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Rt Hon George Eustice MP  
Secretary of State  
Department for Environment, Food and Rural Affairs

By email

27 May 2020

Dear George,

### **Continuing trade with Norway and Iceland**

I am writing to highlight my concerns about the likelihood that there will be no trade agreement between the UK and Norway and Iceland in force by the end of the transition period.

As you will be aware an interim agreement was negotiated to cover the eventuality of the UK leaving the EU without a withdrawal agreement in place. Following the ratification of the Withdrawal Agreement, your Department of International Trade colleagues have confirmed that this agreement will now not be brought into force and a replacement will need to be negotiated. Indications are that this agreement is one of a number that the UK Government expects not to have concluded by the end of this year due to the interplay between the EU agreement and trade with Norway and Iceland.

This means that Scottish exporters to these countries face the potential loss of vital preferential market access, placing continued trade at risk. This impacts on a number of key agriculture sectors including beverages, vegetables, fruit, cereals and animal feed where there is significant volume of trade and high tariffs.

For example, tariffs for fish feed are eye-wateringly high, around the 50% mark. This places millions of pounds worth of trade at risk in this one industry, with a similar picture across the wider agriculture economy.

Scottish producers also rely on imports from these countries as key inputs. We will need time to fully analyse the UK Government's proposed global tariff regime. Despite the lack of meaningful engagement with the Scottish Government, we welcome the decision not to liberalise import tariffs for Salmon. Due to the lack of an agreement between Norway, Iceland and the UK, and indeed the EU, it remains unclear whether trade will take place between these countries under the global tariff or preferential access. This is a real concern for the thousands of businesses who have limited time to adapt.

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With respect, I would repeat again that I do believe there are grounds for concluding that proceeding with trade negotiations at a time when the entire world faces a grave public health threat would be irresponsible. It is clear that the most appropriate action is to seek an extension to the EU negotiations to allow governments to fully focus on protecting the health of their citizens.

If the UK Government insists on continuing to prioritise a self-imposed deadline for negotiations over a public health crisis then it must take appropriate action to ensure that there is no loss of market access to countries such as Norway and Iceland as a matter of urgency.

I would welcome an update on what the UK Government intends to do to maintain this important trade.

Yours sincerely,

A handwritten signature in black ink, reading 'Fergus Ewing'. The signature is written in a cursive style with a large loop under 'Fergus' and a smaller loop under 'Ewing'.

**FERGUS EWING**

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St Andrew's House, Regent Road, Edinburgh EH1 3DG  
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Accredited  
Until 2020

