholders in Wales, including the Welsh Government, to “identify key trading opportunities and priorities for these negotiations”. He also outlined their negotiating process:

At the start of new FTA negotiations, the Government will publish its approach to negotiations, including our negotiating objectives, as it already has done for the UK-US FTA. This will be accompanied by a scoping assessment which will set out the potential economic impacts of any agreement and will provide preliminary assessments of the potential implications for the UK nations, including the Welsh economy.¹³⁷

The Rt Hon Greg Hands MP, Minister of State for Trade Policy at the Department for International Trade, told us that there had been two rounds of talks with Australia and New Zealand, and that they are “progressing well”.¹³⁸

106. We welcome the progress of trade talks with non-EU countries and the UK Government’s intention to join the CPTPP partnership in 2021. Trade liberalisation will pose challenges, as well as opportunities, for Welsh producers and it is vital that the UK Government recognises the potential risks, as well as rewards, that could face producers as a result of trade negotiations. For example, while we are pleased that trade talks with Australia and New Zealand are progressing, it is clear that FTAs with both countries could have significant implications for the Welsh agricultural sector.

107. We call on the UK Government to work with the Welsh Government and businesses in Wales to explore how best to promote Welsh produce globally. We also recommend engagement with the Welsh Government in discussions about the impact of trade negotiations on the Welsh economy. The UK Government must recognise the importance of agricultural exports in trade deals with non-EU countries such as the US, New Zealand and Australia.

The UK-Japan Free Trade Agreement

108. The UK signed an economic partnership agreement with Japan on 23 October, representing the first post-Brexit major trade deal. The deal is estimated value of trade between both countries is over £15 billion. The agreement also includes a strong commitment from Japan to support the UK joining the Trans-Pacific Partnership (TPP). The deal includes provisions on digital and data, financial services, food and drink, and creative industries.¹³⁹ On 14 September 2020, the UK Government announced that 15 Welsh products could be protected and officially recognised in Japan through increasing geographical indications as part of the UK-Japan trade agreement. The UK Government suggests that the agreement will help 277 businesses in Wales that exported to Japan last year and more local businesses to sell their goods to Japan for the first time.

109. Witnesses to our inquiry were generally positive about the opportunities that the recently signed UK-Japan trade agreement could bring to Wales. Sam Lowe, Centre for European Reform, stated that an FTA with Japan would be “important for some

137 Office of the Secretary of State for Wales ([BAT0005](#))

138 Q175

139 UK Government, [UK and Japan sign trade agreement](#), 23 October 2020

businesses in Wales” as they are Japanese owned.¹⁴⁰ Shanker Singham, Competere, said that the Japan agreement is part of an “overall trade policy” that includes Australia, New Zealand and the US.¹⁴¹

110. Professor Sangeeta Khorana, Bournemouth University, said that securing a trade agreement with Japan is a “very important stepping stone” to accessing the CPTPP. She said that the deal could provide increased market access to Japan, especially in areas such as agriculture and manufacturing that are key sectors of the Welsh economy. She added:

Finally, the Japan deal allows the UK up to 70 GIs¹⁴² on special products, and in those there are 15 Welsh iconic products. It will be the first time that we have a deal of this kind that protects Welsh GIs, and 15 is a good number. That will be immensely beneficial for Welsh food and drink as well because they will have lower tariffs. Trade with Japan is only 2% of total UK trade; however, this deal will be very important, both politically and from the economic aspect that I have just highlighted.¹⁴³

111. Jeremy Miles MS, the Welsh Government’s Counsel General and Minister for European Transition, felt that there had been a “reasonably close working relationship” on the Japan trade agreement, with consultation on chapters that affected devolved responsibilities.¹⁴⁴ He concluded:

[...] we were able to make our positions clear to the UK Government throughout those negotiations, and we are broadly pleased with the outcome of the discussions. That demonstrates the ability of Governments to work together well when they operate on a proper basis, and it shows the potential if we had had a close working relationship on the EU negotiations.¹⁴⁵

112. The Rt Hon Simon Hart MP, Secretary of State for Wales estimated that over 200 businesses in Wales are already doing business in Japan and their “potential is now enhanced as a result of the Japan FTA”, resulting in a “potential knock-on benefit to the Welsh economy”.¹⁴⁶

113. The Minister of State for Trade Policy at the Department for International Trade, the Rt Hon Greg Hands MP said that the “potential” Geographical Indicators include Welsh beef, Welsh lamb, Welsh wine, Caerphilly cheese, Anglesey sea salt, West Wales coracle caught sewin, Carmarthen ham and “other great Welsh produce”. He felt that recognition of a geographical indicator is a “sign of real quality”, which brings “good potential” for Welsh produce to be sold in Japan.¹⁴⁷ Mr Hands also outlined opportunities for fintech

140 Q23

141 Q23

142 [The UK Government has stated](#) that, from 1 January 2021, the UK will establish its own geographical indication (GI) schemes. These schemes provide a series of rules to protect the geographical names of food, drink and agricultural products. It also states that the UK schemes will fulfil its World Trade Organisation (WTO) obligations, and will be managed by the Department for Environment, Food and Rural Affairs (Defra). The UK Government has made a commitment that all products registered under European GI schemes will automatically remain protected under the UK’s GI schemes following the end of the transition period.

143 Q64

144 Q208

145 Q208

146 Q181

147 Q176

companies from Wales, agriculture and easier business travel. He was aware of “big Japanese investments” into Wales, and felt that the trade agreement represented a “very good deal for Wales”.¹⁴⁸

114. We welcome the signing of the UK-Japan Comprehensive Economic Partnership Agreement, the UK’s first free trade agreement as an independent trading nation. For decades Japanese firms have played a significant role in the Welsh economy and Japan is an important trading partner for the whole UK. We welcome the level of consultation between the UK and Welsh Governments during the progress of the negotiations. We urge the UK Government to maintain, and build upon, this approach as it negotiates further FTAs.

115. The official recognition of 15 Welsh products through protected geographical indicators in the UK-Japan FTA reinforces the importance of the agreement to Wales and will encourage further growth in Welsh agricultural exports to Japan.

Trade negotiations with the US

116. The UK Government provided an update on US-UK negotiations on 22 September. The fourth negotiating round took place between 8 September and 18 September. The update stated that both parties maintained their commitment to continue negotiations “at pace” throughout the Autumn ahead of the US presidential elections. The fifth round of talks were due to take place in mid to late October, with additional intersessional discussions being held between formal talks.¹⁴⁹

117. A report published by the International Trade Committee in 2018 made the following recommendation:

The Government should be clear and well-informed about the potential economic effects (positive or negative) of a UK-US FTA. Before pursuing a US trade agreement, the Department should conduct a comprehensive economic impact assessment. The assessment should go beyond an econometric study of the potential impacts, and consider in detail the effects of an agreement, broken down by sector as well as by each of the regions and devolved administrations.¹⁵⁰

118. Witnesses to our inquiry referred to various opportunities and challenges arising from a potential free trade agreement between the UK and US. Mujtaba Rahman, Eurasia Group, cautioned of “constraints and impediments” to a “speedy” trade agreement, and spoke of the complexity of a UK-US trade deal due to a range of geostrategic and geopolitical issues. He was sceptical of reaching an agreement by the end of 2021 as there are “difficult issues to work through” between both parties such as agriculture, pharmaceuticals and financial regulation”.¹⁵¹

119. Shanker Singham, Competere, outlined a “range of opportunities” for steel and other products, but emphasised the importance of early engagement with the US in ensuring

148 Q177

149 UK Government, [Negotiations on the UK’s future relationship with the US](#), 22 September 2020

150 International Trade Committee, Second report of session 2017–19, [UK-US trade relations](#), HC 481, 1 May 2018, para. 36

151 Q17

that the US does not retaliate because of EU WTO violations. He called for a reduction of UK products, including steel, noted on a national security list for high tariffs, which could put Welsh products in particular “in a slightly more preferential position”.¹⁵² He also felt that the ban on lamb imported from the UK would have to be resolved. Sam Lowe, Centre for European Reform, agreed that removing the restriction would provide a new market for Welsh sheep farmers.¹⁵³ NFU Cymru raised concerns that trade interests in markets such as the US are “fairly modest owing to historically low consumption of lamb in the US”.¹⁵⁴

120. Written evidence from the Secretary of State for Wales, the Rt Hon Simon Hart MP stated that the scoping assessment for a UK-US FTA indicates that “Wales stands to benefit and build upon its strong exports to the US”, including a “possible reduction of tariffs and export burdens” on the automotive sector and Welsh steel. He estimated that an “ambitious” trade deal with the US could boost the Welsh economy by £154m in the long term, with potential for agricultural goods such as Welsh lamb to access the market.¹⁵⁵

121. The Rt Hon Greg Hands MP, Minister of State for Trade Policy at the Department for International Trade, informed us that the UK Government had reached an “advanced stage” of text production UK-US negotiations, and that the latest round of talks was “extremely productive”. He said that the US election results could have “implications in different scenarios of the result”, and that a further round of talks had been agreed to before the end of the year.¹⁵⁶ He added that access for Welsh lamb, which is currently banned from the US, is “part of our active negotiations with the United States”, and that they had recently secured access for British beef to the US market.¹⁵⁷

122. We note the progress of trade negotiations with the USA. However, it is unclear what the change in administration will mean for the continued progress of these negotiations. We call on the UK Government to write to us with updated progress on the negotiations in early 2021, following the new administration taking office. We also urge the UK Government to discuss lifting the ban on lamb during trade talks.

The Trade and Agriculture Commission (TAC)

123. On 24 July, the new Trade and Agriculture Commission met for the first time. It was launched by the Rt Hon Elizabeth Truss MP, Secretary of State for International Trade, as part of an initiative to involve stakeholders in the industry about the UK’s trade policy. The Commission reports directly to Ms Truss, and will produce an advisory report in six months.¹⁵⁸ On 1 November, the Government announced its intention to place the Commission on a statutory footing—to be reviewed every three years. It will produce a report on the impact on animal welfare and agriculture of each free trade deal the government signs after the end of the EU transition period on January 1. This report will be laid in Parliament before the start of the 21-day scrutiny period under the terms of the Constitutional Reform and Governance Act.¹⁵⁹

152 Q26

153 Q16

154 NFU Cymru ([BAT0002](#))

155 Office of the Secretary of State for Wales ([BAT0005](#))

156 Q151

157 Q176

158 UK Government, [Truss formally launches Trade and Agriculture Commission](#), 27 July 2020

159 UK Government, [Trade and Agriculture Commission put on statutory footing](#), 1 November 2020

124. In July 2018, the Welsh Affairs Committee published a report on Brexit and Agriculture, stating that the EU is the main market for exported Welsh agricultural products. It indicated that the EU is the destination of over 80% of Welsh food and animal exports, including over 90% of meat, dairy, egg and animal feed exports. It recommended that barrier-free access to EU markets is therefore essential to the future of Welsh agriculture and that any EU trading partnership must “reflect the market access needs of Welsh farmers”.¹⁶⁰ It also made the following recommendation:

In preparing for Brexit the UK Government must recognise the specific and unique circumstances of agriculture in Wales. These include the extent to which local communities and economies rely on relatively small farms and the supply chains that support them.¹⁶¹

125. Several witnesses to our inquiry emphasised the importance of Welsh agricultural interests in trade negotiations. Sam Lowe, Centre for European Reform, suggested that Welsh farmers are “overly exposed” to the EU market, which creates challenges for resilience.¹⁶²

126. Jeremy Miles MS, the Welsh Government’s Counsel General and Minister for European Transition, stated that engagement with the UK Government on agricultural issues has been facilitated mainly through DEFRA as well as DIT.¹⁶³ He welcomed the establishment of TAC as a forum for discussing food standards and animal welfare, consumer interest and competitiveness. However, he stressed that its remit should be limited to reserved areas:

The Welsh Government do not have a formal engagement in that way, although we agree with what it is trying to do. There are one or two Welsh voices on it, and I think that is good in the sense that, where they relate to reserved matters, Wales’s voice will be heard. But the work of the commission needs to be limited to those areas that are reserved, because we have our own policy for matters in Wales as a devolved competence.¹⁶⁴

127. For the UK Government, the Rt Hon Greg Hands MP, Minister of State for Trade Policy at the Department for International Trade stated that two farmers unions in Wales are represented on the Commission which provide “strong voices for Welsh agriculture”.¹⁶⁵

128. We welcome the establishment of the Trade and Agriculture Commission (TAC) and it being placed on a statutory footing to enable parliamentary scrutiny of trade deals. We also note the importance of having representation from Wales on the board. TAC should continue to work with Welsh agricultural interests to explore workable proposals for strengthening UK food standards while facilitating growth in UK’s international agricultural trade.

160 Welsh Affairs Committee, Second report of session 2017–19, [Brexit: priorities for Welsh agriculture](#) HC402, 9 July 2018, para. 17

161 Welsh Affairs Committee, Second report of session 2017–19, [Brexit: priorities for Welsh agriculture](#) HC402, 9 July 2018, para. 9

162 Q16

163 Q210

164 Q211

165 Q182

Regulatory standards

129. The Agriculture Bill (now Act) was published on 16 January 2020. The Bill completed its progress through the Commons on 13 May 2020, and the Lords on 1 September 2020, with the Lords agreeing the final Commons amendments on 9 November. Amendments tabled at various stages of the Bill's progress included the issue of agri-food standards in future trade agreements. New measures in the Bill include a requirement to report on food security at least once every five years.¹⁶⁶

130. A report published by the previous Welsh Affairs Committee in July 2018 emphasised the importance of maintaining standards in any new trade pact:

As the UK Government pursues new trade agreements, it must not trade away the interests of Welsh agriculture. Trade deals which expose Wales to cheap agricultural goods—not produced in line with the high standards of domestic produce—in order to gain preferential access for sectors such as financial services will represent a bad deal for Wales, and must not be pursued. It would also be unacceptable if any future trade agreements resulted in Welsh producers having to compete on an unfair playing field with imports that do not meet the UK's world-leading animal welfare and environmental standards. When securing new trade agreements the Government must not tolerate lower environmental and welfare standards for food imported into the UK, than food which is produced within the UK.¹⁶⁷

131. The majority of witnesses to our inquiry stressed the importance of ensuring high regulatory standards in any new trade negotiations conducted by the UK, and raised concerns about food standards in particular. NFU Cymru said that they have “consistently pressed” the UK Government over food standards, and were “deeply concerned” that food produced in third countries such as the US would lower standards and undermine domestic production. They felt that the liberalisation of UK markets for US agri-food products would have a “hugely detrimental effect on our producers”. They added that they are “staunchly opposed” to any trade liberalisation scenario that would permit imports of lower standards and cautioned against undercutting domestic producers.¹⁶⁸

132. The Welsh NHS Confederation stressed the importance of maintaining high quality in standards of imports as it could impact on the future health of the public, calling for impact assessments to ensure “robust coordination mechanisms on public health and wellbeing standards”.¹⁶⁹

133. Dr Ludivine Petetin, Cardiff University, raised concerns that the Agriculture Bill and the Trade Bill introduced by the UK Government do not contain provision to maintain food standards. She felt that the UK would need to decide on a more “risk-based approach”

166 House of Commons Library, [The Agriculture Act](#), 3 December 2020

167 Welsh Affairs Committee, Second report of session 2017–19, [Brexit: priorities for Welsh agriculture](#) HC402, 9 July 2018, para. 83

168 NFU Cymru ([BAT0002](#))

169 Welsh NHS Confederation ([BAT0001](#))

on standards found in the US or a more “precautionary approach” adopted by the EU. One of her concerns was the “trade-off” between exporting UK services easily to other countries and maintaining agricultural and environmental standards.¹⁷⁰

134. Sam Lowe, Centre for European Reform, raised concerns about food safety and standards, in particular sanitary and phytosanitary issues related to a US trade deal:

The UK has decisions to make here, because if the UK wants a trade agreement with the US, my view is it will have to concede on hormone beef and chlorinated chicken. That is the only way it gets done because that is just not something that gets through Congress. The UK could hold the line on medical pricing and lots of other things. Sorry, that is going to have to change. That is a decision that has to be made. It is a domestic decision: is that something people want to change?¹⁷¹

He added that Wales could regulate “to a higher degree”, but any regulation “would not be able to prevent goods entering Wales from the rest of the UK on that basis”.¹⁷²

135. Shanker Singham, Competere, agreed that devolved nations could impose higher regulatory standards, provided they deal with devolved areas. He could not foresee any challenges with this action “as long as they didn’t erect barriers”. He suggested that the UK could have a “particular environmental standard” or a “particular environmental technical regulation” that involves a negotiation with devolved administrations on their level of authority on this issue.¹⁷³

136. Written evidence from Jeremy Miles AS/MS, the Welsh Government’s Counsel General and Minister for European Transition, raised concerns that potential trading partners do not have “such a robust system in place” as the one Wales currently has to protect public and animal health, and imports of animals and goods of lower standards could impact biosecurity and international reputation.¹⁷⁴

137. The Minister of State for Trade Policy, the Rt Hon Greg Hands MP told us that the UK Government’s commitment to not compromising on standards of animal welfare, environment and food safety is “absolute”,¹⁷⁵ and that there is no “diminution or reduction of our standards whatsoever” in the rolled over agreements from the standards specified in the current trade agreements.¹⁷⁶ He said that the Trade and Agriculture Commission’s remit is to examine each free trade agreement and consider its impact on the agriculture sector and animal welfare issues. He added that consultations are held with trade advisory groups during trade negotiations.¹⁷⁷

138. The UK will no longer be subject to EU law following the end of the transition period. We welcome the fact that all current EU food production standards have been rolled into UK law and the strong assurances from UK ministers that these high standards will not be diluted. It is essential that UK regulatory standards are

170 Q53, Q64

171 Q24

172 Q18

173 Q19

174 Jeremy Miles AS/MS, Welsh Government ([BAT0016](#))

175 Q183

176 Q184

177 Q183

not compromised in any future trade deals. Any move to unpick UK food production standards in order to secure free trade agreements with large agricultural exporters would be a betrayal of Welsh farming interests.

Conclusions and recommendations

Intergovernmental relations

1. Trade is a reserved policy competence and it is the role of UK Government to lead on negotiations over future trade agreements. Depending on how deep their provisions, new trade agreements may have direct implications for devolved policy areas. The devolved administrations therefore should be routinely consulted in the development of UK-wide trade strategies. (Paragraph 10)
2. We welcome the positive relationship between DIT and Welsh Government and note that discussions are still ongoing about formalising joint working with a memorandum of understanding. (Paragraph 18)
3. *We expect DIT to finalise governance arrangements by agreeing on a concordat by January 2021 and recommend that other UK government departments consider using this as a model for strengthening their relationships with the devolved administrations.* (Paragraph 18)
4. *We welcome the establishment of the Ministerial Forum for Trade in 2020 as a mechanism for cooperation between UK Government and the devolved administrations. It is important that key Welsh interests are fully considered in trade talks.* (Paragraph 24)

Future trade relations with the EU

5. While we note that the UK Government has launched an extensive information campaign to warn businesses of the need to prepare for new trading arrangements with the EU, we remain concerned that many Welsh businesses have either waited to see whether a deal was reached before beginning to make their preparations, or are unaware of the fact that even with a deal such preparations are essential. (Paragraph 30)
6. *We therefore urge Ministers to continue to work with business groups and other stakeholders, including the devolved administrations, to ensure as many businesses and organisations are as prepared as possible. Such efforts should make full use of Welsh media outlets and be available bilingually.* (Paragraph 30)
7. The EU is the main international export market for Welsh goods and agricultural produce, with a higher proportion of goods from Wales exported to and imported from the EU compared to the rest of UK. Securing a trade deal with the EU is therefore of particular importance for the Welsh economy. A zero tariffs, zero quotas arrangement is of much greater benefit to the Welsh economy than trading on purely WTO terms. It would remove the immediate threat of damaging tariffs and could lay a strong foundation for businesses in Wales to have a close post-Brexit trade relationship with the EU. More than four years after the referendum, during which time businesses have faced considerable uncertainty and many have delayed

long term planning and investment decisions, we hope that a deal will create a stronger investment climate in Wales and unlock important, and much needed, growth decisions. (Paragraph 41)

8. In contrast, a 'No deal' scenario would result in tariffs when exporting Welsh goods to the EU. This could have a more negative effect on key sectors of the Welsh economy compared to the rest of the UK. We are deeply concerned about the impact of a no-deal scenario on industries in Wales that are heavily reliant on exports to the EU such as manufacturing, agriculture and services. We do not accept that a no-deal would be a 'good outcome' for Wales and that a so-called 'Australian style deal' is almost as good as the deal the UK is trying to strike with the EU. (Paragraph 42)
9. However, even if there is a deal, there will be important differences in the future trading arrangements between the UK and EU as the UK will no longer be in the Single Market or Customs Union. These differences include new customs processes and procedures and will require businesses to adapt swiftly. (Paragraph 43)
10. *Should there be a deal then we urge the UK Government to continue working with the EU and business groups in 2021 to explore how non-tariff barriers and additional burdens and costs can be minimised for Welsh producers. For example, we are concerned about the implications of new processes and checks for just in time supply chains. In the event that a deal cannot be struck then we call on the UK Government to write to us with evidence of preparations and proposals to mitigate any specific risks to the Welsh economy as a result of trading with the EU on WTO terms.* (Paragraph 44)

Customs arrangements and ports of entry post-transition phase

11. We welcome the phased approach of the Border Operating Model, however we are concerned about the readiness of Welsh ports, and availability of infrastructure and capacity at or near ports, to deal with new customs processes from January 2021. We are particularly concerned about the potential for delays at the Port of Holyhead. Any delays at ports could have a significant impact on the flow of goods. We are particularly worried that the required infrastructure to conduct border checks is not yet up and running, given the very limited time remaining before the end of the transition period. (Paragraph 58)
12. *The readiness of Welsh and UK ports for trade with the EU after the transition phase is a major undertaking. The UK Government needs to provide reassurances that digital and physical infrastructure will be up and running in time and that sufficient physical capacity at or near ports will be available before July 2021.* (Paragraph 59)
13. We welcome the level of engagement between Welsh ports, HMRC and the Border Protocol Delivery Group. However, whether a deal is secured with the EU or not, we must accept that there will be friction at the borders. Congestion and delays at Welsh ports could have significant costs for the port operators and businesses and major implications for logistics chains. (Paragraph 67)
14. *The UK Government must redouble its efforts to work with business and port operators to provide confidence that the necessary systems and infrastructure will be in place, fully tested and functioning well in advance of July 2021. The UK Government should*

also maintain an ongoing dialogue with the EU, post January 2021, to monitor the impact of new processes and, where possible, work to ensure as frictionless trade as possible. (Paragraph 67)

15. Holyhead is one of the most important ports in the UK and plays a key role in the Welsh and wider UK economy. While we acknowledge Stena Line's comments that they are doing all they can to prepare for new trading processes and checks after the end of the transition period, we remain concerned at the potential implications for Holyhead and the wider region of a combination of new, and untested, IT systems and new, and potentially extensive, checks and processes. (Paragraph 77)
16. The decision to locate checks and customs processes away from port and at an inland facility was described to us as a 'positive tick', however there is a risk that this just results in significant congestion occurring only a few miles away from Port. The potential impact of any congestion at the inland facility for both Holyhead Port and the island of Anglesey more generally depends, of course, on where the facility is located. (Paragraph 78)
17. We are deeply concerned that, so close to the end of the transition period, and with not much time left until the staggered controls take effect in July 2021, the decisions on the location of the inland facility for Holyhead Port and the equivalent facilities in South-west Wales has yet to be taken. Even with expedited planning permission, this leaves little time to build, and properly equip, sites which will need to be ready for potentially thousands of checks and processes per day. There is a significant risk that neither North nor South-west Wales will have appropriate inland facilities ready for July 2021, raising important questions about the level of contingency planning that is in place for such an eventuality. (Paragraph 79)
18. *There is an unacceptable level of risk that inland facilities will not be ready in either North or South-west Wales for the full introduction of border checks and processes in July 2021. It has been clear since the beginning of the UK-EU trade talks, that regardless of a deal being reached or not, there would be new processes and requirements at the border, and it has also long been apparent that Holyhead, Fishguard and Pembroke lack the capacity to accommodate such checks on-site. If there is to be any chance of a North Wales and South-west Wales facility being operational before July 2021, then decisions on site locations must be confirmed before the end of December. As a precaution, the UK Government must publish its contingency plans for how checks will be conducted on goods arriving at Holyhead and Fishguard/Pembroke in the event that the inland facilities are not operational for July. The UK Government should also be clear whether its contingency plans include checks at port and detail the measures it would take to minimise the disruption such a step would entail. (Paragraph 80)*
19. We welcome the improvement in the UK Government's communications ahead of the end of the transition period and specifically the 'Time is Running Out' campaign. Preparedness for new processes is essential and it is imperative that as many businesses as possible are alerted to the changes which they will be required to make as a result of our new trading arrangements with the EU. (Paragraph 85)

20. *We urge the UK Government to continue to invest significantly in this campaign in the run-up to 1 January and to continue to do so during 2021. This campaign should fully involve all relevant stakeholders in Wales to maximise its reach within Wales.* (Paragraph 86)
21. Once the transition period ends, considerable responsibility will fall on hauliers and individual drivers to be as prepared as possible for the additional checks and processes that will be at place at the border with the EU. We therefore share the disappointment of the sector at the delay in producing the guidance, including the hauliers handbook, that will be required for freight operators. (Paragraph 90)
22. *We call on the UK government to publish the outstanding guidance required for the logistics industry as a matter of urgency. In light of these delays, the UK Government should also explore what additional measures will be needed to effectively, and at such late notice, communicate this guidance to the sector and what additional financial support the sector may require.* (Paragraph 90)

Trade with non-EU countries

23. *As part of its trade negotiation strategy, we call on the UK Government to publish a Wales-specific impact assessment of any trade agreements, including the recently signed agreement with Japan.* (Paragraph 92)
24. We welcome the progress of trade talks with non-EU countries and the UK Government's intention to join the CPTPP partnership in 2021. Trade liberalisation will pose challenges, as well as opportunities, for Welsh producers and it is vital that the UK Government recognises the potential risks, as well as rewards, that could face producers as a result of trade negotiations. For example, while we are pleased that trade talks with Australia and New Zealand are progressing, it is clear that FTAs with both countries could have significant implications for the Welsh agricultural sector. (Paragraph 106)
25. *We call on the UK Government to work with the Welsh Government and businesses in Wales to explore how best to promote Welsh produce globally. We also recommend engagement with the Welsh Government in discussions about the impact of trade negotiations on the Welsh economy. The UK Government must recognise the importance of agricultural exports in trade deals with non-EU countries such as the US, New Zealand and Australia.* (Paragraph 108)
26. We welcome the signing of the UK-Japan Comprehensive Economic Partnership Agreement, the UK's first free trade agreement as an independent trading nation. For decades Japanese firms have played a significant role in the Welsh economy and Japan is an important trading partner for the whole UK. We welcome the level of consultation between the UK and Welsh Governments during the progress of the negotiations. (Paragraph 114)
27. *We urge the UK Government to maintain, and build upon, this approach as it negotiates further FTAs.* (Paragraph 114)

28. The official recognition of 15 Welsh products through protected geographical indicators in the UK-Japan FTA reinforces the importance of the agreement to Wales and will encourage further growth in Welsh agricultural exports to Japan. (Paragraph 115)
29. We note the progress of trade negotiations with the USA. However, it is unclear what the change in administration will mean for the continued progress of these negotiations. (Paragraph 122)
30. *We call on the UK Government to write to us with updated progress on the negotiations in early 2021, following the new administration taking office. We also urge the UK Government to discuss lifting the ban on lamb during trade talks.* (Paragraph 122)
31. We welcome the establishment of the Trade and Agriculture Commission (TAC) and it being placed on a statutory footing to enable parliamentary scrutiny of trade deals. We also note the importance of having representation from Wales on the board. (Paragraph 128)
32. *TAC should continue to work with Welsh agricultural interests to explore workable proposals for strengthening UK food standards while facilitating growth in UK's international agricultural trade.* (Paragraph 128)
33. The UK will no longer be subject to EU law following the end of the transition period. We welcome the fact that all current EU food production standards have been rolled into UK law and the strong assurances from UK ministers that these high standards will not be diluted. (Paragraph 138)
34. *It is essential that UK regulatory standards are not compromised in any future trade deals. Any move to unpick UK food production standards in order to secure free trade agreements with large agricultural exporters would be a betrayal of Welsh farming interests.* (Paragraph 138)

Formal minutes

Tuesday 8 December 2020

Virtual Meeting

Members present:

Rt Hon Stephen Crabb MP, in the Chair

Tonia Antoniazzi Robin Millar

Virginia Crosbie Rob Roberts

Geraint Davies Beth Winter

Ben Lake

Draft Report (*Brexit and Trade: implications for Wales*), proposed by the Chair, brought up and read.

Ordered, That the Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 10 read and agreed to.

Paragraph 11 read.

Amendment proposed, to leave out from “policy areas.” to end, and insert

“The UK Government should therefore work with the devolved administrations to co-create UK-wide trade strategies and to establish effective dispute resolution mechanisms where agreement cannot be reached.”—(Ben Lake)

Question put, that the amendment be made.

The Committee divided

Ayes, 2

Noes, 2

Tonia Antoniazzi

Virginia Crosbie

Ben Lake

Robin Millar

Whereupon the Chair declared himself with the Noes.

Question accordingly negatived.

Paragraph 11 agreed to.

Paragraphs 12 to 138 read and agreed to.

In the absence of the Chair, Ben Lake was called to the chair.

Summary agreed to.

Resolved, That the Report be the Fifth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Thursday 10 December at 8.40am.]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Thursday 3 September 2020

Mujtaba Rahman, Managing Director, Europe, Eurasia Group; **Sam Lowe**, Senior Research Fellow, Centre for European Reform; **Shanker Singham**, CEO, Competere [Q1–34](#)

Thursday 17 September 2020

Dr Ludivine Petetin, Senior Lecturer in Law, Cardiff University; **Prof Sangeeta Khorana**, Professor of Economics, Bournemouth University; **Prof Patrick Minford**, Professor of Applied Economics, Cardiff University; **Prof Nicholas Perdikis**, Professor of international business economy, Aberystwyth University [Q35–69](#)

Thursday 1 October 2020

Ian Davies, Head of UK Port Authorities, Stena Line; **Spencer Birns**, Interim CEO, Cardiff Airport; **Andrew Harston**, Director, Wales and Short Sea Ports, Associated British Ports; **Richard Ballantyne**, Chief Executive, British Ports Association [Q70–111](#)

Thursday 8 October 2020

Professor Peter Wells, Director of the Centre for Automotive Industry Research, Cardiff Business School; **Dr Kathryn Ringwald Wildman**, Steel industry analyst; **Dr Richard Greville**, Director ABPI Wales Cymru & Distribution Supply Chain, Association of the British Pharmaceutical Industry [Q112–149](#)

Thursday 5 November 2020

Rt Hon Greg Hands MP, Minister of State, Department of International Trade; **Rt Hon Simon Hart MP**, Secretary of State for Wales, Office of the Secretary of State for Wales [Q150–191](#)

Thursday 19 November 2020

Jeremy Miles MS, Minister for EU transition and Counsel General, Welsh Government [Q192–245](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

BAT numbers are generated by the evidence processing system and so may not be complete.

- 1 ABPI ([BAT0011](#))
- 2 Aerospace Wales Forum Ltd ([BAT0012](#))
- 3 Associated British Ports ([BAT0014](#))
- 4 British Standards Institution ([BAT0015](#))
- 5 FSB Wales ([BAT0009](#))
- 6 Logistics UK ([BAT0017](#))
- 7 Milford Haven Port Authority ([BAT0010](#))
- 8 NFU Cymru ([BAT0002](#))
- 9 Office of the Secretary of State for Wales ([BAT0005](#))
- 10 George Peretz QC ([BAT0008](#))
- 11 TAC (Teledwyr Annibynnol Cymru / Welsh Independent Producers) ([BAT0013](#))
- 12 Universities Wales ([BAT0004](#))
- 13 Volga Trader ([BAT0006](#))
- 14 Welsh Government ([BAT0016](#))
- 15 Welsh NHS Confederation ([BAT0001](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2019–21

Number	Title	Reference
1st	Pre-appointment hearing with the Government's preferred candidate for the Chair of S4C	HC 89
2nd	Freeports and Wales	HC 205
3rd	The Welsh economy and Covid-19: Interim Report	HC 324
4th	Wales and the Shared Prosperity Fund: Priorities for the replacement of EU structural funding	HC 90
1st Special Report	The Armed Forces and Defence Industry in Wales: Government Response to the Committee's First Report of Session 2019	HC 97
2nd Special Report	City Deals and Growth Deals in Wales: Government Response to the Committee's Second Report of Session 2019	HC 146
3rd Special Report	Freeports and Wales: Government Response to the Committee's Second Report of Session 2019–21	HC 667