

Lesley Griffiths welcomes publication of EU Exit scenario report

The [EU Exit scenario report](#) has been published by the Cabinet Secretary's Brexit Roundtable Stakeholder Group. The group was set up following the referendum result to provide a forum for engagement and collaboration between the Welsh Government and its key stakeholders across the portfolio in planning for Brexit.

Over a number of months, a sub-group examined a number of different Brexit scenarios to identify the possible impacts on the sectors. In its report, five scenarios were developed, including defaulting to WTO terms, an EU-UK Free Trade Agreement (FTA) and complete access to the single market with new FTAs with third countries.

The report summarises the key findings of the work, which was developed with stakeholders across all of the sectors.

Key findings across the scenarios include:

- Opportunities arise for some sectors in some scenarios, but not in all.
- Food prices increase to some degree across all scenarios, particularly influenced by import tariffs, non-tariff barriers and higher labour costs.
- The potential impacts for Welsh fishing vary from collapse under WTO tariffs to no change if the trading arrangements with the EU remain unchanged.
- The importance of investing in 'added value' is a theme across all scenarios and with all sectors.
- The sheep sector faces severe challenges as it relies on export to balance seasonal production and to achieve carcass balance. The pressures from geographical constraints and workforce availability in abattoirs and processing mean lamb markets are likely to struggle in all scenarios.
- The dairy and poultry sectors are most robust because of their focus on UK internal markets and lower reliance on export. Beef remains viable with a buoyant dairy industry to supply calves, with a better carcass balance and a lower dependency on export.
- The Welsh environment sector remains a potential growth area in term of eco-tourism through landscapes and seascape. It is rich in natural capital but investment is needed to develop new markets and to develop the skills the sector needs.
- Government funding significantly impacts the rate of change but not the eventual outcome. For many of the most severely impacted sectors funding is unlikely to be able to prevent the impacts but it could help to facilitate change.
- Without Government transitional support, in scenarios of big change, specific sectors may collapse quickly which will have wider consequences on community health and well-being.

- Both farming and fishing businesses in Wales need to improve productivity and efficiency, and consider other income streams to stay viable. This will require improved business skills and investment in infrastructure.
- The challenges and opportunities of Brexit will be different for each agricultural, fishing, forestry or food business. Mechanisms to support businesses to make the right decisions need to be put in place.

Cabinet Secretary said:

“I welcome the publication of this EU Exit scenario report and would like to thank the stakeholders for all their hard work. My Brexit Roundtable Group is a key forum where we engage and work closely with key stakeholders across my portfolio to support a collective approach to Brexit in Wales.

“Leaving the EU brings a high degree of uncertainty, and poses both risks and opportunities across sectors including food, fisheries, farming, forestry and the environment. However, accurately predicting the impacts of Brexit is incredibly difficult.

“The Group has therefore considered a number of scenarios to explore the impact directly on key sectors and between the sectors to enable us to also consider potential wider impacts on our communities and our environment.

“Whilst today’s report makes for stark reading it will be an important resource for us as a government, as well as the sectors themselves, to inform our collective preparations for a successful future outside the EU.”