

Global Britain Briefing Note

No 115

25th March 2016

Eight trade arguments for Brexit

1. **Only one-tenth of the UK economy is involved in exports to the EU.** The other nine-tenths of the UK economy is involved in domestic UK activity, and in exporting outside the EU^a
2. **Despite only a tenth of the UK economy being involved in exports to the EU, all 100% of the UK economy is subject to EU regulation, most of which has nothing to do with UK overseas trade.**
3. **UK exports outside the EU are already at least 50% greater in value than UK exports to the EU.^b**
4. **UK trade is in surplus with the world outside the EU. UK trade is in ongoing large structural deficit with the EU.** They sell far more to us than we do to them. So the rest of the EU is far more dependent on the UK economy than the UK economy is dependent on the rest of the EU^b.
5. **UK exports to the EU- a shrinking market, mired in recession - were lower in 2014 than eight years earlier, in 2006. UK exports to the world outside the EU were higher in 2014 than they were in 2006^c.**
6. **Growth-wise, the EU was the worst-performing UK export market in the world over the ten years 2004-2014.** Over the same period UK exports to Switzerland, Norway & Iceland (none of them EU members) grew almost **three times faster** than did UK exports to the EU^d.
7. **You don't need a Trade Agreement with the EU to export to the EU.** The USA, China, Japan and dozens of other countries have never had trade agreements with the EU but nevertheless export massively to the EU.

8. **Following a Leave vote the EU is legally-bound (under Article 50 of its own Lisbon Treaty) to negotiate trading arrangements with the UK.** Even in the absence of post-Brexit EU-UK trade arrangements, the rules of the World Trade Organisation provide the international legal framework within which free trade would continue between the UK and remaining EU countries - and the rest of the world.

References

- a) Professor Patrick Minford and his team at Cardiff University estimate that 9% of the UK economy is involved in exporting to the EU. House of Commons Foreign Affairs Select Committee, 3rd November 2015.

Global Britain estimates that ten per cent of the UK economy is involved in exports to the EU: www.globalbritain.co.uk > Archive > Briefing Note No 22.

Further confirmation is (inadvertently) given by the January/February 2016 newsletter from the Pro-EU campaign's "Europe & You", whose first "Six Key Facts says ".....3 million UK jobs are linked to our trade with the EU - that's one in every ten UK jobs". In other words, nine-tenths of UK jobs are NOT linked to UK trade with the EU.

- b) Global Britain Briefing Note No 108: "UK Exports outside the EU already 50% greater than UK Exports to the EU" www.globalbritain.co.uk > Briefing Notes > No 108.
- c) Global Britain Briefing Note No 109: "Failing EU handicaps UK Exports" www.globalbritain.co.uk > Briefing Notes > No 109.
- d) Global Britain Briefing Note No 110: "Growth in UK exports: EU bottom of class" www.globalbritain.co.uk > Briefing Notes > No 110.
- e) Global Britain Briefing Note No 85: "Britain & the EU: if "Out", How ?" www.globalbritain.co.uk > Briefing Notes > No 85.

At the time of writing, March 2016, the latest available full-year export & import data, published by the Office for National Statistics & used in this note, is for calendar year 2014. Comparable data for calendar year 2015 is scheduled to be published in June 2016.

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