



David Rees AM
Chair of the External Affairs and
Additional Legislation Committee
National Assembly for Wales
Cardiff Bay, Cardiff
CF99 1NA

5 November 2019

Dear David,

Thank you for your letter requesting additional information following my appearance before the Committee on 23 September.

Draft international strategy – priority relationships and the strategic goals

The draft strategy focuses on showcasing the nation and its commitment to sustainability; raising its profile and growing the Welsh economy through increasing exports and investment.

France, Germany and the USA are our three largest export destinations, as well as amongst our largest investors. We will be prioritising existing markets in Europe and North America and developing new opportunities in the Middle East and Asia to increase exports and investment.

Strengthening and deepening these relationships will increase the opportunities to showcase the nation and raise its profile.

We also have a strong network of overseas offices working hard to develop our international profile further as well as long-standing relationships with the governments of these regions.

My recent announcement of £320,000 from the EU Transition Fund will foster closer partnership working with the priority regions and in turn help towards achieving the three strategic goals.

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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.

Draft international strategy – priority relationships and the key industries

Through the consultation on the strategy we are testing the response to the three sectors we have identified to spearhead some of our promotional work. The draft strategy promotes three industries as a 'centres of excellence in Wales' – compound-semiconductors; the creative industries, specifically film and TV; and cyber security.

The key industries will help us highlight to the wider world the skills on offer in Wales. They are also areas where expertise already exists in Wales; where companies are already at the forefront of production and development. There is a solid basis on which we can build further excellence in these three distinct areas, in the face of the challenges posed by Brexit.

Many of the countries and regions identified have links with our key industries – US companies, such as HBO, have already produced film and TV programmes in Wales including the long-awaited His Dark Materials. Netflix has also recognised Wales as an excellent location and has filmed a number of series here in the last couple of years. We need to build on this success, as well as develop our own home-grown creative industries.

Brittany and the USA host two of the biggest global cyber security industry events and the USA is a leader in compound-semiconductors.

Overseas offices

I can confirm that Welsh Government officials continue to attend relevant EU meetings in Brussels. This is still the case, even with the decision by UK Government to significantly reduce attendance at meetings from 01 September. Welsh Government officials have attended some meetings with UK Government officials present. Welsh Government officials have also attended a number of meetings (Agriculture, Climate) in a non-speaking capacity, without a UK Government representative present. I strongly regret the decision by UK Government to reduce the attendance by its officials for which no credible rationale has ever been demonstrated, and on which there was no prior discussion with the Welsh Government. However, Welsh Government officials continue to work to identify our priority issues in such meetings, and to ensure that we are involved, whether the UK Government attends or not.

Concordat on Trade

We have not been able to progress the Concordat following the last change of Ministers in the UK Government. Under Theresa May's government Ministers in DIT gave me assurances that negotiations would not take place without the Concordat in place. This was a non-binding agreement and we cannot guarantee that it will be in place before negotiations start. Work continues across the UK to put in place strengthened intergovernmental machinery, including for trade policy, and we continue to be reassured that we will be involved in developing negotiating positions.

Under Boris Johnson's government, the Secretary of State for International Trade agreed to the set-up of the Joint Ministerial Forum on Trade and plans were in place for this to meet in October. This was cancelled given the upcoming general election. I hope that the incoming UK government do not once again start from scratch and we can build on the work to date to put in place formal intergovernmental arrangements as soon as possible. I will of course be pressing any new UK Ministers to progress this as a matter of urgency.

As requested, I have enclosed a copy of the Minister for Economy & Transport's letter to the Secretary of State for International Trade on the issue of Freeports.

Can I take this opportunity to thank the Committee for their continued interest in the development of the International Strategy. I look forward to receiving feedback following your Committee meeting on 21 October.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. E. Morgan'.

Eluned Morgan AC/AM

Gweinidog y Gymraeg a Chysylltiadau Rhyngwladol

Minister for International Relations and the Welsh Language