



House of Commons  
Scottish Affairs Committee

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**Scotland, Trade and  
Brexit: Government  
Response to the  
Committee's Seventh  
Report**

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**Sixth Special Report of Session  
2017–19**

*Ordered by the House of Commons  
to be printed 2 July 2019*

## The Scottish Affairs Committee

The Scottish Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Scotland Office (including (i) relations with the Scottish Parliament and (ii) administration and expenditure of the offices of the Advocate General for Scotland (but excluding individual cases and advice given within government by the Advocate General)).

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### Committee staff

The current staff of the Committee are Ben Williams (Clerk), Bradley Albrow (Second Clerk), Ben Rayner (Committee Specialist), Chloe Freeman (Senior Committee Assistant), Robert McQuade (Committee Assistant), and Nina Foster (Media Officer).

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# Sixth Special Report

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The Scottish Affairs Committee published its Seventh Report of Session 2017–19, [Scotland Trade and Brexit](#), HC 903, on 10 March 2019. The Government response to the Report was received on 20 June 2019, and is published as an appendix to this Report.

## Appendix

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### Introduction

The Scottish Affairs Select Committee published its Report on Trade and Foreign Investment on 10 March 2019. This document sets out the UK Government's response to the conclusions and recommendations set out in that report.

The UK Government read with interest the Committee's report on Trade and Foreign Investment. Whilst international trade policy is fully reserved, the UK Government have committed to and continue to work closely with the Devolved Administrations to deliver a future trade policy that works for the whole of the United Kingdom.

The Department for International Trade (DIT) has close and constructive discussions with officials from the Devolved Administrations including the Scottish Government on a new concordat for trade policy and their role in future trade agreements.

At official level DIT have also established a programme of senior official engagement and trade policy roundtables with the Devolved Administrations to ensure they can inform the development of trade policy, particularly where that interacts with areas of devolved competence.

### Conclusions and Recommendations

#### How Scotland trades with the world

1. *While there are many similarities between the trading patterns of Scotland and the rest of the UK, there are differences in the relative importance of different sectors and markets. As the Government negotiates future trade agreements, it must ensure that sectors of vital importance to the Scottish economy such as the food, drink and fisheries sectors are not traded away to secure preferential agreements for other industries. (Paragraph 10)*

Upon leaving the European Union, the UK Government is committed to developing an independent trade policy that benefits the whole of the United Kingdom. DIT is committed to supporting trade and championing the interests of businesses in Scotland.

**2. *We welcome the Government's commitment to establish a UK wide trade policy which reflects the needs and individual circumstances of all the UK nations. However, the Government needs to provide more clarity on how it will achieve this and what that will mean in practice. (Paragraph 11)***

As set out in the Trade White Paper,<sup>1</sup> the UK Government is committed to ensuring that Parliament, the Devolved Administrations, the devolved legislatures, local government, business, trade unions, civil society and the public from every part of the UK must have the opportunity to engage with and contribute to our trade policy.

In October, DIT concluded a 14-week public consultation into its proposed FTAs with the US, Australia, New Zealand and accession to the Comprehensive and Progressive Transpacific Partnership (CPTPP). In partnership with representative organisations, DIT supported the consultation with events in each of the devolved nations. 600,000 responses were received as part of this exercise, making it one of the largest consultations ever undertaken by the UK Government; our response to this consultation will be published shortly.

In addition, DIT has established a Strategic Trade Advisory Group (STAG) as a stakeholder forum for strategic discussions and exchange of views. The STAG's principal purpose will be for the UK Government to engage with stakeholders on trade policy, ensuring we reach out to a cross-section of society as we shape our future trade policy and realise opportunities across all nations and regions of the UK through high level strategic discussion. The STAG membership explicitly includes representatives from Scotland and the other devolved nations.

In addition to the STAG, the department is creating a set of Expert Trade Advisory Groups (ETAGs). The ETAGs are aimed at facilitating technical policy exchanges at an expert level on specific sector and thematic policy issues. Their objective is to enable the UK Government to draw on external knowledge and experience to ensure that the UK's trade policy is backed up by evidence at a detailed level and is able to deliver positive outcomes for the whole of the UK.

Furthermore, the UK Government is in active discussions with the Devolved Administrations on their future role in trade negotiations with the objective of putting in place robust and comprehensive new working arrangements. This is supplemented by an ongoing programme of official-level engagement on trade policy issues, including through a Senior Officials' Group.

## **Role of the devolved administrations in trade policy**

**3. *We are pleased that the Government has committed to publish a concordat outlining the role of the Devolved Administrations in future UK trade policy. As the UK approaches the date of EU Exit, we ask the Government to provide an update on the status of this concordat in response to this Report. (Paragraph 16)***

### **3, 5 and 6 Linked**

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<sup>1</sup> "Trade White Paper: our future UK trade policy", <https://www.gov.uk/government/publications/preparing-for-our-future-uk-trade-policy/preparing-for-our-future-uk-trade-policy#our-approach-1>

The UK Government is committed to ensuring that the Devolved Administrations have a meaningful role in the development of future trade agreements and has committed to working with the Devolved Administrations to produce and agree a new Concordat for International Trade. This agreement will play a crucial role in codifying the working arrangements between the UK Government and the Devolved Administrations in relation to future trade agreements. These arrangements will complement the existing Memorandum of Understanding for devolution.

The terms of the concordat and the working arrangements between the UK Government and the Devolved Administrations are currently under discussion. We hope to reach agreement between the parties in the coming months.

The UK Government agrees with the Committee's assessment that a model based on cooperation and trust is preferable and is actively seeking to reach such an outcome.

The UK Government will set out its further proposals for the role of Devolved Administrations, including involvement and interaction with negotiation teams, once inter-governmental discussions have concluded.

**4. *The Government should explore new options to facilitate extensive consultation with the Devolved Administrations when setting negotiating mandates in the future. One of these options should be the establishment of a JMC sub-committee on international trade. This should be supported by a fully resourced JMC secretariat responsible for ensuring the sub-committee meets regularly and that the Devolved Administrations have a role in setting the agenda for meetings. (Paragraph 24)***

In March 2018 the Joint Ministerial Committee ('JMC') (Plenary) announced a joint UK Government and Devolved Administration review of existing intergovernmental relations, agreeing that officials from across the UK, Scottish and Welsh Governments alongside Northern Ireland Civil Servants should take forward a review of current intergovernmental structures, including the Memorandum of Understanding. The JMC model sits within this wider inter-governmental relations structure.

The UK Government is committed to ensuring that the Devolved Administrations are involved throughout the FTA process, including in the establishment of Outline Approaches for future trade agreements. In line with this, the UK Government agrees that there should be a mechanism for ministerial-level engagement throughout the process of developing future trade agreements. We have therefore recently announced our intention to form a new Ministerial Forum for International Trade. This will ensure there is a regular and formal structure to support discussion and engagement between the UK Government and the Devolved Administrations on trade agreements. The operational arrangements for the frequency and terms of reference for this forum are subject to ongoing discussion with the Devolved Administrations. It is our clear intention that the forum will be a flexible mechanism and should enable ministerial discussion at key points in the whole process of facilitating trade agreements.

There will also continue to be a programme of official-level technical engagement between the Department for International Trade and the Devolved Administrations to underpin the Ministerial Forum. Together, these processes will ensure that the priorities and expertise of the Devolved Administrations can shape and inform the development of the UK Government's international trade policy and negotiating positions.

**5. We recommend that the Government commit to including representatives from the Devolved Administrations in the UK negotiating team for future trade agreements where commitments are being sought that will impact on devolved competencies. This would have to be done with the understanding that devolved ministers would not deviate from the UK Government's negotiating position. (Paragraph 29)**

See response to question 3.

**6. The Scottish Government must have a meaningful role in future trade negotiations including in the setting of negotiating mandates and participation in the negotiations themselves. We believe a model based on cooperation and trust would be preferable to one of formal consent of the Scottish Government on a final deal, but it will require goodwill from both Governments to make it work. We recommend that the Government, in response to this Report, set out the steps it will take to involve the Devolved Administrations in every step of the trade negotiation process. (Paragraph 33)**

See response to point 3.

## **Scotland's trade priorities for future trade deals**

**7. We are encouraged that the Political Declaration commits to no tariffs on goods being the basis of the future trading relationship between the UK and EU. Maintaining tariff-free trade is crucially important for the food and drink sector in Scotland which would be most susceptible to the EU's WTO tariffs, with some sectors' exports to the EU likely to become uncompetitive overnight. (Paragraph 40)**

The UK Government is committed to leaving the EU with a deal. This would allow the UK to enter the Implementation Period during which tariff free trade would continue and the UK would negotiate a future economic partnership (FEP) with the EU. The Political Declaration agreed with the EU sets out an ambition for the FEP of frictionless trade including a tariff regime that replicates existing arrangements as far as possible.

However, the UK Government is also continuing to make preparations for a no-deal exit from the EU to ensure that the country is prepared for every eventuality. In the event that the UK leaves the EU without a deal, the UK would apply the temporary tariff to goods from trading partners without trade agreements in place, including the EU. The temporary tariff would maintain open trade on the majority of UK imports, including on 82% of imports from the EU. The temporary tariff would be in place for up to 12 months while a review was undertaken into a permanent regime. The EU has indicated through technical notices that in a no deal the Common External Tariff will be applied to British exports, introducing tariffs on around 60% of the value of UK exports to the EU.

**8. Scottish manufacturers have benefited immensely from frictionless access to the EU Single Market and require assurances that trade with one of their largest international markets will not be disrupted in the future. We welcome the Political Declaration's ambition for a "comprehensive" free trade area, but this must minimise non-tariff barriers for goods and provide continuity for businesses which rely on EU supply chains and perishable products. If the Government no longer wishes to align with an EU**



***standard in the future, it should clearly state its rationale for diverging and provide businesses with ample opportunity to comment on the proposed changes before they are agreed. (Paragraph 46)***

The UK and the EU have agreed to pursue a free trade area for goods, with no tariffs and no quotas, combining deep regulatory and customs cooperation and underpinned by provisions ensuring open and fair competition. This would be the first such agreement between an advanced economy and the EU.

The Political Declaration set out that the economic partnership should ensure no tariffs, fees, charges or quantitative restrictions across all sectors, with ambitious customs arrangements that build and improve on the single customs territory provided for in the Withdrawal Agreement which obviates the need for checks on rules of origin.

The UK Government recognises the important role that regulatory alignment can play in minimising technical barriers to trade by reducing the need for checks and controls at and behind the border. As the Political Declaration outlines, the UK may choose to align with the EU's rules in relevant areas, and the application of checks and controls on trade between the EU and UK would depend on the UK's commitments, including in relation to the level of alignment. Both sides wish to be as ambitious as possible.

On 21st January the Prime Minister committed to engaging more deeply with businesses, civil society and trade unions. Accordingly, the UK Government is preparing to conduct this deeper engagement, which will build on the extensive work that has already been done to ensure that the interests of business and civil society stakeholders from across the whole of the UK are represented in negotiations.

This sits alongside regular engagement with the Devolved Administrations. DExEU Ministers meet regularly with Scottish and Welsh Ministers to discuss priorities for the future relationship, including through the Joint Ministerial Committee (EU Negotiations) as well as the Ministerial Forum on EU Negotiations. The Prime Minister has committed to an "enhanced role" for the Devolved Administrations in the next phase of negotiations, respecting their competence and vital interests.

***9. Whilst we welcome the announcement from the Government that small and medium sized businesses will now be able to apply for two new grants to help them prepare for post-Brexit customs declarations, they are narrow in scope focusing on training and IT improvements only. The Government should urgently look to extend the remit of the grants to cover additional areas of export support for businesses such as the movement of labour, goods, currency management and legal advice as is the case for the Brexit voucher schemes operating in the Republic of Ireland and the Netherlands. (Paragraph 49)***

HM Revenue and Customs (HMRC) developed its grant scheme for customs intermediaries and traders following extensive consultation with the customs intermediaries sector. The evidence suggests there is a significant risks that the intermediary sector will not have the capacity to support those traders new to customs should we exit the EU without a deal. To respond to this risk HMRC identified, through engagement with stakeholders, two key issues that needed to be addressed. These were: a potential shortfall staff trained in managing customs processes across all sectors; and a low uptake of IT and other technologies that could improve the productivity of customs intermediaries. HMRC's

grant scheme is designed to specifically address these two issues by co-funding customs training and by supporting customs intermediaries to invest in the software and hardware needed to improve their productivity so they can support more customers. The scheme is currently open for applications, and of the £5 million available for grants, over half has been requested so far. HMRC will continue to engage closely with businesses groups and representative bodies to ensure the grant programmes are having maximum impact.

**10. *Scotland's service sector has benefited from its ability to freely offer services to customers in the EU, which accounts for 41% of service sector's trade. We were told that any agreement to provide the sector with continued market access to the EU needed to go further than the EU's existing equivalence regimes. We therefore recommend that the Government ensure that any new equivalence regime covers the broadest range of activity conducted by Scotland's service's sector. This agreement must not be vulnerable to sudden revocation, instead a dispute resolution mechanism should be established to resolve disagreements about whether the two regimes are equivalent, which would need to be followed before either side could withdraw from the agreement. This should provide confidence to businesses that they can make long term decisions with the knowledge that their access arrangements will not suddenly change. (Paragraph 57)***

The Political Declaration includes a commitment to conclude ambitious arrangements for services and investment that go well beyond WTO commitments, building on recent EU Free Trade Agreements. As set out in the UK Government White Paper, we aim to secure new arrangements that provide regulatory flexibility, but which ensure that service suppliers and investors are allowed to operate in a broad range of sectors without encountering unjustified barriers or discrimination unless otherwise. This covers market access, national treatment, and best-in-class arrangements for domestic regulation.

**11. *Scotland's service sector currently benefits from its ability to operate throughout the EU due to the mutual recognition of professional qualifications within the single market. We heard this was particularly important for the legal and financial services sectors. However there remains uncertainty as to the future recognition of UK professional qualifications in the EU post-Brexit. We welcome the provisions included in the Withdrawal Agreement which will provide continuity, but the Government must confirm and deliver on its intention to negotiate a long-term agreement with the EU which maintains similar market access for UK qualifications. This will provide clarity about what the future arrangements will be for Scottish professionals operating in the EU after Brexit. (Paragraph 64)***

The UK Government is committed to negotiating ambitious arrangements for service providers that go well beyond WTO commitments and build on the liberalisation achieved in recent EU FTAs. Our objective is to help service suppliers and investors to operate in the UK and EU on a non-discriminatory basis and without facing unnecessary regulatory requirements. This extends to negotiating appropriate arrangements on the mutual recognition of professional qualifications.

The Political Declaration requires the UK and EU to “develop appropriate arrangements on those professional qualifications which are necessary to the pursuit of regulated professions.” The UK Government will therefore seek to secure agreement on a comprehensive system for professional qualification recognition in the future economic partnership.



**12. *Scotland exports more to the rest of the UK than it does to the rest of the world and ensuring free and frictionless trade with Scotland's largest trading partner will be important to its future economic prosperity. We welcome the UK Government's Scotland, Trade and Brexit 37 commitment to protecting Scotland's trade with the rest of the UK and recommend that the UK Government ensures that as powers currently held in Brussels return to the UK and Scottish Parliaments, every effort is made to ensure no new barriers to trade between Scotland and the rest of the UK are introduced. Establishing UK-wide common frameworks is one way to address this, as it will allow all of the UK's governments to agree where the same rules should apply across the UK and how to manage areas where flexibility for the UK's four nations is desirable. (Paragraph 70)***

The SAC committee report recognises the commitment from the UK Government and the Devolved Administrations to ensure there are no barriers to trade within the UK when EU laws which intersect with devolved competence flow directly to Edinburgh, Cardiff and Belfast after the UK leaves the EU. A detailed programme of collaboration between the UK, Scottish and Welsh Governments and the Northern Ireland Civil Service has been undertaken to agree the scope of where common frameworks areas are needed and how they might be implemented. The second iteration of the frameworks analysis, published on 4 April demonstrates the joint progress that has been made. This work has been undertaken without prejudice to ongoing negotiations with the EU and future trade agreements. Whilst our future partnership with the EU is being agreed, it has been important that we make progress on common frameworks, so that business and consumers can be confident that appropriate arrangements will be in place and in recognition of the importance of those arrangements for co-operation in related areas, notably wider international obligations and ensuring that the UK internal market functions once we leave the EU.

**13. *We are disappointed that some existing trade agreements will not be rolled over by the time the UK leaves the EU. While we welcome the government's publication of a register outlining the status of outstanding agreements, this does not offer practical advice to businesses on the steps they should be taking to minimise disruption. We recommend that the government outline the practical steps it will take to support Scottish exporters who rely on these agreements. (Paragraph 78)***

The UK Government's position is that the best way to provide continuity and stability for Scottish businesses that benefit from existing EU trade agreements is to have a deal with the EU so that the UK can remain covered by these agreements during the Implementation Period.

Nevertheless, we are working to have bilateral agreements in place ready for when we need them, whether that is in the event of no deal, or after the proposed implementation period.

As noted in the report, the UK has signed a number of trade continuity agreements already. Trade with countries where agreements have already been signed accounts for more than half of the UK's trade with countries for which the UK is seeking continuity. A regularly updated list of signed agreements is available on Gov.uk, along with the treaty texts, explanatory memorandums, and parliamentary reports.

As the report notes further, we have issued further advice to business on how to prepare if some agreements are not ready by the time the UK leaves the EU in the event of a no deal. This included a list indicating the status of outstanding agreements that have not yet been signed, so businesses and individuals can ensure that they are prepared for every eventuality. This advice will be updated regularly.

Many discussions with other countries are at an advanced stage. Progress of this work has been dependant on a number of factors. For example, each of the UK's trade partners will have assessed the likelihood of a no deal scenario, and factored in their own domestic situations, when approaching discussions of continuity with the UK. We will continue to inform Parliament and business as soon as further agreements are concluded.<sup>2</sup>

Businesses should familiarise themselves with the detailed and wide-ranging EU Exit guidance available on gov.uk to understand how to prepare if the continuity of some preferential arrangements are not in place by exit day. For specific advice, businesses can make enquiries through the DIT website, or contact a local office. The UK Government will publish further advice to business and tools to complement what is already available to businesses in the UK and partner countries.

**14. *Scotland's success in trading with other countries is based on its reputation for high quality and high standards. We welcome the absolute commitment from the Minister that the UK's future trading arrangements will not lead to any undermining of these standards. (Paragraph 84)***

The UK Government is clear that more trade should not come at the expense of the high levels of protection and quality we enjoy in the UK. The UK's outstanding reputation for quality is what drives demand for UK goods and is key to our long-term prosperity. The UK Government has no intention of harming this reputation. Beyond our withdrawal from the EU, the UK will have the opportunity to act as a global leader, focusing on the high quality, high innovation, high value added sectors.

**15. *The European Union's system of geographical indications has been crucially important in protecting the provenance and quality of many high-profile Scottish products, and we support the Government's decision to establish a domestic scheme. However, with Exit Day fast approaching we recommend that the Government bring forward this legislation as a matter of urgency to assure businesses that their products will remain protected in all Brexit scenarios. (Paragraph 88)***

**16. *Creating a UK GI register will not protect iconic Scottish products in foreign markets unless those countries agree to recognise and protect these GIs. In negotiating the UK's future relationship with the EU, the Government must ensure that it agrees a comprehensive mutual recognition agreement which protects existing and future Scottish geographical indications indefinitely. The Government should also ensure that its trade agreements with other countries include robust protection for these products. Ensuring Scottish producers enjoy the protection of GI status must be a red line in all the UK's future trade negotiations. (Paragraph 95)***

**15 and 16 Linked**

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<sup>2</sup> <https://www.gov.uk/government/publications/existing-trade-agreements-if-the-uk-leaves-the-eu-without-a-deal/existing-trade-agreements-if-the-uk-leaves-the-eu-without-a-deal>

The UK Government recognises the benefits brought to Scotland through the success of GIs such as Scotch Whisky and Scottish Farmed Salmon. The independent UK GI scheme, which will ensure continuous protection for all 87 UK GIs, will be fully operational in either a negotiated deal or a no deal scenario. The necessary legislation has now been laid in parliament. The UK Government is working with the Devolved Administrations to develop a framework for administering the future schemes. This formalises a partnership on GIs across all four administrations of the UK and closely involves the Devolved Administrations in the UK GI schemes.

Agreeing to a comprehensive mutual recognition agreement of existing and future GIs with the EU would undermine the independence of the UK GI schemes in deciding what is and is not eligible for protection in the UK. This is because the UK would be required to protect EU GIs which successfully gain protection under the EU scheme after we have left the EU, without the ability to assess the applications ourselves according to the guidelines set by the UK GI schemes. Furthermore, this type of agreement is not necessary in ensuring continued protection for UK GIs in the EU, as the protection is not dependent on the UK agreeing to continue protection for EU GIs in the UK. The UK Government therefore anticipates that all existing UK GIs will continue to be protected in the EU in both a negotiated deal and a no deal scenario.

After the UK has left the EU, new Scottish products that have secured GI status under the independent UK GI scheme will be able to apply for protection in the EU without a comprehensive mutual recognition agreement. This should not be burdensome to producers as the UK GI scheme will broadly mirror the EU GI schemes and future applications are expected to be processed with minimal changes to the application process we currently use.

The UK has a proud and growing food reputation. The UK government is committed to celebrating the success of UK products and driving further market access to make sure they are enjoyed around the world. Future trade agreements will greatly benefit UK industry, including the food and drink industry, by opening new markets to our products and boosting exports. We will continue to engage with the Devolved Administrations and industry stakeholders on how we protect UK food and drink as we consider future trade opportunities across the world.

## Promoting Scottish Exports

***17. Scottish business benefit from having two Governments able and willing to promote their products in overseas markets. While many businesses felt they benefited from this arrangement there is room for the two Governments to improve how they work together. We recommend that the UK and Scottish Governments redouble their efforts to coordinate their trade promotion activities, so they can complement rather than duplicate each other. This could be achieved by arranging regular meetings at ministerial and official level to discuss ongoing and future campaigns and to identify where joint-working may be possible. We ask that the Government provide us with an update on what steps it has taken to improve this coordination in response to this Report. (Paragraph 102)***

As outlined by the 2012 Memorandum of Understanding (MoU), promoting international trade and inward investment is a concurrent power. This means that both The UK Government and Scottish Government can—and do—provide services to help firms export and to attract investment. To ensure that firms in Scotland and, by extension, the United Kingdom as whole can benefit, it is important that DIT works collaboratively with services in the Devolved Administrations to make sure businesses in Scotland receive the best possible support.

Firms in Scotland are able to access trade promotion services from both SDI and DIT. Scottish businesses are able to benefit from DIT's network across 108 countries, trade missions, export finance, and online services at [great.gov.uk](http://great.gov.uk).

DIT work closely with our counterparts in SDI to co-operate effectively on events and shared trade promotion activity to support Scottish businesses and exporters. Overseas, 26 of the 35 SDI offices are co-located with DIT teams. To improve strategic alignment between DIT and Devolved Administration promotion agencies, DIT has reinstated the Executive Forum which brings together DIT's Directors General for Exports and Investment with senior leaders of the Devolved Administrations' trade and investment promotion arms.

Scottish Government officials have also been kept abreast of developments in DIT's export strategy and DIT has been kept informed of the development of Scottish Government's export plan.

The GREAT campaign works with the Scottish Government to promote exporting opportunities and ensure selling overseas is part of the plans for every UK business. We will continue to look for ways to work with Scottish companies and promote the global opportunities available to them.

As an example, in 2018, representatives from the GREAT campaign met with representatives from Scotland Food and Drink, Food and Drink Federation Scotland, Scotch Whisky Association and Seafood Scotland to discuss the Food is GREAT campaign and how it works for Scottish food and drink producers. We continue to work with Scottish companies which have participated in campaigns in China, USA and Japan. The Food is GREAT campaign team has also worked with the Scotland Office to organise a reception at the Royal Highland Show in 2017 and 2018, inviting key Scottish stakeholders.

**18. *How Scottish products are branded was an issue that a number of our witnesses felt strongly about, and we heard passionate arguments about the benefit of both Scottish and British branding in promoting products abroad. It is clear to us that there is a benefit in Scottish businesses having access to both British and Scottish branding. The choice of branding must be a commercial decision for companies to make based on what they feel will most benefit their products. (Paragraph 103)***

The GREAT Britain and Northern Ireland brand is one of the most recognised country brands across the world. Consumers know and trust UK products because of our high quality, safety and welfare standards. The UK Government's Food is GREAT campaign highlights the very best food and drink from all parts of the UK, including Scotland. The campaign provides a global shop window for our world-class producers and their products, such as renowned Scotch Whisky, Orkney Beef and Scottish Wild Salmon.

When Scottish produce is promoted under the GREAT brand, the Scottish provenance is always made clear via copy, captions, headlines etc. because it's an important aspect to the story of the products. The intention of the Food is GREAT proposition is to give these regionally distinct products a tailored platform for promotion on a global scale ensuring that Scottish producers benefit from the recognition and affinity for the GREAT Britain brand.

It is important to ensure that the story being told by each campaign about the unique assets of Scottish food and drink is consistent. By working closely together, The UK Government and the Scottish Government can strengthen promotional efforts.

***19. We welcome the comments from the Secretary of State that he would be supportive of organising joint trade missions with the Scottish Government. The Government should publish a list of Joint-Trade Missions it expects to undertake with the Scottish Government for the rest of the year and report back to us on how successful they have been. (Paragraph 105)***

Officials at the Office for the Secretary of State for Scotland will work with Scottish Government counterparts when future trade visits are being planned and will report back to the Select Committee on any joint missions.

## Annex

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Pete Wishart MP  
Chair  
Scottish Affairs Committee  
House of Commons  
London  
SW1A 0AA

19 June 2019

Dear Pete,

**UK GOVERNMENT'S RESPONSE TO SCOTTISH AFFAIRS COMMITTEE—  
'SCOTLAND AND BREXIT: TRADE AND FOREIGN INVESTMENT INQUIRY'**

Firstly I want to thank you and the members of the Scottish Affairs Committee for your continued hard work. I am pleased to provide the UK Government's response to the Scottish Affairs Committee's recent report on 'Scotland and Brexit: Trade and Foreign Investment inquiry'. There have been a number of developments in these areas since the Committee published its report. The UK Government has extended its leaving date from the EU, opened a public consultation on a possible UK-USA trade deal and has embarked on Free Trade Agreements (FTAs) discussions with the Devolved Administrations. This is a continuation of the development of collaborative working between the Devolved Administrations and the UK Government.

The UK Government recognises that when it comes to EU exit, trade and foreign investment wide consultation is needed. This has already been reflected with a public consultation on a possible UK-US trade deal, where businesses, business groups, the general public and the Devolved Administration officials were able to take part and share their views. Further to this, officials across Whitehall and the Devolved Administrations meet regularly to discuss, EU exit business preparedness, International Trade Promotion and Policy. The UK Government is committed to agreeing trade agreements that work for all parts of the UK including Scotland and that there will be meaningful engagement with the Scottish Government.

Parliament will, of course, continue to have an important role to play in this.

A handwritten signature in black ink, appearing to read 'David Mundell'.

**Rt Hon DAVID MUNDELL MP  
SECRETARY OF STATE FOR SCOTLAND**