Minister for Trade. Investment and Innovation Ivan McKee MSP



T: 0300 244 4000 E: scottish.ministers@gov.scot

The Rt Hon Greg Hands Minister of State for Trade Policy Department for International Trade King Charles Street Whitehall London SW1A 2AH

01 September 2020

Dear Greg

Thank you for your letter of 25 August updating me on the Department for International Trade's stakeholder engagement framework.

I note that one of the stated aims of the changes to the engagement structures is ensuring that they represent a balance of interests from across the United Kingdom. With that in mind, it would have been helpful if devolved administrations had been given the opportunity to make recommendations on the membership of these groups, before they were finalised.

I am concerned in particular about some important omissions from the membership of the Trade Advisory Groups (TAG), details of which were published on 26 August. For instance, the Agri-Food TAG does not include a representative of the Scottish aquaculture sector. As you will be aware, Scottish farmed salmon is an important and growing export sector, a global success story and one of the UK's top food exports. Scottish aquaculture directly contributes £354 million in GVA and employs over 2,000 people, and has a significant wider economic impact in some of our most remote communities. Given its significance, why then is there no representation in the relevant TAG?

In addition, the Financial Services TAG appears to under-represent the Scottish financial sector, and asset management in particular, with major Scottish financial services companies not included on the list. In 2018 Scotland's total international finance and insurance services exports (including EU) were worth over £2bn, and were our second largest services export sector.

Similarly, the Telecoms and Technology TAG appears to be focused on large companies and those based in the south-east of England. In Scotland, our growing and dynamic tech sector comprises mainly SMEs, but their interests are currently under-represented in the group membership. We would also question whether Scotland's interests in aerospace and transport and logistics are fully represented on the relevant groups? For example this could be addressed through the inclusion of representative bodies of the port and airport sectors.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot







Beyond specific sectoral interests, I am aware that concerns have been raised by the TUC regarding representation of worker interests on these groups. The Scottish Government is absolutely committed to fair work and inclusive growth, and we want to see future trade policy maintain the existing high level of worker rights and protections. It is therefore a matter of concern that the current membership of the TAGs makes no provision to ensure that the voice of workers will be appropriately heard.

It is crucially important that the TAGs are truly representative of the breadth and diversity of sectoral interests across the four nations of the UK, and that engagement structures include all of those with an interest in trade policy and FTAs.

It is also vital that all members of the advisory groups have a clear understanding of those differences and how trade policy can impact on devolved competences. I note that the membership of the Strategic Trade Advisory Group (STAG) is also currently being reviewed. If this body to take a strategic view of trade policy, then it is important that it fully represents the interests of all four nations. The Scottish Government would be happy to engage with the Strategic Trade Advisory Group and the Trade Advisory Groups to ensure that Scotland's priorities and concerns regarding trade policy and prospective new trade agreements are clearly understood.

The examples I have given above are all important omissions from DIT's engagement framework, and should be addressed as a matter of urgency. I would of course be happy to discuss this with you further and I look forward to hearing from you.

Best regards,

IVAN MCKEE

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot





