

# THE TRUTH ABOUT TRADE OUTSIDE THE EU

Why leaving the  
EU takes the UK  
into a new world  
of opportunity.



★

# THE TRUTH ABOUT TRADE OUTSIDE THE EU



Why we will not lose out when we leave the EU.

**William Dartmouth MEP**

MEP for the South West of England and Gibraltar

★

## UK EXPORTS TO EU IN 2017 WERE £274 BILLION

## UK IMPORTS FROM EU IN 2017 WERE £341 BILLION

Source: UK Parliament

### WHAT HAPPENS TO THESE EXPORTS AS WE LEAVE THE EU?

THE FACTS ARE VERY CLEAR.  
THE TRADE WILL CONTINUE.





## OUR FUTURE MUST NOT BE BUILT ON FALSEHOODS

To leave the EU on the best possible terms, we all need to be equipped with accurate, relevant facts – not misleading fictions.

Understanding the advantages that come with exiting the EU means dispelling the falsehoods.

## THE FALSEHOODS

1

We need to be in the EU to access the EU Single Market. **Not true.**

2

You have to be a member of the EU in order to export successfully to the EU. **Not true.**

3

The UK would be isolated. **Not true.**

4

A UK-EU trade agreement will inevitably require “free movement of people”. **Not true.**

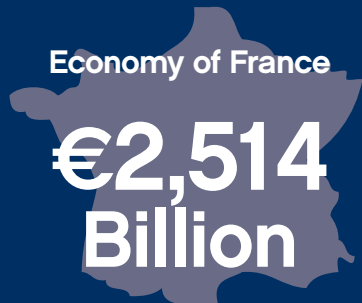
# FALSEHOOD 1

“WE NEED TO BE IN THE EU TO ACCESS THE EU SINGLE MARKET.”

The figures opposite are from the EU itself – from Eurostat. They are, as it were, the very tablets from Mount Sinai. They show the sheer value of the trade between countries outside the EU and the EU.

For example in 2017, the value of the trade of the top-20 non-EU countries with and from the EU was worth more than the entire economy of either France or the UK.

Source: CIA World Factbook



France and UK GDP figures calculated from 2015 CIA World Factbook data in US dollars and converted into euros using current exchange rates.

Value of trade (imports + exports) of top 20 non-EU countries with the EU

**€2,890 Billion**

Source: European Commission



Table: Top 20 Non-EU countries: Total Trade with the EU (imports and exports) in 2017

No.	Country	Billions of Euros
1	USA	632.5
2	China	573.0
3	Switzerland	260.8
4	Russia	231.1
5	Turkey	154.2
6	Japan	129.5
7	Norway	128.1
8	South Korea	99.5
9	India	85.9
10	Canada	69.2
11	Brazil	63.3
12	Mexico	61.8
13	Saudi Arabia	54.9
14	Singapore	53.2
15	United Arab Emirates	52.6
16	Taiwan	50.0
17	Hong Kong	47.9
18	Australia	47.7
19	Vietnam	47.6
20	South Africa	47.1
Total		2,890

Source: Eurostat

All these countries have access to the EU's Single Market.



**EXPORTS TO THE EU:  
NON-MEMBER STATES  
GENERATE HUGE  
REVENUES FROM  
EXPORTS TO THE EU.**

## EXPORTS

In 2017, China alone exported goods to the EU worth 375.1 Billion Euros. China is not in the EU, but China has access to the EU Single Market.

**Table: Non-EU Countries:  
Top 10 Exporters to the EU**

Country	Rank	Goods exports to the EU in Billions of Euro in 2017
China	1	375.1
USA	2	256.7
Russia	3	145.0
Switzerland*	4	110.4
Norway*	5	77.4
Turkey**	6	69.7
Japan***	7	68.8
South Korea*	8	50.0
India	9	44.2
Vietnam	10	37.0

The fact that these countries are not part of the EU does not restrict this trade. In fact, it empowers them to trade with the world on their own terms.

\* Countries with which the EU does have a Free Trade Agreement.

\*\* Customs Union

\*\*\* Trade Agreement, but not in force in 2017

Source: European Commission

# FALSEHOOD 2

“YOU HAVE TO BE A MEMBER OF THE EU IN ORDER TO EXPORT SUCCESSFULLY TO THE EU.”

The EU has numerous varieties of trade arrangements - being an EU member is just one of them.

Switzerland is not an EU Member State. Its economy is about one quarter the size of the UK's. Yet, Switzerland consistently exports to the EU 4.5 times per person what the UK manages.



The UK's cumulative trade Deficit with the EU since 1973 is **over £683 billion** (Source: UK Treasury Pink Book).

Year	Country	Total Exports to the EU in Billions of Euro	Population in Millions	Exports per person	Exports per person Multiple Switzerland (UK:1)
2009	UK	217.9	62.3	€ 3,498	4.8x
	Switzerland	130.0	7.7	€ 16,883	
2010	UK	246.1	62.8	€ 3,919	4.5x
	Switzerland	139.0	7.8	€ 17,782	
2011	UK	267.5	63.3	€ 4,226	4.5x
	Switzerland	150.4	7.9	€ 19,038	
2012	UK	274.5	63.7	€ 4,309	4.8x
	Switzerland	166.9	8.0	€ 20,813	
2013	UK	264.9	64.1	€ 4,133	4.7x
	Switzerland	157.0	8.1	€ 20,938	
2014	UK	281.0	64.3	€ 4,371	4.5x
	Switzerland	159.9	8.1	€ 19,740	
<b>Average 2009 – 2014</b>					<b>4.6x</b>

Sources: ONS, HMRC, and Eurostat

The UK is an EU Member State:  
Switzerland is not in the EU.

**AFTER THE UK EXITS THE EU, TRADE WILL CONTINUE**

# NO TRADE AGREEMENT, NO PROBLEM: IN 2017 THE SIX BIGGEST NON-EU COUNTRIES WITH WHICH THE EU DOES NOT HAVE A TRADE AGREEMENT.

Exports of goods in 2017 from the six biggest non-EU countries with which the EU does not have a trade agreement

Country	Rank	Goods exports to the EU in Billions of Euro in 2017
China	1	375.1
USA	2	256.7
Russia	3	145.0
Japan*	7	68.8
India	9	85.9
Brazil	11	63.3

\* Trade agreement, but not in force in 2017

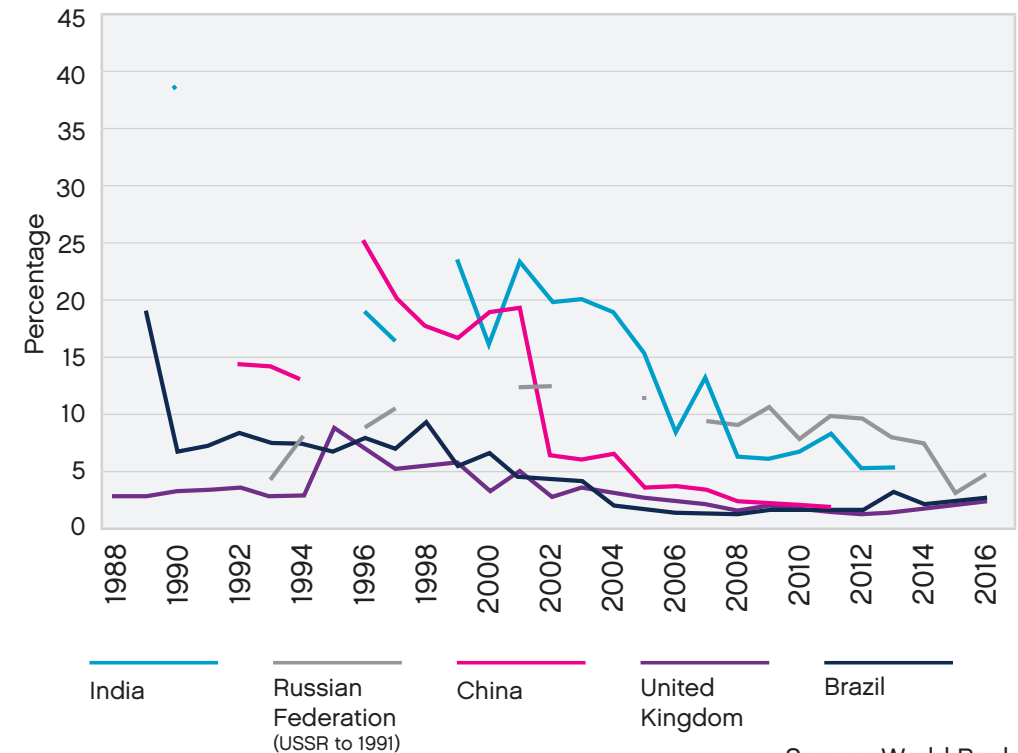
UK goods exports £274 Billion

Source: DG for Trade & European Commission



# DECLINING TARIFFS: THERE HAS NEVER BEEN A BETTER TIME FOR INTERNATIONAL TRADE – WITH OR WITHOUT AN AGREEMENT.

The Fall in Global Tariffs since 1988



Source: World Bank

On BREXIT, under World Trade Organisation rules the UK gets low or zero tariffs on most of its exports - including to the EU - just as, for example, China does today.

## FALSEHOOD 3

# “THE UK WOULD BE ISOLATED.”

Britain was a leader in international trade for centuries, long before the EU was even thought of.

As an EU member state, the UK cannot now trade on our own terms with the rest of the world. Decisions are made for us, based on the interests of the EU 28 - not the UK.

Today, the UK is still a member in its own right of over 100 international organisations, including a permanent seat on the UN Security Council, the G7, the G20, and many more.

These memberships and affiliations give us influence around the world.

Leaving the EU, we could immediately reactivate our existing seat at the World Trade Organisation.

EU membership threatens these other memberships. It denies us the freedom to trade internationally on our own terms.

**Contrary to what we are frequently told, the EU tends to isolate us from the world. This is because it deliberately blocks the UK having its own relationships.**



**ISOLATING THE UK: AS AN EU MEMBER, THE UK CANNOT ENTER INTO ANY TRADE AGREEMENT BY ITSELF.**



# ★ FALSEHOOD 4

“A UK-EU TRADE AGREEMENT WILL INEVITABLY REQUIRE FREE MOVEMENT OF PEOPLE.”

**THIS IS SIMPLY NOT TRUE.**

In fact, the EU has - depending on how it is counted - 140 trade agreements with countries outside the EU. Over 100 have no “free movement of people” clause.

One example, the proposed and controversial EU - Canada Trade Agreement (known as CETA) has NO free movement clause.

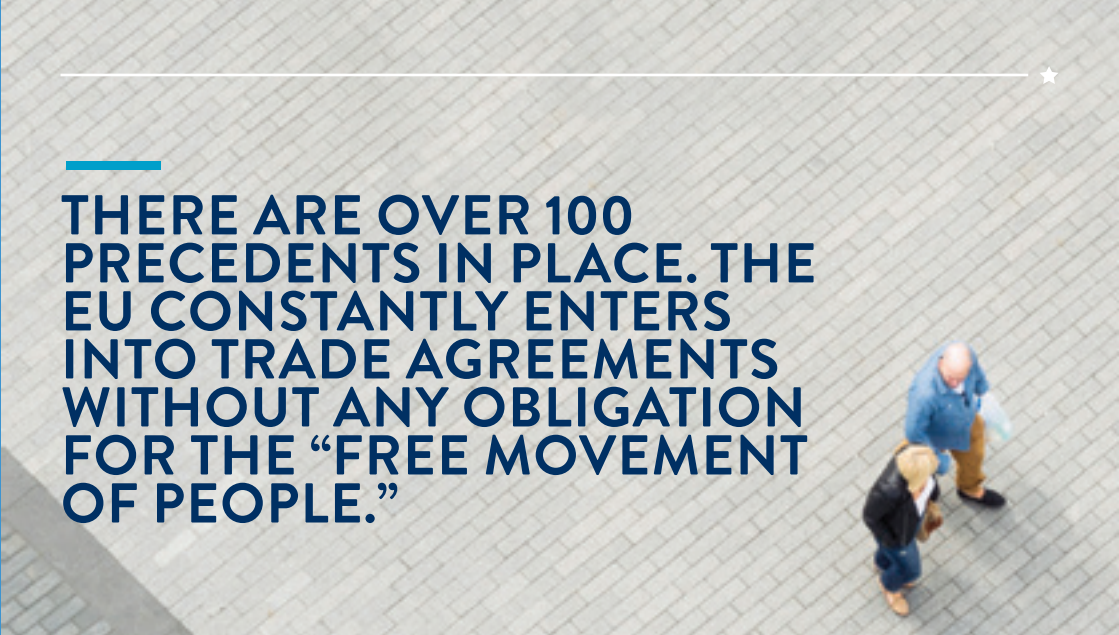
Why do so many want to mislead us?

**David Cameron, in his speech on immigration on 28 November 2014:**

“Accepting the principle of free movement of workers is a key to being part of the single market.”

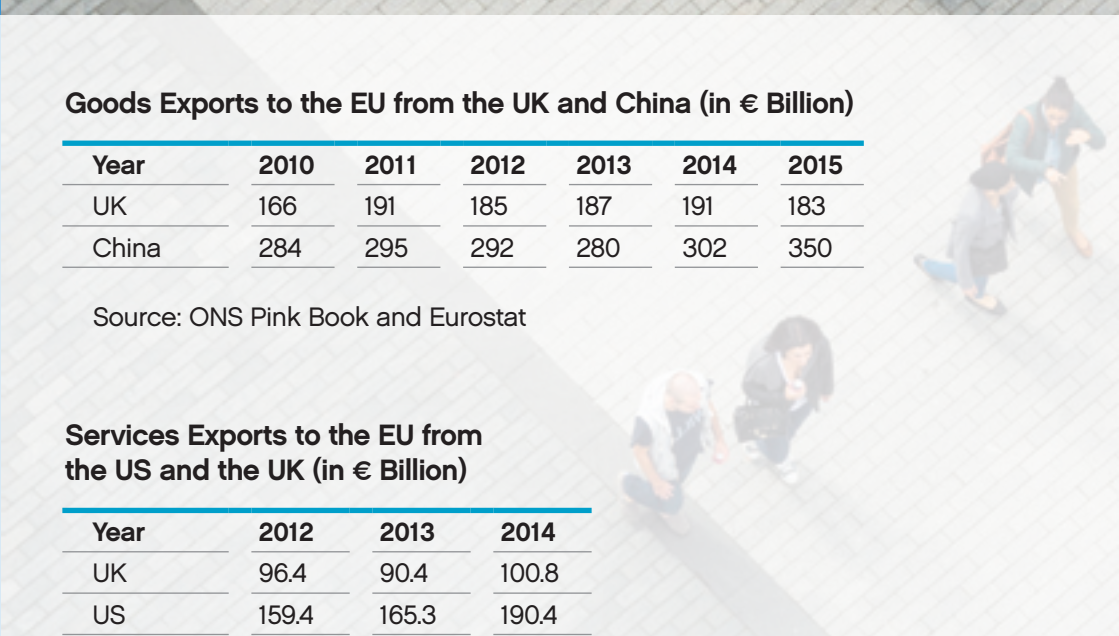
★

THERE ARE OVER 100 PRECEDENTS IN PLACE. THE EU CONSTANTLY ENTERS INTO TRADE AGREEMENTS WITHOUT ANY OBLIGATION FOR THE “FREE MOVEMENT OF PEOPLE.”



**Goods Exports to the EU from the UK and China (in € Billion)**

Year	2010	2011	2012	2013	2014	2015
UK	166	191	185	187	191	183
China	284	295	292	280	302	350



Source: ONS Pink Book and Eurostat

**Services Exports to the EU from the US and the UK (in € Billion)**

Year	2012	2013	2014
UK	96.4	90.4	100.8
US	159.4	165.3	190.4



Source: Eurostat and ONS



★

# THREE TRUTHS ABOUT TRADE.

THE REALITIES OF  
AN EU EXIT FOR THE UK

★

# 1

## WE WILL BE ABLE TO NEGOTIATE AND MAINTAIN LUCRATIVE TRADE AGREEMENTS.

Countries like Switzerland thrive - in part - because they can negotiate their own agreements with other countries.

The fact they are not part of a large trading bloc is not a limitation – far from it. It allows them to negotiate in their own interests.

# 2

## WE CONTINUE TO TRADE WITH EU MEMBER STATES.

The UK is the largest importer of EU goods and services. This gives us a very strong hand in any trade negotiation with the EU. And – with or without a trade agreement – we can continue to trade with EU countries, just as China, Russia and the United States do today, under World Trade Organisation rules.

# 3

## WE REGAIN THE ABILITY TO ACT IN OUR OWN INTERESTS.

Through the World Trade Organisation and other memberships, we can represent ourselves.

Our decisions can be based on what works for the United Kingdom, not the different priorities and varying self-interests of 28 different countries.



# THE TRUTH ABOUT TRADE OUTSIDE THE EU

an abridged version by

**William Dartmouth MEP**

MEP for the South West of England and Gibraltar

