



External Relations Scrutiny Panel

Quarterly

Witness: The Minister for External Relations

Tuesday, 14th May 2019

Panel:

Deputy K.F. Morel of St. Lawrence (Chairman)

Deputy J.H. Perchard of St. Saviour

Senator K.L. Moore

Witnesses:

Senator I.J. Gorst, The Minister for External Relations

Connétable R.A. Buchanan of St. Ouen, Assistant Minister for External Relations

Ms. K. Nutt, Group Director External Relations

Mr. T. Le Feuvre, Director of Global Markets, International Agreements and External Relations

[14:33]

Deputy K.F. Morel (Chairman):

So, Minister, thank you very much for coming in this afternoon and thank you for agreeing to delay the meeting for an hour and a half, made it much easier for us. Before we get started we will just go round the table stating our names for the record so if we start with Jess.

Deputy J.H. Perchard of St. Saviour:

I am Deputy Jess Perchard, member of the Economic Affairs and International Development panel.

Deputy K.F. Morel:

I am Kirsten Morel, Chairman of the panel.

Senator K.L. Moore:

Kristina Moore, I am a member of the panel.

Director of Global Markets, International Agreements and External Relations:

Tom Le Feuvre, Director of Global Markets and International Agreements and External Relations.

Global Director External Relations:

Kate Nutt, Group Director External Relations.

The Minister for External Relations:

Ian Gorst, Minister.

Assistant Minister for External Relations:

Richard Buchanan, Assistant Minister.

Deputy K.F. Morel:

Excellent, first test passed, thank you very much indeed. Brilliant, yes as before we are new to scrutinising External Relations so we are still exploring the department and trying to understand it. I thought I would start with trying to find a bit about the department and the budgeting and that side of things. The first question is really what is the total approved budget for External Relations in 2019?

The Minister for External Relations:

Wish that it were quite so straightforward Chairman. So the base figure in the accounts was one million seven hundred and seventy thousand that included the funding of the overseas offices, so that is London, Brussels, our contribution towards Brussels and our contribution towards the French office. It includes salaries, it includes a budget for in and out round trips, it includes professional memberships so OECD money by our British Irish council, it includes general office supplies and it includes a very small amount for learning and development. We then come on to the budget for Brexit in 2019 which stands at £2 million but that is not just our departmental budget, that is the overall budget for Brexit so our budget for Brexit in 2019 is less than that, let us just say that. Then we have got the monies from what was referred to as the economic growth fund for the global markets team, there is a budget there of £400,000 for 2019. Then we have got a small budget for the Jersey Guernsey working together coming from the same pot of money of £80,000 in 2019. So that Brexit money is split right across, so there is External Relations, there is Law Offices, the Financial Services bit, there is the Justice and Home Affairs and there is Environment and all of those as well.

Deputy K.F. Morel:

Do you have the details on how much for External Relations about the Brexit project?

The Minister for External Relations:

I do but you are going to correct me here.

Group Director External Relations:

It is about another £1 million, about a £1.7 base and about another £1 million on top this year.

Deputy K.F. Morel:

For Brexit?

Group Director External Relations:

Yes, but that includes additional work on the UK side and the European side. It also includes the entire global market strategy so it is funding that as well.

Deputy K.F. Morel:

I just wanted to know as well whether so far because obviously we are halfway through the year or coming up to halfway through the year whether you are on course to stay within your expenditure limits.

The Minister for External Relations:

We are, and you would expect at this stage not quite at the end of quarter 2 for there to be a theoretical variant certainly on Brexit money. We are expecting to either be running a very slight surplus or breaking even.

Deputy K.F. Morel:

Breaking even roughly?

The Minister for External Relations:

Yes, just slightly under.

Deputy K.F. Morel:

That is fair enough, from the staffing perspective in 2018 it was seven full time equivalents. Is that still the case or has that increased or decreased?

The Minister for External Relations:

We had a little joke before we left the office that I was looking at the numbers and my official was looking at the people. That is good that we are both thinking about money and people. So I do not know what the actual number of people is, but Kate perhaps you ...?

Group Director External Relations:

So in Jersey at the moment I think we have 13 full time equivalents.

Deputy K.F. Morel:

13?

Group Director External Relations:

Yes, but obviously we have got the overseas offices as well.

Deputy K.F. Morel:

So the 2018 figure would that have included the overseas offices? Because the figures that I found said 7 full time equivalents and now you are looking at 13 so has there been growth? I mean you are welcome to have growth in a department if that is the case.

Group Director External Relations:

No that figure is funded not just - it is complicated because we have got funding coming in from so many different areas. Those 13 full time equivalents are funded partly by the base budget and partly via the additional EPGDP funding that we have had and the I.A.B. (Investment Appraisals Board) funding that we have had as well. So it is a mix. I can tell you how many are funded out of the base budget if you just give me a minute, that is fine.

The Minister for External Relations:

But that does not sound when I look at the base fund money on salary it does not sound out of the way, so it sounds roughly that. The extra of course is all the other money and perhaps you are going to get to the challenge that we face which is that we are doing all this work for Brexit, we are doing all of the excellent work that is headed up by Tom globally, but that is not currently in base budget and therefore our bids for the government plan are to put all of those into the base budget. So we have people who are currently waiting and some really good people who do not know yet where their future lies because of that particular process. So hopefully the sooner we can give certainty to those bids the better.

Deputy K.F. Morel:

Because I was going to ask you what kind of amounts you are looking for in the 2020 government plan and is it likely to be an increased budget thinking in terms now of the overall package if you know what I mean, is it going to be a similar amount next year?

The Minister for External Relations:

Yes, do you want to just give us the total? So the increase amounts on top of those, so base budget is currently £1.7m, 2020 we are looking at £1,250m.

Group Director External Relations:

But that is in addition to the £1.7m.

Deputy K.F. Morel:

I was going to say this, otherwise it is less so you are looking at £2.9m, yes.

The Minister for External Relations:

This is in addition, and then it grows slightly in 2021 to additional £1.4m and then it just tips up ever so slightly to £14.2m.

Deputy K.F. Morel:

Thanks, and from a people perspective staying roughly the same. You think 13 is where you are going to stay.

Group Director External Relations:

There is slight growth built into that because we are looking at our overseas cover, so at the moment we have an officer based in Kenya in Nairobi who is leading on our engagement there, will help facilitate our engagement with the government there as well as in Rwanda. So we are looking at over the course of the next four years whether we would like to increase that outreach not significantly, potentially find another two or three posts and that is staggered over the period of the four years as well so we would not be looking to do all of that in 2020. But by and large these figures are a consolidation of what we have now, so the staff that we have recruited doing a very good job, very expert in the areas that they are working in, and we would like to retain them.

Deputy K.F. Morel:

Thank you, I will leave it there on the budgets for the moment.

The Minister for External Relations:

Yes, and the other thing to say is of course that there are some other bids into the government plan which we will be looking at later this week. We need to make sure that our trade arm and looking at international agreements is perfectly aligned with the work that we are doing here and thinking about exactly where they sit that may take extra resource as well. So we are putting forward this budget but we sit here and it is uncertain about the extra work that Brexit will bring to us over the course of the negotiation of the future economic partnership between the U.K. (United Kingdom), and the E.U. (European Union) this may sound odd but in reality a lot of the easy work has been the first stage of the exit package. The difficult work will be renegotiating our future relationship which as we know was protocol 3 but the U.K. will have to renegotiate everything. We will have to in fairly short order think about what parts of that we want to be a part of and so we will need people to do that and be pretty solidly engaged and then you come to thinking about these things, about regulatory alignment, access to markets, domestic autonomy, all of those issues which will come much more into the fore and could be resource hungry. We hope we have picked it up in this budget, but depend on what happens there. For example if there were no deal I think that that would mean the future economic partnership negotiation would be much more difficult and much more cumbersome and bureaucratic and that might have resource implications for us.

Deputy K.F. Morel:

Do you find from a government plan perspective obviously the government as a whole is under pressure I guess to reduce costs but yours is a department which is probably increasing costs and for many good reasons such as Brexit. But from that perspective are you confident that you might get the increases that you are looking for? I accept that you cannot predict necessarily but do you feel that the government supports the strategy behind the external relations department?

[14:45]

The Minister for External Relations:

So far from all the conversations we have had fellow Ministers are extremely supportive. Of course the budget that I have oversight or responsibility for also includes financial services and there are some bids for money there around processes for strengthening anti-money-laundering provisions which will be required under the new F.A.T.F. (Financial Action Task Force) standards. There is also putting into base budget the provision of the New York office and strengthening the Jersey finance budget. They are all incredibly important and it is always difficult for politicians to balance unless you invest in the economy to see that grow and strengthen, then you will not have the income returns to spend on all of the other social projects that perhaps the current government is more known for. So I think there is a very strong case for the growth in external relations budget and the financial services sector because that will strengthen our economy, help deliver economic growth which delivers jobs which pays taxes which provides the social provision that we know in some

areas we need to drastically increase spending. Yet if you speak to the average person in the street they are already squeezed for the pound in their pocket. Therefore looking to try and increase taxes rather than deliver economic growth I am not sure that that would meet with approval. But these are always difficult balancing questions that States Members ultimately have to make.

Deputy J.H. Perchard:

Do you think sustained economic growth is achievable?

The Minister for External Relations:

It depends what you mean by sustained economic growth because what we are talking about in economic growth is that in these sectors is about maintaining financial service jobs where possible, that is going to be difficult with the change in the digitization of our community, so we may see fewer jobs but increased use in technology and so it is not just about increasing jobs. It is about increasing outputs from a particular sector. So if you were to ask me the answer to global economic growth is different from local economic growth because what we are seeking in our small way is to ever increase our percentage of what is happening and growing around the globe. I do think economic growth is incredibly important and I do not think we should be ashamed of it because what we know is that economic growth in developing countries global trade raises the standard of living of the very poorest. If there is a challenge it is for how we are delivering it in western industrialised and post industrialised economies and how we live and how we consume. That is a slightly different issue from believing that economic growth is good for the poorest in the world of which global flows and trade I think help, the evidence shows it helps, so we should not be embarrassed or afraid to talk about that because there is a wholly different issue about how you and I consume limited resources on this island and how we use our spending power and what we expect from our lifestyles.

Deputy K.F. Morel:

Minister, if I could just turn your attention to work on the extension to Jersey of the convention on the elimination of all forms of discrimination against women. You have a coordinating role as a department on that area and I was just wondering how things are progressing.

The Minister for External Relations:

I do not think I have got anything to add to the written and I think there was an oral question as well that I recently gave and that if I recall correctly was that law officers are currently finishing their audit and they expect to have that audit completed by the end of May and we are not quite there. But perhaps that is a note that we can take away to chase that particular audit that they were producing.

Deputy K.F. Morel:

One of the things in the answer to the oral question you gave to Deputy Doublet was in the answer to the oral question to Deputy Doublet is you mentioned that the next examination of the U.K. by the U.N. (United Nations) committee is in February 2019, the government of Jersey is working towards requesting the extension in time for that hearing. Obviously we are past February 2019, so can I ask why, how did you progress against that deadline and why did you miss it?

The Minister for External Relations:

Well, we are dependent on other departments having done their work. So if they have not provided their work to us then we cannot see the extension and so it is quite straightforward.

Deputy K.F. Morel:

Yes, it is the fault of other departments.

The Minister for External Relations:

No, I do not know why we did not receive that audit or that information. You need to ask other departments, I am not putting any blame anywhere because I do not have the information in front of me.

Deputy K.F. Morel:

Do we know if there will be another opportunity for the U.K.? As I said the next examination of the U.K. by the U.N. committee, do we know when there is going to be another opportunity for the U.N. to look at the U.K. again?

The Minister for External Relations:

I do not know when the U.N. will next look at the U.K. but I do not think that that would unnecessarily curtail us seeking to have it extended or signing up to it. We have had other U.N. conventions extended to us outside of the cycle of a new U.K. review.

Deputy K.F. Morel:

One of the things that brought it up was it was in the 2016 M.T.F.P (Medium Term Financial Plans) as one of the aims of the External Relations department to deliver this and so obviously here we are three, heading towards four years later and we have still not seen it delivered.

The Minister for External Relations:

Yes, I have been very clear that sometimes the External Relations department have been asked to do work of other departments, that is not appropriate, we very much tried not to do that and to make sure that the departments were doing their work and not trying to reallocate it. I think that is important that we are coordinating just like with Brexit, we are not doing the work of the Department for

Transport or work for Health, but we are co-ordinating it. But I am not sure whether Tom has any further ...

Director of Global Markets, International Agreements and External Relations:

Well, I just wanted if I may just to add in around the process for extensions of U.N. conventions so the Minister is absolutely right to say that Jersey can make a request of the U.K. to have the extension of one of its U.N. conventions to the Island and we can then once we have the domestic legislation in place we can be party through the U.K. to that convention by extension. That can happen outside of the review cycle. The important point just to emphasise is where the U.K. then is part of a convention which includes extension to Jersey when it has essentially a peer review of its own adherence to that convention you will then see information from the Crown Dependencies and in this case Jersey included as part of the review that is done. So I think what I would say that I think is important is if we are going to enter into or to seek the extension of the convention it is really important that domestically we make sure we have got absolutely everything lined up so that we can through that extension maintain the reputation that Jersey fulfils its obligations, that it takes it seriously, we do not just seek an extension and then find that we are subject to review and that we do not have the right domestic arrangements in place. So that is always a consideration when timing the extension requests. I think over the past few years a recent example is with the U.N. convention against corruption and you may be aware but the U.K. was reviewed on that last year. The publication of the U.K. review took place earlier this year and Jersey comes out very favourably as to our actions around money laundering and tackling financial crime it is clear that we absolutely align with the standards and the U.K. were very pleased with Jersey's contribution to that. So we have a track record of doing it correctly, it is just I think fair to say with all of these things there is quite a backlog of work that has to be done first before we make sure that we have the convention extended because our practice is always to be absolutely sure that we know we can properly implement whatever we enter into and that we will not therefore fall foul of any of the obligations.

Deputy J.H. Perchard:

So who is responsible for the work that we need to do in this case?

Director of Global Markets, International Agreements and External Relations:

Well, I have to say that I am not personally involved with the C.E.D.A.W. (Convention on the Elimination of All Forms of Discrimination Against Women) convention so I do not know what the obligations extend to in terms of legislation and which department leader and I do not know Kate whether you ...

Group Director External Relations:

I think one of the problems with C.E.D.A.W. is that it does not really sit with any one department. The work falls across a number of departments and I think also with the reorganisation going on across government as well at the moment that has perhaps slightly complicated where some of this might sit.

The Minister for External Relations:

I mean members of the committee know that Chief Minister made a statement in the assembly some months ago and historically it sat with the Chief Minister's office and he indicated in that statement that he was asking the deputy of Grouville to take this particular piece of work forward.

Deputy K.F. Morel:

Because like you I was reading the M.T.F.P and that is where I got the information for this and it is definitely under External Relations not the Chief Minister's department. So which is it, Chief Minister's department or External Relations?

The Minister for External Relations:

You have may have a document that you're referring to there but I do not particularly recall it being the responsibility of the previous member.

Group Director External Relations:

No, I mean I think it is a coordination function and the request for extension that we are responsible for as of all these treaties but the actual work which crosses tax, finance, health, social services, social security, all of those areas obviously as the Minister said we are reliant on departments to make sure that we are compliant with all elements of the treaty before we can request the extension.

Deputy K.F. Morel:

Can I ask has there been an individual nominated to coordinate this work, someone who can get it going?

Deputy J.H. Perchard:

What, oversee the different departments?

The Minister for External Relations:

We have the Assistant Minister for External Relations is also the Assistant Chief Minister so he will be just as we all are were in the State Assembly when the Chief Minister made that particular statement about giving responsibility to the Deputy of Grouville who is also an Assistant Chief Minister.

Senator K.L. Moore:

We will look back at that statement, thank you. I guess just perhaps as a comment it was perhaps a good first challenge for a one government process to ensure that we can achieve cross cutting work in this regard but if I might move on. Earlier this week it was announced that the Minister for External Relations would be taking on and delegating responsibilities for Financial Services, and so we wondered if at this early stage the Minister has set out any priorities for this particular stream of work.

The Minister for External Relations:

Yes, it was an interesting report because of course the announcement was made last June post the election that Financial Services would be delegated to the Minister for External Relations and what has taken place over that period of time is a lot of administrative work which has led to an order which will give effect to the changes in the particular relevant pieces of legislation. That is what I think the media has been picking up so the Connétable and I have been responsible for this over the last year which therefore it will not surprise you at all that there have been a number of priorities over that last year. The one that has probably taken up the most amount of work is the substance legislation and working with the commission to get that particular piece of legislation in place. Also prioritising the preparation for the national risk assessment and the strengthening of our A.M.L./C.F.T. (Anti-Money Laundering and Countering the Financing of Terrorism) provisions and all of the work that that will entail and of course following up from the strategic review refresh, thinking about our Brexit strategy, thinking about the effect of digitization as we just said earlier on, financial services and continuing to facilitate access to markets.

Senator K.L. Moore:

Thank you for that clarification, that is most welcome. One of the other areas of responsibility I believe is the charities law and also the reclaim of dormant bank accounts. Following our research we figure there is about £5 million now in the fund relating to the dormant bank accounts but no disbursements have been made and so we are most interested to understand what the process will be in relation to those funds.

[15:00]

The Minister for External Relations:

Yes, thank you for that. So dormant bank accounts comes under the financial services bit so I will come back to that. The charities position that has only recently changed where that was delegated again to the Minister for External Relations and as you know that is ongoing work where the applications are being processed by the charities commissioner. The reason they are slightly tied

together of course is that when we first created the charities commissioner there were no funding available so we used contingencies on the understanding that in due course we would use monies from the dormant bank account to fund the charities commission. We are not quite in a position to make disbursements from the dormant bank account. I do not have the figure with me currently in the reclaim fund, but I think it is slightly above, it does seem to keep growing and we are in the process of developing a policy which will consider the use of some of that capital for the functioning of the charities commission office and also a process for disbursements in due course. What are we trying to do with those disbursements in the disbursements in due course piece of work is to align them with the work that is being undertaken around the disbursements from the lottery funding as well and the potential changes that G.H.E. (Growth, Housing and Environment) are bringing forward.

Senator K.L. Moore:

Good time to mention G.H.E. because we were going to progress your recent activities in Scotland where I believe you and the team and also the Minister for Economic Development attended the Conservative Party Scotland conference of Scottish Conservative members. What were the aims of attending that conference please?

The Minister for External Relations:

As ever attending party conferences is to enable people that we meet and participants at the conference and obviously in the case of any conference where the party is in government to speak to speak to senior members of the party to talk about Jersey and how people understand our constitutional relationship with the United Kingdom and to answer questions that individuals may have about our economy, about Jersey's place in the world and of course it will not surprise you also on our recent engagements we have been talking very much about the amendment to the financial services bill which was a day one no deal bill about why we strongly feel it is inappropriate for the United Kingdom parliament to act in such a manner.

Senator K.L. Moore:

Yes, indeed you met the Prime Minister of the United Kingdom during that time. One would imagine that the amendment was a matter for conversation and other issues as well. Would you be able to give us an overview of that meeting?

The Minister for External Relations:

Of course the committee is aware that we do not normally talk about government to government conversations but it will not surprise members to know that the aim of attending the conference that I have just outlined was also the main body of the conversation with the Prime Minister and I thanked her personally for her support that she has given not only to Jersey but all of the Crown

Dependencies during the Brexit process. We discussed also how we can work together into the future.

Deputy K.F. Morel:

Can I ask did you find people looking back at the amendment to the financial services bill did you find people receptive to Jersey's position on that and obviously it is not just Jersey's position it is the Crown Dependency's position.

The Minister for External Relations:

Some 600 parliamentarians, all of them individuals, all of them with differing views, for some an argument about the constitutional position is persuasive, for others the overriding issue is the policy issue of whether registers of beneficial ownership should be public. For others it is the overriding issue of fighting financial crime and money laundering and for others there is a perception around national security. So there is a breadth of opinion, some found our arguments persuasive, others did not.

Deputy K.F. Morel:

The thing concerning there is they are all from the same party and yet as you're saying there is a breadth of opinion within one party. It is a party without a huge majority anyway but obviously this is a cross party bill, the one that came forward was a cross party amendment. If it reappears what kind of position do you think Jersey will be in to fend off those who argue for national security or financial transparency?

The Minister for External Relations:

So Chairman you are hitting on a very interesting point that the current government finds itself in difficulty with numbers in the United Kingdom parliament and does not have a majority by itself and therefore partners with the D.U.P. (Democratic Unionist Party) that means that the government has to be mindful of every vote that it takes to the U.K. parliament and has to consider its best approach. All Government Ministers that I have spoken to have supported the constitutional argument even though it is well known that the U.K. government has a different policy position on public registers and has done ever since Prime Minister Cameron decided that they were going to in the United Kingdom have a public register of beneficial ownership that is not vetted, verified or regulated. But they have been as a government very strong on the constitutional point. We cannot be certain as we sit here whether that particular day one no deal bill will come forward again in the near future but we do know from our engagement with Andrew Mitchell and Dame Margaret that they were originally looking to attach a similar amendment to a different piece of legislation. That piece of legislation will probably be coming before the House of Commons in a number of weeks if not months and that is

why we are working together with our Crown Dependency colleagues on an action plan about registers of beneficial ownership.

Deputy K.F. Morel:

Will you be speaking to other parties about this as well?

The Minister for External Relations:

Yes, I mean we must of course recall that I gave a political commitment at the end of last year to the European Union that we would work with them during the course of 2019 and 2020 so that in 2021 we would have a connected register with the European Union member states. We know that the European Union Anti-Money Laundering Directive number 5 which has not yet been implemented by all 28, soon to be 27 member states requires member states to have a public register of beneficial ownership that does not describe in any great detail what those registers should look like. We know that not all member states have yet implemented them. Those that have taken different approaches across different member states and therefore we follow that very carefully and we know that in the past we have followed in Jersey regional standards that might arise from the E.U. and as I say we are working with the E.U. and with fellow Crown Dependencies on an action plan which we hope will by the same token help U.K. parliamentarians to understand that we are able to meet international and regional standards in a way which respects our constitutional history.

Senator K.L. Moore:

Shall we return to the conference? There was a speech that we were interested in, it was reported in the local newspaper here that the secretary of state, the Department for Rural Affairs, D.E.F.R.A., yes, gave a speech in which he outlined his vision for agriculture and fisheries and interests that were shared with our own island. Could you give us more information about those interests that he shared and spoke about at the conference and any opportunities that there are to work together with Scotland in that respect?

The Minister for External Relations:

If we take the last point first I think there a number of opportunities to work more closely together with our Scottish colleagues, of course we already do so through the British Irish council. Certainly on social policy a lot of the recent legislative changes over the last two or three years that we have made have been very much mirrored on Scottish legislation and we have got very good relations with the Scottish First Minister and particularly the work that they have done around children's services and the voice of the child and the relationship between our children's commissioner and the Scottish children's commissioner is excellent and we can learn a lot from it and we are learning

a lot from it. When it comes to more regional relationship there is no doubt from visiting, for me it was the first time in Aberdeen the Minister for Economic Development has visited them on a previous occasion and made a speech at a cities first conference and he would like to build greater links with Aberdeen. There are a number of synergies, they of course are reliant on the oil and gas industry so they have a major industry which is susceptible to fluctuations in global trade and they are looking at how they can diversify, how they can keep their high street relevant and their retail sector relevant and they are although they are a city in Scotland they are pretty much an island in that sort of neck of the woods and so I think there are lots of areas that we can work together on. Right, what was the first bit of the question?

Senator K.L. Moore:

The beginning was the vision he shared about agriculture and fisheries and how do you share interests.

The Minister for External Relations:

We have in the very broadest of terms we have a good relationship with D.E.F.R.A, in the U.K. they have been extremely supportive. I know that the previous Minister for the Environment, Deputy Luce, had a good relationship with this particular Minister and Fisheries Ministers, he knows the Fisheries Minister of course and we know Robert well from other engagement and so it was not a surprise that the Secretary of State would come talk about his understanding of the importance of fisheries, of agriculture, of environmental issues that we face here in Jersey because he is a Minister that is very well briefed and knows us of old, he was the Lord Chancellor and Secretary of State for Justice and so he was responsible as the link Minister for the Crown Dependencies. So it was not really surprising to hear him, so he thought that were areas that we can work together and continue to work cooperatively in the future as well.

Deputy K.F. Morel:

I was going to say are there any other notable events or people from the conference that you would want to share with us?

The Minister for External Relations:

Yes, the Secretary of State for Scotland that we know well as well, we had a useful conversation with him about Brexit and what was happening there.

Deputy K.F. Morel:

From a Brexit position not just at that conference venue but have there any particular developments with regard to Brexit? Pretty much the only Brexit question I will ask.

The Minister for External Relations:

Chairman, you read the media as well as I do.

Deputy K.F. Morel:

No, I meant in particular with regard to our position as opposed to the U.K.'s position. Were you happy that that status quo that you aimed is being maintained?

[15:15]

The Minister for External Relations:

Yes, no, we are, of course we are, we had the 9th quarterly Brexit meeting with Robin Walker yesterday and the fellow Crown Dependencies and again we touched on those issues that I spoke about earlier about in the future economic partnership how we are going to think about the trade-offs that access to European markets regulatory alignment and the ceding of domestic autonomy and how we will manage those trade-offs. They are exactly the same trade-offs of course that the United Kingdom is having to deal with, so having voted to take back control they are now having to ask themselves well, if we want access to the market that is going to require regulatory alignment and if you are in any sort of customs union you are then ceding autonomy because you are sharing it with a third party. So these are ultimately the issues of Brexit that leaving the European Union raises, you do not simply leave and take control, you then have to renegotiate what bits of that control you want to see to be in a union of any description or a trading partner or signing a trade deal with a third country.

Deputy K.F. Morel:

When you talk about ceding a domestic autonomy are you talking about the U.K ceding a domestic autonomy or do you see a position where Jersey has to cede further domestic autonomy?

The Minister for External Relations:

I am talking about both, so we are in a customs arrangement with the United Kingdom, customs arrangements require the two parties to come together and agree on all sorts of issues. So it is that ceding, it is not saying I am going to let you do this, it is coming together to agree what is in the best interests of both parties and that is what a trade deal ultimately is and that is what the future economic relationship between the U.K. and the E.U. will be and for us of course will then be an added layer of complexity of well, do we want to create a new protocol that gives us access to goods in the European Union and if we do what will that mean for our regulatory alignment, what will that mean for incorporation of further elements of the E.U. are key and what does that ultimately mean? The other big controversial issue around the Brexit debate was the European courts, because if you reach an agreement who is going to be the arbitrator, it cannot be you or me, it needs to be an

independent body and you end up creating that court system which many during the Brexit vote voiced their dislike for.

Deputy K.F. Morel:

Their solution appears to the media to be to create another court's comments, and so there is duplication as well.

The Minister for External Relations:

The other thing I should say as well in Scotland there was also a number of MPs there as well that we had bilateral meetings with.

Deputy K.F. Morel:

Any that you want ...?

Deputy J.H. Perchard:

Thank you, Minister. What work has the Department recently undertaken to promote Jersey in Saudi Arabia?

The Minister for External Relations:

As a department we have not done any work to promote Jersey, the last time we did so was on my visit in -

Director of Global Markets, International Agreements and External Relations:

November 2017.

The Minister for External Relations:

Yes.

Deputy J.H. Perchard:

Due to lack of time during the last sitting two questions regarding the attitude of the Island towards Saudi Arabia that did not get asked, the questions themselves were prompted by mass executions including the executions of those who were minors at the time of their alleged crimes. Do you acknowledge that many islanders are uncomfortable with the department using public money to engage with the kingdom?

The Minister for External Relations:

Well, I think the first thing to say is that of course as an island we are concerned about such executions reported in the kingdom of Saudi Arabia recently and previous incidents. It does of

course make us also in the department think about our engagement and we review our engagement with countries around the world on a fairly frequent basis and that includes monitoring political development. It includes monitoring economic developments, it includes monitoring human rights developments of the type that took place in Saudi Arabia. It will not surprise you and I hope it does not to know that we have already raised this matter with the foreign and commonwealth office, and I also intend to raise it in the course of bilateral engagement on Saudi Arabia. You might have seen that the United Kingdom put into the public domain that they had most recently raised it in April with the Foreign Minister and there was also you might have seen there was a question session in the House of Lords yesterday asking similar questions. I think that has answered your initial question.

Deputy J.H. Perchard:

Yes, have you on your visits ever raised the issue of human rights personally with the officials that you have met in the kingdom?

The Minister for External Relations:

Well, of course as I have just said we already raised these reported executions with the foreign office and they have raised it with the kingdom. We work with the missions in country and also the missions to the court of St. James and it is not something that we would normally talk about in public, we believe that it is best conversations of this nature are best conducted in private but I have of course been in shared meetings where issues of human rights have been considered.

Deputy J.H. Perchard:

Is it a principle of your department to try to engage with countries who violate human rights in order to encourage them to change this behaviour? Is there a line of principle that we do not cross when we say we have tried to engage with you to prevent this from happening, you have not engaged with us back, we no longer will do business with you?

The Minister for External Relations:

Well, we have to remind ourselves that we are only a small island and as a matter of international law the United Kingdom is responsible for our foreign relations. But that principle of engagement of trading as you will see the foreign office British Ministers spoke about only yesterday and we have spoken about in the past is one that I personally support. These and the security situation in the Middle East is extremely complex, those who are experts on the kingdom acknowledge that there is change and there is important change. I mean we alone are involved in or Jersey Finance have done a Jersey women in finance event in Saudi Arabia. If you look at the vision 2030 and the changes that that is not only proposing but also delivering in the kingdom. I think that is something that we as an island and as a government can support. Of course at the same time we do mirror international sanctions which are placed on individuals and countries where there is or where they

can be included human rights violations in places like Burundi, Iran, South Sudan, Sudan and Yemen and places like that. So we are not ignorant of what is happening and we understand the difficulties.

Deputy J.H. Perchard:

But in terms of that kind of moral line, that line of principle we are very much restricted by that, that is set by the United Kingdom and it is good that we agree with that line of principle, but do you have any power to influence where that line lies?

The Minister for External Relations:

I would not use the word restricted, I would use the word we support that approach to relations with countries around the globe.

Deputy J.H. Perchard:

But you are unable to independently -

The Minister for External Relations:

And I think that that is the right approach to take. The conversations that one has in private government to government I think it is right that they are kept private but those conversations are wide ranging as you would expect.

Deputy J.H. Perchard:

Yes, though I happen to agree with you I guess my question is if we were not as fortunate as we are to have a government whose principles were aligned with our own what power would Jersey have to redefine its own principles? I am asking as External Relations Minister you must have some ...

The Minister for External Relations:

Well, any government, any Jersey government can make policy decisions to on how it and where it engages.

Deputy J.H. Perchard:

Yes.

The Minister for External Relations:

That is a domestic competency but we would have to say for Jersey to disengage with a country when the United Kingdom's foreign policy is differing we would be extremely naïve to think it would have the effect that we might have wished it to have.

Deputy J.H. Perchard:

Sure, sometimes you do things for principle just out of principle rather than for effect.

The Minister for External Relations:

That is right, and for me the principle is engagement and encouraging regimes which are changing, that is the best approach to take.

Deputy J.H. Perchard:

Thank you.

Deputy K.F. Morel:

Thank you Minister, we have plenty more questions and I know the Senator was about to ask you some about a recent visit to the Middle East which would have been very interesting but unfortunately there is a pressing engagement the Senator has to attend, and by leaving we become inquorate once more and unable to continue the session.

The Minister for External Relations:

Well, perhaps Chairman if I can say that we could pick that particular visit up the W.E.F. (World Economic Forum) because it really helps us by exploring that visit and the engagement will help us with some of the more difficult questions about human rights and the complexity of the security situation in the Middle East.

Deputy K.F. Morel:

So when would you like to, at the next hearing, is that what you said?

The Minister for External Relations:

At the next hearing, yes.

Deputy K.F. Morel:

Thank you.

The Minister for External Relations:

Thank you.

[15:27]