

# Global Britain Briefing Note

No 100

28th November 2014

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## UK Export Growth: over twice as fast outside the EU

UK exports to the World-outside-the-EU are already worth a third more than UK exports to the EU

- Between 2003 & 2013 British exports to the EU grew in value at an average annual compounded rate of 3.06%. *Table 1*
- Between 2003 & 2013 British exports to the rest of the world grew over twice as fast as UK exports to EU-27. *Table 1*
- Between 2003 & 2013 British exports to EFTA (Switzerland, Norway & Iceland) grew at an average annual compounded rate of 5.56% *Table 3*
- British exports to some EU countries over the ten years 2003 - 2013 *did* show “real” (inflation-adjusted) growth - for example, to Poland (9.9% before inflation) & Sweden (5.0% before inflation). *Table 4*

- It should be noted that the analysis in this Briefing Note takes no account of the two statistical distortions, the *Rotterdam-Antwerp Effect* & the *Netherlands Distortion*, which exaggerate the importance of the EU as a destination for UK exports. Had it been possible to “correct” the official trade data for these distortions, the value of UK exports going to the EU (for example in Table 1) would have been a few percentage points lower, & the value going to the World-outside-the-EU a few percentage points higher.

<b>Table 1: Rate of Growth of UK Exports<sup>1</sup> 2003- 2013: EU v. Rest of World</b>		
<b>Destination</b>	<b>Value of UK Exports in 2013</b>	<b>Rate of Growth 2003-2013<sup>2</sup></b>
EU-27	£ 296 bn	3.06% p.a.
Rest of World	£ 395 bn	6.22% p.a.
<b>World</b>	<b>£ 691 bn</b>	<b>4.74% p.a.</b>
<i>1: Exports of Goods, Services, Income &amp; Transfers</i>		
<i>2: Annual average compound rate of growth 2003- 2013</i>		

<b>Table 2: Projected Split of UK Exports<sup>1</sup> in 2023 &amp; 2033</b>						
<b>Destination</b>	<b>Value in 2013</b>	<b>Rate of Growth<sup>2</sup></b>	<b>Projected Value in 2023<sup>3</sup></b>	<b>2023 %</b>	<b>Projected Value in 2033<sup>3</sup></b>	<b>2033%</b>
EU-27	£ 296 bn	3.06 %	£ 400 bn	36	£ 541 bn	29%
Non-EU	£ 395 bn	6.22 %	£ 722 bn	64	£ 1320 bn	71%
<b>World</b>	<b>£ 691 bn</b>	<b>4.74 %</b>	<b>£ 1122 bn</b>	<b>100</b>	<b>£ 1861 bn</b>	<b>100 %</b>
<i>1: Exports of Goods, Services, Income, Transfers</i>						
<i>2: Annual average compound rate of growth 2003 - 2013</i>						
<i>3: Assuming same annual average compound growth rates as in previous ten years: EU-27: 3.06 %; Non-EU: 6.22 %</i>						

<b>Table 3: Rate of Growth of UK Exports<sup>1</sup> 2003 -2013 by Main Destination</b>		
<b>Destination</b>	<b>Value of UK Exports in 2013</b>	<b>Rate of Growth 2003-2013<sup>2</sup></b>
Other Europe <sup>3</sup>	£ 17 bn	10.16 % p.a.
Africa	£ 25 bn	6.75 % p.a.
Asia	£ 122 bn	7.62 %
Australia/NZ	£ 18 bn	7.18 %
EFTA <sup>4</sup>	£ 28 bn	5.56 %
Americas	£ 170 bn	4.92%
EU-27	£ 296 bn	3.06 %
<b>World</b>	<b>£ 691 bn</b>	<b>4.74 %</b>
<i>1: Exports of Goods, Services, Income, Transfers</i>		
<i>2: Annual average compound rate of growth 2003-2013</i>		
<i>3: Russia, Turkey, non-EU eastern European countries, international organisations</i>		
<i>4: Switzerland, Norway, Iceland</i>		

**Table 4: Ten Fastest-Growing Significant UK Export<sup>1</sup> Markets 2003-2013**

<b>Rank</b>	<b>Country</b>	<b>Growth Rate %<sup>2</sup></b>
1	Brazil	13.6
2	Russia	13.2
3	China/Hong Kong	13.1
4	South Korea	12.0
5	Thailand	10.8
6	Poland	9.7
7	Turkey	9.0
8	India	8.5
9	Australia	7.5
10	Norway	6.8
	<b>World</b>	<b>4.7%</b>
<i>1: Exports of Goods, Services, Income, Transfers</i>		
<i>2: Annual average compound rate of growth 2003- 2013</i>		

## *Notes & Data Sources*

*The Pink Book 2014, 31<sup>st</sup> October 2014, [ [www.statistics.gov.uk](http://www.statistics.gov.uk) > Economy > Balance of Payments > The Pink Book 2014 ]* is the source of the export data. The statistics summarised in this Briefing Note are from *Part 3, Chapter 9: Geographical Breakdown of Current Account*.

Payments to & from supra- & international organisations, & remittances by expatriates, which are included in “Transfers”, are not strictly-speaking “Trade”, but a large proportion of them are trade-related. HM Government itself justifies UK net payments to the EU on the grounds (unsupported by any evidence) that *“the UK needs to be in the EU for trade”*.

The data above is not adjusted for the Rotterdam-Antwerp Effect or the separate Netherlands Distortion (see *Global Britain Briefing Note No 64, “The Rotterdam-Antwerp Effect & the Netherlands Distortion” 7<sup>th</sup> January 2011*). The effect of these two statistical distortions is to significantly overstate (in the *Pink Book*) the value of UK exports to EU-27, & to significantly understate the value of UK exports outside the EU.

In the tables, “EU-27” means the 27 member-states of the European Union as at end 2013 (the UK being the twenty-eighth). Croatia joined the EU on 1st July 2013.

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