

[News story: Mundell: Leaving the EU will transform global trade](#)

In a speech during a trade visit at the Diplomatic Academy, attended by senior members of the Paraguayan government, Mr Mundell focused on strengthening ties between Scotland and Paraguay, and the future of international trade as we leave the EU. He also spoke, on the third anniversary of the 2014 independence vote, about Scottish politics and working with the Scottish Government on Brexit.

On international trade, Mr Mundell said:

“Both our countries are very different now than they were 20 years ago. We find ourselves in a very different world. Amid all the change around us, it is encouraging that our relationship has strengthened in the last few years.

“This includes the promotion and protection of around \$120 million worth of British investments in the Paraguayan economy. But there is much more we can do. So it mustn’t be another twenty years.

“I see my visit here this week as the start of a stronger, closer relationship. This is part of a fundamental step-change in the UK’s global trade policy. Looking at our global trade policy, leaving the EU will be transformative.

“Of course, a significant part of the trade we currently do is underpinned by trade deals we are a part of through our membership with the EU. We are taking a sensible, pragmatic approach to these deals. That is why we will continue to support the EU’s trade agenda, including continued support for the ongoing negotiations of the EU-Mercosur Free Trade Agreement. As we leave the EU, we look forward to building upon that progress with Paraguay and the other Mercosur members.”

Reflecting on 20 years of devolution, Mr Mundell said:

“We need to pull together at home. We need to be ready for Brexit.

“Our two countries have changed over the past 20 years. In the UK, one of the biggest changes has been to devolve power closer to the people and to create a parliament in Scotland’s capital, Edinburgh, and legislative assemblies for Wales, in Cardiff, and Northern Ireland, in Belfast.

“When our Lord President of the Council visited Paraguay in 1996, they did not exist. Now, a UK without them is unimaginable.

“Last week we celebrated the 20th anniversary of a referendum in Scotland when the people voted overwhelmingly in favour of creating a parliament. It

means that in Scotland we are at the heart of a strong, secure UK while having the ability to take different decisions, specific to Scotland's needs and priorities, in devolved areas.

"This powerful feeling that we enjoy the best of the both worlds carried the day in 2014 when the Nationalist government in Edinburgh held a referendum on Scottish independence. Their proposal to take Scotland out of the UK was firmly rejected.

"Devolution – not independence – is the clear and settled will of the Scottish people and its achievements over the past 20 years have been considerable.

Mr Mundell stated the need for common UK-wide frameworks:

"For more than 40 years, as members of the EU, we have taken a common approach, shared by all Member States, to a wide range of policy areas. This has ensured consistency within the UK, even after the devolution of powers to Scotland, Wales and Northern Ireland. A common UK-wide approach to many policy areas was built in to the devolution settlements.

"The question we need to answer now as we leave the EU is this: Where do we need to retain a UK-wide approach? And where can power returning from Brussels be transferred direct to the Scottish Parliament and other devolved institutions?

"We want to find common sense answers to these questions. For us, that will mean maintaining common, UK-wide frameworks in some areas in order to protect one of our biggest assets, our UK internal market. I am not prepared to see barriers emerge to trade within the UK, which would be extremely damaging for Scottish firms and for business across the UK.

"It is also essential that we safeguard our ability to enter into and implement trade deals or other international obligations. That is what we are talking about when we say we need common frameworks. But equally, we are clear that we will devolve powers unless there is a reason not to.

"The result will be a Scottish Parliament more powerful than it is today – indeed more powerful than it has ever been.□"

He spoke of working with the Scottish Government on Brexit issues and that independence is not the answer:

"Behind the scenes, that work has been happening and I am pleased to report we are making progress. But frankly, up to now, private progress has been overshadowed by public rhetoric.

"We have been accused by the Nationalist government in Edinburgh of a 'power grab,' of using our exit from the EU as an opportunity to centralise power at Westminster. That is simply not the case. Our record demonstrates our commitment to devolution.

“As a former MSP I want to see the Scottish Parliament strengthened and that is what will happen as we leave the EU. But I’m equally clear I want to see devolution delivered in a way that strengthens our United Kingdom – not undermines it. And this, sadly, goes to the heart of the matter.

“The fact is, until the recent election in June, the Brexit debate in Scotland was deliberately conflated with the question of Scottish independence.

“Despite the passage of only three short years – and despite the decisive result – the Scottish National Party – sought to use Brexit to re-open the issue that divided our country so badly.

“Their attempt was roundly rejected in the recent general election so we now need the issues to be de-coupled for good. The First Minister Nicola Sturgeon could put that to bed once and for all by ruling out a second independence referendum at her conference this autumn, and I hope she does.

“But whether or not she goes that far, I was heartened by her commitment in her Programme for Government to put the day job back front and centre. That is what people in Scotland asked for in June, and that is what they deserve.

“I look forward to the Autumn heralding the start of a more mature approach – where public rhetoric on all sides reflects the serious and constructive work achieved in private.”

He summed up his hopes for a stronger relationship between Scotland, the UK and Paraguay – and in particular his hopes for the whisky industry:

“Around half of the UK’s exports to Paraguay come from Scotland – mainly in the form of Scotch Whisky. I understand that this has been rising steadily over the years.

“This is welcome, of course. But twenty years ago, we were exporting three times as much Scotch Whisky to Paraguay as we are now. This is something I want to see turned around in the coming years, and which I see as a real Scottish opportunity. And trust me, as a connoisseur of Scotch whisky, a breakthrough in whisky exports will be for your enjoyment as much as ours.

“Scotch is a big deal here in South America, with the Scotch Whisky Association reporting sales of over £200 million. Scotland’s biggest export is being enjoyed by millions, from Colombia to Argentina, and from Brazil to Chile.

“South America is a continent of opportunity, a marketplace of 400 million people, and home to several growing economies, including Paraguay. As these economies grow, I am certain Scottish companies will be at the forefront of this. In agriculture, education, energy, food and drink, and financial services.

“Scotland’s skills, products and services are highly regarded globally, and we can build on that as we strike ambitious new trade deals and build relationships around the world. I am delighted to be here to bang the drum

for businesses in Scotland and across the whole of the United Kingdom.

“I’ll not pretend that we don’t face challenges. We face tough negotiations with our EU partners to secure the right Brexit deal for the UK. Within the UK we must bring powers back from Brussels in a way that respects and strengthens the devolution of decision-making to Scotland, Wales and Northern Ireland.

“We must show an adventurous new spirit to reach out to the rest of the world and strike trade agreements that will benefit us all. We want to forge new partnerships and – as I sincerely hope my visit to Paraguay demonstrates – deepen ties with old friends.

“But as I hope I’ve shown, we approach all this with clear principles and a real commitment to work with others.”