

QMS Briefing

Purpose: *To provide written evidence to the Constitution, Europe, External Affairs and Culture Committee on the Retained EU Law (Revocation and Reform) Bill (UK Parliament Legislation).*

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1. Legislative burden and impact on sector

- 1.1 There are 2,400 pieces of retained EU law (REUL), with a further 1,400 pieces recently discovered which had not initially been counted.
- 1.2 It is a concern that the correct number of retained EU laws has not been confirmed until recently, several weeks after the bill itself was introduced and the initial timescales had been proposed.
- 1.3 This contributes to the sense that the time scales to reform the UK statute book in relation to REUL are significantly pressured, and therefore the process to “revoke, replace, restate, update, remove or amend” is compromisedⁱ.
- 1.4 We echo the Law Society of Scotland’s concern that “this does not appear to allow sufficient time to enable the review to be completed properly after due consultation with the devolved authorities and the relevant stakeholders including UK Parliamentary and Devolved Legislature Committees”.ⁱⁱ
- 1.5 Former Prime Minister Theresa May stated in the foreword to *Legislating for the United Kingdom’s withdrawal from the European Union*ⁱⁱⁱ that the decision to convert the body of European legislation into UK law at the moment that the European Communities Act was repealed was in order to ensure “maximum certainty” as to what rules and laws apply after Brexit. May stated that it would then be for “democratically elected representatives in the UK to decide on any changes to that law, after full scrutiny and proper debate”.
- 1.6 The Bill and its timelines as introduced, do not allow for full scrutiny and proper debate. We share the Law Society of Scotland concern that “the process of moving from the “maximum certainty” of REUL to domestic provisions in such a short time could result in less certainty and more confusion with consequent adverse impact on individuals and businesses affected”.
- 1.7 We are deeply concerned as to what this will mean for the Scottish red meat supply chain, as the majority of the sum of REUL sits with Defra (570 laws). The subsequent policy areas with the highest number of REUL to review are:
 - a. Common fisheries – 107 laws
 - b. Animal health – 55 laws

- c. Biosecurity, import controls, controls on food handling within GB – 54 laws
 - d. Plant health – 40 laws
 - e. Rural development, agriculture and the environment – 31 laws
- 1.8 For a sector already facing significant operating challenges and on the brink of undergoing huge policy change, this is alarming and disconcerting.
- 1.9 We are concerned that, with the Scottish Government's policy to remain as aligned with EU law as possible, divergence between, Scotland and the rest of the UK, and the UK with the EU will widen over time, creating an increasingly complicated operating environment for businesses.
- 1.10 The sector is already deeply concerned regarding the imbalance in import controls between goods entering the UK versus the EU, and the fact that there are over 50 pieces of REUL that will need to be reviewed over the coming months will not abate this concern.

2. Impact on trade

- 2.1 The Scottish red meat supply chain generates over £2 billion annually to Scotland's economy. The supply, use and input-output tables produced by the Scottish Government highlight how valuable meat processing is to the Scottish economy, ranking it in the top 10 out of Scotland's 98 industrial sectors. Currently, there are over 36,000 people working in the food and drink manufacturing sector in Scotland which accounts for 19% of the Scottish manufacturing workforce. Gross value added to the economy is £1.9bn which is 14.2% of Scottish manufacturing value added. Food and drink manufacturing is Scotland's largest manufacturing sector, made up of almost 900 businesses. Over the last ten years, food exports from Scotland have increased by more than 50% to £815 million. Food and drink manufacturing accounts for around 45% of Scotland's full supply chain turnover and the number of people it employs^{iv}. The red meat sector in Scotland currently supports around 50,000 jobs.
- 2.2 The Scottish Food & Drink industry plays a major role in UK exports, accounting for 29% of all UK food and drink exports to the world in 2021.
- 2.3 Despite the additional cost and complexity involved in accessing the EU market following single market exit, export sales remain heavily dominated by trade with customers in EU countries, with Scottish exports of red meat and offal sold outside the UK rebounding to £80.5m in the year from August 2021 to July 2022.
- 2.4 Around 93% of overall export revenues were generated in EU markets, climbing to around 99% for Scotch Lamb.
- 2.5 With thin operating margins in the processing sector of as little as 2%, export markets are a vital source of additional revenue over and above what can be achieved in the home market, helping to balance the carcass. In turn, this supports the amount of money that can be spent procuring livestock from Scotland's cattle, sheep and pig producers.
- 2.6 The main export destinations for Scotch Beef in 2021-22 were Italy, France and The Netherlands, collectively accounting for nearly two-thirds of the total, with Belgium, Germany and Hong Kong also proving to be important markets. Along with the Irish Republic, The Netherlands and France were the main destinations for non-Scotch Beef, accounting for more than 80% of trade
- 2.7 Sales of co-products to overseas customers continued to make an important contribution to carcass balance for Scotland's red meat processors. Overall sales of offal were estimated at

almost £9m with close to 90% of this being from cattle. There were a number of important outlets for these co-products, led by France. Other important destinations in the EU included the Irish Republic, Poland and Germany.

2.8 Therefore the Scottish red meat sector cannot risk any further obstacles in accessing the EU trade market.

3. Conclusion

3.1 As outlined by the Law Society of Scotland, “there is no reason why retained EU law (REUL) cannot be considered a sustainable concept”.

3.2 We believe that the priority should be ensuring that our producers, processors and the rest of the supply chain remain on a level, legislative playing field with their counterparts in the EU, and law are reviewed as deemed necessary, without a deadline.

ⁱ <https://publications.parliament.uk/pa/bills/cbill/58-03/0156/en/220156en.pdf>

ⁱⁱ <https://www.lawscot.org.uk/research-and-policy/influencing-the-law-and-policy/our-input-to-parliamentary-bills/bills-202223/retained-eu-law-revocation-and-reform-bill/>

ⁱⁱⁱ <https://www.gov.uk/government/publications/the-repeal-bill-white-paper/legislating-for-the-united-kingdoms-withdrawal-from-the-european-union#foreword-from-the-prime-minister>

^{iv} <https://www.skillsdevelopmentscotland.co.uk/media/43589/fa-l6-food-and-drink-technologies-framework-specification.pdf>