

Global Britain Briefing Note

No 116

6th May 2016

On current trends, only a quarter of UK exports will be going to the EU by 2034

Projected split of UK Exports going to EU-27 & World in 2024 & 2034					
	Column 1	Column 2	Column 3	Column 4	Column 5
Destination region for UK exports ¹	UK Exports ¹ : actual amount 2004: £ bn	UK Exports ¹ : actual annual growth rate 2004 - 2014	UK Exports ¹ : actual amount 2014: £ bn	UK Exports ¹ : projected amount 2024² : £ bn	UK Exports ¹ : projected amount 2034² : £ bn
EU-27	216.5 ³	2.65%	281.3 ³	365.4 ³	474.6 ³
EFTA	17.4	7.24%	35.0	70.4	141.6
Other Europe	14.8	8.05%	32.1	69.6	151.0
TOTAL EUROPE	248.6	3.43 %	348.4	505.4	767.2
Americas	115.4	3.41 %	161.3	225.6	315.5
Asia	66.0	6.50%	123.9	232.6	436.6
Australasia/Oceania	10.8	3.41%	15.1	21.1	29.5
Africa	14.0	4.43%	21.6	33.3	51.3
WORLD	454.8	3.95%	670.3	1018.0	1600.1
EU-27/World³	47.6 %		42.0 %	35.9 %	29.7 %
Adjusted EU-27/World (see footnote 4 below)			37.8 %	32.3 %	26.7 %
1 Exports of goods & services plus receipts of income & transfers					
2 At the same actual annual average growth rate experienced between 2004 and 2014					
3 Not adjusted for the Rotterdam-Antwerp Effect or the Netherlands Distortion					
4 Proportion of UK exports to EU adjusted downwards by 10% to take account of the Rotterdam-Antwerp Effect & the Netherlands Distortion					

Commentary

The projections of UK exports set out in Columns 4 and 5 of the table above indicate that the importance of the EU as a destination for British exports is declining.

In 2014, based on the official ONS figures, the EU took 42% of UK global exports. Eight years from now (Column 4), on current trends, that percentage will be under 36%. By 2034, the percentage will be under 30%, meaning that the proportion of EU exports going outside the EU will be at least 70%.

The Rotterdam-Antwerp Effect & the separate Netherlands Distortion

In the table on the preceding page, except in the bottom line coloured in blue & red in italics, no account is taken of two internationally-recognised statistical distortions, brought to light many years ago by Global Britain and which it baptised the “Rotterdam-Antwerp Effect” and the separate “Netherlands Distortion”. The combined effect of both these distortions is to exaggerate the importance of the EU as a destination for British exports.

If the magnitude of the exaggeration is a (possibly modest) ten per cent, the real, adjusted proportion of UK exports going to the EU would be 32 % in 2024 and 27 % in 2034, as shown in the bottom line of the table.

Source of Statistics

Geographical Breakdown of the Current Account, Chapter 9 of *The Pink Book 2015*, 30th October 2015, www.statistics.gov.uk > Economy > Balance of Payments > *The Pink Book 2015* > [PinkBook2015detailedGeographicalData.pdf](#)

Except for the line “*Adjusted EU-27/World*” in the table above the data 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 real value of UK exports to EU-27, & to significantly understate the real value of UK exports to the world outside the EU.

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Projected share of UK exports going to the EU in 2024 and 2034

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