

Press release: Government sets out vision for post EU trade and customs policy

- Government lays the ground for the UK's exit from the EU.
- Separate trade and customs white papers pave the way for legislation to allow the UK to operate as a trading nation as we leave the EU and prevent disruption to trading arrangements.
- The UK Government will work closely with the Welsh Government so future trade policy is transparent and secures best possible outcome for whole of the UK.

The Government has taken a significant step in preparing to leave the EU by setting out arrangements for post-Brexit trade and customs policy.

Trade and Customs White Papers published today pave the way for legislation that will ensure the UK is ready for the first day after exit.

The Trade White Paper published by the Department for International Trade establishes the principles that will guide future UK trade policy as well as laying out the practical steps that will support those aims.

These include:

- Taking steps to enable the UK to maintain the benefits of the World Trade Organisation's Government Procurement Agreement.
- Ensuring the UK can support developing economies by continuing to give them preferential access to UK markets.
- Preparing to bring across into UK law existing trade agreements between EU and non-EU countries.
- And creating a new, UK trade remedies investigating authority.

International Trade Secretary Dr Liam Fox said:

We want to build a future trade policy that delivers benefits for the UK's economy and for businesses, workers and consumers alike.

Welsh businesses and exporters are already seizing opportunities and proudly selling products around the globe. As an international economic department we are preparing for an independent trade policy to help Welsh businesses make the most of new trade opportunities, contributing to a growing economy and creating prosperity for communities up and down the UK.

The Secretary of State for Wales, Welsh Government and the other devolved administrations will all be involved to ensure trade policy works for Wales and secures the best possible outcomes for the whole of the UK.

Wales is also an attractive place for inward investment, with latest figures showing that 85 foreign direct investment projects were secured in Wales, creating 2,581 new jobs and safeguarding almost 9,000 more.

Secretary of State for Wales, Alun Cairns said:

There has never been a better time for Welsh companies to trade and export overseas and this paper is a step towards providing businesses with stability and certainty.

Welsh products are proudly known across the world – from our famous foodstuffs to our engineering excellence. We export everything from the creative output of Aston Martin to the aircraft wings used by a number of global airlines.

We now have the opportunity to shape our own ambitious trade and investment opportunities in Europe and beyond, and put Wales and Britain firmly at the forefront of global trade and investment.

The UK Government is committed to working with stakeholders, including Welsh Government, in Wales to ensure we deliver an EU exit that works for the whole of the UK”.

Wales already holds strong trading relationships with markets across the world. There are currently more than 3,800 businesses in Wales that export, with a combined value of £13 billion in the first quarter of 2017. Products made in Wales are proudly sold right around the globe:

- Dawnus, a civil engineering solution company trading in West Africa had exports worth over £80 million in 2012 alone;
- In the technology sector, Newport based SPTS Technologies exports over 90% of its products to global customers worldwide and has surpassed £1 billion in export sales; and
- Over half of the world’s commercial aircraft are now flying using wings made by Airbus in Broughton;

The UK Government supports trade and investment in all parts of the UK, to share trade promotion activity to support Welsh businesses.

Wales and the whole of the UK is continuing to be an attractive destination for foreign investors and in 2016/17 Wales attracted 85 foreign direct investment projects, creating 2,581 new jobs and safeguarding 8,965 jobs.

Also published today is the UK Government’s Customs Bill White Paper, which sets out plans to legislate for the standalone customs, VAT and excise regimes the UK will need once it leaves the EU.

In August the UK Government set out its proposals for an ambitious new customs relationship with the EU and confirmed that, regardless of the outcome of negotiations, the UK would need new customs laws in place by March 2019. Responding to calls from businesses for continuity, today’s White Paper

confirms that the UK's new legislation will, as far as possible, replicate the effect of existing EU customs laws.

In addition, while the Government has repeatedly said that we are confident that a positive deal can be reached with the EU, it is only prudent we prepare for every possible outcome. Therefore, the paper covers provisions for the implementation of customs, VAT and excise regimes in the event that no deal is reached, and sets out the steps the Government would take to minimise disruption for businesses and travellers. It also enables the UK to prepare for a range of negotiated outcomes including an implementation period.

The Customs Bill will give the UK the power to:

- Charge customs duty on goods; define how goods will be classified , set and vary the rates of customs duty and any quotas.
- Amend the VAT and excise regimes so that they can function effectively post-exit
- Set out the rules governing how HMRC will collect and enforce the taxes and duties owed.
- Implement tax-related elements of the UK's future trade policy.

Chancellor of the Exchequer, Philip Hammond said:

Investment and trade are crucial to the economic future of this country. This White Paper sets out our plan to keep trade with the EU as frictionless as possible, and reaffirms the government's commitment to deliver a smooth transition.

Further information

- As we prepare to leave the EU, we will seek to transition existing EU trade agreements and other EU preferential arrangements, ensuring that the UK maintains the maximum certainty and continuity in trade and investment relationships for businesses, citizens and our trading partners.
- Our total trade with the world is equivalent to over half our GDP – exports and imports were each equivalent to about 30% of GDP in 2016.
- The UK Government has worked successfully alongside the Scottish Government, Welsh Government, and Northern Ireland Executive and their agencies in promoting trade and investment activity and we intend to continue this collaborative approach as we develop the UK's future trade policy.
- The Wales Export Guide, sets out the full range of support available to Welsh businesses from the UK Government and contains inspiring stories of companies based in Wales that are successfully exporting.