<u>Joint statement by the First Ministers</u> of Scotland and Wales

We have repeatedly pressed the UK government to engage fully with us on its preparations for the UK leaving the EU and we will continue to contribute as fully as possible to the work of the European Union Exit and Trade (Preparedness) Committee over the coming weeks.

We are particularly keen to do so to press home the point that all the evidence we have seen to date suggests that the UK is simply not prepared for a 'no deal' Brexit in less than 2 months' time. Our firm view is that such an outcome to the Brexit negotiations would be a catastrophe which would cause significant short-term disruption to the lives of ordinary citizens as well as to businesses and long-term harm to our economy.

And while a longer period to prepare for 'no deal' as proposed by some Conservative MPs might reduce the risk of people in Scotland and Wales being unable to access the medicines that they need or the range of foods they want to buy, it would do nothing to mitigate the longer-term economic damage that such a radical rupture with our EU neighbours would cause. The jobs lost at Shaeffler in Llanelli and the cancelled investment at Nissan in Sunderland are just a foretaste of the future. The CBI has estimated a no deal Brexit could cost the Scottish economy £14 billion a year by 2034.

The House of Commons, National Assembly for Wales and Scottish Parliament have all rejected the Prime Minister's deal. It would make the UK as a whole poorer and would open the door to a "blind Brexit" with years of difficult negotiations on the future relationship and no guarantee a trade deal will even be concluded.

Alarmingly at this late hour, following its defeat, the UK government still appears unable to identify the "alternative arrangements" to the Irish backstop which it says would allow the House of Commons to vote for the deal. In addition the EU remains totally committed to the backstop, which it says will not be re-negotiated.

The point has been reached where there is now no time to waste. We therefore renew our call for the Prime Minister to make clear that she and her government will ensure 'no deal' is taken off the table. This should include putting forward secondary legislation now to remove 29 March 2019 as exit day from the EU (Withdrawal) Act.

The Prime Minister must also request an extension from the EU of the Article 50 deadline. We call on the Prime Minister to request such an extension immediately to put an end to the threat of the UK crashing out of the EU without a deal in only 8 weeks' time.

The EU has made it clear that in terms of negotiations on the future relationship, it would respond favourably if the Prime Minister was to drop

her "red lines". We therefore further call on the UK government to abandon those red lines, which the EU has repeatedly said, severely restrict the possible outcomes of Brexit.