

Global Britain Briefing Note

No 79

27th July 2012

Eurozone Trade in 2011

The Eurozone is a single currency area which may be moving towards full political & economic union. Considered as a single trading bloc, more than two-thirds of its external trade with the world is with non-EU countries

- The Eurozone's biggest single customer worldwide, both for All Trade (Goods, Services, Income, Transfers) and for Trade in Goods only, is the UK. *Tables 1 & 2*
- The Eurozone's biggest trade surplus (Goods, Services, Income, Transfers) anywhere in the world is with the UK. *Table 1*
- The Eurozone's surplus on its Trade in Goods with the UK is its second biggest worldwide, after its surplus with the USA. *Table 2*
- The Eurozone's surplus on its Trade in Services with the UK is its biggest worldwide. *Table 3*
- On Trade in Income, the Eurozone is in substantial deficit with the USA & Japan, and in much smaller deficit with the UK. *Table 4*
- The Eurozone is in considerable deficit on its Trade in Transfers with both the EU "Outs" & the Rest of the World. *Table 5*
- The Eurozone's trade (Goods, Services, Income, Transfers) with the whole world is almost exactly in balance: exports €2931 bn, imports €2934 bn. *Table 1*

- Of the Eurozone's total imports (Goods, Services, Income & Transfers) of €2934 bn, 31% comes from the EU "Outs" countries, including the UK. Over two-thirds (69% or €2033 bn) of the Eurozone's total imports come from the Rest of the World. *Table 1*
- The UK itself supplies only 13% of total (Goods, Services, Income, Transfers) Eurozone imports. *Table 1*
- Of the Eurozone's total imports of Goods of €1769 bn, only 11% (€186 bn) come from the UK. The Rest of the World supplies 72% or €1279 bn of the Eurozone's Goods imports. *Table 2*
- If the UK withdrew from the European Union there is no reason to suppose that the Eurozone would "penalise" or "discriminate against" imports from the UK. 69% of the Eurozone's imports already come from countries outside the EU. If the UK were outside the EU, that proportion (other things being equal) would rise to 82%. As noted above, the Eurozone's biggest trade surplus in the world is with the UK. *Table 1*

Data & Definitions

All data is from the European Central Bank, Monthly Bulletin, June 2012, www.ecb.int

Eurozone: the seventeen countries using the Euro in 2011: Germany, France, Italy, Spain, Netherlands, Belgium, Austria, Greece, Finland, Portugal, Ireland, Slovak Republic, Luxembourg, Slovenia, Cyprus, Estonia, Malta.

"Outs": the ten EU countries not in the Eurozone: the UK, Poland, Sweden, Denmark, Czech Republic, Romania, Hungary, Bulgaria, Lithuania, Latvia.

RoW: Rest of the World: all countries outside the EU (approximately 170).

A plus sign, +, indicates a Eurozone surplus with a country/region.

A minus sign, (), indicates a Eurozone deficit with a country/region.

Table 1: Eurozone: All Trade (Goods, Services, Income, Transfers) in 2011: €bn					
Countries/Regions	E/zone Exports to	%	E/zone Imports from	%	Balances with
"Outs":					
UK	446	15	387	13	+ 59
Other nine "Outs"	513	18	514	18	(1)
Sub-total: all "Outs"	959	33	901	31	+ 58
RoW:					
USA	376	13	375	13	+ 1
Switzerland	229	8	189	6	+ 39
China	150	5	n.a.		n.a.
Russia	108	4	n.a.		n.a.
Japan	64	2	96	3	(31)
Brazil	59	2	n.a.		n.a.
India	41	1	n.a.		n.a.
Canada	40	1	33		+ 7
Other RoW	905	31	n.a.		n.a.
Sub-total: RoW	1972	67	2033	69	(61)
World	2931	100	2934	100	(3)

Table 2: Eurozone: Goods Trade Only in 2011: €bn					
Countries/Regions	E/zone Exports to	%	E/zone Imports from	%	Balances with
"Outs":					
UK	232	13	186	11	+ 46
Other nine "Outs"	334	19	304	17	+ 30
Sub-total: all "Outs"	566	32	490	28	+ 76
RoW:					
USA	199	11	142	8	+ 57
Switzerland	124	7	100	6	+ 24
China	116	7	210	12	(94)
Russia	81	5	135	8	(54)
Japan	40	2	53	3	(13)
Brazil	30	2	31	2	(1)
India	31	2	28	2	+ 2
Canada	21	1	15	1	+ 6
Other RoW	564	32	565	32	+1
Sub-total: RoW	1208	68	1279	72	(71)
World	1774	100	1769	100	+ 5

Table 3: Eurozone: Services Trade Only in 2011: €bn					
Countries/Regions	E/zone Exports to	%	E/zone Imports from	%	Balances with
“Outs”:					
UK	105	19	84	17	+ 21
Other nine “Outs”	65	12	57	12	+ 8
Sub-total: all “Outs”	171	31	141	29	+ 30
RoW:					
USA	82	15	101	21	(19)
Switzerland	55	10	43	9	+ 12
China	18	3	13	3	+ 5
Russia	18	3	10	2	+ 8
Japan	13	2	9	2	+ 4
Brazil	9	2	5	1	+ 4
India	7	1	6	1	+ 1
Canada	9	2	7	1	+ 2
Other RoW	169	31	155	32	+ 14
Sub-total: RoW	379	69	348	71	+ 31
World	550	100	489	100	+61

Table 4: Eurozone: Income Trade Only in 2011: €bn					
Countries/Regions	E/zone Exports to	%	E/zone Imports from	%	Balances with
“Outs”:					
UK	98	19	106	22	(8)
Other nine “Outs”	63	12	46	10	+ 17
Sub-total: all Outs	161	31	152	32	+ 9
RoW:					
USA	89	17	125	26	(36)
Switzerland	41	8	39	8	+ 2
China	15	3	n.a.	-	n.a.
Russia	9	2	n.a.	-	n.a.
Japan	11	2	33	7	(22)
Brazil	19	4	n.a.	-	n.a.
India	3	1	n.a.	-	n.a.
Canada	10	2	9	2	+ 1
Other RoW	156	30	124	26	+ 23
Sub-total: RoW	353	69	330	68	+ 23
World	514	100	482	100	+ 32

Table 5: Eurozone: Transfers Trade in 2011: €bn					
Countries/Regions	E/zone Exports to	%	E/zone Imports from	%	Balances with
"Outs":					
UK	11	12	12	6	(1)
Other nine "Outs"	51	55	106	55	(55)
Sub-total: all Outs	62	67	118	61	(56)
RoW:					
USA	7	8	6	3	+ 1
Switzerland	9	10	8	4	+ 1
China	1	1	4	2	(3)
Russia	1	1	1	1	-
Japan	1	1	1	1	6
Brazil	1	1	2	1	(1)
India	-	-	1	1	(1)
Canada	1	1	2	1	(1)
Other RoW	10	11	50	1	(40)
Sub-total: RoW	31	33	75	39	(44)
World	93	100	193	100	(101)

Global Britain

Lord Stoddart of Swindon

(Independent Labour)

Lord Pearson of Rannoch

(United Kingdom Independence Party)

Lord Willoughby de Broke

(United Kingdom Independence Party)

Lord Harris of High Cross (1924- 2006)

(Cross-Bencher)

Enquiries: Ian Milne, Director, **Global Britain**

27th July 2012