Vaughan Gething AS/MS Gweinidog yr Economi Minister for Economy

Ein cyf/Our ref VG/811/22



Paul Davies Chair Economy, Trade and Rural Affairs Committee Welsh Parliament, Cardiff Bay, Cardiff, CF99 1SN

14 December 2022

Dear Paul

Thank you for your letter on the 25 November in relation to the UK-New Zealand Free Trade Agreement and the potential impacts on Wales. I have responded to each of your recommendations below.

**Recommendation 1**: The Welsh Government should make the same representations in relation to the New Zealand trade agreement as the Committee recommended in relation to the UK-Australia FTA. The Committee also asks that it be informed of any past and future discussions the Welsh Government has with the UK Government on this issue.

Welsh Government officials continue to engage proactively with UK Government officials on the progress being made to implement the New Zealand FTA. I note the committees request and will continue to keep the committee informed of discussions Welsh Government has on these issues.

**Recommendation 2**: We recommend that the Welsh Government works with businesses to identify and exploit opportunities presented by the FTA, including the sectors referred to by the trade experts in their evidence to the Committee.

Our Welsh Government Export Plan includes a commitment to: 'Ensure our exporters are prepared for any new trading environment (requirements) with the EU, following the ending of the transition phase following the UKs exit from the EU and any other new free trade agreements'.

To deliver this commitment, the Welsh Government has a number of ways through which we directly engage with businesses, and we will use these existing structures to identify and exploit opportunities presented by FTAs. We are confident that we, along with the export eco

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

system in Wales, have the necessary programmes in place to integrate the requirements for FTA implementation. As FTAs come into force, they will become an integral part of the export support system.

The Welsh Government export programmes offer a varying level of support to Welsh companies. In addition to Welsh Government support, Welsh companies can also access support from the Department of International Trade (DIT).

Welsh Government support is based on providing one-to-one and one-to-many support. Welsh Government export programmes can provide bespoke services to Welsh companies on the specifics of FTAs for goods & services. Webinars focusing on specific key markets include FTA countries/regions. Existing Welsh Government export programmes that can tie in with FTA implementation include:

- International Trade Development (ITD) Support to identify market opportunities/market intelligence. Identify FTA specific requirements for goods and services.
- International Trade Opportunities (ITO) In-market assistance to gain deeper regulatory knowledge and identify business partners
- Overseas Business Development Visit (OBDV) Financial support to Welsh companies to visit FTA markets (eligibility criteria apply)
- Welsh Government Trade Missions WG trade missions have highlighted in the 2022/23 programme several FTA countries: Australia, Canada, South Africa, Qatar, Mexico, Japan & UAE - <u>Business Wales - Export - Overseas Events</u>
- Welsh Government Food and Drink Export Plan: Export Plan
- Welsh Government Food and drink mission programme: Food and Drink Mission Programme
- **Webinar programme** Highlighting FTA opportunities in specific markets: Webinars | Business Wales Export
- Export Cluster Programme Focus on key Welsh sectors with specific market opportunity focus. The Export Cluster Programme | Business Wales (gov.wales)
- External events/presentations Opportunity to promote FTA's
- Export Hub Reports and tools to support Welsh companies export journey - <u>Export Hub | Business Wales - Export (gov.wales)</u> Provisions are in place to include information on FTA's.
- **Welsh Government overseas offices** Welsh Government has overseas offices placed in FTA countries, which can support Welsh companies.

**Recommendation 3**: The Committee requests that it receive regular updates from the Welsh Government on monitoring activities related to the FTA. The Committee also requests an update on discussions it has had with the UK Government following its request for more detailed trade data for Wales to aid analysis in this area.

We note the committee's request and can confirm we have submitted a request to the Office for National Statistics (ONS) for access to detailed trade in goods data for Wales. We are currently awaiting confirmation of whether access will be granted. Without this data, the Welsh Government is constrained in its ability to produce detailed Wales specific analysis. We will update the committee of any developments in this area.

**Recommendation 4**: The Committee calls on the Welsh Government to make immediate representations to the UK Government to ensure it has representation on the Animal Welfare Working Group established under the FTA, and that the Committee be kept informed on the work of this group.

As Animal Health and Welfare are devolved responsibilities Welsh Government has the right to contribute at this and other forums. Officials in the Office of the Chief Veterinary Officer lead on this activity and our representation includes contributing to the agenda, papers and briefings and to be able to request attendance at committee meetings. There has already been good engagement with DEFRA on some of the committees established under FTAs, including good engagement on the SPS committee meetings for the UK-EU TCA. We will continue to work alongside DEFRA colleagues to ensure that Welsh Government officials are afforded every opportunity to have meaningful engagement and representation at the committee established under the NZ FTA as well as other groups / committees as the FTA programme evolves. We note the committee's request to be informed of the work of this group.

**Recommendation 5**: The Committee asks that it be kept updated on discussions relating to expanding UK Government engagement with the Welsh Government during the negotiations so that they also include engagement on areas that may have a material impact on devolved policy areas.

Engagement with DIT has improved over time, including in areas that have an impact on Wales but are viewed as reserved, such as market access. The Welsh Government and UK Government have recently agreed an enhanced information sharing agreement for FTA negotiations which should further improve the engagement we have with DIT. New arrangements will be put in place in the new year and officials are waiting to better understand how these arrangements will work in practice.

**Recommendation 6**: The Committee requests that it be updated on any discussions and representations made by the Welsh Government to the UK Government on the matter of agreeing new GIs with New Zealand

We note the committee's request and will provide the committee with updates on discussions and representations made by the Welsh Government to the UK Government on the matter of agreeing new GIs with New Zealand. At this juncture with the FTA still awaiting ratification and implementation there are no ongoing discussions on this issue.

**Recommendation 7**: We ask that the Committee be updated on any progress made in agreeing a role for the Welsh Government in the governance arrangements of the Australia and New Zealand FTAs.

Welsh Government officials have good engagement with DIT officials on International Trade issues. The next phase of this engagement will focus on the implementation of agreed FTAs including Australia and New Zealand. DIT have agreed that subject to discussion by both parties, Welsh Government officials can request to attend the committees set up as part of FTA implementation, where they have a particular interest. We will continue to ensure we engage on the UK Government work on committees and other governance structures associated with FTAs as they are established.

Yours sincerely,

Vaughan Gething AS/MS

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