



Eich cyf/Your ref
Ein cyf/Our ref

Llywodraeth Cymru
Welsh Government

Paul Davies MS,
Chair, Economy, Trade and Rural Affairs Committee

11 December 2024

Dear Paul,

Thank you for your letter of 20 November regarding the Legislative Consent Memorandum for the Product Regulation and Metrology Bill. I apologise for the late reply. I respond to your specific questions below.

1. Does the Welsh Government have any concerns relating to the Bill's development, in light of its concerns relating to the former UK Government's regulatory proposals?

The Bill reflects the culmination of a UKG review into product safety regulation launched in 2019 and which encompassed a [call for evidence](#) in 2020-2021 and a [consultation](#) between August and October 2023. For the latter consultation, UKG officials undertook 53 events and received over 130 responses from a range of stakeholders on the range of issues on the proposal.

Following the consultation, the Office for Product Safety and Standards (OPSS) has continued to engage closely with local authorities via the Local Authority Trading Standards (LATS) group. They received a consolidated response from the Chartered Institute of Trading Standards but did not receive any specific queries from Welsh local authorities.

The UKG has updated Welsh Government (WG) officials from a delivery point of view. Engagement continues on the implications for international trade.

UKG officials informed WG officials of the intentions regarding this Bill on 13 August and shared a draft Bill and other relevant information a week before the Bill was introduced. The Bill was subsequently adopted by the new UK Government to be taken forward at pace due the urgent need to ensure regulations were up to date. Following introduction, we have engaged further with UK Government and hope to be in a position to provide positive updates to the Senedd in due course.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

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.

2. What analysis has the Welsh Government carried out to enable you to come to the view that the Bill “should be positive for businesses”, and could this analysis be shared with the Committee?

The Bill is intended to support the smooth functioning of the UK internal market, which we recognise is critical for businesses and growth across Wales. It will allow the law to be updated to recognise new or updated EU product requirements, with the intention of preventing additional costs for businesses and providing regulatory stability. In addition, when implemented there will be benefits from improvements in product safety which is likely to have positive benefits for other areas including fire safety, for example.

The [Impact Assessment](#) provided alongside the Bill provides a qualitative analysis for the measures sought the Bill. It provides details of the market failures the enacting powers would help reduce and provides examples of how the powers could be used. The use of the enabling powers would be subject to secondary legislation and impact assessments quantifying the impacts. Therefore, no detailed analysis on specific sectors is available at this stage.

3. Could you set out what steps the Welsh Government has taken to obtain the views of businesses, producers, and manufacturers on the Bill?

There is not a need for a Wales specific impact assessment in relation to this Bill, given the nature of the provisions and the UK Government’s previous consultation and engagement work.

The UKG engagement activities included

- Extensive engagement with industry stakeholders representing manufacturers, importers, retailers and conformity assessment bodies, both on product regulation policy as well as UKCA Marking and CE recognition policy. This included roundtable meetings across the UK including in Cardiff, Edinburgh and Belfast; and internationally, including Brussels, Berlin and Bonn. They also liaised with colleagues in the international Welsh Government office in Brussels in 2023-2024.
- The Office for Product Safety and Standards (OPSS) invited Welsh LATS to (NPSG) National Product Safety Group which the Product Safety Review team spoke at three times. They provided updates throughout the consultation process and invited views.

The UKG has also confirmed that it intends to engage with relevant stakeholders in Wales with respect to developing any regulations under the Bill.

4. Has the Welsh Government sought the views of its Trade Advisory Group members and if so, what was their view?

As the Product Regulation and Metrology Bill is related to domestic regulation, we have not sought the views of TPAG members whose focus is on international trade. However, we are aware from our regular engagement with them that they are supportive of closer alignment with the EU which this Bill provides the framework for. As the Bill does not create any mutual recognition or equivalency arrangement for product regulation, Welsh businesses will still need to ensure they meet EU regulations when exporting to the EU.

5. Could you set out which EU regulations the Bill might extend to? Are there any that the Welsh Government believes would be particularly beneficial to Welsh exporters? Could you also confirm what conversations have been held with the UK Government on these matters?

The Bill will provide the UK Government with the authority to enact regulations for the purpose of reducing or mitigating any risk presented by products marketed or used in the UK, ensuring those products give accurate readings and that they operate efficiently and effectively.

The Bill only relates to domestic regulation and as such does not extend to any EU regulations. The Bill will provide UK government with the power to create closer alignment with the EU by choosing which EU regulations, now and in the future, they wish the alignment to be achieved in. Welsh importers can potentially benefit from the arrangements set out in the Bill as the UK continues to recognise EU product regulations and product markings (CE marking). There are some limited benefits for Welsh exporters as they will continue to need to demonstrate that they meet EU regulations when exporting to the EU. This is not a bilateral arrangement, and the EU does not recognise UK standards and regulations as equivalent.

The overwhelming majority of UK product safety legislation is assimilated law, transposed into UK law while the UK was part of the EU and then assimilated following the EU exit process. Much of the legislation is secondary legislation, made, at least in part, using powers in the European Communities Act 1972, powers which were also used to regularly update that secondary legislation. On EU exit, powers under the European Union (Withdrawal) Act 2018, were used to create a UK only system. However, to ensure a continued flow of goods, provision was also made to allow certain goods that meet current EU requirements on the market across the UK.

The Bill will provide the Secretary of State with the ability to update relevant legislation to allow the UK to maintain high product standards. Clause 1(2) provides that in addition to the matters listed in Clause 1(1), the Secretary of State may make provision for the purpose of reducing or mitigating the environmental impact of products where the EU makes provision in that area, however the Bill will not extend to EU regulations per se.

6. Should the Bill result in UK recognition of EU standards, could you set out how this might interact with other post-Brexit trade agreements? For example, could Welsh business be undercut by Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) imports producing to a lower standard than is required for the EU market?

As mentioned, the Bill creates a change domestically to allow the UK to choose whether or not to align with EU regulations in the future. We do not believe there is any interaction with other post-Brexit trade agreements. Products imported into the UK will still need to ensure that they meet the high level of product standards and regulations before they can access the UK market.

7. Could the Bill be used to safeguard the UK's domestic industries from import surges of goods made to a lower standard that cannot enter the EU market (i.e. dumping)?

Imports into the UK will need to meet the same standards and regulations that our domestic producers have to meet. Import surges (dumping) is dealt with under the UK's separate trade remedies regime. My officials regularly engage with Trade Remedies Authority (TRA) on this matter.

8. Could the Bill have differentiated effects across Welsh industries, and if so, how?

There are certain products that do not come under the remit of the Bill as they have their own legislative instruments. For example, medical devices and automotive. Therefore, there continues to be different market access, and specifically import requirements and EU recognition, for those products not covered by the Bill.

The Committee will wish to be aware that my officials are continuing to engage with UK Government about possible amendments, to ensure the Bill respects and reflects devolution.

We anticipate that we will receive further information on the UK Government position in the coming weeks.

Yours sincerely,



Rebecca Evans AS/MS

Cabinet Secretary for Economy, Energy and Planning
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio