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Single Market: USA Main Beneficiary

- *American and British Exports to the Single Market have grown twice as fast as those of France and Germany*
- *The UK is significantly stronger in "New Economy" exports than its main Continental competitors*
- *The UK's world-wide trading pattern is significantly different from those of its main Continental competitors*

Export Growth 1992 - 2000

According to figures¹ (expressed in ECUs/Euros) published in 2002 by Eurostat, the European Commission's statistical body:-

- Between 1992 (the year before the Single Market came into being) and 2000, **US exports to the Single Market grew over twice as fast** as those of France and Germany - despite the fact that the USA is not in the Single Market, does not have a free trade agreement with the EU, and its exports - unlike those of France & Germany - therefore have to surmount the tariff barrier of the EU's Common External Tariff. Table 1
- In the same period, **British exports² to the Single Market grew about twice as fast** as those of France and Germany Table 1
- In the same period, **Japanese exports to the Single Market grew 27% faster** than did French and German exports to the Single Market - though Japan, like the USA, is neither a member of the Single Market, nor has a free trade agreement with the EU. Table 1
- In 2000, the **USA**, (not an EU member, and without the benefit of an EU-US free trade agreement, and therefore having to export over the EU's Common

UK Share of EU Exports by Category

- In 2000 the UK accounted for 43% of recorded total "Income" received by all 15 EU countries from outside the EU. If allowance were made for the Netherlands Distortion³, the real percentage would be well over 50% Table 2
- In 2000, in the "Services" category of exports, the UK achieved a higher proportionate share (26%) of all Services exports by all 15 EU countries to the world outside the EU than its weight in total EU GDP (18%⁴) would suggest Table 2
- In 2000, in the "Goods" category of exports, the UK's share (14%) of all Goods exports by all EU countries to the world outside the EU was less than its weight in total EU GDP (18%⁴) would suggest Table 2

**Table 1: 1992 - 2000:
Growth of Exports to the EU ("Intra-EU-15")
"Exports" are Goods, Services, Income & Transfers**

ECU/Euro bn	1992	2000	Growth '92-'00 pa
USA	160	425	13.0%
UK	137	333	11.7%
Japan	100	186	8.1%
France	190	313	6.4%
Germany	283	460	6.2%
EU 15	1300	2460	8.3%

**Table 2: 2000: UK Share of EU Exports
by Category
"Exports" are Goods, Services, Income & Transfers**

	Goods	Services	Income	Transfers
UK Share of EU 15 Exports to World	13%	19%	32%	17%
UK Share of EU 15 Exports Intra-EU	12%	14%	24%	14%
UK Share of EU 15 Exports Extra-EU	14%	26%	43%	22%

Geographical Profile of Main EU Countries' Exports: UK Significantly Different from its EU Partners: More US- and Dollar-oriented

- UK exports are proportionately twice as US-oriented as are those of France and Germany in particular and of EU 14^s in general Table 3
- *The US accounts for 20% of total British exports worldwide; the comparable percentage for the other 14^s EU countries taken together is 10%; for France and Germany, 11%* Table 3
- UK exports are proportionately much less EU-oriented than are the exports of the other 14^s EU countries taken together and of France and Germany Table 3
- *The recorded percentage of world-wide UK exports going to the rest of the Single Market was 49%. Comparable percentages for the EU 14^s countries taken together were 63%; for France, 62% and for Germany, 57%. [Note that the recorded value of UK exports to the EU is significantly overstated because of two separate distortions, the Netherlands Distortion and the Rotterdam-Antwerp Effect]* Table 3
- UK exports to Japan were almost as big as those of France and Germany combined. UK exposure (through its exports) to the Japanese economy was proportionately double that of the other EU 14^s countries taken together and of France and Germany Table 3
- Similarly, UK exports to "Other Asia" (Asia excluding Japan and China) were proportionately 50% higher than those of EU 14^s in general and of France and Germany in particular Table 3
- In contrast, German exports to "Other Europe" (essentially Eastern Europe, Russia and Turkey) as a percentage of Germany's world-wide exports were over double the comparable percentages for France and the UK Table 3
- Also, German exports to EFTA⁶ as a percentage of German world-wide exports were significantly higher than the comparable percentages for the UK and France Table 3
- France's export performance in Africa, relative to its world-wide exports, was much better than that of EU 14^s in general and of Germany and the UK in particular Table 3
- Germany is still the EU's biggest exporter world-wide, followed by the UK, then France. German exports were 20% bigger than the UK's, and British exports were 34% higher than those of France Table 3

Table 3: 2000: Geographical Breakdown of Main EU Countries' Exports
Exports are Goods, Services, Income & Transfers. Values in Euros bn.

Exporting Entity:	EU15: value	EU 15: %	EU 14 ^s value	EU 14: %	UK: value	UK: %	Germany: value	Germany: %	France: value	France: %
Importing Entity										
<i>Intra-EU 15</i>	2460	61	2127	63	333	49	460	57	313	62
<i>USA</i>	484	12	350	10	134	20	89	11	58	11
<i>Canada + Mexico</i>	55	1	40	1	15	2	12	1	6	1
<i>Centr. + S. America</i>	94	2	74	2	20	3	18	2	12	2
<i>EFTA⁶</i>	182	5	153	5	29	4	45	6	23	5
<i>Other Europe</i>	236	6	211	6	25	4	82	10	20	4
<i>Japan</i>	83	2	57	2	26	4	17	2	10	2
<i>China</i>	30	1	26	1	4	1	11	1	4	1
<i>Other Asia</i>	231	6	171	5	60	9	52	6	29	6
<i>Africa</i>	92	2	76	2	16	2	14	2	27	5
<i>Austr/NZ</i>	32	1	18	1	14	2	5	1	2	-
<i>Misc.</i>	49	11	48	1	1	-	5	-	1	-
World	4028	100	3351	100	677	100	810	100	505	100

Notes & References

- 1 Source: *Geographical Breakdown of the EU Current Account*, 2002 Edition, 2xCD, ISSN 1683-1438 & ISSN 1683-1608, ISBN 92-894-3597-6, Eurostat/European Commission
- 2 Calculated from data in *The Pink Book - UK Balance of Payments 2002*, ONS, which is expressed in Sterling, the growth rate of British exports to the Single Market between 1992 & 2000 is 7.9% pa. The difference with the growth rate calculated from Eurostat data is due to exchange rate movements, and, possibly, differing methodologies.
- 3 For a description of the Netherlands Distortion & the Rotterdam-Antwerp Effect, see **Global Britain Briefing Note** No 23, *UK Export Growth Stalled in 2001*, 6th Dec 2002, www.globalbritain.org
- 4 Source: OECD: *Main Economic Indicators*, March 2003
- 5 EU 14: Continental EU plus Eire
- 6 EFTA: Switzerland, Norway, Iceland, Lichtenstein

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