

Government acts to protect jobs in every part of the UK

- New plans ensure trade between each part of the UK will prosper
- Holyrood, Cardiff and Stormont will receive new powers in at least 70 policy areas including parts of employment law, land use and air quality, among many others

The UK government has today [16 July] laid out plans to deliver on its manifesto commitment to ensure businesses across the whole of the United Kingdom will continue to enjoy seamless internal trade, as they have done for centuries, when we leave the transition period at the end of the year.

From 1 January 2021, powers in at least 70 policy areas previously exercised at an EU level will flow directly to the devolved administrations in Edinburgh, Cardiff, and Belfast for the first time. This will give the devolved administrations power over more issues than they have ever had before, without removing any of their current powers.

Powers are set to return across a raft of areas, including regulations for energy efficiency of buildings, air quality and animal welfare. To ensure businesses can continue to trade seamlessly across the UK as they do now, new legislation will be brought forward to preserve access to all parts of the UK for goods and services.

Under plans now open for consultation, we will strengthen and maintain the coherence of the UK's internal market, guaranteeing the continued ability of all UK companies to trade unhindered in every part of the United Kingdom, while ensuring the continued prosperity and wellbeing of people and businesses across all 4 nations. All powers that have been devolved will remain devolved. The proposals announced today are designed to support the economy of the entire United Kingdom, avoiding unnecessary burdens and costs being placed on businesses or consumers, providing continued certainty for people and businesses to work and trade freely across the whole of the UK, and giving additional confidence to trading partners and overseas investors as we leave the transition period. Without this action to preserve the status quo of seamless domestic trade, businesses across the UK could face serious problems: a Welsh lamb producer could end up unable to sell their lamb in Scotland, or Scotch whisky producers could lose access to supply from English barley farmers. These proposals create certainty for businesses that might otherwise face a complex and increasingly fragmented regulatory environment.

Many businesses depend on trade with the home nations more than any other partner. In Scotland, for example, sales of produce to the rest of the UK are worth £52.1 billion per year, accounting for over 60% of all exports, more than all other nations which Scotland trades with combined. Similarly, about 50% of Northern Ireland's sales are to Great Britain and 75% of exports of Welsh goods are consumed in other parts of the UK.

The proposals in the White Paper include:

- the principle of mutual recognition – regulations from one part of the UK will be recognised across the country to ensure the devolved administrations can set their own rules and standards, but still welcome the trade of businesses based anywhere in the UK
- the principle of non-discrimination – so there is a level playing field for companies trading in the UK, regardless of where in the UK the business is based

Business Secretary Alok Sharma said:

The UK's internal market has functioned seamlessly for centuries. When we exit the transition period at the end of the year, we want to ensure the most successful political and economic union of nations in the world continues to grow and thrive.

This plan protects jobs and livelihoods. Without these necessary reforms, the way we trade goods and services between the home nations could be seriously impacted, harming the way we do business within our own borders.

Ensuring businesses will be able to continue trading freely across all 4 corners of the UK without the burden of inconsistent regulation or additional costs will be essential as we fire up our economic engines as we recover from coronavirus.

Working closely with all 3 devolved administrations to protect the integrity of the UK's internal market to safeguard people, jobs and trade, the UK government will be able to continue to put the interests of people and businesses right across the UK first.

Chancellor of the Duchy of Lancaster Michael Gove said:

This plan is a power surge to the devolved administrations – giving them powers in dozens more areas. As powers flow back from Brussels to the devolved administrations in Edinburgh, Belfast and Cardiff – as well as to the UK government – we want to build on the good progress we have already made. We will develop new ways of working together and learning from each other to help create more opportunities for jobs and investment for businesses and citizens across the United Kingdom.

So we will work over the coming weeks with the devolved administrations in Cardiff, Belfast and Edinburgh on a new structure for how we can cooperate better and share ideas, and we will be bringing proposals to the table to agree a way forward. We should be learning from one another, combining the expertise of each nation to share ideas, innovation and, where appropriate, put in place processes for voluntary cooperation.

People right across the UK want their governments and institutions to work together at every level to improve their lives, and the UK government is committed to working to do this.

A 4 week consultation has also opened today, sourcing views from businesses, experts, civil society, and consumer groups across all 4 nations of the UK. The proposals aim to balance the principles and successes of devolution, with the need to provide regulatory clarity to businesses, ensuring that rules and standards across the UK are mutually recognised, so that trade is as easy for business as possible.

Responding to the launch of the White Paper, Carolyn Fairbairn, CBI Director-General, said:

Preserving the integrity the internal single market – the economic glue binding our 4 nations – is essential to guard against any additional costs or barriers to doing business between different parts of the UK.

Increasing prosperity, creating opportunities for all and raising living standards will be the hallmarks of success. Delivery will be the real test, requiring closer collaboration between business, Westminster and devolved administrations.

- the 4 week consultation on the UK internal market white paper launches today (16 July)
- as well as launching the consultation, UK government officials are hosting several sector-specific roundtables. Roundtables are being held with academic experts and representatives of businesses from across the UK, focusing on key UK sectors, such as advanced manufacturing, agriculture, professional and business services, technology, energy, life sciences and tourism, as well as with representatives of the devolved administrations
- in total, Northern Ireland will be receiving 157 powers, Scotland 111 powers and 70 to Wales