# <u>Press release: Government sets out</u> <u>vision for post EU trade and customs</u> <u>policy</u>

- 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 £13billion 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 fl 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.

## <u>News story: Webinar – 12 Dec – How to</u> <u>win work with the public sector</u>

Farooq Mohammed is founder of es-p; a company he formed in the summer of 2012, inspired by the spirit and passion of the London Olympic Games along with the desire and 'instinct for winning' of Team GB. The company supports businesses, large and small, to secure contracts with the public sector. In this webinar, Farooq will offer top tips on identifying contracts, preparing bids, and securing contract wins.

Click <u>here</u> to register.

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- 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.
- Reaffirms government's commitment to avoid friction for trade in goods and that there should be no physical infrastructure at the border between Northern Ireland and Ireland.
- The UK Government will work closely with Northern Ireland 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 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.

As an international economic department we are preparing for a future trade policy to help Northern Ireland businesses make the most of the trade opportunities around the world, contributing to a growing economy and creating prosperity for communities up and down the UK.

The UK Government will work with a range of stakeholders to ensure trade policy works for Northern Ireland and secures the best possible outcomes for the whole of the UK.

Secretary of State for Northern Ireland, James Brokenshire MP, said:

Northern Ireland continues to be an attractive place to do business with many inward investment projects secured across the year, creating over 1,600 new jobs and safeguarding almost thousands more and across the UK as a whole, unemployment is down to 4.3% – its lowest since 1975.

This paper is another crucial step towards helping Northern Ireland businesses make their mark on the global market and shows the UK Government is committed to working with all parts of the United Kingdom in ensuring we deliver an EU exit that works for everyone.

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

In 2016/17 Northern Ireland secured 34 Foreign Direct Investment projects, which created a total of 1,622 new jobs and safeguarded 950 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 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 business calls 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 White Paper repeats the UK government's commitment to avoid any physical border infrastructure on either side of the border between Northern Ireland and Ireland.

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.
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Chancellor of the Exchequer, Philip Hammond said:

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Further information

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- 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.

## <u>News story: Webinar – 2 Nov – How I</u> <u>sold to the public sector</u>

Pamela Cook is Managing Director of Infoshare; a software company that has successfully sold its services to central government departments and local authorities. Pamela also sits on the Cabinet Office SME Panel, with a focus on looking at how large and small companies can better work together to deliver public sector contracts. In this webinar, Pamela will offer top tips on winning work in the public sector, both direct, and via tier one suppliers.

Click <u>here</u> to register.

### <u>Statement to Parliament: Update on</u> <u>Monarch Airlines: 9 October 2017</u>

Mr Speaker, with permission I would like to make a statement about the steps the government has been taking to support those affected by the collapse of Monarch Airlines, in particular the 110,000 passengers this left abroad without a flight back to the UK and the almost 2,000 people who have lost their jobs.

Mr Speaker, this situation is deeply regrettable and all parties considered options to avoid the collapse of the company. Ultimately, however, Monarch's board took the decision to place it into administration and it <u>ceased trading</u> at around 4am on Monday 2nd October (2017). The engineering arm of the group remains a viable business and continues to trade.

Ahead of the collapse my department had been working closely with the <u>Civil</u> <u>Aviation Authority (CAA)</u> and several departments across Whitehall to prepare contingency plans, and the response has been swift and substantial.

To put this into some context, this is the largest operation of its kind ever undertaken and has meant the CAA has essentially set up one of the UK's largest airlines in order to conduct this operation.

To give members a sense of the scale:

- we have put arrangements in place to bring back 110,000 people to the UK
- this requires 700 flights over a 2 week period
- a maximum of 35 aircraft in operation at one time

- the CAA are working with 27 different airlines, more than 200 CAA staff working on the project with thousands more in partner organisations
- there are over 40 airports involved in the UK, around the Mediterranean and beyond
- it has required 267 coaches carrying over 13,000 passengers
- so far there have been over 39,000 calls to our customer service centres, all swiftly answered by more than 250 call centre staff
- there have been over 1,000,000 unique visitors to a dedicated website monarch.caa.co.uk and 7,000,000 page views
- furthermore more than a million people have been reached through our Facebook promotion
- and there have been 10 government departments and agencies involved, including the FCO in London and our extensive diplomatic and consular network in the affected countries

I have seen first-hand the work being done across government and the CAA to make this operation a success and spoken to some of the passengers who have returned to the UK on government flights. I have been hugely impressed by what I have seen and the response from passengers has been overwhelmingly positive – with many praising the CAA and government themselves for a well-organised and professional response.

Normally, the CAA's responsibility for bringing passengers back would extend only to customers whose <u>trips are covered by ATOL</u>. However this is the largest airline failure in UK history and there would have been insufficient capacity in the commercial aviation market to enable passengers to get home on other airlines. With tens of thousands of passengers abroad and with no easy means of returning to the UK, I therefore instructed the CAA to ensure all those currently abroad were offered an alternative flight home.

As of last night, around 80,000 passengers have returned to the UK – almost three quarters of the total number who were abroad at the time of the collapse. We have also deployed teams of government officials to overseas airports to provide advice and assistance to passengers.

Mr Speaker, despite robust plans and their success so far, this is a hugely distressing situation for all concerned. One of my top priorities has been to help those passengers abroad get safely back to the UK.

### Employees

But in addition to supporting passengers, we have also been working across government to ensure the almost 2,000 former Monarch employees receive the support they need.

I am pleased to report that airlines have already been directly appealing to Monarch's former employees. For instance, Virgin Atlantic are offering a fast track recruitment process for cabin crew and pilots, and easyJet have invited applications for 500 cabin crew vacancies. EasyJet are also calling for direct-entry Captains or First Officers who meet Captain qualifications.

All former Monarch employees will have received information from Jobcentre

<u>Plus</u> outlining the support available to them. In total, Jobcentre Plus has pulled together a list of more than 6,300 vacancies across the major UK based airlines — around 3 times the number of people made redundant — which will help former Monarch employees remain in the airline industry.

Both I and the Aviation Minister have been in contact with those members whose constituencies will have been hardest hit by these job loses, and given assurances that we will work with the industry to offer what support we can.

### Taxpayer

However, I am also aware of the duty this government has to the taxpayer, and while affected passengers have been told they will not have to pay to be flown back to the UK, we have entered into discussions with several third parties with a view to recovering some of the costs of this operation.

The ATOL scheme will of course provide the financial cover for those with ATOL protection. We are currently engaged in constructive discussions with the relevant credit and debit card providers in order that we might recoup from them some of the cost to taxpayers of these repatriation flights. We are also having similar discussions with other travel providers through which passengers may have booked a Monarch holiday and I would like to thank them for their constructive behaviour and approach.

Mr Speaker, the initial response to this unprecedented situation would not have been as successful were it not for the support and cooperation of many players.

The loss of a major British brand, which was close to celebrating its halfcentury, is undoubtedly a sad moment. However this should not be seen as a reflection on the general health of the UK aviation industry, which continues to thrive.

We have never had the collapse of an airline or holiday company on this scale before. We have responded swiftly and decisively. Right now our efforts are rightly focused on getting employees into new jobs, and passengers home. But then our efforts will turn to working through the reforms necessary to ensure passengers do not find themselves in this position again. We need to look at all the options, not just ATOL, but also whether it is possible for airlines to be able to wind down in an orderly manner and look after their customers themselves without the need for government to step in. This is where we will focus our efforts in the weeks and months ahead.

This has been an unprecedented response to an unprecedented situation, and I am grateful to all parties who have stepped in to support those affected.