

Plenary Statement by the First Minister

Date: 28 June 2016

Diolch, Lywydd. Well, the democratic voice of the people has been heard, and we have to respect that, but we have to say that the debate that preceded the vote last Thursday proved to be very divisive for our communities. It's now time to abandon the unhelpful, disruptive rhetoric and work towards restoring community cohesion and doing what we were elected to do, and that is delivering for the people of Wales. What will follow now are lengthy negotiations, potentially lasting years, under the article 50 process, which, as Members will have heard me say earlier on, should start, to my mind, sooner rather than later, with the EU, of course, in order to strike an agreement on the arrangements for withdrawal and to redefine our relationship with the EU. Now, no-one has a clear idea of what 'out' looks like. That's the issue that has to be wrestled with at this stage and that will be a complex process. We will work tirelessly during this period to ensure we are not overlooked and to fight for the best possible deal for Wales.

We need to know, first of all, what the UK Government's vision is of a world outside the EU. We need to know that as quickly as possible in order to return stability to the markets and to give potential investors a clear picture of what our country has to offer. I've been clear that companies I speak to are always keen to come to Wales in order to access the single market, and that is something that we must ensure is not lost as a competitive advantage.

As I said yesterday, it's crucial that the final terms of the treaty to exit the EU come to all four national parliaments. That's consistent with the Prime Minister's statement this is a country comprising four nations and his commitment to ensuring we will be fully part of the negotiation process with Brussels. That has not undermined the result last week; it simply adds to the need to make sure that any deal is approved by this, the elected parliament of the people of Wales.

Yesterday we resolved to form an expert team of civil servants based in our existing office in Brussels, independent of the UK Government, to explore where our priorities may be taken forward directly with the EU. This will run in parallel with, but is not intended to replace, our promised participation in the UK Government's negotiating approach. We do need to reassure inward investors, those who've shown faith in Wales, that we're still open for business and we still have a lot to offer. We are determined as a Government to stay internationally engaged, outward-looking and pro-business in our approach, and that's what will maintain business confidence. It will also help, of course, inward investors to take the right decisions in what is now an uncertain environment.

We have worked hard on resolving the steel crisis. That is unfortunately ongoing, and we will continue to work with Tata and support steelworkers as we look to meet the immense challenges thrown up by the referendum result. Llywydd, I've already outlined my immediate priorities to protect the interests of Wales in these changed circumstances. Firstly, we must protect our jobs. Doing everything we can to maintain economic confidence and stability is the No. 1 task. We've built excellent proactive relationships with Welsh businesses and inward investors, and these will need to intensify following yesterday's vote.

Secondly, we must play a full part in discussions about the timing and terms of UK withdrawal from the EU. Our participation is essential, not just for directly devolved issues, but for the whole range of issues affecting vital Welsh national interests. The Prime Minister has already said that Wales should be fully involved in negotiations on the terms of UK withdrawal and our future relationship with Europe, and I'll be holding the UK Government to that.

Thirdly, as I've said many times already this afternoon, it is vital that the UK negotiates to retain access to the 500 million customers in the single market.

Fourthly, we should negotiate continued participation on current terms in major EU programmes like the common agricultural policy and structural funds up to the end of 2020, if we're still there in 2020. That would facilitate continuity for citizens, communities, businesses and investors while arrangements are made for the longer term.

Fifthly, Wales, as we know, is a net beneficiary from the EU, to the tune of hundreds of millions of pounds. There is now an overwhelming case for a major and immediate revision of the Barnett formula, taking into account needs arising from EU withdrawal, and I call today for the promise made that Wales will not lose a penny to be guaranteed, and also that it will be the people of Wales who decide how that money is spent.

Finally, withdrawal from the EU is a massive constitutional shift for the UK. It has equally far-reaching implications for the devolution settlement. That means the relationship between devolved administrations and the UK Government must now be placed onto an entirely different footing. Otherwise there is a risk that the price to pay for leaving the EU is the end of the UK, and that is something that will worry many, many people.

As I said last week, the Welsh Government will fight for the people of Wales in all of those vital areas, but also strive to unify the divisions exposed by this vote, taking Wales forward together, which I believe is what the nation now wants and needs. Passions have been raised by this debate, I know, but it's time now for calm, not knee-jerk reactions. Many will be concerned about the vitriol that seeped into the campaign. This will not help us with these significant challenges that now face us all. We also need to find a way of talking to one another again. We may have voted different ways, but we remain neighbours, friends and family. The challenges we faced yesterday on the NHS, on the economy and education we still face today, and we must rise to those challenges and deliver for the Welsh people. There is much work to be done, but above all else, my aim will be the best deal for the people of Wales.