

Global Britain Briefing Note

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On Brexit, zero prospect of EU discrimination against UK trade

The Eurozone's biggest trading partner worldwide is the UK

The Eurozone's biggest export market worldwide is the UK

The Eurozone's biggest supplier worldwide is the UK

**The Eurozone's biggest trade surplus worldwide
is with the UK**

**The Eurozone's trade surplus with the UK
accounts for 37% of the Eurozone's worldwide trade surplus**

In August 2014 eighteen EU countries (listed at the Appendix below) were Eurozone members; ten EU countries had their own currencies. Considered as a single trading entity, (in other words, excluding individual Eurozone countries' exports to and imports from each other) the Eurozone exported more to the outside world in 2013 than it imported from the outside world.

The tables below show that in 2013 the same five non-Eurozone countries: the UK, the USA, Switzerland, China & Russia, were the Eurozone's biggest markets and suppliers, accounting together for 46% of the Eurozone's exports and 47% of the Eurozone's imports.

**The UK was the Eurozone's biggest customer & supplier worldwide,
buying fifteen per cent of all Eurozone exports and supplying thirteen per
cent of all Eurozone imports.**

The EU/Eurozone has Preferential Trading Agreements ("PTAs") with the UK and Switzerland. No PTAs exist between the EU/Eurozone and the other three top Eurozone trading partners: the USA, China & Russia. Tradewise, on Brexit ("*British exit from the EU*"), it would be illogical, and illegal (since it would contravene their binding World Trade Organisation commitments), for the EU/Eurozone to treat the UK differently from the USA, China and Russia.

Table 1: Eurozone Total Exports in 2013			
Rank		€ bn	%
1	To UK	491	15
2	To USA	443	14
3	To Switzerland	274	8
4	To China	162	5
5	To Russia	125	4
	To Other countries outside Eurozone	1752	54
Total	To World	3247	100

Source: ECB Monthly Bulletin, July 2014, page S63, Table 7.3, Geographical breakdown, www.ecb.int
Note: "Exports" comprise exports of Goods & Services, & receipts of Income & Transfers

Table 2: Eurozone Total Imports in 2013			
Rank		€ bn	%
1	From UK	407	13
2	From USA	397	13
3	From Switzerland	230	8
4	From China	216	7
5	From Russia	157	5
	From Other countries outside Eurozone	1612	53
Total	From World	3019	100

Source: ECB Monthly Bulletin, July 2014, page S63, Table 7.3, Geographical breakdown, www.ecb.int
Note: "Imports" comprise imports of Goods & Services, & payments of Income & Transfers. "Income" data for China not included by the ECB..

Table 3: Main Balances: Eurozone Trade with Rest of World in 2013		
	Country	€bn
Eurozone Surpluses with:	UK	84
	USA	46
	Switzerland	44
Eurozone Deficits with:	China	69
	Russia	32
Overall Eurozone trade surplus (surpluses less deficits) with the world outside the Eurozone in 2013:		228
Eurozone trade surplus with the UK as a proportion of overall Eurozone surplus with world: $84/228 = 37\%$		
<i>Surpluses & Deficits calculated from Tables 1 & 2 above</i>		

Appendix: Eurozone membership in August 2014

Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, Netherlands, Portugal, Slovenia, Slovakia, Spain.

EU member-states outside the Eurozone: Bulgaria, Czech Republic, Denmark, Croatia, Lithuania*, Hungary, Poland, Romania, Sweden, UK.

**due to adopt the Euro on 1st January 2015*

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