

# Decline of the eurozone

It is said by the three main political parties that the UK must remain in the EU because it is our major trading partner and hence vital to our prosperity.

Professor Tim Congdon CBE, with the help of figures from the International Monetary Fund (IMF) database (see below) explains: The numbers are immensely helpful because they extend over a 25-year period and so help in identifying trends. They start in 1991, when the Maastricht Treaty was being negotiated and the euro was conceived, and end with forecasts for 2016. (The analysis is slightly incomplete, because it ignores some of the smaller countries, but apart from Poland and Sweden none of these 10 countries is of much importance).

In 1981 the eurozone output represented 21.8% of the world output. Their problem was and remains, that the excessive taxation and heavy regulation inflicted on them by the EU has held them back. The figures show that the eurozone's share of the world output has plunged by a third – from 21.8% in 1991 to 14.3% in 2011.

It is entirely plausible that our grandchildren will live in a world where the eurozone produces only 6 or 7 per cent of world output. In other words, in their world the nations that today have neither EU membership nor the euro as their currency will outweigh the eurozone by well over ten to one.

## **Eurozone as a percentage share of world output per year**

1991	21.821	2000	18.349	2009	15.015
1992	20.172	2001	18.300	2010	14.556
1993	19.610	2002	17.968	2011	14.253
1994	19.485	2003	17.482	2012	13.861

1995	19.290	2004	16.989	2013	13.478
1996	18.887	2005	16.541	2014	13.100
1997	18.606	2006	16.235	2015	12.722
1998	18.659	2007	15.881	2016	12.350
1999	18.535	2008	15.534		

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