

EU27's international trade balance 'falls off a cliff' in 2022

Bloc in trouble as worst-ever EU27 trade deficit plunges to -€432bn

Without sales to UK propping it up, crash would have been over -€ $\frac{1}{2}$ trillion

Last week when Brexit Britain was celebrating the stunning achievement of being the first European and first non-founding country to join the CPTPP trans-Pacific trading bloc, the EU received much less positive news.

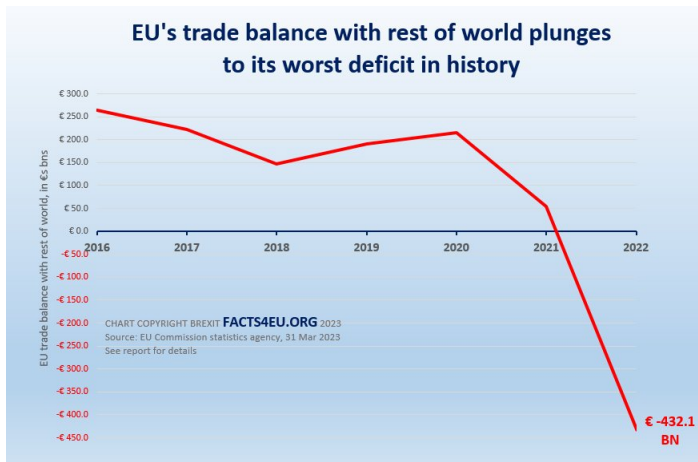
On Friday (31 Mar 2023) the EU's official statistics agency released the news that the EU27's trade balance with the rest of the world had plummeted to its worst level ever recorded. And without the EU's massive trade surplus with the UK, the situation would be even more dire.

This news for the EU isn't just bad, it is catastrophically bad.

As readers will not get this news from the BBC, CIBUK and Brexit Facts4EU.Org has analysed the official data and is summarising it below.

Summary

EU27's massive trade deficit last year (2022)



- EU27 trade balance with rest of world : -€432bn (c.- £380bn)
- **Worst performance since records began**
- Without trade surplus with UK, deficit would have been - €543bn
- However even this surplus with UK dropped by 18.2% last year
- EU27 countries are mostly trading with each other

[Source : EU Commission's statistics agency, Fri 31 Mar 2023.]

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Let's face it, you won't see news like this on the BBC



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We need to raise £100,000 to counter the £3

million raised by the Rejoin campaigns from foreign foundations.

Commenting exclusively on our report, the Rt Hon Sir John Redwood MP told us :-



“Glad to see the large UK trade deficit with the EU fell by 18% over the last year. Now we are out of the EU we can purchase better value goods from countries who will buy more of our exports. As our new Free Trade Agreements come into use this becomes easier.

“The big plunge of the EU into overall balance of payments deficit shows the damage its energy policies have done and its loss of competitiveness in a range of areas from cars to food.

“It shows how important it now is that we follow food and energy policies geared to producing more for ourselves at home and trading globally for the ones we cannot produce ourselves.”

– The Rt Hon Sir John Redwood MP, former Secretary of State,
03 Apr 2023

While Brexit Britain is reaching out to the world, the EU remains inward-looking

In addition to the shocking news of the size of the EU's growing trade deficit, CIBUK and Facts4EU.Org also analysed the 'incestuous' nature of the trade happening in the EU. In other words we looked at how much the EU27 countries are selling to each other, rather than to the rest of the world.

The results are disturbing and should be very worrying to the European Central Bank, the IMF, the OECD, and other institutions such as the World Bank.

Exports of goods between EU Member States (intra-EU trade) was valued at €4,227 billion in 2022. This was significantly higher than the level recorded for exports leaving the EU to the rest of the world (€2,572 billion). **Only 37.8% of all exports from EU27 countries actually leave the EU for foreign markets.**

The EU27 mostly export to each other



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Most EU member countries trade amongst themselves while the world keeps turning

Out of 27 member countries, **only two of them sold more outside the EU than to their neighbours within it.** Those two countries were Ireland (which has always exported mostly to the UK) and Greece (because of its geographical location).

On average EU27 countries exported 62.2% of the goods to each other within the EU's Single Market. The percentage varies from 86.3% for Luxembourg and 78.5% for Slovakia to 47.3% for Greece and 37.5% for Ireland.

Even the EU's trade surplus with the UK fell

The EU has traditionally maintained a healthy trade surplus with the United Kingdom. In 2021 it stood at €135.9bn. In

2022, however, this fell to €111.2bn, **a drop of 18.2%.**

Observations

If the UK had reported results like those above we have no doubt that the BBC would have been all over it like a rash. Equally we are sure that Brexit would have been blamed. As it is, we're talking about the EU and so not a word was mentioned.

Yes, some of the EU's massive crash into an historic trade deficit can be blamed on energy costs, but it's worth pointing out two things. Firstly, the EU was heading into deficit before Putin's illegal invasion of Ukraine, and secondly the EU's severe troubles with energy are mostly down to Germany's stubborn insistence for many years on its gas pipelines (Nordstream I and II) with Russia.

When it comes to the UK's own trade deficit, we have reported many times on how the EU came to rely on its 'Treasure Island', selling vast quantities of goods to its captive market. Since Brexit the UK has slowly been becoming a different place. It will be interesting to see how British companies gradually source alternative suppliers for their imports, and how British exporters start to take advantage of all the trade deals we have reported on in recent days.

One of the great ironies of all of this is how Rejoiners have constantly insulted Brexiteers with the term 'Little Englander'. Apart from the fact that millions in Scotland, Wales and Northern Ireland also voted for Brexit – not just the English – it is now the UK which is looking outward and the EU which seems increasingly to be becoming insular.

CIBUK thanks its Affiliated Organisation, Brexit Facts4EU.Org for their research and permission to republish this article.

The Brexit Facts4EU.Org article can be found [here](#).

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