Research Briefing
Brexit Update

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The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.
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1. Introduction

This paper provides an update on the most recent developments on Brexit of relevance to Wales. It includes sections on the work of the Assembly and Welsh Government; EU; UK; and Scotland and Ireland. The period covered is 24 January – 7 February 2018, although reference is made to later events where information is available at time of final drafting.

2. Developments in Wales

National Assembly for Wales
External Affairs and Additional Legislation Committee

The External Affairs and Additional Legislation (EAAL) Committee is the lead Committee in the Assembly for co-ordinating the Brexit-related activities of Committees.

The EAAL Committee is currently undertaking an inquiry into Wales’ Future Relationship with the EU. The most recent sessions of the EAAL Committee were:

– 29 January: A stakeholder forum on Wales’ Future Relationship with the EU was held, discussing:

  The Legal and Political Process for Agreeing the Future Relationship between the UK and the EU
  Our Future Relationship with the EU: Priorities for Wales
  Our Future Relationship with the EU: Opportunities for Continued Engagement with the European Union and its Institutions after Brexit
  Continuity Bill: Observations from Stakeholders
  Our Future Relationship with the EU: Final Statements

– 5 February: The committee visited Toyota and Aston Martin as part of the same inquiry.

On 2 February EAAL published its report ‘How is the Welsh Government Preparing for Brexit? The report concluded that more could be done to help private, public and third sector organisations in Wales prepare for Brexit.

The Research Service’s own blogs are published on In Brief. The latest Brexit blogs are Brexit Negotiations Monitoring Report and A Continuity Bill: Why and when?

Other

On 2 February the Constitutional and Legislative Affairs Committee published its report on Governance in the UK post-Brexit. The Committee is also continuing work with its inquiry into Powers in the EU (Withdrawal) Bill to make subordinate legislation.

The Constitutional and Legislative Affairs Committee has begun reporting on where subordinate legislation currently being laid before the Assembly may need amending after the UK leaves the EU.

The Equalities, Local Government and Communities Committee is considering the implications of Brexit on Human Rights as part of its inquiry into Human Rights in Wales.
Welsh Government
24 January: EU funding boost for £2.5m scheme to help people in South Wales into work.
25 January: Finance Secretary discusses regional investment in South Wales after Brexit.
30 January: A grate result - Wales’ iconic Caerphilly cheese gains European protection.
30 January: £1.4m EU boost for new aquaculture project.
30 January: Finance Secretary encouraged by discussions with peers as Brexit Bill enters 2nd reading in House of Lords.
2 February: First Minister sets out vision for trade post-Brexit.

News
29 January: The future of EU funding and the third sector (WCVA)
31 January: Green farming schemes alone will not be enough post Brexit (TFA)
2 February: NFU Cymru responds to Welsh Government Brexit trade paper.

3. EU developments

European Council
29 January: Brexit: Council (Article 50) adopts negotiating directives on the transition period.
6 February: EU-Norway agreement signed, strengthening the prevention of VAT fraud.

European Commission
24 January: General Data Protection Regulation – Q&A.
24 January: Space policy: Galileo Security Monitoring Centre back-up site moves to Spain.
24 January – 6 February: Internal EU27 preparatory discussions on the framework for the future relationship: Slides on Security, Defence and Foreign Policy; Slides on Police & judicial cooperation in criminal matters; Slides on Level Playing Field; Slides on Services; Slides on International agreements and trade policy.
25 January: January infringements package - letter of formal notice to the United Kingdom for failing to collect and transmit to other Member States the bank account details for each taxable person registered for the recently agreed, EU-wide system for VAT collection on online sales of e-services (VAT Mini One-Stop-Shop).
29 January: Press statement by Michel Barnier following the General Affairs Council (Article 50) on the adoption of negotiating directives on transitional arrangements.
29 January: Brexit: European Commission receives mandate to begin negotiations with the United Kingdom on transitional arrangements.
29 January: Council (Article 50) negotiating directives on the transition period.
1 February: Withdrawal of the United Kingdom and EU Food Law.

2 February: Programme of EU-UK Article 50 negotiations.

5 February: Statement by Michel Barnier following his working lunch in London with David Davis.

6-9 February: Programme of EU-UK Article 50 negotiations;

7 February: Position paper "Transitional Arrangements in the Withdrawal Agreement".

7 February: Commissioner Pierre Moscovici presents the Winter 2018 Interim Economic Forecast.

**European Parliament**

25 January: Bulgarian Presidency priorities discussed in committees.

1 February: Brexit: European Parliament to keep fighting to fully protect rights of EU-UK citizens.

7 February: “Spitzenkandidaten” process cannot be overturned, say MEPs.

7 February: Size of Parliament to shrink after Brexit.

**News**

24 January: Switzerland’s farmers become landscape gardeners – a non-CAP farm support system (BBC)

24 January: Angela Merkel: Brexit vote gave EU ‘courage’ - German chancellor tells Davos the EU is ‘generally open to any sort of partnership’ with the UK (Politico)

25 January: Ex-UK PM Cameron: Brexit not going as badly as we thought (Euractiv)

25 January: An asylum seeker may not be subjected to a psychological test in order to determine his sexual orientation (Court of Justice of the European Union)

30 January: Aviation industry prepares for bumpy Brexit ride (Euractiv)

31 January: The tragedy of David Cameron... (Euractiv)

31 January: Europol head fears loss of UK influence after Brexit (BBC)

**4. UK developments**

**UK Government**

24 January – 6 February: Prime Minister meeting or phone call: Swiss President Alain Berset in Davos, President Trump, Prime Minister Jüri Ratas of Estonia, Prime Minister Malcolm Turnbull of Australia, President Trump.

25 January: The Prime Minister addressed the World Economic Forum in Davos, Switzerland.

26 January: David Davis’ Teesport Speech: Implementation Period – A bridge to the future partnership between the UK & EU.
26 January: Open letter to business on Implementation Period.

31 January - 2 February: Prime Minister in China: Ambitious new approach to UK-China education. Speech with Premier Li, new UK-China action to end the illegal wildlife trade, at a reception in Beijing, speech at Wuhan University, meeting President Xi. JD.com commits £2 billion to bring UK products to Chinese consumers, PM Business Forum speech in Shanghai.

1 February: Updated Information about the Withdrawal Bill.

6-9 February: Programme: EU-UK Article 50 Negotiations.

**House of Commons**

European Union (Withdrawal) Bill as amended in committee.

The European Union (Withdrawal) Bill 2017-19: Summary of Commons Committee Stage – House of Commons Library.

The European Union (Withdrawal) Bill: clause 7 “the correcting power” – House of Commons Library.

Brexit: 'sufficient progress' to move to phase 2 – House of Commons Library.

24 January: Scotland Questions: Leaving the EU: Devolution of Powers; Leaving the EU: Economic Opportunities; Leaving the EU: Common Frameworks.

29 January: Questions on Leaving the EU: Implementation.

30 January: Questions on Leaving the EU: Economic Analysis.


31 January: Wales Questions: Welsh EU Continuity Bill; Leaving the EU: Welsh Economy.

31 January: Debate and motion passed on the Government’s EU Exit Analysis.

1 February: A series of questions on Exiting the European Union.

1 February: Foreign Affairs Committee statement and questions on UK Diplomacy in Europe.

1 February: Westminster Hall debates: Leaving the EU: Chemicals Regulation; Leaving the EU: Agriculture.


5 February: Written statement on the EU Foreign Affairs Council of 22 January.

**Committees**

**Business, Energy and Industrial Strategy:**

31 January: Evidence session on Leaving the EU: implications for UK business, Transcript.

**Defence:**

Digital, Culture, Media and Sport:

Environment, Food and Rural Affairs:
5 February: Labour constraints inquiry launched. Written evidence submitted by the NFU, and by the Association of Labour Providers.

European Scrutiny:
31 January: Meeting summary.

6 February: Government must clarify plans for links with Commonwealth after Brexit.

Exit the EU:
24 January: David Davis questioned on UK's future relationship with EU. Transcript.

31 January: The Committee considered how the EU Association Agreements with Georgia, Moldova, and Ukraine could inform future UK-EU relations. Transcript.

6 February: EU's relationship with Switzerland considered.

7 February: European Economic Area and Norway model considered.

Foreign Affairs:
30 January: Former UK and EU foreign policy chiefs on 'Global Britain'. Transcript.


6 February: Evidence session on Global Britain.

7 February: Minister of State questioned on UK's influence at the UN.

Health:
23 January: Secretary of State questioned on impact of Brexit for patients. Transcript.

26 January: Expand the nursing workforce at scale and pace, say Committee. Report - The Nursing workforce.

Home Affairs:
23 January: Minister for Policing questioned on EU cooperation after Brexit. Transcript.


5 February: Letter to Amber Rudd from the Chair regarding White Paper on post-Brexit immigration arrangements.
**Human Rights:**


**International Relations:**

24 January: UK international relations in changed world conditions examined by Committee. Transcript.

31 January: Former Foreign Secretary Lord Hague gave evidence to Committee. Transcript.

**International Trade:**

23 January: Letter from Greg Hands to the Chair on EU trade agreements after Brexit.

24 January: Evidence session on the Continuing application of EU trade agreements. Transcript.

31 January: UK-US trade agreements examined with automotive, tech and agricultural sectors. Transcript. Written evidence from TechUK and SMMT.


**Northern Ireland:**

24 January: Evidence session: Devolution and democracy in Northern Ireland – dealing with the deficit. Transcript.

31 January: Northern Ireland Affairs Committee welcomes Bombardier ruling.

31 January: Transcript of 22 January meeting with Michel Barnier published.

1 February: Evidence Session on Devolution and democracy in Northern Ireland – dealing with the deficit. Transcript.

7 February: Evidence Session on Devolution and democracy in Northern Ireland – dealing with the deficit.

**Public Accounts:**


31 January: Evidence session on Implementing EU Exit: BEIS. Transcript and written evidence.

7 February: Government too slow to allocate skills and resources for Brexit – Report – Exiting the European Union.

**Public Administration and Constitutional Affairs:**

23 January: Evidence session: Experts explain how devolution has changed the UK Constitution ahead of Brexit. Transcript.
5 February: Evidence Session in the National Assembly on Devolution and Exiting the EU, witnesses included Carwyn Jones AM, Andrew RT Davies AM, Leanne Wood AM, Jane Dodds, Elin Jones AM, Manon Antoniazzi, Mick Antoniw AM

Science and Technology:


Scottish Affairs:

30 January: Evidence Session on Immigration and Scotland, Transcript.

Treasury:

31 January: Letter to David Davis, Secretary of State for Exiting the European Union. 31 January – publication of EU Exit Analysis -Cross Whitehall Briefing.

Welsh Affairs:

30 January: Impact of Brexit on Welsh ports examined. Transcript.

House of Lords


25 January: Questions on Brexit: Foreign Policy.

25 January: Debate: Role of the devolved administrations in the process of withdrawal from the EU and future opportunities for strengthening the union of the UK. Leaving the EU: Role of the Devolved Administrations and Implications for the Union (House of Lords Library Briefing)

26 January: Second Reading of the Open Skies Agreement (Membership) Bill.

29 January: Questions on Brexit: Audio-visual Services; Brexit: Gibraltar.

30 January: Second Reading of the European Union (Withdrawal) Bill, and continued.

30 January: Questions on BBC: Brexit; Brexit: Negotiations.

31 January: Final day of Second Reading of the European Union (Withdrawal) Bill, debate continued and committed to Committee of the whole House.


Committees

Constitution:

29 January: EU ( Withdrawal) Bill needs amending to make it constitutionally acceptable – report.

Delegated Powers and Regulatory Reform:

1 February: EU (Withdrawal) Bill gives Ministers too much power to avoid parliamentary scrutiny – Report.

Economic Affairs:


EU Select:

23 January: Evidence session on UK-Irish relations with Karen Bradley, Secretary of State for Northern Ireland, Northern Ireland Office and Robin Walker, Parliamentary Under Secretary of State, Department for Exiting the European Union, Transcript.

29 January: Evidence Session on Scrutiny of Brexit negotiations, with David Davis. Transcript.

30-31 January: Committee visited Dublin, Belfast and Derry/Londonderry for UK-Irish relations follow up.

6 February: Committee heard about system of checks at EU external borders with Switzerland and Norway.

EU Energy and Environment Sub-Committee:


7 February: Evidence session on Brexit: food security and prices.

EU External Affairs Sub-Committee:


8 February: Operation Atalanta Commander gives evidence to Brexit: CSDP missions inquiry.

EU Financial Affairs Sub-Committee:


EU Home Affairs Sub-Committee:


7 February: Music and dance professionals give evidence on movement of people after Brexit.
EU Internal Market Sub-Committee:
1 February: Evidence Session on Brexit: future trade between the UK and the EU in services: follow-up. Another session was held on 8 February.
8 February: Digital and travel sectors representatives gave evidence in trade follow-up session.

EU Justice Sub-Committee:
6 February: Evidence session on Brexit: enforcement and dispute resolution.

International Relations:
31 January: Former Foreign Secretary, Lord Hague of Richmond, gave evidence. Transcript.
7 February: Evidence session on Foreign policy in changed world conditions.

Liaison:

News
29 January: Leaked Government Brexit Analysis says the UK will be Worse Off in Every Scenario (BuzzFeedNews)

5. Scotland

Scottish Parliament
Scottish Parliament Brexit Update: 1 February.
23 January: Debate on the Finance and Constitution Committee’s “European Union (Withdrawal) Bill LCM—Interim Report”.
30 January: Brexit – Negotiating a transition (Scottish Parliament Information Centre)
31 January: Finance and Constitution Committee evidence session on the European Union (Withdrawal) Bill.
1 February: Culture, Tourism, Europe and External Relations Committee took evidence on Scotland’s Place in Europe.
6 February: Brexit and health – Who cares? (Scottish Parliament Information Centre)
7 February: The Culture, Tourism, Europe and External Relations Committee has written to the Secretary of State for Exiting the European Union, David Davis MP for a fifth time to ask him to give evidence on the UK Government’s position on Brexit.

Scottish Government
29 January: Brexit threat to aid priorities.
1 February: Call for Brexit analysis to be made public.
6 February: Call for more engagement on Brexit.

6 February: Brexit and rural Scotland - EU migrant workforce is ‘essential’.

7 February: A tailored migration system for Scotland.

6. Northern Ireland

The Assembly publishes a ‘Brexit Brief’ newsletter and Brexit information.

The Assembly’s Research and Information Services has a Brexit Hub with information and links to resources on the subject of Brexit and Northern Ireland.

26 January: Major boost for agri-food industry as pork exports to Australia set to commence.

7. UK-Ireland relations

23 January: European Council Meetings.

25 January: Questions on the Good Friday Agreement and Brexit Negotiations.

7 February: Michael Russell, MSP, Minister for UK Negotiations on Scotland’s Place in Europe, appeared before the Joint Committee on EU Affairs.

8. Reports published

A ‘full monty’ Brexit transition would tide Britain over, but it has its own share of problems (UK in a Changing Europe)

The myth of the 2017 ‘youthquake’ election (BBC)

Tremors But No Youthquake: Measuring Changes in the Age and Turnout Gradients at the 2015 and 2017 British General Elections; British Election Study 2017 Face-to-face survey v1.0: Release note (British Election Study)

The ties that (still) bind: the enduring tendrils of the British Empire (The Conversation)

Trump and Brexit have triggered two deep constitutional crises (The Conversation)

Brexit’s impact on small businesses: the experts may be spot on after all (The Conversation)

A ‘Brexit dividend’ to spend on the NHS? (UK in a Changing Europe)

Impact assessment of Brexit: services industries will be hardest hit (UK in a Changing Europe)

Has the UK economy really shrugged off the impact of the Brexit vote? (UK in a Changing Europe)

The Brexit threat to peace and rights in Northern Ireland (UK in a Changing Europe)

Report: Brexit and Public Opinion (UK in a Changing Europe)

Voting in the 2017 general election: a Brexit election? (UK in a Changing Europe)
The challenges for farm policy after Brexit (LSE Brexit)

Brexit is an opportunity for MPs to scrutinise legislation better - The proposed new sifting committee for Statutory Instruments under the EU (Withdrawal) Bill will not give MPs meaningful and effective oversight of them – unless amendments are made to more effectively hold the government to account (LSE Brexit)

What do Scots think about Brexit and the EU? (LSE Brexit)

China is a crucial partner for Britain to prosper outside the EU (LSE Brexit)

It’s not what the rules are, it’s the way that you show it: proving ‘origin’ post-Brexit (LSE Brexit)

Continental Breakfast 6: Is Switzerland a model for the UK-EU relationship? (LSE Brexit)

Welsh ports and Brexit: have things changed? (Welsh Brexit blogs)

The cost of Brexit and how much you should trust the forecasts – explained by an economist (The Conversation)

Why the UK won’t get a better trade deal with China outside the EU (The Conversation)

The Brexit transition – a legal expert explains what’s on the negotiating table (The Conversation)

EU Withdrawal Bill: what to expect in the Lords (UK in a Changing Europe)

China, the EU and the UK (UK in a Changing Europe)

Response to leaked government Brexit analysis (UK in a Changing Europe)

The implications of Brexit for the North-East and Cumbria (UK in a Changing Europe)

Which Manufacturing Sectors are Most Vulnerable to Brexit? (UK Trade Policy Observatory)

Citizens’ rights and beyond (UK in a Changing Europe)

The Brexit vote may be the first shot fired in a British culture war – attitudes to ethnic diversity (UK in a Changing Europe)

Long read: inside No. 10, from July 2016 to July 2017 (UK in a Changing Europe)

Brexit and British politics (UK in a Changing Europe)

The pluses – and minuses – of ‘Norway Plus’ (UK in a Changing Europe)

Brexit: are women’s voices going unheard? (UK in a Changing Europe)

Will the Irish question be solved? (UK in a Changing Europe)

A Canadian perspective on CETA +++: those pluses will come with minuses (LSE Brexit)

EU citizens in Britain are already being stigmatised – and it’s likely to get worse (LSE Brexit)

Brexit ‘ultras’ are undermining the integrity of the Civil Service. The consequences could be grave (LSE Brexit)
‘Categorically clear’: What being outside a customs union with the EU will mean for post-Brexit UK (LSE Brexit)