

First Minister sets out vision for trade post-Brexit

The Brexit trade paper, supported by an economic impact analysis from Cardiff Business School, argues the Welsh economy is best protected by retaining full access to the European Single Market and membership of a customs union.

The paper sets out the severe impact a hard Brexit would have on Welsh jobs and the economy. If the UK were to move to World Trade Organisation (WTO) rules, the Welsh economy could shrink by 8% – 10%, which would be the equivalent of between £1,500 and £2,000 per person in Wales.

The report shows the Welsh economy would be disproportionately impacted by a hard Brexit and identifies that the sectors most at risk from tariffs are automotive, chemicals, steel and electrical engineering, while the aerospace industry is most at risk from non-tariff barriers. These are sectors which are amongst the most productive in Wales and provide a large number of highly-skilled, well-paid jobs.

The trade paper calls on the UK government to provide evidence of how new trade deals would replace the benefits of access to the EU. The Welsh Government also wants decisions on new trading relationships with the EU and the wider world to be taken in partnership with devolved administrations to fully reflect the interests of all parts of the UK.

Launching the document at Zodiac Aerospace in Cwmbran – a world leader in aerospace equipment and systems – the First Minister said:

“Welsh exports are worth £14.6bn each year, with 61% of Welsh exports and just under half of our imports going to and from the EU. Wales is currently attracting record levels of inward investment, which is largely due to our access to the EU’s 500m customers.

“As our trade paper highlights, moving to WTO rules and the imposition of tariffs could have a catastrophic impact on our lamb sector and on the Welsh shellfish industry, which currently exports around 90% of their produce to the EU.

“These hard facts underline what is at stake if the UK government fails to get the right deal for the UK or we crash out of the EU without one.

“I fundamentally disagree with the Prime Minister’s well worn phrase that ‘no deal is better than a bad deal’ and believe leaving the Single Market and the Customs Unions would be hugely damaging for Welsh businesses and jobs, with our agricultural, food producers and automotive sectors being particularly hard hit.

“Ministers in London have yet to show us any evidence of the benefits of leaving the Single Market and the Customs Union or how new trade deals would replace the benefits of access to the EU. In fact, UK government documents that have come to light this week chime with our own analysis of a post-Brexit economy.

Today’s paper is a constructive, evidence-based contribution as the UK government prepares for phase 2 of the EU exit negotiations.”

The First Minister added:

“The paper I am launching today is a positive vision of Wales as an outward looking, globally trading nation, open to the wider world while maintaining our strong trade with the EU. It sets out the need for a post-Brexit deal that enables Welsh goods to keep flowing into the EU without new obstacles or costs, whilst recognising the significant trading opportunities outside of Europe.

“I urge the UK government to give serious consideration to our proposals and work with us to develop a post-Brexit trade policy which protects Welsh jobs and the economy.”