

THE TRUTH ABOUT TRADE BEYOND THE EU

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



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The Truth About Trade Beyond the EU booklet outlines the reasons why we would not be leaving any markets when we leave the EU.

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UK EXPORTS TO EU IN 2013 WERE
£151 BILLION

**WHAT HAPPENS TO THESE
EXPORTS IF WE LEAVE THE EU?**





OUR FUTURE SHOULD NOT BE BUILT ON FALSEHOODS

Whether the UK remains in or leaves the EU, the decision isn't one to be taken lightly. It should be the logical outcome of complete understanding.

To gain that understanding, we all need to be equipped with accurate, insightful 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 have access to the EU single market. **Not true.**

2

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

3

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

4

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

5

A country cannot negotiate trade agreements without being part of a large trading bloc. **Not true.**

FALSEHOOD 1

WE NEED TO BE IN THE EU TO HAVE ACCESS TO THE EU SINGLE MARKET.

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

To illustrate, in 2013 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 in 2013.

Total of top 20 non-EU countries

€2,590 Billion

Economy of France

€2,115 Billion

Economy of UK

€2,218 Billion

Table: Non-EU Countries: Trade with the EU

No.	Country	Millions of Euros
1	USA	483,926
2	China	426,062
3	Russia	326,344
4	Switzerland	263,810
5	Norway	140,164
6	Turkey	127,969
7	Japan	110,452
8	South Korea	75,807
9	Brazil	73,112
10	India	72,697
11	Saudi Arabia	63,749
12	Canada	58,881
13	Algeria	54,219
14	U.A. Emirates	53,670
15	Singapore	46,254
16	Hong Kong	45,979
17	Mexico	44,949
18	Australia	42,251
19	Nigeria	40,393
20	South Africa	40,023
	Total	2,590,711

Source: Eurostat

In 2013, China alone exported goods to the EU worth almost 280 Billion Euros. China is not in the EU.

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

Country	Rank	Goods exports to the EU in Billions of Euro
China*	1	279.9
Russia*	2	206.6
USA*	3	196.0
Switzerland	4	94.3
Norway	5	90.0
Japan*	6	56.4
Turkey	7	50.2
India*	8	36.8
South Korea	9	35.8
Brazil*	10	33.0

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

An exit would not affect our ability to continue UK-EU trade. The “3 million jobs” said to be dependent on UK membership is a myth- an endlessly repeated myth to deceive the electors.

*Countries with which the EU does not currently have a Free Trade Agreement.

Source: Eurostat

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



★ FALSEHOOD 2 YOU HAVE TO BE A MEMBER OF THE EU IN ORDER TO EXPORT SUCCESSFULLY.

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

Switzerland, not a member of the EU, with an economy one quarter the size of the UK's, consistently exports to the EU more than 4.5 times per head of what the UK manages.



Year	Country	Total Exports to the EU in Billions of Euro*	Population in Millions	Exports per Capita	Exports per Capita Multiple Switzerland (UK:1)
2009	UK ^x	217.9	62.3	€ 3,498	4.8x
	Switzerland ^{xi}	130.0	7.7	€ 16,883	
2010	UK	246.1	62.8	€ 3,919	4.5x
	Switzerland	138.7	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	166.5	8.0	€ 20,813	
2013	UK	264.9	64.1	€ 4,133	5.1x
	Switzerland	169.6	8.1	€ 20,938	
Average 2009 – 2013					4.7x

Sources: ONS, HMRC, and Eurostat

**AFTER THE UK
EXITS THE EU, ALL
TRADE WOULD
CONTINUE**

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NO TRADE AGREEMENT, NO PROBLEM: IN 2013, SIX OF THE TEN BIGGEST NON-MEMBER EXPORTERS TO THE EU DID NOT HAVE A TRADE AGREEMENT.

Exports of goods from non-EU countries with which the EU does not have a free trade agreement (2013).

Country	Rank	Goods exports to the EU in Billions of Euro
China	1	279.9
Russia	2	206.6
USA	3	196.0
Japan	6	56.4
India	8	36.8
Brazil	10	33.0

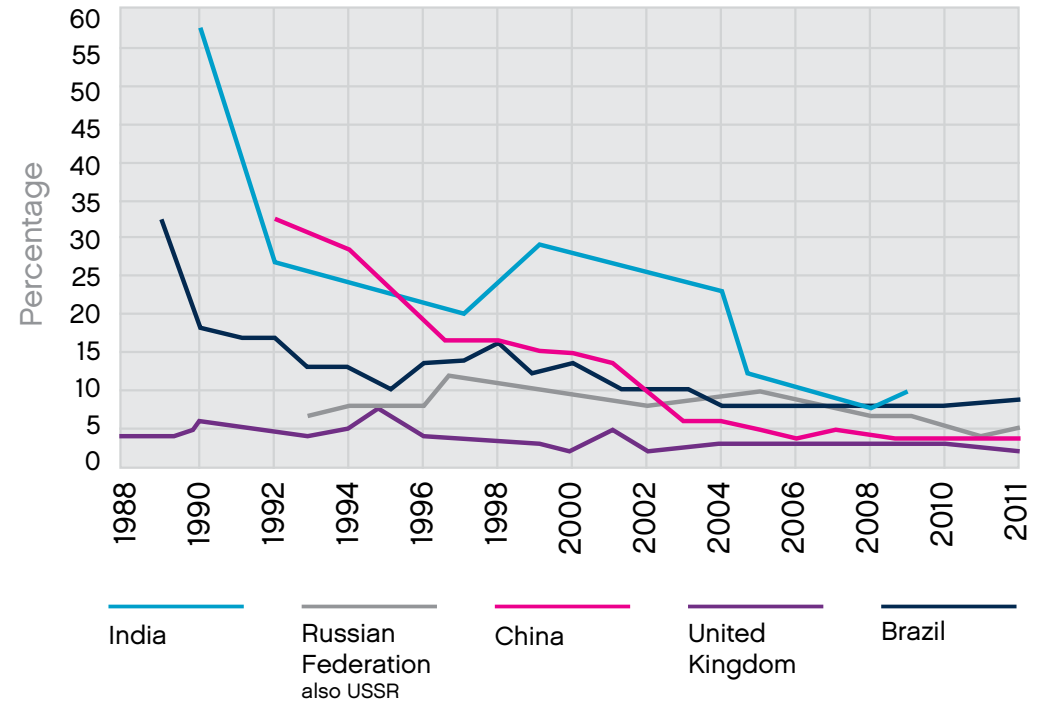
Source: Eurostat



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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 WTO rules the UK gets low or zero tariffs on most of its exports to the EU - just like India, Russia, China and Brazil do today.

FALSEHOOD 3 THE UK WOULD BE ISOLATED.

As an EU member state, the UK is not free to trade on our own terms and in our own way with the rest of the world. Our decisions are made for us, based on the best interests of the whole EU - not the UK.

Today, the UK is a member of over 100 international organisations, including a permanent seat on the UN Security Council, the G7, the G20, and many more in its own right. These memberships and affiliations give us influence around the world. Upon leaving the EU, we could then reactivate our seat at the World Trade Organisation.

But our EU membership threatens those memberships. It denies us the freedom to trade internationally on our own terms. Britain was a leader in international trade for centuries, long before the EU was even thought of.

The tendency of the EU is to isolate us from the world. This is because it stands in the way of the UK having its own, direct relationships- this is for the sake of being part of a Political Union with neighbouring states.



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

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FALSEHOOD 4 A UK-EU TRADE AGREEMENT WILL INEVITABLY REQUIRE THE “FREE MOVEMENT OF PEOPLE”.

THIS IS SIMPLY UNTRUE.

In fact, the EU has – depending on how it is counted – 109 trade agreements. Only four of those agreements, with EFTA and the EEA, have a ‘free movement of people’ component.

Why do the Conservatives say something different?

In his speech on immigration on November 28th 2014, David Cameron said:

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

The implication is, to quote a Conservative ex-Cabinet minister:

“Even if we were to leave, it is inconceivable that the UK could negotiate a trade deal with the EU that did not involve some agreement on freedom of movement.”



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

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FALSEHOOD 5

A COUNTRY CANNOT NEGOTIATE TRADE AGREEMENTS WITHOUT BEING PART OF A LARGE TRADING BLOC.

Switzerland, for example, also has the freedom to negotiate its own trade agreements without the support of any larger trading bloc.

Of course, being part of the EU brings with it some beneficial trade agreements, which Switzerland miss out on.

What are the agreements? See the table opposite. Switzerland has agreements with four countries, including and especially China and Japan, with which the EU does not have agreements. Whereas the EU has agreements with four countries and regions that Switzerland does not.

In fact, the gross domestic product of the countries Switzerland has trade agreements with is over 30 times more than that of the countries with which the EU has trade agreements - and Switzerland does not.

Outside of the EU, it will be more straightforward to make trade agreements.

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THE EU VERSUS SWITZERLAND: COUNTRIES HAVING TRADE AGREEMENTS AND SIMILAR WITH EITHER THE EU OR SWITZERLAND, BUT NOT BOTH.

EU Agreements

Country	GDP (Billions of \$)
Algeria	285
Andorra*	3
Central America	319
San Marino	1
Total	608

Switzerland Agreements

Country	GDP (Billions of \$)
Canada	1,518
China	13,370
Japan	4,729
Singapore	339
Total	19,956

All figures are 2013 GDP figures except: *Andora Figure is 2012 GDP

Source: European Commission



THREE TRUTHS ABOUT TRADE.

THE REALITIES OF
AN EU EXIT FOR THE UK



1

WE WOULD 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 for themselves, on their own behalf, and in their own interests.



2

WE WOULD CONTINUE TO TRADE WITH EU MEMBER STATES.

The UK is the largest purchaser of EU goods and services. It is inevitable that we would negotiate our own trade agreement with the EU after exit.

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 WTO rules.



3

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

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

Our decisions would be based on what works for the United Kingdom, not the varied priorities and self-interests of 28 different states.



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abridged version by

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