

Preparing for a No-Deal Brexit in Wales: A Quick Summary

30th January 2019



What is a No-Deal Brexit?

The UK is scheduled to leave the European Union on the 29th of March 2019 at 11pm. If no formal withdrawal treaty has been ratified by this date and time, all EU rules and regulations will cease to apply to the UK at once. This would instantly remove any agreements between the two parties about how to manage, amongst other things, customs, travel rights and trade. It would remove the proposed transition period (which was proposed to give organisations and businesses more time to adjust to the changes). Without both sides agreeing to a deal, the UK would need to abide by World Trade Organisation (WTO) rules, facing the same customs checks and tariffs as non-EU countries. Critics have suggested that these increased checks could lead to shortages in certain key areas such as medicine, as well as long queues for transport.



Why does this matter for Wales?

The Welsh Government has been clear since the EU Referendum that a disorderly Brexit would cause chaos in Wales. Mark Drakeford, the First Minister of Wales, maintained that “I do not accept no-deal is inevitable” after postponing most Senedd business on the 22nd of January for the sake of No-Deal Brexit preparation discussions. He has hinted at supporting a second public vote to break the deadlock if necessary, calling for a No-Deal to be ruled out. The Labour-led government has been repeatedly criticised for “scaremongering”, in the words of UKIP group leader Gareth Bennett, in their preparations for a No-Deal Brexit. However, there are areas of Welsh life which would be greatly impacted by leaving the European Union without a deal.

What is the Welsh Government doing?

As the likelihood of a No-Deal scenario has become more likely, the Welsh Government has been undertaking a number of preparations to try to mitigate as much potential impact as possible.¹ The External Affairs and Additional Legislation Committee have produced a series of reports at the end of 2018 focusing on key sectors in Wales that could be affected by a No-Deal, including preparing ports; healthcare and medicines; and food and drink. These areas were raised in Plenary on the 22nd of January, and noted more formally on the 29th of January, amongst other concerns:

- **Preparing ports:** The EU plays a key role in aviation, maritime and road transport. International law provides some fall-back support, but it varies by mode of transport. Some of the key issues raised by the Committee were: the capacity of Welsh ports to cope with a possible increase in traffic, communications between stakeholders, as well as technical solutions for future customs arrangements. The Welsh Government accepted all seven recommendations. Ken Skates, Minister for Economy and Transport’s statement during Plenary argued that ports in Wales “make a critical contribution to our economy”, by

¹ See more at: https://beta.gov.wales/preparing-wales?_ga=2.66472493.2048067704.1548684117-871221221.1523462737.

“providing jobs and added value to local communities”, and that affecting their “efficient operation” poses a substantial risk for Wales as a whole.

- **Healthcare and medicines:** The status of healthcare and medicines poses particular difficulties. The Committee’s recommendations focused on areas such as medicine supply and mutual recognition of standards. Once more, the Welsh Government accepted these recommendations. The UK Government is currently seeking arrangements with countries in the EU/EEA and Switzerland for the continuation of healthcare for British nationals in the event of a No-Deal. Vaughan Gething, Minister for Health and Social Services also said that any changes to migration policy “will be most keenly felt in those parts of the health and social care sector which depend on lower-paid workers”, which would lead to “delayed discharges and increased pressure”.
- **Food and drink:** The food and drink sector is one of the most closely-integrated with the European Union, with supply chains spanning the Single Market, free movement of labour and aligned regulatory standards. Some Welsh producers also take part in the EU’s schemes of protected geographical indicators for food. It is expected that this sector will face particular difficulties in a No-Deal scenario. Committee recommendations were accepted once more, including asking the Welsh Government to outline details of their plans to support business to mitigate the effects of a No-Deal Brexit on food supplies.

Other areas of concern to the Welsh Government outlined at Plenary on the 22nd of January were:

- Lesley Griffiths, Minister for Environment, Energy and Rural Affairs, confirmed that: “my officials are working closely with the UK Government on emergency planning to safeguard our **food supply**, ensure an uninterrupted **energy supply** and, with Dŵr Cymru (Welsh Water) and Hafren Dyfrdwy (Severn Trent Water) to secure our **water supply**”.
- Julie James, Minister for Housing and Local Government, discussed civil contingency plans for an **Emergency Coordination Centre**, which could be mobilised (if necessary) to support public services in the event of a No-Deal. She also confirmed that the Hate Crime Criminal Justice Board Cymru has recognised “the possible impacts of Brexit and of **hate crime** targeting ethnic and religious minorities”, referring to the EU Citizens Rights Project (£1.3m) that will support access to key services and ensuring continued settled livelihoods in Wales.
- Counsel General and Brexit Minister Jeremy Miles suggested that a No-Deal Brexit would mean “fewer jobs, lower incomes, and a greater risk of poverty in communities throughout Wales”, asking the UK Government to release funding to help support **businesses** and other key partners to mitigate any negative impact.

What happens next?



The UK Government published guidance for preparing for a No-Deal in Autumn 2018, explaining: “as a responsible government we have spent more than two years carrying out extensive preparations for all scenarios, including no deal”.² These preparations are sure to increase as the 29th of March approaches. However, at the time of writing, much depends on the outcome of the Prime Minister’s further negotiations with the European Union to renegotiate deal after votes on amendments in the Commons on the 29th of January. A deal could yet be agreed, but if not, the UK and Welsh Governments are starting to prepare for any eventuality.

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² See more at: <https://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario/uk-governments-preparations-for-a-no-deal-scenario>