



Scrutiny Office

Brexit Review Scrutiny Panel

MONDAY, 18th DECEMBER 2017

Panel:

Deputy J.A.N. Le Fondré of St. Lawrence (Chairman)

Deputy S.M. Brée of St. Clement

Deputy R.J. Renouf of St. Ouen

Deputy D. Johnson of St. Mary

Deputy C.F. Labey of Grouville

Witnesses:

The Minister for External Relations

Director, External Relations

Head of Brexit and EU Coordination, External Relations

Assistant Law Draftsman

[10:31]

Deputy J.A.N. Le Fondré of St. Lawrence (Chairman):

Thank you, Minister, for coming. Welcome to the first hearing of the Brexit Review Panel with the Minister for External Relations on Jersey's preparations for Brexit. Minister, as you are fully used to, I draw your attention to the notice to your left, which sets out that the hearing is covered by parliamentary privilege. We do expect members of the public and the media in the public seating to remain quiet at all times while the hearing carries on. Minister, as you should be aware by now, as we proceed through the questions we may stop you if we feel you have answered the questions sufficiently, because we would like you to be reasonably concise in the time we have available. If we think you have answered the question fully, I will indicate by sticking my hand up and hopefully

you will then move on, but we think we have got a reasonable amount of time to go through the questions we have for you today. For the benefit of the tape, I am Deputy John Le Fondré, Chairman.

Deputy S.M. Brée of St. Clement:

Deputy Simon Brée.

Deputy C.F. Labey of Grouville:

Deputy Carolyn Labey.

Deputy R.J. Renouf of St. Ouen:

Deputy Richard Renouf.

Deputy D. Johnson of St. Mary:

Deputy David Johnson.

The Minister for External Relations:

Philip Bailhache, Minister for External Relations.

Director, External Relations:

David Walwyn, Director, External Relations.

Assistant Law Draftsman:

Matthew Waddington Law Draftsman's Office.

Head of Brexit and EU Coordination, **External Relations:**

Matthew Fiott, External Relations.

Deputy J.A.N. Le Fondré:

Can you just make sure you have got your microphone on so we can pick up your dulcet tones as we go through the hearing? Okay, just to kick off, Minister, hopefully a nice easy question: can you provide us with a brief overview of the current progress of Jersey's Brexit negotiations and preparations to date, please?

The Minister for External Relations:

Deputy, the Ministry of External Relations has responsibility across the Government of Jersey for the co-ordination of the preparations of different departments in the Government of Jersey for Brexit and has established a team to that effect, supervised by the Director and led by Matt Fiott. Under

those arrangements there is a Brexit Ministerial Group, which consists of the different Ministers with responsibility in various areas for Brexit arrangements. That ministerial group is chaired by the Chief Minister. Underneath that is a Brexit group of officials, the name of which I now forget.

Director, External Relations:

The Brexit Working Group, Minister.

The Minister for External Relations:

The Brexit Working Group - thank you - which, as I said earlier, co-ordinates the different efforts of Government departments to ensure that we are prepared for Brexit when it comes in March 2019.

Deputy J.A.N. Le Fondré:

That is the structure. Can you just give a brief overview of the progress, the discussions you have been having, I guess, with the U.K. (United Kingdom)?

The Minister for External Relations:

Yes. There are quarterly ministerial meetings involving the Chief Minister and the Minister of State at the Department for Exiting the European Union and those meetings involve also the Chief Ministers of Guernsey and the Isle of Man. That is the ministerial superstructure of co-ordination with Her Majesty's Government. Underneath that there are a number of working groups that have assigned responsibilities in different areas - agriculture and fisheries, financial services and so on - for the different preparations that are being made. All those working groups meet very frequently and it enables us to understand what the United Kingdom Government is doing and hopefully also ensures that the United Kingdom Government is well aware of what our aspirations are in these different areas.

Deputy J.A.N. Le Fondré:

Just briefly, we have also got our elections coming up in May. How are you preparing for the transition of Brexit work during the course of and after the May elections?

The Minister for External Relations:

None of us around this table, Deputy, has any particular right to be here at the end of May 2018.

Deputy J.A.N. Le Fondré:

Absolutely.

The Minister for External Relations:

We do not know what the political future holds us for any of us. Obviously, the continuation of the work that has been carried out so far will be a responsibility of the new Chief Minister, whoever that is, and we shall have to see what happens.

The Deputy of Grouville:

I would like to ask a few questions about the organisation and co-ordination of the response. The first one is: what role does your ministry play in co-ordinating the work of other departments affected by Brexit?

The Minister for External Relations:

We have a Brexit Working Group, which is chaired by Mr. Walwyn and brings together officials in different departments: the Department of the Environment, the Financial Services Department, the Constitutional and Community Affairs Department and a number of others. They discuss the different work streams, including customs and trade legislation, financial services, immigration and children's rights, agriculture and fisheries, communications and transport. Those working groups are responsible for ensuring, firstly, that officials in Jersey understand what the effect of Brexit is going to be on the legislative framework. When Protocol 3 falls away, the directly applicable European legislation will fall away too and each department has to understand what the effect of that will be upon the workings of their particular department. Broadly speaking, that is the responsibility of the Brexit Working Group.

The Deputy of Grouville:

Who is taking the political lead on Brexit?

The Minister for External Relations:

The Ministry of External Relations is the lead department on Brexit, so the Minister for External Relations takes the ministerial responsibility in that respect. The Chief Minister obviously has a general supervisory interest in all matters affecting the Government of Jersey and he, as I said earlier, is the chairman of the Brexit Ministerial Group.

The Deputy of Grouville:

What progress is there in place to co-ordinate with the Brussels and the London offices?

The Minister for External Relations:

The Brussels and the London offices are in pretty close regular communication, I would say daily communication. The information that we obtain from Brussels is fed into the London office and

through the London office or directly into the Ministry of External Relations in Jersey and helps to inform discussions.

The Deputy of Grouville:

You have spoken about the responsibilities that each department leads on, but is there a contingency plan in place for a scenario where the Chief Minister or you would be unable to carry out your respective functions?

The Minister for External Relations:

I think so far as the Chief Minister is concerned, that is a matter for the Chief Minister. There is a Deputy Chief Minister and he is involved to a certain extent in the workings of the Brexit ... he is a member of the Brexit Ministerial Group. There is not an Assistant Minister in my ministry, as you know, and so the responsibility, if I were to fall under a bus, would, I think, devolve upon the Chief Minister.

The Deputy of Grouville:

Do you feel that there should be an Assistant Minister in your department?

The Minister for External Relations:

Yes, I do.

The Deputy of Grouville:

What is the role of the Brexit Ministerial Group? I know you have touched on that, but what is it actually doing?

The Minister for External Relations:

What is the Brexit Ministerial Group actually doing?

The Deputy of Grouville:

Yes.

The Minister for External Relations:

I hope that is not a suggestion that we are not actually doing anything, Deputy.

The Deputy of Grouville:

No, it is not.

The Minister for External Relations:

We meet, broadly speaking, on a monthly basis and I think it is fair to say that the workings of the group are in the course of evolution at the moment. Up until perhaps a month ago the process was that the group would receive briefings from the different officials in different departments on what was happening in each of those departments. During the last month or so there was agreement among Ministers that that was not the best way of ensuring that each Minister was up to speed with the key political issues that had to be debated and determined and that at future ministerial meetings one would expect Ministers to take the lead on discussing particular issues that need to be talked about. There are many examples. One example would be on migration, for example, which is a very crucial issue. Discussions at the moment on that subject are limited, of course, by a lack of knowledge of what the United Kingdom is going to do in terms of its migratory arrangements, but nonetheless there are different scenarios that I think we can talk through and we can try to agree what our aspirations are so far as the ideal solution for the Island is concerned.

The Deputy of Grouville:

Okay. I do not have any more on that particular subject.

The Deputy of St. Mary:

Part of the co-ordination starts with the Chief Minister. Am I right in thinking that individual Ministers - I am thinking particularly of the Minister for Environment - have dialogue with officers in London on that particular topic to put our case?

The Minister for External Relations:

I am not sure I can answer that question directly but certainly his officials would have contact with the London office, and indeed with the Brussels office too, in order to make sure that they are entirely up to speed with whatever might be happening in that area.

The Deputy of St. Mary:

I think I have read that the Minister would have discussions with those people, so I am just making sure.

The Minister for External Relations:

I would say then I am sure he is, yes.

Deputy J.A.N. Le Fondré:

Just to clarify, I think Deputy Johnson is probably talking about interaction with Whitehall rather than the Jersey Office.

The Deputy of St. Mary:

Sorry, yes, Whitehall.

The Minister for External Relations:

Perhaps I could ask Mr. Walwyn to comment on that.

Director, External Relations:

If I may, Mr. Chairman and Minister, certainly. Of course, Deputy Luce would wish to reply for himself in this regard but I do know that he has had contact with George Eustice in D.E.F.R.A. (Department for Environment, Food and Rural Affairs) and his officials are being led on the Brexit team by Greg Morel in extremely regular contact primarily with D.E.F.R.A.

[10:45]

The Minister mentioned that there are formal round table groups. That particular work stream is also broken down into some very detailed working on fisheries and agriculture as well.

The Deputy of St. Mary:

That is what I thought. Thank you.

The Deputy of St. Ouen:

Minister, to revert to your view that you should have an Assistant Minister, can you elaborate on how an Assistant Minister would work and what aid he or she would give you and your department?

The Minister for External Relations:

I cannot say, Deputy, that I have given that any deep thought because I do not have an Assistant Minister and I cannot have an Assistant Minister and so that is an entirely hypothetical question. But I think at the lowest the answer to that is that I think it is important there should be somebody who would be able to deputise for the Minister in case he was out of action for any reason.

Deputy S.M. Brée:

Can I just pick up on that? You say you cannot have an Assistant Minister. Why not?

The Minister for External Relations:

Because there are not enough slots available, Deputy. We are limited in the number of Ministers and Assistant Ministers that we can have under our current constitutional arrangements and there is not a spare slot for another Assistant Minister.

Deputy S.M. Brée:

With the removal of Senator Ozouf as an Assistant Minister to the Chief Minister's office, was that place filled?

The Minister for External Relations:

It was filled, I think, by Deputy Wickenden. I may be wrong on that but I think...

Deputy S.M. Brée:

My understanding is that Deputy Wickenden was already an Assistant Minister under the Chief Minister's Department at the time with responsibility, I believe, one of the areas, for digital. Would you not think though that as Brexit is a vitally important area for Jersey, certainly over the next 2 years but probably even longer with the long-term impact, it does seem somewhat bizarre that in such an important area you are not supported by an Assistant Minister? You have already said, yes, you believe you need one. What is the restriction or obstruction to you being able to have one, other than, as you say, you believe that the Executive is full?

The Minister for External Relations:

My belief is there is not a spare slot but if I am wrong on that then I will certainly verify what the position is, but my understanding is that there is no spare Assistant Minister under the current arrangements because I think that Senator Ozouf's place was taken by another. But I will certainly, prompted by you, verify that situation and see whether there is indeed a possibility.

Deputy J.A.N. Le Fondré:

Even if not, there have been Assistant Ministers in multiple roles. You can have half an Assistant Minister or a third of an Assistant Minister.

The Minister for External Relations:

Well, that is true.

Deputy J.A.N. Le Fondré:

I suppose we would be interested to know if that has been considered or not.

The Minister for External Relations:

I have given some thought to the identity of Assistant Ministers that I would like to have if that were possible, Deputy, but that, as I understood it, has not been possible so far.

The Deputy of St. Ouen:

Can you tell us, Minister, who sits on the Brexit Ministerial Group?

The Minister for External Relations:

It is chaired by the Chief Minister. I sit on it. The Minister for Treasury and Resources sits on it. The Minister for Environment sits on it. The Minister for Home Affairs sits on it. Constable Mezbourian, as Assistant Minister to the Minister for Home Affairs, also sits on it. Senator Farnham also sits as Minister for Economic Development.

Deputy J.A.N. Le Fondré:

Does it tend to be the Ministers who attend or is it their Assistant Ministers who attend or does it vary?

The Minister for External Relations:

On the whole, when there is attendance it is by Ministers rather than Assistant Ministers, although Constable Mezbourian is very assiduous in attending.

Deputy J.A.N. Le Fondré:

Just out of curiosity, if one looks at the split of work between yourself and the Chief Minister - because, as we have understood, both of you have roles to perform, as it were - how is that work distributed or allocated between the 2 of you?

The Minister for External Relations:

The Chief Minister attends meetings with the Minister of State in London because those ministerial meetings are meetings of Chief Ministers. If the Chief Minister thinks that there is a particular Brexit-related issue that is of particular importance that he wants to deal with then he will tell me and he will deal with it, but otherwise Brexit matters are dealt with by the Minister for External Relations.

Deputy J.A.N. Le Fondré:

There are not any specifically-defined responsibilities allocated to you?

The Minister for External Relations:

No. I think it is fair to say there is no sort of structural arrangement whereby one bit is dealt with by the Chief Minister and another bit is dealt with by me.

The Deputy of Grouville:

Finance matters are dealt with by the Chief Minister still? Now that Senator Ozouf is no longer an Assistant Minister in that department because he was there for finance, is my understanding that has been taken on by the Chief Minister?

The Minister for External Relations:

I think that is correct, yes.

The Deputy of St. Ouen:

Minister, we understand that a Jersey repeal law is being drafted and has been proposed. Can you tell us what progress has been made with regard to its drafting?

The Minister for External Relations:

Yes. I think we have made very considerable progress, Deputy, and we have a draft European Union Repeal and Amendment (Jersey) Law, which I think has been shared with members of the scrutiny panel. The broad effect of that is to repeal the European Union (Jersey) Law of 1973 and the European Economic Area (Jersey) Law of 1995 and to make amendments to the European Union Legislation Implementation (Jersey) Law of 2014 so as to enable the States, by regulations, to import, after Brexit day, those parts of European law that it considers ought to be continue in force, notwithstanding leaving the European Union.

The Deputy of St. Ouen:

On what date are you proposing to lodge the law?

The Minister for External Relations:

I am hoping to lodge the law in the middle of January.

The Deputy of St. Ouen:

Will this scrutiny panel be given sufficient time to comprehensively review that law before it is debated?

The Minister for External Relations:

Deputy, as members of the panel will know, there have been some informal discussions between the panel and both officials in my department and the Law Draftsman and also on one occasion with the Minister. I very much hope that the panel has been given and will be given sufficient opportunity to consider the terms of the law. I am very anxious that the law should be debated and passed by the States before the elections and that does impose a bit of a tight timeframe on us. I am anxious that it should be debated before the elections because the law will set the framework for the regulations that will later be passed by the States and which will import into Jersey law those parts of European Union law that we want to continue to have in existence under our law. We now know that the European Union and the United Kingdom have agreed that discussions on the future relationship, and in particular the trade relationship, can start. We anticipate that things are going to move much more quickly now than they have done in the last 9 months. We need to be ready

and if we are going to be ready we have to have our legislative framework in place. The first of those building blocks is the European Union Repeal and Amendment (Jersey) Law, which is the one that, as I say, I hope to launch in the middle of January.

The Deputy of St. Ouen:

We are not aware of any obstacles to the timeframe of completing the progress of that law before the elections but what might happen if for any reason the law was not passed before the May elections?

The Minister for External Relations:

If the law was not passed before the May elections we will be placing much more pressure on the new States to complete the legislative arrangements in time for Brexit day in March 2019. I think that would be a pity because every new States, every new Minister, every new scrutiny panel has to take time to understand the nuts and bolts of the issues that it has a responsibility to consider. I think it would be very much better if we could at least advance to the stage of having the primary legislation in place before the May elections.

The Deputy of St. Ouen:

How many pieces of legislation have been identified that will need amending?

The Minister for External Relations:

Perhaps the Assistant Law Draftsman can help us on that one. I know that it is quite a number.

Assistant Law Draftsman:

We do not know yet. The Law Officers' Department is dealing with it and they are working through with the different departments and it will eventually reach us when they have finished.

The Deputy of St. Ouen:

Are we talking about hundreds or dozens?

Assistant Law Draftsman:

Hundreds. I believe so.

The Deputy of St. Ouen:

Hundreds?

Assistant Law Draftsman:

I would think so.

Director, External Relations

Chairman, Minister, the Law Officers' Department is going through a process of triaging all the legislation that refers to European Union legislation. As part of that process they have identified I think it is about 70 to 80 pieces of legislation that relate only to agriculture and fisheries so far and they are proceeding through that process and expecting the numbers of pieces of legislation to be in excess of that.

The Deputy of St. Ouen:

What preparations are being made to deal with such a large quantity of legislative changes?

The Minister for External Relations:

That detailed work is being dealt with in each of the departments and the department with the greatest responsibilities here is the Department of the Environment. The Brexit Working Group is obviously making sure that all that work is proceeding and that when the time comes the departments will be ready to give instructions to the draftsman to complete the regulations that will be drafted under this law.

The Deputy of St. Ouen:

Are we going to need any additional resources in the Law Draftsman's Department?

The Minister for External Relations:

My understanding is that the law drafting office is sufficiently established to deal with the pressures. Obviously the Brexit work will take a priority and other things may have to be put on one side, but the Law Draftsman may be able to add to that, I do not know.

Assistant Law Draftsman:

I am not sure I can.

The Deputy of St. Ouen:

Okay. Thank you. Minister, would you agree that to aid the understanding of States Members and others a briefing note might be included with each piece of legislation that is necessary to change these arrangements, setting out what in the legislation has been changed and how extensive the impact of the change would be?

The Minister for External Relations:

Yes. I am sure that there will be an explanatory note that will be attached to the law explaining the implications of each article. I think, Deputy, what I would like to do is to have at least one briefing session informally with States Members so as to give Members the opportunity to understand the

nuts and bolts of the draft legislation so that we can have a better and more informed debate when the time comes in March.

The Deputy of St. Ouen:

I understand that some legislation will come before the Assembly but other legislation might be introduced by way of ministerial orders. Will Ministers be given any greater powers than at present to implement legislative changes?

[11:00]

The Minister for External Relations:

I think the broad answer to that is no. There may be in one respect - and I am very happy to discuss that with the panel - an additional power that will be given to the Minister for External Relations, but the broad thrust of the law is to confer power on the States by regulations to implement those parts of European Union law that we want to continue in existence in Jersey. The States will have power in those regulations to empower any Minister in certain defined respects to make orders. That will be a matter for the States in due course and I am not able at the present time to suggest to the panel in what respects the States might be invited by regulation to delegate those powers to Ministers. The important principle so far as I am concerned is that under the law itself, the law that will repeal the 1973 law, the fundamental powers will be conferred upon the States to make these decisions by regulations.

The Deputy of St. Ouen:

Thank you. Alluding back to a previous question, is it proposed to give scrutiny an opportunity and adequate time to examine individual pieces of legislation or regulations as they come forward?

The Minister for External Relations:

Certainly I think the scrutiny panel will have to be given sufficient time to look at the draft regulations when they come forward because those regulations will be the critical piece of legislation that will bring into Jersey law the parts of European Union law that we wish to continue to have. So far as the primary legislation is concerned, as you know, the first draft of the legislation has already been shared with the scrutiny panel, as has been an illustrative draft of the 2014 law as it will be amended by the Repeal and Amendment Law. We are doing as much as we can to ensure that the scrutiny panel is right up to speed in relation to the legislation before the law is lodged.

The Deputy of St. Ouen:

I think my question was directed more to the regulations that will be introduced as a result of the repeal law. Is it proposed that they be lodged and debated in a mass or will scrutiny panels be able to examine and perhaps comment on individual regulations?

The Minister for External Relations:

I do not know whether Mr. Walwyn can throw more light on this than I can. My understanding is that there will be a principal set of regulations, a principal regulation that will embody into Jersey law those parts of European Union law that we want to retain. I do not know whether it will be broken down into a number of different regulations. Perhaps the Assistant Law Draftsman can assist on that.

Assistant Law Draftsman:

We would want to see how it pans out when it happens, I think, in terms of whether it is one regulation or more regulations. Like everything else, we would look at that at the time.

The Deputy of St. Ouen:

I see.

The Deputy of St. Mary:

Just to clarify one earlier point, on the number of pieces of legislation that might need amending you have referred to 60 or 70 possibly for Environment. Am I right in thinking that Environment is the most ... popular is not the right word but is the most numerous area for amendment and you would not, therefore, expect to see the number reflected in each of the other departments?

The Minister for External Relations:

No, I am sure that is correct. I think because the Department of the Environment is much more concerned with the conditions of trade it has a much larger impact on the Environment Department than on any other department. Migration may be another department where there would be quite a lot of work to be done, but it is difficult to say. It is difficult to say because we do not yet know what the United Kingdom is going to do.

Deputy S.M. Brée:

Minister, you made reference to an additional power or powers that will be given to the Minister for External Relations. Would you care to elaborate on exactly what that reference is about?

The Minister for External Relations:

Yes, Deputy, I can. Perhaps I could just say by way of introduction to that that what we are seeking to do is to achieve a balance between practicality and constitutional propriety. We do not want to be left in a position where there is a hiatus. I suggested earlier that things were likely to move much more quickly in the future and we do not want to be left in a position where we ought to have incorporated into Jersey law some provisions that we have not had time to do. In order to achieve a peaceful and smooth path, we need to have the legislation in place before any substantial change descends upon us as a result of the actions of others. I said earlier that the broad thrust of things was to enable the States, by regulations, to decide whether and, if so, to what extent to delegate powers to Ministers to deal with more minor matters. The provision in the law, which will come into the 2014 European Union Legislation Implementation (Jersey) Law, will be a power vested in the Minister for External Relations, by order, to amend the definition of the E.U. (European Union) treaties. At the moment the E.U. treaties are defined as the Treaty on the European Union, the Treaty on the Functioning of the European Union, which is the old Treaty of Rome, the Euratom Treaty and the Agreement on the European Economic Area, which was signed in 1992. Those are the E.U. treaties at the moment. We know that there will be a withdrawal treaty between the United Kingdom and the European Union but at the moment we cannot specify that in the legislation because it does not exist. But as I say, that withdrawal treaty is likely to come upon us with some considerable speed and the purpose of putting into the 2014 law a power in the Minister for External Relations, by order, to amend the treaties will be to enable him or her, by order, to add the withdrawal treaty, for one, and maybe there will be other treaties in relation to the new relationship between the European Union and the United Kingdom, which again might suddenly come upon us, and where it would be desirable to include within the definition of E.U. treaties. Once that has been done, the effect is only to empower the States by regulations to implement any changes that might come about by those new treaties. The power vested in the Minister for External Relations is quite narrow. It is to amend the definition of the treaties but the only practical effect of that will be to empower the States, by regulations, to give effect to the provisions of those treaties.

Deputy S.M. Brée:

Is there not an inherent danger there, though, if a single body in a Minister, the person who is occupying the office at the time, for one reason or another decides not to change a definition or not to include a treaty then it is restricting the ability of the States through regulation to take effect of that? You are, if you like, restricting the ability of the States by allowing a single Minister to define, to change the definition of a law. Is there not an inherent danger there or risk, should I say, especially by virtue of the fact that, as you just said, you do not have an Assistant Minister? The Minister for External Relations is a single person making a decision on what the definition of statute law is.

The Minister for External Relations:

If we are talking about the Minister for External Relations falling under a bus, I do not think that is a problem because the Chief Minister would then have the power that was vested in the Minister for External Relations, so there would be no hiatus there. If you are contemplating a situation where a rogue Minister might say: "I am not going to include this new withdrawal treaty in the definition of the E.U. treaties", I suppose that is a possibility. The counterargument is that if you do it the other way and you say that only the States by regulations can amend the definition of E.U. treaties, you might find that there is a gap, a hiatus, because regulations take longer to enact than a ministerial order.

Deputy S.M. Brée:

Would it not be better perhaps to say: "The Minister for External Relations, after consultation with the Council of Ministers", to broaden the responsibility? While the Minister for External Relations is the person who will be executing the order, making the order, it will, firstly, be after consultation with a wider group, thus removing the possibility, to use your words, of a rogue Minister.

The Minister for External Relations:

There would be consultation with the Council of Ministers, you are quite right. I do not think that the Minister for External Relations, any Minister for External Relations, would make an order of that kind without ensuring that he had the concurrence of other Ministers to do so.

Deputy S.M. Brée:

But should that consultation not be on a statutory basis?

The Minister for External Relations:

Well, it could be, Deputy, and if the scrutiny panel thought that that would be a desirable safeguard we could certainly look at that. It will happen anyway but if you think that there ought to be a statutory requirement for consultation, I am sure that could be built in. I think it is important there should be a ministerial power to make an order because, as I say, otherwise the process of making regulations, as we all know, is much more elongated and much more time consuming. If there is not sufficient time ... and, as I say, these things could come upon us quite quickly. We know from the experience already that there is a great deal of scepticism as to whether the U.K. and the European Union might be able to make sufficient progress to enable trade negotiations to start. A number of pundits are saying this is never going to happen and then suddenly almost overnight the situation changes and the Prime Minister provides some assurances to her partners in the European Union, which enables the situation to move on. I think it is important for Jersey to be in a position where it is able to respond quickly to changed circumstances, and that is why we have included the power to make a ministerial order.

Deputy S.M. Brée:

Thank you.

Deputy J.A.N. Le Fondré:

One quick observation before we move on to the next section, when we were querying around an explanatory note issue enabling States Members to understand what the changes were, I will not read them out but perhaps I can direct you and your officers to the recommendations of the House of Lords Select Committee on the Constitution and their paper on the Great Repeal Bill and Delegated Powers. Basically, they suggest that there should be something that sets out very clearly what the law presently does before Brexit, what the amendments would add on the law and why the amendments or changes are necessary.

[11:15]

It is an expansion of the explanatory note that we have got at the moment and it seems from our point of view at this stage a worthwhile recommendation from that committee and maybe you could have a look at it in due course.

The Deputy of St. Mary:

A few questions regarding the preparations for the 2-year deadline, as it were. What preparations have you made or indeed been able to make for a no-deal scenario?

The Minister for External Relations:

Those are 2 different questions, I think, are they? There is a question...

The Deputy of St. Mary:

What preparation have you made for a no-deal scenario?

The Minister for External Relations:

For a no-deal scenario. We have certainly been examining the possibility that there might be a no-deal scenario and that there might be an ultra-hard Brexit as the United Kingdom falls out of the European Union. I think that perhaps underlines what I was saying earlier in answer to Deputy Brée that it is important for us to have our legislative ducks in a row and, whatever chaos there might be in other places, that that chaos is not reflected in Jersey because we have made statutory provision for the withdrawal of the United Kingdom from the European Union and the falling away of protocol 3. The law, as I say, is the first building block and the regulation or regulations that will follow will be equally important in ensuring that in the event of a hard Brexit people know what the law is in Jersey.

The Deputy of St. Mary:

Talking about hard Brexit, how do you envisage the impact differing between a hard Brexit and a soft Brexit, as it were?

The Minister for External Relations:

I think that a hard Brexit will impact more upon the United Kingdom than it will impact upon Jersey. The U.K. has 40 years of dovetailing of different legislative provisions in a huge range of areas and if there is no agreement as to how disentangle those matters then one can quite easily envisage that there is going to be uncertainty in a number of different areas as to what the law is. I think that would be very undesirable for the U.K. and in the sense that we live in the shadow of the United Kingdom, it would not be a good thing for Jersey either. There is a limited amount that we can do outside our own particular sphere of influence, outside our own particular relationship with the European Union. That is why, as I said earlier, we want to ensure that we have all our legislative ducks in a row to ensure that in Jersey there is no uncertainty and that people know what the law is.

The Deputy of St. Mary:

I appreciate the uncertainty element, but would a no deal be better than a bad deal for Jersey?

The Minister for External Relations:

I am not sure that it is possible to answer that question, Deputy, without knowing more clearly what the bad deal is.

The Deputy of St. Mary:

Okay. I understand that, yes. Obviously we are in the middle of negotiations, but at what point will you and the general public know the final deal for Jersey, do you anticipate?

The Minister for External Relations:

We know that things have not been progressing as quickly as I think the United Kingdom Government, or certainly the European Union, originally hoped would be the case. The relevant treaties set out 2 years for sorting out the differences between the country withdrawing from the European Union and the Union itself and we now know that that 2 years is not going to be sufficient. The United Kingdom has agreed with the E.U. that in effect that 2-year period has become a 4-year period, or roughly a 4-year period. What we do not know is how that prolongation of the 2-year period is going to be implemented. We have made it very clear to the U.K. Government that if the membership of the single market and the membership of the European customs union is going to continue in the United Kingdom, even if under different circumstances because the U.K. will have left the Union, we want those relevant provisions of the protocol that govern our relationship with the

E.U. to continue in force. How that will be achieved we do not know. Perhaps there will be some express provision in the withdrawal agreement that will be extended to Jersey. I do not know.

The Deputy of St. Mary:

Thank you for that. Leading on from that, will Jersey have the ability to comment on the aspects of that final U.K. agreement as and when that stage is reached before they are implemented?

The Minister for External Relations:

Insofar as it concerns Jersey, we will certainly comment whether we are asked to or not and I am sure we will be listened to by the United Kingdom Government.

The Deputy of St. Mary:

They have given you assurances to that effect so far, have they?

The Minister for External Relations:

Perhaps I can ask Mr. Walwyn to answer that because he was present at a meeting when that was discussed.

Director, External Relations

Thank you, Mr. Chairman and Minister. Robin Walker, the Minister at D.Ex.E.U. (Department for Exiting the European Union), at his last meeting with the Chief Ministers of the Crown Dependencies, gave an update on the progress of negotiations. Our Chief Minister raised explicitly at that session that he would expect any withdrawal agreement to apply to Jersey and the Crown Dependencies, as the Minister has said, insofar as protocol 3 affected us up to that point. That has been very, very clearly taken on board. At official level, I have reinforced that message to senior officials in D.Ex.E.U. and in the Cabinet Office and that has been acknowledged. Of course, there are no absolute guarantees until the withdrawal agreement is signed. However, we have a high degree of certainty at this stage that the U.K. will be acting in the way described.

The Deputy of St. Mary:

Thank you for those assurances. Moving on slightly to other areas, what engagement are you having with E.U. citizens on the Island who may be concerned about or would be concerned about the impact of Brexit on their status here?

The Minister for External Relations:

Both the Chief Minister and I have made it very clear ever since the referendum that we would expect the position of European Union citizens in the Island to be protected. Certainly they would be in no worse a position than European Union citizens in the United Kingdom, but to the extent that their

position in Jersey is governed by local legislation, we would ensure that their position is indeed protected.

The Deputy of St. Mary:

The converse, what about Jersey citizens living in the E.U.?

The Minister for External Relations:

I think you need to define Jersey citizens.

The Deputy of St. Mary:

I was frightened you were going to ask that. Jersey citizens have no automatic right of work in the E.U. at the moment.

The Minister for External Relations:

There is the stamp in the passport.

The Deputy of St. Mary:

Yes.

The Minister for External Relations:

Their position, I think, will remain as it is at present. If they have rights in the European Union, those rights may very well result from national legislation of the country in which they reside rather than rights as European Union citizens. We know, in fact, that their rights as European Union citizens are limited because they do not have the right of free movement into the European Union and those that are present in European Union countries will be there because they have been given a permission of some sort by the country concerned to reside there. We would expect that that position would not change during the 2-year extension period.

The Deputy of St. Mary:

My final question was about preparations being made for the 2-year transition period after March 2019, but I assume your reply would be much on the same lines as you have already mentioned regarding the 2-year period, that you await developments.

The Minister for External Relations:

I think that is the answer to the question, yes.

The Deputy of Grouville:

Going back to the Jersey citizens living in the E.U., you said that they do not have rights now, which is perfectly true. Is there not an opportunity to use the fact that Jersey citizens do not have rights in the E.U. as a sort of negotiating tool, if you like, to seek further what we are trying to achieve?

The Minister for External Relations:

I am certainly very alive to the position of those who have a stamp in their passport who are living in the European Union and so far as it is possible to argue a case that is to their benefit, we will argue that case. What does seem to be clear at the moment is that the view coming from Europe is that Channel Islanders under the protocol should not be given any enhanced rights that they do not have at the moment in the event that there should be an extension of the withdrawal period. It is quite difficult to be specific in relation to these individuals because we do not know how many there are; we do not know in which countries they are resident; we do not know the circumstances under which they have been given permission in those different countries to reside. I think all I can say in answer to your question, Deputy, is that we, certainly in my ministry, will do everything we can to protect the position of Jersey citizens.

Deputy J.A.N. Le Fondré:

Can I just follow up? Is there any scope to at least raise the issue for those, let us call them Jersey nationals, for want of a better expression, or Jersey residents who do have a British passport or a Jersey passport with a stamp in it at present, to see if they have European parents or grandparents that the implications of that stamp can be removed? At the moment, I understand that the reason for having a stamp is if you have a British grandparent or parent it would not be there - and I do not know about Irish - but if you have a French grandparent or parent the stamp is there. Is there any merit to seek that effectively ... is it going to mean that everybody now has the stamp in the passport, including British, or is there any scope that if they have European parents or grandparents that that would not be applicable? Probably mixing up too many metaphors.

The Minister for External Relations:

I think that the important point so far as Jersey citizens in the round are concerned is that after Brexit the stamping of passports will become an irrelevance. It will have no meaning and every British citizen, whether resident in Jersey with 4 Jersey grandparents or not, will be in the same position as a British citizen resident in the United Kingdom. I think that is the fundamental thing. As far as the protection of existing rights are concerned, it becomes much more difficult because one does not know what those existing rights are in many respects.

[11:30]

But as I said in answer to the Deputy of Grouville, we will be very live to the different circumstances of these different individuals and to the extent that it is possible to protect their interests, we will do so.

Deputy S.M. Brée:

Minister, if we can move on to the area of financial services and the possible potential impact Brexit may have on them, what recent discussions have you or the Chief Minister had with Jersey Finance or similar industry representative groups?

The Minister for External Relations:

Our officials are in regular contact with Jersey Finance Limited, in the context of the Brexit Working Group, to discuss issues that arise in the context of financial services. I ought to say, Deputy, before you go too deeply into your cross-examination that this falls within the responsibility of the Chief Minister. I can certainly help the panel up to a point but it is the Chief Minister who has ministerial responsibility for financial services.

Deputy S.M. Brée:

That point taken, I go back to my original question that you, yourself, as the lead political figure in Brexit, have not had any recent meetings personally with either Jersey Finance Limited or similar industry representative groups.

The Minister for External Relations:

I have regular meetings with the chief executive of Jersey Finance Limited and obviously Brexit is one of the subjects that comes up in those discussions.

Deputy S.M. Brée:

During those meetings that you have with the chief executive of Jersey Finance, could you explain what they are thinking or predicting will be the impact on Jersey's financial services industry post Brexit?

The Minister for External Relations:

That is a very broad question. As I say, I do not have the ministerial responsibility for financial services but to give a broad...

Deputy S.M. Brée:

But you did say you have regular meetings with the chief executive.

The Minister for External Relations:

Yes, I do.

Deputy S.M. Brée:

So one can assume that discussion came up and all we are asking is what you believe...

The Minister for External Relations:

Yes. I can give you a broad answer to what was a broad question. The broad answer is that the anticipation of the industry is that the impact of Brexit will not be huge, that the impact of Brexit will be limited to certain defined areas. In terms of the banks, for example, that have established themselves in Jersey over the last 30 or 40 years, there seems to be no reason why they should want to decamp to Europe as a result of Brexit. They are here in a jurisdiction that is already outside the European Union.

Deputy S.M. Brée:

Could one say that the feedback you are getting in terms of impact is relatively neutral in the sense that there will not be huge downside but there may be some upside as well?

The Minister for External Relations:

I think that is a fair summary.

Deputy S.M. Brée:

Okay. Moving on then, if I may speak about the E.U. list of non-co-operative jurisdictions for tax purposes. We are aware that while Jersey has not been included on the E.U.'s blacklist of third country jurisdictions for tax purposes, Jersey has, however, been asked to make certain changes by the end of 2018. Can you just explain what these changes are, as far as you are aware?

The Minister for External Relations:

Can I repeat, Deputy that I am not sure that this strictly falls within the purview of the Brexit Scrutiny Panel? I am anxious to try to avoid a situation where I appear before different scrutiny panels to answer the same questions in relation to different issues.

Deputy S.M. Brée:

Well, let me put it another way, Minister. Could this decision by the European Council - we are not on the blacklist but there are certain changes required, if we put the nature of those changes to one side - have an impact on Jersey's Brexit negotiations and the possible final outcome of these negotiations?

The Minister for External Relations:

I do not think that it will have any impact on the Brexit negotiations, Deputy. One of the things I can say in very broad terms, and I suppose it is fairly obvious, is that when the United Kingdom has left the European Union we will no longer have a protector, as it were, among the member states of the E.U. That is a situation of which we are very conscious and we, certainly in my ministry, have tried in the last couple of years to identify certain countries with which we should develop stronger and closer relationships and do that in order to compensate for the fact that the United Kingdom will no longer be there. It is easier to build up relationships with smaller countries because we have more things in common with smaller countries like Malta, Estonia, Lithuania and so on, even to an extent Ireland. But the countries that carry the clout in the European Union are not those countries and they are the larger countries like France and Germany. We have been trying to compensate for the departure of the U.K. from the E.U. by building up relationships not only with some small countries but also with France and Germany and that is work in progress.

Deputy S.M. Brée:

Picking up on the comment that you made that once the United Kingdom leaves the European Union we will no longer have a protector, I think was the word you used, around the table for Jersey's interests. Looking at this requirement from the European Council to make certain changes by the end of 2018, which is not that long in the future, if Jersey do not manage to complete the implementation of those changes, would that mean, firstly, that we get moved on to the blacklist and, secondly, if we were to get moved on to the blacklist because we had not completed the changes within the sufficient timeframe allowed, what impact would that have on Jersey in a post-Brexit world?

The Minister for External Relations:

There are a number of hypothetical questions there. We know, everybody knows as a result of the decision of the European Council, that there are things that the European Council would like us to do in terms of the provisions that we have in our legislation regarding the substance of companies that do business in and from Jersey. Having said that, I think we are in the dark as to what the European Union would like us to do and I do not think the European Union knows what it would like us to do, because there are different views among the member states of the European Union and they do not agree. That is one of the difficulties that we have. One of the positive things that has come out of the decisions of the last few weeks is that the European Union has agreed to discuss things. That is progress because, to be frank, they have not discussed things to a very great degree with the Government until now. We hope that during the course of those discussions - I am not sure that "discussions" is the word, there is another word that escapes me at the moment - during the course of those interchanges we will have the opportunity not only to explain in more detail why we do not think that our current zero rate of tax is harmful to the European Union but also will give us

the opportunity to learn in what respect the E.U. thinks we ought to change the provisions in our companies law and perhaps other legislation dealing with substance.

Deputy S.M. Brée:

Are those discussions that your department, Minister, is having direct with the European Council?

The Minister for External Relations:

We will be having those; I am not sure with whom we will be having them. There will be discussions at official level between officials of either the European Commission or of the Code of Conduct Group.

Deputy S.M. Brée:

It will not be having to go through the United Kingdom as the member country? We will be able to discuss, interchange ideas, direct with the European Council or the commissioner who has been...

The Minister for External Relations:

Yes. That is the way in which it has been done in the past and that certainly would be my expectation.

Deputy J.A.N. Le Fondré:

Moving on, Minister, to population. Has planning for Brexit fed into the work of the upcoming migration strategy, as far as you are aware?

The Minister for External Relations:

Has it led into the...

Deputy J.A.N. Le Fondré:

Has it fed into the work?

The Minister for External Relations:

Fed into. I suppose the statistical work that has been done in the Ministry of External Relations in relation to migration has fed into that work, yes. The policy itself has been developed outside the Ministry of External Relations but some of the work that has been done as a consequence of Brexit has, I think, fed into that policy.

Deputy J.A.N. Le Fondré:

Again, as far as you are aware, is there likely to be any impact, significant or otherwise, on the population size of Jersey because of Brexit?

The Minister for External Relations:

That is quite a difficult question to answer, looking into a crystal ball. We do know that the domestic situation in Poland has changed in the last 12 to 18 months and that the attractions for Polish agricultural workers to come and work in Jersey are less than they were before because of social changes that have been brought into force in Poland by the Polish Government. Whether that will have a dramatic effect upon the number of Polish workers who want to come and work in Jersey remains to be seen.

Deputy J.A.N. Le Fondré:

Just to elaborate slightly on that, because policy changes by the Polish Government have had an impact, not focusing just on that particular country, is there potential impact on particular employment sectors, I am guessing agriculture but any others that you are aware of?

The Minister for External Relations:

I think it is likely to impact more upon lower paid workers than higher paid workers. It is more likely to impact on the agricultural industry and perhaps the hospitality industry than others. But as I say, this is all speculation at the moment because we will not know until next January whether or not the Jersey Farmers Union is experiencing difficulty in recruiting workers from particular areas or not.

Deputy J.A.N. Le Fondré:

Out of curiosity and I am just interested in your opinion, using Poland as an example, is it more the impact of what has happened internally within that country is the greater issue or is the exchange rate an issue, bigger or smaller, versus the “threat” of Brexit?

[11:45]

The Minister for External Relations:

I think both those are factors. Certainly the drop in the value of the pound means that workers from the European Union are earning, in their own terms, 20 or 25 per cent less than they were 18 months ago.

The Deputy of Grouville:

Is there any work being done, if there is a drop in the European workers, to look further afield for workers? For example the Sri Lankan fishermen are always very sought after by our fishermen but they are not allowed over here. Likewise, Kenya for catering staff.

The Minister for External Relations:

I do not know, Deputy. I think that is a question for the Minister for Environment or the Minister for Home Affairs.

The Deputy of St. Ouen:

Is any work being done to assess how far we are reliant on overseas labour for our health services and our care sector and what might happen if that pool of labour was no longer permitted to the U.K. and thus into Jersey?

The Minister for External Relations:

I am sorry if I am avoiding a number of questions. I think that probably is for the Minister for Health and Social Services, but I do not know if Mr. Walwyn can help at official level with any discussions that have taken place.

Director, External Relations

The particular question that you have raised, Deputy, has, of course, been put at official level and ministerial level through the Minister for Health and Social Services and his officials. It is a factor in their planning for the future. However, as the Minister said, it is probably a matter for the Minister for Health and Social Services to reply to.

Deputy J.A.N. Le Fondré:

You say the question has been put to them. What response have you, as the department, had back?

Director, External Relations

That they are aware of potential implications there on employment matters, but beyond that I am not in a position to reply. I think it would be more appropriate for the Corporate Services Scrutiny Panel.

Deputy J.A.N. Le Fondré:

Okay, but from your point of view you have not had a detailed response from Health back to your department saying: "This is what we are intending to do"? Sorry, that was a "no", was it, just for the tape? Okay. The final section is non-E.U. markets to an extent. What progress have you made on extension of membership of the W.T.O. (World Trade Organization) to Jersey?

The Minister for External Relations:

Discussions are ongoing in 2 different areas, Deputy. So far as the Department for International Trade is concerned, or perhaps it is B.E.I.S. (Department for Business, Energy and Industrial Strategy) I am not sure, the discussions are ongoing in terms of the nitty-gritty of the schedules that

will have to be completed by the United Kingdom when it leaves the European Union. When the U.K. leaves the E.U. its membership of the W.T.O. will no longer depend upon the European Union but will have to be a freestanding membership in its own right. In order to ensure that no difficulties arise with member countries of the W.T.O., the U.K. has been doing an enormous amount of work in trying to ascertain how the different schedules of rules will apply to the U.K. post March 2019. In that connection, the Channel Islands have been inputting into the work being done by the U.K. We had a visit not very many weeks ago from 2 officials from D.I.T. (Department for International Trade) and discussions took place at official level as to the impact on Jersey in relation to those schedules, whether Jersey should have had its own separate schedules or whether it should be incorporated into the U.K.'s schedules. I am sure Mr. Walwyn will be able to fill you in to a deeper degree than me if you would like to go there. The other aspect of the W.T.O. discussions concerns the Intellectual Property Office and the question of whether or not Jersey can, under its existing arrangements, satisfy the requirements of the Paris Convention, which is a treaty with which one has to comply before one can comply with the T.R.I.P.S. (Trade-Related Aspects of International Property Rights) which one has to comply with before one can become a member of the W.T.O. There are legal discussions that are going on at the moment with the Intellectual Property Office and with other departments of Her Majesty's Government, because there are different legal views. We have a very clear view that we comply with the Paris Convention and that, therefore, there is no inhibition to the extension of the W.T.O. agreements to us, but that is not a view shared by lawyers in one department of Her Majesty's Government and trying to resolve those difficulties is something that is going on at the moment.

Deputy J.A.N. Le Fondré:

Do you have any form of timeframe on the resolution of that?

The Minister for External Relations:

The timeframe is getting tight because we do not want to be in the position where the W.T.O. agreements have not been extended to Jersey when the U.K. leaves the European Union in March 2019. Time is getting tight. We have been given any number of deadlines by which decisions would be made, which have not been met, but I am hopeful that over the next few months we will see greater clarity on this point.

Deputy J.A.N. Le Fondré:

You have stated that as part of preparing for Brexit, Jersey is exploring non-E.U. markets for future economic opportunities. To the extent that you can, are you able to tell us what has been done so far, briefly?

The Minister for External Relations:

We have identified a number of areas of the globe where we think we ought to be concentrating our efforts: China, the Gulf, India, certain countries in Africa. The Chief Minister has been in Saudi Arabia and Bahrain recently. I returned from India at the end of last week and I plan to go to the U.A.E. (United Arab Emirates) in the early part of next year. We are trying to build up those relationships and they are based upon the wish to have double taxation agreements. We do have D.T.A.s (double taxation agreements) with the U.A.E. and with Rwanda and a number of other countries, and we are seeking to persuade other countries that they should have D.T.A.s with us combined, hopefully, with bilateral investment treaties, which will safeguard the interests of investors who are investing in those particular countries. Certainly the discussions that I had in India were extremely positive in terms of the wish of commercial operators and businesses in India to see both a double taxation agreement and a bilateral investment treaty. The messages that I got from those entrepreneurs was that both those instruments would be very helpful for developing relations between Jersey and India. We know that India has double taxation agreements with Singapore and Mauritius and those D.T.A.s have helped to develop an enormous amount of trade with those countries. We think that Jersey has a very good reputation in India and that the prospects of persuading the Indian Government to give us a D.T.A. are good, so we are certainly working very hard to try to bring that to fruition as soon as we can.

Deputy J.A.N. Le Fondré:

In terms of the current sources of revenue that we have, is there any estimate at the moment of what potentially might be lost or diminished because of Brexit? Has that piece of work been done?

The Minister for External Relations:

I am sorry, what losses, revenue losses, might be...

Deputy J.A.N. Le Fondré:

Yes, in terms of cash renewal.

The Minister for External Relations:

Again, I think that is probably a question for the Minister for Treasury and Resources. I said in answer to Deputy Brée earlier on that the information that I had from Jersey Finance is that the financial services industry does not envisage any substantial impact of Brexit. But I think that really is a question for the Minister for Treasury and Resources.

Deputy J.A.N. Le Fondré:

Well, we will push slightly. I think where that leads to is in terms of the work you are doing and the potential for some non-E.U. sources of revenue, how do they compare in value, or is it just too early days, to Jersey's existing E.U.-based income streams? Is there any indication there?

The Minister for External Relations:

I could give you an answer but I think a probably more accurate answer would come from Mr. Walwyn.

Director, External Relations

Of course, 88 per cent of our trade particularly in goods, is with the U.K. In the region of less than 12 per cent of trade is, therefore, with the European Union. Our global markets trade is very difficult to quantify because a lot of it comes through the City of London and the way statistics are aggregated means that we cannot drill into the trade flows that come through the U.K. and see what the underlying basis for that trade is. However, the largest growing economies in the world and the largest expectations of increases in trade, marginal increases in trade, are with non-E.U. countries in the markets in Asia and the Middle East that the Minister has already identified.

Deputy J.A.N. Le Fondré:

Does that include trade in services as well?

Director, External Relations

Yes, particularly in financial services.

The Deputy of Grouville:

It has been made quite apparent over the weekend that the U.K. cannot expect a deal like Canada or Norway. Is there any scope for the Crown Dependencies to carve out something different to the U.K. like those countries?

The Minister for External Relations:

I do not think, if I may say so, that the view has been put forward that the U.K. cannot have an agreement similar to Canada or to Norway. What the European Union principal negotiator said was that the U.K. could not cherry pick these arrangements and get a nice bit from the Canada agreement, another nice bit from the Norway agreement, and expect to have all the benefits of the single market without being a member of the European Union. As I understand it, the current thinking is, and certainly this is what M. Barnier has said, that the best the U.K. can expect is a Canada-plus-plus arrangement. The difficulty for the United Kingdom is that that may not include

very much in terms of services. So far as Jersey is concerned, our policy has been from the start that we do not seek any substantial change in our relationship with the European Union.

[12:00]

We want to be able to trade in goods without inhibition so that our fishermen can export their fish products free of tariff duties and so on, but we do not really seek any substantial change in terms of services because we are content with what we have at the moment. That is our current position. The U.K.'s position is different. They do want to have trade in services. I am not sure that Jersey is going to change its position in that respect.

Deputy S.M. Brée:

Minister, if I may just take you back to your comments on the extension of membership of the W.T.O. to Jersey, various deadlines or promises of meeting a deadline have been missed. What will happen if post-Brexit such extension of membership has not been extended to Jersey? What will it mean?

The Minister for External Relations:

It will mean that Jersey does not have the protection of the W.T.O. tariffs in terms of its trade with the rest of the world. How serious that will be is difficult to gauge because, as Mr. Walwyn said a few moments ago, 88 per cent of our trade in goods is with the United Kingdom and we do not envisage any change in our relationship with the U.K. We are part of a sort of customs union de facto with the U.K., which we expect to continue. Membership of the W.T.O. is important. How important is perhaps difficult to gauge.

The Deputy of St. Mary:

Reverting to your recent trip to India and the planned ones, am I right in thinking that this perhaps signifies a more independent stance of seeking agreements rather than latching on to the coattails of the U.K., if I can put it like that?

The Minister for External Relations:

Yes and no. I think we have been on the coattails of the U.K. for the last 50 years or so and where it is advantageous for us to sit on the coattails of the U.K., I think we would want to continue to do that. If there were free trade agreements between the U.K. and other countries that were capable of extension to Jersey and we wanted to do that for our own purposes then we would certainly seek to do that. But, yes, in the sense that we have found that a number of countries do want to negotiate bilateral investment treaties with us and we think it is advantageous for us to do that. That comes back to getting an entrustment from the United Kingdom to deal with those bilateral investment treaties. That has been a very slow process, a disappointingly slow process. I had a meeting with

the Minister of State in the Department for International Trade about 2 weeks ago and I expressed my disappointment that the process had taken so long. I believe that that disappointment was understood by the Minister and I hope that we will be able to bring that to fruition in the next couple of months.

The Deputy of St. Mary:

That is interesting. Thank you.

Deputy J.A.N. Le Fondré:

I do not think anybody else has any more questions there. We are almost bang on time. Thank you very much for your presence here today, Minister. That concludes the hearing and we look forward to you appearing in front of us at some point in the new year.

The Minister for External Relations:

I look forward to that too, Deputy.

Deputy J.A.N. Le Fondré:

All the very best for Christmas and to your officers.

[12:04]