



BRIEFING NOTE

No. 122

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FOURTEEN ECONOMIC ARGUMENTS FOR BREXIT

- 1. UK population growth will be more manageable post-Brexit.** Housing, healthcare and transport are just three of the sectors under severe strain because of fast-rising population, which is partly due to EU “freedom of movement”. The UK, already densely-populated, is experiencing population growth of **5 million a decade** – equivalent to five cities the size of Birmingham. *Briefing Note #107*
- 2. The EU Customs Union is a costly relic from the “fifties”: – the 1850s & the 1950s. It is the only one in the developed world.** Norway, Switzerland and Iceland are outside it. The rest of the developed world, and much of the lesser-developed world, rejected customs unions long ago as not fit for purpose. *BN #101*
- 3. Customs duties are a global economic irrelevance.** Trade in services is duty-free: so is well over 80% of all global trade in goods. *BN #81*
- 4. EU customs duties are a tax on British consumers.** *BN #98*
- 5. The EU share of global GDP is dropping - fast. By 2025, some 85% of global GDP will be outside the EU.** *IMF*
- 6. Less than one-tenth of the UK economy is involved in exports to the EU.** But all of the UK economy bears the costly burden of EU regulation. *Minford*
- 7. UK exports outside the EU in 2015 were already 36% greater in value than UK exports to the EU.** *BN #120*
- 8. UK trade is in surplus with the whole world outside the EU. The UK has big surpluses with the USA, Switzerland & Australia, but UK is in ongoing large deficit with the EU.** EU countries sell far more to us than we do to them: 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. *BN #120*
- 9. UK exports to the EU – a shrinking market, mired in recession – were lower in 2015 than nine years earlier, in 2006. UK exports to the world outside the EU were higher in 2015 than they were in 2006.** *BN #119*



10. Growth-wise, the EU was the worst-performing UK export market in the world over the ten years 2005-2015. Over the same period UK exports to Switzerland, Norway & Iceland (none of them EU members) grew over three times faster than did UK exports to the EU. *BN #121*

11. You don't need a Free Trade Agreement ("FTA") with the EU to export to the EU. The USA has no FTA with the EU, but sells more goods & services to the EU-less-the-UK than does the UK. China has no FTA with the EU but sells more goods to the EU-less-the-UK than does the UK. Japan & other major industrial powers without FTAs with the EU export massively to the EU. *BN #117*

12. 80% of global cross-border trade is done by multinationals via their global supply chains. EU governments will ensure that on Brexit those supply chains are not burdened by customs or other restrictions on trade. *BN #90*

13. Under Article 50 of its own Lisbon Treaty the EU is legally-bound to negotiate trading arrangements with the UK. Even in the absence of formal post-Brexit bi-lateral EU-UK trade arrangements, the rules of the World Trade Organisation provide the international legal framework within which free trade will continue between the UK and the remaining EU post-Brexit. *BN #85*

14. Other sections of the EU's Lisbon Treaty (e.g. Article TEU Title 1, Common Provisions Article 3[5]) oblige the EU to promote free & fair trade with the world outside the EU. *BN #85*

Notes & Data Sources

"BNs" refer to Global Britain Briefing Notes, found at www.globalbritain.co.uk > Briefing Notes

"Minford", in No 4 above, refers to Professor Patrick Minford and his team at Cardiff University, who estimate that 9% of the UK economy is involved in exporting to the EU [House of Commons Foreign Affairs Select Committee, 3rd November 2015]. The January/February 2016 newsletter from the Pro-EU campaign's "Europe & You" put the percentage a bit higher, at 10%: "...3 million UK jobs are linked to our trade with the EU – that's one in every ten UK jobs".

At the time of writing, December 2016, the latest available full-year export and import data, published by the Office for National Statistics & used in this note, is for calendar year 2015.

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