Minister for Business and Employment Richard Lochhead MSP



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Colin Smyth MSP Convener Economy and Fair Work Committee The Scottish Parliament By email to: economyandfairwork.committee@parliament.scot

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Dear Colin,

REPORT OF INTER-MINISTERIAL GROUP – TRADE – 02 JUNE 2025

I am writing to provide the Committee with a report of the meeting of the Inter-Ministerial Group for Trade (IMG-Trade) which took place on 02 June 2025.

The IMG-Trade is the primary ministerial forum to discuss matters of international trade concerning the UK Government, Northern Ireland Executive, Scottish Government and Welsh Government. This most recent meeting, the second since the UK General Election in July 2024, was chaired by Douglas Alexander MP, UK Minister of State for Trade Policy and Economic Security. I represented the Scottish Government and the meeting also included Ministerial colleagues from the other Devolved Nations and each of the UK Territorial Offices.

The agenda for this meeting included four main items;

- 1. Welcome and Introductions
- 2. India, EU and US Trade Agreements
- 3. Gulf Cooperation Council (GCC)
- 4. UK Trade Strategy

At the outset of the meeting I made clear my concern at the recently poor engagement from the UK Government on a number of trade negotiations, noting a lack of prior notice for a number of recent developments as a particular concern.

This was discussed in further detail as part of agenda items on the UK-EU and UK-US trade negotiations. While welcoming Sanitary and Phytosanitary (SPS) measures and energy aspects of the UK's recent agreement with the European Union, I underlined concern at the

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fisheries elements of this deal and at the lack of appropriate engagement on this important area for Scotland. In relation to UK-US negotiations, I was clear that the Scottish Government supports the UK Government's overall approach and welcomes the deal. However, I echoed concerns also raised by other Devolved Ministers that we were given no prior notice this deal was imminent.

For agenda items relating to UK-India and UK-GCC trade negotiations, I stated that in contrast to the UK-EU and UK-US negotiations, engagement between the Department for Business and Trade (DBT) and Devolved Governments here had been fairly good. I noted that the Scottish Government welcomes the conclusion of a trade deal with India, particularly given opportunities for the Scotch Whisky sector, and that I looked forward to continued good intergovernmental working through the final stages of negotiations with the GCC and the implementation of the UK-India FTA.

On the UK Trade Strategy, it was stated that the Strategy would developed and delivered by the UK Government for the whole of the UK and that there would be no opportunity for codesign with Devolved Governments.

I made clear my disappointment at this approach. While the regulation of international trade is reserved to the UK Government, there are significant devolved elements and reserved trade levers also have a direct effect on devolved policy, people and businesses in Scotland. The Scottish Parliament and Scottish Ministers are also responsible for observing and implementing international obligations relating to devolved matters. As you know, the Scottish Government published its views on the UK trade strategy in January 2025, drawing on our strategic documents, *Scotland's Vision for Trade* and *A Trading Nation*.

The Strategy was subsequently published on 26 June 2025 and is available <u>here</u>. In the Scottish Government's view, the lack of collaboration on the UK Trade Strategy was a missed opportunity for more effective partnership working across our four nations. We will urge the UK Government to commit to working together with Devolved Governments on the implementation of their Strategy so that it delivers for the whole UK.

I would welcome any feedback from the Committee on this recent IMG-Trade and our engagement in the development of a UK Trade Strategy.

Sincerely

RICHARD LOCHHEAD

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