

Global Britain Briefing Note

No 108

2nd November 2015

The 2015 Pink Book: UK Balance of Payments in 2014

**UK Exports outside the EU already 50%
greater than UK Exports to the EU**

*UK trade: in surplus with the world outside the EU,
in heavy deficit with the EU itself*

Table 1: UK Cash Contributions to & Receipts from “Brussels” in 2014

	£ million in 2014	£ m per day in 2014
UK Gross Contribution	19994	55
Receipts from EU Institutions	(7665)	(21)
UK Net Contribution	12329	34

** Assuming that in 2014 the average cost of employing a qualified nurse was £ 35,000 per annum, & that the 2014 UK Net Contribution to “Brussels” of £ 12.3 billion had been used instead to create new NHS nursing posts in the UK, how many such posts would have been created ? Answer: 352,257*

Table 2: UK Contributions to EU Institutions: £ bn

	2010	2011	2012	2013	2014	Cum. 2010-2014
Gross UK Contribution	18.5	19.7	19.9	21.5	20.0	99.6
Receipts from EU Inst.	7.8	8.2	7.3	7.1	7.7	38.1
Net UK Contribution	10.7	11.5	12.6	14.4	12.3	61.5

- In 2014, the **UK Gross Contribution to EU Institutions** was **£ 20 bn, equivalent to £ 55 million per day**. UK Gross & Net Contributions began rising sharply from 2009 onwards as a result of the abandonment by Mr Blair, then Prime Minister, on 17th December 2005, of part of the Fontainebleau Abatement. The UK Net Contribution more than doubled between 2009 & 2013, to fall back slightly in 2014. *Table 2*

Table 3: UK Exports (Goods, Services, Income, Transfers) 2010 to 2014 £ bn					
	2010	2011	2012	2013	2014
Exports to EU-27	289	323	291	297	289
Exports to Rest of World	349	393	401	395	390
Exports to whole World	638	716	692	692	679
<i>Proportion EU-27/World#</i>	45%	45%	42%	43%	43%
# Not adjusted for the Rotterdam-Antwerp Effect or the Netherlands Distortion (see Global Britain Briefing Note No 64). The “real” proportion is lower than given here.					

- In 2014, 57% (probably 60% or more when account is taken of the *Rotterdam-Antwerp Effect* & the *Netherlands Distortion*) of British exports went to the world outside the EU. (Taking 60% as the real proportion, this means that **UK exports outside the EU are already 50% higher [60 minus 40 divided by 40] than UK exports to the EU.**) *Table 3*
- In 2014, 43% of British exports (probably 38% or less when account is taken of the *Rotterdam-Antwerp Effect* & the *Netherlands Distortion*) went to EU-27. *Table 3*

Table 4: UK Current Account Balance with EU-27 & Rest of World £ bn						
Year	2010	2011	2012	2013	2014	Cum. 2010-14
Balance UK/EU-27	(45)	(43)	(74)	(89)	(107)	(358)
Balance UK/Rest of World	+1	+16	+19	+11	+14	+61
Balance UK/WholeWorld	(44)	(27)	(55)	(78)	(93)	(297)

- Cumulatively, between 2010 & 2014, the UK trade surplus with the world outside the EU was £ 61 bn. Over the same period, the UK deficit on trade with EU-27 was £ 358 bn. *Table 4*
- The UK traded in deficit with twenty-one of its twenty-seven EU partners in 2013. *Table 9.2 of the 2015 Pink Book*

- The UK has a structural surplus on its trade with the USA. In 2014 alone, the UK surplus with the USA was £ 26 billion. With Germany, the UK has a structural deficit. *Table 6*
- The UK has a structural surplus on its trade with Switzerland, Australia & South Korea. *Table 6*

Table 5: UK Current Account by category in 2014: £ bn					
	Goods	Services	Income	Transfers	Total
Exports:-					
To EU-27	148	81	52	8	289
To Rest of World	147	139	92	11	390
Exports to World	295	220	144	19	679
<i>Exports to World by type as percentage</i>	<i>43%</i>	<i>32%</i>	<i>21%</i>	<i>3%</i>	<i>100%</i>
Imports:-					
From EU-27	226	64	86	19	396
From Rest of World	193	67	92	25	376
Imports from World	419	131	178	44	772
<i>Imports from World by type as percentage</i>	<i>54%</i>	<i>17%</i>	<i>23%</i>	<i>6%</i>	<i>100%</i>
Balances:-					
With EU-27	(78)	17	34	(11)	(107)
With Rest of World	(46)	72	-	(14)	12
With World	(124)	89	(34)	(25)	(93)

Table 6: Balances: Largest UK Surpluses & Deficits in 2014: £ bn

<i>Surpluses</i>	USA	26
	Switzerland	10
	Australia	7
	South Korea	4
	Ireland	4
<i>Deficits</i>	Germany	38
	China + Hong Kong	17
	Norway	14
	Spain	14
	EU Institutions	14

Notes & Data Sources

The Pink Book 2015, 30th October 2015, www.statistics.gov.uk > Economy > Balance of Payments > The Pink Book 2015 > “PinkBook2015detailedGeographicalData.pdf”, from which the statistical data summarised in this Briefing Note is extracted.

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 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” 7th 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, brackets mean “minus”.

Due to rounding, columns & rows may not sum exactly.

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*BN108 : PinkBook 2015: UK Exports OUTSIDE the EU
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