



Rt Hon Michael Gove MP  
Chancellor of the Duchy of Lancaster  
Cabinet Office 70 Whitehall London  
SW1A 2AS

Mr Jeremy Miles MS  
Minister for European Transition  
Welsh Government

Our reference: MC2020/09161

15 July 2020

Dear Jeremy,

Thank you for your letter of 7 July. As you mention, our officials have had regular discussions on possible policy approaches around the implications of EU Exit for the UK internal market.

As our economy starts to recover from the Covid-19 crisis, the UK Government is determined to find ways administrations across the UK can work more closely and effectively together to support jobs and investment in all parts of our country.

We are grateful for you setting out the Welsh Government's emerging thinking on the internal market and look forward to continuing joint discussions, particularly on the administrative mechanisms you put forward. The Government will shortly be consulting on a White Paper which sets out a direction of travel on the future of the UK-wide internal market, in line with our manifesto commitment to "maintain and strengthen the integrity and smooth operation of our internal market". Our intention is to maintain the free circulation of goods and services across the country - to protect the ability of Welsh lamb farmers to sell their products in English supermarkets.

We are keen to work constructively with the Welsh Government, the other devolved administrations and a range of stakeholders from across the UK to flesh out the vision in our White Paper. We would be happy to brief you on these proposals at your convenience and to understand your views on how we can make the UK internal market work for citizens and businesses in Wales and across the UK.

We welcome the strong ongoing work taking place to develop Common Frameworks with the Welsh Government, to which we remain fully committed, and recognise that your proposals on the UK internal market have built upon these continued joint efforts. Common Frameworks remains a priority for the UK Government but we recognise that views vary amongst devolved administrations.

We also strongly agree with the need for collaboration and joint working including in areas of devolved competence. In terms of your proposals on ministerial quadrilaterals we agree with the need to restart our work on intergovernmental relations and hope to accelerate this over the summer.

As we emerge from the Covid-19 crisis and prepare to exit the transition period, it is more important than ever that we maintain and strengthen the UK internal market. The proposals that the Government will set out shortly are intended to work with the grain of the devolution settlements.

In your letter you raised the issue of plastic bags pricing – under our proposals you would have been free to pursue policies such as this, as long as it did not discriminate against another part of the UK e.g. by banning Scottish-made bags.

A strong and cohesive UK internal market has always been central to the effective functioning of devolution. The proposals that the Government will set out shortly in our White Paper are intended to work with the grain of the devolution settlements. The devolved administrations will continue to be free to innovate policy tailored to specific issues or concerns within the home nations. As we have seen recently and over the past few years, we have been able to learn from one another and to share the different experiences of our different approaches, while working together as one country. Our joint working has strengthened governance across the UK. This Government supports devolution, believing decisions are best taken at the level closest to the citizens they affect, be that local authorities, devolved administrations or across the whole UK.

We look forward to full and frank discussions with you soon, and to discussing your views on how best to engage business, consumers and other relevant stakeholders in Wales.

I am copying this letter to the Secretary of State for Business, Energy and Industrial Strategy, The Rt Hon Alok Sharma MP.

**With every good wish,**

A handwritten signature in black ink, appearing to read 'Michael Gove', written in a cursive style.

**Rt Hon Michael Gove MP  
Chancellor of the Duchy of Lancaster  
and Minister for the Cabinet Office**